Government of Himachal Pradesh

ECONOMIC SURVEY 2025-26

ECONOMICS AND STATISTICS DEPARTMENT
HIMACHAL PRADESH

Government of Himachal Pradesh

Economic Survey
2025-26

Economics and Statistics Department

MESSAGE

It gives me immense pleasure to know that the Department of Economics and Statistics is publishing the Economic Survey of Himachal Pradesh. This annual document is much more than a routine administrative exercise. It is a vital instrument of good governance that presents a transparent and comprehensive assessment of the State's economic performance Through its detailed analysis, it highlights our developmental achievements, identifies structural challenges and offers an authentic picture of the State's progress.

The Economic Survey is not merely a collection of statistical data, it is a critical policy instrument that provides a strong analytical foundation for informed and evidence-based decision-making. By capturing the performance of key sectors, i.e, agriculture, horticulture, industry, services, infrastructure and social development. it enables us to evaluate our current position and identify priorities for the future. The insights presented in this document play a crucial role in shaping policies that promote inclusive growth, strengthen economic resilience and align with the aspirations of the people of the state.

I appreciate the efforts of the officers and staff of the Department of Economics and Statistics for their dedicated efforts in preparing this important document. Their diligence. professionalism, and commitment to accuracy have ensured that the survey maintains a high standard of credibility and reliability. Their contribution significantly strengthens the culture of transparency, accountability and evidence based governance in the state.

As we look ahead, the findings of this Survey should inspire us to transform knowledge into actionable strategies that promote balanced regional growth. safeguard fiscal stability and accelerate inclusive development. Guided by the care principles of good governance, we remain committed to fostering sustainable development and improving the quality of life for every citizen of Himachal Pradesh.

Together, let us continue working towards a future where benefits of growth are sustainable, broad-based and accessible for all.

(Sukhvinder Singh Sukhu)
Chief Minister, Himachal Pradesh

FOREWORD

The Economic Survey of Himachal Pradesh, presented annually before the State Legislature during the Budget Session, remains a crucial policy document guiding the State's developmental vision. This year's edition offers a clear, comprehensive and forward-looking assessment of economic trends, programme outcomes and emerging priorities. It brings together key macroeconomic and socio-economic indicators, evaluates the results of major Government initiatives, and identifies areas requiring timely and strategic policy attention.

The Economic Survey 2025–26 marks an important step in strengthening the State's commitment to data driven governance and outcome oriented decision making. Structured across eighteen analytical chapters supported by concise executive summaries, this edition places special emphasis on digital governance, green growth, climate resilience, renewable energy, tourism development, start-up promotion, rural transformation and women-led development. These focus areas reflect our collective resolve to pursue sustainable, inclusive and future-ready growth.

The Survey presents a balanced overview of the State's economic structure, fiscal management, infrastructure expansion and social sector progress. It highlights our continued efforts to ensure access to housing, safe drinking water, quality education, healthcare, digital connectivity and social protection for every citizen. It also documents governance reforms aimed at deepening transparency, enhancing efficiency and promoting citizen-centric service delivery reforms that remain central to our development agenda.

I extend my sincere appreciation to all Departments, Public Sector Undertakings and partner institutions for their timely inputs and cooperation. I also commend the Economic Adviser and the dedicated team of the Department of Economics and Statistics for their professionalism, analytical rigour and commitment in bringing out this enriched edition of the Survey.

I am confident that the Economic Survey 2025–26 will serve as a valuable reference for policymakers, administrators, researchers, industry representatives and citizens. I trust it will contribute meaningfully to informed decision making and to the continued progress and prosperity of Himachal Pradesh.

Sanjay Gupta, IAS
Chief Secretary
Government of Himachal Pradesh

PREFACE

The Government of Himachal Pradesh presents the Economic Survey 2025–26 to the State Legislature during the Budget Session as a comprehensive review of the State's developmental progress. This Survey provides an insightful assessment of the economic trajectory of Himachal Pradesh, capturing key macroeconomic and socio-economic indicators while evaluating the physical and financial outcomes of major Government policies, flagship programmes and development initiatives. It also highlights sector-specific gaps, emerging challenges, and priority areas that warrant timely and strategic policy attention.

The 2025–26 edition comprises eighteen analytically rich chapters, each accompanied by a concise Executive Summary for quick reference. Building on the reforms and innovations introduced in previous years, this Survey adopts a more data-driven, outcome-oriented and forward-looking framework. Special focus has been placed on digital governance, green and sustainable growth, climate resilience, tourism revival, start-ups and innovation, renewable energy expansion, rural transformation and women-led development.

By presenting critical issues, sectoral trends, challenges and the way forward across all major sectors, the Survey aims to equip policymakers, planners and stakeholders with the information needed to design responsive, evidence-based and future-ready policy interventions. It offers a holistic overview of Himachal Pradesh's economy—its structural composition, sectoral GSVA performance, fiscal management, infrastructure development and social sector achievements. The Survey also underscores ongoing efforts to ensure universal access to housing, safe drinking water, quality education, healthcare, digital connectivity and social protection. In addition, it documents progressive governance reforms undertaken to enhance transparency, efficiency and citizen-centric service delivery, while outlining strategies for accelerating inclusive and sustainable growth.

This timely publication has been made possible through the valuable cooperation of all Administrative Secretaries, Heads of Departments, Managing Directors of State Corporations and Chief Executive Officers of Public Sector Undertakings, whose contributions of data and insights have been critical. Their support is sincerely acknowledged.

I also place on record my appreciation for the Economic Adviser and the officers and team of the Department of Economics and Statistics for their professionalism, diligence and meticulous efforts in preparing this enriched edition of the Economic Survey 2025–26.

It is my hope that this Survey will serve as a reliable and insightful reference for legislators, policymakers, administrators, academicians, researchers, industry stakeholders and the citizens at large, contributing meaningfully to informed decision-making and to shaping Himachal Pradesh's development journey in the years ahead.

Devesh Kumar, IAS
Pr. Secretary (Finance, Eco. and Stat.)
Government of Himachal Pradesh

INTRODUCTION

It is my privilege to present the Economic Survey of Himachal Pradesh, an important publication that provides a clear and evidence-based assessment of the State's economic performance and developmental priorities. The Survey remains a vital tool for policymakers, administrators, researchers and all stakeholders committed to strengthening data-driven governance.

New Initiatives

- A comprehensive Executive Summary has been included to provide a quick overview of major trends and key findings.
- New sections highlighting Major Achievements showcase important sectoral progress and key developments during the year.
- Dedicated sections on Main Issues and Challenges at both State and District levels provide clearer insights into development gaps and priority concerns.
- The Survey now incorporates stronger analytical elements to better interpret sectoral performance and policy outcomes.
- Clarity and Access additions make the Survey more structured, focused and user-friendly for readers and stakeholders.
- The enhanced structure ensures the Survey is better aligned with current policy priorities and planning needs for future.

The preparation of this document requires rigorous data collection and careful analysis. I express my gratitude to all line departments for providing timely and reliable inputs, which have been essential in ensuring the quality and credibility of this Survey.

The insights presented in this publication will guide our efforts toward balanced regional development, improved public service delivery, fiscal prudence and targeted interventions that address both State-level priorities and district-specific needs. As Himachal Pradesh continues its path of economic and social advancement, this Survey will remain an important reference for informed decision-making.

I congratulate everyone involved in the preparation of this edition and look forward to continued collaboration in advancing the State's development agenda.

(Dr. Abhishek Jain), IAS
Secretary (Finance, Eco. and Stat.)
Government of Himachal Pradesh

ACKNOWLEDGEMENTS

The Economic Survey 2025–26 presents a clear and analytical overview of Himachal Pradesh's economic performance and fiscal outlook. It underscores the Government's commitment to sustainable and inclusive development, while capturing sectoral achievements and emerging priorities such as green growth and digital transformation. The Survey also identifies the key challenges and opportunities that will define the State's path ahead.

The preparation of this Survey has been a deeply collaborative endeavour involving all Departments of the State Government, enriched by the insights of experts, officers and stakeholders. This participatory approach has ensured that the document remains factual, analytically robust and firmly anchored in ground realities.

I express my sincere gratitude to Shri Sukhvinder Singh Sukhu, Hon'ble Chief Minister of Himachal Pradesh, for his inspiring leadership and constant encouragement in the preparation of this Survey. His valuable guidance and unwavering commitment to evidence-based governance have greatly strengthened the quality and policy relevance of this publication.

I express my profound gratitude to Shri Sanjay Gupta, IAS, Chief Secretary to the Government of Himachal Pradesh, for his invaluable mentorship, steadfast support and visionary leadership throughout the preparation of this Survey. His strategic guidance, thoughtful suggestions and unwavering pursuit of excellence have significantly enriched the depth, precision and quality of this publication.

My sincere thanks are extended to Shri Devesh Kumar, IAS, Principal Secretary (Finance, Planning, Economics and Statistics), whose dynamic leadership and steady guidance have greatly strengthened the analytical rigour and depth of this edition. The clarity and coherence of the Survey reflect his exemplary direction.

I am grateful to Dr. Abhishek Jain, IAS, Secretary (Finance, Planning, Economics and Statistics), for his meticulous review and valuable recommendations, which greatly facilitated the timely and refined finalization of this document.

My heartfelt appreciation is also due to Shri Akshay Sood, IAS (Retd.), whose extensive experience and analytical acumen significantly enriched the narrative. His efforts in integrating the latest developments, refining key insights and improving the coherence and accessibility of the document have been invaluable.

I further acknowledge with sincere appreciation the cooperation of all Additional Chief Secretaries, Principal Secretaries, Secretaries, Heads of Departments, Managing Directors and Chief Executive Officers of various Departments, Corporations and Public Sector Undertakings for providing updated data, policy inputs and continuous feedback. Their contributions have been vital to ensuring the accuracy and completeness of this Survey.

I especially acknowledge the officers and staff of the Department of Economics and Statistics, whose diligent work in data collection, validation, analysis and drafting has ensured the timely and high-quality preparation of this publication. Their professionalism and commitment are truly praiseworthy.

Finally, I extend my sincere thanks to all individuals who have directly or indirectly contributed to the preparation of this Survey. While every effort has been made to ensure accuracy, any inadvertent errors or omissions are regretted. Readers are encouraged to share their suggestions and feedback at ecostat-hp@nic.in which will greatly support the continuous improvement of future editions.

(Dr. Vinod Kumar Rana)
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Major Initiatives Introduced in the Economic Survey 2025–26 of Himachal Pradesh

The Economic Survey 2025–26 of Himachal Pradesh introduces several structural and analytical improvements aimed at strengthening the Survey as a practical tool for evidence-based policymaking and development planning. The revised framework improves clarity, analytical depth and accessibility, enabling policymakers, planners, researchers and other stakeholders to better understand economic trends and sectoral performance.

1. **Chapter-wise Executive Summaries**
2. **Dedicated Sections on Major Achievements**
3. **Identification of Main Issues and Challenges**
4. **Outcome-Oriented Analytical Framework**
5. **Expanded Focus on Emerging Development Areas**
6. **Strengthened Data and Evidence Base**
7. **Improved Presentation and Data Visualization**
8. **Alignment with Policy and Planning Priorities**.
9. **Way Forward**

Together, these initiatives make the Economic Survey 2025-26 a more structured, analytical and policy-relevant document that supports informed decision-making and development planning in Himachal Pradesh.

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Part-I

Economic Survey

2025-26

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ABBREVIATIONS

Aadhaar	Unique Identification Number-based digital identity system
AAI	Airports Authority of India
AAY	Antyodaya Anna Yojana
ACP	Annual Credit Plan
ADB	Asian Development Bank
AE	Advance Estimates
AFMC	Armed Forces Medical College
AHC	Ayurvedic Health Centre
AHP	Affordable Housing in Partnership
AI	Artificial Insemination
AIDS	Acquired Immunodeficiency Syndrome
AIF	Agri-Infrastructure Fund
AIIMS	All India Institute of Medical Sciences
AIWFS	Advanced Wide Field Sensor
AJC	Apple Juice Concentrate
ALRY	Ambedkar Laghu Rin Yojana
AMCU	Automatic Milk Collection Unit
AMI	Agricultural Marketing Infrastructure
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
AMRUT 2.0	Atal Mission for Rejuvenation and Urban Transformation 2.0
AMSY	Ambedkar Micro Sector Yojana
APAR	Annual Performance Appraisal Report
APIs	Application Programming Interfaces
APL	Above Poverty Line
APMC	Agricultural Produce Market Committee
APY	Atal Pension Yojana
ART	Anti-Retroviral Therapy
ARV	Anti-Rabies Vaccine
ASI	Annual Survey of Industries
ASPs	Authorized Service Partners
AT&C	Aggregate Technical and Commercial
ATM	Automated Teller Machine
ATMA	Agricultural Technology Management Agency
ATS	Automated Testing Station
AYUSH	Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy
B.Ed.	Bachelor of Education

B.Tech	Bachelor of Technology
B.Voc	Bachelor of Vocation
BC	Business Correspondent
BCCI	Building Construction Cost Index
BCM	Billion Cubic Metre
BDS	Bachelor of Dental Surgery
BESS	Battery Energy Storage System
BFSI	Banking, Financial Services and Insurance
BMW	Bio-Medical Waste
BOCW	Building and Other Construction Workers
BOOT	Build–Own–Operate–Transfer
BOT	Build–Operate–Transfer
BPEO	Block Primary Education Officer
BPL	Below Poverty Line
BRAP	Business Reforms Action Plan
BRCC	Block Resource Centre Coordinator
BRO	Border Roads Organisation
BSBDA	Basic Savings Bank Deposit Account
BVPCL	Beas Valley Power Corporation Limited
C&DST	Culture and Drug Susceptibility Testing
CA	Controlled Atmosphere
CAD	Command Area Development
CAFRI	Climate Adaptation, Resilience and Finance in Rural India
CAGR	Compound Annual Growth Rate
CAMPA	Compensatory Afforestation Fund Management and Planning Authority
CBBO	Cluster Based Business Organization
CBDD	Challenge Based Destination Development
CBG	Compressed Bio-Gas
CBNAAT	Cartridge Based Nucleic Acid Amplification Test
CBs	Cantonment Boards
CCA-RAI	Climate Change Adaptation in Rural Areas of India
CCTV	Closed-Circuit Television
CD Ratio	Credit-Deposit Ratio
CDAC	Centre for Development of Advanced Computing
CDR	Credit-Deposit Ratio
CEA	Central Electricity Authority
CEPA	Communication, Education, Participation and Awareness
CETP	Common Effluent Treatment Plant
CFC	Common Facility Centre

CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
CHC	Community Health Centre
CI	Cast Iron
CICL	Children in Conflict with Law
CIF	Community Investment Fund
CIPET	Central Institute of Petrochemicals Engineering and Technology
Ckt	Circuit
CLAT	Common Law Admission Test
CLC	City Livelihood Centre
CLID	Community Led Institution Development
CLSS	Credit Linked Subsidy Scheme
CLU	Change of Land Use
CM	Chief Minister
CNCP	Children in Need of Care and Protection
CoE	Centre of Excellence
CPCB	Central Pollution Control Board
CPI	Consumer Price Index
CPI-C	Consumer Price Index-Combined
CPI-IW	Consumer Price Index for Industrial Workers
CPI-R	Consumer Price Index-Rural
CPI-U	Consumer Price Index-Urban
CPSU	Central Public Sector Undertaking
CRC	Chawki Rearing Centre
CRCC	Cluster Resource Centre Coordinator
CRISP	Centre for Research and Industrial Staff Performance
CSCs	Community Sanitary Complexes
CSC-SPV	Common Services Centre – Special Purpose Vehicle
CSMC	Central Sanctioning and Monitoring Committee
CSP	Customer Service Point
CSR	Corporate Social Responsibility
CSS	Centrally Sponsored Scheme
CT	Computed Tomography
CTC	Central Tool Room and Training Centre
CTE	Consent to Establish
CTO	Consent to Operate
CV	Coefficient of Variation
CWC	Central Water Commission
CWS	Current Weekly Status
CwSN	Children with Special Needs
CZA	Central Zoo Authority

DAY-NRLM	Deendayal Antyodaya Yojana – National Rural Livelihoods Mission
DBT	Direct Benefit Transfer
DCA	Diploma in Computer Applications
DDRTBC	District Drug Resistant Tuberculosis Centre
DDT&G	Department of Digital Technologies and Governance
DDU-GKY	Deen Dayal Upadhyaya Grameen Kaushalya Yojana
DEST&CC	Department of Environment, Science, Technology and Climate Change
DFL	Disease Free Layings
DGCA	Directorate General of Civil Aviation
DI	Ductile Iron
DIC	District Industries Centre
DIET	District Institute of Education and Training
DISCOM	Distribution Company
D-JAY (S)	Deendayal Jan Aajeevika Yojana – Shehari
DMC	Disaster Management Cell
DMC	Designated Microscopy Centre
DME	Directorate of Medical Education
DMO	Destination Management Organization
DNB	Diplomate of National Board
DoE	Directorate of Energy
DoLR	Department of Land Resources
DPIIT	Department for Promotion of Industry and Internal Trade
DPMCU	Digital Milk Procurement and Collection Unit
DPR	Detailed Project Report
DRC	District Rehabilitation Centre
DRTBC	Drug Resistant Tuberculosis Centre
DSC	Digital Signature Certificate
DST	Drug Susceptibility Testing
DTR	Distribution Transformer
DTS	Driving Training School
EAP	External Aided Project
e-BAAT	Electronic Banking Awareness and Training
EBC	Economically Backward Class
ECCE	Early Childhood Care and Education
EDP	Entrepreneurship Development Programme
EEMIS	Employment Exchange Management Information System
EHV	Extra High Voltage
EIA	Environmental Impact Assessment

EMDEs	Emerging Market and Developing Economies
EMP	Environmental Management Plan
e-NAM	Electronic National Agriculture Market
EoDB	Ease of Doing Business
EPC	Engineering, Procurement and Construction
ESIC	Employees' State Insurance Corporation
ESOMSA	Empowerment of Scheduled Castes, Other Backward Classes, Minorities Affairs and the Specially Abled
ESZ	Eco-Sensitive Zone
ET	Enterotoxaemia
EV	Electric Vehicle
EWS	Economically Weaker Section
FAIDF	Fisheries and Aquaculture Infrastructure Development Fund
FAR	Floor Area Ratio
FHTC	Functional Household Tap Connection
FI	Financial Institution
FI&ED	Financial Inclusion and Enterprise Development
FLC	Financial Literacy Centre
FM	Fortified Mustard
FMCG	Fast Moving Consumer Goods
FPO	Farmer Producer Organization
FPP	Food Processing Plant
FPS	Fair Price Shops
FR	Fortified Refined
FR	First Revised Estimates
FRA	Forest Rights Act
FRAS	Facial Recognition Attendance System
FRH	Forest Rest House
FSPF	Farm Sector Promotion Fund
FY	Financial Year
G20	Group of Twenty
G2B	Government to Business
G2C	Government to Citizen
G2G	Government to Government
G7	Group of Seven
GBS	Gross Budgetary Support
GDS	Ginger Development Station
GEC	Green Energy Corridor
GeM	Government e-Marketplace
GI	Galvanized Iron

GI	Geographical Indication
GI&EI	Gender Inclusion and Equity Initiative
GIA	Grant-in-Aid
GIS	Geographical Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Development Cooperation Agency)
GLOF	Glacial Lake Outburst Flood
GM	Gram
GNM	General Nursing and Midwifery
GoHP	Government of Himachal Pradesh
GoI	Government of India
Govt.	Government
GP	Gram Panchayat
GPDP	Gram Panchayat Development Plan
GRS	Gram Rojgar Sahayak
GSC	Grants to Strengthen Colleges
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GSVA	Gross State Value Added
GVA	Gross Value Added
GVO	Gross Value of Output
H&T	Hospitality and Tourism
HDFC	Housing Development Finance Corporation
HDR	Human Development Report
HDS	Horticulture Development Scheme
HEP	Hydroelectric Project
HFA	Housing for All
HHs	Households
HIMCAD	Himachal Pradesh Command Area Development
HIMCOSTE	Himachal Pradesh Council for Science, Technology and Environment
HIMSUP	Himachal Startup Yojana
HIMSWAN	Himachal Pradesh State Wide Area Network
HIMUDA	Himachal Pradesh Housing and Urban Development Authority
HIMURJA	Himachal Pradesh Energy Development Agency
HITES	Hospital Infrastructure and Technical Services
HIV	Human Immunodeficiency Virus
HP	Himachal Pradesh
HPBCF&DC	Himachal Pradesh Backward Classes Finance and Development Corporation

HPCDP	Himachal Pradesh Crop Diversification Promotion Project
HPCED	Himachal Pradesh Centre for Entrepreneurship Development
HPEMC	Himachal Pradesh Energy Management Centre
HPERC	Himachal Pradesh Electricity Regulatory Commission
HPGB	Himachal Pradesh Gramin Bank
HPIDB	Himachal Pradesh Infrastructure Development Board
HPKVIB	Himachal Pradesh Khadi and Village Industries Board
HPKVN	Himachal Pradesh Kaushal Vikas Nigam
HPMC	Himachal Pradesh Horticultural Produce Marketing and Processing Corporation
HPMF&DC	Himachal Pradesh Minorities Finance and Development Corporation
HPPCL	Himachal Pradesh Power Corporation Limited
HPPTCL	Himachal Pradesh Power Transmission Corporation Limited
HPPWD	Himachal Pradesh Public Works Department
HPRERA	Himachal Pradesh Real Estate Regulatory Authority
HPSAMB	Himachal Pradesh State Agricultural Marketing Board
HPSC&STDC	Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation
HPSCB	Himachal Pradesh State Co-operative Bank
HPSCSC	Himachal Pradesh State Civil Supplies Corporation
HPSDC	Himachal Pradesh State Data Centre
HPSDP	Himachal Pradesh Skill Development Project
HPSEB	Himachal Pradesh State Electricity Board
HPSEBL	Himachal Pradesh State Electricity Board Limited
HPSEDC	Himachal Pradesh State Electronics Development Corporation
HPSIDC	Himachal Pradesh State Industrial Development Corporation
HPSPCB	Himachal Pradesh State Pollution Control Board
HPSRLM	Himachal Pradesh State Rural Livelihoods Mission
HPTAMC	Himachal Pradesh Transmission Asset Management Centre
HPTDC	Himachal Pradesh Tourism Development Corporation
HPU	Himachal Pradesh University
HRTC	Himachal Road Transport Corporation
HSBQ	Hemorrhagic Septicemia and Black Quarter
HT	High Tension
HWCs	Health and Wellness Centres
HYV	High Yielding Variety
HYVP	High Yielding Varieties Programme
I&C	Inspection and Certification
I&CB	Institution and Capacity Building

IAs	Industrial Areas
ICAR	Indian Council of Agricultural Research
ICICI	Industrial Credit and Investment Corporation of India
ICT	Information and Communication Technology
IEC	Information, Education and Communication
IEs	Industrial Estates
IGMC	Indira Gandhi Medical College
IHHL	Individual Household Latrine
IILB	Indian Industrial Land Bank
IIM	Indian Institute of Management
IIP	Index of Industrial Production
IIT	Indian Institute of Technology
IIT-JEE	Indian Institute of Technology – Joint Entrance Examination
IMC	Indian Major Carp
IMD	India Meteorological Department
IMF	International Monetary Fund
IMR	Infant Mortality Rate
IOCL	Indian Oil Corporation Limited
IoT	Internet of Things
IPDS	Integrated Power Development Scheme
IPM	Integrated Pest Management
IPP	Independent Power Producer
IRCA	Integrated Rehabilitation Centre for Addicts
IRDP	Integrated Rural Development Programme
IRL	Intermediate Reference Laboratory
ISAM	Integrated Scheme for Agricultural Marketing
ISFR	India State of Forest Report
IT	Information Technology
ITDC	India Tourism Development Corporation
ITES	Information Technology Enabled Services
ITI	Industrial Training Institute
IT-ITeS	Information Technology and Information Technology Enabled Services
IT-OT	Information Technology – Operational Technology
JICA	Japan International Cooperation Agency
JJM	Jal Jeevan Mission
JLG	Joint Liability Group
JSSK	Janani Shishu Suraksha Karyakram
JSY	Janani Suraksha Yojana
K.L.	Kilolitre

KCC	Kisan Credit Card
KCCB	Kangra Central Co-operative Bank
KGBV	Kasturba Gandhi Balika Vidyalaya
km	Kilometre
KMS	Kharif Marketing Season
KPIs	Key Performance Indicators
kV	Kilovolt
KVIB	Khadi and Village Industries Board
KVIC	Khadi and Village Industries Commission
KVK	Krishi Vigyan Kendra
kW	Kilowatt
kWp	Kilowatt Peak
LFPR	Labour Force Participation Rate
LGD	Local Government Directory
LINAC	Linear Accelerator
LIT	Low Input Technology
LLPD	Lakh Litres Per Day
LMV	Light Motor Vehicle
LN_2	Liquid Nitrogen
LPCD	Litres Per Capita Per Day
LPD	Litres Per Day
LPG	Liquefied Petroleum Gas
LT	Low Tension
M.T.	Metric Tonne
MBBS	Bachelor of Medicine and Bachelor of Surgery
MCC	Model Career Centre
MCC	Milk Chilling Centre
MCH	Maternal and Child Health
MD	Doctor of Medicine
MDF	Moderately Dense Forest
MDM	Meter Data Management
MDR	Multi Drug Resistant
MDS	Master of Dental Surgery
MEA	Ministry of External Affairs
MERU	Multidisciplinary Education and Research Universities
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MIDH	Mission for Integrated Development of Horticulture
MIIUS	Modified Industrial Infrastructure Upgradation Scheme
MIS	Market Intervention Scheme
MIS	Management Information System

MIT	Mehsana Institute of Technology
MKCL	Maharashtra Knowledge Corporation Limited
MKUSY	Mukhyamantri Krishi Utpadan Sanrakshan Yojana
ML	Machine Learning
MLD	Million Litres Per Day
MMKSY	Mukhyamantri Krishi Samvardhan Yojana
MMSS	Mukhya Mantri Seva Sankalp
MMSY	Mukhya Mantri Swavalamban Yojana
MNRE	Ministry of New and Renewable Energy
MoC	Memorandum of Commitment
MoEF&CC	Ministry of Environment, Forest and Climate Change
MoHUA	Ministry of Housing and Urban Affairs
MoHUPA	Ministry of Housing and Urban Poverty Alleviation
MoP	Ministry of Power
MoRD	Ministry of Rural Development
MoRTH	Ministry of Road Transport and Highways
MoSPI	Ministry of Statistics and Programme Implementation
MoT	Ministry of Tourism
MoU	Memorandum of Understanding
MPCE	Monthly Per Capita Consumption Expenditure
MRI	Magnetic Resonance Imaging
MS	Master of Surgery
MSBY	Matri-Shakti Bima Yojana
MSCs	Multi-Service Centres
MSE	Micro and Small Enterprise
MSE-CDP	Micro and Small Enterprises Cluster Development Programme
MSHIPA	Dr. Manmohan Singh Himachal Institute of Public Administration
MSME	Micro, Small and Medium Enterprise
MSP	Minimum Support Price
MSY	Mahila Samriddhi Yojana
MT	Metric Tonnes
MU	Million Units
MVA	Mega Volt Ampere
MW	Megawatt
N.E.C.	Not Elsewhere Classified
NABARD	National Bank for Agriculture and Rural Development
NABCONS	NABARD Consultancy Services
NAFCC	National Adaptation Fund for Climate Change
NAIP	Nationwide Artificial Insemination Programme

