

प्रशासकीय पुनर्गठन समिति  
(बुच कमिशन) को प्रतिवेदन  
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# CHAPTER I

## INTRODUCTORY

In April 1952 the Prime Minister of Nepal in a letter to the Prime Minister of India asked for the loan of the services of a team of officials from India. A request was made to spare 7 officers of Under or Deputy Secretary status, 27 Assistants, and 5 stenographers for the Central Secretariat, and 3 Commissioners, 3 Deputy Inspectors General of Police, 16 District officers, 16 Head Clerks, 16 Assistants, 32 Supervisors, 16 Superintendents of Police, 16 Inspectors and 16 Clerks for the districts. Two District and Sessions Judges and Registrar or a Deputy Registrar from a State High Court were also required. In addition, teams of officials were asked for the departments of Jails, Forests, Posts & Telegraphs, Industries & Commerce, Customs, Income-tax, Food & Civil Supplies, Wireless and Telephones. After a discussion of these proposals with the Prime Minister and other Ministers of Nepal during their visit to Delhi, the Governments of India and Nepal decided that a small committee of experts should be appointed to study the present organization at the Centre and District Headquarters in Nepal, and make recommendations for reorganization. A Committee consisting of the following was therefore appointed:-

1. Shree N.M. Buch. I.C.S, .. Leader
2. Shree K.P. Mathrani, I.C.S., .. Member
3. Shree S.K. Anand, I.P.S. .. Member

The Government of Nepal were to attach two or three officers to this Committee.

The following are the terms of reference of the Committee:-

- (i) To study the existing organization of the civil administration in Nepal in the various departments both at the Centre and the districts and make recommendations for its reorganization; and
- (ii) To assess the requirements of the Nepal Government of Indian officers to help them, the qualifications of the officers required and the period for which their services will be needed.

The Committee was asked to make a quick survey of the situation and submit their report within about a month. The pattern suggested by them should not merely be a reproduction of the Indian system but should be designed to meet the special needs of Nepal and to suit the genius of the people. It had to be simple and not too expensive.

3. Shri Anand arrived in Kathmandu on 13<sup>th</sup> May and Shri Buch and Shri Mathrani arrived on the afternoon of 14<sup>th</sup> May 1952.

The members of the Committee met H.E. the Indian Ambassador in Nepal on the date of their arrival and Hon'ble the Prime Minister of Nepal on the following days. They handed over to the Prime Minister a brief note indicating the type and nature of the information

required. On 16<sup>th</sup> May, the Committee met the Home Minister and the Finance Minister and then all the Secretaries to Government at a meeting where a simple questionnaire was handed over to the Secretaries with the request that information asked for in it should be supplied within two or three days. On 18<sup>th</sup> May, the Nepal Government nominated Col. Tilak Shamsher, Secretary, Law and Justice and Lt-Col. Himalaya Shamsher, Secretary, Finance Ministry, to assist the Committee in its work. From 19<sup>th</sup> onwards the Committee started visiting the various Secretariat departments in the Central Secretariat (Singha Durbar), observing the work done by each official and discussing the problems and general set up of the Ministry with the Secretary concerned and, in some cases, with the Hon'ble Minister concerned. The Committee also visited Courts including the Kotwali, Police Stations, and the departmental and other miscellaneous offices located at Kathmandu. They also visited a number of places in the Valley. At Bhadgaon they closely examined the working of the Adalat (civil and criminal), the office of the Mal Suba and of the Police Goswara. The Central Jail at Kathmandu was visited on 23<sup>rd</sup> May; on 3<sup>rd</sup> June two members visited East No. 1 district and saw the various offices. Courts and the Jail at Dhulikhel. On 7<sup>th</sup> June they went to Birganj, an important Terai district and saw the Bara Hakim's and Mal Suba's offices, the Amini Court, the Police Station and the Nepal Railway Headquarters. There was a series of discussions with the Hon'ble Ministers, Secretaries, heads of departments and other officers.

Shri J. M. Shrinagesh. I.C.S. and Shri Brij Narain, were Advisers to the Government of Nepal from April 1951 to February 1952. During this period they prepared a number of reports Rules and Instructions and made suggestions for the setting up of a proper administrative machinery. Unfortunately, we were able to get only a few of the reports and notes written by them. We also saw the notes and suggestions of Shri Govind Narain, I.C.S., Shri S.K. Sinha, whose services were obtained by the Government of Nepal, and Shri D. C. Lal, D.I.G. of Police, Punjab, who utilized his holiday in Nepal for studying the working of the Police and making suggestions regarding the re-organization of the Police Department. The report of Shri D.C. Lal on Police reorganization was most useful to us and it is a pity that it was not implemented in parts earlier.

6. We received every assistance from the two officers deputed to assist the Committee. It was fortunate that one of them had served as a Bara Hakim of some important districts and could therefore put us wise to the details of district administration.

## CHAPTER II

### GENERAL

7. Extending along the southern slopes of the Central Himalayas is the Kingdom of Nepal. Along its northern boundary it adjoins Tibet; on the east it is bounded by the State of Sikkim and Darjeeling district of West Bengal; on the west by Kumaon and the river Maha Kali (Sarda); and on the south by Bengal, Bihar and Uttar Pradesh. The country is a narrow tract extending for about 520 miles and its breadth now here exceeds 140 miles, and averages between 90 and 100 miles. In the matter of physical conformation the country has four distinct zones, as follows:
  - (i) The Terai A low lying belt of grass and sal jungle varying in breadth from 10 to 30 miles.
  - (ii) Duns A Sandstone range running along the whole length of the country rising to not more than 300 to 600 feet above its immediate base and 200 to 3,000 feet above sea level.
  - (iii) Hill Country Varying in height from 4,000 to 10,000 feet above sea level, beginning roughly where the Himalayas rise to the north, mounting in ridge upon ridge until they culminate in the vast snowy range extending majestically along the entire northern frontier.
  - (iv) The Mountain region Comprising all the country lying beyond the third zone, for the most part inaccessible and unexplored. It contains the highest peaks in the world including Mount Everest (29,002 ft.). Nevertheless, it is traversed by several passes leading into Tibet most of which, on account of the high elevation, are open to travelers during a very short period.
8. The hill territory from Kumaon to Sikkim is divided into four natural divisions by lofty and massive ridges, viz., Nanda Devi, Dhaulagiri, Gosain-Than and Kanchenjunga—Mount Everest lying roughly midway and somewhat behind the two last mentioned. These enormous ridges run parallel to each other and each of the natural divisions, into which Nepal is divided is walled in on all four sides by mountain barriers, each forming a large mountain basin sloping gradually to the South and furrowed by numerous streams which rise in the surrounding mountains. Each of the three mountain basins derives its name from the river which it is drained:
  - (i) the western division, or mountain basin of the Karnali, or Gogra;
  - (ii) the Central division, or mountain basin of the Gandak; &
  - (iii) the Eastern division, or basin of the Kosi.
9. For administrative purposes, the country could be divided either into three regions viz., the Terai, the Hills and the Kathmandu valley, or alternatively into the Eastern, Central and Western zones besides the Kathmandu valley.
10. The area of the country is nearly 54,000 square miles and the population according to the census of 1920 was 55,756. No proper census appears to have taken place and the latest

figures are a matter of guess-work. However, the present population of the country might be estimated at 70 to 80 lakhs. The distribution of population by regions in 1920 was as follows:

Hills	30,31,882
The Valley	3,67,010
The Terai	<u>21,75,864</u>
<b>TOTAL</b>	<b>55,74,756</b>

11. The administration of the State has been handicapped by the almost complete absence of communications between the headquarters and the outlying districts. Only recently an air-service has been started between India and Kathmandu. This also has to stop during the monsoon. There are three or four landing grounds outside Kathmandu, but their condition is not very good. The Nepal Government Railway runs from Raxaul to Amlekhgunj and the valley of Kathmandu cannot be reached except by an 18 – mile foot journey across the hills. It may take as long as 35 days to reach the boundary districts. Many of the Terai districts could be reached only through India. There is very little telegraphic contact, but a few districts have been connected by telephone and wireless. Physical features of the country make it necessary to have reliable officers in charge of districts and to have considerable decentralization and delegation of powers
12. In February 1951 the century old absolute rule of the Rana Prime Minister ended. A composite Ministry of ten Ministers with the Rana Prime Minister at the head and Shri B.P. Koirala as Home Minister was constituted on 18<sup>th</sup> February 1951. Maharaja Mohan Samsher Jung Bahadur Rana resigned on 12<sup>th</sup> November 1951, and the present Ministry with Shri M.P. Koirala as the Prime Minister was formed on 16<sup>th</sup> November 1951.

By a Proclamation, dated February 18, 1951, His Majesty the King of Nepal expressed his desire and resolve that his people should thenceforth be governed according to the provisions of a Democratic Constitution framed by them and, until such Constitution was framed, to set up a Council of Ministers to aid and advise him in the exercise of his functions. The Interim Government of Nepal Act, 1951, was accordingly promulgated. It provided for the setting up of a Council of Ministers to aid and advise the King, a Pradhan Nyayalaya with a Chief Justice and other Judges, the appointment of a Comptroller and Auditor-General and a Public Service Commission, and for holding elections for the Constituent Assembly. This Act repealed the Government of Nepal Act, 2004. By an amendment to the Interim Government of Nepal Act it has now been provided that for the greater association of the representatives of the people in the administration of the country, an Advisory Assembly shall be constituted to aid and advise His Majesty the King and the Council of Ministers. The Assembly shall cease to exist on the formation of a Constituent

Assembly and is to meet at least twice every year. The Advisory Assembly cannot discuss a motion expressing censure of or want of confidence in any Minister or the Cabinet as a whole; but it has powers of interpellation. Legislation will be placed before it for approval. The Annual Financial Statement is also to be laid before it. The first meeting of the Assembly is likely to be called by the end of June 1952

- 13. Existing administrative set up**— During the regime of the Rana Prime Minister all executive, legislative, and even ultimate judicial authority was concentrated in the hands of the Maharaja Prime Minister. The next person in the line of succession was the Commander-in-Chief and was the administrative head not only of the Military but also of civil administration. The army was directly under the command of the Senior Commanding General, the office being held by the person next in the line of succession after the Commander-in Chief to the Prime Ministership. When the Council of Ministers with portfolios assigned to different Ministers replaced the Prime Minister who was in charge of the whole range of administration, there was no organised Secretariat machinery to assist in running the administration as in a democratic set up. There was confusion as regards the extent of power which could be exercised by different Ministers and by the head of the Judiciary. The Prime minister used to be the final Court of Appeal. He could give interpretations of laws and remove lacunae by his orders which had the force of law. Gradually, conditions are now getting established as regards the proper working of a Cabinet Government. In the absence however of the revision and adaptation of the old laws (Ains and Sawals) a certain amount of confusion persists. The centralization of authority and powers of old days still tends to continue. Since however that power has now been divided among a number of persons disposal of work became slack and in spite of the earnestness and good intentions of the new Government the Secretariat machinery which had to be rapidly got going finds itself in a state of paralysis.
14. At present, there are 13 ministers including the Prime Minister in addition to a Deputy Minister. Recently, the service of one of the Ministers have been terminated by His Majesty the King. The business of Government is divided into 17 departments, each in charge of a Secretary. There is also a separate Cabinet Secretary. The number of Secretaries is in our view unduly large and we shall later propose a reduction in the number of Ministries. There should be no objection to one Secretary working with more than one Minister. The distribution of work amongst the Ministries is in many instances unscientific. Similarly, departments which require amalgamation are being separately kept up. In old days a separate department appears to have been created for every new function or project and for the three areas, the Hills, Valley and Terai. Thus, for example, there is not one Engineering Department under a single head of department, but there is an Old Roads Department, a New Road Department, a department for roads in Hills and Terai, and a separate department for looking after Government construction and buildings in the Valley other than those looked after by the Gharkaj Department, which is in charge of His Majesty's and Prime Minister's Palaces, the Singh Barbar, the Guest House, etc. The engineering works are

divided between the Ministries of Works, Mines and Power, Agriculture and Irrigation and Local-self Government. Animal Husbandry and Veterinary are split up between the Agriculture and Irrigation and the Health Ministry. We shall later on propose a redistribution of work and abolition and amalgamation of several departments.

15. The Secretariat department would generally appear to be top heavy so far officers are concerned, and the district offices and departments would appear to have excessive clerical establishment.
16. At present, the working in the Secretariat suffers from two bottlenecks. The budget not having been passed and proper financial delegation rules not having been framed, everything goes to the Finance Ministry for sanction. This increases work and causes delay. The Finance Ministry is now taking steps to issue sanctions and delegations. The other bottleneck is in the General Administration Ministry. The appointment of every single government servant, whether at headquarters or in the districts has to be referred, even after financial sanction has been obtained and the Ministry concerned has selected the person, to the Kitab Khana through the General Administration Department. Only when the Kitab Khana gives a clean certificate about the person proposed to be employed, it is possible to issue formal orders of appointment. The delay in filling up vacancies and the selected person being able to draw his salary when the appointment of even constables or junior clerks or teachers have to be referred to a single Central Office in the country, could easily be imagined. As we shall indicate later, before a Government servant can draw his monthly pay, his bill has to be referred to no less than six offices; viz. the Kitab Khana, the Hazri Goswara, the Provident Fund section, the Loans section, the Miscellaneous Demands section and the Bali Talab. The Hazri Goswara is a unique institution. It is manned by a few clerks who go around the various offices and mark the attendance of persons. They also pay surprise visits. If an official happens to be away from his room, when the representative of the Hazri Goswara arrives, he could be marked absent, and would lose his pay for the day. If on the other hand, official' attendance is marked by the Hazri Goswara, his absence later in the day may not be noticed. Under this system, the departmental superiors feel no responsibility for ensuring attendance of a person serving under them, and the officials of the Hazri Goswara have considerable authority which might be abused.
17. At present there is no proper division of work between officers and clerks. We shall later indicate how the Secretariat should be organized.
18. There is also no proper division between the work to be done by the heads of departments and by the Secretariat. There is need for more personal consultation and discussion between various Secretariat and other departments; unofficial instead of official references; etc.
19. At present there is a tendency to refer far too many cases including those of a petty nature to the Cabinet as a whole. We have noticed that certain Rules of Executive Business, Secretariat Instructions and Confidential Instructions for the use of the Hon'ble Ministers



and the Secretaries to Government have been framed and perhaps adopted. If these Rules are followed by the Hon'ble Ministers and properly understood by the Secretariat Departments there will be more expeditious disposal of business and the Cabinet will not be burdened with unimportant work. The Rules and Instructions referred to above generally follow the Indian model. In some respects these have been modified to suit local conditions. By and large the Rules and Instructions are suitable though in some respects they would require modification. However, we do not want to go into the details of these Rules and would only emphasise that they should be observed.

20. **District Set up**— The country is divided into districts. A group of Mals is under the charge of a Bara Hakim, of whom there are 31. Recently, there has been an increase in the number of Bara Hakims. We feel that the number of districts is too large and should be reduced to about 20, having regard to area, population, state of communications, etc. The Bara Hakim is in overall charge of the district administration, both revenue and police, and on account of his distance from the lack of intimate contact with headquarter could be an instrument of good as well as of oppression. In the Hills where there is no regular police organization at all, the Bara Hakim has under his control the Militia, which is a body of local men who come up when called upon. Each Militia man is paid about Rs. 7 per month. The Bara Hakim utilizes the Police and the Regular Army where available, or the Militia to govern his charge. On the revenue side, the Bara Hakim is assisted by Mal Subas of whom there may be one or more within his jurisdiction. The Mal Suba is primarily concerned with the collection of land revenue and rent. The agency for collection of land revenue from individual assesses and for maintaining such village records as exist differs in different areas in the Valley, a hereditary official called Zimmeval is responsible for the collection of land revenue; in some areas in the Terai, there is a Zamindar, assisted by a Patwari, to perform these functions. In two or three districts in the western Terai e.g. Nepalgunj and Bardia the U.P. Zamindari system prevails. In the hill districts, there may be a Mukhia or Taluqdar responsible for revenue collection and keeping records.
21. There has been no proper revenue survey or settlement, and the commutation rate from kind into cash rent bears no relation to any set of recent average prices. The records of ownership, tenancy, rent, area and cropping are most unreliable and it is difficult to say with accuracy what the Government demand and outstandings are at particular time.
22. There is practically no investigation or Crime Police in the hills. There is a Police organization in the Valley and in the Terai region. However powers of investigation are extremely limited. If the police made a search and failed to find any case property, they would be liable to be prosecuted and punished. They cannot keep an accused in Police custody for more than 7 days. Very often all that they do is to detain both the complainant and the accused and forward them to the Amini or Adalat. The Police have practically no instruction in either drill or Regulations and law etc.

23. There is hardly any system of intelligence. The Ranas used to get information from a variety of sources but in the absence of proper organization Government must have very little knowledge of the state of affairs in outlying areas.
24. In old days the Bara Hakim generally supervised the working of welfare departments like Education, Health, etc. With the appointment of special officers in these departments, the Bara Hakim seems to be taking less and less interest or responsibility in these matters. It would be necessary, in the conditions obtaining in Nepal, to encourage the Bara Hakim to give his co-operation to all these departments and exercise a supervisory role over the work of village Panchayats.
25. The Forest Department seems to have always been run more or less independently and it was admitted that there has been serious encroachment and damage to forests by private individuals with the connivance of corrupt subordinates. Irreparable damage has been caused in many places.

## CHAPTER III

### SERVICES

#### I. Recruitment

26. We are not concerned with forms of Government but in Nepal as elsewhere "that which is administered best is best". Whatever organization or system is devised, its successful working would depend almost wholly on the persons who are going to work it. In old days, important offices went to members of an oligarchy who had acquired some prestige amongst the people and a degree of experience and self-confidence on account of long family associations with the administration. In a democratic set up, the privileged ruling caste must make room for persons selected on their merit by an impartial authority. Nothing is calculated more to undermine the usefulness and authority of a popular Government than a belief that appointments are made on any other basis than of merit and that services are contaminated to the slightest extent by party politics. The Services should fill the dual role of giving advice frankly and fearlessly and carrying out the policies and orders of Government loyally.
27. In Nepal, there has been a revolutionary change and some purge of old elements and appointments of some persons who could be expected to be loyal to the new order was inevitable. Time has however come from the administration now to settle down. Government should now therefore make all new appointments to gazette posts in consultation with the Public Service Commission and screen the personnel already appointed in a suitable manner so that the right man is in the right place. A competent-administrator is not born but trained and there is no substitute for experience. We have, within the short time at our disposal, not adequately been able to assess the suitability of the present set of officers holding posts of Bara Hakims, Secretaries, and heads of Departments, but from all accounts we gathered an impression that there will have to be a fresh and careful assessment of the qualifications of a number of them for the posts they are holding.
28. We attach a great deal of importance to the proper selection of personnel and consider that in the absence of such selection, no scheme, however well thought out it may be, could be implemented and bring into existence a sound and reliable administrative machine. We have obtained details of the academic and other qualifications as well as of the experience of the gazette officers in different departments. Even after making allowance for the fact that it is difficult in the conditions obtaining in Nepal to find a large body of educated and experienced men, we came across a number of instances where posts have been filled by persons who on account of their age, qualifications or experience, are not suitable for such post. Some of the new officers are very keen to learn and are doing well but it is difficult for

them to inspire confidence and respect and lead a team of subordinates who claim superior knowledge.

## II. Public Service Commission

29. In pursuance of part V of the Interim Government of Nepal Act, 1951, and the Instructions issued by His Majesty the King to his Ministers, a Public Service Commission has to be constituted and has to be consulted on all matters relating to methods of recruitment to civil services, the principles to be followed in making such appointments and as regards the suitability of candidates for appointments. A Commission of three members has been appointed. Under the Regulations issued, the Commission has to be consulted in respect of recruitment to posts the pay of which exceeds Rs. 800 annually. For a number of reasons however, the Commission has not been consulted except in a very few cases. The Nepal Public Service Commission (Limitation of Functions) Regulations have promulgated but Schedule to the Regulations has not been prepared. There was some misunderstanding about the exact functions of the Commissions in respect of transfers etc. This has been cleared up. It will give general satisfaction if the Commission is able to fulfill the role assigned to it under the Interim Government of Nepal Act.
30. The Chairman and members of the Public Service Commission do not consider it necessary to obtain the services of anyone from outside to work as Secretary of the Commission. The present Secretary has been to Bihar for a month. It is premature to say whether the existing staff of the Commission will be able to do the work and whether any outside assistance is necessary. But if the Nepal Government felt, when the Commission begins to function, that the services of a Secretary from outside are necessary; we would recommend that a suitable person should be temporarily deputed. Mr. Govind Narain should be able to give suitable advice in this matter.
31. We understand that under the old regime Government servants were appointed for a period of one year and their appointments were renewed every year. For all practical purposes, however old Government servants were permanent servants as the yearly renewal was by and large a formality. The suitability of these persons for the new posts in the revised set up will have to be determined in each case. The subordinate services need not all be Screened in the case of recent appointments. In their case, equality posts with new posts only will be necessary. We suggest that this work should be entrusted to one or more screening Committees, which might consist of a member of the Public Service Commission, a Senior Secretary or the head of a department to Government, and an independent office like the adviser. Such a committee would be able to make a quick and realistic appraisal of the worth of each official, having regard to his experience, past record, etc. The Prime Minister of Nepal, with whom we discussed this suggestion, considered this method of screening suitable. It would not be proper to burden the Public Service Commission as a whole with this work.

32. As a result of reorganization, it would be necessary to retrench some of the employees, either on the ground of their being surplus on their unsuitability. In such cases, it would be necessary to give reasonable compensation for premature termination of services. The compensation terms offered by the Saurashtra Government are given in Appendix II. What would be suitable in Nepal would depend on a detailed examination of the service conditions and other factors we would of course not recommend any large-scale retrenchment and the Government would no doubt examine, should retrenchment become necessary, how so far as possible alternative employment could be found for such personnel. It is advisable that existing or future vacancies in the clerical and inferior posts should not be filled pending the completion of the screening and reorganization.
33. With the revision of scales of pay and classification of Services in different categories, the limit as regards cases where consultation with the Public Service Commission is necessary *viz.* an annual salary exceeding Rs. 800 needs to be revised.

### **III. Training**

34. We attach the greatest importance to the training of Government servants of all ranks. A scheme of training for the Defence Services is being put into effect under the guidance of the Indian Military Mission. We have proposed a Training School for the Police and suggested deputation of higher officers to Police Training schools in India. We suggest that Mal Subas and Bara Hakims should be deputed in batches for training to the neighbouring State in India and should observe the working of collector's and Tehsil offices. An arrangement could be worked out in consultation with the Governments of the States concerned. Deputation in each case should be at least for 3 months. For Patwaris, we would recommend the setting up of a training school in Nepal itself.
35. A training programme both locally and at Dehra Dun or with the Forest Department of a neighbouring State should be drawn up by the new Chief Conservator of Forests for officials of that department.
36. There should be arrangements for the training of Compounders and Vaccinators in Nepal itself. Suitable arrangements for the education training of Surveyors, Overseers, Engineers and Doctors should be negotiated with educational and training institutions in India. A certain number of seats might also be reserved for Nepali subjects in the Agriculture and Veterinary Colleges in India. Arrangements should also be made for the training of technical personnel for the operation of Wireless; Telegraphs and Telephones. Training should also be arranged for the staff dealing with assessment and collection of customs, income-tax and other taxes.
37. All Government servants should, after recruitment, be placed on probation and during this period they should be asked to study the departmental Ains, Sawals, Manuals and Codes,

and be required to pass a departmental test. These tests could be held by the Public Service Commission for Gazetted officers and by Government or the Heads of Departments for others.

#### **IV. Integrity of Service**

38. We heard from various sources that there was widespread corruption among Government servants of all ranks. The Government of Nepal themselves are well aware of this. We suggest that they should consider at an early date what measure should be adopted to bring to book the corrupt officials. Better scales of pay will to some extent, remove this evil; but it is also necessary that recruitment should be strictly on merit and there should be frequent inspection of subordinate offices and that the higher officers should themselves set an example in standards of rectitude to their subordinates. While screening officials, their past record of integrity should be specially taken into account. It hardly needs to be recorded that corruption may not only take the form of monetary gratification but also of nepotism and patronage in matters of appointment granting of privileges, permits, contracts etc.

## CHAPTER IV

# CENTRAL SECRETARIAT

39. It is fortunate that the Secretariat has been housed in the commodious Singh Durbar. It is essential however that the various Ministries should be seated compactly and rooms properly partitioned and apportioned to facilitate business-like transaction of work. Many of the offices spread out in the city could be brought to Singh Durbar at this would make for better coordination and supervision.
40. The business of Government is conducted in 17 ministries in addition to the Cabinet Secretariat (Appendix III). Having carefully considered the requirements of Nepal, we feel that this number is altogether too large. In the interest of economy and efficiency we propose a reduction in the number of ministries to 11 and suggest redistribution of work between them as in Appendix IV. The new Ministries will be:
1. Ministry of General Administration
  2. Ministry of Defence
  3. Ministry of Home
  4. Ministry of Foreign Affairs
  5. Ministry of Finance
  6. Ministry of Law
  7. Ministry of Revenue and Forests
  8. Ministry of Works and Communications
  9. Ministry of Planning and Development
  10. Ministry of Education, Health and Local Self Government
  11. Ministry of Commerce, Industries and Civil Supplies
41. The present distribution of work is not rational in a number of cases e.g., P.W.D. is split up in half a dozen departments and under three Ministries. Separation of Animal Husbandry from Veterinary work causes some confusion. The General Administration Ministry tends to take on work which might well be done elsewhere. The records in the Kitab Khana which are well kept are really in the nature of service record and should be kept in the case of gazette officers by the Accountant General. The government in Nepal is a unitary government. There is therefore no distribution of functions between the States and the Centre as in India. The distribution of work that we propose has been done after taking into consideration all these factors.
42. In proposing a reduction in the number of ministries we would not like to express any opinion on the number of Ministers Nepal should have, as that is a political question. One Secretary and one department of the Secretariat could however submit work to more than

one Minister. There could be a separate Minister in charge of Education, Public Health and Local Self Government; but the proposed Secretariat department of Education, Public Health and Local Self Government need not on that account be split up into two or three full-fledged departments.

43. The table below gives the existing hierarchy of officials in the Secretariat and other departments together with the details of their dearness allowances and Secretariat allowance in Nepalese currency.

[During our stay in Nepal the value of Rs. 100 (Indian) varied from Rs. 125 to 132.50 (Nepalese)]

		<b>Pay per annum</b>	<b>Dearness allowance per month</b>	<b>Secretariat allowance per month</b>
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
1. Nausindha		204/-	7/50	10/-
2. Bahidar		278/-	7/50	10/-
3. Naib Writer		300/-	7/50	10/
4. Writer		400/-	7/50	10/
5. Naib Mukhia		360/-	7/50	10/
6. Mukhia	500/- to	650/-	7/50	10/
7. Naib Ditha		700/-	-	15/-
8. Ditha	800/- to	1000/-	-	15/-
9. Kharidar	800/- to	1000/-	-	15/-
10. Naib Subba		1400/-	-	-
11. Subba		1800/-	-	-
12. Mir Subba		2700/-	-	-
13. Sirdar		4000/-	-	-
14. Kaji		6400/-	-	-
15. Bade Kaji		9000/-	-	-

(On 7<sup>th</sup> June 1952, Government announced new scales of pay)

44. We do not consider it necessary that in the reorganized set up old designations should altogether be abandoned and new ones such as "junior clerk" "Senior clerk" "Assistant" "Superintendent" etc. brought in. Old designations are well understood by the people at the same time, it is not necessary to have as many as 15 different categories of Government servants and We would recommend that apart from the Secretary and the Deputy or Assistant Secretary there should be only 4 other categories of Secretariat servants with appropriate Nepali designations.



45. The office records in Nepal are kept in the form of scrolls. The paper used is locally made handmade paper which though thin seems to be very durable. Instead however of papers being arranged and noting and drafting proceeding as in a file, a roll is made out which perhaps occupies less space in the records, and is easier to dispatch from place to place over long distances. On the other hand, the file system has many advantages. This system has already been introduced in the in the Secretariat. We found however that the system was not properly understood. Expensive file covers, more suitable for commercial firms, have been purchased and instead of papers being tied together, they are pierced through and held together with metallic clips. A number of clerks were found engaged in putting loose papers in such file-covers and producing in the end something which has neither the merit of the old system nor the advantage of the new. The Nepal hand-made paper is perhaps not suitable for the File system. We would recommend that in the districts and other officers there need be no hurry to dispense with the scroll system which is only a method of putting papers together, and has worked alright. Certain improvements like proper indexing, numbering of papers, etc. should be introduced. In the Secretariat, a simple file system could be introduced and it should be possible for the team we would recommend or for Mr. Govind Narayan to give simple instructions as to how files should be kept. Mr. Govind Narayan's own small office which we saw would serve as an excellent model.
46. We shall indicate elsewhere what in our view should be the staff in each Ministry and how it should be selected. Our proposals are liberal and after the work is properly organized, there will be scope for further reduction.
47. We feel that as in the States of India, one of the Secretaries to Government should be designated as Chief Secretary or Secretary General That Secretary will also be Secretary to the Cabinet and there is no need for a separate Cabinet Secretary. The Chief Secretary or Secretary General should be in charge of the General Administration Ministry and coordinate the work of all Secretaries. He should be carefully selected from amongst the most competent senior civil servants, be respected by his colleagues, and command their confidence. It is only in this manner that co-ordination, discipline and efficient working of the Secretariat could be ensured. It was not possible within the time at our disposal in Nepal to assess the merits of the different Secretaries and to say which of the existing Secretaries would be suitable for this appointment. In case the Nepal Government do not consider any of their officers suitable for this post, India should be able to assist temporarily in finding such a person. We shall indicate later that in the event of such an officer not being available or required the service of one of the senior officers already deputed to Nepal for a short time could be utilized in addition to his own work Besides adequately filling the post of Chief Secretary or Secretary-General, we feel that each of the reorganized ministries should have an official of the status of a Senior Assistant or Junior Supdt, from one of the States or the Central Government in India attached to it for about a year. That official will assist in organising the routine and the system of work in the

ministry and by his own example train the local official in the methods of dealing with cases.

48. Special assistance will be necessary in the Finance Department which will be indicated at the appropriate place. Officers of the rank of Under or Deputy Secretaries in the States should also, we feel be attached for about an year to the Ministries of General Administration, Defence, and External Affairs, one officer can have more than one Ministry. The team of officers and clerks deputed to the Secretariat should work under the general supervision of the senior most officer deputed and if Shri Govind Narayan is asked to perform the functions which we would recommend later under his, or is a Chief Secretary is obtained from outside under the Chief Secretary's supervision. These officers besides attending to the day to day work in the Ministries will form a team which will simultaneously give simple training to Nepal Government Secretariat officials. They could arrange lectures for them in batches for one or two hours everyday. A number of state governments and the Central Government run training institutions and it will be possible to draw up a simple syllabus and training programme for Nepal.
49. Shri Govind Narayan has considerable experience of district and Secretariat work in India as well as in Nepal. We feel that it should be possible for him, with the permission of His Majesty the King, to spare about two hours everyday; sit in Singh Darbar and assist in the co-ordination of work; setting up of a proper Secretariat and implementation of the various proposals which we have made. In other words, till a suitable officer is found; he would act as Secretary-General in addition to his present duties. Even after that he would function as the leader of the team of officers deputed from India and would advise on all matters of reorganization. It would not be necessary to utilize Shri Govind Narayan's services if the services of a full time officer are obtained from India to act as Chief Secretary or Secretary General.
50. We would recommend abolition of two existing institutions viz., the Hazri Goswara and the Adda Janch. Each Ministry and department should be responsible for checking the attendance in that Ministry and for maintaining a leave account of non-gazetted officials. It should not be necessary to consult the Hazri Goswara every month before pay-bills are passed. A revision of the existing procedure about scrutiny of pay bills is being recommended by us elsewhere in this report. Adda Janch seems to be a department for the inspection of the work of all the offices of Government. We do not consider that, constituted as it is, the Adda Janch is competent to perform the duties entrusted to it. Inspections of subordinate offices should be done by higher officers of the concerned department, eg.g. the Superintendent of police or the D.I.G or the I.G. should inspect the Police Offices and the work of Inspectors, Sub-Inspectors, etc., the Chief Engineer should inspect the work of the Superintending and Executive Engineers, the Bara Hakim should inspect the work of the Subas and the member of the Board of Revenue or some other special officer should inspect the work of the Bara Hakims; the Director of Education

should see the work of his Inspectors and so on. There is no place for a department which is capable of inspecting the work of all other technical and non-technical departments in a modern State except as regards methods and organization.

51. It is necessary in a country like Nepal where communications are very difficult and contact with outlying areas is meager and remote that there should be the maximum possible delegation of power and decentralization. Necessary inspections could be provided but heads of departments and officers in charge of districts should be encouraged to assume responsibility and should have adequate financial and other powers so that there is no unnecessary held up of Government work.

## CHAPTER V

# REORGANISATION OF MINISTRIES AND DEPARTMENTS

52. In this Chapter we propose to discuss the existing organization of the various Ministries and Departments and give our suggestions for their reorganization except in respect of Finance and Accounts; District Administration. Police, Jails and Judiciary, which will be dealt with in subsequent Chapters.

### **A. Ministry of General Administration**

53. This Ministry has a Secretary, 3 Deputy Secretaries, 4 Assistant Secretaries, and about 75 clerical staff. It deals with all appointments the Public Service Commission; co-ordination of the work of different Ministries, supervision of district administration, supervision of State property, Adda Janch, Hazri Goswara, Farashkhana etc. and the hospitality department. It entertains and hears miscellaneous petitions and political cases.
54. The officer staff of the ministry is generally speaking experienced but it has been trained in the old ways and it would be useful to have in the ministry a couple of officers who have had some training in one of the State secretariats in India.
55. We have elsewhere recommended that it is unnecessary to have the Hazri Goswara and Adda Janch as separate departments. We have also indicated that the Kitabkhana which keeps the service records of all officers should really be transferred to the Comptroller and Auditor General. It should not be necessary to consult the Kitabkhana every month before pay bills are passed. Each head of department of office should be made responsible for ensuring that pay-bills are properly prepared and drawn.
56. The General Administration Ministry should really concern itself with appointments of heads of Departments and Class I gazetted officers. References to the General Administration Ministry should be made by the ministry concerned, only after it has formulated its proposal in consultation with the Public Service Commission. This Ministry should also be consulted in the framing of Service Rules other than those falling within the purview of the Ministry of Finance.
57. District Administration in different department should be supervised by the ministries concerned. The Home Ministry will be concerned with the Police, Jails ad general

maintenance of Law and Order and the Revenue and Forests Ministry will be concerned with the Revenues work of Mal Subas and Bara Hakims.