NAPCC	National Action Plan on Climate Change
NCAP	National Clean Air Programme
NCD	Non Communicable Disease
NCrF	National Credit Framework
NDA	National Defence Academy
NDDB	National Dairy Development Board
NDL	National Digital Library
NDRI	National Dairy Research Institute
NEET	National Eligibility cum Entrance Test
NELS	National Emergency Life Support
NEP	National Education Policy
NFHS	National Family Health Survey
NFMS	National Feeder Monitoring System
NFSA	National Food Security Act
NGO	Non-Governmental Organization
NH	National Highway
NHM	National Health Mission
NHPC	National Hydroelectric Power Corporation
NIC	National Informatics Centre
NIELIT	National Institute of Electronics and Information Technology
NIFT	National Institute of Fashion Technology
NIQ	Notice Inviting Quotations
NISHTHA	National Initiative for School Heads' and Teachers' Holistic Advancement
NITTTR	National Institute of Technical Teachers Training and Research
NMBA	Nasha Mukt Bharat Abhiyaan
NMSA	National Mission on Sustainable Agriculture
NPA	Non-Performing Asset
NP-NCD	National Programme for Prevention and Control of Non-Communicable Diseases
NRLM	National Rural Livelihoods Mission
NRM	Natural Resource Management
NSA	Net Sown Area
NSO	National Statistical Office
NSQF	National Skills Qualification Framework
NTCP	National Tobacco Control Programme
NTEP	National Tuberculosis Elimination Programme
NTPC	National Thermal Power Corporation
NULM	National Urban Livelihoods Mission
O&M	Operation and Maintenance

O/O	Office of
OBC	Other Backward Classes
OCMMS	Online Consent Management and Monitoring System
ODA	Official Development Assistance
ODF	Open Defecation Free
ODOP	One District One Product
OEMs	Original Equipment Manufacturers
OF	Open Forest
OFPO	Off Farm Producer Organization
OOP	Out-of-Pocket
OPD	Out Patient Department
OPS	Other Priority Sector
OSC	One Stop Centre
OTNFSA	Other than National Food Security Act
OTS	One Time Settlement
P	Provisional
PAC	Power Availability Certificate
PAC	Project Appraisal Committee
PACS	Primary Agricultural Credit Society
PCC	Pollution Check Centre
PCI	Per Capita Income
PDMC	Per Drop More Crop
PDPs	Panchayat Development Plans
PDS	Public Distribution System
PECs	Permanent Enrolment Centres
PESA	Panchayats (Extension to Scheduled Areas) Act
PET-CT	Positron Emission Tomography – Computed Tomography
PFC	Power Finance Corporation
PFR	Pre-Feasibility Report
PG	Post Graduate
PGDCA	Post Graduate Diploma in Computer Applications
PHC	Primary Health Centre
PHH	Priority Households
PIA	Project Implementing Agency
PIP	Participatory Identification of Poor
PKKKY	Prakritik Kheti Khushal Kisan Yojana
PKVY	Paramparagat Krishi Vikas Yojana
PLFS	Periodic Labour Force Survey
PM SVANidhi	Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi
PM-AJAY	Pradhan Mantri Anusuchit Jaati Abhyuday Yojana

PMAY (Urban)	Pradhan Mantri Awas Yojana (Urban)
PMAY-G	Pradhan Mantri Awaas Yojana – Gramin
PMAY-HFA(U)	Pradhan Mantri Awas Yojana – Housing for All (Urban)
PMEGP	Prime Minister Employment Generation Programme
PMFBY	Pradhan Mantri Fasal Bima Yojana
PMFMFPE	Prime Minister Formalization of Micro Food Processing Enterprises
PMJAY	Pradhan Mantri Jan Arogya Yojana
PMJDY	Pradhan Mantri Jan-Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
PMKSY	Pradhan Mantri Krishi Sinchayi Yojana
PM-KUSUM	Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan
PMKVY	Pradhan Mantri Kaushal Vikas Yojana
PMMSY	Pradhan Mantri Matsya Sampada Yojana
PMMVY	Pradhan Mantri Matru Vandana Yojana
PMMY	Pradhan Mantri MUDRA Yojana
PMNDP	Pradhan Mantri National Dialysis Programme
PMRY	Prime Minister Rozgar Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
PMSMA	Pradhan Mantri Surakshit Matritva Abhiyan
PMSSY	Pradhan Mantri Swasthya Suraksha Yojana
PM-USHA	Prime Minister – Uchchatar Shiksha Abhiyan
PMV	Pradhan Mantri Vishwakarma
PM-YASASVI	Prime Minister Young Achievers Scholarship Award Scheme for Vibrant India
PNB	Punjab National Bank
POSHAN	Prime Minister's Overarching Scheme for Holistic Nutrition
PPA	Power Purchase Agreement
PPP	Public Private Partnership
PPR	Peste des Petits Ruminants
PRASHAD	Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive
PRIs	Panchayati Raj Institutions
PSB	Public Sector Bank
PSC	Priority Sector Credit
PSMP	Power System Master Plan
PSU	Public Sector Undertaking
PSV	Passenger Service Vehicle
PwDs	Persons with Disabilities
PWMU	Plastic Waste Management Unit

QP	Qualification Pack
R&D	Research and Development
R&R	Resettlement and Rehabilitation
RAD	Rainfed Area Development
RAMP	Raising and Accelerating MSME Performance
RBI	Reserve Bank of India
RCMS	Revenue Court Management System
RDSS	Revamped Distribution Sector Scheme
RDTC	Regional Dairy Training Centre
REC	Rural Electrification Corporation
REGP	Rural Employment Generation Programme
RF	Revolving Fund
RFA	Recorded Forest Area
RFID	Radio Frequency Identification
RGM	Rashtriya Gokul Mission
RIDF	Rural Infrastructure Development Fund
RKVY-RAFTAAR	Rashtriya Krishi Vikas Yojana – Remunerative Approaches for Agriculture and Allied Sector Rejuvenation
RLC	Rural Livelihood Centre
RM	Retail Management
RMS	Rabi Marketing Season
RMS	Revenue Management System
RNTCP	Revised National Tuberculosis Control Programme
RPGMC	Rajendra Prasad Government Medical College
RPL	Recognition of Prior Learning
RPwD	Rights of Persons with Disabilities
RRB	Regional Rural Bank
RS	Remote Sensing
RSETI	Rural Self-Employment Training Institute
RTDAS	Real Time Data Acquisition System
RTE	Right to Education
RTO	Regional Transport Office
RUSA	Rashtriya Uchchatar Shiksha Abhiyan
RVSF	Registered Vehicle Scrapping Facility
SAG	Scheme for Adolescent Girls
SANKALP	Skills Acquisition and Knowledge Awareness for Livelihood Promotion
SAP	Systems Applications and Products (Enterprise Software)
SAPCC	State Action Plan on Climate Change
SBI	State Bank of India

SBM-G	Swachh Bharat Mission – Gramin
SC	Scheduled Caste
SCADA	Supervisory Control and Data Acquisition
SCARDB	State Cooperative Agriculture Rural Development Bank
SCDP	Scheduled Caste Development Plan
SCERT	State Council of Educational Research and Training
SCM	Smart City Mission
SDG	Sustainable Development Goal
SECC	Socio Economic and Caste Census
SEP	Self-Employment Programme
SFC	State Finance Commission
SGST	State Goods and Services Tax
SGSY	Swarnjayanti Gram Swarozgar Yojana
SHG	Self-Help Group
SHP	Small Hydro Project
SHPSC	State High Powered Steering Committee
SJPNL	Shimla Jal Prabandhan Nigam Limited
SJSRY	Swarna Jayanti Shahari Rozgar Yojana
SLBC	State Level Bankers' Committee
SLSC	State Level Steering Committee
SLTC	State Level Technical Committee
SMAM	Sub Mission on Agricultural Mechanization
SMC	School Management Committee
SMF	Seed Multiplication Farm
SMFP	State Mission on Food Processing
SMS	Short Message Service
SMSP	Sub Mission on Seed and Planting Material
SNF	Solids-Not-Fat
SNP	Supplementary Nutrition Programme
SOP	Standard Operating Procedure
SPV	Special Purpose Vehicle
SR	Second Revised Estimates
SRS	Sample Registration System
SSA	Sarva Shiksha Abhiyan
SSC	Staff Selection Commission
SSCL	Shimla Smart City Limited
SSO	Single Sign-On
ST	Scheduled Tribe
STI	Sexually Transmitted Infection
STP	Sewage Treatment Plant

STPI	Software Technology Parks of India
STU	State Transmission Utility
SU	Semi-Urban
SUIS	Stand Up India Scheme
SUYOG	Suraksha Yojana Guarantee
SWAPs	State Water Action Plans
SWM	Solid Waste Management
SWSM	State Water and Sanitation Mission
TB	Tuberculosis
TCP	Town and Country Planning
TDF	Tribal Development Fund
TEC	Techno-Economic Clearance
TEFR	Techno-Economic Feasibility Report
TL	Transmission Line
TPDS	Targeted Public Distribution System
TT	Table Tennis
U-5	Under Five (Mortality)
UAV	Unmanned Aerial Vehicle
UCO	United Commercial Bank
UDAN	Ude Desh Ka Aam Nagrik
UDID	Unique Disability Identification
UDISE+	Unified District Information System for Education Plus
UG	Undergraduate
UIDAI	Unique Identification Authority of India
UIDs	Unique Identifications
ULB	Urban Local Body
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UP	Uttar Pradesh
UPI	Unified Payments Interface
UPSC	Union Public Service Commission
UR	Unemployment Rate
US	Usual Status
USD	United States Dollar
VB-G RAM G	Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin)
VDF	Very Dense Forest
VDS	Vegetable Development Station
VPN	Virtual Private Network
VSC	Vehicle Scrapping Centre

VVP	Vibrant Villages Programme
WASH	Water, Sanitation and Hygiene
WBCIS	Weather Based Crop Insurance Scheme
WCD	Women and Child Development
WDC	Watershed Development Component
WDC Plus	Watershed Development Component Plus
WDC-PMKSY	Watershed Development Component – Pradhan Mantri Krishi Sinchayi Yojana
WebEx	Web Exchange
WED	World Environment Day
WPI	Wholesale Price Index
WPMF	Wool Producers' Marketing Federation
WPR	Worker Population Ratio
X-ray	X Radiation
Y-o-Y	Year-on-Year
ZLD	Zero Liquid Discharge
ZP	Zila Parishad

CHAPTER 1

GENERAL REVIEW

Executive Summary

S. No.	Key Points	Summary
1	Global Growth Outlook	The global economy is expected to grow at 3.3 per cent in 2026 and 3.2 per cent in 2027, supported by easing inflation, resilient demand and accommodative financial conditions.
2	India as Fastest-Growing Major Economy	India recorded 7.4 per cent GDP growth in FY2025-26, driven by manufacturing, services and strong consumption, making it the fastest-growing major economy globally.
3	India's Rising Global Position	India has become the 4th largest economy and is projected to become 3rd soon; services and manufacturing remain key growth drivers.
4	Himachal Pradesh Gross State Domestic Product (GSDP) Growth	Himachal Pradesh recorded 10.1 per cent nominal GSDP growth and 6.4 per cent real growth in FY2024-25,reflecting strong post-pandemic recovery.
5	Strong Decadal Growth	Between 2010–11 and 2020–21, Himachal achieved its fastest economic expansion, with GSDP rising 167 per cent and per capita income 272 per cent.
6	Structural Economic Shift	The share of services and industry has increased to 86.3 per cent of GSDP in FY2024-25, with primary sector share falling to 13.7 per cent, indicating structural transformation.
7	Climate-Related Economic Losses	Himachal suffered ₹46,000 crore losses due to disasters over four years, equal to nearly 4 per cent of GSDP annually, impacting infrastructure and horticulture.
8	Agriculture and Horticulture Importance	Despite declining share, agriculture and horticulture remain vital for rural livelihoods, with apples and diversified crops supporting income.
9	Renewable Energy and Hydropower Strength	Hydropower continues to be a major economic pillar, contributing to energy security, revenue gains and private sector participation.
10	Positive Medium-Term Outlook	With climate-resilient infrastructure, welfare programmes and renewable energy potential, the State's medium-term outlook remains positive.

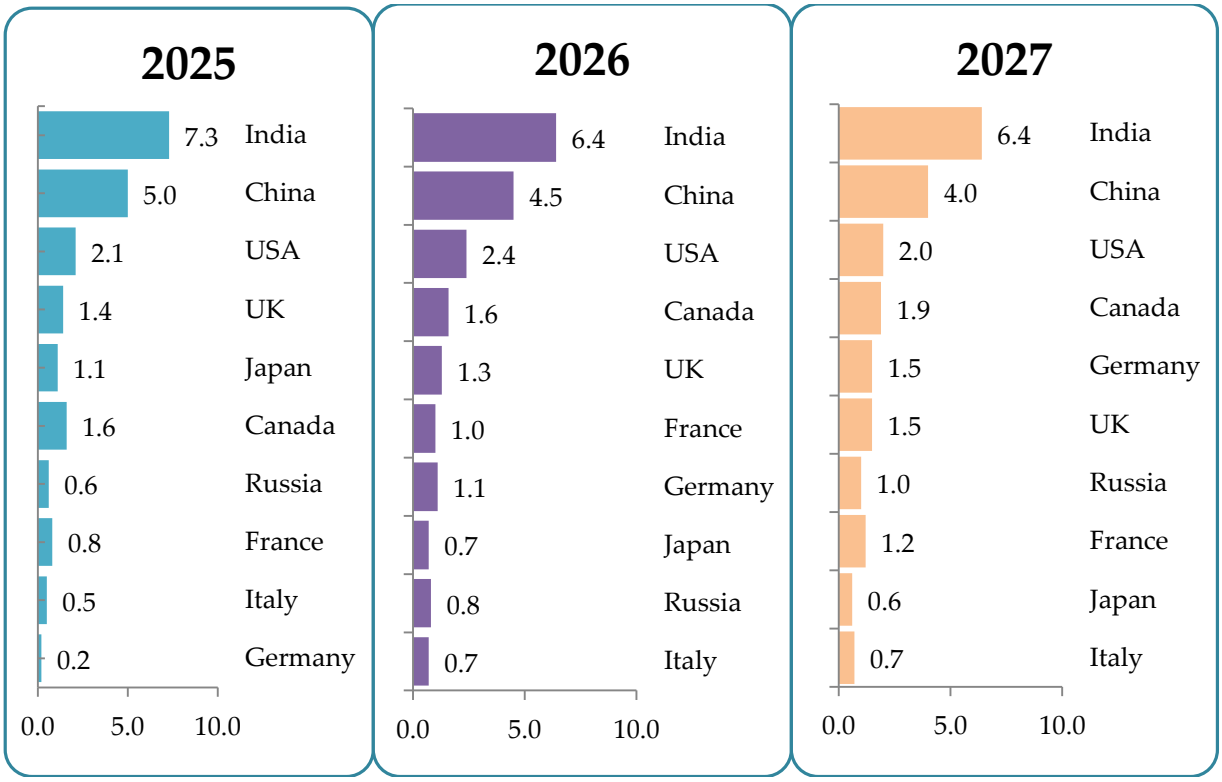
1.1 Overview World Economy

Global output is projected to expand by 3.3 per cent in 2026 and 3.2 per cent in 2027, representing a slight upward revision from the October 2025 World Economic Outlook. Strong technology-related investment, supportive fiscal and monetary policies, accommodative financial conditions, and private sector resilience are mitigating the impact of recent trade policy adjustments. Global inflation is expected to continue its downward trajectory. Downside risks remain significant, particularly the possibility of a reassessment of technology-driven growth expectations and an intensification of geopolitical tensions.

The year 2025 has been fluid and volatile, with much of the dynamics driven by a reordering of policy priorities in the United States and the adaptation of policies in the other economies to new realities. Trade news has dominated the headlines, and, along with them, perceived prospects for the global economy have fluctuated. A series of new tariff measures by the United States lifted tariff rates to levels not seen in a century gravitating toward a range between 10 per cent and 20 per cent for most countries.

Figure 1.1

Real GDP Growth Projections of Selected Economies for 2025, 2026 and 2027



Source: World Economic Outlook, January 2026

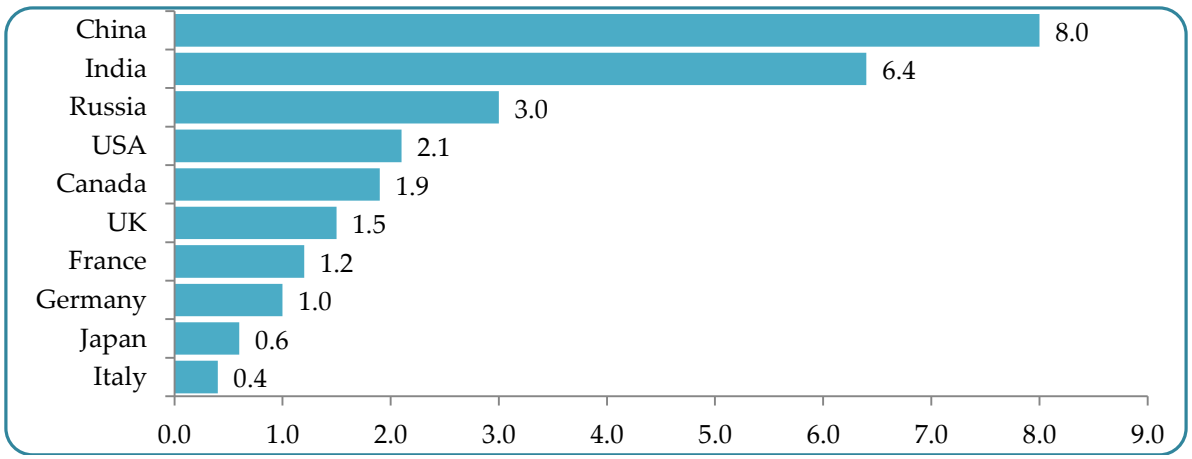
Figure 1.1 shows that India will be the fastest growing economy in 2024, 2025 and in 2026. China appears to be the closest contender to India in all three years, whereas all other economies seem to be far behind the growth rate that India will achieve. With an economy worth $30.6 trillion, the United States remains the undisputed global economic heavyweight—and it is expected to retain that lead for years to come.

Yet while the U.S. dominates in size, many rivals dominate in growth and momentum. China, its closest competitor, has grown real GDP at an average rate of 8 per cent annually since 2000, while emerging economies like India, Vietnam, and the Philippines have recorded sustained periods of even faster expansion. Yet while the U.S. dominates in size, many rivals dominate in growth and momentum. China, its closest competitor, has grown real GDP at an average rate of 8 per cent annually since 2000, while emerging economies like India, Vietnam, and the Philippines have recorded sustained periods of even faster expansion.

The figure below shows the GDP of the world's largest economies along with real GDP growth between 2000-2025, based on data from the IMF's latest World Economic Outlook.

Figure 1.2

Average Annual Real GDP Growth 2000-2025



Source: Visual Capitalist, The World's 50 Largest Economies and How Fast they have Grown Since 2000.

Overall, no major economy has grown faster than China in real terms. Although India's growth (6.4 per cent) has averaged below China's (8.0 per cent) over the past 25 years, the trend has reversed in recent years.

In 2026, for example, India is projected to grow at 6.3 per cent while China is expected to grow just 4.0 per cent.

Major Achievements

- The State achieved strong economic growth, with GSDP rising by 10.1 per cent in FY2024-25 and real growth of 6.4 per cent, reflecting a solid post-pandemic recovery.
- Per capita income increased by 49 per cent since 2020–21, showing a broad improvement in living standards.
- The decade 2010–11 to 2020–21 recorded the fastest economic expansion, driven by industrial growth, hydropower, horticulture, and sustained public investment.
- The economy has undergone a significant structural transformation, with the secondary and tertiary sectors now forming over 86 per cent of GSDP.
- Manufacturing, services, hydropower, tourism, pharmaceuticals, and horticulture have shown consistent growth and diversification.
- Himachal emerged as a horticulture leader, especially in apples, while expanding into floriculture, mushrooms, and sub-tropical fruits.
- Continued progress in renewable energy and hydropower has strengthened revenue generation and energy security.
- Investments in welfare, education, healthcare, and skill development have enhanced inclusivity and human development.
- The State has strengthened climate-resilient infrastructure and disaster-management systems in response to rising natural disasters.

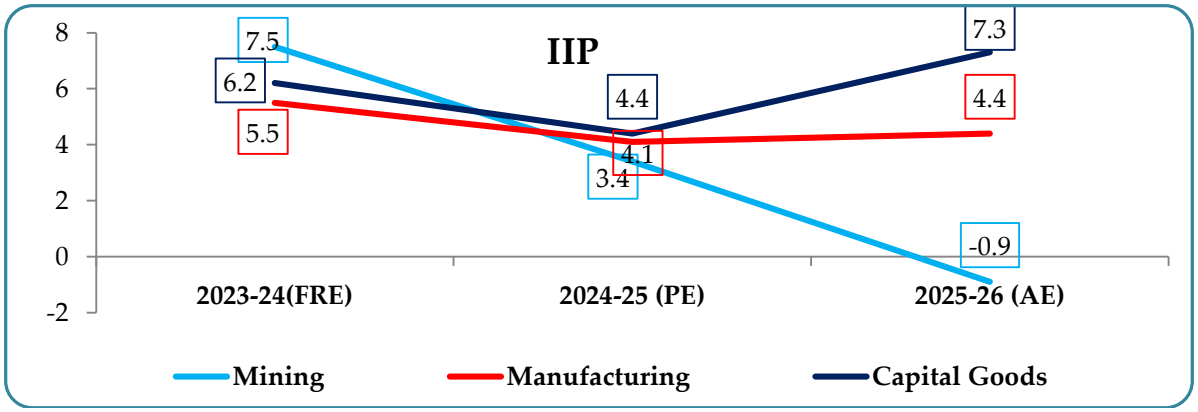
1.2 Overview: Indian Economy

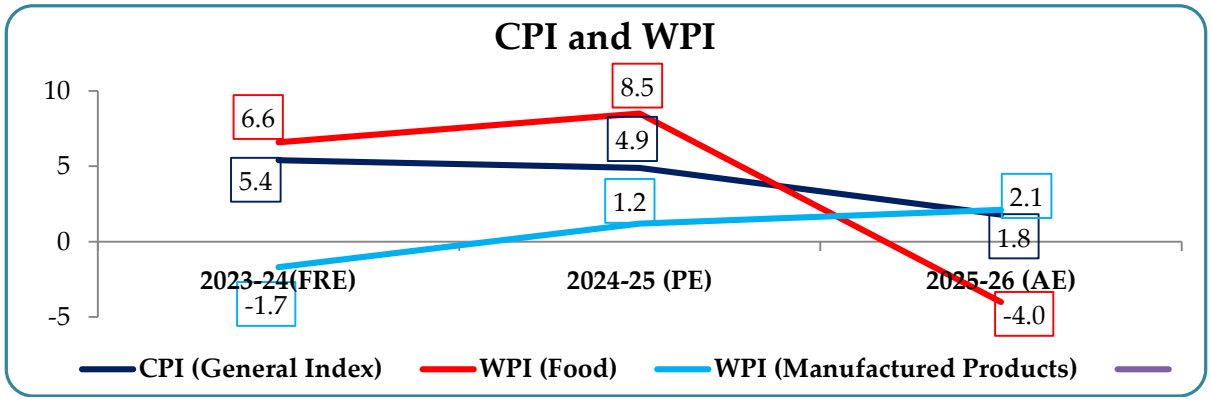
India is among the world's fastest-growing major economies and is well-positioned to sustain this momentum. With the ambition of attaining high, middle-income status by 2047- the centenary year of its independence, the country is building on strong foundations of economic growth, structural reforms, and social progress.

In a major feat, India has moved past Japan to become the world's fourth-largest economy in nominal GDP terms, according to the government's year-end economic review. Not only that, but the Indian economy is also set to overtake Germany to become the third largest after the US and China in the coming years.

Figure 1.3

IIP, CPI and WPI





Source: National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI).

Index of Industrial production for capital goods and Manufacturing have registered substantial growth, which is sign of real GDP growth whereas Inflation, measured in Consumer Price Index (CPI), Wholesale Price Index (WPI) has remained low.

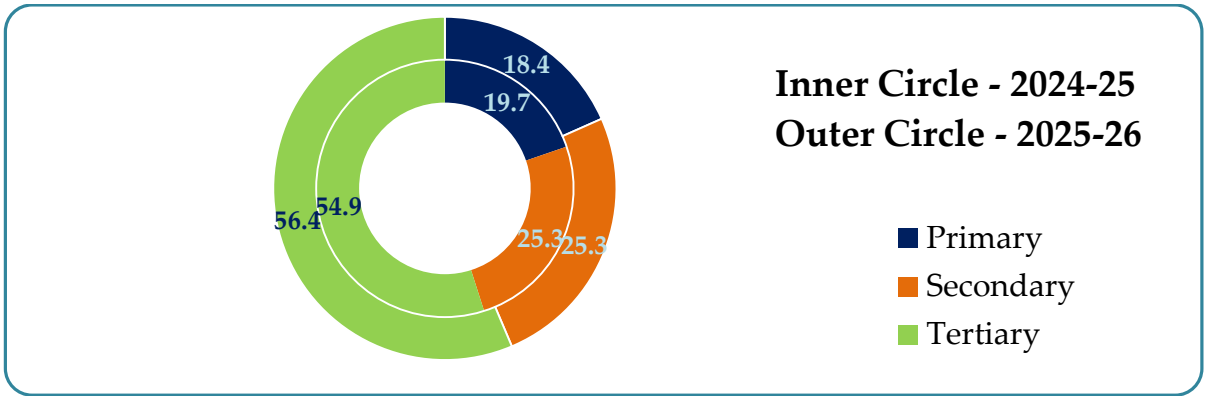
Financial conditions also remain supportive, marked by healthy credit expansion to businesses, while demand continues to be resilient, aided by a further pickup in urban consumption. As per advance estimates, the growth rate of private final consumption expenditure remained to be 7 per cent, whereas, government final consumption expenditure was 5.2 per cent in FY2025-26.