58. The task of coordinating the work of different ministries will be an important function of the ministry. This could be achieved generally by reference to matters which come up or ought to come up before the Cabinet.
59. We have recommended elsewhere that the Cabinet Secretariat should be merged in the General Administration Ministry and the Ministry placed under the Chief Secretary or Secretary General. This will ensure better co-ordination and avoidance of duplication of work.
60. The officer strength of the Ministry should be one Chief Secretary or Secretary General, two Deputy Secretaries and three Assistant Secretaries. The Ministry will not be concerned with a lot of details of administration as at present and there is therefore, scope for reduction in the clerical staff.

## **B. Ministry of Defence**

61. In Nepal there was no division of duties between the Ministry and the Army headquarters in the past. The commander-in-Chief and the Senior Commanding General between themselves dealt with the whole range of administration and policy regarding defence.
62. The defence Ministry has two branches at present viz. (i) General (ii) Budget. The ministry has a Secretary, 2 Deputy Secretaries, and 2 Assistant Secretaries. The Deputy Secretary and one Assistant Secretary have attained the age of 60 and would very shortly be retiring. One Deputy Secretary is a B.Sc., 25 years old keen but with little administrative experience. He used to be the Chief Secretary of the provisional Government set up at Mohattari. The second Assistant Secretary is a graduate, 24 years old. He was Head Master of an Adult School. A Deputy Secretary in the Finance Ministry to be attached as Financial Adviser to the Defence Ministry has, we understood, been deputed to New Delhi to study the working of the organization of the Financial Adviser Defence. The Defence Secretariat does not at present find enough work to occupy itself and we feel, having regard to the present personnel that it is essential that an experienced Under Secretary from the Ministry of Defence should be deputed to assist in the organization of this Ministry for about 6 month to one year. We do not consider that the present staff other than the secretary would be able to do justice to their work in the ministry without further training. Major General Pranjpye has been assisting in the organisation of the Army Headquarters, and he and Shri Govind Narain would assist in organizing the Defence Ministry.
63. The Ministry should continue to have two branches each under a deputy Secretary and an Assistant Secretary. One Branch may deal; with the work relating to general staff and

subjects which are dealt with in the Adjutant General's Branch. The second branch might deal with matter connected with the Quarter Master General's Branch and maintenance. Broadly speaking the subjects dealt with by the first Branch would be as follows;

**(a) General Staff work, i.e. –**

Approval of operational plans and schemes in peace and war.

Examination of questions of raising of new units and approval of the same.

Expansion or reduction plans.

examination of location of the army in peace and war.

Intelligence Policy and co-ordination with civil intelligence.

Approval of new weapons and purchase policy of weapons, arms etc.

Schools of instruction and education in the army.

Foreign courses-in India and abroad, etc; etc.

**(b) "A" matters (Adjutant General's Branch):**

This work concerns all matters concerning personnel such as:

Policy of recruitment of officers and men.

Appointment, promotion and retirement rules.

Pay and pension rules.

Discipline – Army Act.

Medical – policy, etc; etc; etc.

The second branch (Q) will deal with the following subjects:

Policy regarding supply of rations and stores i.e. scales of issue and procurement.

Purchase of animals (mules/horses etc.)

Location and accommodation.

Transportation

Moves of troops

Buildings and works programme

Cantonments – administration of.

Stationery and office equipment *etc.*

## **C. Ministry of Foreign Affairs**

64. The Ministry has a Secretary, two Deputy Secretaries, three Assistant Secretaries, one Chief of Protocol, a Director of Internal Affairs, A Director of Asian Relations, a Director of Tibetan Affairs, a gazetted officer, a Superintending Surveyor and 39 clerical staff. Recently an Austrian National, who has spent some time in Tibet, has been appointed Assistant Director for Tibetan Affairs. There are two Embassies – British and Indian – in Nepal and the U.S. and French Ambassadors in India are also accredited to Nepal. There is a Consulate General at Calcutta besides the embassy in India and several Vakils in Tibet. There is also an Embassy in the U.K.

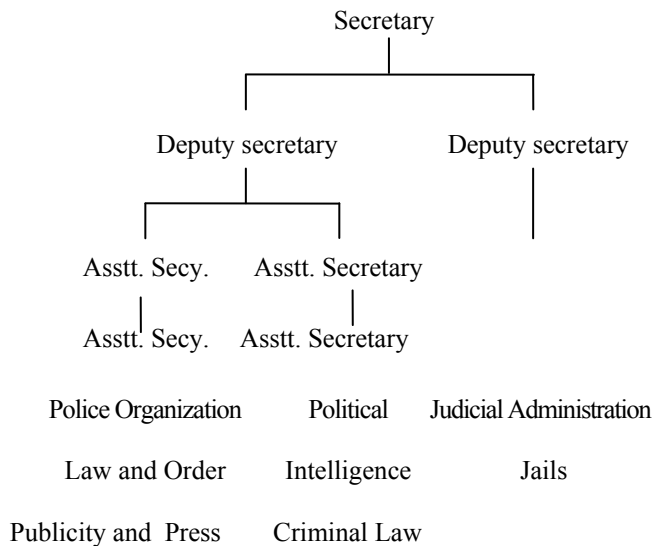
On the whole, the Ministry of External Affairs is well organized into sections and the records are well kept. The Secretary should however be seated in a separate room.

The Government of Nepal has asked for one officer to help them in the organization of the work connected with the Cabinet; General Administration and Foreign Departments. We would recommend that a young officer from the External Affairs Ministry who has worked for some time in the Ministry and also in an Embassy might be deputed to assist this Ministry for about 6 months.

We have no comments to offer about the officer staff in this Ministry except that we feel that there is hardly any need for as many as 3 Directors. The role of the Directors of Internal Affairs in the Ministry dealing with External Affairs is not clear to us.

## **D. Ministry of Home Affairs**

65. The present allocation of work to the Ministry of Home Affairs is by and large what it should have. We are further recommending that the work connected with the administration of Justice should be transferred to it. The Ministry should also receive fortnightly reports from Bara Hakims and if the General Administration Department receives such reports, a copy should immediately be given to the Home Ministry.
66. The Ministry has at present 1 Secretary, 3 Deputy Secretaries and 3 Assistant Secretaries in addition to 20 clerical staff. The Secretary of the Ministry is new to the Secretariat but has seen considerable service in the Police Department and has been trained in India. In the reorganized set up, the officer staff might be as follows.



67. At present the Home Ministry have to do considerable executive work in regard to the Valley, which is done in other districts by Bara Hakims and Adalats and Amin is. There is no Bara Hakim at Kathmandu for the Valley, with the result that even warrants of arrest or orders banning meetings and processions have to be issued by the Home Minister himself. It is desirable that a Bara Hakim should be appointed for the whole of the Valley with headquarters at Kathmandu at a very early date and he should be invested with the necessary powers which are elsewhere enjoyed by District Magistrates.

## Information and Publicity

68. The Department of Publicity which has been recently organized, is also in charge of the publication of the Nepal Gazette and controls the management of the Government Press. It also issues a paper known as "Gorkha Patra". Some newspapers in Nepali language are published outside Nepal but there are two or three which are published in Nepal, the most important being the "Awaz".

69. The Nepal Radio started functioning on April 1, 1952, with a BCGIOE 365 watt transmitter. It has a daily programme of 3 hours and issues News Bulletins in Nepali, Hindi, Newari and English. Till recently, it was under the Department of publicity but now it has been placed under a separate Department with its own Director. Orders have been placed for 5 kw. and 250 watt. transmitters. There are about 95 employees in the Nepal Radio. The Radio as well as the publicity Departments are still in the process of being set up. We understood that Directors were being sent for training for about a week or fortnight to India.



70. Under the democratic set up where elections have to be held shortly on adult franchise for the first time, the organization of publicity on proper lines is a matter of great importance. Communications are difficult and there is a great deal of illiteracy. Under the conditions, a scheme of rural broadcasting may be found useful. At present there is very little contact with the outlying areas and publicity and education of the masses would therefore require very careful planning. A great deal of damage may be done by thoughtless publicity or publicity through media which may not be suitable for Nepal.

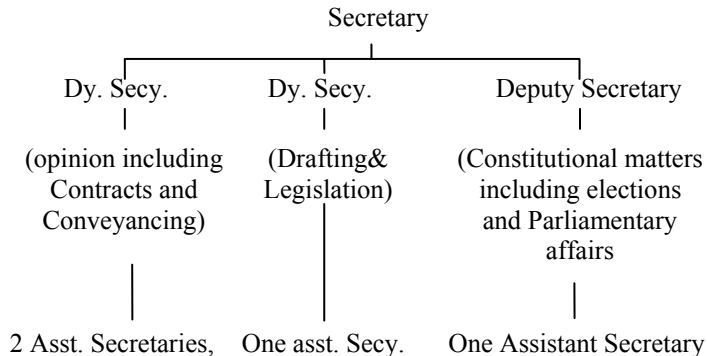
## **E. Ministry of Law**

71. The Legislative Department of this Ministry consists of one Secretary, one Sardar, one Suba, one Naib, one Khardar, one writer, one Naib Mukhia, one Naib Writer, one Bahidar, four Nausindas, one Jamadar and four sepoys.
72. On the Judicial side, there is a complement of two other officers and 87 clerical staff. The Sardar and the Suba, on the Legislative side are 72 and 64 years old and are due to retire; there is hardly any one in the ministry adequately trained in law or drafting to assist the Secretary.
73. We would recommend that the work connected with the administration of justice and criminal law and procedure should be transferred to the Home Ministry. The advice of the Law Ministry would no doubt be available for drafting etc. but appointments connected with the administration of justice, determination of the various grades of Court and their Jurisdiction and powers, and matters relating to penal laws and criminal procedure should be dealt with in the Ministry of Home Affairs.
74. We have elsewhere proposed that there is no need for a separate department of Parliamentary Affairs and we suggest that all matters connected with constitutional reforms, elections etc. should be dealt with in the Ministry of Law. The Legislature, which is constituted, will of course have its own Secretariat and officers under the control of the Speaker.
75. The Government of Nepal have asked for the services of the following officials:
1. One officer and 3 assistants to examine and scrutinize the existing laws.
  2. One officer and 3 assistants to codify the laws.
  3. One officer and 3 assistants for drafting.

We consider that it is necessary to have as many as 3 officers and 9 assistants from outside. It should be sufficient if an officer of the status of a Deputy Secretary in a State Government or the Central Government who has experience of drafting is deputed to this Ministry. He could bring with him a stenographer and a Superintendent or an Assistant with legal qualifications. This would be in addition to the suggestion we have made in the Chapter dealing with the Judiciary, that it would be

desirable to have an officer of the status of a District and Sessions Judge serving or retired to be a member of the proposed Law Committee or Commission which would review the existing laws and propose amendments etc.

76. We suggest the following officer staff for this Ministry.



## F. Ministry of Parliamentary Affairs

77. This Ministry is dealing with affairs connected with the constitution of the Advisory Assembly, Census, Elections and Constitutional Reforms. As we have recommended elsewhere, we think that the work connected with the Census could be taken over by the Revenue (present Land Administration) Department. Work connected with constitutional Reforms, Elections and the Advisory Assembly affairs should be done by the law Ministry. The Legislature may have of course its own small Secretariat under the control of the Speaker in due course. We have also recommended earlier that the administration of Justice should be transferred from the Law Ministry to the Home Ministry. The Law Ministry would therefore be able to take on without difficulty the work now proposed to be transferred to them from the Ministry of Parliamentary Affairs for the existence of which there is no particular necessity.

## G. Ministry of Revenue and Forests

78. At present there are two separate Ministries, one dealing with Food and Land Administration and another with Forests. We propose that there should be a single Ministry dealing with the land revenue administration as well as forests and "Food" should be transferred to the Ministry of Commerce, Industries and Civil Supplies.
79. The food and Land Administration Ministry deals with the procurement, purchase and distribution of foodgrains, control of imports of ghee, potato, oilseeds and Dals and famine relief. Famine relief should be transferred to the Revenue Ministry. The "Land" part of the

ministry deals with survey and classification, realization of land revenue, land policy and suspensions and remissions. The Land section is sub-divided into 3 sub-sections dealing with the valley, the hills and the Terai in addition to a general section.

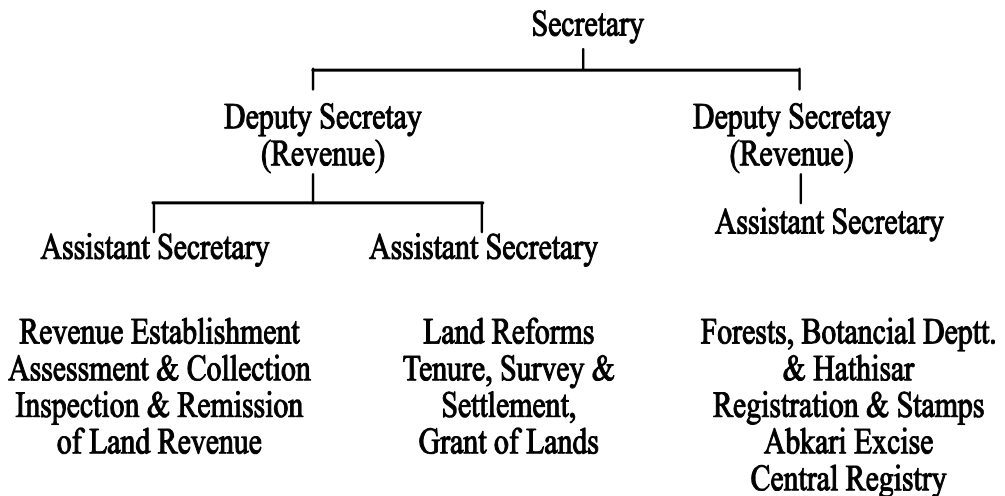
80. The Ministry has a Secretary, a Deputy Secretary, a Director, 3 Assistant Secretaries and 27 clerical staff. The Director of Land Administration deals with all proposals for suspensions and remissions Administration deals with all proposals for suspensions and remissions received from Mal Subas and Bara Hakims. There is a separate Survey Department but the Director is not in charge of it. There has been no regular survey. The survey office has an old experienced Hakim. He is very keen to learn but without adequate knowledge of survey and classification and competent staff. A cadastral survey of the country was started about 11 years ago but not much progress has been made. A long time back, the Survey of India did a survey not of much assistance now for revenue purposes. Such Survey records as we found in the survey office were not up to date and copies have not been sent either to the Mal offices or the Patwari or Zimmeval. At the time of survey, boundary stones are not fixed and it is likely that in many place even the new survey carried out is out-of-date. Classification of land into three classes has been done though not very scientifically. Boundary disputes go to Civil Courts which in turn refer them for local inspection to revenue officers. They report largely on the basis of some kind of summary oral enquiry. Such records as exist only add to the confusion.
81. Some kind of summary settlement was done long ago. The original demand was in kind, but there has been a cash commutation at a very low rate as low as about Rs. 2/8/- to Rs. 3 per mound of paddy, However, the commuted rent works out approximately as follows:
- (a) Within the valley: From Rs. 131 to Rs. 250 for irrigated land and from pice 56 to Rs. 27 non irrigated land per bigha.
- (b) In the hills: From Rs. 6¾ to Rs. 11 ¼ in irrigated and from pice 25 to Rs. 13 ½ in non irrigated, per bigha.
- (c) In the Terai: Re. 1 to Rs. 10 for paddy fields and Rs. ¼ to Rs. 5 for non-irrigated land per bigha.

In some places in the hills, government demand has been assessed according to the mode of cultivation i.e. whether it is carried out with the help of plough with 2 bullocks or one bullock or by hand with a spade or according to the quantity of seed required. Sometime the assessment is fixed according to whether the field can grow rice or not. Other kinds of classification according to the means of irrigation or otherwise are also in vogue.

82. All land belongs to the State in theory. Certain portions of land could be alienated by the State temporarily or in perpetuity and that land becomes 'Birtha' (revenue free land). All other land is known as "Raikar". Rents vary from area to area. Tenants can not ordinarily

be ejected as long as they pay rent. Tenancy rights could be bought or sold. So could zamindaris.

83. Government has under consideration the abolition of or reform of the Birtha system. There is so little data in the land and such a variety of tenancies that we felt that it is desirable to appoint a highly trained survey and settlement officer who with the help of an experienced local revenue officer and if necessary of a Committee could within a period of about 6 months to one year examine the existing revenue and tenancy system and propose what action is necessary. A plan extending over a few years will then have to be drawn up for carrying out survey and settlement, prepare basic records etc. The revenue system need not necessarily be uniform throughout the country as conditions may vary in the Terai and in the Hills. The present position under which it is not possible accurately to determine either Government demand or ownerships and tenancies is very unsatisfactory. While dealing with district administration we shall make further suggestions about the reorganization of the Revenue Department.
84. Tenants of land other than Birtha have a certain amount of security and their rights appear to be almost identical with occupancy rights. It would be necessary after a quick survey and discussions with the interests involved to ensure that there is security of tenure in Birtha areas also and Birtha holders make some contribution to the State revenues. It is difficult for us to say what should be the pace and manner of the reform or abolition of Birthas, and what would be the reactions on the political and law and order situation. All this is now under the consideration of government.
85. The officer staff for the reorganized Revenue and Forest Ministry should be as follows:-



## FORESTS

86. The Department is the charge of a Deputy Minister, Shri Dhama Ratna working under the Minister for Transport and Communications. Shri Raturi who was stated to have been in Tehri Garhwal State service, is the Forest Adviser and has been in Nepal since 1947. He is M.A B.sc. and had forestry training in England. Before Shri Raturi joined in 1947, Mr. Smythie who had been Chief Conservator of Forests in Uttar Pradesh was in Nepal 7 years. The department has staff of one secretary, two Deputy Secretaries, two Assistant Secretaries and two other officials. There are 2 circles 13 divisions and 50 range offices under the control of the Bana Vibhag which coordinates all markings, fillings and extraction and also looks after afforestation.
87. Also under the Ministry of Forests is a Botany Department under Director- an M.sc. from Allahabad. This department looks after the purchase and sale of forests minor produce herbs, drugs, etc. and has Laboratory for the identification, collection and preparation of analytical data. The third department under the Ministry is Hathisar Goswara which looks after the maintenance and control of state elephant.
88. Nepal has considerable forest wealth but in the absence of a proper forest policy there has been indiscriminate exploitation authorized and unauthorized and in many parts the hills have been laid bare and new plantation has not been done. For the Terai area Mr. Smythie is stated to have prepared a number of reports. These however are not readily forthcoming. According to Shri Ratauni, a number of retired Indian officers have been borrowed in the last 5 years and he himself has prepared a report regarding survey valuation, schemes of preservation, planning etc. According to him the following assistance is necessary:
- (i) 4 working plan teams to start work in selected hills.
  - (ii) Setting up of a training school, since Dehra Dun trains only all the Nepalese personnel.
  - (iii) Selection of a Chief Conservator of Forests, preferably from India where silviculture and other problems are similar to those in Nepal.
89. Apart from the need for preserving forests in the interest of soil conservation, forests are an increasingly important source of revenue to the State. We were surprised to hear that some of the higher officers are being paid a commission on all sales of forests produce. The prime Minister told us that a great deal of good could be done if Mr. Smythie's reports could be implemented.

90. Our suggestions are:

- (i) The Inspector-General of Forests, New Delhi, or the Chief Conservator of Forests, Uttar Pradesh, should visit Nepal at an early date and give a brief report about the organization of the Forest Department and on the formulation of a proper Forest policy.
- (ii) Without waiting for (i) above, an officer should be appointed preferably an active senior Divisional Forest Officer from India to be the Chief Conservator of Forests in Nepal. The Nepal Government have asked for one team. In consultation with the officer to be appointed, we would recommend deputation of one or even more than to help in organizing the Forest Department and making arrangements for the training of local personnel. Government should give careful considerations to the suggestions made by the expert from India and reorganize the forest Department at a very early date.
- (iii) We are proposing that the Ministry should be merged with the Revenue Department and need not have separate existence as Ministry. Problems of revenue and forest settlement and of land policy have much in common and all these problems are best dealt with in a single Ministry.

## **H. Ministry of Works & Communications.**

91. There are at present 2 separate Ministers one, for works, Mines and Power and the other for Transport and Communications with the following departments under them:-

### **Works, Mines and Power**

1. Ghar Kaj
2. Saddar P.W.D.
3. P.W.D. Hills & Tarai.
4. Old Roads Department.
5. New Roads Department.
6. Bureau of mines & Judha Research Laboratory.
7. Coal Mine Office.
8. Electricity Department.
9. Ropeway Department

## Transport & Communications

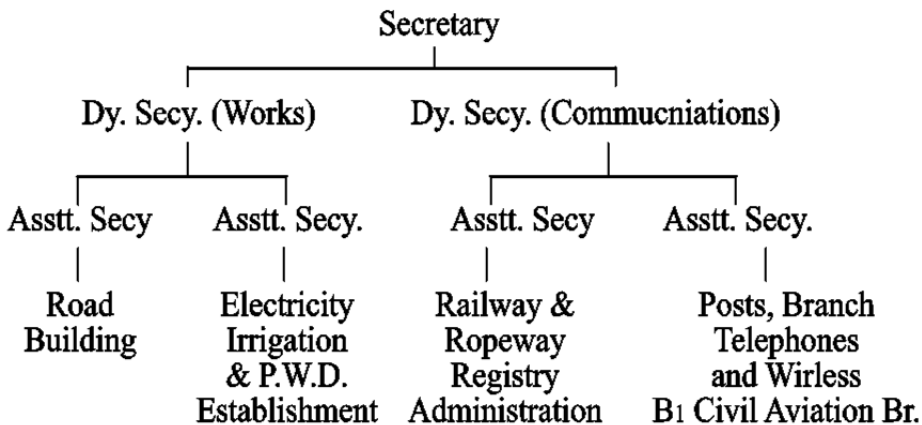
1. Department of Civil Aviation
  2. Department of Post.
  3. Wireless Department.
  4. Telephone Department.
  5. Railway Department.
  9. Motor Railway (Trolley) Department.
92. As we have already stated, we are recommending that both these Ministry should be combined into one Ministry to be designated as the Ministry of Works and Communication. This suggestion is made with a view to rationalize the work and to concentrate all work involving engineering construction or engineering personnel under one Ministry. With this end in view we propose that the Irrigation Department which is under the Ministry of Agriculture and Irrigation should also be transferred to this Ministry. On the other hand we recommend that the work relating to mineral resources i.e. Bureau of Mines, the Judha Research Laboratory Nepal, Coal Mine Office and the Department of Geological Survey. When it is created, should be transferred to Ministry of Planning & Development under the new set-up. It may seem that the reorganized Ministry as proposed by us would be unwieldy but this is not correct. The main defect about the existing system is that there is a large number of semi-detached offices which function without coordination and without a centralized office or head of department. Therefore considerable amount of executive work is at present done in the Secretariat. Under our proposals however, we envisage that heads of departments to be appointed should be in complete executive charge of the department and they should be delegated adequate administrative and financial powers.
93. At present, the two ministries have the following staff in the Secretariat:-

	<b>Works, mines Power</b>	<b>Transport &amp; Communications</b>	<b>Total</b>
Secretary	1	1	2
Officer on special duty	-	1	1
Deputy Secretaries	2	2	4
Asstt. Secretaries	6	2	8
Superintendents	2	-	2
Senior clerks	6	4	10
Junior clerks	18	11	29
Typists	2	2	4

94. It is clear that the staff is excessive and there is scope considerable pruning especially in the strength of officers in the Ministry. We suggest that after the re-allocation of work, appointment of heads of departments and delegation of powers, the following strength of officers would be adequate:-

Secretary	1
Deputy Secretaries	2
Asst. Secretaries	4

95. The distribution of work in the Ministry may be some what as follows:-



96. As regards the clerical strength it is not necessary to make any detailed suggestion but we consider that it may be possible reduce some posts of junior clerks. We shall now briefly deal with the various departments under this Ministry.
97. Public Works Department. – We have already had an occasion to refer to the present arrangement under which the work pertaining to engineering is distributed in 3 different Ministries, e.g. Irrigation under the Agriculture & Irrigation Ministry, roads in the valley under the Local Self – Government and buildings and other roads as also electricity under the Works, Mines & Power Ministry. Further at present the civil engineering work in the W.M.P. Ministry itself is distributed under 5 different offices, viz.-

1. Ghar Kaj
2. Saddar P.W.D.
3. P.W.D. Hills & Tarai
4. Old Roads Department
5. New Road Department

without any coordinating technical officers at the head of these organizations. We consider that all civil engineering works should be in one Department under one head or Chief



Engineer who should have experience of roads, buildings and irrigation. We have considered whether irrigation should continue as a separate department as at present, but having regard to the small size of this department, we feel that it should be constituted as a separate circle in charge of a Superintending Engineer under the Chief Engineer. There are many precedents for this practice, e.g., in Bombay even at present there is one Chief Engineer in charge of roads buildings & irrigation as also Electricity Department. Electricity Department should also, in our view, be under the control of the chief Engineer for all administrative purposes, but it should be constituted into a separate circle under a Superintending Engineer. Before, however, we discuss the details of our proposals for reorganization of the Public Works Department; it may be useful to refer briefly to the activities of the existing organizations.

98. Ghar Kaj – This office deals with works relating to His Majesty's Palace, the Prime Minister's residence, Singha Darbar (Secretariat) and the Guest House. It is in charge of a Director who holds the rank of a Brig. General in the Army and has had engineering training in Patna University; from the details furnished, it is not clear whether he had taken a Degree. He, however, appears to have had considerable practical experience. He has large staff under him, which, like the other P.W.D. organization, is divided into the following sections–

1. Lagath and check Phat (design & inspection section)
2. Nagadi Phat (Accounts section)
3. Mal Godam (stores section)
4. Kath Godam (timber store section).
5. Banaune addas (offices in charge of construction works)

In addition there are an Electricity section and a furniture section in the Ghar Kaj Department. Each of these sections has considerable clerical staff, but the technical staff is negligible and some of the persons appointed to the posts do not possess the requisite qualifications. This remark also applies to other engineering offices of Nepal Government. In this connection it may be interesting to note that according to the statement furnished to us by the Ministry of General Administration, in regard to the activities of this organization relating to the Secretariat building (Singha Darbar), it functions under the Ministry of General Administration. We can see no reason for this arrangement which can only cause confusion. The work relating to the construction, maintenance and repairs of all buildings including the secretariat building should be directly under the Ministry of Works & Communications, though-allotment of accommodation in the secretariat building should be under and control of the Ministry of General Administration and repairs and construction in respect of buildings should be carried out in consultation with that Ministry.

99. Saddar P.W.D. – This organization deals with the construction of and repairs to buildings in the Vally other than the four buildings in the charge of Ghar Kaj Department. It is in charge of a Director & Superintending Engineer with a large clerical staff. It spend during the last seven years an account of Rs. 1,79,800 in Nepali currency and Rs. 1,50,426 in

Indian currency on original works as well as repairs and maintenance. Thus the annual expenditure of this organization comes to about Rs. 47,000 (assuming par value of Nepali rupee).

100. P.W.D., Hills & Terai—This organization deal with the construction, repairs and maintenance of roads and buildings in the districts outside the Valley. It is in charge of a Director and Superintending Engineer, Lt. Col. Surya Jang Thapa, who has received engineering training at Roorkee; it is, however, not clear from the information furnished to us whether he has actually obtained Diploma from that College. There are 45 miles of metalled roads in this area and several buildings of which a separate register is not maintained at the headquarters. In fact it appears that a register of Government buildings is not being maintained in any of the departments of P.W.D. The Director has under him one Assistant Engineer stationed at Birganj and 5 overseers at Biratnagar, Saptari, Mahotari, Taulihawa and Nepalganj. In addition, it is understood that 2 posts of Overseers have been sanctioned for Palpa and Dhankuta but have not yet been filled. The annual budget sanctioned for this department amounted to about Rs. 2,58,000, but it is understood that the former Prime Minister used to sanction in addition *ad hoc* amounts for special works and that in one year the amount spent by the department was Rs. 7,24,000. Last year, however, very little was spent on account of the absence of budget sanction. There is a large number of footpaths and mule tracks in this area and these were, until, recently, being maintained by the Bara Hakims with the help of 'Begar' labour. On account, however, of the abolition of forced labour by the present Government, these tracks are likely to fall into disrepair. It is therefore, desirable that Government provide some funds for the purpose as also to place the responsibility of maintaining these tracks on the local Panchayats or other village representatives on a cooperative and 'voluntary' labour basis.
101. Old Roads Department – This department looks after the old road from Amlekhganj to Bhimpheri and its work consists of repairs and maintenance Lt. Col. Surya Jang Thapa holds the post of Director and Superintending Engineer of this Department in addition to that of P.W.D. Hills and Terai. We have no information about the expenditure incurred on repairs and maintenance of this road during the previous years as the work was generally carried out by the Pioneer Crops of the Army. In this case too last year very little amount was spent.
102. New Roads Department – This is yet another department of the P.W.D. which was created during the war in connection with the design and construction of the road from Raxaul to Kathmandu, which includes the length of the old road also. Very little work has actually been done and since the construction of the road is being under taken through the agency of the Government of India. This office has no work at present and at the time of our visit was being utilized for tracing copies of maps etc. in connection with the 5 years plan. The head of the department is a non-technical officer who has under him a couple of engineers and some overseers.
103. Electricity Department – This department is in charge of the generation and distribution of electricity for the valley. Electricity is generat and at two hydroelectric power stations, *viz.* Sundari-jal and Pharping, the power generated at the former power house is about 800 kw and that at the latter about 500 kw. The responsibility of the Chief Engineer of this Department cannot, therefore, be said to be of a very high order. The department is in charge of Mr. Kilburn who has been in the country for about 25 years and is a Chartered Electrical Engineer being M.I.E.E. Mr. Kilburn is 59 years old and, according to the age of superannuation that may be fixed by the Nepal Government he has either

superannuated or will superannuate shortly. Unlike the other heads of departments, we gathered that Mr. Kilburn had been given wide powers by the former Prime Minister in the matter of expenditure of funds, purchase of stores, etc. but he was experiencing some difficulty regarding financial sanctions under the present regime. His organization is well staffed both at the headquarters and at the power houses. There is probably some scope for reduction in the headquarters office staff.

104. The present supply of power is inadequate for the requirements of the Valley and we understand that the Nepal Government has under consideration proposals for augmenting it. They do not however appear to have been finalized though we understand that one scheme had been prepared by Mr. Kilburn. We gathered that two alternatives were put up before the Nepal Government of either having an additional thermal station at Kathmandu or a new hydroelectric power station in the hills. We suggest that an officer of the Central Water and Power Commission or of the Bihar or UP Electricity department might visit Kathmandu and give the Nepal Government objective technical advice about the most suitable scheme both for short-term and long-term requirements.
105. *Ropeways Departments* – This Department administers two links of ropeways, one from Matatirtha to Amlekhganj and the other from Kathmandu to Swayambhunath. It is in charge of Mr. Kilburn Chief Engineer, Electricity Department who has under him a Resident Engineer and Supervisory and clerical staff for the purpose. This work legitimately falls under the Railway Department and we suggest that it should be under the control of the General Manager of the Nepal Government Railway.

## Irrigation Department

106. As has already been mentioned, Irrigation Department is at present under the control of Ministry of Agriculture and Irrigation. It is in charge of a Chief Engineer, which post is held at present by Sardar Kartar Singh Garcha who has obtained engineering qualifications from America and has been in the Nepal Government service for the last 13 years. In the headquarters office there are a Deputy Director and a Superintending Engineer in addition to the Director and Chief Engineer, but it appears that the post of Deputy Director is held by an officer who does not possess any technical qualifications. In addition to certain minor irrigation works this Department has under its control 3 irrigation works viz; Chandra Canal, Jagdish Kaur Reservoir and Judha Canal. Adequate staff is provided for each of these works. In addition, two other projects viz. Vijaypur Project estimated to cost Rs. 3, 32,000 and Bather Project estimated to cost Rs. 2,78,000, are in progress. Further, Sirsa Dodhore and Tilawa projects, estimated to cost Rs. 12 lakhs each are, it is understood, under the active consideration of the Government of Nepal. We have already mentioned that in our view it is not necessary for this department to function as a separate self-contained department and that all civil engineering works should be under one common Head of Department. This arrangement will facilitate the interchangeability of staff and training of personnel in the different branches of civil engineering.
107. It will be clear from the above brief description of the existing engineering organizations that there is no central technical control and that technical staff is in most cases not fully qualified nor adequate. Further there is no proper division of the country into P.W.D. Circles, divisions or sub-divisions but staff is being sanctioned from time to time for design, construction and maintenance of individual works. There is little delegation of

powers for administrative approval, purchase of stores and incurring of expenditure and most matters have to be referred to the Secretariat for sanction. P.W.D. works are generally done departmentally and the system of giving out work on contract does not appear to have been tried. The only exception to this course is in regard to roads in the Valley as also in the Terai which are constructed by private companies. In the valley, as already mentioned elsewhere, the construction of roads was farmed out to Samar Jang Co. and in the Terai to private bus companies. For the right of construction of these roads, these companies recover tolls for their use. In view of the fact that under the present regime large scale construction works are likely to be undertaken, we suggest that some of the bigger works should be given on contract by open tender as otherwise it will be necessary for the Government of Nepal to engage a large technical and skilled establishment and will have to invest substantial funds for the purchase of stores etc. which will have to be properly accounted for.

## **Suggestion for the Reorganisation of the P.W.D.**

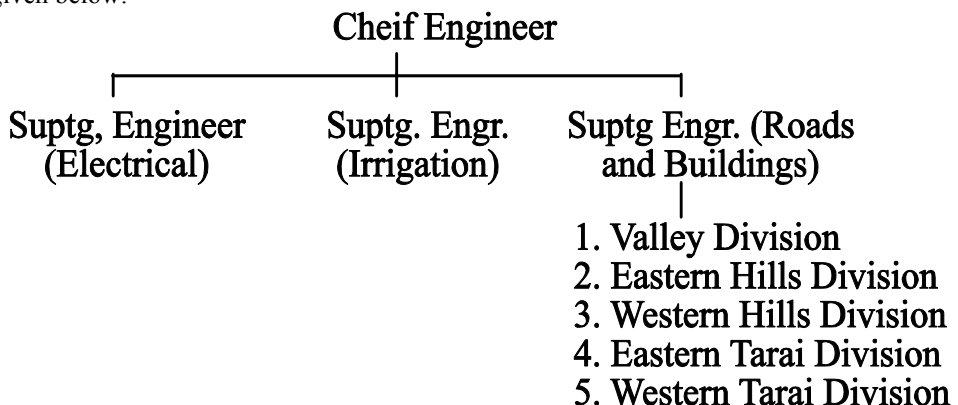
108. We have already given an indication of the manner in which we consider this Department should be reorganized. In our view there should be one highly experienced and qualified civil engineer to be designated as the Chief Engineer to Nepal Government who should be in charge of the entire P.W.D. He should have experience of roads, buildings and irrigation. We do not think that an officer with those qualifications is available in Nepal and we, therefore, suggest that an officer of the status of Superintending Engineer under the Government of India or in one of the States of India with the requisite experience should be deputed for about 2 years for being in charge of the Department. During this period he will reorganize this Department, arrange for the preparation of Public Works Manual and Code and train up a successor to himself. The Department should be organized into 3 Circles for the present – 1) Electrical Circle, (2) Irrigation Circle and (3) Roads and Buildings Circle each in charge of a Superintending Engineer. (Another Road and Building Circle may be necessary later).
109. The existing Chief Engineer, Electricity Department may as long as he continues, be appointed as Superintending Engineer, Electrical Circle. He will be in charge of the existing two power house as also distribution of electricity in the valley. He will also be in charge of design and construction of new generating stations. Further he should be in charge of the duties of supervision and inspection of private electrical undertakings in the country. The ropeway Department may continue to be under his control until Rail ways are in a position to take it over. He should also be in charge of telephones until the Post and Telegraph Department has been reorganized and a competent person appointed to man this organization. He will be the Chief Electrical Adviser to the Government and will in this capacity continue to assist in all electrical projects of the Government including telegraphs, ropeways, etc. even after the control has been transferred to the P. & T. Department and the Railways.
110. The existing Chief Engineer, Irrigation Department, may be appointed as Superintending Engineer, Irrigation Circle. He will be in charge of the design and construction of new

irrigation works and the general supervision of the existing irrigation works. The existing irrigation works will however be under the direct control of the executive engineers of the divisions within whose jurisdiction the works are located. The works will continue to have special staff for repairs and maintenance as at present, but they will be under the administrative control of the executive engineers concerned.

111. As regards the Roads and Buildings Circle it should be divided into territorial divisions. One of the competent Civil Engineer serving under the Nepal Government may be appointed as Superintending Engineer of this Circle. The number of Divisions will naturally depend upon the volume of work of new construction and repairs and maintenance. Unfortunately the data available is not adequate for the purpose of determining finally the number of Divisions that will be necessary. We observe that a provision of Rs. 11,31,000 was made for works and buildings and of Rs. 26,36,000 for roads in the budget of the last year i.e. in all about Rs. 36 lakhs. Out of this amount, however, there was a lump sum provision of Rs. 25 lakhs for the construction of new roads which apparently was not undertaken. Assuming, however, that the annual works expenditure on roads and buildings as also on the maintenance of irrigation works would be of the order of about Rs. 30 lakhs, and having regard to the poor communications of the country and the possibility of Government increasing the budget allotment on the works expenditure with a view to improve communications, we consider that 5 divisions may be created as follows:

- (1) Valley Division which will be in charge of all roads and buildings in the valley including the works allotted to the Ghar Kaj Department at present.
- (2) Eastern Hills Division.
- (3) Western Hills Division.
- (4) Eastern Tarai Division.
- (5) Western Tarai Division.

Each division will be divided into a number of sub-divisions generally 3 to 4, each in charge of an Assistant Engineer. A chart of the proposed organization of the P.W.D. is given below:-



The strength of the technical and clerical personnel for each circle division or sub-division will naturally depend upon the load of work. But it may be of interest to indicate the staff normally sanctioned for these offices in one of the state Governments of India:-

<b>Circle Office (5-6 Divisions)</b>	<b>Divisional Office 4-5 (Sub-divisions)</b>	<b>Sub-divisional office</b>
<b>Technical Section</b>	<b>Accounts Section</b>	<b>Technical Section</b>
1 Assistant Engineer 2 Overseers 1 Head Draftsma 1 Assistant Draftsman 1 Tracer 1 Computer.	1 Accountant 1 Senior Accounts Clerk 2 Senior Clerks 4 Junior Clerks 1 Store-keeper	3 Overseers No tracers & computer for normal sub-divisional offices 1 Tracer for a Project sub-division.
<b>Correspondence Section</b>	<b>Correspondence Section</b>	<b>Clerical Section</b>
1 Head Clerk 1 First clerk 1 Senior Accounts clerk 3 Senior clerks 6 Junior clerks (including 2 typists).	1 Head Clerk 2 Senior clerks 5 Junior clerks (including 2 typists).	1 Senior clerk 3 Junior clerks 2 According as the sub-division is a heavy, light or a project sub-division.
<b>Class IV staff</b>	<b>Drawing and Projects Section</b>	<b>Class IV staff</b>
1 Naik 6 peons 1 Draftry 1 Chowkidar, if necessary.	3 Overseers 1 Draftsman 1 Asst. Draftsman 2 Tracers 1 Computer	3 Peons 1 Chowkidar, if necessary
	<b>Class IV staff.</b>	
	1 Daftry 1 Naik 5 Peons 1 Chowkidar, if necessary	

112. The accounts work forms a very important part of the P.W.D. offices especially of the Divisional offices and in India, therefore, the cadre of Divisional Accountants is under the control of the Accountant General. We suggest that similarly the Comptroller and Auditor

General should train and post suitable Accountants for each of the divisional P.W.D. office after they are formed. Accounts clerks in divisional as also in sub-divisional offices will also need training.

113. We recommend that all constructional work of the Nepal Government, relating to roads and buildings whether it pertains to aerodromes or railways or the Electricity Department, should be in charge of the Roads & Buildings Circle of the P.W.D. It is uneconomical and undesirable that each small organization should carry out its own construction as is being done at present.
114. We have already mentioned that it will be necessary to obtain on loan the services of a Superintending Engineer from India to work as Chief Engineer. In addition, it will be desirable to obtain the services of at least 2 Assistant Engineers, one two function as P.A. to the Chief Engineer and the other as Executive Engineer of a regular division. It will also be useful to obtain the service of a qualified divisional accountant to assist the P.W.D. officers in the training of their accounts staff.
115. Communications Wing – The following organizations fall within the purview of this wing:-
1. Post & Telegraphs.
  2. Telephones
  3. Wireless
  4. Civil Aviation
  5. Railways
  6. Motor Railways
116. **Post & Telegraphs:-** There are at present 85 post offices out of which 9 are exchange post offices; i.e. where exchange of mail bags with the corresponding post offices in the Indian territory take place. The biggest of these post offices is at Kathmandu. Recently, Mr. N. Dovall, Senior Superintendent of Post and Telegraph, Government of India visited Kathmandu at the request of the Nepal Government to examine the existing postal system and to suggest measures for its reorganization. We have had the benefit of perusing his report which has just been received and is being transmitted to the Government of Nepal. We suggest that the recommendations contained there in may be implemented. He has suggested inter alia that the services of an officer of the Government of India along with some trained staff may be borrowed by the Government of Nepal for effecting reorganization of the postal system. We consider that it is essential that this step should be taken for improving the existing system. It appears from Mr. Dovall's report that the system needs considerable overhaul.
117. **Telephones:-** There is an extensive telephone system in the country organized as follows:-
- To the East –
- Trunk lines – Kathmandu to Biratnagar: about 360 miles and 17 telephone offices.



West –

Trunk lines – Kathmandu – Palpa: about 161 miles and 7 telephone offices.

Rexaul – Kathmandu – Rexaul: about 71 miles and 7 telephone offices.

118. In addition there is an independent exchange at Kathmandu. The department was formerly in charge of Mr. Kilburne, the Chief Electrical Engineer, but on transfer of the Electricity Department to the Ministry of Works, Mines and Power, Mr. Kilburne ceased to be in charge of this Department, which is now without a head. In view of the proposed amalgamation of the W.M.P. Ministry and Transport and Communications Ministry, we have already suggested that Mr. Kilburne should be put in charge of the Department until other arrangements are made. Our provisional view is that telephones should be a part of the Post & Telegraph Department but this question can be further considered after the working of the Department has been examined by a telephone expert whose service have been asked for from the Government of India.
119. **Wireless Department (Akash Vani):-** The department was organized about 3 years ago and controls about 20 wireless stations located in different parts of the country. Each of these stations manned by Operators mechanics and clerical staff depending upon the volume of traffic in the Station and at the head office there is an Engineer-in charge for technical matters and a Hakim for administrative work. There is no single head of the Department at present. The working of this department was recently examined by Mr. B.N. Narasimiah, Assistant Director General (wireless) who has submitted his report for the reorganisation and expansion of the existing wireless system and it appears that the Nepal Government are now awaiting the arrival of a wireless expert from the Government of India to implement the scheme of Mr. Narasimiah and reorganize the Department. We suggest that the services of a suitable officer should be made available to the Nepal Government as early as possible as in view of the difficulty of other forms of communications wireless is the only means by which the Government can keep in touch with the districts. The system is also available to the public who can send telegraph messages and its proper maintenance and further expansion would be a great boon. Subject to the advice of technical experts of the P.&T. Department, we consider that the head of Post & Telegraph, i.e., the Director General of Posts & Telegraphs, should also be in charge of the Wireless Department as we think it undesirable to have small separate department with independent heads.
120. **Civil Aviation** - In addition to the semi-pucca aerodrome at Kathmandu (which is being improved with the assistance of the Indian Military Mission), there are 4 kacha airfields at Pokhara, Simra, Biratnagar and Janakpur. In view of the difficult land communications of the country, air travel provides a very quick and convenient mode of transport and therefore there is scope for improvement and expansion of the present facilities. The department is in charge of a Director who has under him an Assistant Engineer-cum-Aerodrome Officer for Kathmandu and certain other technical and clerical staff. Since at



present there is only one regular service from Patna to Kathmandu, the work relating to the regulation of civil aviation as such is very limited and the main function of the department consists of construction of new aerodromes and maintaining and improving the existing ones. The construction, repairs and maintenance of the aerodromes is, however, a function of the P.W.D. and we have already suggested that this work should be place in their charge. The Civil Aviation Department should thus confine itself to the regulation of civil aviation, control of traffic and matters pertaining to maintenance of Government planes, etc. The existing civil engineering personnel of the Department should be transferred to the Public Works Department. Since, as already mentioned, the work relating to regulation of civil aviation, control of traffic, etc. is not very substantial, it would suffice to have an administrative officer of Class I status to be in charge of this organization which should function as a section under the P & T Department. The head of the P. & T. can also be designated as the head of Civil Aviation.

121. **Railway Department** – The Nepal Government Railway is a narrow gauge 2' 6" line consisting of 5 miles of fair weather track and 47 miles of all weather track, Raxaul-Amlekhganj Section 29 miles & Jainagar, Janakpur Bijolpura section being 33 miles. The total capital outlay on the railway up to 2007-2008 is stated to be Rs. 21,81,391 and the net revenue profit reserve Rs. 28,07,209. The working of the railways, therefore, appears to be quite profitable: the gross earnings of the railways are stated to be Rs. 3,55,682 per year and the working expenditure Rs. 2,01,285 thus giving a net revenue profit of Rs. 1,54,397 or 43.5 percent of the gross earnings. We understand, however, that the condition of the rolling stock needs considerable improvement and that on account of the absence of proper delegation of powers to the General Manager the administration is not functioning very smoothly. The Government of Nepal has requested the Government of India to spare the services of a Railway officer to suggest measures for reorganization and improvement of the railways. We strongly support this request.
122. In addition to the General Manager's office, there is a Separate Railway department at the headquarters for controlling the railways. This is however, not necessary and the supervision and policy work should be dealt with in the ministry itself.
123. **Mortor Railways** – There is a small motor railway section from the ropeway station at Matatirtha to Bhansar Adda (customs office at Kathmandu), a distance of about 7 miles for transport of goods from the terminus of ropeway to the city. As the ropeway is now being extended right up to the city, this organization will be abolished however, it becomes necessary to continue this organization, suggest that it as well as the ropeway department should be place under the railways.

## I. Ministry of Planning & Development

124. The present Ministry of planning and Development consists of 1 Secretary, 1 Deputy Secretary (post not filled), 2 Assistant Secretaries, 1 Office Superintendent, 2 Senior clerks, 4 Junior clerk and 1 Typist. It is divided into 4 sections– Administrative Section

which includes Registry, General Section which deals with calling of meetings, preparation of agenda *etc.* Research and Statistical Section dealing with the department of economic resources and collection of statistics, Checkup and Study Section which deals with study of schemes, control of natural resources, dealings with F.A.O. *etc.* As will be seen from the above description, the ministry is in charge of the following main groups of subjects:--

- (a) general policy and coordination regarding planning and development,
- (b) control of natural resources,
- (c) research and scrutiny of economic problems, and
- (d) multi-purpose development schemes.

As regards (b) and (d) there is no need for these projects to be under this Ministry as the Ministry of Works and Communication will look after all irrigation and multi-purpose projects; there will otherwise be unnecessary duplication of Work. As regards (c) statistics and scrutiny of economic problems, this was formerly under the Ministry of Finance and we consider that it could with advantage be retransferred to that ministry. The Ministry of Finance has in any case to collect data regarding financial position, currency, foreign exchange, import and export position and it is better qualified to deal generally with economic affairs and there seems to us to be no room for two ministries having separate statistical sections for the same purpose. It is, therefore, recommended that this work should be transferred to the Ministry of Finance. The only subject which properly belongs to this ministry is (a) general policy and coordination of planning and development. A separate ministry for this purpose can hardly be justified; especially as in the initial stages planning has to be done on a modest and practicable scale.

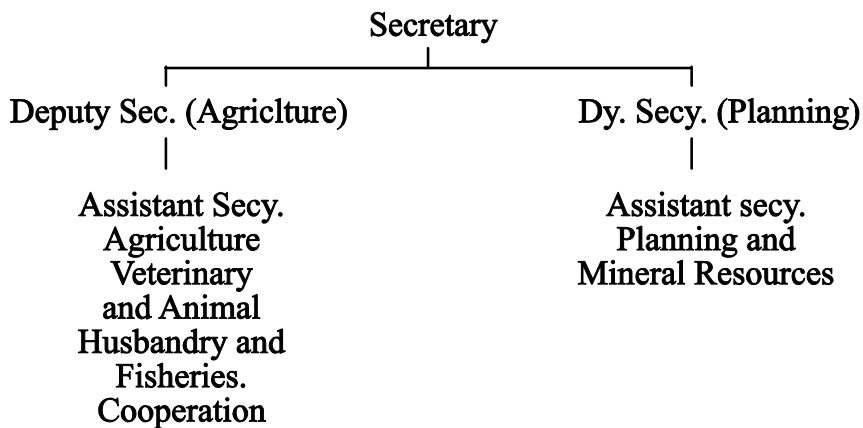
125. As a team of officers for studying the development plans of the Government of Nepal was being deputed by the Government of India (it has already left for that country) we did not consider it necessary to go into the details of the schemes prepared by this ministry. We were however, glad to note that topmost priority being:-

- (a) wireless stations;
- (b) aerodromes; and
- (c) roads.

Thus in our view, appears to be quite sound. We were also informed about certain irrigation and multi-purpose projects, viz. the Kali Project and the Kosi Project in which the Government of Nepal is interested. At the same time we gathered that the ministry intended to appoint a Planning Commission composed partly of non-officials to work out a comprehensive plan, in addition to a number of sub-committees under the chairmanship of the various Ministers. Subject to the expert advice of the team of officers who have been deputed in connection with the scrutiny of the Nepal Government's development plans, we fell that it will be undesirable at this stage for the Nepal Government, to have a body like a Planning Commission having regard to the size of its plans and available resources. It may be better to ask the various ministries themselves to prepare specific

schemes which could be dovetailed into an overall co-ordinated plan by the Ministry of Planning and Development.

126. We have already referred to the transfer of the work dealt with by the Agriculture section of the Ministry of Agriculture and irrigation as also the work relating to the mineral resources section dealt with by the Ministry of W.M. & P. Ministry to this Ministry. The Secretary, 1 Assistant Secretary, 4 Senior clerks, 6 Junior clerks and 1 Typist. The Irrigation department is under the control of this ministry but it has been proposed to transfer this to the Ministry of works and Communications. That ministry will, how-ever, have to work in coordination with the reorganized Ministry of Planning and Development for the purpose of selecting irrigation projects. We suggest that the Ministry of Planning and Development should be constituted as follows:



There will thus be 1 Secretary, 2 Deputy Secretaries and 2 Assistant Secretaries in this organization.

127. **Agriculture Department:-** This Department has, it appears received considerable attention from the Government of Nepal in recent years. It is in charge of a Director and is divided into 6 sections:-

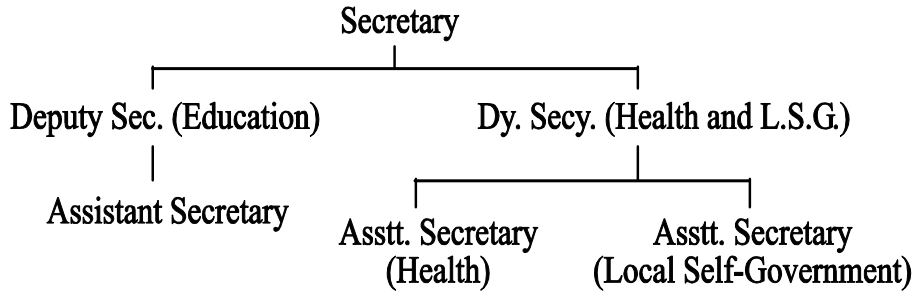
1. Agronomy
2. Agriculture extension
3. Agriculture irrigation
4. Livestock and dairy development
5. Horticulture
6. Fisheries.

It appears that it is also proposed to have a seventh section for research. From the information supplied to us it seems that it is manned by properly qualified (though probably not with adequate experience) officers. In the matter of Agricultural extension

particularly the Department has been taking considerable interest by opening a number of demonstration and experimental farms. We have already suggested the transfer of the veterinary section from the Ministry of Health to this Ministry and we suggest that in order to have proper control there should be one Deputy Director of Veterinary and Animal Husbandry for both sections.

## **J. Ministry of Education, Health and Local Self Government**

128. The Education Ministry has a Secretary, 2 Deputy Secretaries 3 Assistant Secretaries and 11 clerical staff. According to information supplied to us, there are two Degree Colleges, three Intermediate Colleges, 50 High Schools, 150 Middle Schools, 380 primary schools and 175 basic schools, in addition to 274 Sanskrit and Bhasha Pathshalas. The approximate number of pupils in all these institutions other than Pathshalas was stated to be 156,050 and in the Pathshalas 10,010.
129. In the Education Department there is a Director General, Director of Sanskrit studies, a Director of Archaeology, a Curator for the Museum, a Hakim for the Zoo and an Adhyaksh for the Nepal Bhasha Prakashini Samiti. The staff is young though keen. It would be desirable to have an eminent educationist for a short time to advise on the preparation of a proper scheme of education both technical and literary. There should be no hesitation in advertising for and recruiting teachers and professors from outside should it become necessary to do so. It would be desirable to mould the education both technical and literary. There should be no hesitation in advertising for and recruiting teachers and professors from outside should it become necessary to do so. It would be desirable to mould the educational system in such a way that it has a technical bias and does not merely produce a large number of matriculates who may be unemployed and fall easy victims to extremist and violent doctrines.
130. We are recommending a single Ministry of Education, Public Health and Local Self-Government. The officer staff of this new Ministry at the Secretariat should be as follows:-



131. It is desirable that the Superior Inspection staff should be carefully selected and trained and adequate arrangements should be made for the training of teachers. The Head of the Education Department should be called Director of Education or Director General of Education and should be in overall charge of the whole department including Sanskrit Studies, University and Technical education.
132. The Colleges are affiliated to the University of Patna and there is a local Board of Secondary Education which holds the school Leaving Certificate Examination.

## HEALTH

133. The Ministry consists of a Secretary, a Deputy Secretary, 2 Assistant Secretaries and 9 clerical staff. The head of the Medical Department is the Director General, under whom there is an officer in charge of Terai Hospitals, a Superintendent of Town Hospitals, a Superintendent for Tokha Sanatorium and the Ayurvedic, Homeopathic and Unani Aushadhalayas. On the assumption that problems of human and cattle diseases are common, veterinary hospitals have also been placed under the Director General of Medical Department. There are 24 hospitals, 9 dispensaries under Military Compounder and 10 under- departmental compounders. The latter also serve as Sales Depots or Fair Price shops for selling medicines. Unlike in India, the Director General is himself allowed private practice.
134. There is very little preventive work as such undertaken. There is no regular system of vaccination. During the cold weather, on a requisition being received, stocks of vaccine are sent to the Bara Hakims who arrange to have some vaccination carried out through the local doctors, compounders etc. We suggest that whole time vaccinators should be appointed for each district.
135. The Health Minister and Secretary were not happy about the way in which the hospitals were being run. Our recommendations are as follows:
  - (a) There is no need for a separate Health Ministry. There should be a single ministry viz. "the Education, Health and Local Self Government Ministry".
  - (b) It would be wrong to have a non-technical man as Head of the Medical and Health Departments. If for any reason the present arrangements are considered to be unsatisfactory, there should be no hesitation in importing a highly qualified physician or surgeon with administrative experience as Head of the Department. We are of course unable to pronounce any opinion on the work of the present incumbent.
  - (c) It would be desirable to think out a proper scheme of public health administration and improvement of hospitals. We understood that there is a lot of tape worm disease and diseases attributable to lack of iodine and excess of mica in water. In the Terai there is considerable malaria. The arrangements for the disposal of town refuse and filth require a great deal of improvement. All this should be attended to.

This would mean adequate financial provision for the Department and proper staffing and plans.

- (d) There is a great shortage of trained medical personnel. Although arrangements exist for training compounders it is desirable to send more and more people for higher medical and public health training at suitable institutions.

## LOCAL SELF GOVERNMENT

136. The Ministry consists of a Secretary, 2 Deputy Secretaries, 2 Assistant Secretaries and 12 clerical staff. It has under its control Municipalities, the Panchayat Organisation, Government Water works the Samar Jung Company an old pioneer company and the Fire Brigade. This department is also responsible for the maintenance of roads in the Valley. There is no engineering staff under the department and bridges are looked after by the P.W.D. In our view the work of looking after the roads in the Valley should be transferred to the P.W.D.
137. About 100 Panchayats are stated to have been established 3 or 4 years ago and more than 100 have been established under the present regime. Recently, 40 Panchayat officers with 40 senior clerks and 40 junior clerks have been appointed and sent out all over the country for organizing Panchayats.
138. In our experience, this is not the best method of promoting Panchayats. We trust the Panchayat officers have been properly selected. Panchayats cannot be imposed on villages where there may be factions or ground has not been prepared for successful working. It would be necessary to train the Panchayat officers themselves in their work and then post them at district headquarters and other places. Their first task must be to educate people and propose, in consultation with the Bara Hakim, places where Panchayats may be started. In the Initial stages, Panchayats require very careful nursing and guidance in the exercise of their judicial and taxation powers. It would be better to emphasise the constructive aspects of the work of Panchayats and encourage them to undertake various ameliorative measures on the basis of self-help and co-operation. In the time of the Ranas, village tracks and foot paths were kept in repair through forced labour. It should now be a matter of pride for the villagers voluntarily to keep the communications in their area in good condition. The work of the Panchayat officers will require careful supervision and district officers should be encouraged to assist the Panchayat officers and to inspect their work when they are touring about.
139. Lalitpur, Bhaktapur, Kathmandu, Birgung, and Biratnagar are stated to have Municipalities. The elected members of the Kathmandu Municipality resigned some, time ago and the Municipality as well as the municipalities of Lalitpur and Bhaktapur are now being managed by Government. The Municipality of Birgunj has not been constituted yet. Elections were in progress in Biratnagar but they were not being held under the old Municipal Act which was not considered suitable but under Regulations issued by those who rebelled against the Rana regime, assumed control of Biratnagar and constituted a

municipality, with powers specified by themselves A special. Ain has now been passed for Biratnagar.

140. The Water Works and the Fire Bridge, unless they are municipal departments, should in our view be placed under the P.W.D.
141. We are recommending that there is no need for a separate Local Self Government Ministry and a single Ministry of Education Health and Local Self Government should be adequate.

## **K. Ministry of Commerce, Industry and Civil Supplies**

142. This Ministry deals with the following subjects:-
- (a) Commerce, including registration of companies, registration of firms, partnerships, registration of patents, trade-marks and designs.
  - (b) Industries including Weights and Measures and Cottage Industries.
  - (c) Central purchase
  - (d) Civil Supplies Department.
143. Further the subject of labour policy and labour disputes is also allotted to this Ministry, but apparently no labour legislation has so far been undertaken. The work of trade and commerce including control of imports and exports as also tariff falls within the purview of this Ministry. All this however does not give much work to the Ministry. So far as imports are concerned, Nepal is almost wholly dependent on India and has not introduced any control on imports. As regards exports, except for food grains and jute, no control apparently exists.
144. We do not suggest any changes in the allocation of subjects in regard to this Ministry except in respect of "food" which is now under the Ministry of Food and Land Administration, but which as has been pointed out elsewhere should be transferred to the civil supplies Section of this Ministry. The work done in respect of food grains relates mainly to:
- (1) purchase of foodstuffs for the Army, and
  - (2) grant of permits for export of food-grains from Nepal to India. Nepal is generally surplus in the matter of foodgrains and there is neither control over distribution nor any price control.
- We consider that this Ministry can without any difficulty take over this additional work, the administration of which should be under the Civil Supplies Department.
145. We observe that the management of the Printing Press has been under the distribution of subjects allocated to this Ministry. In the Director of Publicity. Further the purchase and distribution of stationery is not allocated to any ministry, as there is at present no central arrangement for distribution of stationery. We suggest that for the reason that the Stores Purchase Organisation is under this ministry, the Stationary and Printing Departments should also be placed under this Ministry.

146. The strength of the Ministry is as follows:-

Secretary	1
Deputy Secretaries	2
Asst. Secretaries	2
Senior clerks	4
Typists	2
Junior clerks	6
Record Keepers	2

147. One Deputy Secretary and one Assistant Secretary look after commerce and Industries (including Cottage Industries and one Deputy Secretary and one Assistant Secretary are in charge of Civil supplies and Centralized Purchases. We do not suggest any change in the strength of the Ministry.

148. There are the following Departments under the control of this Ministry:

1. Industries Department
2. Department of Centralised Purchase
3. Civil Supplies Department

149. **Industries Department** – The post of Director of Industries is ying vacant at present and the Deputy Director is in charge of the organization. In addition to Industries (including Cottage industries), this department is also in charge of registration of companies, partnerships, firms, patents, trade-marks and designs. In regard to industries, its main function is licensing of private mills and other industries. Weights and Measures have also been allotted to this Department but so far no work has been done in this behalf Labour and Factory legislation is also allocated to this Department but work has not yet commenced.

150. There is a fairly extensive Cottage Industries Section in this Department under the charge of a separate Deputy Director of Industries. It runs a number of training classes both for boys and girls particularly in hand-spinning and weaving, Sericulture, beekeeping, etc.

151. We suggest that the post of Director of Industries should be filled by a well qualified engineer or industrial chemist as early as possible and if no local candidate is available one may be obtained from India by recruitment through the Nepal Public Service Commission. We would also suggest that factory legislation should be undertaken to regulate the conditions of work in factories as there are, we understand, a number of factories in the Terai including one Jute Mill, two textile Mills, one Sugar Mill and two Match Factories and one post of Inspector of Factories to be filled by a qualified Mechanical engineer. may be created. A number of other factories are likely to spring up.



152. As regards labour, we do not think that a separate post of Commissioner of Labour is necessary at this stage. The Deputy Director of Industries could attend to this work in addition to his other duties. It may be necessary to appoint a Labour Officer for purposes of conciliation, etc. Lastly we suggest that for work relating to companies, of which there are 5 private limited and 42 public limited and of firms, a person qualified in commercial accounts or in law should be appointed as Head Clerk of Assistant Registrar.
153. Department of Central Purchases- This organization consists of 'Jinsi Adda' at the Headquarter and a Purchase Office at Calcutta. Indents for stores costing more than Rs. 500 are sent to the Jinsi Adda and these used to be submitted to the Commander – in – Chief who obtained the Prime Minister's order for taking action regarding the purchases of these stores. 'Jinsi Adda' thereafter used to cross mandate the indents to the Calcutta organization or placed orders through the agents of Nepal Government (some private companies) in the U.K. The Calcutta office made purchases in India generally by means of limited tenders. The sanction of the Prime Minister had to be obtained again to the actual purchase and later to the payment of the bills. The present procedure is somewhat similar except that the indents are submitted by the 'Jinsi Adda' to the Ministry of Commerce and industry instead of the Commander-in-Chief and the prime Minister. Open tenders are seldom invited and there is no inspection organization of any kind.
154. We suggest that this Department may be reorganised and certain powers delegated to the various officers of the organisation. In the first place, we recommend that this organisation should constitute a branch of the Director of Industries' Office and an officer of the status of the Deputy Director of Industries should be in charge of the organization. He should be given powers to sanction purchases of indents not exceeding Rs. 10,000 provided the lowest acceptable Tender is proposed to be approved. The Director of Industries may have the power to sanction purchases up to Rs. 25,000 and to permit relaxation of procedure in the case of purchase which a Deputy Director is otherwise competent to sanction. All purchases which are beyond the power of the Director of Industries should be referred to the Ministry of Commerce and Industry which will then issue orders in consultation with the Ministry of Finance. Otherwise also definite rules of procedure for inviting open tenders should be laid down. A system of tender by open advertisement may also be introduced.
155. Further it is for the consideration of the government of India and Government of Nepal whether the facility of the Stores Purchasing Organizations of the Government of India within India may be utilized by the latter Government for large purchases exceeding Rs.1 lakh, on the usual terms.
156. Stationery & Printing – At present all officer make their own purchases of stationery articles including paper. In the districts, normally hand-made paper and indigenous pens and inks are used and therefore local purchase in not disadvantageous. But at the headquarters, particularly after the organization of the Secretariat, large purchases of paper and stationery articles are being made by the individual ministries and departments. We suggest that this work should be centralized. In the first instance only the offices at Kathmandu may be supplied with the stationary stores from this organization, but later

when the demands increase supplies may be made to the districts as well. A post of Superintendent of Printing and Stationery may be created with a small go down and a sufficient staff for stocking & distribution of stores. The purchases may be made in consultation with the Stores Purchasing Organisation. For the first six months or a year, if the Nepal Government and the Government of India agree arrangements may be made to supply them with important articles of stationery in bulk on the usual terms. One capacity of the existing Printing Press may be expanded to enable it to carry out the increasing volume of printing work of Government but pending that services of private printing presses would have to be used.

157. Civil Supplies Department – This Department is divided into three Sections are shown below:-

#### **SECTION A**

Textile : Deals with the procurement and distribution of cloth, yarn and cotton.

#### **SECTION B**

Salt, Sugar and Petroleum Products: Deals with the procurement and distribution of salt, sugar and petroleum products.

#### **SECTION C**

Iron, Cement, Coal, Pipes and Corrugated Iron Sheets: Deals with the procurement and distribution of iron, cement coal, pipes and corrugated iron sheets.

In respect of all the articles, quotas are sanctioned for various private dealers on the basis of quotas allotted by the Government of India and there is a permit system for issue of these articles to the consumers. In addition, a fourth Section for food grains will have to be created.

158. The office is under the Director assisted by a Sardar and about 30 non-gazetted ministerial staff. There are no separate organizations of the department in the districts and the 'Bara Hakims of the Districts attend to the work. At Kathmandu, however there is a separate office known as 'Control Adda' under the direct supervision of this department and it does the work relating to the distribution of salt, sugar and petroleum products in the Valley as also in West I and East I Districts.

## CHAPTER VI

# FINANCE AND ACCOUNTS

### Ministry of Finance – existing organization

159. The Ministry of Finance, like the other Secretariat Departments is a creation of the present democratic regime under which an attempt is being made to organize the Secretariat on the lines obtaining in other progressive countries. It should not, however, be assumed that on account of the absence of a regular Finance Department there was no financial control under the old regime. There was in fact stringent control over incurring of expenditure, collection and write off of revenue but it was different in form from that obtaining in India. In the past there was no clear line of demarcation between the State Funds and Privy Purse of the Maharaja or Prime Minister. There was, therefore, no need for framing a consolidated budget specially as there was always a surplus of receipts over expenditure and the problem of balancing the budget did not arise. Sanctions for appointment of staff and expenditure in respect of works and miscellaneous items were given in an *ad hoc* manner, from time to time generally on the basis of oral discussions between the Prime Minister, the Commander-in-Chief and the various heads of Departments named as Directors General, who were generally from the Rana family. Sanctions were given not for posts as such but for appointment of individual officials. The names of the individuals and the pay to be drawn by them were registered in the Kitab Khana and they could draw pay only after certification by this office. The appointment of each individual officer had to be renewed at the end of each year on the basis of reports given by superior officers, and therefore, the distinction between permanent and temporary appointments, as is known to us, did not exist. Expenditure on items other than pay and allowances was sanctioned in an *ad hoc* manner from time to time as and when the necessity arose, and therefore, annual budget grants were generally not sanctioned except in a few cases. Further, accounts were kept separately by various offices and were not consolidated for the country as a whole in respect of the activities of the State; the old regime was probably not interested in presenting a picture of the overall financial position of the country to the public. Some details of the system then prevailing which has to a large extent, except for the creation of the Ministry of Finance and of the Accountant General, continued up till now, will be given in the subsequent paragraphs, but it may be mentioned here that under the circumstances, then prevailing the control which was fortified by punishments prescribed for different types of irregularities, was of a somewhat unconventional type.
160. The functions of the Ministry of Finance created under the present regime have been prescribed under Rule 9 of Rules of Executive Business on the lines of the provisions

made in corresponding Rules for the Centre and the States of India. The relevant Rule reads as under:-

"9. (1) No Department shall, without previous consultation with the Finance Ministry, authorise any orders (other than orders pursuant to any general delegation made the Finance Ministry) which, either immediately or their repercussions, will affect the finances of the Government or which in particular, either:

- (a) relate to the number or grading or cadres of posts or the emoluments or other conditions of services of posts; or
- (b) involve any grant of land or assignment of revenue concession grant, lease or licence of mineral or forest rights or a right to water power or any easement or privilege in respect of such concessions; or
- (c) in any way involve any relinquishment of revenue.

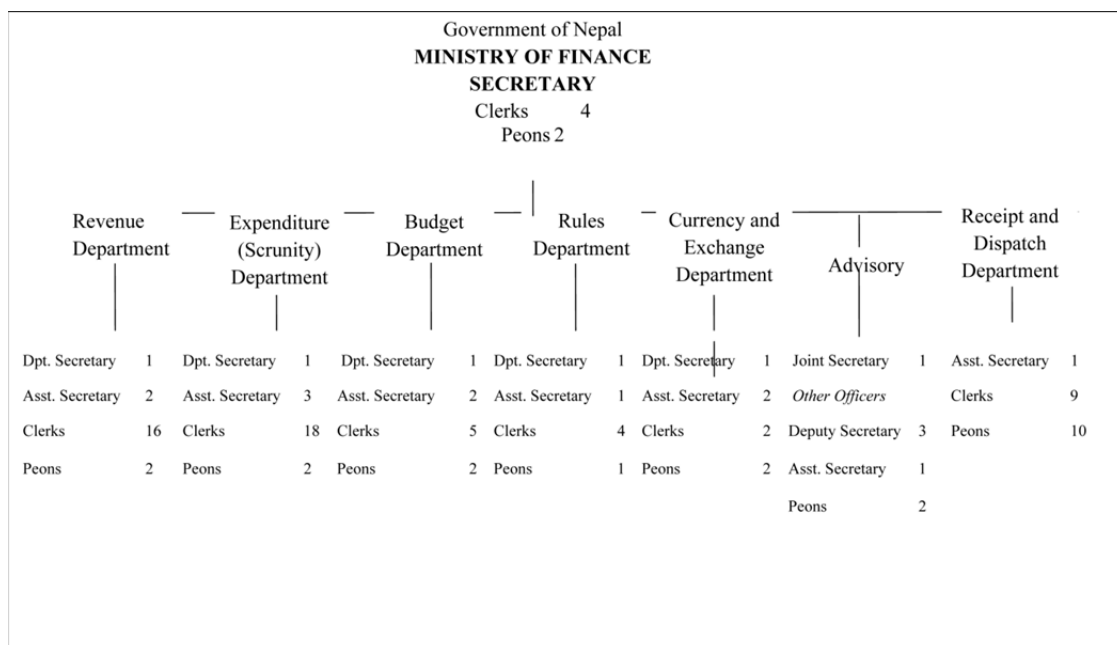
(2) No proposal which requires previous consultation with the Finance Ministry under sub-rule (b) of this rule, but in which the Finance Ministry has not concurred, may be proceeded with, unless a decision to that effect has been taken by the Government.