GDP at Constant Prices is estimated to attain a level of ₹201.90 lakh crore in FY2025-26, against the Provisional Estimates (PE) of GDP for the FY2024-25 of ₹187.97 lakh crore, registering a growth rate of 7.4 per cent.

Nominal GDP or GDP at Current Prices is estimated to attain a level of ₹357.14 lakh crore in the FY2025-26, against ₹330.68 lakh crore in FY2024-25, showing a growth rate of 8.0 per cent.

Figure 1.4

Share of Primary, Secondary and Tertiary Sectors of Indian Economy for 2024-25 and 2025-26



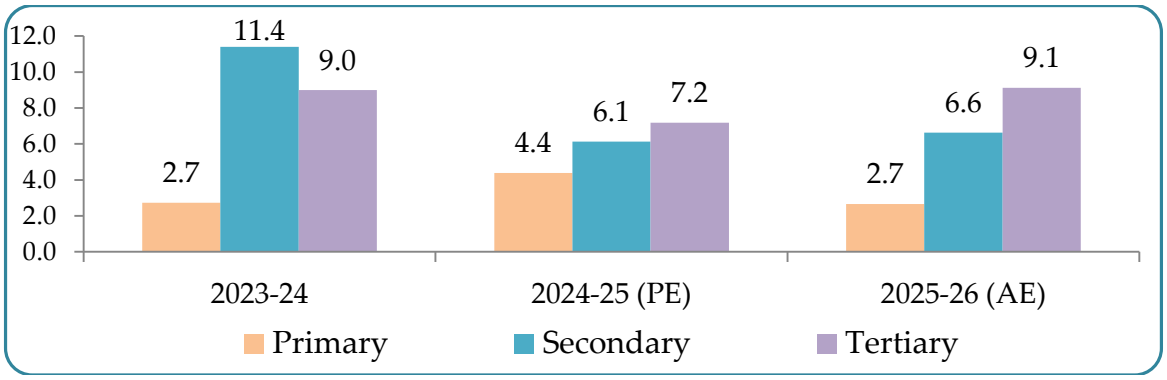
Source: National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI).

Share of secondary sector remains to be stagnant over two years, whereas loss of primary sector has been the gain in tertiary sector. Exports of goods and services have also witnessed robust growth rate from 8.4 per cent in previous FY2024-25 to 9.5 per cent in FY2025-26. On the other hand, imports of goods and services fell from 11.2 per cent in previous financial year to 9 per cent in the FY2025-26.

As per Advance Estimates (AE), the Indian economy is expected to grow at 7.4 per cent for the year ending March, 2026. This follows 6.5 per cent growth in the previous financial year.

Figure 1.5

Growth Rate of Indian Economy: Sector Wise



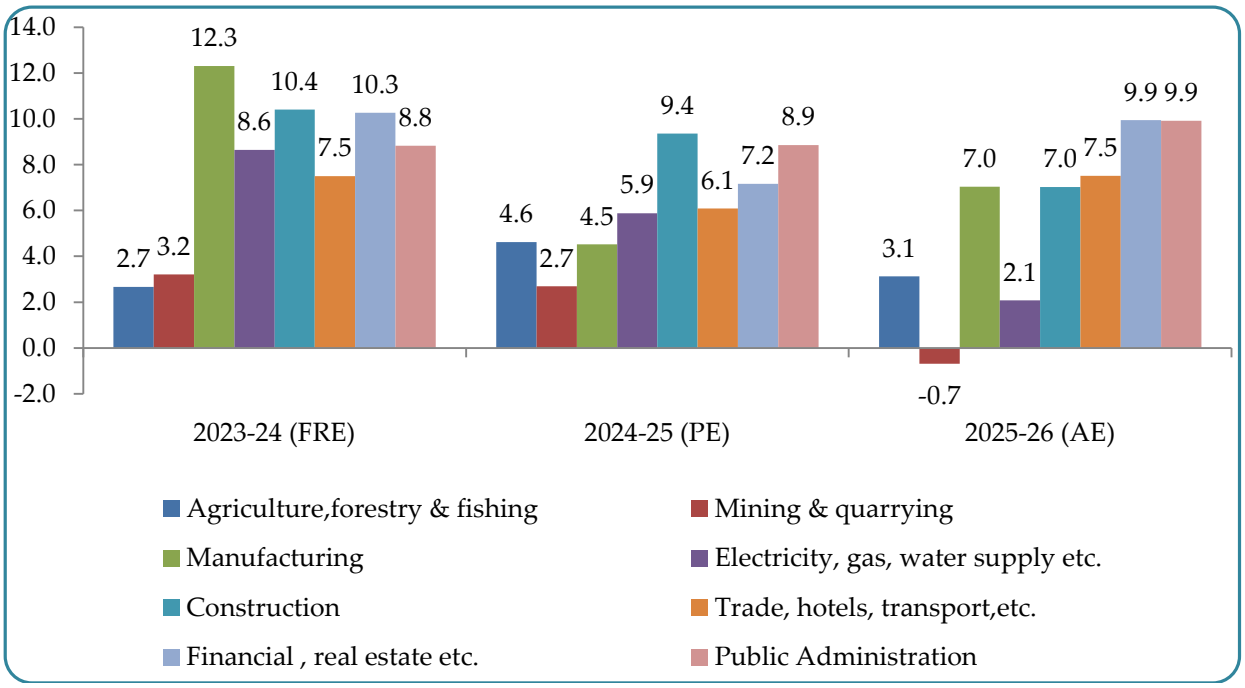
Source: National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI).

Sector-wise, the Indian economy showed a growth rate of 2.7 per cent in FY2025-26 (AE) compared to a 4.4 per cent growth rate in the FY2023-24 in the primary sector. Growth has significantly picked up to 6.6 per cent compared to 6.1 per cent in FY2023-24 in the secondary sector but has remained lower as compared to FY2022-23.

Real GDP of India at constant (2011-12) prices for the FY2025-26 is estimated at ₹201.90 lakh crore as against a provisional estimate of GDP of ₹187.97 lakh crore in FY2024-25 with a growth rate of 7.4 per cent.

Figure 1 .6

GVA Growth at Basic Prices (2011-12 Prices)



Source: National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI).

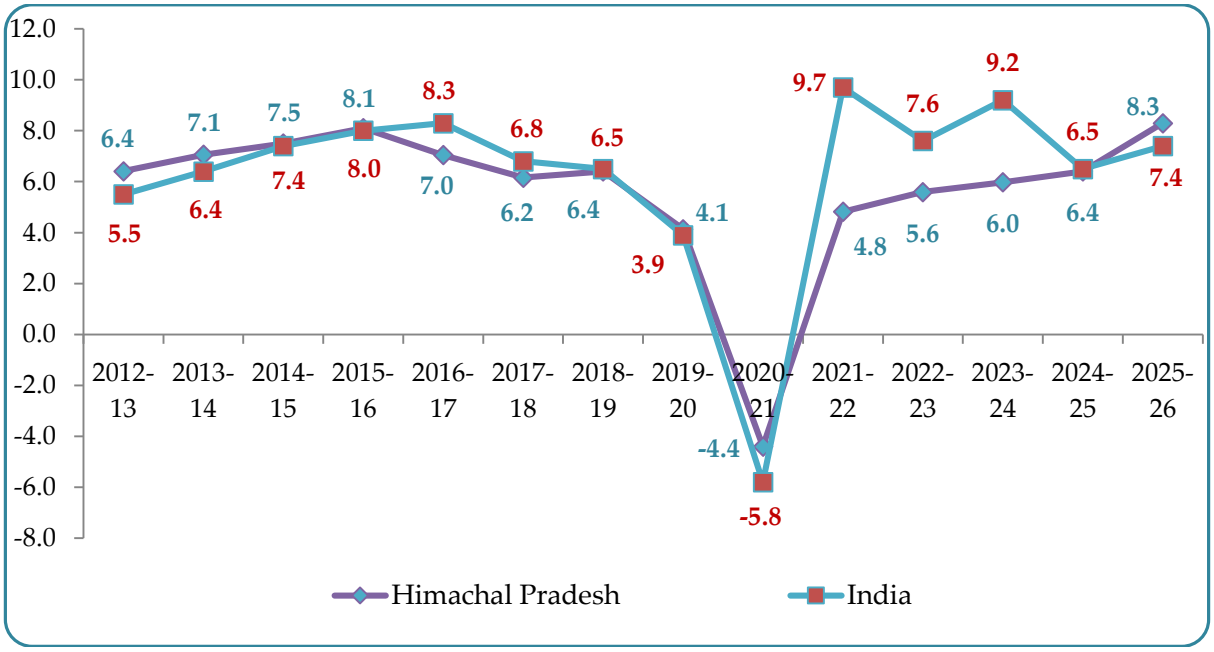
The highest contributors to the Gross Value Added (GVA) at constant basic prices during FY2025-26 were financial, real estate and professional services and public administration and other services which contributed 9.9 per cent each. Trade, hotel and transport sectors was second highest contributor to the GVA during FY2025-26.

Manufacturing sector has growth rate of 7.0 per cent during the financial year 2025-26 which was highest compared to previous financial year but was lower compared to FY2023-24.

A comparative position of National as well as State economic performance in terms of the growth rate of GDP and GSDP is presented in Figure 1.7.

Figure 1 .7

Comparative Growth Rate of GDP and GSDP at Constant Prices (2011-12 Prices)



Source: National Statistics Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI), Economics and Statistics Department Himachal Pradesh.

After pandemic, State's recovery is steadier compared to India. This is because India's larger, diversified economy whips back faster on average.

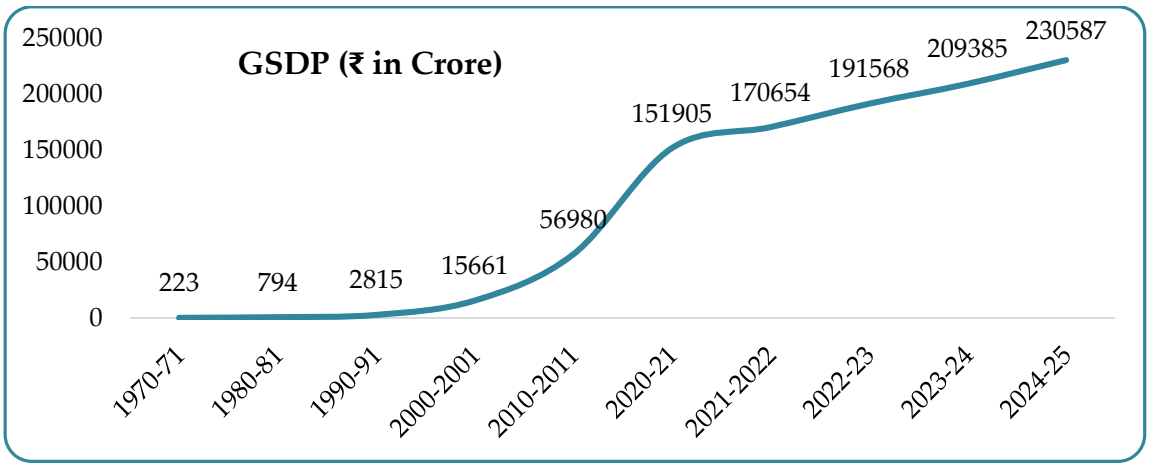
1.3 Overview: Himachal Pradesh Economy

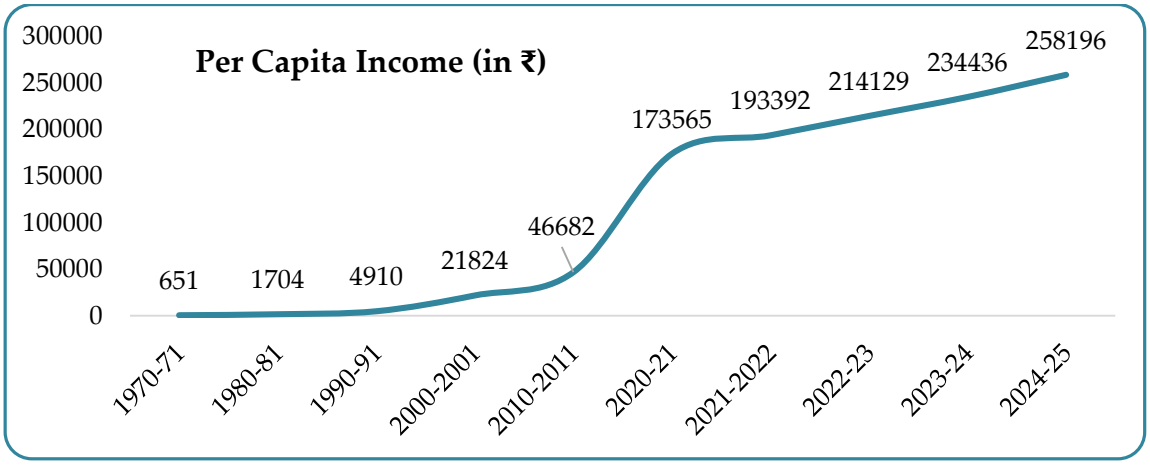
Himachal Pradesh, situated in the northern Himalayan region of India, is bordered by Jammu & Kashmir to the north, Punjab to the west, Haryana to the south, Uttarakhand to the southeast and Tibet (China) to the east. Despite limited natural resources—such as the absence of major mineral deposits like iron ore and coal—and relatively less fertile land in parts of the State, Himachal has demonstrated strong socioeconomic progress. This has largely been driven by sustained public investment, community participation, and effective implementation of progressive policies.

The State's Gross State Domestic Product (GSDP) at current prices for FY2024-25 (First Revised) is estimated at ₹2,30,587 crore, up from ₹2,09,385 crore in FY2023-24 (Second Revised), marking a growth of 10.1 per cent. At constant (2011–12) prices, the GSDP stands at ₹1,44,656 crore for FY2024-25 (First Revised), reflecting a 6.4 per cent real growth rate over the previous year.

Figure 1 .8

GSDP and Per capita Income at Current Prices Since 1970-71 to 2024-25



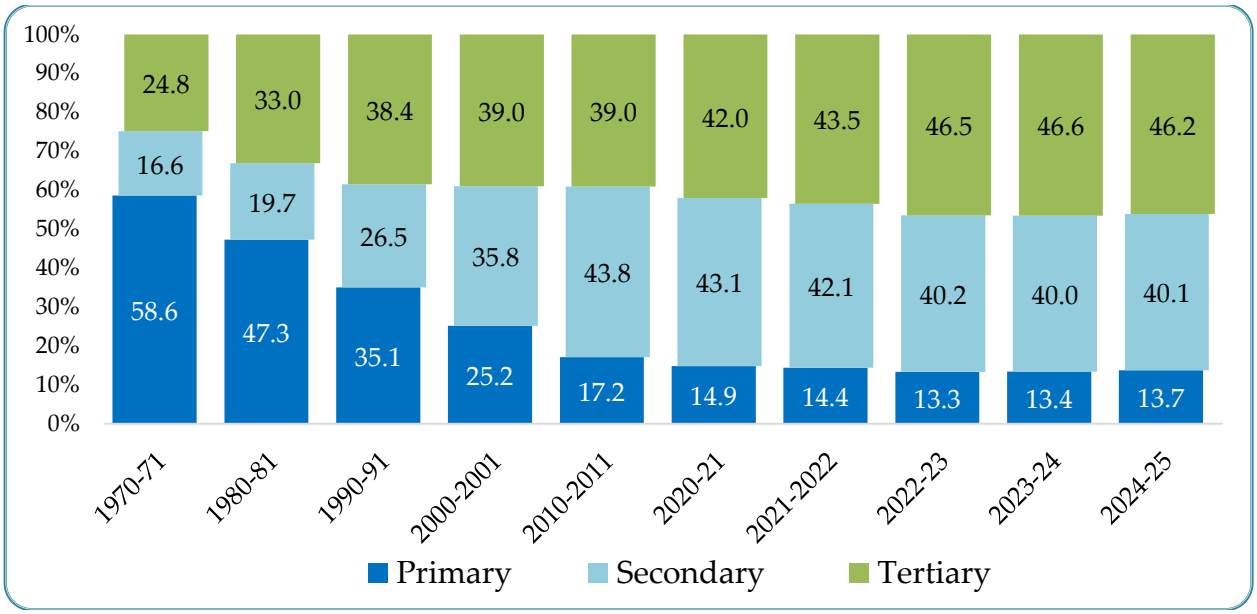


The GSDP of the State has recorded a cumulative growth of nearly 52 per cent since 2020–21, reflecting a strong post-pandemic economic recovery and the expanding contribution of the secondary and tertiary sectors. During the same period, per capita income increased by about 49 per cent, indicating that economic growth has translated into higher average income levels for residents, despite the challenges posed by natural disasters and climate-related disruptions.

A longer-term perspective reveals that the decade 2010–11 to 2020–21 marked the fastest growth phase for the State economy. Over these ten years, GSDP grew by 167 per cent, while per capita income surged by 272 per cent—the highest decadal expansion observed in recent decades. This exceptional performance can be attributed to several structural and policy-driven factors: like a) Structural Transformation of the State Economy from sluggish growth driven agriculture sector to high growth driven industry and service sectors; b) Expansion of Manufacturing and Hydropower; c) Public Investment & Welfare-Driven Growth and d) Horticulture and Diversification in Agriculture (especially apple cultivation).

Figure 1 .9

Contribution of Primary, Secondary and Tertiary Sectors to the State Economy Since 1970-71 to 2024-25



Structural Transformation

Over the decades, the State has experienced a major transformation:

This shift reflects greater industrialization, expansion of services, and diversification away from primary activities.

Despite its declining share in GSDP, agriculture remains vital to Himachal Pradesh's economy, as overall primary-sector growth continues to depend on agriculture and horticulture trends. The sector supports livelihoods, generates employment, and sustains allied activities such as trade, transport, and food processing. However, limited irrigation facilities make agricultural output highly sensitive to rainfall and weather conditions.

The State has achieved notable progress in horticulture, supported by diverse topography, altitude variations, and well-drained soils that enable cultivation of temperate and sub-tropical fruits, along with ancillary products like flowers, mushrooms, honey, and hops.

To address rising climate risks, Himachal Pradesh has implemented comprehensive climate-change mitigation and adaptation measures through its State Action Plans, focusing on institutional strengthening, sustainable land use, climate-resilient farming, and improved early-warning and disaster-management systems.

Ensuring reliable power supply has also been a priority. Hydropower, the State's major renewable resource, continues to play a central role in energy security and revenue generation. Reforms in generation, transmission, and distribution—along with the State Power Policy emphasizing capacity addition, affordability, environmental sustainability, and employment—have enhanced efficiency. Private sector participation has been actively encouraged.

Alongside infrastructure development, the Government has introduced focused welfare programmes to promote inclusive growth. These initiatives aim to improve socio-economic conditions of marginalized groups through social protection, better access to education and healthcare, livelihood support, and targeted financial assistance. Strong implementation and monitoring ensure alignment with the State's vision of equitable and balanced development.

1.4 Main Issues and Challenges

A) State-level Issues and Challenges

Issue / Challenge	Evidence	Implications
1. High climate-related economic losses	The State suffered ₹46,000 crore losses over four years due to disasters, nearly 4 per cent of GSDP annually.	Persistent fiscal stress, damage to infrastructure, agriculture and horticulture; higher reconstruction costs.
2. Agriculture and horticulture vulnerability due to climate change	Apple industry impacted by reduced snowfall and chilling hours; agriculture largely rain-fed and sensitive to weather changes.	Production instability, income losses for farmers, shift in crop patterns, rising cost of adaptation.
3. Infrastructure fragility in Himalayan terrain	Frequent cloudbursts, landslides and flash floods damage critical roads affecting tourism and horticulture supply chains.	Transport disruptions, higher maintenance costs, reduced economic activity and accessibility.
4. Declining capital expenditure and limited fiscal space	Capital expenditure falling due to meagre revenue sources and declining central aid such as RDG.	Constrained development spending, delays in major infrastructure, limited economic multiplier effects.
5. High youth unemployment	Youth unemployment (15–29 years) is 16.3 per cent, significantly above the national average of 10.2 per	Rising social stress, skill mismatch, out-migration, and slower economic diversification.

	cent.	
6. Structural shift away from primary sector creating adjustment pressures	Primary sector share fell to 13.7 per cent, while services and industry now form 86.3 per cent of GSDP.	Need for worker reskilling, reduced livelihood security for rural communities dependent on agriculture.
7. Heavy dependence on climate-sensitive horticulture	Apples account for 76 per cent of horticulture GVA and nearly 50 per cent of fruit area, showing high concentration.	Economic vulnerability to climate shocks, pest outbreaks and market fluctuations.

1.5 Way Forward

- **Dedicated Infrastructure Fund (DIF):** The State remains highly vulnerable to natural disasters due to changing climatic conditions and its location in the young and fragile Himalayan mountains. Increasing climate variability is likely to intensify this vulnerability in the coming years. A Dedicated Infrastructure Fund with a 90:10 Centre–State sharing model can help reduce the financial burden arising from repeated infrastructure losses and build long-term resilience.

- **Accelerate diversification of horticulture:** Apple continues to dominate the State's horticulture landscape, contributing around 76 per cent to horticulture GVA and occupying nearly 50 per cent of the area under fruits. However, its geographical concentration and sensitivity to climate change necessitate diversification. Himachal Pradesh has strong potential for citrus fruits, kiwi, pomegranate, stone fruits, walnut, and other dry fruits due to its varied climatic zones. Moving toward a more diversified horticulture model will strengthen farmer incomes and reduce climate-related risks.

- **Strengthening disaster preparedness and early-warning systems:** Invest in advanced forecasting technologies, automated weather stations, and rapid-response mechanisms. Create district-level resilience plans focusing on landslide-prone and flood-prone regions. Promote scientific slope stabilization and sustainable infrastructure design in high-risk zones.

- **Enhancing human capital and skill development:** Align skill-development programmes with emerging sectors: hospitality, IT, food processing, renewable energy, and logistics. Strengthen vocational education in rural areas and integrate digital skilling at the school and

college levels. Promote women-centric skill and entrepreneurship programmes.

- **Accelerating industrial growth:** The State has thriving pharmaceutical industries as 65 per cent of its exports in 2022 which consists of Drug formulations, and biologicals. Modernization of this sector will further accelerate industrial growth in the State.

*****

CHAPTER 2

STATE INCOME MACROECONOMIC VIEW

Executive summary

S. No.	Key Points	Summary
1	**Strong GSDP Growth**	Himachal Pradesh recorded 8.3 per cent real GSDP growth and 10.1 per cent nominal growth in FY2025-26, indicating a robust and broad- based economic expansion.
2	**Rising Per Capita Income**	In FY2025-26, PCI increased to ₹2,83,626 with 9.8 per cent growth, remaining consistently above the national average and reflecting improved living standards.
3	**Dominance of Tertiary Sector**	The services sector contributed 46.3 per cent of Gross State Value Added (GSVA), becoming the leading growth driver with 8.6 per cent real growth in FY2025-26.
4	**Steady Industrial Expansion**	In FY2025-26, the secondary sector contributed 39.4 per cent of GSVA and grew by 7.7 per cent, supported by strong performance in construction and utilities.
5	**Primary Sector Recovery**	In FY2025-26, the primary sector grew by 8.4 per cent, led by a strong rebound in crops (11.9 per cent) and stable growth in forestry, livestock and fisheries.
6	**Output–Employment Gap**	In FY2025-26, Agriculture contributed 14.3 per cent of GSVA, yet employing around 53.9 per cent of the workforce, showing a structural productivity imbalance.
7	**Structural Shift Toward Services**	Over the years, the share of the tertiary sector has risen steadily while the secondary sector's share moderated, signalling an evolving service-oriented economy.
8	**Strong Sectoral Value Addition**	In FY2025-26, GSVA at current price stood at ₹2,36,137 crore, with services at ₹1,09,341 crore, secondary at ₹92,953 crore and primary at ₹33,843 crore.
9	**Himachal Outperforming National Growth**	The State's 8.3 per cent real growth in FY2025-26 exceeded India's 7.4 per cent, reflecting strong economic momentum.
10	**Long-Term Income Growth**	PCI rose from ₹87,721 in FY2011-12 to ₹2,83,626 in FY2025-26, marking a CAGR of 8.7 per cent, demonstrating sustained long-term income expansion.

2.1 Introduction

Gross State Domestic Product (GSDP) is the total value of all final goods and services produced within a state's geographical boundaries over a specific period, usually a year, without duplication. It is a key measure of economic growth, highlighting sectoral contributions and overall development trends. GSDP helps assess the impact of investments, policy initiatives, and economic opportunities on the state's progress.

The growth rate of GSDP indicates the state's economic performance over time, reflecting its expansion and resilience. Also known as State Income, GSDP is a crucial metric for evaluating economic development. In the context of planned growth, both State Income and Per Capita Income (PCI) play a significant role in shaping policies and guiding decisions for administrators, policymakers and planners.

These trends reflect a transition toward a more service-oriented structure alongside infrastructure-led industrial activity and stabilising agricultural performance. However, productivity imbalances across sectors, climate sensitivity, and the need for sustainable tourism management remain key structural considerations. This chapter examines recent trends in sectoral performance, structural changes in output composition, and the policy priorities necessary to sustain steady and inclusive growth in Himachal Pradesh.

2.2 GSDP – An Outlook for FY2025-26

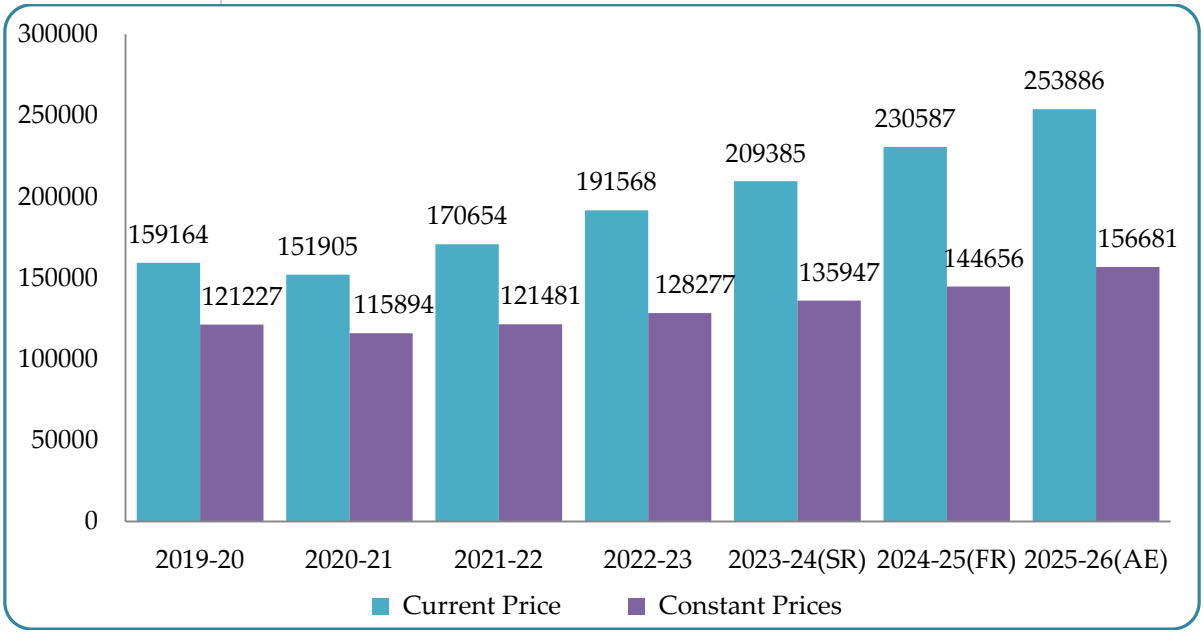
2.2.1 GSDP at Current and Constant (2011-12) Prices

According to the Advance estimates (AE), the GSDP at current prices or nominal GSDP for the FY2025-26 is estimated to be ₹2,53,886 crore, as against ₹2,30,587 crore in the FY2024-25, exhibiting the growth rate of 10.1 per cent for the FY2025-26.