(3) No reappropriation shall be made by any Ministry other than the Finance Ministry, except in accordance with such general directions as the Finance Ministry may have made.

(4) Except to the extent that power may have been delegated to departments under rules approved by the Finance Ministry every order of an administrative department conveying a sanction to be enforced in audit should be communicated to the audit authorities by the Finance Ministry."

161. Having regard to the difficulties in the matter of existing administrative machinery, the procedure followed and the personal available, the Ministry of Finance as at present constituted has tried to discharge its functions in a reasonably satisfactory manner, having DIAGRAMS had the advantage of guidance of a senior Finance Officer of the Government of India Shri Brij Narain: and without wishing to deprecate the achievements of other Ministries of the Government of Nepal it would perhaps be correct to say that the Ministry of Finance is at present one of the best organized of the Ministries in the State. Nevertheless, as should be expected in the early stages of the formation of an administrative machinery on modern lines, there is room for improvement in its organization and personnel, suggestions regarding which will be made in the subsequent paragraphs. The Ministry of Finance consists of the following staff:-

Secretary -----	1
Joint Secretary -----	1
Deputy Secretaries ---	8
Assistant Secretaries---	12
Clerks -----	52
Peons -----	19
<b>Total ----</b>	<b>93</b>



162. A chart of the organization of the Ministry of Finance is given on previous page. Having regard to the budget of the country, viz. Rs. 3 to 4 crores per annum, the staff is unduly large and particular; top heavy, the ratio of officers to clerks being highly disproportionate. The present state of affairs is partly accounted for by the nature of personnel available in regard to caliber, qualifications and training. In addition to this factor, however, there are certain other handicaps which tend to increase the volume of work of this Ministry and which have resulted in the recruitment of more staff than would ordinarily be required in the Finance Department of a state of corresponding size in India to which the conditions in this country could be more appropriately compared.

These factors are-

- (1) absence of a budget for the current financial year,
- (2) need for codified Civil service and Financial Rules,
- (3) inadequate delegation of powers,
- (4) certain features of offices procedure and
- (5) the state of the administrative machinery.

163. Absence of budget- As has already been mentioned, no budget was ever framed during the Rana regime and the present Government started on an absolutely clean slate in the matter of knowledge regarding the financial position of the country and its requirements in regard to expenditure. Considerable time had, therefore, to be spent by the Ministry of Finance in collecting information regarding the likely revenue and expenditure and the budget for the year 2008, i.e., the year 1951-52 was prepared at almost the close of the financial year. The financial year in Nepal commences form 1<sup>st</sup> Baisakh (i.e, middle of

March), the Era followed being the Vikram sambat. A summary of budget will be found in Appendix VII. This budget as should be expected was based on inadequate information and further contained lump sum provisions for certain development projects. Some examples of this may be given.

164. A lump provision of Rs. 25 lakhs was made for the construction of new roads without there being sanction for the details of expenditure; a lump provision of Rs. 2 lakhs was made for agricultural schemes without detail of the schemes being worked out, a similar lump provision of Rs. 2 lakhs each was made for cottage Industries, Development of Panchayats and new schemes under Medical and Health Department. There was a lump provision of Rs. 5 lakhs each for new schemes for the development of wireless and telephones and Rs. 1 lakh for Post Offices and so on. With a view to avoiding hasty or improper expenditure, the Ministry of finance issued instructions that expenditure in respect of new items should not be incurred until the details of the schemes had been examined by that Ministry. Thus hardly any amount was spent on new schemes or P.W.D. works before the close of the financial year and in many cases these schemes have not been approved up till now. The staffs of the department, who continued to draw their salaries, were thus not kept fully employed.
165. The position in respect of the current financial year is also not very happy. Though two months have elapsed budget grants have not been sanctioned and, having regard to the progress made in submission of estimates by the Departments concerned and their scrutiny by the Ministry of Finance, it would appear that the compilation of the budget is likely to take some more time. In the meantime except for the pay of staff, which is disbursed on the basis of the certificate of Kitab Khana, and except for small amounts sanctioned for expenditure in respect of works, etc. are given on an *ad hoc* basis from time to time after proposals have been examined in detail by the Ministry of Finance.
166. It will be appreciated that the absence of detailed budget provision is bound to cause increase in the work of the Ministry of Finance to which each small item of expenditure has to be referred and this incidentally retards the activities of the other administrative departments. Therefore from the point of view of efficient working of the entire administrative machinery it is essential that the budget estimates for the current financial year are finished and sanctioned with the least possible delay and if, as it seems probable, the sanction of the budget is likely to take some further time, lump amounts for items of expenditure other than pay of establishment and allowance, which in any case are disbursed on the basis of certification by the Kitab Khana, should be sanctioned for a period of the next 3 months for each of the Departments of Government on the basis of the provision made for them in the last year's budget. This provision should include expenditure on contingencies, repair and maintenances of roads, buildings, irrigation works, power houses and other construction works as also for certain new works, which are considered essential, on the basis of rough estimates. The present state of affairs in which it takes considerable time to issue sanctions even for the smallest item of repairs of minor contingent expenditure, leaves buildings, roads and other works unattended to and generally brings discredit to Government. It may be contended that from a strictly

financial point of view is not desirable to sanction amounts without a proper scrutiny of proposals, but not much harm will be done in sanctioning small amount for contingencies and for the repair and maintenance of existing works and also some amounts for new works which are considered essential by Government, even though detailed plans and estimates are not ready.

167. For a budget to serve its purpose it should be presented in a suitable form and should furnish adequate details for the guidance of the administrative departments and the Audit. For this purpose the accounts of Government should be divided clearly into Revenue Capital and Debt and Deposit sections and these sections should be sub-divided into major heads, minor heads, sub-heads and primary and secondary units. This division of budget into various heads of accounts and their sub-division is necessary for proper supervision and control over expenditure and further these heads should be arranged in a rational manner so as to facilitate proper classification. The first budget prepared by the Nepal Government though constituting a considerable advance over the former position of complete absence of a budget is susceptible of improvement in the matter of classification into budget heads and their sub-divisions. Further the details given in the budget are also not adequate for the purpose of proper control over expenditure. We have discussed the question of prescribing more appropriate heads and sub-heads of account with the officers of the Nepal Finance Ministry and they are now preparing modified lists of major heads and their sub-divisions in the light of the discussion. For this purpose, while it is not necessary to copy blindly the heads of accounts prescribed for the Government of India, these will be found useful for guidance. A tentative draft of the revised major heads of accounts and their minor heads prepared by the Ministry of Finance during our stay appears to be suitable for the purpose but in addition a list of sub-heads and detailed heads should also be prepared. Incidentally, it may be mentioned that a clear distinction between revenue and capital expenditure as also transactions under Debt and Deposit section is necessary as the existing budget does not observe this distinction and amounts in respect of Taccavi loans are shown as revenue expenditure. At the same time a list of controlling officers, who should generally be heads of departments, should be prepared and it should be prescribed that they as well as the administrative ministries concerned should keep a watch on the progress of expenditure by obtaining monthly statements of actual. A system of reconciliation of these actual with the figures booked by the Comptroller and Auditor General should also be prescribed.
168. ***Need For codified Civil Service and Financial Rules*** –It cannot be denied that for the smooth running of administration on modern lines it is essential that there should be clearly defined Civil Service Rules dealing with appointments, conditions of service, i.e. pay, allowances including travelling and daily allowances, pension, leave and other ancillary matters. Similarly, Financial and Treasury Rules are necessary for guidance of officers in the matter of handling, custody, collection and expenditure of Government funds. Under the old regime there were certain rules and regulations contained in various Codes of the Nepal Government including the 'Muluki Sawal' but in the absence of a translation of those rules it is not possible for us to give detailed suggestions about their

rules it is not possible for us to give detailed suggestions about their suitability for the administrative set-up that is now being organized. However, from our inspection of various offices including Mal Treasuries and Central Treasuries as also accounts and Audit offices. We feel that the present rules and procedure do require an overhaul. It would not, however, be desirable to copy the Indian rules and procedure indiscriminately as the conditions in Nepal are not identical with those in India in the matter of administrative machinery or the nature of personnel. Embellishments to these rules can be made later as and when the administrative machinery develops and more trained personnel is available. Some attempt to frame this rules has already been made during the tenure of office of the Shree Shrinagesh and Shree Brij Narain. A draft of Civil Service Regulations including provision for pay, pension leave and T.A. rules was prepared before Shree Shrinagesh and Shree Brij Narain left Nepal, but these have not been promulgated. These rules appear to us to be quite simple and suitable for the conditions in Nepal, but we would suggest that in view of the classification of posts and structure of pay scales announced by the Nepal Government recently, they may be suitably modified. Thus the Nepal Government has now decided to have two classes of gazette services. Class I (including selection cadre for heads of Departments) and Class II somewhat on the lines of those prevailing in India and provision should be made for these in the draft rules. Appointments to Class I and Class II posts should be made by Government in consultation with the Public Service Commission. As regards Class III posts which include the ministerial and non-gazetted executive staff, we feel that power of appointment to these posts should in the initial stages be vested only in the head of departments and not in the heads of offices as proposed in the draft rules. Rules regarding travelling allowances also seem to need further amplification in regard to journeys undertaken by road or on foot (as also the combination of such journeys with journey by train) in view of the terrain of the country where a large number of horses and coolies have to be engaged for the carriage of kit. The draft rules relating to pension contain provision for family pensions, but having regard to the fact that this concession is not given at present as also the finances of the country we feel that for the present no such provisions need to be made and instead a Compassionate Gratuity fund started from which grants could be sanctioned to deserving cases of families of Government servants who die prematurely. A copy of the rules sanctioned for the purpose in Bombay is given at Appendix VI. We are glad to observe the healthy provisions in the rules relating to the conduct of Government servants regarding non participation of Government servants in trade or business, as it has come to our notice that at present some Government servants holding important positions actually engage in private business. In fact we feel that this rule (draft rule No. 65) should be made more stringent to provide that a Government servant does not engage in trade or business even indirectly through his relations, etc. We have discussed these points with the officers of the Ministry of Finance and we do not therefore consider it necessary to go into elaborate details of various provisions of the rule in this report.



169. In addition to the Civil Service Regulation Shree Shrinagesh and Shri Brij Narain also framed a draft of the General Financial Rules broadly on the lines of the rules in force in India but of a somewhat simpler nature and these appear to us to be suitable. We are informed that though these rules have been promulgated, they are not being enforced at present because they have not been translated into the Nepalese language and also because of difficulties in respect of the present administrative set-up. We suggest that translation of these rules, which are not very bulky, should be taken in hand immediately and these rules should be implemented as early as possible. These rules do not however, contain any provision regarding contingencies, public works, loans, advances, etc. We suggest that the rules should be amplified to provide for these items. No new Treasury Rules have been framed; but this is to some extent inevitable as provision for these in the rules depends on the organization of the treasuries in the country. We suggest that new rules may be framed after a decision to organize treasuries on the lines indicated in this report has been taken by the Nepal Government.
170. *Inadequate delegation of powers:* - Reference has already been made to the difficulties experienced in administration on account of inadequate or complete absence of delegation of power to officers outside the Secretariat. This system might have worked under the highly centralized Rana regime where the various Directors General could easily obtain the orders of the Prime Minister or of the Commander-in-Chief, but under the present system with over 17 Ministries (including the Ministry of Finance) the absence of clear definition of powers to be exercised by the various officers hampers the administration, as every proposal has to be sent to the Ministries who in many cases refer the question again to the Ministries of General Administration or Finance thus resulting in undue delays. As an instance, it may be mentioned that the Commander-in-Chief of the Nepalese Army had to approach the Minister of Defence and Finance for the purchase of a target board costing a few rupees. It was observed that even in cases where under the old regime officers exercised certain powers; they had now lost their initiative and were in the habit of referring almost every question to the Ministry for orders. The consequences of this over-centralisation are obvious and we cannot too strongly recommend the need for defining clearly the powers of various officers and delegating suitable executive and financial powers to officers outside the Secretariat. The Financial Rules do provide for the delegation of powers by the issue of separate orders, e.g. power to remit revenue but no separate orders in this behalf have been issued. We have explained to the officers of the Ministry of Finance and of other Ministries the necessity for issuing orders delegating financial powers to various officers and are given to understand that these will be issued shortly. This point is particularly important in the case of constructional Department like P.W.D., irrigation, Electricity and Power Houses as also in the case of Army and Medical Departments.
171. *Certain features of office procedure:* - As previously mentioned, elaborate Secretariat instructions have already been issued by the Nepal Government regarding office procedures, filing, etc. Further comprehensive and admirable instructions have been framed for the Ministry of Finance in particular. But these are not being fully observed

probably on account of the fact that they are not properly understood by the staff. In addition to the defects in the matter of office procedure which are common to all the Ministries, there are certain special features in regard to the Ministry of Finance which need to be mentioned as they tend to increase the volume of work in that Ministry.

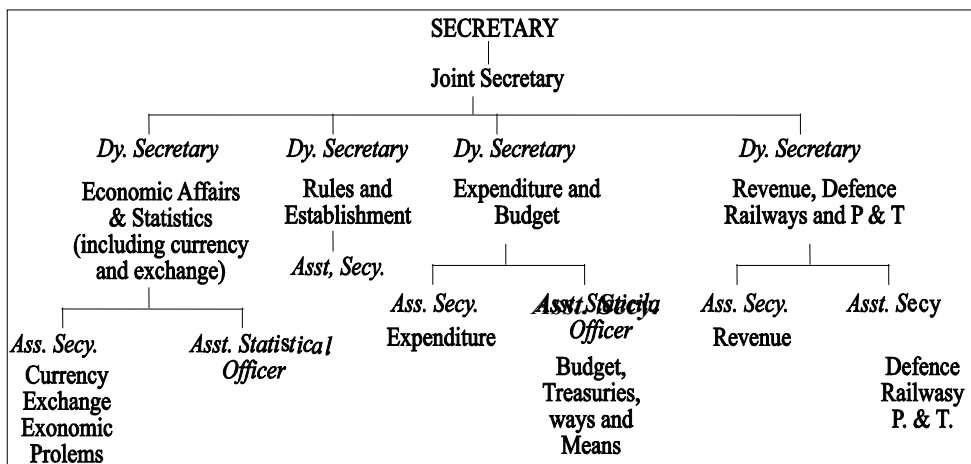
172. At present all references to the Ministry of Finance for financial sanction are in the form of formal letters from the other Ministries. The Finance Ministry, after examination of the proposals sends a formal reply to the Ministries. In fact we noticed that formal references are sent to the various sections of the same Ministry e.g. from the expenditure scrutiny section to the revenue section. This naturally increases the volume of work and a large number of junior clerks is necessary for making fair copies of these letters, etc. We suggest that the system of '*unofficial references*' should be introduced and that references to the Ministry of Finance from other Ministries should be in that form. Thus the Ministry initiating a proposal should send its file along with its recommendations to the Ministry of the Finance which will then record its comments on the file. This will also reduce the bulk of filing work in the Ministry of Finance as ordinarily very few papers should be ultimately filed in that Ministry.
173. It was noticed that after the Ministry of Finance has given its concurrence to a proposal, instead of the administrative Ministry concerned issuing orders a pay order is issued by the Ministry of Finance to the appropriate pay office or treasury authorizing payment. Details of the procedure followed in respect of expenditure sanction and disbursements of amounts in respect of items other than pay and allowances will be referred to later. Thus if a P.W.D. work is sanctioned, an order is issued by the Ministry of Finance to the pay officer or treasury authorizing the payment of the amount on account of the works in lump. If in any case the amount is proposed to be drawn in instalments, reference has again to be made to the Ministry of Finance for further instalments. This naturally increases the work. Similarly, in regard to the creation of a post the Ministry of Finance again authorizes payment of salary to the individual. This is partly due to the functions allotted to the Kitab Khana to which reference has already been made and partly to the fact that there were no standard pay scales up till now. This procedure should be simplified and the Ministry of Finance should only convey its concurrence to the creation of a post. The Ministry of Finance is not concerned with the individual appointed to the post unless it is proposed to pay him something higher than is ordinarily admissible under the rules.
174. It is observed that though the rules provide that a copy of the orders sanctioning expenditure should be communicated to audit, this is not being done at present. Under the present system pay orders are addressed directly to the pay offices or treasuries. After the introduction of the system proposed by us the administrative department should issue orders sanctioning expenditure on posts or schemes and three copies of the orders should be sent to the Ministry of Finance. The Ministry of Finance will keep a copy for itself and send two copies with its endorsement to the Comptroller and Auditor General. The comptroller and Auditor General will then forward one copy to the pay office authorizing payment of the amount.

## The state of the existing administrative machinery

175. We have had occasion to point out that at present there is a large number of attached offices without any controlling heads of Departments. There is, therefore, no adequate supervision of the subordinate offices nor are proposals properly prepared by them. The Secretariat Departments also are unfamiliar with the new methods and considerable reorganisation is necessary. This naturally causes additional work in the Ministry of Finance where proposals are received without adequate justification or without proper details.

## Reorganisation of the Ministry of Finance

176. We anticipate considerable reduction in the volume of work in the Ministry of Finance after the various points recommended by us in the preceding paragraphs have been attended to, i.e., after budget grants have been sanctioned, rules and regulations framed, financial powers delegated, office procedure simplified and departments reorganized. In normal circumstances we expect that the strength of 1 Secretary, 2 Deputy Secretaries, 2 or 3 Assistant Secretaries should suffice for the Ministry of Finance of Nepal. Some of these improvements are however, likely to take some time. Further the existing personnel is not properly trained. Nevertheless, we feel that the existing strength of officers and clerical staff is unduly large. In this connection we may mention that we have obtained the figures of outturn of work in the last fortnight of Baisakh and we find that the work load in this Ministry in respect of officers and staff is very low. We feel that even in the present circumstances after implementing the improvements suggested in the preceding paragraphs, it should be possible for the Ministry to work with 4 Deputy Secretaries and 6 Assistant Secretaries in addition to the Secretary and the Joint Secretary. We have discussed this question with the official of the Ministry of Finance and were commended that the Ministry may be reorganised as in the chart given below:-



177. It will be seen that it is proposed to divide the Ministry into four sections— Economic Affair and Statistics, Rules and Establishment, Expenditure and Budget and Revenue.
178. The work relating to statistics, we understand, was formerly under this Ministry; but it has since been transferred to the Ministry of Planning and Development. We consider that the Ministry of Finance would be in a better position to collect and compile statistics and we suggest that this subject should be transferred back to the Ministry of Finance. We attach considerable importance to the collection of statistics in regard to income expenditure, trade, commerce and industry and therefore we suggest that a post of Assistant Statistical Officer may be created for the Section to be directly in-charge of the Department. This section will also deal with currency and exchange and a Deputy Secretary will be in the overall charge of the entire section.
179. The Rules and Establishment Section would deal with service rules including proposals for creation of posts.
180. The Expenditure and Budget Section would deal with proposals relating to expenditure on items other than pay and allowances e.g. works, contingencies, financial implications of schemes, etc. There may be 2 Assistant Secretaries in addition to 2 Deputy Secretary: one for budget, treasury and ways and means branch and the other for the Expenditure branch. For the purpose of keeping a watch on the ways and means position, weekly reports of the balances in the various treasuries should be obtained in by wireless from the nearest wireless station and detailed instructions should be issued for the purpose. We envisage that during the budget season it will be necessary to employ additional clerical staff in the section.
181. The Revenue Section would deal with proposals for new taxes as also for the administrative supervision of the collection of existing taxes. The actual executive work in relation to taxes will be completely under the control of the Central Board of Revenue to which we will refer in detail later as we consider that it is undesirable for the Ministry of Finance to be directly in charge of administrative matters or executive functions. As this Section will not have adequate work, we propose that work relating to proposals from the Defence, P. & T. and railway Departments should also be dealt with in this section.
182. The efficiency of the Ministry of Finance like any other department will naturally depend upon the personnel manning the Ministry. We find that on the whole, the personnel of the Ministry of Finance has been carefully selected but they need considerable training and guidance. The Nepal Government has already obtained service of Shri Mukerjee, a retired officer of the Indian Audit and Accounts Department who has also experience of the Madhya Pradesh Finance Department. We suggest, however that, in view of his experience of audit and accounts, his services may be utilized for the purpose of reorganizing the Nepal Audit and Accounts Department and for the preparation of the Financial Rules, the Treasury Rules and the Audit and Accounts Codes. He should also arrange for training classes in accounts and audit for clerical and other staff. In addition, we consider that the Government of Nepal will need the services of an officer of the status of Under or Deputy Secretary and of three Senior Assistants or Junior

Superintendents experienced in preparation of budget, scrutiny of expenditure and in service and financial rules from a State Finance Department. The Government of Nepal also suggested that another officer who had experience of currency, exchange and economic affairs generally may be spared by the Government of India. We have discussed this suggestion with the officer of the Ministry of Finance (Economic Affairs Department) of the Government of India and are in agreement with them that for the present the services of Mr. D.D. Pai who is being spared for the Government of Nepal may be utilized for the purpose in addition to organization of the State Bank and that the position may be reviewed again after about six months.

## Financial position of Nepal

183. The reorganisation of the administrative machinery of Nepal on modern lines with a view to making it more efficient and effective, and enabling it to carry out the development plans Government have in view, is bound to cost more money. It is true that there is scope for a substantial reduction in subordinate staff especially in the district offices and this may result in some saving but the saving will be more than counterbalanced by the additional staff required for the headquarters organization and technical department, additional expenditure on account of revision of pay scales and above all on development projects. Therefore, it will not be out of place to indicate briefly here the financial position of the country as revealed by the budget estimates for year 2008 and the Finance Minister's "talk" on the estimates. According to the Finance Minister's talk, the cash balances in the form of gold, silver gold mohurs, Indian and Nepali currency in Bhandar Khal and the Issue Department and the Nepal Bank investment handed over by the Rana Government to the present democratic Government amounted to Rs. 7,90,46,258. These balances have been earmarked by the Ministry for the purpose of creation of three new funds, viz. Currency Reserve Fund Rs. 5 crores, Exchange Stabilisation Fund Rs. 2 crores and Budget Equalisation Fund Rs. 1 crore. In addition to these balances, the present regime inherited certain depreciation funds and deposits and also a Development Fund of about Rs. 2½ crores being the capitalized value of an annuity of Rs. 10 lakhs for the Second World War which was created by the Indian (British) Government. Further certain cash balances in the treasuries were also taken over. A summary of these balances is given below:-

		<b>In thousands of rupees</b>
(1)	Currency Reserve Fund . . . . .	5,00,00
(2)	Exchange Stabilisation Fund . . . . .	200,00
(3)	Budget Equalisation Fund . . . . .	1,00,00
(4)	Development Fund . . . . .	2,56,71
(5)	Depreciation Funds . . . . .	27,56
(6)	Miscellaneous Investments . . . . .	3,06

(7)	Miscellaneous Deposits (including Provident Fund)	82,16
		<hr/> 11,69,49
	<b>Cash Balances</b>	<b>25,79</b>
		<hr/> <b>11,95,28</b>

It will be seen that the total balances in the various funds as also in treasuries amount to about Rs.12 crores. Most of these balance are, however, earmarked for different purposes and the free balance available is, therefore, correspondingly small.

184. As regards revenue receipt and expenditure, it will be seen from Appendix VII that for the year 2008, the Government of Nepal estimated receipts of Rs. 3,05,16,000 and an expenditure of Rs. 5,25,21,000, thus showing a revenue deficit of Rs. 2,20,05,000. The Nepal Government decided to meet this deficit in the following manner:-

	Rs.
Drawals from the Depreciation Fund for renewals and replacements .. .. .	12,59,000
Drawals from the Development Fund .. .. .	24,00,000
Drawals from the Budget Equalization Fund (in respect of Taccavi loans) .. .. .	15,00,000
Drawals from Miscellaneous Funds .. .. .	36,49,000
Expenditure on cash balances .. .. .	25,79,000
Uncovered deficit .. .. .	1,06,18,000
	<hr/>
<b>Total .. .. .</b>	<b>2,20,05,000</b>
	<hr/>

The Government of Nepal did not take any special steps for meeting this uncovered deficit of Rs. 1.06 crores as there were only about 3 months left before the close of the financial year and it was anticipated that all the expenditure provided for specially in respect of lump provisions to which references has already been made in preceding paragraphs, would not be incurred during the year. This anticipation has probably come true and it may be assumed that the year 2008 has, after taking into account the appropriations from the various funds referred to above, closed without any deficit.

185. Nevertheless, the above picture of revenue and expenditure does not permit of any feeling of complacency and the Finance minister accordingly announced his intension to raise additional revenue by the following methods:-
- Revision of Custom duty to bring it in line with the Indian Rates. This is necessary in view of the trade Treaty of Nepal with India.
  - Revision upwards of excise duties.
  - Enhancement of export duties on paddy, jute, potatoes, oil seeds, ginger, etc. (This has already been implemented.)
  - Levy of income-tax and on agricultural income.
  - Revision of rates for Indian postage, telephone, etc.
  - Levy of licence fee on radios.

- (g) Revision of traffic rates for railways, trolleys and ropeways.
- (h) Revision of house and water tax.
- (i) Income in tax on vehicles.

Further, the Finance Minister expected to get a large income from land revenue in future years, as during the year 2008 the revenue was less than normal due to certain concession sanctioned by the Nepal Government that year. In addition, the Government of Nepal anticipated additional revenue from forests by tightening of administration. They also intended to charge fees from students studying in secondary and higher secondary schools and colleges, licences fees for the possession of arms and ammunition, etc.

186. The raising of additional revenue on the above lines will certainly improve the financial position of the Government and may probably be quite adequate for meeting their immediate needs, but we understand so far no progress has been made even in regard to making preparations for the levy of the new taxes and fees or enhancing the existing taxes. One of the reasons given for this inaction is that the existing revenue collecting machinery needs to be tightened up as there is considerable leakage of revenue by smuggling and corruption. While we fully agree that an overhaul of the revenue machinery is essential and this, we feel, should be undertaken without delay, we suggest that proposals for the levy of additional taxes and duties should be worked out as early as possible and the necessary legislation framed. Preparation should also, we feel, be made for appointing staff and training them for the purpose of collection of additional revenue. The staff required for the purpose of levy of income-tax in particular has to be properly selected and trained with the help of the Indian Income-tax Department and if necessary, the services of officers from India may be obtained for a short period to enable the Nepal Government to frame Income-tax Law and to work out the details of the administrative machinery. In addition to the various measures for raising additional revenue which the Government of Nepal have in mind, we suggest for the consideration of the Nepal Government enhancement of registration fees, stamp duties and court fees. Further excise (central) duties on articles such as matches and sugar would also yield some revenue. Unless immediate measures are taken by the Nepal Government to raise additional revenue, it is obvious that, it will find it difficult to meet the progressive increase in expenditure on account of a reorganised administration and development activities. We do not think it would be wise for the Nepal Government to make further drawals on the various funds at its disposal as these should be kept intact for use at a later date when the tempo of the development projects has increased.

## Machinery for the collection of important sources of revenue

187. The main sources of revenue of Nepal Government and the estimated revenue there from during the years 2007 and 2008 are as follows:-

Heads of Revenue	(In thousands)	
	2007 (actual)	2008 (estimated)
Land Revenue .. .. .	1,51,15	94,05
Customs, Excise and Export duty .. .. .	47,80	82,00
Mint .. .. .	41,71	58,55
Post and Telegraph .. .. .	2,93	3,22
Railways (net contribution) .. .. .	.. .. .	.. .. .
Forest .. .. .	7,88	30,00
Judicial Administration .. .. .	17,77	15,00
Other Items .. .. .	21,56	21,23
Total	2,90,81	2,05,16

188. Land revenue is being collected through the revenue agency of Bara Hakims and Mal Subas and suggestions for reorganising this machinery will be discussed elsewhere.

188. *Customs.*— There are three different types of organizations for its collection according to different regions of the country –

- organisation for the Valley and the Hills under a Central Customs House.
- the Tarari organization under the Bara Hakims of the Districts, and
- Tibetan Customs Organisation administered by the Rakam Bandobast.

(a) The Central Customs House at Kathmandu is the most important of these organisations. It is divided into two sections, collection and inspection (Inspection is called Sanchhi) both being independent of each other and directly under the Ministry of Finance. In addition to the Central Custom House at Kathmandu, there are 5 outposts under it, the more important of which are located at the Gaucher Aerodrome, Kathmandu and at Chisapani. In addition to these, there are 12 Customs Houses for the Hills both on Indian and Tibetan borders under its control. The revenue collected by this organization is about Rs. 33 lakhs per annum.

(b) There are 5 Customs Houses on the Tibetan border which are formed out for a fixed annual lump sum to contractors after auction. These are administered by the Rakam Bandobust Department to which reference will again be made later. Briefly, this department deals with the items of revenue which are framed out or leased out on contract. The revenue from these Customs Houses is about Rs. 2<sup>3</sup>/<sub>4</sub> lakhs per annum.



- (c) Lastly there are 18 Customs Houses in Terai known as Terai Bazaar Addas which are directly under the supervision of the Bara Hakims. Each of these customs posts has a number of outposts under it. The annual collection by this organisation from the Terai is stated to be about Rs. 35 lakhs per annum, Biratnagar being the largest single Customs House yielding a revenue of Rs. 25 lakhs per annum. At present, varying rates of customs are charged for the Hills, Terai and the Tibetan border. In Terai again the rates for the district of Biratnagar are different from those in other districts as the insurrectionist government had revised the old rates. The rationalization of the rates of customs is, we understand, being actively pursued by the Finance Ministry and we suggest that it should be further expedited. At present, only the Kathmandu Customs House enjoys the facility of handling goods imported free of Indian customs and excise duty and therefore all such goods irrespective of the area for which they are ultimately intended, have first to be imported into Kathmandu where the details are checked by the Indian Embassy representatives and thereafter passed on to the place of ultimate destination. This undoubtedly causes some inconvenience to the public and the Nepal Government therefore proposes to open Customs Houses near the Terai in the following areas:-

Jogbani  
Jayanagar  
Raxaul  
Nutanawa  
Nepalgunj

This question is, however, linked up with the imposition by the Nepal Government of the Indian rates of customs and we understand that there has been some correspondence between the Nepal Government and the Indian Government in this behalf as also in regard to training of the Nepali Customs Officers.

189. There appears to us to be considerable scope for the overhaul and tightening up of the Customs machinery. We heard persistent complaints about large scale smuggling especially in the Terai areas, sometimes with the connivance of the local officials. The present system under which there are 3 different organizations for supervision and collection of customs duty is not satisfactory and we feel that there should be only one Customs Department with one head of Department to supervise the collection of customs. The department may be under the second member of the board of revenue which we propose should be constituted. The details of reorganisation can, however, be worked out only after careful examination and local inspection and the officers of the Nepal Government are anxious to have the services of an expert from the Indian Customs Department to help them to reorganize the machinery, to work out the details of collecting and inspectorial staff to advise on the machinery to check leakage and to work out uniform rates of Customs duties. We suggest that every possible assistance should be given in this direction and an officer should be deputed to advise the Nepal Government as early as possible. We have discussed this question with the Chairman of the Central

Board of Revenue, India and understand that it would be possible, though at some inconvenience, to spare an experience officer for a short period for this purpose.

190. **Excise Duty** – There is no Abkari Excise Department to administer the manufacture, sale and export of alcoholic drinks such as foreign liquor, country liquor, toddy, etc., and there is therefore, no inspectorial staff either. The right to manufacture and sell country liquor is sold by auction to the highest bidder for a period varying from 1 to three years. There is, however, no inspection of the stuff, manufactured and sold. This work is in charge of the Rakam Bandobast Department (Contracts Department) which deals with all auctions of Government revenue and is under the control of the Ministry of Finance. On the other hand, licences for bars for sale of foreign liquor are issued by the Home Ministry and a fee of Rs. 500 is charged for a licence. We think that it would be desirable to organize an Abkari Excise Department with suitable inspectorial and supervisory staff both in the interest of Government revenue and of public health. In the initial stages, the Abkari Excise work may be in charge of the Bara Hakims in the districts and they may be given the requisite staff for the works. At the centre, the work may be dealt with by the Central Board of Revenue and the Ministry of Land Revenue and Forests. This Department should deal with both foreign and country liquor. In addition to the income from liquor there is also an excise duty on "ganja" at the rate of Rs. 5 per seer which is recovered by the District Goswara (Bara Hakim's office), but the subject is handled by the Ministry of Agriculture. We suggest that this should also come under the purview of the Abkari Excise Department we have in view and of the Land Revenue and Forests Ministry.
191. The Revenue from fines is quite substantial and is of the order of Rs. 15 to 20 lakhs per annum. This may be partly due to the existing judicial system under which fines are recovered not only from the accused but also in some cases from the complainants and even from the trying Judges.
192. Registration of documents is dealt with by the Mal offices in the districts and we feel that this should be continued. There is, however no headquarters organization for the administration of Registration Law or a Registration Department and we suggest that the Land Revenue, Member of the Board of Revenue, be also designated as Inspector General of Registration and may be required to inspect its subordinate offices and exercise the powers of a Head of Department. The work relating to Court fees is at present in charge of the Judicial Department and we do not for the present suggest any change in this procedure. Non-judicial stamps are at present sold by the Post Offices and here again we do not recommend any change though we feel that later on it may be desirable to appoint stamp vendors for Court fee and non-judicial stamps and give the work to be Bada Hakims and the Mal Subas.

## **Accounts and Audit Organisation**

193. Under the interim Government of Nepal Act, it is incumbent that the Government of Nepal should appoint a Comptroller and Auditor General who is expected to perform

somewhat similar functions to those performed by the Comptroller and Auditor General in India. The appointment to this post has, however, not been made so far. Recently, however a post of Accountant General has been created and a senior officer, who has however not got adequate experience of the modern system of accounts, has been appointed to this post. Since, however, the reorganisation of Accounts and Audit offices has not been finalized, he has not fully assumed charges of all his duties. He keeps a watch on the balances in the treasuries, authorizes transfers of funds from one treasury to another and supervises the work of the Maskewari Janch Adda.

194. The Maskewari Janch Adda is the Central Account Office. This office receives monthly statements of receipts and expenditure from the various Mal Treasuries. These statements are required to be sent by the treasuries in respect of the previous month by the 7<sup>th</sup> of the succeeding month through Bara Hakims who are expected to scrutinize the statements and pass them on to this office. The Scrutiny of Bara Hakims is stated to be nominal. The receipts and disbursements statement sent by the Mal Treasuries are in somewhat elementary form. They give some details of the disbursements in respect of pay, allowances and other expenditure incurred by Mal offices. As regards the other Government offices, however, except in regard to pay, amount disbursed to them are shown in lump and the details of the purposes for which they were disbursed are not indicated. Similarly, in regard to receipts, except for receipts from land revenue, details are not shown. The accounts are not classified under the various budget heads, nor is any control exercised in regard to the progress of expenditure. The information furnished in these statements is compiled in a register maintained by the Maskewari office which contains columns somewhat similar to those given in the statements received from the Mal offices. The statements received from the treasuries also give particulars of balances in the treasuries and this office scrutinizes them and takes steps to reconcile the discrepancies found. It will thus be observed that except in regard to Mal offices details of Government expenditure are not booked in one place. Each department is supposed to maintain its own accounts. These are not compiled by any central organization. Further, there is no attempt at a proper classification of either receipts or disbursements.
195. Under the old regime, Audit was entirely separate from Accounts and was carried out by a separate office called Kumari Chowk. This system continues even at present and the Accountant General has not yet taken charge of the Audit Department. The Kumari Chowk consists of six offices, two for Terai, two for Hills and two for the Valley. Each of the Hills and Terai offices is in charge of about 12 Mals. These offices receive statements of accounts from all treasuries (District as well as Central) and of such other offices as are responsible for keeping accounts and incurring expenditure. These statements are supposed to be dispatched on the 7<sup>th</sup> day of the succeeding month and are sent directly (and not through Bara Hakim) to The Kumari Chowk. The statements give details of each item of expenditure supported by vouchers and are audited in the light of sanctions and relevant rules. It appears to us that the audit carried out by this organisation is of a somewhat elementary nature and the procedure followed is not fool proof. Official copies of sanction are not received from the Ministry of Finance but only certified copies are

sent by the spending offices or departments. Initially when an amount is drawn by the head of an office or department for incurring expenditure other than in respect of pay or imprest, he is required to submit an undertaking to the Kumari Chowk that he will render account for the money received by him and that he will return any balance that remains with him. With this undertaking he is supposed to submit a copy of the order containing the sanction of the Ministry of Finance. It appears, however, that he can draw the money from the treasury directly without even submitting these documents to the Kumari Chowk because there is no check by the treasury regarding the submission of the documents, but if the Audit discovers that a person has drawn money without submitting documents, he is liable to fine Rs. 50. In fact, there is a complete system of fines and the Hakim of the Kumari Chowk is also competent to award imprisonment in respect of audit objections unless these are withdrawn on appeal.

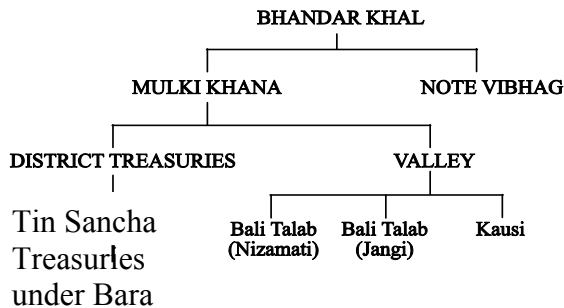
196. There is no audit according to any budgetary classification because no such classification existed up till now. Further this office too does not compile the total figures of receipt or expenditure Duplication caused by the separate existence of Kumari Chowk and Maskewari is obvious.
197. Before proceeding to give suggestions for reorganization of Audit, Account and Treasury system, it may be useful to describe briefly the procedure followed in regard to encashment of pay bills and disbursement of other amounts.
198. The pay bill or report as it is called, has to pass through six stages, in different offices before it can be encashed. A single 'report' is prepared in respect of each office, there being no distinction between the pay bills of gazette officers and establishment. Instead of signatures, the 'report' has to have impressions of seals of individual Government servants. Each Government servant is supposed to affix his seal to the report or else come in person to the pay office and take the amount. There appears to be some scope for forgery. The journey of a pay 'report' is somewhat as follows:-
  - (i) Kitab Khana, for certification that the persons were in employ and are entitled to the rates of pay mentioned there in.
  - (ii) Dravi Kosh, for indicating whether any deductions in respect of Provident Fund are due.
  - (iii) Tijarat Adda, for the purpose of verification whether any deductions have to be made in respect of loans and advances to the employees.
  - (iv) Shresta Adalat, for verifying whether any deductions have by way of fines or adjustments of fines are to be made.
  - (v) Hazri Goswara, for verifying whether any deduction has to be made for any unauthorized absence of the employees.
  - (vi) Bali Talab for working out the net amount and making payment.

It is hardly necessary to point out the inconvenience and delay caused on account of this involved procedure. In the districts the procedure is somewhat simpler and except for the Hazri Goshwara whose function is preformed by the Bara Hakim or the local police officer, the Mal Treasury verifies the other points.

199. As regards payment for purposes other than pay and allowances as has already been mentioned, these payments cannot be made without a specific pay order from the Ministry of Finance in each individual case. Thus, if a work has to be undertaken or particular store to be purchased, the Ministry of Finance issues pay order on the pay office or the treasury authorizing payment of the entire amount. If in a case of works the amount is somewhat large, the Ministry of Finance may authorize payment of a part of the amount in the first instance, but a separate pay order has, it appears, to be issued by the Ministry of Finance in respect of further installments of payment. After the receipt of the order, the officer concerned can draw the whole amount from the treasury or Kausi as the case may be irrespective of whether the full amount is needed immediately or not. This is unlike the Indian system where payment is to be made only when the amount is due for disbursement and on the strength of a voucher or bills. Thus, the procedure besides causing undue work in the Ministry of Finance is liable to abuse. In fact, it appears from the budget "talk" of the Finance Minister that large amounts have thus been withdrawn from public account and the unspent balances have been kept in the names of individual officers, which the Ministry of Finance finds it difficult to recover. It is obvious that this procedure needs immediate rectification.

## Treasury Organisation

200. A Chart of the treasury organization of the country is given below:-



201. Bhandar Khal is a vault of the Government of Nepal where gold, silver, Indian and Nepali coins, Indian currency and uncirculated Nepali currency are deposited. The Currency Reserve Fund and the Exchange Equalisation Fund are also deposited here. The keys of the vault and the Account books are kept with His Majesty and a copy of the register is kept in Kausi Toshakhana.
202. *Note Vibhag*: This is a Department of currency, organization for the exchange of currency notes.
203. *Mulki Khana*: This is a Central treasury of the Government of Nepal located at Kathmandu. It is mainly a treasury for receipt as also for bulk disbursements. It receives

monies on government account from treasuries in districts, offices in headquarters and also from the public at Kathmandu. Funds are transferred from here to the pay offices at Kathmandu, viz. Bali Talab (Nizamati and Jangi) and Kausi and the treasuries in the districts as and when the funds are required by them. It is in charge of a Hakim with about a dozen clerks including Tahrir (Accountant) and Tahavildar (Cashier). There are two strong rooms where monies are kept. The doors of the strong rooms are not so sturdy as in the treasuries in India and the locks are of old-fashioned type, their merit being that they are very heavy and make terrific noise when opened. There is no armed guard outside the strong room, the guard is stationed outside the main entrance to the office. Further, the locks are not sealed at night and charge made over to the armed guard. The strong rooms have three locks each, one key being with the Hakim, another with the Tahrir and the third with Tahavildar. In the strong rooms the coins are kept in thin muslin cloth bags and in a number of cases it was noticed that there were perceptible tears in the bags and there was danger of coins slipping out. The currency notes were kept in a cupboard. The amount kept in the strong rooms was of the order of Rs. 10 to 20 lakhs. It is understood that the balances are counted once a month, but there is no fixed date on which they have to be counted. (In India, the Collectors has to count the balance in the District Treasury on the last day of every month and has to certify accordingly.)

204. The amounts are paid in treasuries on the authority of a chalan which is in manuscript. The messengers who bring cash from the outlying places are not accompanied by escorts and there has apparently been no case of defalcation or of robbery, presumably because misappropriation of Government funds is meted out with the direst punishment. The chalans are not sent in duplicate nor is there any printed form for the purpose. The Treasury, therefore issues a hand written acknowledgment for receipt of the money.
205. As regards disbursements certain limits are fixed for Bali Talab and Kausi as also for the various treasuries. When requests for additional funds are received from these offices, the Hakim of Mulki Khana verifies the position regarding the balances and certifies that there is no objection to the additional funds being made available to the offices. These requests are then transmitted to the Accountant General for orders regarding the transfer of funds and the additional funds are issued on the authority of the Accountant General.
206. **Bali Talab:** This is an office for the payment of salaries and imprest amounts for civil departments in the Valley. Pay reports (bills) are received here after they have been verified by the various offices including the Kitab Khana (the procedure regarding the payment of bills will be discussed later) and after taking note of deductions for Provident Fund, etc., the bills are passed for payment and the amounts disbursed. The Nizamati Bali Talab is meant for civil department and Jangi Bali Talab for the Army.
207. **Kausi:** This office deals with payments in respect of expenditure other than pay and imprest amounts. They do not make any payment without a pay order from the Ministry of Finance. After the receipt of the pay order, the office makes payment to the authorized agent or messenger of the office to which payment is made. The head of the office does not give any formal receipt for the amount as this is given by the messenger; he simply

sends a letter of authority in which he mentions that the amount paid to the messenger will be treated as having been paid to himself.

208. **District Treasuries:** There is a small treasury for each Mal office under the charge of the Mal Suba. There is no strong room for the treasury. There are one or two boxes or safes containing Government money which are kept in the middle of the office room. There is no armed guard; there are two locks to each box, one key being in charge of the Mal Suba and the other with the Tahrir. Only small amounts not exceeding about Rs. 2000 for the Hill Mals and about Rs. 5000 for the Tarai Mals are kept in these treasuries. Any amount in excess of this amount is transferred to the Tin Sanchas (i.e. three locks treasuries) which are generally located at the headquarters of the Bara Hakims. One key of the Tin Sancha Treasury is with the Bara Hakim, one with the Hakim of Amini or Adalat and a third with the Mal Suba.

## **Suggestion for reorganization of accounts, audit and treasury organisations**

209. **Accounts & Audit:** We suggest that the accounts and audit organizations should be combined and the Maskyewari Janch Aaada and the Kumari Chowk should be integrated into one office. This may be in charge of the comptroller and Auditor General who has to be appointed under the Interim Government of Nepal Act. In view of the unitary system of Government, it is not necessary that there should be a separate Account General in addition. The Comptroller and Auditor General may be assisted by two Deputy Auditors General, one for Army and Railway and other commercial organizations and the other for the civil Departments. These may be assisted by a number of Accounts Officers and subordinate staff. The exact strength has to be worked out after some examination of the actual amount of work, but the clerical staff would in our view, be considerably less than the aggregate staff available at present with the Kumari Chowks, Muskyawari Adda, the present Accountant General's office and certain other offices which we are proposing should also be integrated into this office. We have elsewhere recommended that the Hazri Goswara should also cease to exist. It, however performs functions of keeping leave accounts for all staff, both gazette and non-gazetted. The leave accounts of non-gazetted staff should hereafter be maintained by the heads of offices themselves, while leave accounts of gazette officers should be maintained by the office of the Comptroller and Auditor General. The Kitab Khana maintains service records of all Government servants (gazette and non-gazetted) and also prepares pay bills. The service-records of non-gazetted staff may, we suggest, hereafter be maintained by the heads of office themselves while those of the gazette officers by the office of the Comptroller and Auditor General. Until, however, the heads of offices are in a position to maintain the leave accounts and service records of the non-gazetted staff, the work may be done by the office of the Comptroller and Auditor General in order to avoid any interruption in the maintenance of the existing records. We noticed that the form of leave



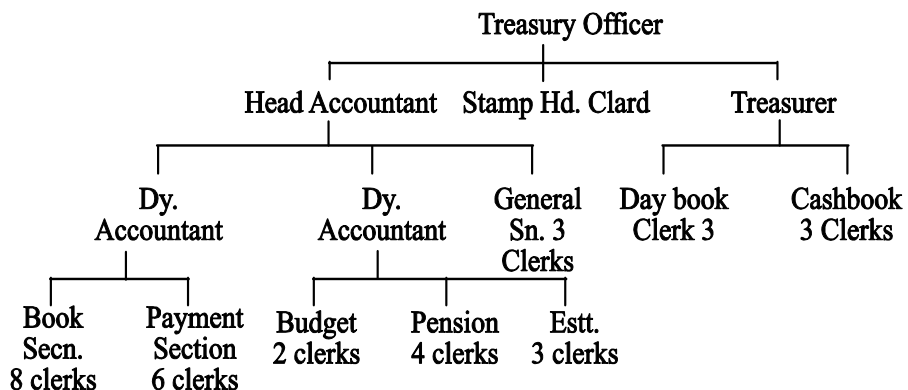
accounts is of a somewhat rudimentary nature and does not give details of the leave accumulated in the previous years; therefore each time the Hazri Goswara has to refer to all the past three years leave accounts before it can state what leave is due. (In Nepal it appears that leave can be accumulated for 3 years and thereafter it lapses.) The form of service book also needs some amplification to indicate the pay drawn by a person from time to time. It was noticed that existing service sheets do not give details of pay drawn and a separate record was maintained for the purpose. New forms of service books and leave accounts should be devised somewhat on the lines of those kept in India and these should be prepared for all the existing Government employees as also for those appointed hereafter.

210. In addition, the Dravi Kosh, which deals with provident fund account, Tejarat Adda, which deals with loans and advances and Shresta Adalat which deals with other recoveries such as fines etc. should also be merged with this office. We have discuss the functions and duties of the Comptroller & Auditor General with the officers of the Ministry of Finance and we find that the draft prepared by them in this regard is generally in order. Thus the Comptroller and Auditor General will be required to classify and compile all the receipts and expenditure of Government under the appropriate budget heads and will prepare the Finance Accounts and Appropriation Accounts every year. He will arrange for the inspection of treasuries periodically and will send his officers to inspect important offices where accounts are kept. He will carry out audit of expenditure as in India. Further, the Nepal Government are anxious that he should also carry out audit of receipts and having regard to the present practice, there appears to us to be no serious objection to this course, provided clear others are framed by Government regarding assessment, collection and remission of various forms of revenue and comptroller & Auditor General will advise a watch on proper observance of financial rules and regulations and canons of financial propriety. He will also maintain leave accounts of gazetted officers, report on the admissibility of pension and keep a watch on recovery of loans, etc.
211. We have considered whether there should be any regional accounts and audit organizations, but having regard to the size of the country we do not think it necessary. As regards the headquarter office, we feel that there should be pre audit of all expenditure bills as in the principal State capitals in India and that this work should be done by the Comptroller and Auditor General. The existing system under which fines and imprisonment are awarded for audit offences should, we feel, be abolished. With a view, however to avoid any general slackness among the heads of offices on account of its abolition, we suggest that stringent control by the Ministries and heads of departments should be enforced. Thus all serious audit irregularities, for which no satisfactory explanation is given, should be communicated by the office of Comptroller and Auditor General to the Ministry of Finance and the administrative Ministries. The administrative Ministry should, after a quick enquiry in consultation with the Ministry of Finance, award suitable punishment.



## Reorganization of Treasuries

212. It will be seen from the description of the existing treasury organization given in earlier paragraphs that at the headquarters there are three pay offices, viz. Bali Talab (Nizamati and Jangi) and Kausi in addition to the main treasury viz. Mulki Khana.(we need not consider here the Bhandar Khal and Note Vibhag). In our view it is not necessary to have these four separate offices which in fact create additional work in the matter of transfers of funds from one treasury to another and militate against centralize supervision by a responsible officer. The present system is also to some extent based on the disinclinations of the former regime to place large sums in the custody of one organization, but after the introduction of the necessary checks as are applied in India, there should be no serious danger of misappropriation or loss. In fact we envisage that the new system will work much more smoothly and efficiently than the present system. Thus we propose that there should be only one Central Treasury for the Valley which should combine the functions of the four organizations referred to above. The treasury will be in charge of a Treasury officer of Class I Status who will be directly under the control of the Bara Hakim of the Valley in regard to the creation of which post we are making recommendations elsewhere. The treasury will be divided into two sections: Accounts section in charge of a Head Accountant and cash section under the general direction of a Treasure. A chart of the organization obtaining in a district treasury in India which will be found useful here is given below:-



213. It will be seen that there is provision for a Stamp Head clerk in this organization. Since stamp work is at present being done by Post Offices and the Judicial Department in Nepal, no such post is necessary at present but one may have to be created later if this system is changed. The strength that is ordinarily sanctioned for a Treasury in India of the size required for the Kathmandu Valley is also indicated in the chart. It is of course assumed that the personnel available in Nepal will be trained and till then it may be necessary to have more clerks. Ordinarily, in India a treasury would have two locks, one key being with the Treasury Officer and the other with the Treasurer. Here, however, in

- view of the Tin Sancha system there will be no objection to having three locks and making the Head Accountant responsible for one of the three locks. Adequate security, both personal and collateral, should, however, be taken from the Treasury Officer, the Treasurer, Mal Subas and Tahavildars as also from the official handling cash in other offices.
214. We do not propose for the present any radical change in the existing system in the districts. We have considered whether there should be a District treasury for each district in charge of the Bara Hakim, but we feel that, having regard to the nature of the staff available and the undesirability of introducing more intermediate steps than can be helped, the Mal Treasures may serve as full-fledged treasuries as at present (and not as sub-treasuries as in India). The Tin Sancha treasuries as at present large amount are kept under the custody of the Bara Hakim, may also continue. The Mal Treasury will book the accounts under proper budget heads both for receipts and expenditure, for which purpose separate registers will be maintained. These treasuries should send detailed accounts of all transactions along with the supporting vouchers twice a month, on the tenth day and the last day of each month. It is of course assumed that the clerical staff in Nepal dealing with accounts in different offices will be familiar with the classification of expenditure and receipts under the various budget heads and that all bills sent to the treasuries for encashment will indicate the budget head to which the expenditure is to be debited and the availability of budget provision. For this purpose, clear instructions should be prepared in the Nepali language and training classes held for clerical staff in treasuries and other important offices.
215. An essential feature of a proper treasury system is regular and periodical inspection of these offices and verification of balances not only by the Treasury officers themselves but also by the Bara Hakims and other senior officers. Thus the Mal Subas should verify the balance of Do Sancha treasuries and Bara Hakims should verify the balance of the Tin Sancha treasuries in the districts and of the Central Treasury in the Valley invariably on the last day of each month and they should send a certificate to that effect to the Comptroller and Auditor General. Further, the Bara Hakims should count the balances of the Mal treasuries in their charge at least twice a year. They should also hold systematic inspections of the Mal offices once a year and a rapid inspection of those offices a few months thereafter with a view to verifying whether suitable action has been taken by the Mal Subas on the points noted in the annual inspection reports. Copies of these inspection reports should be sent to the Board of Revenue to which a reference has been made elsewhere.
216. As has already been mentioned, it would be desirable to frame Treasury Rules in the light of those obtaining in India as also the procedure at present being followed in Nepal. They would *inter alia* provide for custody and escort of treasure, receipts and disbursement of funds and other allied matters. It need hardly be emphasized that the use of printed forms for challans, bills, receipts, etc will considerably facilitate matters.
217. It is not necessary here to go into the details of accounts procedure as this will occupy considerable space, but we would advise that the present system of pay reports as also of

drawing amounts for the other items of expenditure would have to be radically modified. In the case of the subordinate establishment, the heads of office should be made responsible for proper preparations of bills and for effecting recoveries or deductions in respect of Provident fund, repayment of loans, recovery of fines, etc. In the case of gazetted officers, the Comptroller and Auditor General would be responsible for the issue of pay slips and for seeing that the necessary deductions are made from the pay. The drawing offices themselves will be charged with the duty of seeing that they prepare their pay bills correctly and any deliberate attempt to draw more than is legitimately due would have to be taken serious notices of. Under the system envisaged, it will not be necessary for the pay bills to be shunted from office to office. Treasuries will pay the bills after verification of the details from their records. In the Valley of course there will be a complete pre-audit by the Comptroller and Auditor General's office to whom the bills will be sent in the first instance for passing.

218. The amounts required for contingencies, works and other expenditure, will be drawn not in lump as at present, but on bills that are duly supported by vouchers, etc as and when the payment becomes due. No officers will handle more money than is absolutely essential. In the case of P.W.D. and other works, it may be necessary to give imprest amounts for expenditure on works, but these will have to be accounted for at the time of recouperment of the imprest.
219. In addition to the Civil Services Rules and Financial Rules, it will be necessary to frame an Audit Code and an Accounts code bearing in mind the system envisaged. For this purpose and also for the purpose of farming Civil Service, Financial and Treasury rules, the services of Mr. Mukherjee, Joint Secretary, Ministry of Finance, who was formerly in the Audit & Accounts Department of India may be found useful. Before, however, new rules are framed, it will be necessary to translate into English the existing Sawals and other rules so that the new rules to framed should take into account the local conditions and the existing procedure.
220. We have considered whether any assistance from India in the matter of training or other personnel is necessary and we are of the view that in addition to Mr. Mukherjee, an Assistant Accounts Officer, a Superintendent with knowledge of military accounts and another Superintendent with knowledge of P.W.D. accounts would be necessary for the office of the Comptroller and Auditor General at least for a period of one year. Further, an experienced Treasuries officer and a Head Accountant from one of the State Treasuries would have to be deputed for organising the central and district treasuries and for training the local staff.

## CHAPTER VII

### DISTRICT ADMINISTRATION WITH SPECIAL REFERENCE TO REVENUE ADMINISTRATION

221. As has been explained elsewhere, the principal representative of Government in districts is the Bara Hakim. On the revenue side, there is a Mal Suba who is primarily concerned with the collection of land revenue. In some places, he is also in charge of registration and stamps. The mal Suba has a staff of clerks and sepoy. Below him at the village level, there is either a Zamindar and a Patwari or a Zimmeval or a Mukhia or some other official. These officials maintain 2 or 3 registers mainly dealing with Government demands and recoveries. They retain a percentage by way of commission on the land revenue collections. Except in a few cases, there is no Chowkidari system.
222. In 1951, the position of the Bara Hakims and the duties performed by them came under review by Government. It was felt,
- (1) that in certain districts, Bara Hakims were raw and inexperienced and had no clear knowledge of what was expected of them;
  - (2) in some districts, Bara Hakims were not receiving support from the Forces at their disposal, the Congress organization in the districts or officers working under them; and
  - (3) in certain districts, the Congress organization was not clear what Government authority to recognize.
223. It will be recalled that in some places some kind of a local government was set up. To deal with this situation as well as the deteriorating law and order position, it was suggested that the following action should be taken;
- i. A set of instructions should be issued to the Bara Hakim preferably under the Red Seal of His majesty.
  - ii. Political organizations were to be told, that no rival authority to the government authority could be countenanced.
  - iii. A clear declaration of Government's intention to take action against armed bodies of men etc. was to be made.
  - iv. Where Army, Police, or other officers were not co-operating with the Bara Hakims, stern action should be taken against them. Bara Hakims were to be instructed that they should obtain from the Mal Subas full knowledge of all moneys due to government, and a proclamation was to be issued that Government demands should only be made to the mal Kachery, Barahakims were to be authorized to incur expenditure against sanctioned payments and also to incur expenditure upto Rs. 500 per month in connection with the maintenance of law and order. Wireless communications were to be established with the districts and regular arrangements

were to be paid for the carriage of Dak to and from Kathmandu. The Bara Hakim was to make arrangements for the safe custody of Government money proper detention of prisoners and maintenance of essential supplies. A Bara Hakims Emergency Powers (temporary) Act, 1951 was drafted and a set of instructions to Bara Hakims was drawn up.

224. It is not clear what decision was taken in respect of each of the above matters and what instructions were ultimately issued to the Bara Hakims. We have seen a note prepared towards the end of February 1952 by Shri Govind Narain drawing attention to a number of matters regarding the reorganisation of the district administration. He suggested *inter alia* that:

- (a) the question of fresh demarcation of district boundaries should be examined having regard to populations area communications etc.
- (b) proper headquarters should be selected for the Bara Hakims and that place should be connected with Kathmandu by wireless or telephone;
- (c) each district should be suitably sub-divided;
- (d) the Sub-Divisional Officer and the Bara Hakims should have certain magisterial powers; and
- (e) the Bara Hakim should be responsible for the maintenance of law and order, proper maintenance of jails and safe custody of prisoners, collection of Government dues and their safe custody and for keeping in touch with the people of the district and evolving schemes for their welfare. The need for a natural Civil Service without any political affiliations for a rigid code of conduct for Government Servants was emphasized.

225. Having regard to the established position of the Bara Hakim in the past, the need for decentralization and the difficulties of communications, the Bara Hakim should continue to retain the importance he had or should have as the principal representative of Government in his area. He should be responsible not only for law and order and the collection of Government dues but also for promoting the welfare of the people in all possible ways. To enable him to do so, his duties must be clearly defined and he should be selected very carefully, having regard to his experience, fact and integrity. He should have the powers of a District Magistrate for the purposes of preventing breach of peace, and the maintenance of law and order. Under the Bara Hakim there should be Mal Suba as at present. It is essential that the Mal Suba as well as the Bara Hakim should be constantly touring in their areas, The Mal Suba should not consider that his duties end with the collection of Government dues but he should also keep in touch with what is happening in his area and should exercise the powers of a Sub-Divisional Magistrate for the purposes of the maintenance of law and order. The Mal Suba and the Bara Hakim have in their office a large number of subordinate officials who do not have sufficient work.

226. We found that the Mal Suba's office has 26 Clerks, 1 Draftsman, 1 Hawaldar, 1 Jamadar and 20 Sepoys at Bhadgaon, and 18 clerks, 2 Hawaldars, 1 Farash and 29 Sepoys at Dhulikhel (East No. 1 District) .

227. It may be of interest to note that in Bombay State a Mamlatdar's office of normal size has 9 clerks and two officials of naib Tahsildars status in addition to the Mamlatdar (Tahsildar). The inferior staff consists of 7 persons.
228. The Mal Suba has the powers to allot permanently unoccupied land and propose classification but neither he nor the Bara Hakim exercise these powers without a reference to headquarters. It is desirable that a proper set of instructions indicating the powers and duties of the Mal Suba should be drafted.
229. Under the Mal Suba there is only a revenue collecting nonsocial agency, in most cases hereditary. We suggest that through of the country Patwaris—wholtime government servants—should be appointed. Since the revenue records at present maintained are very meager, the Patwari's jurisdiction maybe larger than it is in Indian States; but it is essential that there should be at the village level this official, who besides maintaining revenue records, will maintain other records and keep the Mal Suba and the Bara Hakim informed of what is happening in the countryside. His duties will increase as survey and settlement work progresses. The appointment of Pathwaris need not necessarily result in the abolition of the well-understood and ancient institutions of hereditary official like Zimmevals, Mukhias etc. though the scale of their emoluments should be reconsidered. Association of rural notables with administration is of the greatest value. Such officials exist in Indian States like the Punjab (e.g. Lambardars) or Bombay (Revenue Patel); nor should the creation of these posts result in much additional expenditure as we are creation of these posts resulting much additional expenditure as we are recommending considerable reduction in the subordinate staff of the Mal Suba. Any additional expenditure involved will be well worth it since there will be a better standard of maintenance of revenue records and more exact information about Government demands and recoveries Steps will of course have to be taken for the proper training of Patwaris.
230. We do not recommend at this stage the creation of other intermediate functionaries between the Mal Suba and the Patwari like Field Kanungos, Circle Inspector, or Naib Tahsildars as in India. Some of these posts will be required as soon as the Revenue and Tenancy laws are revised and when survey and settlements have been undertaken.
231. The Nepal Government had asked for the services of 3 Commissioners and 16 Deputy Commissioners or Collectors from outside. We feel that it is unnecessary to introduce the institution of commissioners when it is being abolished elsewhere. We are recommending the creation at headquarters of a Board of 2 officers who will be able generally to tour extensively and supervise the work of Bara hakims. While we attach the greatest importance to the proper selection and training of Bara Hakims and other revenue staff, we do not think it necessary to import from India as many as 16 district officers. The Nepal officer should be in a better position, with his knowledge of local language, customs etc., to discharge the responsibilities of the office of Bara Hakim. We suggest, as a temporary measure, however that 2 or 3 Nepali officers selected as Bara Hakims should be sent for training for a period of 6 months or one year to a place in India; and during their absence, borrowed officers from India might hold charge of a district or two in Terai and one district in the Hills. These officers might, till they are relieved by Nepali officers,

organize the district administration in such a way that it will serve as a model to the neighbouring districts. These districts might also serve as nucleus training centres for other district.

232. In order to organize survey and settlement works to investigate what is necessary by way of agrarian reforms and revision of the land revenue system, to supervise the work of the Bara Hakims: and to organize and supervise the collection of taxes like excise customs, income-tax, etc, we would recommend the creation of Board of two officers to be called "Board of Revenue" at Kathmandu. At least the senior or the two officers should be loaned by India. If a senior Nepali officer is immediately available he can be placed as the second member of the Board. The loaned officer or officers may have to be in Nepal for about two years. The Board will be the highest revenue authority with powers, where necessary, to revise the orders of Bara hakim and Mal Suba. They will have to be experienced and energetic officers who are able to tour about in the districts. The senior member will have to be a person having experience of revenue and settlement administration in India preferably a Senior Collector and the other a person trained in the administration of custom, income tax etc. The Board will be the highest executive and administrative authority for the departments placed under its charge and will also be the highest appellate authority in respect of revenue matters pertaining to those departments. While the headquarters of the Board will be at Kathmandu, the members will be required to tour extensively and inspect the various offices under their control. The Departments which will be placed under the supervision of the Board will be –

- (1) Land including suspension and remission (some powers for the grant of suspension and remission of land revenue may be delegated to Bara hakims)
- (2) Survey, settlement and land records.
- (3) Land tenure and Birthas.
- (4) Excise including Abkari excise and customs.
- (5) Court of Wards (if created)
- (6) Administration of commercial taxes like entertainment taxes, sales-tax, income-tax including agricultural income-tax, motor spirit tax, urban immoveable property tax *etc.*
- (7) Religious endowments.
- (8) Famine relief.
- (9) Land acquisition.
- (10) Registration.
- (11) Stamps and court fees.
- (12) Constitution of divisions, districts, Mals and revenue estates.
- (13) Revenue establishment.
- (14) Appointment, removal etc. of Mal Subas and other subordinate staff including Patwaris.

(15) Appeals relating to appointment, removal *etc.* of village officials, hereditary or otherwise, including chowkidar.

The senior member of the Board will be in charge of land revenue and excise and the second members in charge of commercial taxes including customs and income-tax.

233. All important matters will come before the full Board. These may be proposals regarding legislation, selection, punishment and conduct of gazetted officers, creation or redistribution of districts and Mals proposals involving fundamental change in policy and administration, etc. For other matters, each member will function separately in regard to the departments under his control.
234. On the creation of the Board, the post of Director of Land Administration and the organization under him should be abolished.
235. The two or three Collectors and the members of the Board of Revenue may have to bring some subordinate revenue and office staff to assist them and their requirements in this connection could be worked out by themselves.
236. We are indicating elsewhere how the district Treasury system and the administration of Jails, Civil Supplies etc. should be organised.



## CHAPTER VIII

### POLICE

237. A brief account of the existing Police Organization is given below. It will be appreciated that information available from different sources is very often conflicting and information relating to some of the outlying districts is not readily available. Proposals for the reorganization of the Police Force would also largely depend on Government policies regarding the role of the police in the investigation of cases and the general maintenance of law and order, the nature of criminal law and procedure and the agrarian and industrial policies of Government. The proposals for reorganization which we have made also assume continuance of reasonably normal conditions.
238. A brief account of the physical features of the country has been given in Chapter II. It may be added that among the important passes leading to Tibet are the Takla, the Mastang, the Kerong, the Kutu, the Hathia and the Wallang Pass.

### HISTORICAL SKETCH

239. When the first Prime Minister of Nepal assumed charge as the Maharaja, over a hundred years ago, a small Code called the Barah Sawals (Twelve Rules) regulating the conduct of citizens was introduced, No regular Police Force existed until about forty year ago. Law and Order was maintained with the help of the Army and the fear of the Ranas about forty years ago was established the present Sadar Jangi Kotwali in Kathmandu. It was and to this day remains a Court (not a Police Station) to try petty cases. To this Court was attached a small force was its executive. This force grew in course of time and later a Company of the Bhairon Jang Unit of the Army was added to it. The Barah Sawals also grew and they regulated the constitution and conduct of new Police Force. About 14 years ago, a unit of the Army called the Ram Dal was also diverted to aid the Police. The Ram Dal is even today paid for from the Defence budget, but for all practical purposes it is a part of the Police Force. Such police force as exists today in parts of the country, has grown haphazardly and there is no pattern of governing it.



243. A small Criminal Investigation Department has recently been created and it consists of the following:-

Additional Inspector General of Police	.. .. 1
Senior Superintendent of Police.. ..	1
Superintendent of Police .. .. .	1
Deputy Superintendent.. .. .	1
Inspectors.. .. .	6
Sub-Inspectors.. .. .	13
Head Constables... .. .	25
Foot Constables... .. .	30
Office Superintendent... .. .	1
Assistant Office Superintendents... ..	1
Head Clerks... .. .	2
Senior Clerk... .. .	3
Junior Clerks .. .. .	3
Peons... .. .	4
	<b>Total 92</b>

244. This Department is independent of the Inspector General of Police and directly with the Home Ministry through the Additional Inspector General of Police.

245. There are no Police Lines or Family Quarters for the Forces. There is no Reserve Force, and the personnel are dispersed over police stations, outputs, etc. Except for those retained for duty in Police Stations or Outposts for Watch and Ward, policemen keep office hours from 11-00 to 17-00 hours. The distribution of forces in the country is indicated below:-

(a) *In the Valley* – Police Stations 14; Outposts – 69

(b) *In the Terai* – Police Stations 30; Outposts – 75

(c) *In the Hill area* – Nominal staff in Gorkah West No. 2, Pokhara, Kuncha, Palpa and Doti.

246. The Inspector General of Police is the Head of the Police Department. Central Police Office is divided into two parts-One supervising the Valley and the other the rest of the country.

247. There are no orders calling for returns of any kind of information from subordinate police officers. The only information which at present gets to the Inspector General's Office is a kind of annual report called the Pajani Kagaz. No personal records are maintained except in the Kitab Khana.

## LAW & POLICE LITERATURE

248. The Criminal Law and Procedure of the country contained the Ains.
249. There is no law protecting the police against actions arising out of what is done in the honest and faithful discharge of duty the consequences of this could well be imagined.
250. The second important feature of the existing law and procedure is that the Court not only tries the case but completes the investigation. The court functions as an investigator, prosecutor as well as a Judge. There is thus no clear demarcation between the functions of the Police and the Magistracy.