As per the AE, the GSDP at constant prices (2011-12) or real GSDP for FY2025-26 is estimated at ₹1,56,681 crore, as against ₹1,44,656 crore in FY2024-25, exhibiting a growth rate of 8.3 per cent for the FY2025-26 as against 6.4 per cent for FY2024-25 First Revised (FR). The year-wise details are shown in Figures 2.1 and 2.2.

Figure 2.1

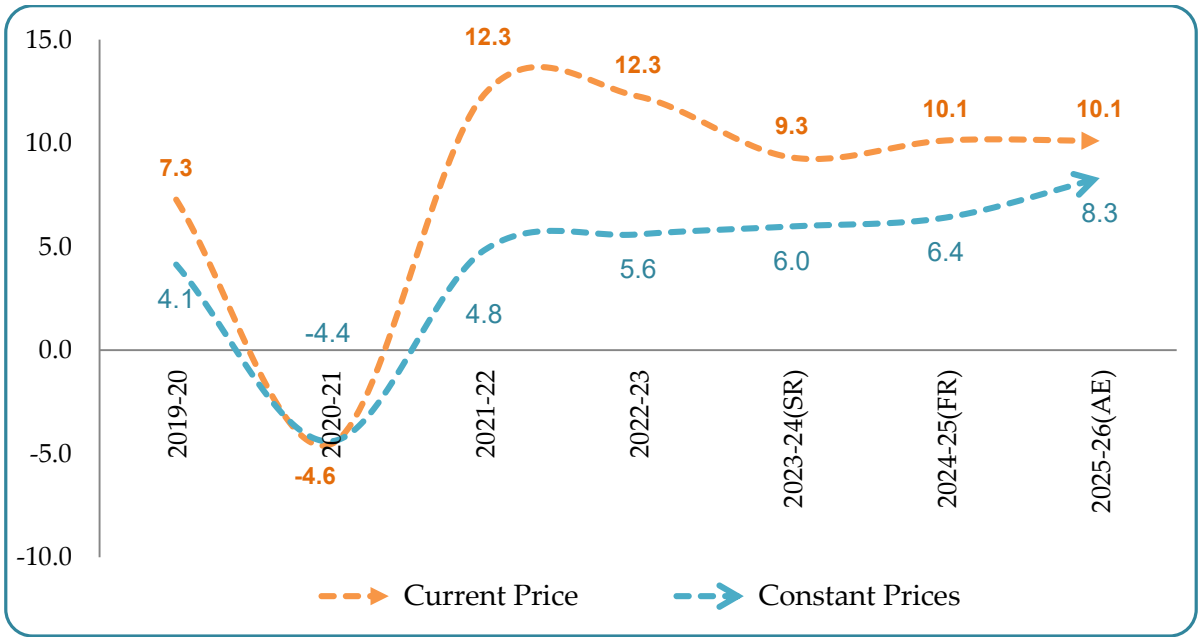
GSDP at Current and Constant Prices (₹ crore)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

Figure 2.2

Growth Rate (per cent) of GSDP at Current and Constant Prices



Source: Department of Economics and Statistics, Government of Himachal Pradesh.

SR= Second Revised Estimates

FR= First Revised Estimates

AE= Advance Estimates

2.2.2 Per Capita Income (PCI)

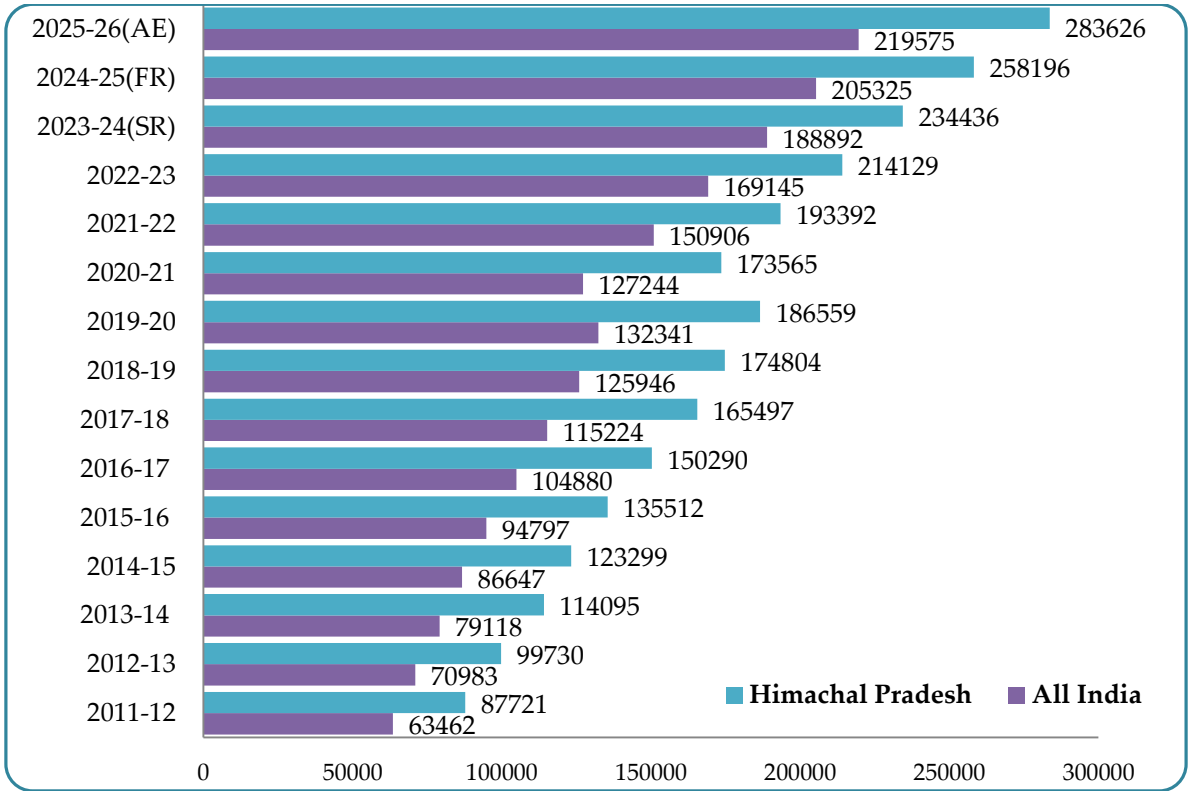
The Net State Domestic Product estimates (NSDP), when studied in relation to the total population of the State, indicate the level of per capita net output of goods and services available. The PCI is obtained by dividing the NSDP by the midyear population of the State in the respective year.

According to AE, the PCI at current prices for FY2025-26 is estimated at ₹2,83,626 against ₹2,58,196 in FY2024-25 showing a growth of 9.8 per cent in FY2025-26. The PCI of State is higher than the All India figures over the years. There is a rise in the PCI of the State from ₹87,721 in the FY2011-12 to ₹2,83,626 in FY2025-26, registering a Compound Annual Growth Rate (CAGR) of 8.7 per cent over FY2011-12.

The PCI of All India was ₹63,462 in FY2011-12 which has increased to ₹2,19,575 in FY2025-26, registering a CAGR of 10.0 per cent compared to FY2011-12. The PCI of Himachal Pradesh vis-à-vis All India and their growth trends at current prices are illustrated in Figures 2.3 and 2.4 respectively.

Figure 2.3

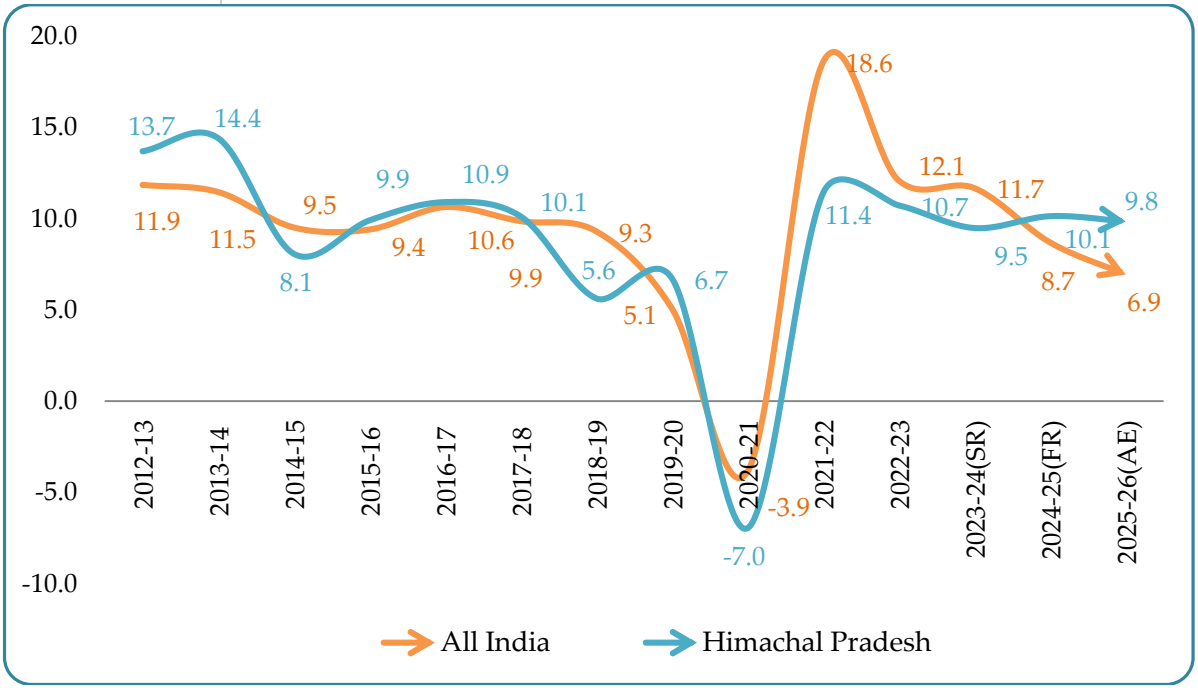
PCI at Current Prices (₹)



Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MOSPI), Government of India (GoI), Economics and Statistics Department, Himachal Pradesh.

Figure 2.4

Comparative Growth Rate of PCI at National and State Level at Current Prices



Source: NSO, MOSPI, GoI, Economics and Statistics Department, Himachal Pradesh.

2.2.3 Sectoral Growth Trajectory

The economy is classified into three broad sectors, viz., Primary; Secondary and Tertiary**.** The growth rate of these sectors is measured in terms of GSVA at basic prices. The constituent of these sectors are:

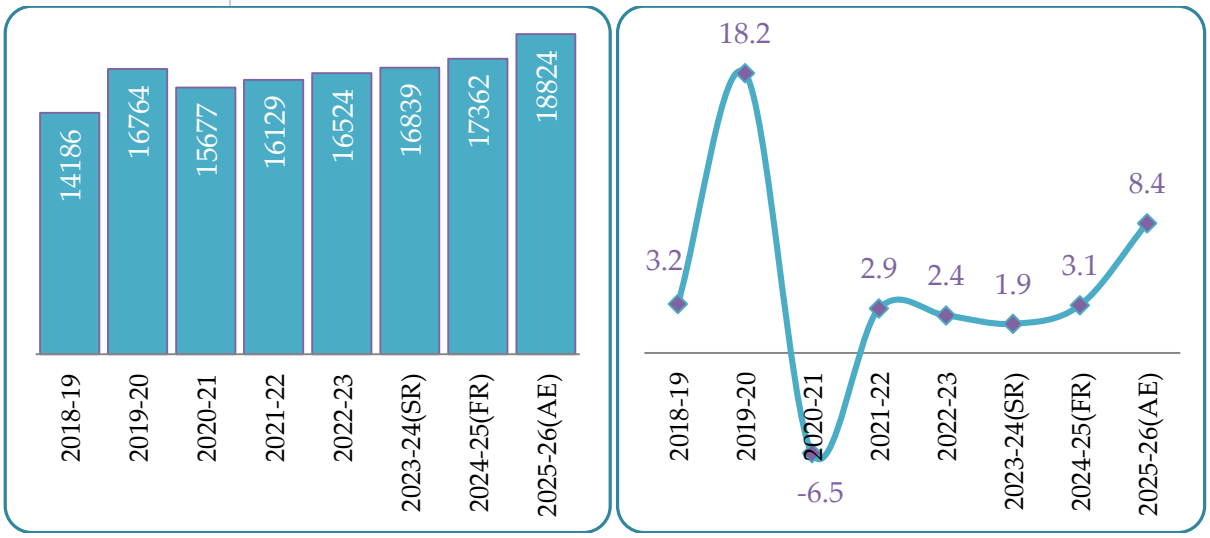
- **The Primary Sector**: This sector consists of sub-sectors like Crops; Livestock; Forestry and Logging; Fisheries; and Mining and Quarrying.
- **The Secondary Sector**: This sector constitutes sub-sectors such as Manufacturing; Electricity, Gas, Water Supply and Other Utility Services; and Construction.
- **The Tertiary Sector**: This sector includes sub-sectors, namely: Trade, Hotels, Transport, Communication and Services relating to Broadcasting, Financial services, Real Estate, and Professional Services, Public Administration, and Other Services.

2.2.3.1 Primary Sector

As per the AE, for FY2025-26, the GSVA from the primary sector is expected to grow at the pace of 8.4 per cent at constant prices. During FY2025-26 (AE), the GSVA of the primary sector is expected to be ₹18,824 crore as against ₹17,362 crore in FY2024-25(FR) at constant prices (Figure 2.5).

Figure 2.5

Primary Sector GSVA (₹ in crore) **Primary Sector Growth (per cent)**



Source: Department of Economics and Statistics, Government of Himachal Pradesh

At constant price, the GSVA of primary sector registered a growth of 1.9 per cent, 3.1 per cent and 8.4 per cent in FY2023-24, FY2024-25 and FY2025-26, respectively. It is noteworthy that the primary sector which is the backbone of the State economy employs 53.98 per cent of the population of the State. Therefore, its economic success is crucial for improving the living standards in Himachal Pradesh.

Table 2.1

Sub-sector-wise GSVA (₹ in crore) and Growth Rate (per cent) at constant Prices (2021-22 to 2025-26)

Sectors	2021-22		2022-23		2023-24(SR)		2024-25(FR)		2025-26(AE)	
	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth
Crops	8297	6.1	8231	-0.8	7589	-7.8	7516	-1.0	8413	11.9
Livestock	2473	4.1	2478	0.2	2829	14.2	3025	6.9	3235	6.9
Forestry and Logging	4904	-3.8	5181	5.6	5468	5.5	5764	5.4	6018	4.4
Fishing	116	7.8	126	9.1	134	6.3	145	8.6	156	7.0
Mining and Quarrying	339	22.8	508	49.8	819	61.1	910	11.2	1002	10.1

Source: Department of Economics and Statistics, Government of Himachal Pradesh

Crop sector GSVA for FY2025-26(AE) in real terms is estimated at ₹8,413 crore as against ₹7,516 crore in FY2024-25(FR) with an expansion of 11.9 per cent. Forestry and logging sector GSVA for FY2025-26(AE) in real terms is estimated at ₹6,018 crore as against ₹5,764 crore in FY2024-25(FR) with a growth rate of 4.4 per cent. The livestock sector grew by 6.9 per cent, the fishing sector grew by 7.0 per cent and the

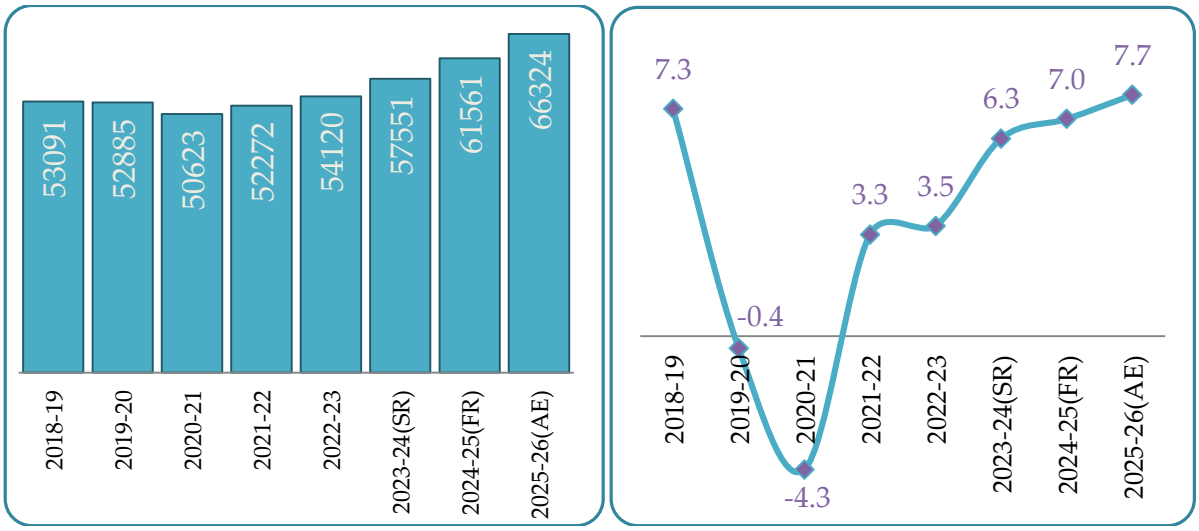
mining and quarrying sector grew by 10.1 per cent in FY2025-26(AE).The primary sector and its sub-sectors growth trends and GSVA at constant prices are depicted in Table 2.1.

2.2.3.2 Secondary Sector

As per AE, for FY2025-26 the GSVA of the secondary sector is estimated at ₹66,324 crore against ₹61,561crore for FY2024-25(FR) at constant (2011-12) prices, expected to register a growth rate of 7.7 per cent over the previous year (Figure 2.6).

Figure 2.6

Secondary Sector GSVA (₹ in crore) **Secondary Sector Growth (per cent)**



Source: Department of Economics and Statistics, Government of Himachal Pradesh

As per the AE for FY2025-26, manufacturing sector at constant (2011-12) prices is expected to register a growth rate of 5.7 per cent and is estimated at ₹42,559 crore as against ₹40,250 crore in FY2024-25(FR).

Table 2.2

Sub-sector-wise GSVA (₹ in crore) and Growth Rate (per cent) at constant Prices (2021-22 to 2025-26)

Sectors	2021-22		2022-23		2023-24(SR)		2024-25(FR)		2025-26(AE)	
	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth
Manufacturing	35986	1.5	36394	1.1	38600	6.1	40250	4.3	42559	5.7
Electricity, Gas, Water supply and Other utility services	7101	7.7	7561	6.5	7740	2.4	8930	15.4	9830	10.1

Construction	9186	6.9	10166	10.7	11211	10.3	12380	10.4	13936	12.6

Source: Department of Economics and Statistics, Government of Himachal Pradesh

Electricity, Gas, water supply and other utility services sectors, have registered the growth rate of 10.1 per cent in FY2025-26(AE). The construction sector is expected to register a growth rate of 12.6 per cent and is estimated at ₹13,936 crore in FY2025-26(AE) as against ₹12,380 crore in FY2024-25(FR) (Table 2.2).

2.2.3.3 Tertiary or Services Sector

The services sector in the State is the highest contributor to GSVA. The AE for the FY2025-26 at constant (2011-12) prices for the services sector is estimated at ₹62,581 crore as against ₹57,643 crore in FY2024-25(FR) with a growth rate of 8.6 per cent over last year (Figure 2.7).

Figure 2.7

Tertiary Sector GSVA (₹ in crore) **Tertiary Sector Growth (per cent)**

Source: Department of Economics and Statistics, Government of Himachal Pradesh

All the key sub-sectors within the services sector depicted buoyant growth rates in FY2025-26(AE) in Himachal Pradesh. During FY2025-26, Trade, Repair, Hotel & Restaurants sector GSVA grew at 18.9 per cent, Transport, Storage, Communication and Services relating to broadcasting registered a growth rate of 5.9 per cent and Real estate, Ownership of dwelling and Professional Services grew at 6.5 per cent. Table 2.3 depicts the growth of various sub-sectors within the services sector from 2021-22 to 2025-26.

Table 2.3

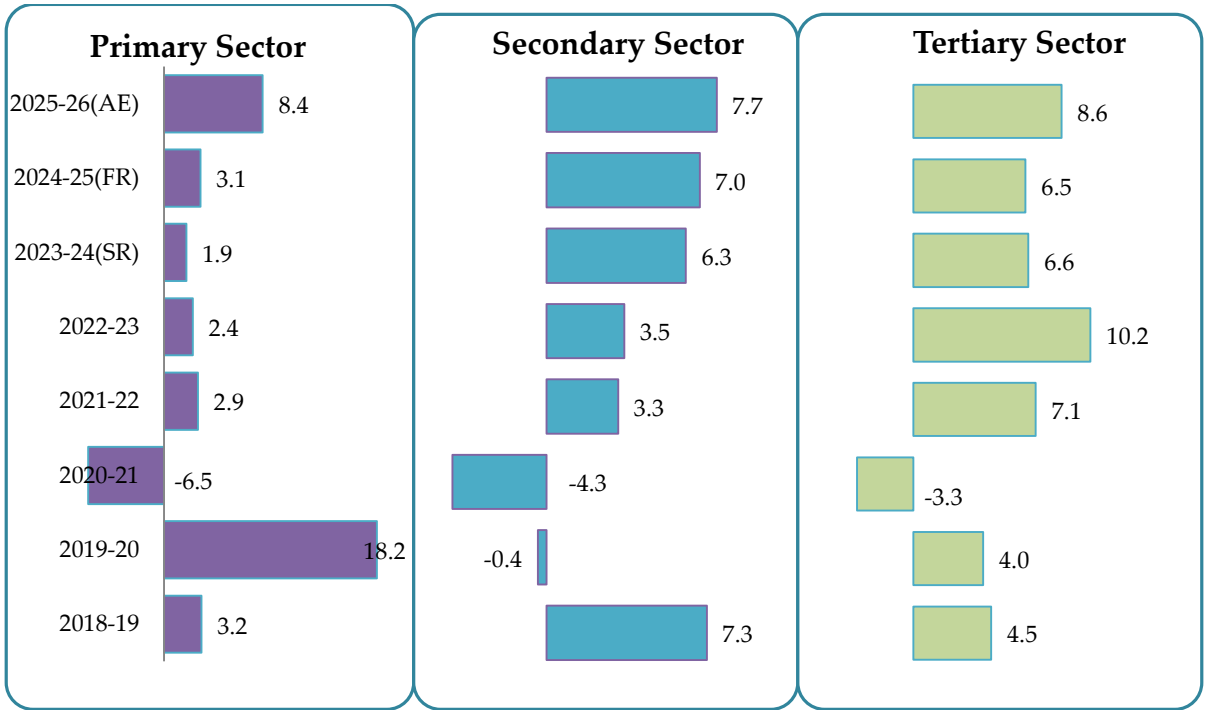
Sub-sector-wise GSVA (₹ in crore) and Growth Rate (per cent) at constant prices (2021-22 to 2025-26)

Sector	2021-22		2022-23		2023-24(SR)		2025-26(FR)		2025-26(AE)	
	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth	GSVA	Growth
Trade, Repair, Hotel and Restaurant	8753	0.4	9607	9.8	10871	13.2	11257	3.5	13387	18.9
Transport, Storage & Communication	5476	24.1	5704	4.2	5856	2.7	6404	9.4	6785	5.9
Financial Services	3770	6.9	3823	1.4	4090	7.0	4423	8.1	4879	10.3
Real Estate, Ownership of dwellings and professional services	12221	10.9	13355	9.3	14502	8.6	15363	5.9	16354	6.5
Public Administration	5482	-2.5	6690	22.0	6750	0.9	7067	4.7	7078	0.2
Other Services	10341	6.6	11581	12.0	12063	4.2	13129	8.8	14098	7.4

Source: Department of Economics and Statistics, Government of Himachal Pradesh

Figure 2.8

Comparative Sector-wise Growth Rate of GSVA at Constant Prices (2018-19 to 2025-26)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

Major Achievements

Major Achievements – Himachal Pradesh Economy (FY 2025–26)

1. **Strong and Broad-Based GSDP Growth**
   The State achieved 8.3 per cent real GSDP growth and 10.1 per cent nominal growth in FY2025-26, reflecting robust economic momentum and resilience.

2. **Consistent Rise in Per Capita Income**
   Per Capita Income increased to ₹2,83,626, maintaining a consistent lead over the national average and indicating rising living standards.

3. **Services Sector as the Leading Growth Driver**
   The tertiary sector emerged as the largest contributor with 46.3 per cent share in GSVA and 8.6 per cent growth, driven by trade, tourism and allied services.

4. **Steady Industrial and Infrastructure-Led Expansion**
   The secondary sector contributed 39.4 per cent to GSVA and grew by 7.7 per cent, supported by strong performance in manufacturing, construction and utilities.

5. **Recovery and Improvement in Primary Sector**
   The primary sector recorded 8.4 per cent growth, with significant improvement in crops (11.9 per cent) and continued momentum in livestock, forestry and fisheries.

6. **Overall GSVA Expansion Across Sectors**
   GSVA at current prices increased to ₹2,36,137 crore, with all three sectors primary, secondary and tertiary—showing strong value addition.

7. **Himachal Outperformed National GDP Growth**
   The State's 8.3 per cent real growth in FY2025-26 surpassed India's 7.4 per cent, highlighting superior economic performance.