### PRESENT BUDGET

251. Reproduced below is a statement of the Police Budget furnished by the Home Ministry:-

*Budget granted for 2008 B.S. (1951 approx.)*

Police Administration	.. .. .	. 3,65,000
Police Reorganization	.. .. .	2,00,000
Intelligence	.. .. .	30,000
Raksha Dal	.. .. .	36,00,000
Police Action	.. .. .	3,00,000
Volunteers	.. .. .	4,00,000
		<hr/>
TOTAL	.. ..	48,95,000
		<hr/>

## PAY AND ALLOWANCES

252. The Salary of a constable ranges from Rs. 192 to Rs. 264 per annum in the Regular Force; it varies from place to place. The salary of a Ram Dal sepoy is Rs. 372 per annum and that of a Raksha Dal constable Rs. 15 per month plus free rations. Dearness allowance is admissible to persons drawing pay up to Rs. 500 per annum. There are no other allowances. Variations in scales of pay and allowances cause discontent in the Force.
253. Government is reviewing the position, and salaries would in all probability be leveled up. An important point to remember in this connection that is the scales of pay in the police should bear relation to the scales of pay in other departments.

## WELFARE AND AMENITIES

254. A Policeman is medically examined once at the time of recruitment, there are no medical or other welfare amenities. There is no age of retirement. Except in the Terai, there are no rules regulating the length of posting in one place.

## PERSONNEL

255. In this country of great military traditions military ranks have always been greatly coveted. Apart from the loan or officers of the Regular Army to the Police, the Police have themselves many military ranks. It is difficult to say where the military in police begins and where it ends. The status of police ranks *vis-à-vis* military ranks is not defined. We feel that the police should not have any army ranks. They should have their own system of Shoulder Badges and Cap Badges. They should also have their own grading *vis-a-vis* Army ranks. It is suggested that the Inspector General of Police should rank with a Major-General, the D.I.G. a Brigadier, A.I.G. a Colonel and Superintendents of Police Lt. – Colonels or Majors according to length of service. Dy. Superintendent of Police any have a rank equivalent to Captain or Lt. according to seniority.
256. There are no rules for enlistment. Appointments are made by local authority in anticipation of approval of the Inspector General of Police and the Government. All appointments have to be confirmed by a reference to the Kitab Khana.
257. There is no initial or refresher training prescribed. Very few among the members of the Constabulary are literate.

## VILLAGE POLICE

258. At present there is no direct, intimate and whole-time link between the Police Station and its rural reas. The Constables hardly ever visit the rural areas. This is a great weakness in administration. Even if the Constabulary is made to go on its beats regularly, the system would remain weak. The Station Officer must be provided with an agency to keep him informed of what is happening in the village from day to day. A village Chowkidari system is therefore strongly recommended.
259. In some parts of Terai, the Chowkidari system exists, Government paying to the Chowkidar Rs. 18 a year and villagers giving him some food grains. We would recommend extension of the Chowkidari system throughout the country. In Uttar Pradesh, Chowkidars are paid Rs. 5 per month by the State. In the Punjab, Chowkdars are paid from a Chowkidari Cess levied from house-holders in the village. We recommend that either the whole or part of the cost of Chowkidari should be borne by the village. What system is practicable throughout the State, is for the Government to consider.

260. The Village Chowkidar's duties would comprise Watch and Ward of the villages, carrying reports to the Police and Revenue Officers, keeping a register of births and deaths and recording in a note-book particulars of crime and criminals. This recording could be done at the Police Station when the chowkidar visits it.

## **ARMS, CLOTHING, EQUIPMENT AND BUILDINGS**

261. Except for the recently created Raksha Dal who has been provided with .303 and the old Henry Martini weapons, the police is not armed with fire arms. Its weapons are lathis, spears and Kukries.
262. The lower personnel of the force, divided as it is into there district forces, wear different types of uniforms. The regular Police wears khaki tunic, shorts, pattis and any shoes, headgear is scarlet turban with a khaki fringe. The Ram Dal wear the same dress except for the headgear which is a hard cap with a red band in the middle. The Rakesh Dal have two types of uniform, khaki and blue, Headger is blue berets.
263. The police has no central stores of its own nor its agency for procuring arms, clothing and equipment. It obtains everything through the Army.
264. Officers have to keep their own uniforms and since a majority of them hold military ranks, they wear the uniform and badges of their ranks. Cetrain distinct badges of ranks in the Police exist but the number of persons using them is small.
265. The type of arms to be supplied to the Police should be carefully determined so as to provide for all possible contingencies. The Police would have to provide guards for treasuries, banks, & important Government persons, they would also have to supply escorts and arrange for patrolling. They have also to deal with violent crime and passive resistance.
266. For night operations against criminals Very Light Pistols have to be obtained.
267. The Valley Police posses 6 jeeps, 5 heavy vehicles, 4 motor cycles and 22 bicycles. It would be necessary to provide some more mechanical and animal transport. There are one or two tear gas sets.
268. The Police should make their own arrangements independent of the Army for the purchase of uniforms etc., unless all purchases of this type are made through a centralized agency.
269. There is urgent need for finding and constructing proper government buildings for Police Lines, Police Stations, Outposts and family quarters. It is suggested that a small committee be set up to determine what buildings should be constructed, where they should be located, what percentage of the Force should be provided with family quarters in the initial stages and how the plans should be executed speedily.

## CRIME

270. Quoted below is a specimen statement of Crime from the Kathmandu Police Goswara for the year 2008 B.S. (1951 A.D. approximately):

	<u>No. reported</u>
1. Murder .....	17
2. Assault on Government servant 11	
3. Cheating.....	9
4. Rape .....	1
5. Infanticide .....	7
6. Escape of convicts .....	64
7. Kidnapping / Abduction.....	4
8. Arms / Ammunition .....	4
9. Dacoty.....	5
10. Theft.....	740
11. Profiteering .....	19
12. Gambling .....	4
13. Pick-pocketing .....	39
14. Killing female criminals .....	3
15. Smuggling gold coins .....	12
16. Defamation.....	2,254

271. This indicates the type of crime in the Valley, the Kathmandu Police Goswara which is like a Police Office in a district in India, The figures relating to defamation cases are noteworthy.

## GENERAL

272. Discipline is not of a high order. The records of a Police Station consist of four registers of varying sizes:

- (a) The attendance register for the Police station;
- (b) attendance register for its Outposts;
- (c) a running diary containing a brief statement of the events of the day; and
- (d) a case diary in which are recorded reports of all kinds of offences and the proceeding of the preliminary enquiry made by the Station Officer.

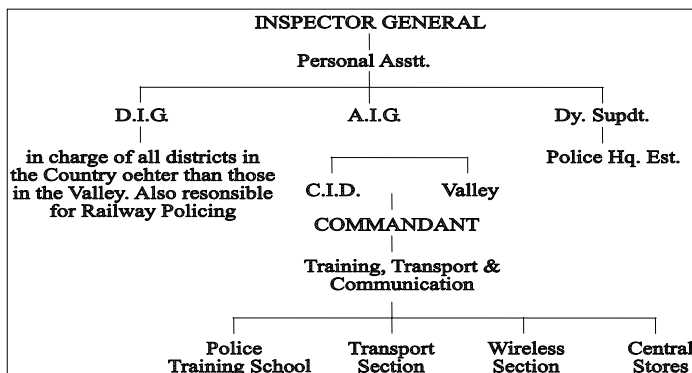
No printed forms exist and a Police Station has to provide its own stationary out of an annual allotment of Rs. 18 to Rs. 45 depending upon its size.

273. We visualize that the functions of the Police Force in Nepal in future should be more or less similar to those in India though with necessary modifications having regard to local conditions. At present there is practically no Police Force in the Hills and there is some

- in the valley and the Terai. The Raksha Dal and even the Ram Dal are really speaking not integrated parts is of the Police.
274. In future, the Police Force should take its full share in the prevention. Detection and investigation of crime, apprehension and prosecution of offenders and maintenance of law and order.
275. The Police problems in different parts of Nepal vary in Character, Kathmandu is the nerve centre of political activities and being the seat of Government, a variety of problems arise. Terai, with an area of nearly 15,000 sq. miles and a population of 35 lakhs, is also politically conscious bordering as it does on the Indian States of Utter Pradesh and Bihar. In the hilly regions, the crime is at presents low but with the opening up of the country there will be more frequent movement of criminals between the Terai and the hills. In the northern most regions the main problem would be of guarding the passes leading into Tibet.
276. The structure of the Police that we propose would have to be reviewed after 2 or 3 years when conditions stabilize. Government has already decided on a plan of reorganisation of the Army which is likely to number about 10,000. We envisage that the army will continue to be used in aid of the civil power and will be suitably garrisoned to be available when required. The Army will be required to perform some of the functions which in the Indian State are performed by the Armed Police. Nepal, which is a unitary State cannot afford, nor is it necessary to maintain, a large army as well as a large Police Force.

## COMPOSITION AND PATTERN

277. The Police will have to be organized into different branches including Civil Police, Armed Police, CID, Transport and Wireless, Tear Gas squad, Village Police, Railway Police, etc.
278. The Chart below indicates our proposals about the Police Organisation in the country:





279. The command of the whole Force must be with the inspector General of Police who should be very carefully selected. He should have complete authority over the internal management training, discipline and general control of the Force.

## PRESENT PERSONNEL AND FUTURE ENLISTMENTS

280. The existing police personnel would require to be screened. For this purpose, a Board consisting of a member of the P.S.C., the Police Adviser and the Inspectors General of Police may be constituted for Officers of the status of Inspectors and above. Another Board consisting of the Police Adviser and I.G.P. should screen the non gazetted personnel. The recruitment and selection of men should be strictly on the basis of merit and fitness.
281. It was most possible within the time at our disposal to work out in detail the police organization for each district and each Police station. Our proposals may require some modification in the light of further examination and experience gained. We estimate that there should be 30 Police Stations in the Terai and 20 in the rest of the country excluding the Valley. The tentative details of the District/Police Stations which we recommend are indicated below:

### PROPOSED STRENGTHS

	<i>Civil Police</i>					
	D.I.G.	S.P.	Insp.	Sub-Insp.	Hd. Cons.	Cons.
For Hills (20 Police Stations)	..	4	10	27	120	780
(4 S.Ps Offices)	..	..	..	4	4	8
For Terais (30 Police Stations)	..	5	10	40	180	1170
(5 S.Ps Offices)	..	..	..	5	5	10
(DIG's Offices)	1	..	1	2	4	12
Total (A)	1	9	21	78	313	1980

## Armed Police

For Hills (4 S.Ps Camp Offices and Reserve).. ..					4	12
					60	
For Terai						
(a) S.Ps Camp Office .. .. .	..	..	..	..	5	15
					75	
(b) Reserve .. .. .	..	..	..	..	4	24
					120	
<b>Total (B)</b>	..	..	..	..	<b>13</b>	<b>51</b>
<b>255</b>						

## Ministerial

	Others	Stenos.	Sr. Clerk	Jr. Clerk.
For 9 S.Ps Offices ..		..	.. 18	27*
	9			
DIG's Office ..	.. ..	1	1	1
	1			
<b>Total (C) ..</b>		<b>1</b>	<b>19</b>	<b>28</b>
<b>10</b>				

### NOTE-

- Police stations would have to find force form within their allocations for outposts required to be established. S.Ps should have full freedom in moving their posts with the approval of DIG.
- To maintain close contact with villagers, provision must be made for village police on the scale approximating to that in the neighbouring Indian territory.
- In view of large distances and difficult communication, except for the Tarai and the valley, Treasury Guard, Lock-up Guard and miscellaneous escort duties would be taken up by the Civil Police. They would take arms when performing Guard/Escort duties. In guard & escort duties of special nature, assistance would be sought from the Army.
- The area of Police Stations would be very large. Two or three Out Posts would have to be established under each police Station. Stations would also have to

\*Includes one camp clerk for each S.P.

provide permanent guards and temporary guards in emergencies. The number of best would be large and in this difficult country beat, constables should go out in pairs. Therefore the content of a police Station has been place at:-

SIs .. 1 Station Charge Watch and Ward, Prevention, Detection, Investigation and Prosecution

Hd.Cons 3 Station Writer I, Supervisor, Watch and Ward Prevention, Detection, Investigation, Prosecution and also for charge of outposts that may have to be created 2 (Total 3).

Const. 30 Station Writers 2, Sentry Duty 3, For assistance to SIs 2, Out Posts 15, Beat Duties 8 (Total 30).

Treasury Guard .. 1-3

Hawalat Guard .. 1-3

Spare Escort .. 1-3

} 3 Head Constable and 9 Constable

Grand Total .. SI 1, Head Constables 3 and Constables 30.

(e) 7 extra SIs have been provided for the Hill Districts and to for the Tarai to meet the requirement of heavy work and large areas.

## **CRIMINAL INVESTIGATION DEPARTMENT AND THE VALLEY POLICE**

282. Since the centre of activity will be the Valley, we have preposed that there should be an Assistant Inspector General of Police assisted by 2 Superintendents of Police each in charge of one branch at the headquarters. The A.I.G will also be in charge of the Criminal Investigation Department.

### **Criminal Investigation Department**

283. This Department should be divided into two main Branches the Special Branch, containing Political, Aliens and General Sections, and the Crime Branch sub-divided into three sections to cater for the needs of the three main divisions of the country

284. The scope and functions of the Branches and Sections of the CID are indicated by their names.

285. The details of the Staff required are:

## Civil Police

	Dy. Supdt.	Inspr.	Sub- Inspr.	Hd. Cons	Cons.	
<i>Special Branch</i>						
(a) Over-all charge	1	..	..	..	..	Civil police
(b) Political Section	..	1	4	4	15	"
(c) Aliens Section	..	1	2	2	13	"
(d) General Section	..	1	3	3	14	"
(e) Shadow Duties	..	..	4	11	30	"
Total(D)	1	3	13	20	72	

### *Crime Brach*

(a) Over-all Charge	..	1	..	..	..	Civil Police
(b) For Tarai	..	..	1	2	6	"
(c) For Hills	..	..	1	2	6	"
(d) For Valley	..	..	1	2	6	"
Total (E)	..	1	3	6	18	

### *C.I.D. Office*

Head Clerk	..	..	1	
Stenographers	..	..	2	
Senior Clerks	..	..	4	
Junior Clerks	..	..	2	
Total (F)	..	..	9	

Add for over-all charge - Supdt. of Police - 1 (Total (F) 1).

- Note - (a) This does not provide for staff required for the Camp Establishment of supervisory staff.
- (b) For a good CID even on a small size, a photographic section is necessary. What should be the staff and equipment of this Photo section would depend upon the nature and volume of work. A beginning maybe made with a Copying Section adopting the Kodak and Camera Copying Processes. These are cheap items and staff for this could be found locally.

- (c) There should also be a Finger Print Section; but this might wait until the CID takes shape.

## Valley police

286. There should be a Superintendent of Police for the Valley which should be divided into three divisions – (a) The Kathmandu City (b) Rural Area and Reserve Lines Police each under Deputy Superintendent of Police (Appendix VIII).

## Kathmandu City Policy

287. At present there are 6 Police Stations and 39 Out Posts and the total Force employed is about 1134. We do not suggest any reduction in the number of Police Stations in the City but consider that the number of Out Posts is too large and should be reduced to about 20. The strength of each Police Station should roughly be 2 Sub-Inspectors, 3 Head Constables and 25 Constables. On this basis the following would be the staff:

## Civil Police

	Dy. Supdt.	Insp.	Sub-Inspt.	HCS.	Cons.
(a) Over-all charge	1	1	..	..	..
(b) 6 Police Stations	..	..	12	18	150
(c) 20 Out Posts	..	..	..	20	100
Total (H)	1	1	12	38	250

## Valley Rural Area

288. This would include Bhadgaon and Lalitpur. At present there are 7 Police Stations and 30 Out-posts. We consider that 4 Police Stations and 16 Out-posts should be sufficient for this area. The requirement of the rural area would, therefore, be:-

## Civil Police

	Dy. Supdt.	Inspr.	Sub-Insprs	HCs.	Cons
(a) Over-all charge	1	1	..	..	..
(b) 4 Police Stations	..	..	8	12	100
(c) 16 Out Posts	..	..	..	16	80
Total(G)	1	1	12	38	250

## Reserve Police Lines

289. At present, there are no Armed Reserves except for the recently created Raksha Dal. We consider that some Armed Police Reserve is necessary for the country and suggest the following strength:-

## Armed Police

	Dy. Supdt.	Insprs.	Sub-Insprs.	Hd Cons	Cons
Total (I)	1	4	25	150	750

(Note: This Dy. Supdt. would also hold the charge of the large office establishment of the Supdt. of Police for the whole Valley.)

Total (I 1) – Add for over-all charge – Supdt. of Police 1; Asstt. Inspector General 1

## Staff for the S.P.'s Office

	Stenographer	Head Clerk	Clerks	Others
Total (J)	2	1	4	2

Note: The requirements of Equipment, Transport (Motor Transport, Horses, Mules and porters) for the whole valley have to be worked out.

## Police Headquarters

290. In the initial stages, the Headquarters should be placed under a Deputy Superintendent of Police with two main branches each under the charge of an Office Superintendent (Q and A Branches):

'Q' Branch

'A' Branch

- (a) Appointment Section
- (b) Uniform Section
- (c) Arms/Stores Section
- (d) Pension Section
- (e) Building Section
- (f) Wireless Section, and
- (g) Statistical Section

- (a) Budget Section
- (b) Account Section
- (c) Finance Section
- (d) Training Section
- (e) Form & Stationery Section
- (f) Copying Section, and
- (g) Record Section

291. While ordinarily a larger staff should be required in the initial stages the following should suffice.

Total (K 1)	{	(a) Dy. Supdt of Police		1 (Police)	
Total (K 2)		(b) Office Supdt	2	} Total (K)	48
		(c) Head/Senior/Junior/Clerks 44			
		(d) Stenographer	1		

Note – (a) Guards and Escorts for the PH to be arranged from the Reserve Police Lines of Kathmandu.

## **POLICE TRAINING SCHOOL, WIRELESS SECTION TRANSPORT SECTION AND CENTRE**

292. It is suggested that these four important institutions of the contemplated police organization be placed under the command of one Superintendent of Police designated as commandant. The Police Training School is the most important institution in this group and the others, although no less important could well be fitted under one command. A graphic representation of this organization is given in Appendix IX.

293. The important of a good Training School in a Police organization cannot be too strongly emphasized. The school is the maker of the future of a Force, and no pains and expenses should be spared in establishing and maintaining it.

At present this school should be designed to train Sub-Inspector and lower ranks; Gazetted Officers may profitably be sent out to any Police Training School in India.

294. In view of the urgent needs of Nepal it is suggested that the First Session of the School should conduct the following courses.

(a) Sub-Inspectors – Armed and Civil Police	40
(b) Head Constables – Armed Police	80
(c) Head Constables – Civil Police	80
(d) Recruits – Armed and Civil Police	500
	<hr/>
Total	700
	<hr/>

295. While experience of good Police Forces elsewhere suggests longer periods, in view of the urgency in Nepal the Courses might be cut down to 16 weeks duration. On the completion of preliminary courses, personnel, particularly the officers should be called in for refresher training.

### Staff required for Outdoor Training

(a) Asst. Commandant (Rank Dy. Supdt. of Police)	..	1
(b) Armed Police - Inspector	.. ..	3
(c) Armed Police Sub - Inspector	.. ..	10
(d) Head Constables Drill Instructor (Infantry Training, Weapon Training and Physical Training)	..	35
Total (L)		49

**Note-** Strict economy has been observed in working out the requirement of Outdoor Staff. While in good institutions there is one Instructor to 15 trainees or even less, here it has been based at 1 to 20. Again, Infantry Training/Weapon Training/Physical Training Instructors are different. In order to keep the number down, arrangements will be made, so far as possible to find Instructors who have specialized in at least two subjects.

### Staff required for Indoor Training

(a) Asst. Commandant (Rank Dy. Supdt.)	1	
(b) Civil (Prosecution) Police Inspector – Hd. Master	1	
(c) Civil (Prosecution) Police Sub Inspector Teachers	8	
(d) Civil Police Hd. Constable or Non-Police Teachers	17	
Total (M)		27

Note - In order to keep the number of teachers down certain classes will be combined and enlarged for common subjects.



## Supervisory, adjutant and establishment Services staff

(a) Commandant – (Rank Supdt. of Police .. .. 1					}
(b) Adjustant (Rank Dy. Supdt. of Police) .. .. 1					
(c) Quarter – Master (Rank A.P. Inspector) .. .. 1					
(d) Quarter – Master (S.I., A.P.).. .. 1	Total (N1)				
(e) Subedar – Adjutant (S.I., A.P.) .. .. 1					
(f) Subedar Armourer (S.I., A.P.) .. .. 1					
(g) Head Constables, A.P.		.. ..	5		
(h) Constables, A.P.		.. ..	41		
(i) Trade Ranks and Followers		.. ..	70		
Total (N2)					
(j) Ministerial Staff		.. ..	6	Total (N3)	
	Total (N)			128	
				-----	
	Grand Total – 49 + 27 + 128 = 204				

*Note – The above figures are approximate.*

296. Out of a total of 204 required for the contemplated School, it is recommended that a team of 45 Supervisory, Instructional and Establishment Staff (detail given below) be imported from India. To ensure smooth running, speed and maintenance of uniform standards, we recommend that this team be obtained from one state of India. The remaining staff would be found from within Nepal.

1. Asstt. Commandant (Dy. Supdt. of police)	2
2. Adjustant (Dy. Supdt. of Police)	1
3. Armed Police Inspectors	3
4. Civil Police (or Prosecuting) Inspectors	1
5. Armed Police Sub-Inspectors	8
6. Civil Police Sub-Inspectors	4
7. Armed Police Head Constable	18
8. Civil Police Head Constables	4
9. Armed Police Hd. Constables	1
10. Head Clerk	1
11. Account	1
12. Typist	1
	-----
Total	45

## WIRELESS SECTION

297. There are 20 Wireless Stations scattered over the country under the control of the Communication Ministry. In view of the fact that they also receive messages from the public, we do not suggest any change in these arrangements, but would emphasis that the

Police should have priority in the use of this system. Further, they should be provided with adequate number of mobile wireless sets for departmental use.

## TRANSPORT SECTION

298. The Nepal Police would require different kinds of transport in different parts of the country. It needs mechanical transport horses mules and porters. Much data has to be collected and local conditions studied to work out the details of requirements. In the initial stages, it is suggested that an adequate lump sum grant for initial and recurring expense should be allotted in the budget.

## CENTRAL STORES

299. The Quarter Master Staff of the School has been so fixed that it should be able to meet the requirements of the Central Stores of the Nepal Police.

### 300. PROPOSED STRENGTHS

<i>Civil Police</i>								
	D.I.G.	S.P.	Dy.S.P.	Insp.	Sub.	H.Cs.	Cons.	Insp.
(i) Total (A)	..	1	9	..	21	78	313	1980
(ii) Total (D)	..	..	1	3	13	20	72	
(iii) Total (E)	..	..	..	..	1	3	6	18
(iv) Total (F1)	..	..	1	..	..	..	..	..
(v) Total (G)	..	..	..	1	1	12	38	250
(vi) Total (H)	..	..	1	1	8	28	180	
(vii) Total (I 1)	..	..	2*	..	..	..	..	..
(viii) Total (K 1)	..	..	..	1	..	..	..	..
(ix) Total (M)	..	..	..	1	1	8	17	..
<b>Total</b>	<b>(X)</b>	<b>1</b>	<b>12</b>	<b>5</b>	<b>28</b>	<b>122</b>	<b>422</b>	<b>2500</b>

<i>Armed Police</i>								
	D.I.G.	S.P.	Dy.S.P.	Insp.	Sub.	H.Cs.	Cons.	Insp.
(i) Total (B)	..	..	..	..	13	51	255	
(ii) Total (I)	..	..	1	4	25	150	750	
(iii) Total (L)	..	..	1	3	10	35	..	
(iv) Total (N 1)	..	1	1	1	3	5	41	
<b>Total</b>	<b>(X)</b>	<b>..</b>	<b>1</b>	<b>3</b>	<b>8</b>	<b>51</b>	<b>241</b>	<b>1046</b>

NOTE -\* Includes on Asst. Inspector General of Police.

	<i>Police Force</i>										
	I.G.	D.I.G.	S.P.	Dy. S.P.	Insp.	Sub. Insp.	Hd. Cons.	Cons.	V. Police		
(i) Total (X)	..	..	1	12	5	28	122	422	2500	..	
(ii) Total (Y)	..	..	..	1	3	8	51	241	1046	..	
	(Included 1 AIG)										
(ii) Add (Y)	..	1	..	..	1	..	2	5	75	..	
(Towards Traffic Police in Kathmandu)									(Per sona l Asst. to (IGP)		
Total (X)	1	1	13	11	36	9	175	668	3621	..	

(numbers to be settled later).

RESERVES TOWARDS TRAINING, LEAVE, SICKNESS, SUSPENSION AND OTHER CASUALIES AT 12 PER CENT. OF TOTALS- (Leave 10 per cent., other casualties 2 percent = 12 percent)

	..	..	..	..	2	..	25	515	..
Grand Total	1	1	13	11	36	200	668	4136	..

	Office Supdts.	Steno.	Senior Clerks	Junior Clerks	Others
Total (C)	.. .. .	1	19	28	10
Total (F)	.. .. .	2	5	2	.. ..
Total (J)	.. .. .	2	1	4	2
Total (K2)	2	1	44	.. .. .	.. ..
Total (N3)	.. .. .	1	5	.. .. .	.. ..
Aid for AIG's Office	.. .. .	1	1	.. .. .	.. ..
Total (Z)	2	8	75	.. .. .	.. ..
Grand Total (Z)..	.. .. .	.. .. .	131	.. .. .	.. ..
12% of 131	.. .. .	.. .. .	16	.. .. .	.. ..
GREAT TOTAL	.. .. .	.. .. .	147	.. .. .	.. ..

GREAT TOTALS:

POLICE FORCE --	5	Strong Plus Village Police
	0	
	6	
	6	
MINISTRIAL --	1	147
	4	
	7	

## MINISTERIAL STAFF

301. We suggest the following implementation programme so that the police organization could proceed with speed which is most essential;

- (1) A set of police Rules and Regulations according to local conditions should be prepared and promulgated by July 31, 1952. These will have to be carefully prepared with the help of the Police Adviser and of experienced local Police Officers.
- (2) Various Police Ranks and Badges and Uniforms should be settled by July 31, 1952.
- (3) Revised pay scales and allowances should be determined and announced by July 31, 1952.
- (4) Physical and educational standards for the various police ranks should be settled by a Board by July 31, 1952.
- (5) The existing staff should be screened by August 15, 1952. The bias should be in favour of retaining as many of the existing people as possible. Enlistment to various ranks should be gradual and in proportion to the number which could be absorbed by the training institutions.
- (6) A Training School should be established without delay and necessary buildings should be found at once. All this should be completed by July 31, 1952.
- (7) A Training Team should be imported from India (Uttar Pradesh) as suggested above. This Team should arrive in Nepal by July 15, 1952. Details of this have already been discussed by the Police Adviser and the members of the Committee with the Hon'ble the Home and the Finance Ministers of Nepal on June 7, 1952 and the approval in principle has been obtained to the proposal made. They have agreed that to save time Mr. Anand should proceed to Uttar Pradesh and select the personnel in consultation with the U.P. Government. Mr. Anand has at New Delhi discussed the details regarding terms of deputation etc. With the Ministry of External Affairs and has proceeded to Uttar Pradesh.
- (8) Clothing and equipment will have to be indented for the existing staff. It would be desirable to equip 1,000 men by the middle or end of August 1952.
- (9) In consultation with Bara Hakims a survey regarding the location of Police Stations and availability of buildings etc. should be made by September 30, 1952.
- (10) The Training School is likely to train 700 policemen in the first session. The first batch could well be posted in the Valley and the next one in the Tarai. After that, the Policing of the Hill districts should be undertaken. Intelligence Collection Staff, however, should be sent to the Hills as early as possible. Since training must take a little time the expenditure on the reorganization will be less in the first year, a little more in the second and the full financial

implications of the scheme will be felt only in the third year. Till the policing of the hill districts made some headway, it would be necessary to retain some of the Militia.

302. The Nepal Government had asked for the services of 3 DIGs and 16 Superintendents of Police from India. We are of the view that apart from the staff required at the Training School and at the headquarters *viz.*, one D.I.G. or A.I.G. and couple of Deputy Superintendents of Police and some Inspectors and Sub-Inspectors, it would not be necessary to import more than 2 or 3 officers from India of the rank of Deputy Superintendent of Police to act as Superintendents of Police – 2 to be located in the Terai and 1 in the Hills. These two or three officers may also bring with them 1 Inspector, 1 Sub-Inspector, 1 Head Constable, 2 Constables and 1 Typist each to from their team.
303. We would prefer as far as possible, that the executive charge of the districts should be held by the Nepali police officers. The Police Adviser and the officers at headquarters, will be able to give the necessary assistance in the reorganization of the Force and setting up a sound district administration. Immediately, at least 3 Nepali Officers should be sent for training for about 6 months to Uttar Pradesh or Bihar and on their return they should take over from the 3 borrowed officer referred to above. In the meantime, these borrowed officer will try to organize work in these 3 districts in such a way that it would serve as a model for other districts. These districts should also serve as training centres in police procedure etc. for neighbouring districts.
304. It would be observed that our proposals do not contemplate any violent change in the existing system. In the hills, where there is no organized police at present, we propose a very gradual tension. Our proposal could be reviewed from year to year as the training programme and the recognition progress. We have elsewhere recommended that Nepal laws should be revised having regard to local conditions and they should not wholly be a copy of the Indian laws. We contemplate also that the overall internal security measures will be co-ordinate between the Army and the Police. We attach the greatest importance to careful selection of men and officers and to proper training. The bulk of the training will be done in Nepal but gazette officers will have to be deputed to training institutions in India.

## CHAPTER IX

### JAILS DEPARTMENT

306. There are about 45 prisons including 4 Central Jails at Birganj, Dhankuta, Palpa and Kathmandu. There are 3 lock ups (khors) – one at Dilli Bazar, one at Lalitpur and one at Bhaktapur. There is also a lock up at Sadarjung Kotawali at Kathmandu. Under the old regime, all prisoners were kept in fetters. Now fetters have been removed at Kathmandu, except in a few cases, but we found them in use at Dhulikhel. In both these jails which we visited, the outer gates of the building were not strong. The buildings which must have been good at one time are in a very bad state of repairs. The prisoners and under-trials are provided with no bedding or blankets. They are however allowed to have their own clothing if they happen to have any friends or relations to give it to them. Some quantity of untailed cloth is issued. This may be sewn up into garments by mutual arrangement amongst the prisoners themselves if some of them know tailoring. Prisoners are allowed to smoke. They are given a quantity of cereal ration plus 14 pice cash every day with which they could purchase their requirements from the shop located inside the jail. Each prisoner, or two or three of them together, cook for themselves and every dormitory has a large number of chulas' in it. There is no jail dress or other distinguishing marks to identify the prisoners. Old records of the Kathmandu Jail are stated to have been destroyed at the time of K.I. Singh's insurrection. Prisoners may get on to the roof of the jail in the evening to watch the traffic on the main road near which the jail is situated and talk of outsides either from the roof or standing near the jail gate. A few prisoners are confined to barracks. In old days, various crude devices like the iron cage or heavy iron balls were used to control turbulent prisoners. Although we were told that a roll call is taken every day, it was surprising to learn that there were no recent cases apart from the release at the time of the general insurrection) of escapes or impersonation, in spite of all the opportunities that the prisoners get of moving about freely, of bringing into the jail all sorts of things, and of communication with outsides. All this requires to be put on a proper basis. It would also be desirable to have one or more common kitchens. We were told that caste prejudices were so strong that this may not be possible. Even if it was necessary to run half a dozen kitchens, it would be preferable to do so rather than allow individual prisoners to light fires all over the place and have smoke and dirt in the living rooms. We recommend that the Central jail at Kathmandu should be located some distance from the city and a new and adequate building should be constructed.
307. We understand that government appointed a Jail Reforms Commission sometime ago. Its recommendations are under consideration.
308. We would recommend that a competent senior officer of the status of the Superintendent of a District jail should be deputed to Nepal for a short period (six months or one year)

to organize the administration of Jails. At the same time, a Nepalese officer who will ultimately take over these duties should be sent to one of the States in India to study the working of jails. A proper Jail Manual should be prepared. Under present conditions prisoners have food of their own choice, and have a certain amount of freedom of movement. On the other hand lack of covering in cold climate, inadequate clothing, unsatisfactory sanitation, housing conditions etc., and mixing of hardened criminals with the ordinary ones. All this is unsatisfactory. Better arrangements for security should also be made. The Police Advisor should be able to check up the guard arrangements and give suitable advice. With the help of the Police Adviser it is necessary to review the arrangements for guards and for the training of watch and ward staff etc. Under the present arrangement, jails are guarded some times by the Police, sometimes by the Militia etc.

309. The Nepal Government has asked for the services of a Superintendent of a District Jail, two Deputy Jailors and two Clerks. We recommend that this staff should be deputed, but their main functions should be to organize the jail administration. Jails may be divided into Central Jails, District Jails and Sub-Jails according to the number and class of prisons to be kept in them. For Central and District jails, there should be whole time officers in charge as Superintendents and Jailors. The present arrangement under which the Hakim of the Amini or the Adalat supervises the administration of the jail is unsatisfactory. Sub-Jails should be placed under the control of Mal Subas. In their absence on tour the senior-most officer in his office could hold charge. The post of the Inspector General of Prisons may, will be combined with that of Director General of Medical and Health Services. Jails should be visited by Boards consisting of the Bara Hakims, the Hakim of the Adalat or the Amini and the Superintendent of Police once every three months. They should record an inspection note of which a copy should be sent to the Inspector General of Prisons and to the Home Ministry. To what extent it is possible and desirable to have non-official visitors for jails is a matter for consideration by the Nepal Government.