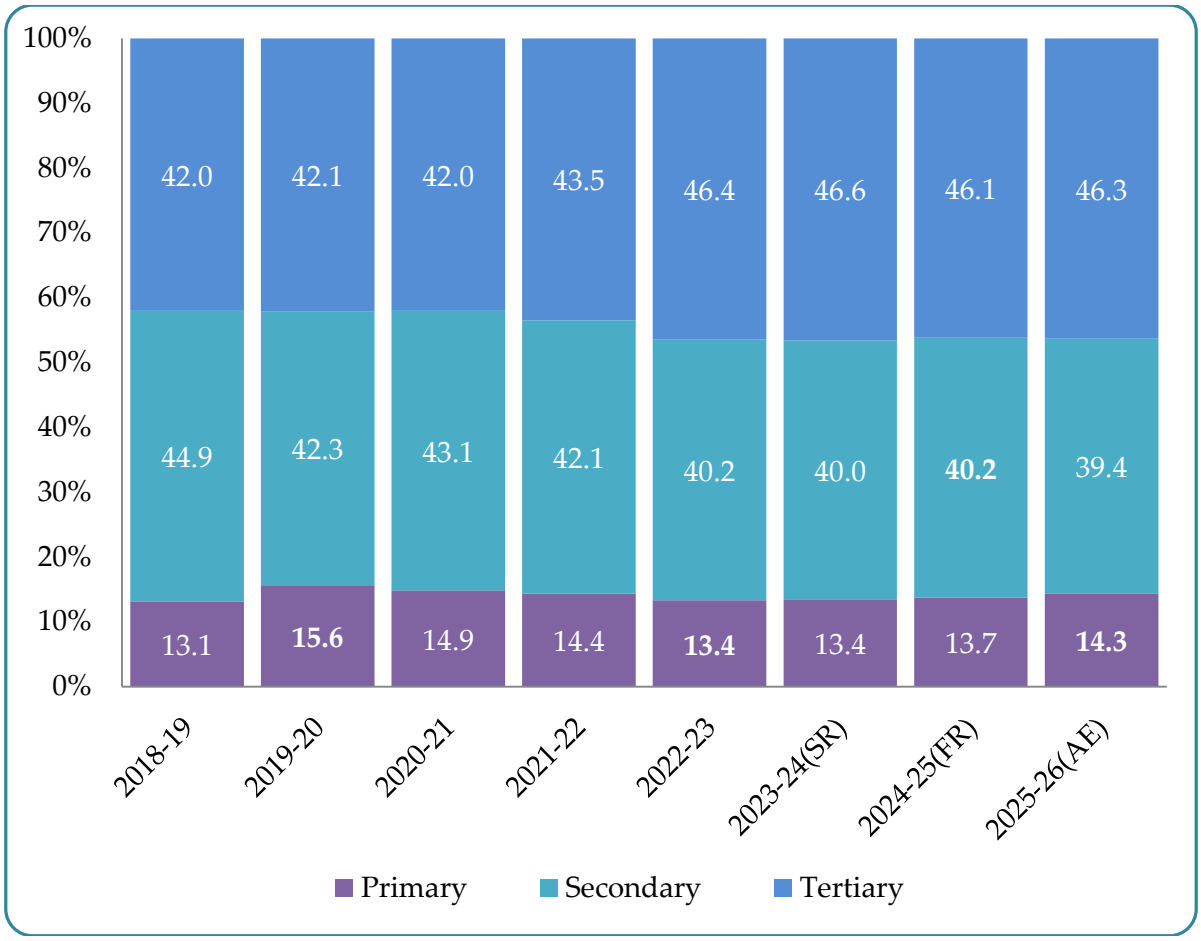
2.2.4 Sectoral Contribution

The GSDP of any State is measured in terms of the economic contributions made by three key sectors-Primary, Secondary and Tertiary. The tertiary sector has been the highest contributor to the State's GSVA, followed by the secondary and primary sectors.

Based on the AE of GSVA for FY2025-26, the tertiary sector accounted for 46.3 per cent of the State's GSVA at current prices, followed by the secondary sector at 39.4 per cent and the primary sector at 14.3 per cent.

Figure 2.9

Sectoral Composition of GSVA at Current Prices (2018-19 to 2025-26)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

The sectoral composition of Himachal Pradesh's economy indicates a gradual structural shift over the years. While the secondary sector continues to play an important role in the state's economic framework, its share in GSDP has shown a decline—from around 44.9 per cent in FY2018–19 to 39.4 per cent in FY2025–26(AE).

In contrast, the tertiary sector has steadily expanded, increasing from 42.0 per cent to 46.3 per cent during the same period, emerging as the dominant contributor to the state economy. The primary sector has remained relatively stable, fluctuating between 13–15 per cent. As per the AE, for FY2025-26, the GSVA from the primary sector in absolute terms is estimated at ₹33,843 crore at current prices, the secondary sector stood at ₹92,953 crore, while the service sector is estimated at ₹1,09,341 crore (Table 2.4).

Table 2.4

Sector-wise Contribution of GSVA at Current Prices (₹ in crore)

Sectors	2022-23	2023-24 (SR)	2024-25 (FR)	2025-26 (AE)
1. Agriculture, allied activities and Mining and Quarrying (Primary Sector)	23,893	25,967	29,482	33,843
2. Manufacturing, Electricity or Other Utility and Construction (Secondary Sector)	72,172	77,622	86,083	92,953
3. Services(Tertiary Sector)	83,317	90,292	99,038	1,09,341
4. Gross Value Added (GSVA) at current Basic Prices	1,79,382	1,93,881	2,14,603	2,36,137
5. Net of Taxes (Add Product Taxes and Less Subsidies)	12,186	15,504	15,984	17,749
6. GSDP at Market Prices	1,91,568	2,09,385	2,30,587	2,53,886

Source: Department of Economics and Statistics, Government of Himachal Pradesh

2.2.4.1 Sector-wise Distribution of Value Added and Employment

The sectoral composition of GSVA and employment reveals a structural difference in Himachal Pradesh's economy when compared with the national pattern. While the primary sector contributes only 13.74 per cent to GSVA, it absorbs 53.98 per cent of the workforce, indicating a significant productivity gap and continued dependence on agriculture for livelihood.

Table 2.5

Share of different sectors in Gross Value Added and Employment Himachal vis-a-vis India

Sectors	Shares in GSVA 2024-25		Shares in Employment 2023-24	
	H.P.	**India**	**H.P.**	**India**
Agriculture and allied activities	13.16	17.94	53.95	46.08
Mining and Quarrying	0.58	1.80	0.03	0.23
Primary	**13.74**	**19.74**	**53.98**	**46.31**
Manufacturing	26.08	13.89	8.60	11.44
Elect, Gas Water supply and other utility services	5.66	2.69	1.89	0.54
Construction	8.37	8.75	11.52	11.98
Secondary	**40.11**	**25.33**	**22.01**	**23.96**
Trade, hotels Transport, Communication and service relating to broadcasting	12.56	17.51	12.41	17.86
Financial, Real estate and professional services	16.57	22.92	1.14	1.94
Public Administration and other services	17.02	14.50	10.46	9.93
Tertiary	**46.15**	**54.93**	**24.01**	**29.73**
	100.00	**100.00**	**100.00**	**100.00**

Source: (GSVA), Department of Economics and Statistics, Government of Himachal Pradesh, (GSVA), National Accounts Statistics and (Share in Employment), Periodic Labour Force Survey (PLFS) 2023-24.

In contrast, the secondary sector account for a robust 40.11 per cent of GSVA—substantially higher than the national average—yet provides employment to only 22.01 per cent of workers, suggesting a relatively capital-intensive industrial structure (Table 2.5). The tertiary sector, contributing 46.15 per cent to GSVA and 24.01 per cent to employment remains below the national average in output and employment shares indicating limited diversification into high-value services.

The divergence between sectoral output and employment shares highlights the need for a calibrated structural transformation strategy focused on enhancing agricultural productivity, promoting labour-intensive manufacturing, and expanding employment-generating service activities to achieve balanced and inclusive growth. The estimates of the GDP of Himachal Pradesh and India from 2011-12 to 2025-26 at current and constant (2011-12) prices are given in Table 2.6.

Table 2.6

Gross Domestic Product of Himachal Pradesh and India 2011-12 to 2025-26(AE) at Current and Constant Prices (₹ in crore and growth rate in per cent)

Years	Himachal Pradesh				India			
	GSDP at Current prices	Growth	GSDP at Constant prices (2011-12)	Growth	GDP at Current prices	Growth	GDP at Constant prices (2011-12)	Growth
2011-12	72,720	-	72,720	-	87,36,329	-	87,36,329	-
2012-13	82,820	13.9	77,384	6.4	99,44,013	13.8	92,13,017	5.5
2013-14	94,764	14.4	82,847	7.1	1,12,33,522	13.0	98,01,370	6.4
2014-15	1,03,772	9.5	89,060	7.5	1,24,67,959	11.0	1,05,27,674	7.4
2015-16	1,14,239	10.1	96,274	8.1	1,37,71,874	10.5	1,13,69,493	8.0
2016-17	1,25,634	10.0	1,03,055	7.0	1,53,91,669	11.8	1,23,08,193	8.3
2017-18	1,38,551	10.3	1,09,407	6.2	1,70,90,042	11.0	1,31,44,582	6.8
2018-19	1,48,383	7.1	1,16,414	6.4	1,88,99,668	10.6	1,39,92,914	6.5
2019-20	1,59,164	7.3	1,21,227	4.1	2,01,03,593	6.4	1,45,34,641	3.9
2020-21	1,51,905	-4.6	1,15,893	-4.4	1,98,54,096	-1.2	1,36,94,869	-5.8
2021-22	1,70,654	12.3	1,21,481	4.8	2,35,97,399	18.9	1,50,21,846	9.7
2022-23	1,91,568	12.3	1,28,277	5.6	2,68,90,473	14.0	1,61,64,913	7.6
2023-24 (SR)	2,09,385	9.3	1,35,947	6.0	3,01,22,956	12.0	1,76,50,591	9.2
2024-25 (FR)	2,30,587	10.1	1,44,656	6.4	3,30,68,145	9.8	1,87,96,955	6.5
2025-26 (AE)	2,53,866	10.1	1,56,681	8.3	3,57,13,886	8.0	2,01,89,919	7.4

Source: NSO, MOSPI, GoI, Economics and Statistics Department Himachal Pradesh.

A brief analysis of the economic growth in Himachal Pradesh reveals that the State has kept pace with the Indian growth rate as shown in Table 2.7.

Table 2.7

Comparative Growth Rate of Himachal Pradesh and National Economy

Period		Average Annual Growth Rate	
Plan	**Years/Year**	**Himachal Pradesh**	**India**
First Plan	1951-56	1.6	3.6
Second Plan	1956-61	4.4	4.1
Third Plan	1961-66	3.0	2.4
Annual Plans	1966-67 to 1968-69	-	4.1
Fourth Plan	1969-74	3.0	3.4
Fifth Plan	1974-78	4.6	5.2
Annual Plans	1978-79 to 1979-80	-3.6	0.2
Sixth Plan	1980-85	3.0	5.3

Seventh Plan	1985-90	8.8	6.0
Annual Plan	1990-91	3.9	5.4
Annual Plan	1991-92	0.4	0.8
Eighth Plan	1992-97	6.3	6.2
Ninth Plan	1997-02	6.4	5.6
Tenth Plan	2002-07	7.6	7.8
Eleventh Plan	2007-12	8.0	8.0
Twelfth Plan	2012-17	7.2	7.1
Annual Plans	2017-18	6.2	6.8
	2018-19	6.4	6.5
	2019-20	4.1	3.9
	2020-21	-4.4	-5.8
	2021-22	4.8	9.7
	2022-23	5.6	7.6
	2023-24	6.0	9.2
	2024-25	6.4	6.5
	2025-26	8.3	7.4

Source: Department of Economics and Statistics, Government of Himachal Pradesh

2.3 Main Issues and Challenges

Issue / Challenge	Evidence	Implications
1. High dependence on primary sector for employment despite low output share	Primary sector contributes only 14.3 per cent of GSVA while employing 53.9 per cent of the workforce.	Structural imbalance, low labour productivity, income disparities, and persistent rural underemployment.
2. Slower structural transformation in high-value services	Tertiary sector contributes 46.3 per cent of GSVA, still below the national share of 54.93 per cent.	Limited growth in high-value services such as IT, professional services; constrained job creation for youth.
3. Declining share of Secondary sector within the economy	Secondary sector share fell from 44.9 per cent (2018-19) to 39.4 per cent (2025-26 AE).	Slower industrial dynamism, reduced diversification, and vulnerability to external shocks.
4. Volatility and sensitivity of agriculture to climate and natural shocks	Crop sector saw negative or low growth in recent years (e.g. −7.8 per cent, −1 per cent before recovery).	Instability in rural incomes, higher fiscal burden through support schemes, and risk to food security.

5. Uneven sectoral productivity leading to income inequality	Manufacturing and utilities show high GSVA share but employ only 22 per cent of workforce.	Jobs remain limited in high-productivity sectors, widening the output-employment gap.
6. Slower growth in real GSDP compared to historically high phases	In FY2025-26, Real growth improved to 8.3 per cent, but earlier years indicate fluctuation and recovery cycles.	Challenges in sustaining long-term stable growth due to external shocks, climate impacts, and structural constraints.
7. Moderate per capita income growth relative to national trends	From FY2011-12 to FY2025-26 State PCI CAGR 8.7 per cent, while national CAGR is 10 per cent over the same period.	Risk of gradually narrowing income gap advantage and slower household welfare improvement.

2.4 Way Forward

- Agricultural policy must prioritize income enhancement over mere output growth by promoting high-value crops, integrated value chains, quality-linked pricing, expanded post-harvest systems, climate-adaptive practices, collective aggregation through Farmer Producer Organizations and environmentally responsible resource management.

- Industrial development should focus on cluster-based specialization, efficient logistics, resilient infrastructure standards, predictable regulatory systems, financially sustainable power reforms, and demand-aligned skill formation to strengthen competitiveness.

- Service-sector advancement requires a regulated, high-value tourism framework supported by upgraded urban infrastructure, digital connectivity, workforce formalization, skill certification, and reliable transport systems to enhance stability and productivity.

In conclusion, Himachal Pradesh's economic performance in FY2025–26 demonstrates sustained expansion within the structural realities of a mountain state. Growth has been supported by services-led momentum, infrastructure-driven industrial activity, and gradual improvement in agriculture, reflecting continued structural evolution. Nevertheless, disparities between output contribution and workforce dependence particularly in agriculture indicate underlying productivity gaps.

The development pathway remains influenced by domestic demand, tourism recovery, capital formation, and expanding financial and professional services, while geographic constraints and ecological fragility shape policy choices. Increasing climate exposure and logistical limitations underscore the need to integrate resilience into the growth strategy. Future progress will depend on enhancing productivity, deepening value addition, generating quality employment, and preserving critical natural assets. With stable institutions, adaptive infrastructure, and sustainability-oriented governance, the State can pursue balanced and durable economic advancement.

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CHAPTER 3

PUBLIC FINANCE

Executive Summary

S. No.	Key Points	Summary
1	**Fiscal Consolidation with Higher Own Revenues**	Revenue receipts for Financial Year (FY)2025-26 Budgeted Estimates (BE) are estimated at ₹42,343 crore, forming 16.68 per cent of Gross State Domestic Product (GSDP), with strong growth in State tax revenue despite a fall in central grants.
2	**Declining Dependence on Central Grants**	Grants-in-aid fell sharply to ₹10,243 crore (4.03 per cent of GSDP), indicating structural withdrawal of central support and greater reliance on State resources.
3	**Expenditure Priorities Maintained**	Total expenditure for FY2025-26 (BE) is ₹58,514 crore, with a high share of revenue expenditure and protected allocations for education (₹9,787 crore) and health (₹2,997 crore).
4	**High Committed Expenditure**	Salaries, pension and interest constitute 57.59 per cent of total expenditure, amounting to ₹33,697 crore in FY2025-26 (BE).
5	**Rising Debt Burden**	The debt–GSDP ratio stands at 40.74 per cent in FY2023-24.
6	**Strengthened Gender Budgeting**	Gender Budget allocation is ₹4,080 crore, reflecting a strong commitment to women-centric health, education, rural development and social justice programmes.
7	**Focus on Health and Agriculture R&D**	Research and Development (R&D) expenditure remains concentrated in Medical and Public Health (₹824 crore) and Agricultural Research (₹234 crore) with increased capital outlay for health infrastructure.
8	**Improved Revenue Administration**	Goods and Services Tax (GST), excise reforms, cesses and toll policy improvements have significantly contributed to revenue mobilisation during FY2024-25 and FY2025-26.
9	**Growth in State Tax Revenue**	State tax revenue (including central share) increased by 15.28 per cent, rising from ₹24,208 crore in FY2024-25 Revised Estimates (RE) to ₹27,907 crore in FY2025-26 (BE), showcasing strong tax buoyancy.
10	**Capital and Revenue Expenditure Trends**	Revenue expenditure forms 83.28 per cent, while capital expenditure accounts for 6.74 per cent of total expenditure in FY2025-26 (BE), showing prioritisation of essential services with limited fiscal space.

3.1 Introduction

Public finance is the critical framework that governs how the government raises, allocates, and spends public funds to serve the collective interests of society. It involves the collection of taxes from individuals, businesses, and other taxable entities within a jurisdiction, which are then channelled into providing essential public goods and services such as education, healthcare, infrastructure etc.

The financial resources of a state are pivotal in fostering economic growth and ensuring long-term development. Investments in both physical capitals, such as infrastructure (roads, buildings, energy facilities) and human capital, such as education, healthcare, and workforce training, are essential for sustained economic advancement. While geographical disadvantages may pose significant challenges—whether due to limited natural resources, remoteness, or other factors—state government often strive to maximize the utility of their fiscal resources by directing them toward key developmental sectors. Such strategic investments play a crucial role in uplifting economic standards, reducing poverty, and enhancing the quality of life for citizens.

State financial resources are generally derived from a combination of tax revenues (both direct and indirect taxes), non-tax revenues (such as fees, charges and fines), the central government's share of tax revenues, and grants-in-aid provided by the central government. These resources allow the state to fund its various developmental programs, public services, and policy initiatives.

The fiscal strategy of the State Government, however, reflects a mix of both positive and challenging trends. On the positive side, the state has been able to increase its tax revenues, demonstrating an improvement in its tax collection efficiency or expansion of its taxable base. However, this growth in tax revenue is offset by a reduction in grants-in-aid, which are often crucial for funding specific projects or addressing socio-economic disparities. As the state faces shrinking external financial support, it has to adopt a more disciplined and cautious approach in managing capital expenditures—limiting the scope of large infrastructure projects and focusing more on optimizing existing resources.

3.2 Fiscal Profile of Himachal Pradesh

The fiscal profile of the State primarily includes receipts, expenditure, and debt. The State Government's receipts consist of revenue and capital receipts from different sources, while public expenditure includes both revenue and capital outlays. Debt continues to be a significant component of the State's fiscal profile. The budget for 2025-26 demonstrates a commitment to economic growth and fiscal prudence. The budgetary allocations and revenue projections emphasise expanding

the state's economic base and ensuring sustainable development. The enactment of the Himachal Pradesh Fiscal Responsibility and Budget Management Act of 2005 mandates that the State government manages the finances in line with its resources in a sustainable manner.

3.2.1 Fiscal Indicators of the State

State Government gets financial resources through direct and indirect taxes, non-tax revenue, share of central taxes and grants-in-aid from the Central Government to meet the expenditure for administrative and developmental activities. Total revenue receipts are projected to reach ₹42,343 crore in FY2025-26 (BE), up from ₹37,309 crore in FY2021-22. Tax revenue (including central share) is estimated to grow by 15.28 per cent from ₹24,208 crore in FY2024-25 (RE) to ₹27,907 crore in FY2025-26 (BE). Grant-in-Aid (GIA) have declined from ₹17,633 crore in FY2021-22 to ₹10,243 crore in FY2025-26 (BE). Non-tax revenue is expected to be₹4,193 crore in FY2025-26 (BE).

Total expenditure is budgeted at ₹58,514 crore for FY2025-26 (BE). Revenue expenditure is estimated at ₹48,733 crore, forming 83.28 per cent of total expenditure. Capital expenditure is estimated at ₹3,941 crore, contributing 6.74 per cent of total expenditure. Interest payments have increased by 7.56 per cent to ₹6,739 crore in FY2025-26 (BE). Key allocations from total expenditure of Government are ₹9,787 crore for education and ₹2,997 crore for health sector.

Revenue receipts are 16.68 per cent of GSDP in FY2025-26 (BE). Tax revenue is expected to be 10.99 per cent of GSDP in FY2025-26 (BE). Total expenditure as a percentage of GSDP is projected at 23.05 per cent.

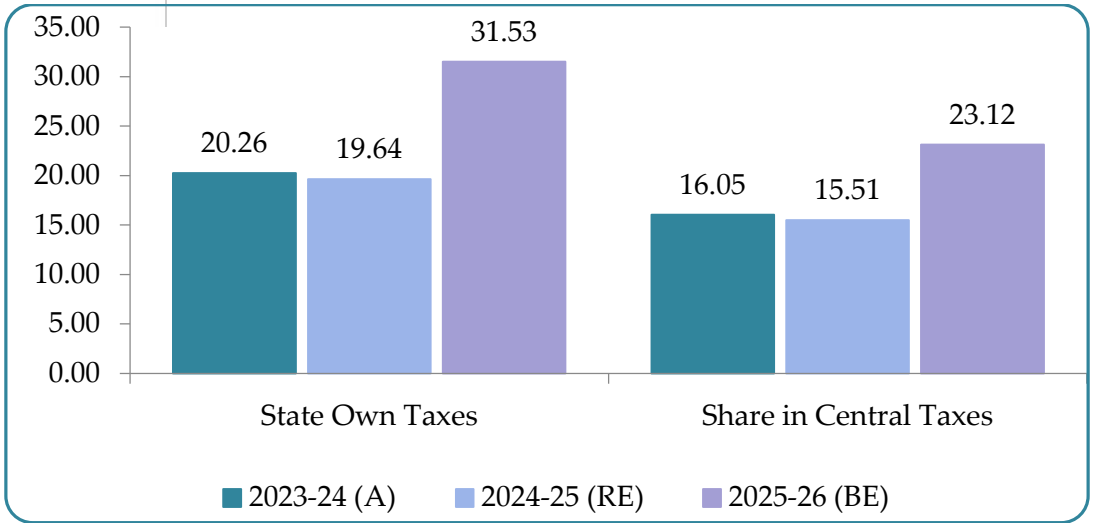
a) Tax Revenue

As shown in Table 3.1, State's tax revenue (including central taxes) is expected to reach ₹27,907 crore, a 15.28 per cent rise in FY2025-26 (BE) from ₹24,208 crore in FY2024-25 (RE), whereas it was ₹17,064 in FY2021-22.

Figure 3.1 shows components of tax revenue as a percentage of total receipts.

Figure: 3.1

Components of Tax Revenue as a percentage of Total Receipts



Source: Himachal Pradesh budget document

Table 3.1

Major Fiscal Indicators (₹in crore)

Item/ year	2021-22	2022-23	2023-24 (A)	2024-25 (RE)	2025-26 (BE)
1. Revenue Receipts	37,309	38,090	39,173	43,704	42,343
1.1 Tax Revenue (including central share)	17,064	18,479	21,210	24,208	27,907
1.2 Non- Tax Revenue	2,612	2,876	3,021	4,231	4,193
1.3 GIA	17,633	16,734	14,942	15,266	10,243
2. Disinvestment Receipts (Non-debt Receipts)	7	13	2	0	0
3. Recovery of Loans	41	83	27	29	28
4. Total Expenditure	46,989	60,701	58,364	74,758	58,514
5. Revenue Expenditure	36,195	44,425	44,732	50,190	48,733
6. Capital Expenditure	6,029	6,029	5,630	8,767	3,941
7. Loans Disbursed	378	111	107	186	34
8. Interest Payments	4,641	4,829	5,648	6,265	6,739

Source: Annual Financial Statement (Budget), Government of Himachal Pradesh

Percentage of State Own Taxes to Total Receipts has increased from 20.26 in FY2023-24 (A) to 31.53 in FY2025-26 (BE). The share in Central Taxes to the Total Receipts has also increased from 16.05 in FY2023-24 (A) to 23.12 in FY2025-26 (BE). GIA receipts to Total Receipts percentage has decreased from 25.58 in FY2023-24 (A) to 20.06 in FY2025-26 (BE).

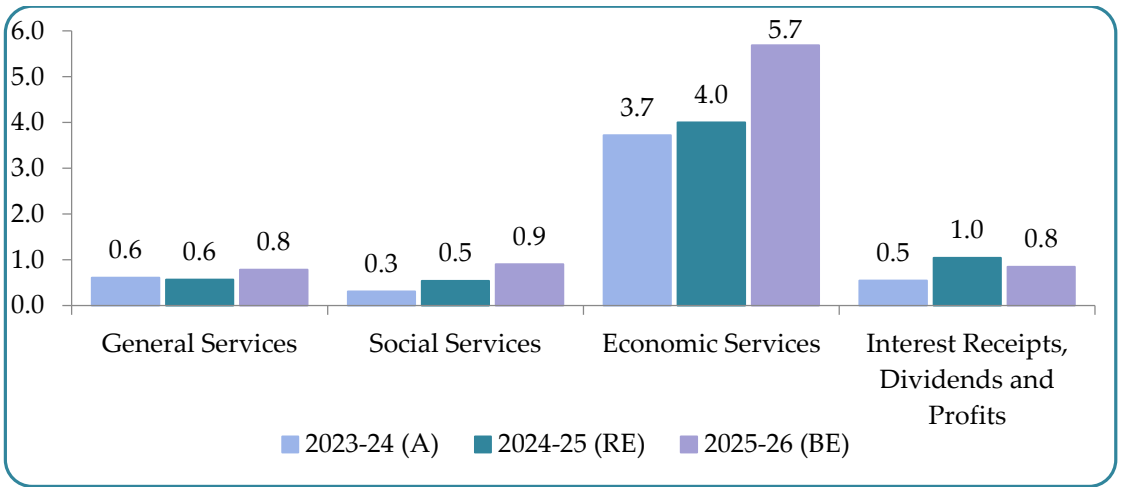
b) Non-Tax Revenue

Non-tax revenue consists, mainly of interest receipts on loans, receipts from sale of power, dividends and profits from public sector undertakings and receipts from services provided by Government including those provided by Public Service Commission, social services sector as health and education and economic services. Non-tax revenue is likely to decrease to ₹4,193 crore in FY2025-26 (BE) as against ₹4,231 crore in FY2024-25 (RE)which is a decrease of 0.89 per cent. Non-Tax revenue to Total Receipts percentage has increased from 5.17 per cent in FY2023-24 (A) to 8.21 per cent in FY2025-26 (BE). Economic services are the highest contributor to the non-tax revenue receipts component of the total revenue receipts of the government.

Figure 3.2 shows the components of non-tax revenue as a percentage of total receipts.

Figure: 3.2

Components of Non-tax Revenue as a percentage of Total Receipts



Source: Himachal Pradesh Budget Document

Economic services include electricity, gas and water supply which have consistently remained the highest contributor whereas social services and interest receipts, dividends and profits are the lowest contributors in the State's non-tax revenue receipts.

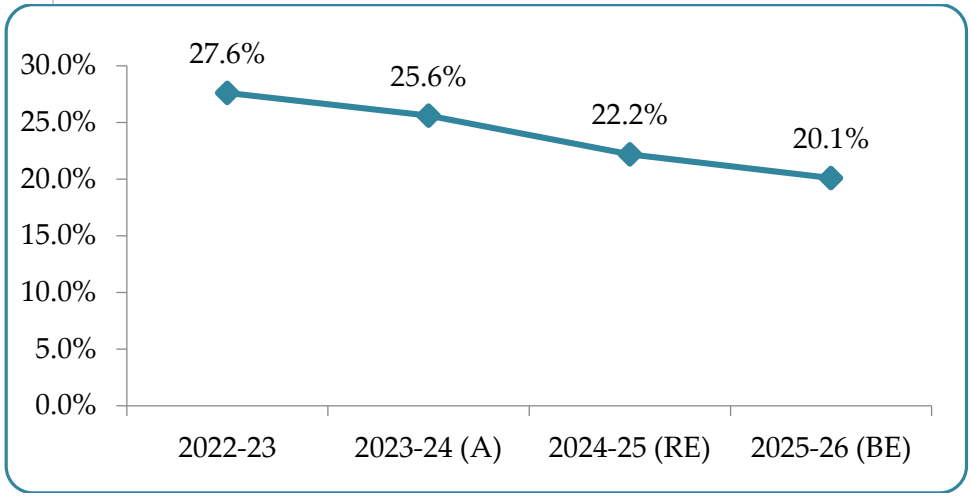
c) Grant-in-Aid (GIA)

In absolute terms, GIA to Himachal Pradesh from Government of India has reduced to ₹10,243 crore in FY2025-26 (BE) compared to ₹15,266 in FY2024-25 (RE).

Figure 3.3 shows Grant in aid as a percentage of total receipts.

Figure: 3.3

GIA as a percentage of Total Receipts



Source: Himachal Pradesh Budget Document

GIA contribution in total receipts is 20.06 per cent during FY2025-26 (BE) which is 5.5 percentage points lower as compared to FY2023-24 (A).

3.2.2 Major Fiscal Indicators of the State

Table 3.2 shows that in FY2025-26 (BE), in the tax revenue there is a highest growth of 15.28 per cent, followed by interest is estimated at 7.56 per cent. Revenue expenditure has seen a fall of 2.90 percent in FY2025-26 (BE). There is a negative growth of 21.73 and 55.04 per cent in total expenditure and capital expenditure respectively during the FY2025-26 (BE). GIA has seen the dip of 32.91 per cent in FY2025-26 (BE) compared to the dip of 10.71 per cent in FY2023-24 (A).

Table 3.2

State Government's Fiscal Indicators Growth (in per cent)

Item/ year	2021-22	2022-23	2023-24 (A)	2024-25 (RE)	2025-26 (BE)
1. Revenue Receipts	11.58	2.09	2.84	11.57	-3.11
2. Tax Revenue (including central share)	32.93	8.29	14.78	14.13	15.28
3. Non- Tax Revenue	19.37	10.10	5.03	40.04	-0.89
4. Grants in Aid	-4.23	-5.10	-10.71	2.17	-32.91
5. Interest Payments	3.76	4.05	16.98	10.92	7.56
6. Total Expenditure	-6.59	29.18	-3.85	28.09	-21.73
7. Revenue	7.93	22.74	0.69	12.20	-2.90

Expenditure					
8. Capital Expenditure	13.56	-0.01	-6.62	55.72	-55.04

Source: Annual Financial Statement (Budget), Government of Himachal Pradesh

3.2.3 Fiscal Indicators as a percentage of GSDP

The revenue receipts of Government for FY2025-26 (BE) are estimated at 16.68 per cent of the GSDP as against 18.95 per cent in FY2024-25 (RE). Similarly, tax revenue for FY2025-26 (BE) is estimated at 10.99 per cent of GSDP as against 10.50 per cent during FY2024-25 (RE). Non-tax revenue is 1.65 per cent of the GSDP in FY2025-26 (BE) as compared to 1.83 per cent during FY2024-25 (RE). In FY2025-26 (BE), the total expenditure of the State is estimated to be 23.05 per cent of GSDP, revenue expenditure is 19.19 per cent while capital expenditure will be 1.55 per cent of the GSDP. Table 3.3 shows Fiscal Indicators as a percentage of GSDP.

Table 3.3

Fiscal Indicators as percentage of GSDP

Item/ year	2020-21	2021-22	2022-23	2023-24 (A)	2024-25 (RE)	2025-26 (BE)
1. Revenue Receipts	22.01	21.86	19.88	18.71	18.95	16.68
1.1 Tax Revenue (including central share)	8.45	10.00	9.65	10.13	10.50	10.99
1.2 Non- Tax Revenue	1.44	1.53	1.50	1.44	1.83	1.65
1.3 GIA	12.12	10.33	8.74	7.14	6.62	4.03
2. Disinvestment Receipts (Non-debt Receipts)	0.00	0.00	0.01	0.00	0.00	0.00
3. Recovery of Loans	0.02	0.02	0.04	0.01	0.01	0.01
4. Total Expenditure	33.12	27.53	31.69	27.87	32.42	23.05
5. Revenue Expenditure	22.08	21.21	23.19	21.36	21.77	19.19
6. Capital Expenditure	3.50	3.53	3.15	2.69	3.80	1.55
7. Loans Disbursed	0.21	0.22	0.06	0.05	0.08	0.01
8. Interest Payments	2.94	2.72	2.52	2.70	2.72	2.65

Source: Annual Financial Statement (Budget), Government of Himachal Pradesh

Major Achievements

1. **Strong Growth in State Tax Revenue**
   Tax revenue increased by 15.28 per cent, rising from ₹24,208 crore in FY2024-25 (RE) to ₹27,907 crore in FY2025-26 (BE), indicating improved tax administration and buoyancy.
2. **Higher Contribution of State's Own Revenues**
   State's own taxes form 31.53 per cent of total receipts in FY2025-26 (BE), up from 20.26 per cent in 2023-24 (A), reflecting stronger internal revenue mobilisation.
3. **Improved Revenue Administration**
   GST and excise reforms, revised cesses, and rationalised toll policies have enhanced revenue collection. ₹4,421.76 crore State Goods and Services Tax (SGST) were being collected during FY2025–26 (up to 31st December, 2025) as compared to ₹4,401.12 crore during the FY2024–25.
4. **Strengthened Gender Budgeting**
   A total of ₹4,080 crore allocated under Gender Budgeting in FY2025-26, emphasising women-centric health, education, rural development and social justice programmes.
5. **Prioritisation of Social Sectors**
   Major allocations include ₹9,787 crore for education and ₹2,997 crore for health in FY2025-26(BE), demonstrating sustained prioritisation of human development.
6. **Increased R&D Focus in Health and Agriculture**
   R&D expenditure remains concentrated in Medical and Public Health (₹824 crore) and Agricultural Research (₹234 crore) in FY2025-26 (BE), with major increases in capital outlay for health infrastructure.
7. **Consistent Increase in Interest Payments Reflecting Fiscal Transparency**
   Interest payments, rising to ₹6,739 crore in FY2025-26 (BE), highlight transparent reporting of debt servicing obligations and adherence to fiscal responsibility norms.

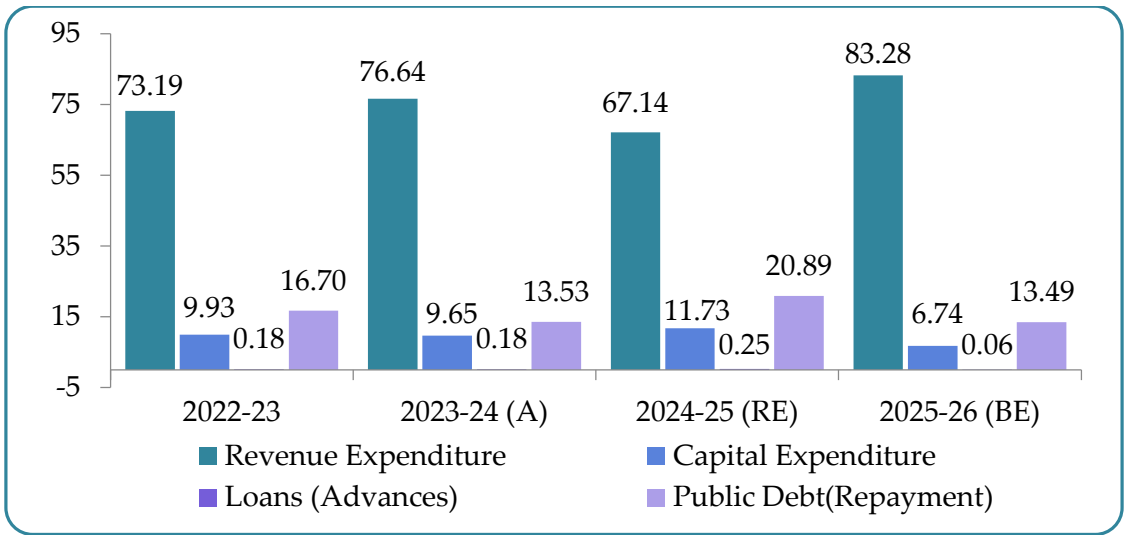
3.2.4 Government Expenditure

The Government's expenditure for the FY2025-26 (BE) underscores its dedication to holistic and inclusive development across critical sectors. Revenue and capital expenditure are the main components of Government expenditure. A substantial budget of ₹9,787 crore is allocated to education, while health sector has been allotted ₹2,997 crore in FY2025-26 (BE).

Figure 3.4 shows that 83.28 per cent of the total expenditure will be spent on the revenue expenditure in FY2025-26 (BE), whereas, 6.74 per cent will be capital expenditure for the same year; 0.06 per cent and 13.49 per cent will be on loans (advances) and public debt (repayments) respectively. Detailed expenditure is presented before in Tables 3.1, 3.2 and 3.3. As per budget estimates of FY2025-26 (BE), the total expenditure of the State Government was estimated to be ₹58,514 crore of which ₹48,733 crore was earmarked for revenue expenditure.

Figure: 3.4

Share of Revenue and Capital Expenditure out of Total Expenditure



Source: Annual Financial Statement (Budget), Government of Himachal Pradesh

a) Revenue Expenditure

The revenue expenditure for FY2025-26 (BE) is estimated to be ₹48,733 crore compared to ₹44,732 crore for FY2023-24 (A) showing a growth of about 8.9 per cent. Revenue expenditure is estimated to be 19.19 per cent of GSDP for FY2025-26 (BE).

b) Capital Expenditure

The capital expenditure is estimated to be ₹3,941 crore which is 1.55 per cent of the GSDP for FY2025-26 (BE) compared to ₹5,630 crore for FY2023-24

(A) showing a negative growth of 30.0 per cent. It is expected to be 6.74 per cent of total expenditure during 2025-26 (BE).

3.2.5 Composition of Revenue Expenditure

Government spends a major chunk of its expenditure on revenue expenditure.

The composition of revenue expenditure is given in Table 3.4 below which shows that 57.59 per cent of total expenditure is likely to be committed expenditure which includes salary, pension and interest payment in FY2025-26 (BE). The total committed expenditure is ₹33,697 crore which is 13.27 per cent of the GSDP for FY2025-26 (BE).

Table 3.4

Composition of Revenue Expenditure (₹ in crore)

	2021-22	2022-23	2023-24 (A)	2024-25 (RE)	2025-26 (BE)
1. Salary and wages (include GIA salary)	12,779	16,161	15,686	16,581	16,635
• Salary and wages as per cent to total expenditure	27.20	26.62	26.88	22.18	28.43
• Salary and wages as per cent to GSDP	7.49	8.44	7.49	7.19	6.55
2. Pension	6,399	9,284	8,974	9,346	10,323
• Pension as per cent to total expenditure	13.62	15.29	15.38	12.50	17.64
3. Interest	4,641	4,829	5,648	6,265	6,739
• Interest as per cent to total expenditure	9.88	7.95	9.68	8.38	11.52
Total Committed Expenditure	23,819	30,274	30,309	32,192	33,697
• Total committed expenditure as per cent to total expenditure	50.69	49.87	51.93	43.06	57.59
• Total committed expenditure as per cent to GSDP	13.96	15.80	14.48	13.96	13.27
4. Subsidy	1,188	1,973	1,668	2,152	1,562
• Subsidy as per cent to total expenditure	2.53	3.25	2.86	2.88	2.67
Total Expenditure	**46,989**	**60,701**	**58,364**	**74,758**	**58,514**

Source: Annual Financial Statement (Budget), Government of Himachal Pradesh

3.3 Debt Position of the State

Debt of the State is an important indicator of its financial health. Financial prudence of the State depends on its debt and its repaying capacity. Table 3.5 shows that debt as a percentage to GSDP was 40.74 per cent in FY2023-24 as against 40.01 per cent in FY2022-23.

Table 3.5

Debt Position of the State Government (₹in crore)

Items	2019-20	2020-21	2021-22	2022-23	2023-24
A. Public Debt (A1+A2)	40,571	44,463	46,715	58,951	65,957
A1. Internal Debt	39,528	42,918	44,376	55,975	61439
A2. Loans and Advances from Central Government	1,044	1,544	2,339	2,976	4,517
B. Public Account and Other Liabilities	15,535	16,530	17,021	17,700	19,354
C. Total Liabilities (A+B)	56,107	60,993	63,736	76,651	85,311
GSDP	1,59,164	1,51,905	1,70,654	1,91,568	2,09,385
Debt as percentage to GSDP	35.25	40.15	37.35	40.01	40.74

Source: Finance Department, Government of Himachal Pradesh

3.4 Gender Budget

It entails analysing budgets from a gender perspective, integrating a gender viewpoint at every stage of the budgeting process, and reorganising revenues and expenditures to advance gender equality. Gender budgeting, in essence, is a plan of action and a procedure with the long-term objective of attaining gender equality.

Women are the prime stakeholders of gender budget. The Nodal Department, which is in charge of advancing gender equality, is the Women and Child Development Department. The issue relating to health, education, labour and employment and gender-sensitive programme are undertaken by department of Empowerment of SCs, OBCs, Minorities and the Specially Abled.

The gender budget expenditures are shown in Table 3.6 below, with category-I showing that 100 per cent of the budget was spent on women-specific programmes and category-II showing that less than 100 per cent was spent on women.

Table: 3.6

Category Wise Gender Budget for FY2025-26 (₹ in Lakh)

Sr. No.	Department	Category – I (100 per cent women)	Category – II (Below 100 per cent women and other gender)	Total
1	SCs, OBCs, Minorities and Specially Abled	47,242.22	1,20,267.00	1,67,509.22
2	Women and Child Development	4,193.00	67,219.55	71,412.55
3	Rural Development	9.00	83,471.00	83,480.00
4	Food Civil Supplies and Consumer Affairs	3.00	25,907.00	25,910.00
5	Police	0.50	0.00	0.50
6	Higher Education	503.36	11,662.20	12,165.56
7	Health	3,934.28	6,359.09	10,293.37
8	Transport	80.00	17,200.00	17,280.00
9	Industries	0.00	2,981.00	2,981.00
10	Other Departments*	10.00	16,930.85	16,940.85
Total		**55,975.36**	**3,51,997.69**	**4,07,973.05**

Source: Gender Budget Statement, Finance Department of Himachal Pradesh

Note: *Urban Development, Agriculture, Animal Husbandry, Art and Culture, Horticulture, Elementary Education, Technical Education, Fisheries and Labour & Employment.

3.5 Fiscal Deficit/ Revenue Deficit

Fiscal deficit represents the gap between government expenditure and revenue. A higher deficit indicates more borrowing. Whereas, revenue deficit measures the shortfall in government revenue compared to its current expenditures (Table 3.7).

Table 3.7

Fiscal Deficit and Revenue Deficit of the State Government (₹ in crore)

Item/Year	2023-24 (A)	2024-25 (RE)	2025-26 (BE)
Fiscal Deficit (-) /Surplus (+)	-11265.74	-15409.46	-10337.97
Revenue Deficit (-) /Surplus (+)	-5558.59	-6485.83	-6390.07

3.6 Head-wise R&D Expenditure

Head wise expenditure on R&D is presented in table 3.8 which shows that heads 2210 and 2415 are most prioritized heads in which expenditure of ₹82,434 lakh and ₹23,405 lakh is purposed in FY2025-26 (BE).

Table 3.8

Head-wise R&D Expenditure of Himachal Pradesh

(₹ in Lakh)

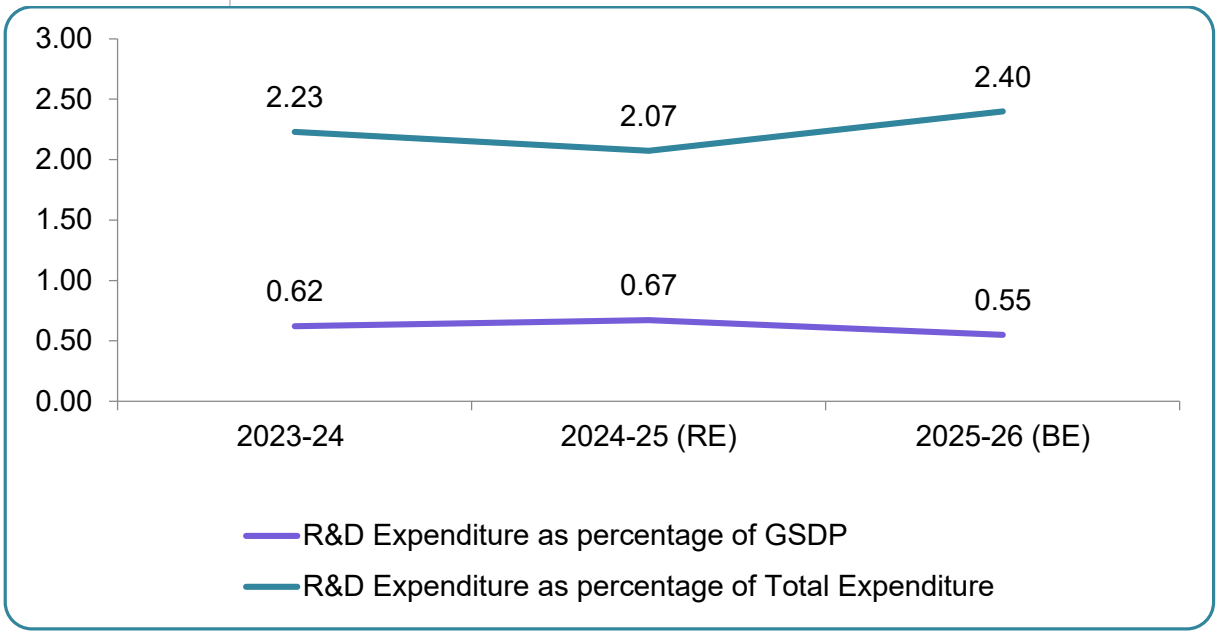
Sr. No.	Head Description	Head	2023-24	2024-25 (RE)	2025-26 (BE)
1	**Other Administrative services**	2070	111	68	0.09
2	**General education**	2202	275	299	327
3	**Medical and Public Health**	2210	80,835	82,552	82,434
4	**Labour employment and skill development**	2230	50	61	46
5	**General Administration**	2251	3	129	73
6	**Soil and water conservation**	2402	58	57	40
7	**Agricultural research and education**	2415	25,682	24,722	23,405
8	**Other scientific research**	3425	750	1,105	571
9	**Ecology and Environment**	3435	94	68	6
10	**Capital outlay on medical and public health**	4210	22,195	45,915	33,408
Total			**1,30,053**	**1,54,975**	**1,40,307**

Source: Himachal Pradesh Budget Documents

R&D expenditure in Medical and Public health has increased from ₹80,835 lakh in FY2023-24 to 82,434 lakh in FY2025-26 (BE). Furthermore, head number 4210 indicating Capital Outlay on Medical and Public Health has increased significantly from ₹22,915 lakh in FY2023–24 to ₹33,408 lakh in FY2025–26 (BE). The State demonstrates a strong commitment to health-related R&D, supported by significant capital investment in infrastructure/ equipment. Education and agriculture continue to be important, though with relatively stable allocations.

Figure: 3.5

R&D Expenditure as percentage to GSDP and Total Expenditure



3.8 Main Issues and Challenges

Issue / Challenge	Evidence	Implications
1) Structural fall in GIA	GIA reduced to ₹10,243 crore in FY2025-26 (BE) from ₹15,266 crore in FY2024-25 (RE); GIA as per cent of GSDP down to 4.03 per cent.	Higher reliance on State's own revenues; pressure on revenue account and scheme financing; risks to social sector outlays.
2) High committed expenditure crowding out development	Committed expenditure (salaries, pensions, interest) at ₹33,697 crore equals 57.59 per cent of total expenditure and 13.27 per cent of GSDP in FY2025-26 (BE).	Reduced fiscal flexibility; limited room for capex and counter-cyclical spending; mounting structural rigidity.
3) Rising debt burden and servicing cost	Debt–GSDP ratio at 40.74 per cent with public debt at ₹65,957 crore and interest payments ₹5,648 in crore in FY2023-24.	Elevated refinancing risks; higher interest crowd-out; vulnerability to rate shocks; reduced development headroom.
4) Narrow fiscal space for capital outlay	Capital expenditure only ₹3,941 crore (1.55 per cent of GSDP; 6.74 per cent of total expenditure) in FY2025-26 (BE).	Slower asset creation and growth multipliers; deferred maintenance; risk of lower medium-term potential

		growth.
5) Revenue buoyancy offset by shrinking transfers	Tax revenue (including central share) to rise 15.28 per cent to ₹27,907 crore, yet total revenue receipts dip 3.11 per cent to ₹42,343 crore in FY2025-26 (BE) due to lower GIA.	Own-revenue gains partially neutralized; pressure on balancing revenue and committed spends.
6) Persistent fiscal and revenue deficits	Fiscal deficit at ₹10,338 crore and revenue deficit at ₹6,390 crore in FY2025-26 (BE).	Continued borrowing needs; accumulation of debt; limited space for counter-cyclical policy.
7) Borrowing constraints tightening	Borrowing limit reduced from 5 per cent to 3.5 per cent of GSDP; repayments (₹13,000 crore) projected to exceed new borrowings (₹10,000 crore) in FY2026-27.	Net cash outflow risk; liquidity stress; tighter cash management; potential deferment of projects.
8) Termination of Revenue Deficit Grant (RDG)	RDG ends from FY2026-27, creating a ₹6,000–₹10,000 crore annual revenue gap.	Need for rapid revenue augmentation or expenditure curbs; risk to social/ operational spending.
9) Pension load and demographic pressures	Re-introduction of Old Pension Scheme raising long-term liabilities.	Heightened actuarial burden; future crowd out of development; inter-generational equity concerns.
10) Non-tax revenue softness	Non-tax revenue expected at ₹4,193 crore in FY2025-26 (BE), a 0.89 per cent decline over FY2024-25 (RE).	Constrains diversification of receipts; greater pressure on tax measures and user charge reforms.

3.9 Way Forward

To offset these losses, the state is implementing new revenue measures for 2026, including:

- **Enhanced Revenue Mobilization:** To reduce dependence on debt financing, the state is focusing on improving revenue streams through effective tax administration, broadening tax base, and introducing innovative revenue generation initiatives by revising entry charges for vehicles entering the state which will be effective from 1st April, 2026. This approach could boost revenue receipts, reducing fiscal deficit.

- **Expenditure Rationalisation:** Implementing expenditure control measures is essential to align spending with revenue capabilities. This involves prioritising expenditures based on developmental needs, enhancing efficiency in public spending and curbing unnecessary expenses to optimise resource utilisation.

- **Investment in Infrastructure and Development:** Despite fiscal constraints, targeted investments in critical infrastructure projects can stimulate economic growth and productivity. Prioritising infrastructure development in industry, hydel, tourism and other sectors can attract private investments, create employment opportunities, boost economy, income and revenue of the State Government.

- **Green Initiatives:** Pushing for a "Green Bonus" from the Centre and promoting electric vehicles to become a "Green State" by 2026.

In conclusion, fiscal profile of Himachal Pradesh highlights a strong focus on economic growth, with a significant increase in tax revenue and a slight reduction in grants from the central government. The state's expenditure for FY2025-26 (BE) prioritizes expenditure, especially in sectors like education and health. Despite a dip in central grants, there's an increase in tax revenue, contributing to overall fiscal stability. The State Government is also committed to strengthening research and development. Furthermore, gender budgeting is a key component, with substantial allocations to women-specific programs aimed at advancing gender equality across various sectors. Overall, the state demonstrates a commitment to fiscal prudence, prioritising key sectors, balanced development, and gender inclusivity.

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CHAPTER 4

BANKING AND INSTITUTIONAL FINANCE

Executive Summary

S. No.	Key Point	Summary
1	**Overall Banking Growth**	Total banking business increased to ₹3.15 lakh crore, showing 9.64 per cent YoY growth, driven by expansion in deposits and advances.
2	**Rural Outreach**	Himachal Pradesh has 2,378 bank branches, with 76 per cent located in rural areas, providing strong physical access.
3	**Public Sector Dominance**	Public Sector Banks account for more than 1,186 branches, reflecting major institutional presence across districts.
4	**Financial Inclusion**	Banks have opened 19.42 lakh PMJDY accounts, with 87 per cent in rural areas, high Aadhaar linkage and good RuPay card coverage.
5	**Priority Sector Lending**	Banks achieved 5 out of 7 RBI national priority-sector parameters, with strong performance in MSME, weaker sections, women and small farmer lending.
6	**Agriculture Credit Gap**	Agriculture lending (17 per cent) is slightly below the national benchmark of 18 per cent due to structural constraints in farming.
7	**CD Ratio Concern**	The CD Ratio at 49.12 per cent is below the ideal 60 per cent due to low industrial activity, limited credit absorption and high outflow of deposits.
8	**Social Security Coverage**	Rapid increase in enrolments under PMSBY (40.97 lakh), PMJJBY (15.65 lakh) and APY (6.21 lakh), boosting social protection.
9	**Support to Entrepreneurship**	Schemes like MUDRA, Stand-Up India, NRLM, NULM, and PMEGP significantly supported micro-enterprises and self-employment growth.
10	**NABARD's Development Role**	NABARD strengthened rural infrastructure, FPOs, watershed projects, refinance support and climate-resilient development in the State.

4.1 Introduction

The chapter provides a comprehensive overview of the banking chapter and financial inclusion in Himachal Pradesh. It delves into the network of bank branches, the distribution of banking responsibilities and the role played by banks in the socio-economic growth of the state. The Chapter analyses the performance of banks in achieving the national banking parameters prescribed by the Reserve Bank of India (RBI), with particular emphasis on credit flow to priority sectors such as agriculture, small and marginal farmers, micro-enterprises, and women. The chapter also reviews the implementation and coverage of key Government-sponsored social security schemes, including the Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Atal Pension Yojana (APY).