## CHAPTER IX

### JUDICIARY

310. Under Chapter III of the Interim Government of Nepal Act, the Pradhan Nyayalaya shall be the Highest Court of Justice in the country. The powers and functions of the Pradhan Nyayalaya were to be the same as heretofore till altered according to law. The existing system of administering criminal and civil justice is briefly as follows:-
311. The highest court of appeal is the Nyayalaya consisted into a number of benches. Under the Nyayalaya, there are Courts of Appeal, 13 in number in the whole country. Below the Appellate Court is the Court known as Amini in the Terai districts and Adalat elsewhere. There are some 69 such Courts in the country. The Aminis and Adalat Courts hear criminal, civil as well as revenue cases and have unlimited powers, subject in the case of some sentences to confirmation by the Appellate Court.
312. The Rana Prime Ministers used to hear revisions and appeals against the orders of the Nyayalaya. This was known as Mamala Niksari.
313. The procedural and substantive law is contained in a number of Ains and Sawals.
314. The Police have limited powers of investigation as compared to what they have in India and do not have full protection even for their bona fide acts. For example, the Police cannot search the house of a suspect without the complainant or someone else taking full responsibility for the search. If nothing incriminating is found during the search, the person who lodged the report is liable to be punished and if the police search the premises on their own initiative, the officer conducting the search is liable to be prosecuted. A traffic constable reporting against the driver of a motor vehicle may be fined if the defence story is believed in preference to the prosecution story. The Police cannot keep an accused under custody for more than 7 days. In many cases the complainant is also kept under some kind of restraint till he is able to establish the allegations made by him. 10 percent of the value of the case property is retained by the State. Punishments like ex-communication could be given. In a case of adultery the accused as well as the woman are liable to punishment and the husband of the woman is entitled to name the punishment including the right to kill the accused. When the police forward the papers of the case and the parties to the Amini or the Adalat, that Court could, if it so desired, conduct further investigation itself either locally or otherwise. There are no prosecuting or defence counsels in Nepal. The accused may however bring with him a waris who may be a friend or relation. The magistrate thus investigates, prosecutes, defends and finally pronounces judgement. The magistrate is assisted by a Deputy. In addition, every Court has 2 to 6 Bicharis. These are senior clerical officials who record evidence. No fixed dates are given to witnesses and they are expected to turn



up a fortnight after the date of service of the summons. The witnesses therefore may turn up on any date. When they come, the Bicharis under the general supervision of the Hakim record statements. A number of cases may simultaneously proceed. The Bicharis take the statements and depositions to the Hakim for signature and confirmation and a discussion ensues regarding the merits of the case between the Bichari, the Deputy of the Hakim and the Hakim in the presence of the litigants or their *waris*. After these arguments in open Court, judgement is pronounced in most cases written out by the Bicharis. The Bichari or the Deputy has a right to record a minute of dissent and the case may then go to the Appellate Court.

315. If on appeal the order of the lower Court is upset, the presiding officer or his Deputy or the Bichari may be find and if on a second appeal, the Nyayalaya upsets the order of the Appellate Court and restores that of the trial court, the Appellate Court may be fined.
316. Statements before the Police are admissible in evidence. There are no committal proceedings. Except in the Valley, where the Kotwali Court hears petty cases in which punishment upto 3 years imprisonment could be imposed, all cases go before one Court, namely, the Amini or Daalat. Recently a number of Panchayat have been established and the Panchayats have been given some civil and criminal jurisdiction. More Panchayats are likely to be established. 40 Panchayat officers have been sent out to districts to speed up the formation of the Panchayats.
317. Some of the features of Nepal law and procedure might appear to be strange to those who are used to other system. In conditions obtaining in Nepal, however, a simple procedure and the punishments prescribed may be very suitable and need not hastily be changed. At the same time the need for a revision both in the procedural and substantive law, particularly the former in many directions is obvious. For bringing this about, it is intended to appoint a Law Commission. Even in advance of this deliberation of this Commission, it may be desirable to make a few amendments suggested by the Chief Justice, e.g., as regards the punishment prescribed for the offence of adultery or enabling the Courts to fix suitable definite dates for the appearance of parties. It would be desirable to man this Commission with experienced local judicial officers and others trained in local laws. It would be very useful it a senior serving or retired District and Sessions Judge from India, who may become an additional temporary Judge of the High Court is also associated with this Commission. A preliminary Scrutiny, particularly of the criminal law and procedure should be undertaken quickly. We would not recommend that the Indian law of procedure and evidence should be made applicable without changes to Nepal. Simplicity, ability of the people to understand the system and cheapness should be the governing factors. The Indian Penal Code, however, would with certain modifications and adaptations be suitable even in conditions obtaining in Nepal.

## Future Composition of Courts

318. As contemplated under the Interim Government of Nepal Act, the Nepal Pradhan Nyayalaya Act has been approved by the Council of Ministers and has been submitted for the approval of His Majesty the King. As soon as that Act is promulgated, the Pradhan Nyayalaya will be the Highest Court and will have appellate and revisionary jurisdiction as well as the power to review and transfer cases. It will also have power of superintendence over all Courts and tribunals. Under the draft Act that we saw, appointments to the posts of District Judges will be made by the King in Council in consultation with the Pradhan Nyayalaya and appointments to posts other than those of the District Judges in the Judicial Service shall be made in Council in consultation with the Pradhan Nyayalaya and the P.S.C.
319. We would recommend that under the Pradhan Nyayalaya there should be the Amini or Adalat doing both civil and criminal work as at present but it would be desirable to have two categories of magistrates and Judges, some of whom may have powers to try cases punishable with imprisonment up to 2 years and civil cases of the value up to Rs. 10,000 and the others should have full powers. The investment of lower or higher powers would depend on the experience and competence of the presiding officers. Alternatively Appellate Courts could be given original civil powers in cases of the value of over Rs. 10,000 and original criminal powers to try cases tried by the Sessions Courts in India, without of course the need of Committal proceedings. The present system under which both petty as well as important cases go to the same Court is not very suitable. The proposed Panchayats, about the constitution of which Government are committed as a matter of policy, might have some criminal and civil powers. We would recommend that the Panchayats should have powers to impose punishment up to one month's imprisonment and not up to 3 months imprisonment as contemplated, and to try civil cases up to the value of Rs. 250.
320. We think that the present system under which statements are not directly recorded by the Presiding Officer himself and many cases are tried simultaneously is not desirable. The Presiding Officer should be able to assume full responsibility for the decision and subordinate officials like Bicharis etc., should not have the same powers as the Presiding Officer. If in serious cases it is desired that the Presiding Officer should have some assistance a system of assessors, whose opinion may not be binding, may be introduced. A suggestion was made to us that in order to check corruption the Presiding Officer should be assisted by elected juries. We agree that everything possible should be done to remove corruption. But there are very many dangers in introducing the jury system as a whole and particularly in having the juries elected, till proper civic sense has developed. The revised scales of pay which are under consideration will help to remove corruption to some extent. We are also definitely of the view that the present system whereby Judges and policemen are liable to be fined should be discontinued. We were told of the

cases of a Judge whose annual salary was Rs. 1200 and who had already been fined Rs. 1400 during the year. The system of fining, however good it might have been in olden days, must lead to a certain amount of corruption, loss of prestige and morale and reluctance to assume responsibility in the investigation and decision of cases. Similarly although the association of Bicharis or the Deputy with the Presiding Officer might have served as a check by one official against another and been conducive to a better collective appraisal of facts, it no longer serves any useful purpose. On the other hand, the Presiding Officer might not feel that sense of responsibility which he should have while dispensing justice. We would therefore, not be in favour either of associating whole time officials or non-official, whether they are paid or otherwise appointed or elected. An independent judiciary with High Court property manned and functioning as a Bench or singly should provide sufficient check on the work of the subordinate judiciary. This could be further fortified by a system of periodical inspections of Courts by High Court Judges on tour, by obtaining regular returns of disposals, by proper recruitment and training and, if necessary, by associating assessors in very serious cases, in an advisory capacity, with the Presiding Judge. These assessors should be drawn from a panel of approved names and could be called upon to assist the Court in individual cases. It would lead to delays and unnecessary expense if juries have to be constituted for even petty cases.

321. While we do not recommend introduction of a complicated procedure or rules or the separation of civil and criminal Courts, we consider it essential that Bara Hakims should have certain powers which would enable them to maintain law and order. These powers could be similar to those enjoyed by District Magistrates in India, under Sections 144 and 145, 106, 107, 108, 109 and 110 of the Criminal Procedure Code and similar other sections. Bara Hakims have already some powers under the Public Safety Act. We would also recommend that Mal Subas should have, for the purpose of maintenance of law and order, and preventing breach of the peace, powers similar to those enjoyed by the Sub-Divisional Magistrates in India. Neither the Mal Suba nor the Bara Hakim should have powers to try ordinary criminal cases which should continue to go to the Adalat or the Amini. An arrangement on these lines would not interfere either the present position about the separation of the executive and the Judiciary. It must be remembered that hitherto this separation was only at the bottom and at the highest level the Prime Minister was both the head of the Executive as well as of the Judiciary. The Prime Minister would no longer interfere with the judicial orders of the Pradhan Nyayalaya.
322. We have recommended that the services of one District and Sessions Judge may be obtained to assist in the work of the Law Commission. If the Nepal Government feel that they require the services of one more person to be an Additional Judge to help the Chief Justice in the interpretation of Constitutional matters coming up before the High Court, and in administrative matters relating to judicial personnel we would recommend that the services of such an officer should also be secured for the Nepal Government.
323. The Nepal Government has asked for the services of a person who might have experience of working as a Registrar or a Deputy Registrar in a High Court in India. The Chief Justice does not consider it necessary to secure the services of such an officer

since, according to him, a suitable officer is locally available. We would recommend that for about 6 months to one year the services of a Superintendent or an officer of analogous status in an Indian High Court may be obtained to organize the administrative and the judicial work coming up before the Chief Justice, the Administrative Judge and the Pradhan Nyayalaya as a whole.

## CHAPTER IX

### DEPUTATION OF OFFICERS FROM OUTSIDE

324. We indicate below the suggestions made by the Nepal Government for deputation of officers from India and our own recommendations about the assistance required from India as regards the personnel, their qualifications and approximate period of deputation. In making these recommendations we have tried to keep the number of officers for deputation to the very minimum, having regard to the need for economy and desirability of using local offices as far as possible.

325. Suggestions made by the Nepal Government:-

(1) *Secretariat Departments*

	-----		Required Staff
	Officers	Assistants	Stenographers
1. Cabinet .....			1
2. General Administration.....		1	1
3. Foreign .....			1
4. Police .....		1	
5. Jail .....		1	1
6. Law .....			1
7. Finance, Budget .....			1
8. Finance, Accounts.....		1	1
9. Finance, Audit.....			1
10. Finance, Economic Affairs .....	1		
11. Industries.....			1
12. Commerce.....	1		1
13. Civil Supplies.....			1

14. Planning and Development .....	} 1	1	
15. P.W.D. ....			1
16. Transport and Communications.....			1
17. Forest.....		1	
18. Education.....	} 1	1	
19. Health.....			1
20. L.S.G. ....			1
21. Food and Civil Supplies.....	} 1	1	
22. Land Administration .....			1
23. Parliamentary Affairs – Elections, Census.....			1
24. Defence .....		1	

(2) *Divisional Officers*

Commissioners .....	3
Stenographers .....	6
Assistants.....	6

(3) *District Offices*

Supervisor Kanungos or Naib Tahildars....	32
Treasury Head Clerks .....	6
Assistants.....	16

(4) *Police*

Deputy Inspector General of Police.....	3
Superintendent of Police.....	16
Inspectors.....	16

Stenographers .....	3
Assistants .....	3
Clerks.....	16

(5) *Judiciary*

District and Sessions Judges.....	1
Registrar or Deputy Registrar .....	1
Officers.....	3
Assistants.....	9

(6) *Jails*

Superintendent of District Jail .....	1
Deputy Jailors .....	2
Clerks.....	2

(7) *Public Service Commission*

Secretary .....	1
Assistant .....	1

(8) *Advisory Assembly*

Assistant Secretary .....	1
Assistant .....	1
Reporters.....	2

(9) <i>Miscellaneous</i>	
Industries and Commerce.....	1 expert
Customs .....	1 "
Income-tax.....	1 "
Food and Civil Supplies .....	1 "
Finance – Economic side.....	1 "
Auditor General and his team/Forest.....	1 team

Post and Telegraphs – 1 team of 2 Superintendents of Post Offices and 12 Inspector to reorganize the whole postal system of Nepal.

(10) *Wireless* One small team

(11) *Telephones* A small team

## **Our recommendations are —**

Period of Deputation

### *1. Secretariat*

1 Chief Secretary or Secretary General (if a suitable officer cannot be locally found).....	1 year
5 Officers of the status of Under or Deputy Secretary in India, one each for the Ministries of General Administration, Defence, Foreign Affairs, Law and Finance .....	1 year
13 Assistants, 3 for the Ministry of Finance and 1 for each of the other Ministries .....	1 year

### *2. Public Service Commission*

If necessary the services of a Superintendent from the office of the Public Service Commission in India may be obtained



to work as Secretary..... 6 months to 1 year

*3. Accounts and Audit*

1 Assistant Accounts Officer and 2 Superintendents ..... 2 years

Auditor-General

We do not recommend any deputation as Nepal Government have a certain officer who is already in Nepal in view.

Period of Deputation

*4. Treasury Organisation*

1 Treasury Officer or Head Accountant ..... 2 years

*5. Customs*

An officer from the Indian Central Board or Revenue should be deputed for advising or reorganization of Customs and Rationalisation of rates ..... 2 months

*6. Board of Revenue*

1 Senior member having considerable revenue experience and of the status of a Senior Collector..... 2 years

1 Second member, if a suitable officer is not locally available, trained in administration of income tax, Customs and Excise..... 1 year

*7. Survey and Settlement*

An officer of the status of Survey and Settlement

Officer for organizing survey and settlement work..... 2 years

*8. District and Revenue Administration*

3 Senior Deputy Collectors to work as Bara Hakims ..... 6 months to 1 year

The above officer may bring some sub-ordinate staff with them.

9. Police

A training team of 45 consisting of-

2 Assistant Commandants (Rank Dy. Supdt. of Police ..... 2 years

1 Adjutant (Rank Dy. Supdt. of Police) ..... " "

Period of Deputation

3 Armed Police Inspectors..... 2 years

1 Civil (Prosecution) Police Inspector ..... " "

8 Armed Police Sub-Inspectors ..... " "

4 Civil Police Sub-Inspectors ..... " "

19 Armed Police Head Constables ..... " "

4 Civil Police Head Constables ..... " "

1 Head Clerk..... " "

1 Accountant..... 2 years

1 Typist..... " "

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45

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1 Superintendent of Police to work as D.I.G. or as A.I.G. .... 2 years

3 Deputy Superintendents of Police to work as

Superintendents of Police..... 6 months to 1 year

Each Deputy Superintendent of Police may bring with him 1 Inspector, 1 Sub-Inspector, 1 Head Constable, 2 Constables and 1 Typist.

*10. Judicial*

1. One District and Sessions Judge, serving or retired, to be on the Law Commission .....1 to 2 years
2. One District and Sessions Judge, if required, as Additional Judge of the Pradhan Nyayalaya for Constitutional matter ..... 2 years
3. One Superintendent to organize the office of the Pradhan Nyayalaya..... 1 year

*11. Jails*

1. One officer of the status of Superintendent of District Jail... 1 year
2. Two Deputy Jailors..... 1 year
3. Two Clerks ..... 1 year

*12. Public Works Department*

1. One Officer of the status of Superintending Engineer to be the Chief Engineer ..... 2 years
2. Two Assistant Engineers (one as P.A. to Chief Engineer and one as Executive Engineer)..... 2 years
3. One Divisional Account ..... 2 years

*13. Communications*

1. Experts should be deputed from the Govt. of India to advise on the organisation of Railways, Wireless and Telephones ..... 1 to 2 months
2. One officer from the Posts and Telegraphs Department should be deputed to reorganize the Posts and Telegraphs Department of Nepal..... 6 months

*14. Forests*

1. The Inspector – General of Forest, India, or the Chief Conservator of Forests, Uttar Pradesh to visit Nepal for about a fortnight for advice.
2. An officer of the rank of a Senior Divisional Forest Officer or a Junior Conservator of Forests should be deputed as Chief Conservator of Forests ..... 2 years

Other staff required in the Forest Department will be proposed by this officer.

*15. Education*

1. An eminent educationist might be invited for a short time to advise on the framing of the educational policy ..... 2 to 4 weeks
- 2.

*16. Advisory Assembly*

1. No officer is proposed for deputation as Nepali officers are being trained.

Note:- We would not recommend deputation of Stenographers and Reporter.

Government could obtain them from the open market in India. Some

officers will no doubt bring their own stenographers with them.

326. In this connection, we want to emphasize-

- (1) That all persons deputed should be carefully selected and should be chosen from amongst those whose service record has been good. They should be persons of integrity and should be physically fit, able to undertake difficult touring in Nepal. They should also be persons with initiative and imagination and able to adapt their methods to local conditions and practices. What is required is a team of absolutely first-rate officers able to serve in difficult conditions with zeal during the short period of their deputation,
- (2) That since all Government business in Nepal is conducted in the Nepali language with Devnagri script and since Hindi is the only widely understood Indian language, as far as possible, persons deputed from India should know Hindi and should be familiar with the Devnagri script. They should also try to learn the Nepali language within 2 or 3 months after their arrival, and
- (3) That the terms of deputation should be settled having regard to the short period of deputation and the difficult conditions of service. Most people will have to maintain double establishments and the terms of deputation will therefore have to be reasonably liberal.

## CHAPTERXII

### CONCLUSION

327. We have tried within the limited time at our disposal to cover the whole range of administration as far as possible. It is, however, possible that we have based our recommendation here and there on inadequate information. We were asked to make a quick survey and report in about a month and have, therefore, made no attempt to go into more detail than was absolutely necessary for the purpose.
328. The Government of Nepal are themselves conscious of the defects in the administrative structure. We found that the Secretariat suffered from the lack of a clear conception of its functions, a tendency to concentrate authority at the centre and failure to delegate adequate powers to Heads of Departments and other officers. We also found that the organization of the Secretariat Departments and distribution of work between them had to be done on a more rational basis. There were some bottle-necks which had to be avoided. Having regard to all this we have proposed a reduction in the number of Ministries. We have also proposed the appointment of a Chief Secretary or Secretary General who would also be Secretary to the Cabinet and co-ordinate the work of all other Secretaries. We have made detailed suggestions regarding methods of financial control and the setting up of an Accounts and Audit organization. We have suggested measures to be adopted for the training of the Secretariat personnel. We have recommended decentralization of work with suitable checks and the Constitution of Departments each with a single Head in place of a large number of miscellaneous offices dealing with the same subject and working independently of each other.
329. We have emphasized the need for proper selection of secretaries and Heads of Departments and the role of the Public Service Commission.
330. The efficiency and purity of the District Administration principally depends on the proper selection of Bara Hakims, organization of the Police and Revenue Departments, a proper definition of functions, adequate delegation of powers and a system of inspections and touring. We have proposed the creation of a Board of Revenue to supervise the work of Bara Hakims and of the Revenue collecting agencies. We have strongly urged the need of adequate touring by the Bara Hakims, Mal Subas and other district officers, as we feel that at present adequate contact between the administration and the population is lacking. We have suggested the formulation of a proper plan of survey and settlement, Tenancy and Land legislation and land reforms. We have drawn up a detailed plan for the reorganisation and training of the police. A sound revenue administration and as well trained and disciplined police force and Army are essential for good Government.
331. The reform of the Judiciary and the legal system are matters requiring very careful consideration and detailed study of the existing systems and the entire social and

economic structure. We have, however, indicated what reforms are immediately needed and suggested the appointment of a Law Commission.

332. We were greatly handicapped in making our proposals by our inability to anticipate the nature of the legal and judicial system which would be evolved and agricultural and economic policies which the future democratic Governments would pursue, after the Constituent Assembly has framed a constitution and elected legislature comes into existence. The administrative structure has obviously to be designed to carry out the policies of Government and to fit in with the scope and nature of its activities.
333. We have throughout attempted to formulate our recommendations having regard to conditions in Nepal and the need for devising a system which is simple and will be easily understood by the people and consistently with the need of a democratic Government is as inexpensive as possible.

## Summary of Recommendations

334. A summary of our recommendations is given in Appendix I.

### *Acknowledgements*

335. We are most grateful to the Hon'ble the Prime Minister of Nepal and his colleagues particularly the Home and Finance Ministers and to the officers of the Government of Nepal for the hospitality and consideration extended to us. But for the promptness and readiness with which our demands for information were met we would not have been able to submit our reports in such a short time. We are particularly grateful to Col. Tilak Shumsher, Secretary, Ministry of Law and Justice and to Lt. Col. Himalaya Shumsher, Secretary, Ministry of Finance, who were deputed by the Nepal Government to assist us. Through their efforts we could gather quickly the information we need. Their knowledge and experience of the administration were of great value to us in formulating our proposals.
336. We also wish to place on record our appreciation of the good work done by our Personal Assistants Shri S. B. Mathur and Shri S. Krishnamurti. They worked long hours and cheerfully.

**N.M. BUCH**  
**Leader**  
**K.P. MATHRANI**  
**S.K. ANAND**

**New Delhi,**  
**23<sup>rd</sup> June 1952.**

## APPENDIX I

### Summary of recommendations

#### CHAPTER II

1. There is need for organising sizeable departments each under a single head of department and amalgamation of separate offices dealing with same or similar subjects.	14
2. The Secretariat Departments are top heavy and there is excessive clerical staff in the departments and district offices. Suggestions for reduction in the strength of officers have been given at appropriate place. Scope for reduction in the clerical staff requires examination	15
3. There is need for proper observance of Rules of Executive Business and Secretariat Instructions.	19
4. Districts and their sub-divisions etc., need to be properly demarcated and there is scope for reducing the number of Bara Hakim's charges to about 20.	20
<b>CHAPTER III</b>	
5. All new appointments requiring consultation with the Public Service Commission should be made in consultation with it.	27
6. Services of a Secretary for the Public Service Commission should be obtained from India, if necessary.	30
7. Existing Government servants should be screened by a Screening Committee.	31
8. Compensation should be paid and efforts should be made for rehabilitation of Government servants who might be retrenched.	32
9. The limit of salary of Government servants who should be recruited through the Public Service Commission should be revised.	33
10. Training should be arranged for all classes of Government servants.	34
11. Departmental tests should be prescribed.	37
12. Measures should be taken to check corruption.	38
<b>CHAPTER IV</b>	
13. The location and accommodation of Ministries and offices in the Secretariat should be properly planned.	39
14. The number of Ministries should be reduced to 11 and work should be redistributed on a more rational basis as in Appendix IV.	40
15. The number of designations and grades of ministerial Government servants should be reduced from 15 to about 4.	44



16. A proper filing system should be introduced in the Secretariat. The existing system should continue elsewhere.	45
17. A Chief Secretary or a Secretary General should be appointed and a suitable officer selected locally or obtained on loan. The separate post of the Cabinet Secretary should be abolished.	47
18. A team of four Under or Deputy Secretaries and 10 Assistants or Superintendents for Ministries, other than the Finance Ministry, should be deputed from the Central or State Secretariats in India.	48
19. Shree Govinda Narain should function as leader of the team to be deputed from India and help in the reorganization of work and implementation of our proposals.	49
20. The Hazri Goswara and Adda Janch should be abolished. A system of inspections by heads of Departments should be introduced.	50
21. It is necessary to decentralize work and delegate adequate financial and other powers in view of difficult communications.	51
<b>CHAPTER V</b>	
22. Work done by the Kitab Khana should be transferred to the Comptroller and Auditor General.	55
23. Cabinet Secretariat should be amalgamated with the Ministry of General Administration.	59
24. Work of the Ministry of Defence should be divided into two sections as indicated.	63
25. The number of Directors in the ministry of Foreign Affairs should be reduced.	64
26. Work connected with the Administration of Justice and Criminal Law and procedure should be transferred to the Ministry of Home Affairs from the Ministry of Law and Justice.	65
27. A Bara Hakim should be appointed for the Valley at Kathmandu.	67
28. Organisation of Publicity requires careful planning.	70
29. The Ministry of Parliamentary Affairs should be abolished and its work relating to elections and constitutional reforms, etc; should be transferred to the ministry of Law.	74
30. A Deputy Secretary with knowledge of law and experience of drafting should be deputed from a State or Central Government Secretariat in India.	75
31. The services of a District and Sessions Judge should be obtained to serve on the Law Commission.	75
32. Census work done by the Ministry of Parliamentary Affairs should be transferred to the new Ministry of Revenue and Forests.	77
33. "Food" should go to the ministry of Commerce, Industries and Civil Supplies.	78

34. A trained Survey and Settlement Officer from India should be appointed. He should, with the help of local officers or a Committee, propose what steps are necessary for survey and settlement, agrarian reforms and tenancy legislation.	83
35. The Inspector General of Forests, India, or the Chief Conservator of Forests, U.P., should be invited to visit Nepal and give suggestions for the reorganization of the Forest Department and formulation of a forest policy.	90 (i)
36. Immediately an officer should be borrowed from India to be the Chief Conservator of Forests in Nepal. Other technical staff required should be trained or obtained from outside on the recommendation of the Chief Conservator of Forests.	90(ii)
37. The Ministry of Works, Mines and Power and the ministry of Transport and Communications should be amalgamated into a Ministry of Works and Communication. The Irrigation Department should also be transferred to this Ministry.	92
38. Public Works Department should be reorganized and placed under one head of Department, viz. Chief Engineer	97
39. Electricity and Irrigation Departments should also be placed under this Department.	79
40. The organization of the Public Works Department should be as suggested.	108-111
41. The Roads and Buildings Circle of this Department should be divided into territorial division and subdivisions.	111
42. A cadre of Divisional Accountants should be formed under the control of the Comptroller and Auditor General and Accounts clerks for divisional and sub divisional offices should be trained.	112
43. All constructional works of Government should be in charge of the Public Works Department.	113
44. The services of a Superintending Engineer who should work as chief Engineer and of at least 2 Assistant Engineers and of 1 Divisional Accountant should be obtained on loan from India	114
45. The recommendations of Mr. Doval should be implemented and the services of an officer should be borrowed from India to reorganize the Post & Telegraph Department.	116
46. The Telephone Department should be placed under the charge of the present Chief Engineer, Electricity Department pending examination by a telephone expert from India.	118
47. The services of an officer from India should be placed at the disposal of the Nepal Government as requested by them to organize the wireless department.	119
48. To Wireless & Civil Aviation Departments should be under the control of the head of P. & T. Department.	119-120
49. A Railway officer should be deputed from India to advise on the organization of Nepal Government Railways.	121

50. The Motor Railway Department and the Railway Department should be merged with Railway Department.	123
51. Work relating to control of natural resources and multi-purpose scheme should be transferred to Ministry of Works and Communication. Work relating to the compilation of statistics and the scrutiny of economic problems should be done in the Ministry of Finance.	124
52. There is no need for a Planning Commission.	125
53. The Departments of Agriculture, Veterinary and Animal Husbandry and Co-operation should be transferred to the Ministry of Planning and Development.	126
54. An eminent educationist may be invited to advise on the educational system.	129
55. Arrangements should be made for the selection and training of teachers and inspection of staff.	131
56. The Ministries of Education, Public Health and Local Self-Government should be amalgamated into a single Ministry	130
57. Vaccinators should be appointed.	134
58. If necessary, a suitable officer should be obtained from India as the head of the Medical and Health Departments.	135(b)
59. The control of road construction in the Valley should be transferred to the P.W.D.	136
60. Panchayat officers should be properly trained in their duties.	138
61. Bara Hakims and other district officers should inspect the work of Panchayats.	138
62. "Food" should be transferred from the Ministry of Food and Land Administration to the new Ministry of Commerce, Industry and Civil Supplies.	144
63. Control of the Government Press and work connected with the purchase and distribution of stationery should be under the Ministry of Commerce, Industry and Civil Supplies and the Director of Industries.	145
64. A well qualified officer should be appointed as Director of Industries.	151
65. Factory legislation should be undertaken and an Inspector of Factories appointed.	153
66. The Department of Central Purchases should be placed under the Industries Department and suitable powers should be delegated to the Director and Deputy Director.	154
67. It should be examined whether the Government of India, purchasing agencies in India and abroad could be utilized by the Nepal Government.	155
<b>CHAPTER VI</b>	
68. (a) Budget for the year 2009 should be prepared early and interim sanction should be given for grants for the next 3 months in meantime.	166

(b) There should be classification of budget head and controlling officers should be designated for the purpose of control expenditure.	167
69. Civil service Rules, Financial Rules, Treasury Rules, etc. should be finalised early.	168
70. Adequate financial powers should be delegated under the various rules to be framed by Government.	170
71. There is need for revision and rationalization of procedure in regard to issue of sanctions and their communication to Audit.	174
72. The Ministry of Finance should be reorganized into four sections as indicated and the staff reduced.	176-177
73. The services of an officer of Under or Deputy Secretary status and 3 Superintendents or Assistants should be obtained from India.	182
74. Measures should be taken for the enhancement of revenue.	186
75. Customs Department should be reorganized and placed under a suitable officer who should function under the Board of Revenue.	190
76. The services of an officer from the Government of India should be obtained to assist in the reorganization of the Department and rationalisation of customs rates.	190
77. Abkari Excise Department should be formed under the Board of Revenue. This should be under the Bara Hakims in the districts.	191
78. Registration Department should also be placed under the Board of Revenue.	193
79. Accounts and Audit Departments should be formed under the control of the Comptroller and Auditor General. Maskewari Janch Adda and Kumari Chowks should be merged in this Department. It should also maintain service records and leave accounts of gazette officers, - duties which are now being performed by the Kitab Khana and Hazri Goswara.	210
80. Heads of Offices should be responsible for the maintenance of service records and leave accounts of non-gazetted staff.	210
81. Dravi Kosh (dealing with Provident Fund accounts), Tejarat Adda (dealing with other recoveries) should also be merged in the office.	211
82. The duties of the Comptroller and Auditor General should be on the lines indicated.	211
83. A central treasury should be organized for the Valley and Mulki Khana, Bali Talab and Kausi merged in it.	213
84. The district treasuries may continue as at present. They should send statements of accounts twice a month to the Comptroller and Auditor General.	215
85. Regular and periodical inspection of treasuries and verification of balances should be instituted.	215
86. The present system of drawing pay and other bills should be simplified.	218-219

87. The services of Shree Kuckerjee may be utilized in the preparation of Financial Rules, Treasury Rules and Audit and Account Codes.	220
88. The services of an Assistant Accounts Officer, 2 Superintendents and a Treasury Officer or Head Accountant may be obtained from India.	221
<b>CHAPTER VII</b>	
89. The Bara Hakim should be the principal representative of Government in the districts and should be made responsible for the maintenance of law and order, collection and safe custody of Government dues, control of the Jails and promotion of general welfare of the people.	226
90. Men of experience and integrity should be selected as Bara Hakims.	226
91. The Bara Hakim should have powers of District Magistrate and should be responsible for the maintenance of law and order.	226
92. Bara Hakims and Mal Subas should systematically tour the districts.	226
93. Specific powers should be delegated to Bara Hakims and Mal Subas for allotting unoccupied land and for suspension and remission of revenue.	229
94. Staff in the offices of Mal Subas should be reduced.	226
95. Wholtime Patwaris should be appointed throughout the country, without dispensing with the services of the existing non-official agency responsible for the collection of land revenue. Their emoluments should, however, be reconsidered.	230
96. Field Kanugos or Circle Inspectors may not immediately be appointed but their appointment may become necessary after some time.	231
97. 2 or 3 district officers from Nepal should be deputed for training to India; during their absence officers borrowed from India might hold charge of these districts.	232
98. A Board of Revenue consisting of 2 members should be constituted to supervise the work of land revenue and revenue collecting Departments	232
99. The senior member should be an officer deputed from India, experienced in revenue and settlement work. The second member should be an officer deputed from India, experienced in revenue and settlement work. The second member should be an officer trained in the administration of customs, income-tax etc. and should be obtained from India if no suitable officer is locally available.	
100. On the creation of the Board of Revenue the organization of Director of Land Administration should be abolished.	235
<b>CHAPTER VIII</b>	
101. New scales of pay for the Police should bear relation to the new salaries fixed for other Departments.	254
102. Military ranks for police officers should be abolished. For purposes of	256

precedence, police ranks should be suitably be equated with those in Army.	
103. A Village Chowkidari system should be introduced.	259
104. The duties of Chowkidars will be as indicated.	261
105. Types of arms to be supplied to the Police should be settled.	266
106. It would be necessary to provide more mechanical and animal transport for the Police.	268
107. Proper arrangements should be made for the purchase of Police equipment and stores.	269
108. Buildings should be found or constructed for Police lines, police stations, outposts and family quarters.	270
109. The Police should be responsible for prevention, detection, and investigation of crime, apprehension and prosecution of offenders and maintenance of Law and order.	275
110. Army should continue to be used in aid of civil power and should be suitably garrisoned.	277
111. Police should be reorganized as in the chart.	279
112. The Inspector General of Police should be carefully selected and should have full authority over the Force.	280
113. The existing police force should be screened by screening Boards as suggested.	281
114. The strength of the Police Force in the district should be as indicated.	282
115. An A.I.G., of Police should be in charge of the Valley Police and the Criminal Investigation Department. The organization of C.I.D., should be as indicated in the statement.	283
116. The organization of the Valley Police and the Civil Police Lines should be as indicated.	287-290
117. The organization of the police Headquarters should be as proposed.	291
118. A Police Training School should be established with a nucleus staff borrowed from India. The Training School should also be in charge of the Wireless Section, Transport Section and Central Store.	293
119. Sub-Inspectors, Head Constables and Constables will be trained in the school and higher officers will be deputed for training to institutions in India.	294
120. The staff for the Training School should be as indicated and a team of 45 persons should be obtained from India for the purpose.	297-298
121. The total strength of the Police Force should be about 5000 as indicated.	301
122. The implementation programme proposed should be carried out.	302
123. 3 Police officers of the rank of D.S.P., with sufficient staff to assist them should be borrowed from India and should be in charge of 3 districts while Nepali officers are under training in India.	303-304

<b>CHAPTER IX</b>	
124. Possibility of having one or more common kitchens should be examined.	306
125. A new Central Jail should be constructed at Kathmandu.	306
126. An officer of the status of Superintendent of District Jail with necessary subordinate staff should be deputed from India to reorganize the Jail Administration.	308
127. Arrangements for the security and guarding of jails should be examined in consultation with the Police Advisor.	308
128. Jails should be properly classified. Central and District Jails should have separate staff while Sub-Jails should be under the Mal Subas.	309
129. The posts of the Inspector General of Prisons and the Director of Medical and Health Services should be combined.	309
130. A Board consisting of the Bara Hakim, the Hakim of the Adalat or Amini and the Superintendents of Police should visit jails every 3 months	309
<b>CHAPTER X</b>	
131. The existing law and procedure need not be changed in a hurry.	317
132. Some amendments will require to be carried out immediately in the procedural law, Some outmoded forms of punishment should be abolished.	317
133. A Law Commission should be appointed to review the existing laws and propose amendments. A senior District and Sessions Judge from India should be invited to serve on the Law Commission.	317
134. The Amini or Adalat should be divided into 2 categories, some hearing limited and others more powers. Alternatively, appellate courts should be given original civil jurisdiction in suits of the value of over Rs.10,000 and power to try criminal cases ordinarily tried by sessions Courts in India.	319
135. The Presiding officers of Courts should act on their own discretion and their Deputies and Bicharis should have no say as regards what final orders should be passed.	320
136. If necessary, assessors should be associated in the disposal of the more serious cases.	320
137. Courts should be inspected by Judges of the Pradhan Nyayalaya on tour.	320
138. A system of returns of institutions and disposals should be introduced.	320
139. Services of a District and Sessions Judge might be obtained from India, if necessary, to act as an Additional Judge to deal with constitutional and administrative matters. Also the services of a Superintendent should be obtained from an Indian High Court for about 6 months.	322-323
<b>CHAPTER XI</b>	
140. The services of officers from India as proposed should be made available to the Nepal Government.	325

141. All persons deputed should be carefully selected and should be men of integrity and imagination.	326(1)
142. As far as possible officers deputed to Nepal should be Hindi knowing.	326(2)
143. Terms of deputation should be reasonably liberal to provide incentive and to compensate for maintenance of double establishments in many cases.	326(3)



## APPENDIX II

### *Retrenchment Concessions Sanctioned by the Saurashtra Government*

The following concessions with regard to leave, pension and gratuity are sanctioned to person who voluntarily retire or are selected for release:-

1. Permanent and pensionable Employees of the Covenanting States.

(A) Superannuated Personnel.