In Himachal Pradesh, UCO Bank serves as the convener bank for the State Level Bankers' Committee (SLBC). The Lead Bank responsibility is distributed among three banks.

- Punjab National Bank (PNB) oversees six districts: Hamirpur, Kangra, Kinnaur, Kullu, Mandi and Una.
- United Commercial Bank (UCO) manages four districts: Bilaspur, Shimla, Solan and Sirmour.
- State Bank of India (SBI) is responsible for two districts: Chamba and Lahaul-Spiti.

Over 76 per cent of the State's network of 2,378 bank branches are situated in rural regions. According to the 2011 census, the State has an average population of 2,887 per bank branch, compared to the national average of 11,000. Four Payment Banks operate within the State: India Post Payments Bank, Financial Inclusion Network and Operations (Fino) Payments Bank, Airtel Payment Bank and Paytm Payment Bank. The details of various Bank branches in the State are shown below, in Table 4.1.

Table 4.1

Network of Bank Branches in the State

Sl. No.	Item	No of Branches
1.	**Total No. of Bank Branches**	**2,378**
	a. Area- wise Bank	
	i. Rural	1,799
	ii. Urban/Semi-Urban	469
	iii. Urban Centre (Shimla)	110
	Total	**2,378**
	b. Public Sector Banks (PSBs)	
	i. Punjab National Bank	355

	ii. State Bank of India	351
	iii. UCO Bank	182
	iv. Others	298
	Total	**1,186**
	c. Private Sector Banks	
	i. HDFC	113
	ii. ICICI	57
	iii. Small Finance Banks(4)	25
	iv. Others	118
	Total	**313**
	d. Himachal Pradesh Gramin Bank (HPGB)	**274**
	e. Payment Bank	**13**
	f. Himachal Pradesh Co-Operative Sector Banks	
	i. State Apex Co-operative Bank (HPSCB)	263
	ii. Kangra Central Co-operative Bank (KCCB)	217
	iii. Five Urban Co-operative Banks	26
	iv. Others	86
	Total (d+e+f)	**879**
2.	**Total No. of new branches opened (Oct. 2024-Sept. 2025)**	**26**
3.	**No. of Automated Teller Machines (ATMs) by various banks.**	**1,993**

Banking Outreach at a Glance

Branch Network

- Total branches: 2,378
- 76 per cent in rural areas (1,799 branches)
- Population per branch: 2,887 vs national average 11,000
- ATMs: 1,993
- 11,318 Bank Mitras deployed

District Distribution

- Highest branches: Kangra (437)
- Lowest branches: Lahaul-Spiti (26)
- Other high outreach districts: Shimla, Mandi, Una, Solan, Hamirpur

Lead Bank Structure

- Punjab National Bank – 6 districts
- UCO Bank – 4 districts
- State Bank of India – 2 districts

Banks have deployed Business Correspondent Agents (known as "Bank Mitras") in sub-service areas to provide Banking services to the far-flung areas, where Brick and Mortar Branches are not financially viable. At present 11,318 Bank Mitras are deployed in the State by various banks for providing basic Banking services in villages. The Public sector Banks in the State namely, PNB, SBI, UCO, Canara Bank, Central Bank of India, Union Bank of India and Bank of Baroda have full-fledged Regional Zonal and Circle Offices in the State. Reserve Bank of India (RBI) has its Regional Office headed by a Regional Director and the National Bank for Agriculture and Rural Development (NABARD) has its Regional Office headed by Chief General Manager at Shimla.

Banks have achieved five out of the seven National Parameters prescribed by the Reserve Bank of India (RBI) for lending to priority sectors, including Agriculture, Small and Marginal Farmers, Micro Enterprises, Weaker Sections, and Women. Further, banks have extended 61 per cent of their total credit to priority sector activities such as Agriculture, Micro, Small and Medium Enterprises (MSMEs), Education, Housing, and Micro-credit.

Agriculture loans account for 17.00 per cent of total loans given by banks as of September, 2025, compared to the RBI's national threshold of 18.00 per cent. Advances to Weaker Sections and Women account for 17.00 and 14.00 per cent of total lending, respectively, compared to national targets of 12.00 and 5.00 per cent. Banks in the state have a Credit Deposit Ratio (CDR) of 49.12 per cent till September, 2025.The State and National Parameters are given in Table 4.2 below:

Table 4.2

Position of Key Banking Business National Parameters in Himachal Pradesh

Sl. No.	Sector	% of advances as on 30.09.2024	% of advances as on 30.09.2025	National Parameter in %	Status
1.	Priority sector advances	59.12	60.79	40	Achieved
2.	Agriculture advances	16.73	17.03	18	Slightly Below
3.	Advances to Small and Marginal Farmers	12.07	13.55	10	Exceeded
4.	Advances to Micro Enterprises	16.08	17.63	7.5	Strong
5.	Advances to weaker sections	17.38	17.27	12	Exceeded
6.	Advances to women	12.60	14.39	5	Strong

7.	C.D. Ratio (Thorat)	47.16	49.12	60	Below
8.	MSME Advances (PSC)	46.25	47.56	-	-
9.	Advances to SC/ST (PSC)	9.79	8.67	-	-
10.	Advances to Minorities (PSC)	2.82	3.05	-	-

Source: State Level Bankers' Committee (SLBC) Shimla, HP

4.2 Financial Inclusion Initiatives

The Government of India Financial Inclusion Campaign-"Pradhan Mantri Jan-Dhan Yojana" (PMJDY) has been in operation for more than seven years, implementing various measures to empower the most vulnerable groups, including women, small and marginal farmers and labourers in both rural and urban areas.

4.2.1 Pradhan Mantri Jan Dhan Yojana (PMJDY)

Banks in the state have provided each family with at least one Basic Saving Bank Deposit Account (BSBDA). As of September, 2025, banks have 19.42 lakh accounts under the initiative, 16.91 lakh of these accounts are in rural regions, while 2.00 lakh are in urban areas. Banks supplied RuPay Debit Cards to 12.32 lakh PMJDY account holders, accounting for more than 63 per cent of these accounts. Banks have taken the initiative to link bank accounts with Aadhaar and mobile numbers and 83.39 per cent of PMJDY accounts have been linked as of September, 2025.

4.2.2 Universal Social Security Initiatives under the PMJDY Scheme

Government of India has introduced three Social Security Schemes. The following is the status of social security schemes:

i) Pradhan Mantri Suraksha BimaYojana (PMSBY)

This scheme offers a renewable one-year accidental death cum special ability cover of ₹2.00 lakh (₹1.00 lakh for partial and permanent special ability) to all saving bank account holders between the ages of 18 and 70 for a premium of ₹20.00 per annum per subscriber, renewable on 1st June of each year. Banks have 40.97 lakh PMSBY subscribers by September, 2025.

ii) Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

This policy offers a renewable one-year life cover of ₹2.00 lakh to all saving bank account holders aged 18 to 50 years, covering death due to any cause at a premium of ₹436.00 per annum per subscriber, renewable on 1st June of each year. As of September, 2025 banks have 15.65 lakh customers under this yojana.

iii) Atal Pension Yojana (APY)

Atal Pension Yojana focuses on the unorganized sector and provides subscribers with a minimum fixed pension of ₹1,000, ₹2,000, ₹3,000, ₹4,000, or ₹5,000 per month starting at the age of 60 years, depending on contribution exercised on entering the age between 18 and 40 years. The government guarantees the minimum fixed pension, provided that 20 years of consistent contributions are paid. The State Government is promoting the adoption of the APY among MGNREGA workers, Mid-Day Meal workers, Agriculture and Horticulture labourers and Anganwari workers. Banks have prioritized an active awareness effort for the programme through camps, press and other media. As of September, 2025 banks have registered 6.21 lakh subscribers in the APY. Additionally, the Department of Posts is also participating in implementing the Scheme.

Table 4.3

Position of Total Number of Accounts under the Schemes (No. in Lakh)

Scheme	30.09.2022	30.09.2023	30.09.2024	30.09.2025	Growth Trend
PMJDY	17.33	18.76	19.02	19.42	Steady
PMSBY	19.35	30.95	35.22	40.97	Rapid
PMJJBY	6.25	10.34	12.67	15.65	Strong
APY	3.45	4.41	5.30	6.21	Rising

PMJDY and Social Security Coverage at a Glance

PMJDY Status

- Total Accounts: 19.42 lakh
- Rural share: 16.91 lakh (87 per cent)
- Aadhaar seeded: 83.39 per cent
- RuPay Cards issued: 12.32 lakh (63 per cent)

Social Security Coverage (Sept 2025)

- Pradhan Mantri Suraksha Bima Yojana – 40.97 lakh subscribers
- Pradhan Mantri Jeevan Jyoti Bima Yojana – 15.65 lakh
- Atal Pension Yojana – 6.21 lakh

4.3 Pradhan Mantri MUDRA Yojana (PMMY)

Pradhan Mantri MUDRA Yojana (PMMY), a flagship financial inclusion scheme of the Government of India, has been under implementation across the country, including in Himachal Pradesh, since April, 2015. The scheme aims to promote income generation and self-employment by extending institutional credit to non-farm micro enterprises engaged in manufacturing, trading and service activities with credit requirements of up to ₹10.00 lakh. All such loans sanctioned for income-generating purposes on or after 8th April, 2015 are classified as MUDRA loans.

The performance of the scheme in Himachal Pradesh has been encouraging. During 2025-26 (up to September 2025), banks in the State sanctioned fresh loans amounting to ₹1,331.23 crore to 41,899 new micro-entrepreneurs. Cumulatively, total disbursements under PMMY have reached ₹4,136.97 crore, benefiting 1,68,764 entrepreneurs across the State.

4.4 Stand-Up India Scheme (SUIS)

Stand Up India scheme has been launched nationwide to promote entrepreneurial culture among unserved and underserved sections of the society, including Scheduled Castes(SC), Scheduled Tribes (ST) and Women.

The scheme facilitates bank loans ranging from ₹10.00 lakh to ₹1.00 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up new enterprises in the construction, business or service sectors (also referred to as green field enterprises). During FY 2025-26, up to September 2025, banks have sanctioned loans amounting to ₹47.42 crore to 271 new enterprises established by SC/ST and women entrepreneurs under the scheme.

4.5 Financial Awareness and Literacy Campaigns

The Financial Literacy and Awareness campaign plays an important role in reaching target population. In Himachal Pradesh, banks and financial institutions, in coordination with government departments and regulatory agencies, regularly conduct financial literacy programmes across urban and rural areas through Financial Literacy Centers (FLCs) and bank branches. The promotion of digital payments like the Unified Payments Interface (UPI) is a key focus to move towards a cashless society. Awareness campaigns like Electronic Banking Awareness and Training (e-BAAT) and "RBI Kehta Hai" multimedia campaigns are conducted to educate the public on safe digital banking practices and prevent cyber fraud.

4.6 Business Volume of Banks

The total deposits of all banks operating in the State increased from ₹1,97,790 crore as of September, 2024 to ₹2,13,824 crore as of September, 2025, registering a year-on-year growth of 8.11 per cent. During the same period, aggregate advances rose from ₹89,447 crore to ₹1,01,088 crore, reflecting a year-on-year increase of 9.64 per cent. Consequently, the overall banking business (deposits plus advances) expanded from ₹2,87,237 crore in September 2024 to ₹3,14,913 crore in September 2025, recording a growth of 9.64 per cent.

Public Sector Banks (PSBs) have the biggest market share of 62 per cent, followed by RRBs at 5 per cent, Private Banks at 14 per cent, and Co-operative Sector Banks at 17 per cent, others at 2 per cent. Table 4.3 presents the comparative statistics of overall performance under different parameters.

Table 4.3

Comparative Data of Banks in Himachal Pradesh (₹in crore)

Sl. No.	Item	30.09.2024	30.09.2025	Variation in Sept., 2025 over Sept., 2024	
1.	**Deposit PPD**			**Absolute**	**per cent**
	Rural	1,18,870.31	1,28,990.64	10,120.33	8.51
	Urban/SU	78,919.75	84,833.43	5,913.68	7.49
	Total	**1,97,790.06**	**2,13,824.07**	**16,034.01**	**8.11**
2.	**Advances (O/S)**			0	
	Rural	41,879.19	46,471.33	4,592.14	10.97
	Urban/SU	33,896.05	37,635.52	3,739.47	11.03
	Outside Credit	13,671.73	16,981.85	3,310.12	24.21
	Total	**89,446.97**	**1,01,088.70**	**11,641.73**	**13.02**
3.	**Total Banking Business (Dep+Adv)**	**2,87,237.03**	**3,14,912.77**	**27,675.74**	**9.64**
4.	RIDF	3,827.97	3,932.97	105.00	2.74
5.	CD RATIO as per RBI guidelines	47.16	49.12	1.96	4.16
6.	**Priority Sector Advances (O/S) are as under:**	**44,799.17**	**51,132.46**	**6,333.29**	**14.14**
	I. Agriculture	12,680.37	14,322.51	1,642.14	12.95
	ii. MSME	20,719.48	24,318.03	3,598.55	17.37
	iii. OPS	11,399.32	12,491.92	1,092.60	9.58
7.	Weaker Section Advs.	13,166.03	14,552.49	1,386.46	10.53

8.	Non Priority Sec. Adv.	30,976.07	32,794.39	1,818.32	5.87
9.	No. of Branches	2,352	2,378	26	1.11
10.	Advances to Women	9,546.95	12,101.22	2,554.27	26.75
11.	Credit to Minorities	1,264.04	1,559.59	295.55	23.38
12.	Advances to SCs/STs	4,386.40	4,435.19	48.79	1.11

Source: State Level Bankers' Committee (SLBC) Shimla, Himachal Pradesh

4.6.1 Key Banking Indicators at a Glance (2025)

Indicator	Value	Status
Total Business	₹3,14,913 cr	◎ Growth
Deposits	₹2,13,824 cr	◎ Strong
Advances	₹1,01,088 cr	◎ Strong
CD Ratio	49.12%	● Below benchmark
Gross NPAs	4.76%	◎ Moderate

4.7 Performance under the Annual Credit Plan

Banks have prepared the Annual Credit Plan (ACP) for 2025–26 for the disbursement of fresh loans, based on the credit potential assessed by NABARD for various priority sector activities. The financial target under the Annual Credit Plan 2025–26 has been fixed at ₹50,018 crore, representing an increase of 38.00 per cent over the previous year's plan. As of September, 2025, banks had disbursed ₹21,229 crore, achieving 42 per cent of the annual target. The sector-wise targets and achievements as on 30th September, 2025 are presented in Table 4.4.

Table 4.4

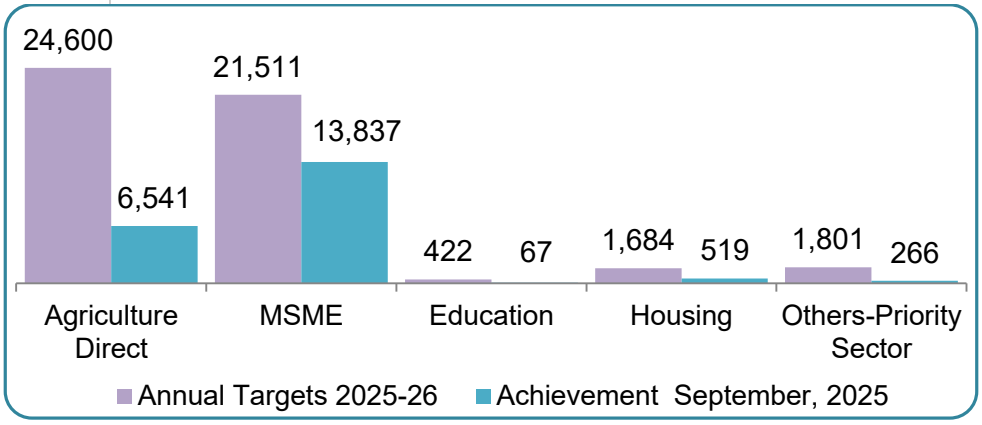
Position as of September, 2025 at a glance (₹in crore)

S. N.	Sector	Annual Targets 2025-26	Achievement September, 2025	Percentage Achievement September, 2025
1.	Agriculture Direct	24,600	6,541	26.59
2.	MSME	21,511	13,837	64.32
3.	Education	422	67	15.80
4.	Housing	1,684	519	30.80
5.	Others-Priority Sector	1,801	266	14.75
6.	**Total Priority Sector Loans (1 to 5)**	**50,018**	**21,229**	**42.44**

Source: SLBC Shimla, Himachal Pradesh

Figure 4.1

Performance under the Annual Credit Plan



4.8 Implementation of Government-Sponsored Schemes

i) National Rural Livelihoods Mission (NRLM)

This scheme is implemented in the State through HP State Rural Livelihoods Mission (HPSRLM), Rural Development Department, Government of Himachal Pradesh. Banks in Himachal have been allocated annual target of ₹310.00 crore covering 19,400 beneficiaries under this Scheme. Banks have sanctioned 4,539 loan cases to the tune of ₹71.67 crore up to September, 2025 under NRLM scheme.

ii) National Urban Livelihoods Mission (NULM)

The Ministry of Housing and Urban Poverty Alleviation (MoHUPA) of the Government of India reformed the existing Swarna Jayanti Shahari Rozgar Yojana (SJSRY) and created the National Urban Livelihoods Mission (NULM). Self-Employment Programme (SEP) is one of the NULM components (Component 4) that focuses on providing financial assistance in the form of interest subsidy on loans to encourage the formation of Individual and Group Enterprises (IGEs) and Self-Help Groups (SHGs) of the urban poor. Himachal Pradesh Urban Development Department and several banks have disbursed ₹17.54 crore in NULM loans upto September, 2025.

iii) Pradhan Mantri Employment Generation Programme(PMEGP)

PMEGP is a credit-linked subsidy programme run by the Government of India's Ministry of Micro, Small, and Medium Enterprises. The Khadi and Village Industries Commission (KVIC) is the national nodal agency for the implementation of the scheme. The scheme is implemented at the state

level by KVIC, Khadi and Village Industries Board (KVIB), and District Industries Centre. Banks were given a target of funding 579 additional units under the plan in 2025-26. Under the scheme, the implementing agencies are expected to offer margin money disbursements totaling ₹21.28 crore. Banks have approved ₹9.15 crore as margin money for 216 units till September, 2025. However, margin money is not being reimbursed by the implementing agencies, which has restricted the achievement under the scheme.

Major Achievements

Entrepreneurship and Livelihood

- **Pradhan Mantri MUDRA Yojana**
  - ₹1,331.23 crore to 41,899 entrepreneurs (FY 25-26 till Sept)
  - Cumulative: ₹4,136.97 crore (1.68 lakh beneficiaries)
- **Stand Up India Scheme**
  - ₹47.42 crore to 271 SC/ST and women entrepreneurs
- **Kisan Credit Card**
  - 69,778 new KCC issued
  - ₹11,320 crore outstanding (₹1,116 crore YoY)
- **PM SVANidhi** extended till 2030
- 3,801 youth trained under RSETIs

4.9 Kisan Credit Cards (KCC)

Banks are implementing the KCC programme to provide farmers with timely credit support through a single window to address short-term credit requirements. Banks have issued new KCCs to 69,778 farmers during the current FY as of 30th September, 2025. Banks have funded 6,15,542 farmers through KCC for a total of ₹11,320 Crore as of September, 2025 against ₹10,204 Crore till September, 2024 i.e. an additional funding of ₹1,116 Crore in the last one year, has been provided under KCC Scheme.

4.10 Rural Self-Employment Training Institutes (RSETIs)

The Rural Self-Employment Training Institutes (RSETIs), an initiative of the Ministry of Rural Development (MoRD), aim to create dedicated district-level institutional infrastructure for skill development and entrepreneurship promotion

among rural youth. In the State, the lead banks i.e. UCO Bank, Punjab National Bank (PNB), and State Bank of India (SBI) have established RSETIs in ten districts, excluding Kinnaur and Lahaul-Spiti. These institutes conduct Entrepreneurship Development Programmes (EDPs) under various government-sponsored schemes for poverty reduction and enterprise promotion under the Prime Minister's Employment Generation Programme (PMEGP). During FY2025–26, RSETIs were assigned a target of organizing 327 training programmes and they trained 3,801 youth.

4.11 PM SVANidhi Scheme

The PM SVANidhi Scheme (Pradhan Mantri Street Vendor's Atma Nirbhar Nidhi) has helped many street vendors. Government of India has extended this scheme till 31st March, 2030. Street vendors can avail short-term working capital loans initially up to ₹15,000, which can be progressively increased up to ₹25,000 and ₹50,000 in subsequent loan cycles, upon timely repayment. All loans are given without any collateral. This scheme helps street vendors grow their business and become self-reliant. All 74 Urban Local Bodies are participating in promoting and covering the target group of the scheme.

4.12 Rajiv Gandhi Laghu Dukandar Sukh Kalyan Yojana

Rajiv Gandhi Laghu Dukandar Sukh Kalyan Yojana is a welfare-oriented initiative of the State Government aimed at providing social security and financial protection to small shopkeepers and petty traders. The scheme seeks to cover eligible small traders by offering insurance-based benefits to safeguard them against unforeseen risks, thereby enhancing income security and business sustainability. This scheme is for small shopkeepers and loan limit is ₹2.00 lakh. Under this scheme, eligible borrowers get financial support up to ₹1 lakh and this amount is paid by the State Government. The Government of Himachal Pradesh has recently started a One Time Settlement (OTS) scheme for accounts declared Non-Performing Asset (NPA) between 1st April, 2020 to 31st March, 2025. The scheme is expected to ease financial stress among small traders, promote their reintegration into the formal banking system and contribute to reduction of non-performing assets (NPAs) of banks.

4.13 Relief Measures for Loanees Affected by Natural Calamities (2025)

- In view of the calamity, Disaster Management Cell (DMC), Department of Revenue, Government of Himachal Pradesh declared that Himachal Pradesh had experienced large-scale damage and losses during the Monsoon season FY 2025-26.
- Landslides blocked major roads, disrupting transportation and communication networks. The intensity and scale of the disaster resulted in significant loss of life, displacement of communities and extensive damage

to property and infrastructure. As a result, the business of hotel and tourism industry, agriculture, MSME (small Business), retail business and common public at large and other sectors dependent on tourism were affected at large

- After detailed deliberations, it was resolved in consultation with the State Government, RBI, NABARD and other stakeholders, to extend relief measures to the eligible borrowers in alignment with RBI/NABARD guidelines.
- As on 31st December, 2025 6,251 beneficiaries have been benefitted and banks have been advised to cover all eligible borrowers affected on account of Natural Calamities-2025.

4.14 Gross Non-Performing Assets (NPAs)

The Gross Non-Performing Assets (NPAs) ratio of banks in the State stood at 4.76 per cent, with NPAs amounting to ₹4,004.22 crore as on the quarter ended September, 2025. This reflects a decline of ₹60.12 crore compared to the previous quarter ended June, 2025 when NPAs were ₹4,064.34 crore.

4.15 National Bank for Agriculture and Rural Development (NABARD)

NABARD is the apex development financial institution in the country entrusted with the responsibility of promoting sustainable and equitable rural development. It has initiated broad spectrum of initiatives in recent years. These efforts include Rural Infrastructure Development, Promotion of Micro Credit, Farmer Producer Organizations, Rural Farm and Non-Farm Sector, improving the male and female workforce participation through Skill Development, Refinance, and strengthening the rural credit delivery system in the State. In addition, NABARD is also implementing and associating with several Centrally Sponsored Schemes of the Government of India.

4.15.1 Rural Infrastructure

Since its establishment in 1995-96, the Rural Infrastructure Development Fund (RIDF) has become one of NABARD's key initiatives for developing rural infrastructure in collaboration with State Governments. Under this scheme, concessional loans are given to State Government and State-owned Corporations for the completion of ongoing projects and to start new projects in certain selected sectors. Financing over the years has become broad-based covering 39 eligible activities classified into agriculture and related sectors, social sector and rural connectivity.

The State has been allocated ₹950.00 crore under RIDF-XXXI(2025-26) for sanction of new projects. This allocation includes sanctions in emerging areas such as 50 Rural Roads, 05 Rural Bridges, 07 Drinking Water Supply Schemes, 09 Minor Irrigation Schemes, 01 Flood Protection work Scheme and 01 Sewerage Scheme Project.

Further, one project-Construction of Electric Bus Charging Infrastructure at 80 locations in 11 districts has been sanctioned for promotion of green mobility and cleaner transportation. Additionally, a fully automatic 1.5 LLPD Milk processing plant has been sanctioned at Dhagwar, Kangra, to help farmers in fetching better price of milk. NABARD has also sanctioned Mata Baglamukhi Ropeway project in Mandi district, located along the Chandigarh-Manali National Highway, connecting Pandoh with the temple in Bakhli.

Since inception ₹12,875.91 crore has been cumulatively sanctioned to the state under the RIDF as of 31st March, 2025 for projects of rural roads/bridges, irrigation, rural drinking water, etc. Under RIDF Tranche XXXI for FY2025-26, ₹713.87 crore has been sanctioned to the State.

On completion of projects sanctioned under RIDF-XXXI, EV Charging Infrastructure will be developed at 80 locations across Himachal, promoting green and clean transportation. Additionally, newly sanctioned rural road projects will construct 398.04 KM of roads and 421.93 meter bridges, improving rural connectivity.

4.15.2 Fisheries and Aquaculture Infrastructure Development Fund (FAIDF)

NABARD has extended support to the State Government for the establishment of a State of Art Fisheries Training Centre at Carp Farm, Gagret in district Una under FAIDF (Fisheries and Aquaculture Infrastructure Development Fund).

4.15.3 Re-finance Support

NABARD extends Long Term Refinance for diverse activities viz. rural housing, small road transport operators, land development, minor irrigation, dairy development, self-help group, farm mechanization, poultry, plantation and horticulture, sheep/ goat/ piggery rearing, packing and grading house activity and other allied sectors. During FY2024-25, ₹591 crore has been disbursed as long term refinance to Himachal Pradesh Gramin Bank and Cooperative Banks including the State Cooperative Agriculture Rural Development Bank (SCARDB). In FY 2025-26, ₹757 crore has been disbursed as long term refinance to these institutions as of 15th January, 2026.

In addition, for short-term refinance, Cooperative Banks and Regional Rural Banks (RRBs) availed ₹3,161 crore in FY2024–25 and ₹2,159 crore as of 15th January, 2026, strengthening agricultural credit flow in Himachal Pradesh.