*(1) Leave-*

The persons included in this category should be given leave on average pay for 3 months.

*Explanation* – Average pay in these orders means the average monthly pay during the 12 months preceding April 1948.

*(2) Pension-*

The persons concerned shall be granted pension in accordance with the rules in appendix II to this Resolution unless they specifically elect to draw pension according to the rules of the former administrations under which they served.

(B) Others.

(a) Servants in Superior Service-

*(1) Leave -*

These should be given all leave due to them other than leave on medical certificate, under the rules of the State concerned. The leave shall be subject to the following limitations --

The leave shall be subject to a minimum of 3 months on average pay provided that such leave does not extend,

- (i) beyond a date 6 months from the date of release;
- (ii) beyond a date 3 months after the person concerned attain the age of superannuation;
- (iii) beyond the date on which the person concerned asks that is pension should commence; whichever is earliest.

*(2) Compensation Pension or Gratuity-*

Persons concerned shall be granted pension in accordance with the rules in Appendix II to this Resolution unless they specifically elect to draw pension according to the rule of the former

administration under which they served. Persons who have not completed nine years service shall be paid compensation gratuity at the rate of one month's average pay, on the basis of pay drawn during the last three years preceding April 1948, for every completed year of service.

*(3) Special Gratuity-*

In addition to the compensation pension or gratuity that may be admissible under subparagraph (2) above, all superior permanent servants shall be paid gratuity equal to ½ month's average pay calculated on the basis of pay drawn during the last three years of service immediately preceding April 1948, for every completed year of service subject to a maximum of 7 ½ months pay and subject further to the following limitations:-

Age at the time of release of retirement in completed years	Maximum amount of gratuity
40	7½ Month's average pay
41	7 Do.
42	6 ½ Do.
43	6 Do.
44	5 ¼ Do.
45	5 Do.
46	4 ½ Do.
47	4 Do.
48	3 ½ Do.
49	3 Do.
50	2 ½ Do.
51	2 Do.
52	1 ½ Do.
53	1 Do.
54	½ Do.
55	Nil

(b) Servants in Inferior service –

(1) Leave –

Those who are required to or wish to retire shall be granted leave on average pay for three months whether due or not. Inferior servants who volunteer to retire need not be given any notice. They may be granted such leave on full or average pay as the case may be limited to 3 months, other than leave on medical certificate, as may be admissible.

(2) Compensation Pension or Gratuity –

The compensation pension or gratuity shall be regulated in the same manner as for Government servants in superior service [see para 8 sub-para (B) (a) (2)]-

(3) Special Gratuity-

In addition to pension or gratuity that may be admissible, all permanent inferior servants shall be paid gratuity, equal to ½ month's average pay calculated on the basis of pay drawn during the last three years of service immediately preceding April 1948, for every completed year of service subject to a maximum of 7 ½ months' pay and subject further to the following limitations:-

Age at the time of release of retirement in completed years	Maximum amount of gratuity Month's
45	7½ average pay
46	7 Do.
47	6 ½ Do.
48	6 Do.
49	5 ¼ Do.
50	5 Do.
51	4 ½ Do.
52	4 Do.
53	3 ½ Do.

54	3	Do.
55	2 ½	Do.
56	2	Do.
57	1 ½	Do.
58	1	Do.
59	½	Do.
60	Nil	

*(4) Temporary Employees –*

All temporary employees shall be given one month's notice of release or one month's leave with full pay *in lieu* thereof.

## APPENDIX III

### *Present Allocation of Subjects Under the various Ministries of the Nepal Government*

Note - (i) "A" denotes subjects which are initiated by, or the responsibility of, the ministry or an attached office.

(ii) "B" denotes subjects initiated in other ministries.

#### **1. General Administration**

- A-1. Coordination of the work of different Ministries.
- A-2. Supervision of district work.
- A-3. Appointments, promotions, positing and transfers of all Bada Hakims and Heads of Departments.
- A-4. General references from the Public Service Commission.
- A-5. General terms and conditions of service. Conduct and discipline of Government servants (Sadr Hazuri Goshwara).
- A-6. Coordination internal security measures.
- A-7. Adda Janch (Shrestha Phant).
- A-8. Control of Guest House (Other than maintenance).

#### **2. Foreign**

- A-1. Foreign Policy.
- A-2. Relations with Foreign States.
- A-3. Foreign Missions in Nepal.
- A-4. Foreign Publicity.
- A-5. Embassies and Consulates abroad (including appointments).
- A-6. Protocol.

- A-7. Ceremonial matters relating to foreign visitors and Consuls.
- A-8. Passports and Visa to foreign countries.
- A-9. Pensions to Gurkha soldiers and their families belonging to India and British armies.
- A-10. Extradition of criminals and accused persons from foreign countries. General administration of Extradition Acts and Rules Extra territoriality.
- A-11. Extradition from Nepal.

### 3. Finance

- A-1. Currency
- A-2. Coinage
- A-3. Mints
- A-4. International financial and monetary organisation.
- A-5. Financial matters relating to foreign countries.
- A-6. Financial questions relating to trade and commerce.
- A-7. Foreign exchange control.
- A-8. Financial agreements with foreign countries.
- A-9. Banking
- A-10. State Bank
- A-11. Budget
- A-12. Budget and expenditure proposals from all Ministries.
- A-13. Public debt and ways and means.
- A-14. Customs and Excise.
- A-15. Income-tax.
- A-16. Miscellaneous taxes.

- A-17. Registration fees, Stamps for legal documents.
- A-18. Financial conditions of service, Pay and allowances, T.A. and D.A. of all services.
- A-19. Rules and Regulations (Financial)
- A-20. Financial control
- A-21. Auditor General
- A-22. Administration of Treasuries
- A-23. Land Revenue collection.

#### **4. Agriculture & Irrigation**

- A-1. Agriculture, Animal Husbandary, Horticulture, Fisheries, etc.
- A-2. Administration of schemes for agricultural development.
- A-3. Land reclamation and settlement of land.
- A-4. Irrigation Schemes.

#### **5. Food and Land Administration**

- A-1. Food-procurement, distribution and purchase, Price control.
- A-2. Anti-hoarding Laws.
- A-3. Land Administration, including of administration of trust lands tenancy legislation, revenue settlements.

#### **6. Home**

- A-1. Law and Order
- A-2. Police
- A-3. Jails

- A-4. (a) Intelligence Bureau, and  
(b) Censorship
- A-5. Arms, fire-arms, ammunition.
- A-6. Immigration.
- A-7. Deportation of nationals of foreign States from Nepal.
- A-8. Extraditions from Nepal.
- A-9. Naturalization and citizenship
- A-10. Press Act.
- A-11. Undesirable literature.
- A-12. Information and Broadcasting Publicity.
- A-13. Entertainment (including Cinemas)
- A-14. Lotteries.
- B-1. Passports.

### **7. Transport and Communications**

- A-1. Communications:
  - (a) Air
  - (b) Wireless
  - (c) Telephones
  - (d) Telegraphs
  - (e) Post
- A-2. Transport:
  - (a) Government transport, Railways, Planes, Cars, etc.
  - (b) Control of Public Transport.

### **8. Forests**

- A-1. Conservation and development of forests.
- A-2. Sale of forest produce, including trees, Sabi grass, resin, Katha etc.
- A-3. Re-afforestation.
- A-4. Erosion and soil conservation.



## 9. Defence

- A-1. Defence policy.
- A-2. Control of Army in Nepal and abroad.
- A-3. Military arms and equipment-purchase and manufacture of purely military equipment.
- A-4. Arsenal.
- A-5. Military installations and communication (roads, buildings, wireless, etc).
- A-6. Military stores.
- A-7. Internal security.
- A-8. Discipline, moral and conditions of service of Army officers and men.
- A-9. Military Hospitals and sanitation of Military Barracks and installations.
- A-10. Military intelligence.
- A-11. Military training.
- A-12. Military organization.
- A-13. War and Peace establishments.
- A-14. Military operations, movement of troops, etc.
- A-15. Military expenditure, budget and finance.
- A-16. Internal Audit Accounts.
- A-17. Amenities for troops.
- A-18. Decorations and Awards.

### **10. Industries, Commerce and Civil Supplies**

- A-1. Development of industries-heavy, light and medium, cottage.
- A-2. Administration of State Industries, including management of Printing Press.
- A-3. Industrial controls, Statistics relating to industry.
- A-4. Inventions and designs.
- A-5. Weights and measures.
- A-6. Standardization.
- A-7. Foreign Trade.
- A-8. Imports and Exports.
- A-9. Trade and Commerce-policy, statistics, publicity, etc.
- A-10. Trade Missions.
- A-11. Tariffs.
- A-12. Treaties and pacts and international agreements on trade and commerce.
- A-13. Company Law.
- A-14. Labour policy, disputes and legislation.
- A-15. Trade Marks.
- A-16. Copy right, trade patents.
- A-17. Procurement of stores, machinery, etc., for all Government Departments, i.e. Central Purchase.
- A-18. Civil Supplies.

### **11. Planning and Development**

- A-1. General Policy Regarding Planning and Development

- A-2. Control of Natural Resources.
- A-3. Mines.
- A-4. Electricity including water power and ropeways, but excluding wireless and telephones.
- A-5. Research and stations on economic problems.
- B-1. Multi-purpose Development Schemes.

### **12. Works, Mines and Power**

- A-1. Construction of new works, roads, buildings, etc.
- A-2. Repairs and maintenance of roads and buildings, etc.
- A-3. Maintenance of existing Government Water works.
- A-4. Guest Houses-care and maintenance.
- A-5. Furniture.

### **13. Parliamentary Affairs**

- A-1. Census
- A-2. Constitutional Reforms
- A-3. Advisory Assembly
- B-1. Constituent Assembly
- B-2. Elections.

### **14. Education**

- A-1. Education, general, technical and professional.
- A-2. Scholarships for studies aboard.
- A-3. Libraries and Museums.
- A-4. Registration of unofficial books.
- A-5. Cultural and Scientific Societies and Associations.

A-6. Art and Art Institutions.

A-7. Archaeology.

### **15. Local Self-Government**

A-1. Policy, Administration and Control of:

- (i) Municipalities,
- (ii) Village Panchayats,
- (iii) District Boards, and
- (iv) Other local bodies.

A-2. Local taxes other than those administered by the Ministry of Finance.

### **16. Law and Justice**

A-1. Administration of Justice.

A-2. Criminal Law.

A-3. Criminal Procedure

A-4. Civil law and civil procedure.

A-5. Advocate General and other Government law officers.

A-6. Legal profession.

A-7. Legal proceedings and conveyancing and conduct of references, and appeals to High Court on behalf of Government.

B-1. Legislation and drafting and promulgation of Ordinances and Bills.

B-2. Publication of Acts, Ordinances, Regulations, General Statutory Rules.

B-3. Scrutiny of statutory rules and orders.

B-4. Advice to Ministries on legal matters.

B-5. Legislation.

B-6. Statutory orders of his majesty the King.

- B-7. High Court, rules relating to conditions of services of Judges, Officers and establishment, and questions relating to the jurisdiction, powers and other business relating to High Court.

### **17. Health**

- A-1. Public Health, including Public Health Services.
- A-2. Prevention and control of disease:
- A-3. Vital statistics and registration of births and deaths.
- A-4. Medical relief, Hospitals and Dispensaries.
- A-5. Medical and Public Health Services, their training etc. in Nepal and abroad.
- A-6. Ayurvedic and Homeopathic medicines.
- A-7. International Sanitary Conventions.
- A-8. River and air pollution.
- B-1. Advice from Health and Sanitation point of view on housing and township.
- B-2. Sewage, drainage and disposal of communities waste
- B-3. Water supply (Medical and sanitation advice).
- B-4. Ayurvedic and Homeopathic Training.

## APPENDIX IV

### Proposed Reconstitution of Ministries and Readjustment of Subjects

There will be 11 Ministries instead of 17 as at present.

1. *General Administration:*

1. Co-ordination of the work of different Ministries.
2. Appointments, promotions, posting and transfer of all Bara Hakims and Heads of Departments.
3. General references from the Public Service Commission.
4. General terms and conditions of service, conduct and discipline of Government servants.
5. Hospitality Department.
6. Civil honours and awards.
7. Cabinet and cabinet proceedings.

2. *Foreign:*

1. Foreign Policy
2. Relations with Foreign States.
3. Foreign Missions in Nepal
4. Foreign Publicity
5. Embassies and Consulates abroad (including appointments).
6. Protocol.
7. Ceremonial matters relating to foreign visitors and consuls.
8. Pass-ports and Visas to foreign countries (in consultation with Home Ministry).
9. Pensions to Gurkha Soldiers and other families belonging to the Indian and British Armies.
10. Extradition of criminals and accused persons from foreign countries,
11. General Administration of Extradition Acts and Rules, Extra territoriality.
12. Emigration.

3. *Defence:*

1. Defence Policy
2. Control of Army in Nepal and abroad.
3. Military arms and equipment – purchase and manufacture of purely
4. Military equipment.
5. Arsenal.

6. Military installations and communication (roads, buildings,
7. wireless etc.)
8. Military stores.
9. Aid to Civil Power.
10. Discipline, morale and conditions of service of Army Officers and men.
11. Military Hospitals and Sanitation of Military Barracks and installations.
12. Military intelligence.
13. Military training.
14. Military Organization.
15. War and Peace establishments.
16. Military operations, movement of troops, etc.
17. Military expenditure.
18. Internal Audit of Accounts.
19. Amenities for troops.
20. Military decorations and awards.

4. *Finance:*

1. Currency
2. Coinage
3. Mints
4. International Financial and Monetary Organisations.
5. Financial matters relating to foreign countries.
6. Financial questions relating to trade and commerce.
7. Foreign exchange control.
8. Financial agreements with foreign countries.
9. Banking
10. State Bank
11. Budget
12. Budget and expenditure proposals from all Ministries.
13. Public debt and Ways and Means.
14. Customs and Excise other than Abkari Exeise
15. Income-tax
16. Miscellaneous Taxes.
17. Financial conditions of service, Pay and Allowances, T.A. and D.A of all services.
18. Rules and Regulations (Financial)
19. Financial control
20. Comptroller and Auditor General.
21. Administration of Treasuries.
22. Economic Affairs.
23. Collections and compilation of statistics of general importance

(statistics required for the purposes of individual Departments will be collected and compiled by them).

5. *Home:*

1. Law and Order.
2. Police
3. Jails
4. (a) Intelligence Bureau, and  
(b) Censorship.
5. Arms, fire-arms, ammunition.
6. Immigration
7. Deportation of nationals of foreign States from Nepal.
8. Extradition from Nepal(in consultation with Foreign Ministry)
9. Naturalization and citizenship
10. Press Act.
11. Undesirable literature.
12. Information and Broadcasting, Publicity.
13. Entertainments (including cinemas).
14. Lotteries.
15. Administration of Justice
16. Criminal Law
17. Criminal Procedure
18. High Court, Rules relating to conditions of service of judges, officers and establishment, and questions relating to the jurisdiction powers and other business relating to High Court.
19. Motor vehicles Registration and Taxes.
20. Motor Spirit Rationing.
21. Control of road transport and public conveyance (in consultation with the Ministry of Works and Communications).

6. *Revenue and Forests:*

1. Land Revenue-Assessment, collection, suspensions and remissions.
2. Survey and Settlements.
3. Land Records
4. Land Acquisition.
5. Land Tenure and Tenancy Legislation.
6. Famine Relief.
7. Registration



8. Stamps and Court Fees.
  9. Constitution of Districts, Division, etc.
  10. Revenue Establishments.
  11. Abkari Excise.
  12. Census.
  13. Conservation and Development of Forests.
  14. Sale of forest produce, including trees, sabai grass, resin, katha, etc.
  15. Re-afforestation.
7. *Commerce, Industries and Civil Supplies:*
1. Development of industries – heavy, light and medium, cottage.
  2. Administration of State Industries.
  3. Industrial controls. Statistics relating to industry.
  4. Inventions and designs.
  5. Weights and measures.
  6. Standardization
  7. Foreign Trade
  8. Imports and Exports
  9. Trade and Commerce policy, statistics, publicity, etc.
  10. Trade Missions.
  11. Tariffs.
  12. Treaties and pacts and international agreements on trade and commerce.
  13. Company Law.
  14. Labour Policy, disputes and legislation.
  15. Trade Marks.
  16. Copy rights, trade patents.
  17. Procurement of stores, machinery, etc., for all Government, Departments, i.e. Central Purchase.
  18. Stationery and Printing including management of government presses.
  19. Civil Supplies.
  20. Food procurement and anti-hoarding laws.
  21. Legislation in regard to factories and steam boilers.
8. *Works and Communications:*
1. Construction of new works, roads, buildings, etc (including guest houses).
  2. Repairs and maintenance of roads and buildings etc. (including guest houses)
  3. Construction and Maintenance of Government water works.
  4. Furniture.

5. Electricity including water power.
6. Ropeways.
7. Irrigation schemes.
8. Communications: (a) Air; (b) Wireless (c) Telephones; (d) Telegraph; (e) Post
9. Government Transport, Railways, Planes, Cars, etc.

9. *Education, Health and Local Self-Government:*

1. Education, general, technical and professional.
2. Scholarships for studies abroad
3. Libraries and Museums.
4. Registration of unofficial books.
5. Cultural and Scientific Societies and Associations.
6. Art and Art Institutions.
7. Archaeology.
8. Public Health, including Public Health Services.
9. Prevention and control of diseases.
10. Vital statistics and registration of births and deaths.
11. Medical Relief, Hospitals and Dispensaries (including Ayurvedic and Homoeopathic).
12. Medical and Public Health Services (including Ayurvedic and Homoeopathic) and training. etc., in Nepal and abroad.
13. International Sanitary conventions.
14. River and air pollution.
15. Advice from Health and sanitation point of view in housing and town planning.
16. Sewage, drainage and disposal of communities waste.
17. Water supply (Medical and Sanitation Advice).
18. Policy, administration and control of : (i) Municipalities; (ii) Village Panchayats; (iii) District Boards; and (iv) Other Local Bodies.
19. Local taxes other than those administered by the Ministry of Finance and Land Revenue.

10. *Planning and Development:*

1. Agriculture, Animal Husbandry, Horticulture, Fisheries, etc.
2. Administration of schemes for agricultural development.
3. Land reclamation and settlement on land.
4. Erosion of soil conservation.
5. Veterinary

6. General coordination regarding planning and Development.
7. Mineral resources (grant of mining leases in consultation with the Land Revenue Ministry).
8. Cooperation and Cooperative Societies.

*11. Law and Parliamentary Affairs:*

1. Civil Law and Civil Procedure.
2. Advocate General and other Government Law officers.
3. Legal profession.
4. Legal proceedings and conveyancing and conduct of references, and appeals to High Court on behalf of Government.
5. Legislation and drafting and promulgation of Ordinances and Bills.
6. Publication of Acts, Ordinances, Regulations, General Statutory Rules.
7. Scrutiny of statutory rules and orders.
8. Advice to Ministries on legal matters.
9. Legislation.
10. Statutory orders of His Majesty the King.  
Constitutional Reforms.  
  
Advisory Assembly.  
  
Constituent Assembly.  
  
Elections.

## APPENDIX V

### Names of Districts and their Sub-Divisions (Mals), Area, Population and revenues.

S. No.	Name of District	Sub-Divisions or Mals)	Area in sq. Miles	Population	Revenue (in thousands of Rs.)	Remarks
<b>THE VALLEY</b>						
1	Kathmandu Valley	Kathmandu Patna, Bhadgaon (Bhaktapur), Kritipur	394	3,76,228	*	* Not furnished
<b>HILLS</b>						
<i>Eastern Zone</i>						
2	East No. 1	Sindhupalchok Kavrepalancho k	1,436	2,48,787	4,64	
3	East No. 2	Dolakha Ramechhap	1,139	1,59,775	1,50	
4	East No. 3	Okhaldhunga	1,776	1,95,002	1,51	
5	East No. 4	Majh Kirat	957	1,95,768	1,75	
6	Dhankuta	Chhathum	3,448	3,81,965	3,11	
7	Gauda Ilam Gauda	Teherathum Ilam Hill Districts	4,99	96,362	1,12	
Total for Eastern			9,245	12,37,659	13,63	
<i>Western Zone</i>						
8	West No. 1	Nuwakot Dhading	1,850	2,39,128	3,22	
9	West No. 2	Gorkha	936	97,386	1,34	
10	West No. 3	Bandipur Pokhara Kuncha Tehsil	2,401	2,74,779	3,27	
11	West No. 4	Syangja	940	2,56,941	1,32	
12	Palpa Gauda	Palpa Gulmi	7,323	4,75,841	3,28	
13	Piuthan Gauda	Piuthan	937	1,73,228	76	
14	Sallyan Gauda	Sallyan	2,932	3,06,922	1,01	

15	Jumla Gauda	Jumla	4,902	11,18,896	45	* Not furnished
16	Daiekh Gauda	Dailekh Surkhet	1,111	2,10,633	1,23	
17	Doti Gauda	Doti	2,819	2,25,000	19	
18	BajhangChoo ti	Bajhang	*	3,71,000	2,06	
19	Baitadi Gauda	Baitadi	1,431	75,457	38	
20	Dedeldhura Gauda	Dadeldhura	809	37,228	34	
Total for Western Hill Districts			28,391	38,62,439	17,53	
Total for Hill Districts			37,636	51,00,098	31,16	
S.No	Name of District	Sub-Divisions or Mals)	Area in sq. Miles	Population	Revenue (in thousand s of Rs.)	Remarks
TERAI						
<i>Eastern Zone</i>						
21	Birgunj Goswara	Parsa Bara Rauthat Chitwan	2,192	4,51,670	19,91	
22	Hahottary, Sarlahi Goswara	Sarlahi Mahottary Jankapur Manjeri Mahottary-Gutimal Mathihari-Sitan	1,107	4,60,943	20,97	
23	Saptari Goswara	Siraha Hanuman Nagar	780	3,63,941	22,10	
24	Biratnagar	Biratnagar-Mornag	1,449	1,72,429	14,25	
25	Jhapa	Jhapa	1,176	69,045	8,11	
26	Chisapani Gadi	Makwanpur	1,254	49,615	1,34	
27	Udaipur Gauda	Udaipur	663	39,486	1,00	
Total for Eastern Terai Districts			8,711	16,07,129	87,68	
<i>Western Zone</i>						
28	Palhi Majha Khand Goswara	Pali Majhkhand	600	1,77,885	18,61	
29	Khajhani Siva	Khajani Siva Raj	469	1,00,189	13,36	

30	Raj Goswara Dang Deokhuri	Dang Deokhuri	1,057	77,788	98
31	Goswara Banke Bardia	Banke Bardia	759	1,14,364	11,25
32	Goswara Kailali Kanchanpur	Kailali Kanchanpur	1,339	49,202	5,32
	Total for Western Terai Districts		4,224	5,19,428	49,52
	Total for Terai districts		12,935	21,26,557	1,37,02
	Grand Total		50,571	72,26,659	1,68,36

Note : The figures have been compiled from various sources and are only approximate.

## APPENDIX VI

### Compassionate Gratuity Rules of the Government of Bombay.

#### SECTION A.

Rules regulating the grant of gratuities from the compassionate Fund.

1. The Compassionate Fund is intended for the relief of families of Government servants paid monthly from Provincial revenues, whether their rates of pay are fixed on a daily or a monthly basis, if they are left in indigent circumstances through the premature death of the person upon whom they depended for support.

Provided further that no application will be considered which is not submitted to the Department of Government concerned within one year of the death of the Government servant, unless the delay in submission is sufficiently explained. (It is most desirable that applications should be submitted as promptly as possible after the death of a Government servant).

The fund is formed by an annual grant of Rs. 9,000 which is cumulative, the unexpended balance of one year's grant being carried forward to the credit of similar expenditure in succeeding years. The maximum limit of expenditure in any single year is Rs. 14,000.

Note:- In forwarding an application for assistance from the compassionate Fund, the Head of the Department should submit an independent report on the financial condition of the applicant from the Collector, District Magistrate or Political Officer of the place where the applicant resides.

1. A. In all cases of applications for assistance from the Compassionate Fund, the treasury at which payment is desired, in the event of assistance being granted, should be specified and the following particulars in respect of the person to whom the gratuity is to be paid should be furnished:-

- (i) Full name.
- (ii) Marks of identification
- (iii) Height
- (iv) Race, sect.
- (v) Residence showing village and taluka or (mahal)
- (vi) Date of birth
- (vii) (Signature or left hand thumb and finger impressions:-  
Small finger( ) Ring finger( ) Middle finger( ) Index finger( ) Thumb( )

The above particulars should be submitted in duplicate (on separate sheets) and attested by two or more persons of respectability in the town, village, taluka or mahal in which the applicants reside.

2. The conditions which regulate a grant from the Fund are:-

- 1) Grants from the Fund are restricted to cases of an exceptional character.
- 2) The deceased Government servant must have been a meritorious public servant. Unusually meritorious service gives special claim for consideration.
- 3) Death due to special devotion to duty establishes a strong claim for consideration.
- 4) In more ordinary cases preference should be given to the dependants of Government servants who have completed many years' service and have just failed to draw their pension.
- 5) Other things being equal, preference should be given to those who have been on low rates or pay.
- 6) As a general rule, a grant should not be given if the salary of the deceased Government servant exceeded Rs.750 a month.
- 7) Assistance should seldom be given to families of gazette Government servants except so far as it may be necessary to assist them to obtain a passage home.
- 8) No application for gratuity from dependants of Government servants who drew monthly pay of Rs.60 and above and did not subscribe the Provident Fund will be entertained.

3. The rules for sanctioning grants are:-

- 1) No pension is granted from the Fund, but in some cases yearly grants are made for a limited period to defray the expenses of the education of children.
- 2) The maximum gratuity payable in any individual case is Rs.5,000 The precise amount in all cases is fixed according to the number of members in the family and the necessities of the case the equivalent of a year's pay of the deceased being considered a suitable maximum in cases in which the circumstances are such as to require liberal treatment, but in most ordinary cases six month's pay is regarded as sufficient.
4. The Fund will be administered by a Committee consisting of His Excellency the Governor, the Honourable the Prime Minister and the Honourable the Finance Minister and, in case where the honourable the Prime Minister is also the Finance Minister, he and one of the other Honourable Ministers appointed by His Excellency the Governor. On receipt of an application in the Finance Department the facts will be summarised and put up before the Compassionate Fund Committee without comment in four batches every year, viz., in April, July, October and January. The committee's decision will be communicated by the Finance Department direct to the authority submitting the application, the Department concerned and the Accountant General, Bombay. If payment is to made to a person resident in England, the Finance Department will also address the High Commissioner for India for the payment to be made.



## SECTION B.

From the particulars required to be furnished in each case of recommendation for the grant of an award from the Compassionate Fund.

Note:- Each of the following questions should be answered carefully. Any omission or lack of clearness will cause further correspondence and consequent delay in the submission of cases to the Compassionate Fund Committee.

- (1) Name and designation of the deceased Government servant.
- (2)
  - (a) Date of death.
  - (b) Date of application made by a member of the family of the deceased Government servant.
  - (c) In case the application was not submitted to the Department of the Secretariat concerned within one year of the death of the deceased Government servant, what are the reasons for the delay?
- (3) Pay at the time of death.
- (4) Remarks of superior officer on deceased Government servants' work.
- (5) Circumstances under which death occurred indicating whether it was due to or accelerated by a special devotion to duty and if it was due to plague, cholera, or small-pox whether the deceased Government servant was inoculated against it by way of preventive treatment and if so, when?
- (6) Total service, whether pensionable, non-pensionable or work charged?
- (7) Whether the deceased Government servant was a subscriber to the Contributory Provident Fund?
- (8) Whether the deceased Government servant was a subscriber to the General Provident Fund? If so the amount of his deposits in the Fund should be stated.
- (9) Whether, the deceased Government servant was insured? If so, the amount for which he was insured should be stated.
- (10) Whether the deceased Government servant has left any movable or immovable property? If so, state its value and the annual income derived from it.
- (11) The following information regarding the dependants of the deceased Government servant should be given:-

No.	Relationship	Age	Occupation
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- (12) Whether there are any relations who are in a position to give help?
- (13) What are the dependants' means of subsistence, apart from the property left by the deceased?
- (14) On what grounds is the case considered to be of an exceptional character?
- (15) Amount of gratuity proposed.
- (16) General.

## APPENDIX VII

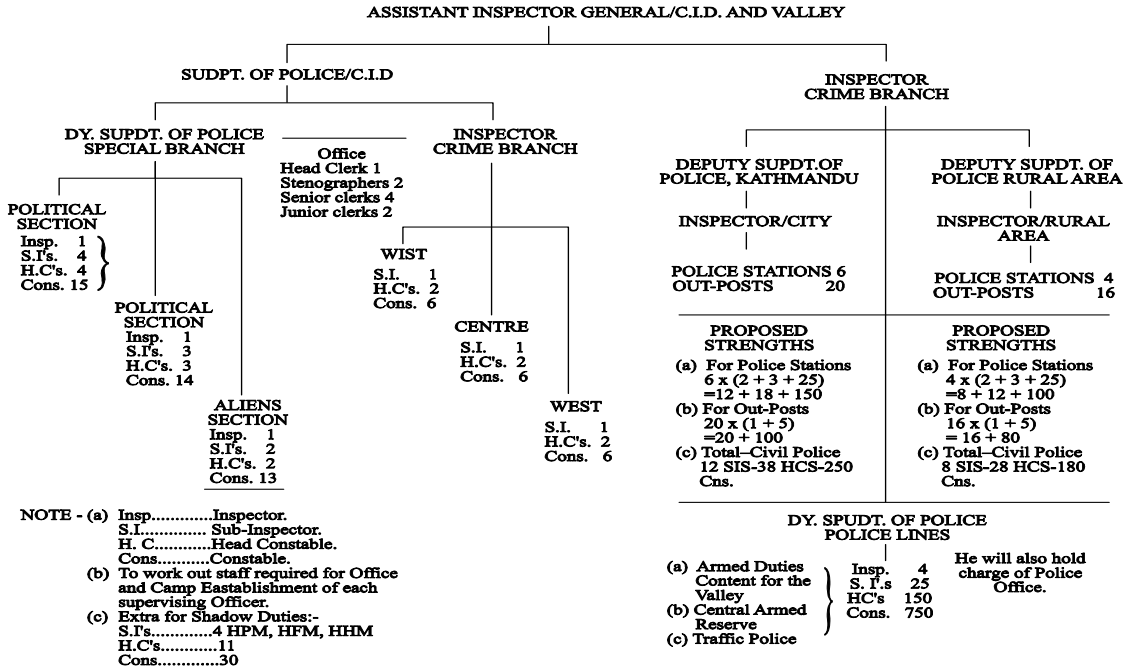
Statement of Revenue and expenditure of Nepal Government for the Year 2007-2008  
(Sambat)

Revenue				Expenditure			
S. No.	Budget Head	2007	2008	S. No.	Budget Head	2007	2008
		(in thousands of Rs.)				(in thousands of Rs.)	
I.	Land Revenue	1,51,16	94,05	1.	Land Revenue..	21,22	21,49
II.	Customs.....	40,66	47,98	2.	Customs.....	} .....	1,00
III.	Excise....	7,14	9,02	3.	Excise....		
IV.	Export and Import duties	.....	25,00	4.	Income-tax		
V.	Income-tax	.....	.....	5.	Mint....	3,37	3,59
VI.	Registration	1,20	80	6.	Audit & Accounts	...	50
VII.	Mint...	41,71	58,55	7.	Traditional Pujas	47	47
VIII.	(a) Gov. of India	10,00	10,00	8.	Local Self-Govt.	1,87	3,87
	(b) Tibet	10	10				
		10,10	10,10				
IX.	Airways Landing Fees		7	9.	Commerce and Industry	4,52	6,13
X.	Telephone	1,36	1,36	10.	Education	10,80	16,36
XI.	Post Offices	1,26	1,26	11.	Election	....	3,23
XII.	Telegraphs	..	..	12.	Census	99	3,07
XIII.	Wireless	31	60	13.	Baidhanik Sambita	8	...
XIV.	Railways	..	1,11	14.	Advisory Assembly	...	2,32
XV.	Trolleys	59	59	15.	Medical & Health	8,43	11,43
XVI.	Electricity	4,18	4,18	16.	Foreign Embassies	4,44	8,75
XVII.	Ropeways	4,25	4,25	17.	Hospitality	3	1,04
XVIII.	Rent of Buildings	...	...	18.	Nepal Council of Asian Relations	3	3
XIX.	Road Cess	75	75	19.	Protocol	18	30
XX.	Water Supply	...	...	20.	Airways	12	7,37
XXI.	Forests	7,88	30,00	21.	Telephones	1,61	2,39
XXII.	Fine from Law Courts	17,77	15,00	22.	Post Offices	2,44	3,46
XXIII.	Agriculture	49	49	23.	Wireless	1,22	6,35
	GRAND TOTAL	29081	30516	24.	Trolley	54	59
				25.	Railway Irs (Separate Budget)	.....	.....
					Carried over	62,36	1,04,24
					Brought forward	62,36	1,04,24
				26.	Electricity	1,37	6,38
				27.	Ropeways	1,26	8,84
				28.	Works & buildings	6,90	11,31
				29.	Roads	1,23	26,36
				30.	Water supply	3,40	66
				31.	Mines	19	1,42
				32.	Forests	8,24	11,24
				33.	Judiciary	6,94	7,99
				34.	Police	3,65	41,95

35.	Jails	3,64	4,64
36.	Law & order		7,00
37.	Publicity	30	1,00
38.	Broadcasting		1,20
39.	Cinemas	-1,28	-2,38
40.	District administration	7,33	1100
41.	Food		19,50
42.	Agriculture	3,14	5,64
43.	Survey		73
44.	Irrigation		11,50
45.	Taqavi Loans		15,00
46.	Veterinary	22	42
47.	Defence	1,01,25	1,28,37
48.	General Administration		32,40
49.	H.M.'s Privy purse	5,81	11,65
50.	Non-effective charges	30,92	6,10
51.	Extraordinary non-recurring expenses		9,99
52.	Unforeseen expenditure		35,00
<b>Grand Total</b>		<b>2,49,43</b>	<b>5,23,91</b>

## APPENDIX VIII

### C.I.D. and Valley Police



# APPENDIX IX

## Police Training School, Wireless Section, Transport Section and Central Stores