4.15.4 Special Refinance Schemes

To give a boost to agriculture and rural sector in the post-Covid era, NABARD launched the following new Special Refinance schemes:

a) **Transformation of Primary Agricultural Credit Societies (PACS) as Multi-Service Centres (MSCs):**

This scheme aims to convert PACS to MSCs (concessional refinance for World's Largest Grain Storage Scheme) across the country providing concessional refinance facility @ 3 per cent to the banks for extending cheaper credit to the ultimate beneficiaries. State cooperative banks lend to PACS at the rate of 4 per cent if the project is eligible under AIF, further 3 per cent subvention is granted by Government of India. This scheme is presently limited to support for creation of warehouse by PACS.

b) **Schematic Refinance for Water, Sanitation and Hygiene (WASH) Activities:**

The Schematic Refinance for Water, Sanitation and Hygiene (WASH) Activities aims to support banks and financial institutions in providing timely and affordable credit for promoting WASH-related infrastructure and services. All Commercial Banks, Small Finance Banks, Regional Rural Banks, Co-operative Banks, and subsidiaries of NABARD are eligible under the scheme. Financing to WASH activities has been identified as a thrust area under the Sustainable Development Goals (SDGs). NABARD provides refinance up to 95 per cent of the eligible loan amount at a concessional rate of 6 per cent per annum, payable at quarterly rests. The scheme covers support to start-ups, entrepreneurs and MSMEs engaged in manufacturing and supplying sanitary fittings, readymade toilets and other WASH-related products and services.

4.15.5 Government Sponsored Scheme

New Agricultural Marketing Infrastructure (AMI) Scheme: The Ministry of Agriculture and Farmers' Welfare, Government of India, is implementing the new Agricultural Marketing Infrastructure (AMI), a sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM). The scheme has been extended for term loans sanctioned up to 31st March, 2026.

4.15.6 Micro Credit and Financial Inclusion

NABARD plays a pivotal role in promoting micro credit and financial inclusion across the country, with a focus on bringing the unbanked and underserved sections into the formal financial system. During FY 2025–26, NABARD Himachal Pradesh Regional Office undertook several key interventions. Over 3,000

financial and digital literacy camps were approved for various Banks and Financial Institutions (FIs), with a special focus on creating awareness about emerging cyber security threats. NABARD in collaboration with Non-Governmental Organizations(NGOs)/ Joint Liability Groups (JLGs) also offers an incentive of ₹2,000 per JLG for their formation, nurturing and credit linkage to encourage and sustain their development. As on September, 2025, 10,904 SHGs with an outstanding of ₹185 crore and 8,311 JLGs with an outstanding of ₹64 crore were linked to credit, reflecting the growing outreach and impact of these initiatives.

Under the Special Incentive Scheme for Hilly States, NABARD sanctioned ₹2.25 crore to five Banks/FIs to incentivize the BC/CSP network, thereby strengthening financial inclusion. Banks and FIs have been brought into the fold of the ENGAGE portal, ensuring end-to-end digitalisation of NABARD's grant schemes.

4.15.7 Promotion of Farmers' Producer Organization (FPOs)

To strengthen farmer collectives, NABARD has sanctioned a grant of ₹16.24 crore in Himachal Pradesh for the formation and promotion of 125 FPOs across all 12 districts under the PODF-ID and PRODUCE fund. On an aggregate basis, these FPOs produce, process and market vegetables, medicinal and aromatic plants, milk flowers and fruits. With a membership base of 27,053 farmers, the FPOs have empowered communities by ensuring access to quality inputs and improved market linkages. Collectively, they have achieved an impressive ₹23.60 crore turnover, contributing to stronger rural livelihoods and sustainable agricultural growth. Among them, 7 FPOs have been promoted under the "Prakritik Kheti Khushhal Kisan (PK3Y) Yojna in partnership with the Department of Agriculture, promoting sustainable agriculture through natural farming practices.

NABARD is also the implementing agency for the establishment and promotion of 10,000 FPOs under the "One District, One Product" idea. FPOs are fostered and supported in the state through Cluster Based Business Organizations (CBBOs). Under the initiative, NABARD has established 23 FPOs with a total grant of ₹11.80 crore. FPOs in the region are actively engaged in a wide spectrum of agricultural and allied activities aimed at enhancing farmer incomes and promoting value addition. Their core operations include aggregation and marketing of fruits (primarily apples), vegetables, pulses, spices, and dry fruits such as walnuts and hazelnuts, along with the supply of essential inputs like seeds, fertilizers, pesticides, and anti-hail nets.

4.15.8 Watershed Development

NABARD has sanctioned grant for 53 Watershed Development Projects (31 Watershed including one Joint Initiative for Village Advancement (JIVA) project (a

natural farming-based initiative) and 22 Spring Shed Projects) across the State's 10 districts namely Solan, Una, Bilaspur, Chamba, Sirmour, Shimla, Mandi, Hamirpur, Kangra and Kullu ₹32.71 crore has been given under these projects, covering 40,062.90 hectares. Grant assistance of ₹28.00 crore has been released benefiting 28,906 households as of January, 2026 in 10 districts. In Himachal Pradesh, watershed interventions have brought remarkable improvements in soil and water conservation by reducing erosion, enhancing moisture retention in agricultural lands and promoting sustainable land use practices. The springshed projects, in particular, have been instrumental in identifying potential groundwater recharge zones and implementing measures to increase the discharge rate of natural springs, thereby ensuring reliable water availability for both drinking and irrigation purposes in entire spring shed projects area.

4.15.9 Tribal Development Fund (TDF)

NABARD has approved 15 tribal development projects with a grant of ₹22.71 crore benefiting 3,980 families up to 31st December, 2025 across five districts Una, Chamba, Kinnaur, Lahaul-Spiti and Bilaspur. These projects focus on establishing WADIs (small orchards), dairy units, apple and floriculture nurseries and handloom units in selected villages. The projects aim to provide tribal communities with sustainable livelihood opportunities and enhance their income levels through Diversified Agricultural and Allied Activities.

4.15.10 Support through the Farm Sector Promotion Fund (FSPF)

NABARD has extended substantial support under the Farmers' Societies Promotion Fund (FSPF) by sanctioning 45 projects with a total outlay of ₹5.34 crore, directly benefiting 20,955 farmers. The activities supported under the fund include Promotion of millets, Application of IoT (Internet of Things) technology for precision farming, Value chain development of Sea buckthorn, promotion and conservation of indigenous honey bee species, skill development in ornamental nursery practices, enhancing livelihoods through sericulture, establishment of cattle development centres, sustainable livestock farming solutions and climate adaptation through alternative livelihood interventions.

4.15.11 Support to Rural Artisans/Weavers

NABARD has sanctioned grant assistance of ₹90.11 lakh for formation of an Off Farm Producer Organization (OFPOs) registered under the name Saroa Handloom Producer Company Ltd. The OFPO's beneficiaries include 503 weavers of which 90 per cent are women, who are now able to produce a variety of woollen products like Pattu, Shawls, Stoles and Muflars.

4.16 NABARD Consultancy Services (NABCONS)

NABARD Consultancy Services (NABCONS) is a subsidiary of NABARD that provides consulting services in various areas of agriculture, rural development and allied areas. During the current fiscal year, NABCONS is participating in the following main assignments:

- Project Management Consultancy for Integrated Cold Chain Project at Parala and Kharapathar to Himachal Pradesh State Agricultural Marketing Board.
- Setting up PMU (Project Management Unit) under the Agri-Infrastructure Fund(AIF) at the State Level in Himachal Pradesh.
- NABCONS is the Central Technical Support Agency for DDU-GKY in Himachal Pradesh.

4.17 Main Issues and Challenges

A. State-Level Main Issues and Challenges (Evidence-Based)

Issue / Challenge	Evidence	Implication
Low Credit–Deposit (CD) Ratio (49.12 per cent vs 60 per cent benchmark)	CD ratio reported at 49.12 per cent; noted as below national benchmark and reflecting deposit outflow and limited large-scale industrial credit demand.	Constrains local credit deployment and growth; priority to improve credit absorption.
Limited industrial base and urbanization	Identified among structural constraints.	Low demand for large corporate credit; banks depend on retail/priority sector.
Tourism seasonality	State economy has seasonal, tourism-driven profile; tourism cited with examples (Shimla, Manali, Dharamshala).	Cash-flow volatility for MSMEs/retail; higher restructuring need after shocks.
Difficult terrain and dispersed habitations	Mountain terrain raises operating costs and restricts access/monitoring in remote areas.	Increases service costs; reliance on BCs/Bank Mitras & digital channels
Disaster vulnerability (Monsoon 2025)	Large-scale losses; 6,251 beneficiaries covered under relief as of 31st December, 2025.	Periodic restructuring; heightened credit risk in tourism, MSME, agriculture.
Agriculture structure (fragmented	Highlighted as structural issue; horticulture/ "apple economy" prominent.	Seasonal incomes, climate sensitivity, collateral constraints for borrowers.

landholdings; horticulture dependence)		
MSME informality and documentation gaps	MSMEs predominately micro and informal; documentation limits credit access.	Limits scale of lending; increases reliance on government-supported credit.
Financial literacy and digital usage gaps	Chapter notes product usage (digital payments/insurance /pension/credit) still evolving due to literacy gaps; literacy campaigns underway.	Slower adoption of digital/insurance products; need for sustained FLC/e-BAAT outreach
Non-Performing Assets (NPAs) moderate but vulnerable (4.76 per cent)	Gross NPAs at 4.76 per cent (₹4,004 crore), with risks concentrated in tourism/agri/small business.	Sensitive to climate and seasonal shocks; necessitates early-warning/risk monitoring.

B. District-Specific Issues and Challenges (Evidence-Based)

Challenges	Affected Districts	Evidence
High-altitude terrain, sparse banking network, difficult accessibility	Lahaul-Spiti, Kinnaur	Lahaul-Spiti recorded the lowest number of branches (26). Both districts identified as high-altitude with terrain-related constraints under structural challenges.
Tourism seasonality leading to volatile cash-flows	Shimla, Kullu (Manali), Kangra (Dharamshala)	Chapter cites the state's seasonal tourism-driven economy using Shimla, Manali, Dharamshala as examples. Disaster 2025 significantly impacted tourism-dependent sectors.
Horticulture (Apple economy) dependence causing climate and price vulnerability	Shimla, Kullu, Kinnaur	Structural constraints mention horticulture-dependent (apple economy) districts.
High outreach but low productive credit absorption	Kangra, Shimla, Mandi, Una, Solan, Hamirpur	These districts listed as high-outreach areas. Need to improve CD ratio and productive deployment emphasized.
Urban/Semi-urban	Shimla, Solan,	MSMEs predominantly micro and

MSME documentation and formalization issues	Mandi	informal with documentation gaps. Shimla noted as urban center.
Sector-specific infrastructure gaps (Fisheries / FAIDF)	Una	FAIDF-supported Fisheries Training Centre at Gagret, Una sanctioned
General structural constraints (low CD ratio, MSME informality, financial literacy gaps, climate risks)	Bilaspur, Sirmaur, Chamba	Districts listed under lead bank responsibility but no district-specific challenges listed; thus state-level challenges apply. CD ratio is 49.12 per cent (below benchmark). literacy and digital gaps highlighted.

4.18 Way Forward

The banking strategy should focus on deepening productive credit deployment while strengthening risk management and financial ecosystem development. Banks should promote sector-focused lending models such as horticulture value chains, tourism infrastructure financing, renewable energy and agro-processing clusters to expand quality credit demand. Technology-enabled banking through digital lending, remote KYC and mobile banking units can improve last-mile access in difficult terrain. Strengthening climate-resilient financing, crop insurance integration and disaster-contingent credit products will help reduce asset quality risks. Expanding financial literacy and digital financial awareness through community-based programmes will improve product usage and credit absorption. Dedicated MSME credit facilitation, cash-flow based lending models and formalization support can expand credit eligibility for micro enterprises. Further, strengthening data-driven credit assessment, early warning systems and sector-specific risk monitoring will help maintain asset quality while supporting inclusive banking growth. Together, these measures can help improve the CD ratio, expand sustainable credit growth and strengthen financial resilience across the State.

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CHAPTER 5

PRICE MOVEMENT AND FOOD MANAGEMENT

Executive Summary

Sr. No.	Key Point	Summary
1	**Global Disinflation**	Global inflation declined sharply during 2023–2025 due to easing commodity prices, supply-chain normalization and tight monetary policy.
2	**India's Strong Disinflation Trend**	CPI-Combined reduced from 6.6 per cent (2022–23) to 4.6 per cent (2024–25) and a provisional 1.71 per cent in 2025–26; WPI inflation turned negative in 2023–24 and remained subdued.
3	**Cooling Inflation in Himachal Pradesh**	Himachal Pradesh recorded sharp inflation moderation from September 2025 onward; urban inflation nearly touched zero in October–November, 2025.
4	**Regional Stability Advantage**	Compared to northern states, HP maintained a stable and moderate inflation profile—unlike UP and Rajasthan, which entered deflation.
5	**Key Inflation Drivers**	Transport inflation peaked at 6.9 per cent, and health inflation remained elevated; housing and clothing inflation stayed subdued.
6	**Reduced Price Volatility**	Foodgrain volatility dropped significantly in 2025; corn flour Coefficient of Variation (CV) declined from 8.3 (2024) to 1.3 (2025), highlighting improved stability.
7	**Strong PDS Contribution**	PDS distributed ₹785.60 crore worth of essential commodities (including ₹513.91 crore subsidized) through 5,389 FPS across the State up to December, 2025.
8	**Expanded Farmer Procurement**	Direct procurement: 21,126.82 MT paddy, 2,995.95 MT wheat, 217.70 MT maize, supporting farmers and enabling "Him Bhog" products.
9	**Food Security in Tribal and Remote Areas**	Essential commodities and LPG were supplied uninterruptedly to snow-bound and inaccessible areas such as Lahaul–Spiti, Kinnaur, Pangi, Dodra Kwar, Bharmaur, ensuring equitable access throughout 2025-26.
10	**Institutional Strengthening of Himachal Pradesh State Civil Supply Corporation (HPSCSC)**	HPSCSC expanded operations through 121 wholesale godowns, 47 retail shops, 54 gas agencies and 42 medicine shops, achieving a projected turnover of ₹2,100 crore in 2025–26 (up from ₹1,870.55 crore in 2024–25).

5.1 Introduction

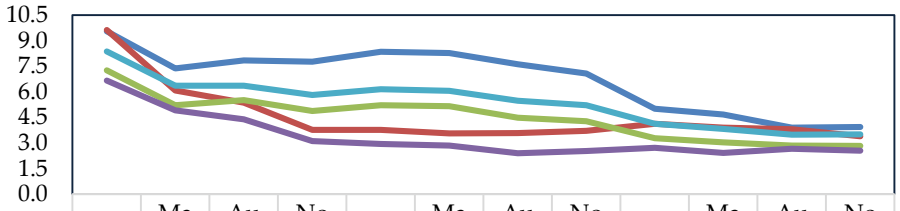
This chapter presents a comprehensive assessment of price dynamics and inflationary trends in the context of evolving global and domestic macroeconomic conditions, drawing upon the analytical framework. It examines movements in prices through multiple inflation indicators i.e. Consumer Price Indices and the Wholesale Price Index to capture both retail level cost of living pressures and upstream price signals. Against the backdrop of post pandemic normalization, supply-chain adjustments and calibrated monetary policy, the chapter discuss Himachal Pradesh's inflation trajectory within broader global and national trends. In addition, it analyses sectoral and commodity-wise price behaviour, volatility patterns, and the role of base and momentum effects in shaping inflation outcomes. The chapter further highlights the critical role of institutional mechanisms such as the Public Distribution System in cushioning vulnerable households against price shocks, thereby underscoring the interplay between price stability, welfare interventions, and inclusive economic management in the State.

5.1.1 Global Inflation Trends

Figure 5.1 highlights a clear and synchronized decline in inflation across major global economic groups from February 2023 to November 2025. Inflation peaked in early 2023, with Europe and Emerging Market and Developing Economies (EMDEs) recording the highest levels, reflecting energy shocks, supply disruptions, and post-pandemic demand pressures.

Figure 5.1

Quarterly Inflation Trends Across Major Economic Groups (Feb 2023 – Nov 2025)



	Feb-23	May-23	Aug-23	Nov-23	Feb-24	May-24	Aug-24	Nov-24	Feb-25	May-25	Aug-25	Nov-25
Emerging Market and Developing Economies	9.5	7.4	7.8	7.8	8.3	8.3	7.6	7.1	5.0	4.7	3.9	3.9
Europe	9.6	6.1	5.4	3.8	3.8	3.6	3.6	3.7	4.1	3.9	3.8	3.4
G20	7.3	5.2	5.5	4.9	5.2	5.1	4.5	4.3	3.3	3.0	2.8	2.8
G7	6.7	4.9	4.4	3.1	2.9	2.8	2.4	2.5	2.7	2.4	2.7	2.5
World	8.4	6.4	6.4	5.8	6.1	6.1	5.5	5.2	4.1	3.8	3.5	3.5

Source: World Economic Outlook Database (Y-o-Y Per cent change)

From mid-2023 onward, inflation moderated steadily across all regions, driven by tight monetary policies, easing commodity prices, and normalization of supply chains. G7 economies show the fastest and most stable disinflation, reaching comparatively low inflation by 2024–25. The World and G20 averages closely track this downward trend, indicating broad global convergence.

Although EMDEs maintain relatively higher inflation throughout, the sustained decline by 2025 signalled improving macroeconomic stability. By late 2025, inflation levels across all groups settled into a moderate and stable range, marking a transition from crisis-driven pressures to global price stability.

5.1.2 India's Inflation

The trajectory of inflation in India, as reflected by multiple price indices, reveals pronounced divergence across wholesale and consumer segments over the period 2019-20 to 2025-26 (Provisional). Wholesale Price Index (WPI) inflation remained benign during 2019-20 and 2020-21, surged sharply to 13.0 per cent in 2021-22, amid global commodity price shocks and moderated thereafter, even turning negative in 2023-24 (-0.7 per cent), indicating easing input costs and favourable base effects. In contrast, consumer inflation remained persistently elevated, with CPI-Combined, peaking at 6.6 per cent in 2022-23, before gradually moderating to 4.6 per cent in 2024-25 and a provisional 1.71 per cent in 2025-26, reflecting calibrated monetary tightening and supply-side interventions.

Table 5.1

General inflation in India based on different price indices (in per cent)

Indices	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26*(P)
Wholesale Price Index (WPI) All India	1.7	1.3	13.0	9.41	-0.7	2.2	0.13
Consumer Price Index-Rural (CPI-R)	4.2	6.0	5.4	6.9	5.6	5.0	1.33
Consumer Price Index-Urban (CPI-U)	5.4	6.4	5.6	6.4	5.1	4.2	2.16
Consumer Price Index-Combined (CPI-C)	4.8	6.2	5.5	6.6	5.4	4.6	1.71
Consumer Price Index-Industrial worker (CPI-IW)#	7.7	4.9	5.1	5.2	6.1	3.3	2.8
Consumer Price food Index	6.7	7.7	3.7	6.6	7.5	7.3	-1.6

Source: O/O Economic Adviser, Department for Promotion of Industry and Internal Trade, (DPIIT) for WPI, National Statistical Office (NSO) Ministry of Statistics and Programme Implementation, Government of India (MoSPI, GoI) for CPI (Combined, Rural, Urban) and Labour Bureau for CPI Industrial Workers (IW), Agricultural Labourers (AL), Rural Labourers (RL), #CPI-IW inflation for 2020-21 onwards is based on new series 2016=100

*April to December, 2025-26

P= Provisional

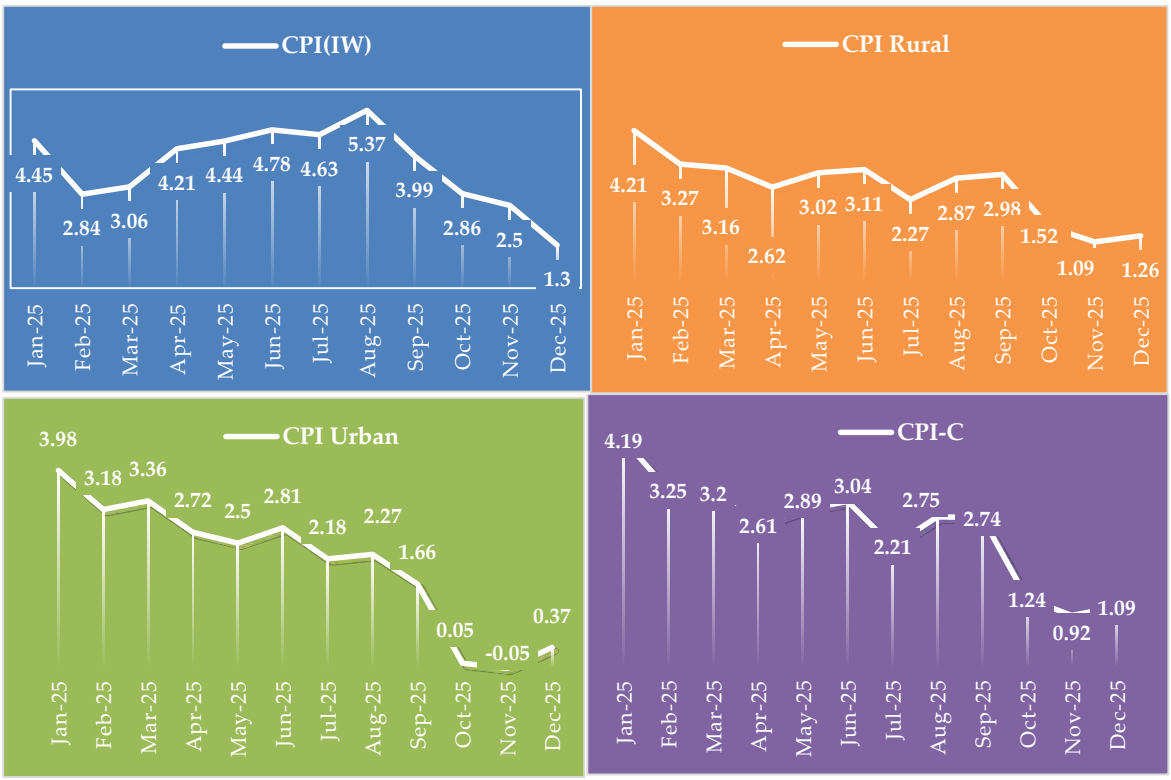
Rural inflation consistently exceeded urban inflation during most years, underscoring higher food and fuel sensitivity in rural consumption baskets. CPI-IW inflation showed relative volatility, declining to 3.3 per cent in 2024-25, suggesting some relief for industrial workers Notably, Consumer Food Price Index exhibited sharp fluctuations, remaining elevated during supply disruptions but turning negative (-1.6 per cent) in 2025-26 (P), indicating significant easing in food prices. Overall, the data point to a broad-based disinflationary trend in recent years, with consumer inflation aligning closer to the medium-term target amid improved price stability.

5.1.3 Inflation Trends in Himachal Pradesh

Inflation in Himachal Pradesh during 2025 shows a clear shift from elevated price pressures in the first half of the year to broad-based moderation towards year end. CPI (IW) remained consistently higher than rural and urban inflation, indicating relatively stronger inflationary stress on industrial worker households. Rural inflation generally exceeded urban inflation, reflecting differential consumption patterns and price transmission across regions.

Figure 5.2

CPI Inflation Trends in Himachal Pradesh for the year 2025 (Y-o-Y Inflation)



Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India (MoSPI, GoI)

From September onwards, inflation decelerated markedly across all CPI segments. Urban inflation softened sharply, approaching near-zero levels in October to November, while CPI Combined declined steadily, falling to nearly 1 per cent by December. This synchronized easing suggests improved supply conditions and moderation in key price drivers

Overall, the data highlights a cooling inflation trajectory with narrowing rural urban differentials, pointing to a more stable price environment in Himachal Pradesh by the end of 2025.

Box 5.1

Indices for Measuring Inflation

Various indices are mentioned as tools for measuring the ups and downs of inflation. The Whole Sale Price Index (WPI) is compiled by the O/O Economic Adviser, Department for Promotion of Industry and Internal Trade, (DPIIT). CPI (C,R,U) Combined, Rural, Urban are compiled by the National Statistics Office Government of India, (CPI-IW) Industrial Worker, (CPI-AL) Agricultural Labourers (CPI-RL) Rural Labourers are compiled by the Labour Bureau.

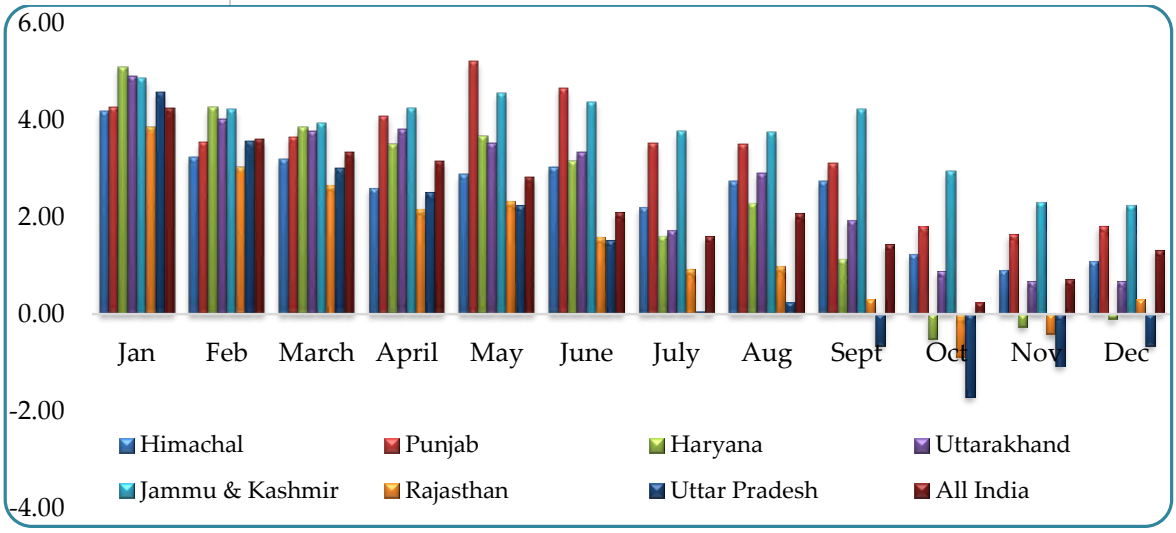
Wholesale Price Index (WPI)
Consumer Price Index-Combined (CPI-C)
Consumer Price Index-Rural (CPI-R)
Consumer Price Index-Urban (CPI-U)
Consumer Price Index-Industrial Worker (CPI-IW)
Consumer Price Index-Agriculture Labourers (CPI-AL)
Consumer Price Index-Rural Labourers (CPI-RL)

5.1.4 Consumer Price Index-Combined (CPI-C) Inflation among Northern States

Figure 5.3 presents CPI-C inflation across seven northern states and All India, aimed at enhancing the understanding of regional and seasonal inflation dynamics. Inflation, measured through the Consumer Price Index Combined (CPI-C), remains a critical indicator of price stability and economic well-being across Indian states. Understanding its seasonal and regional dynamics is essential for designing effective policy responses. The K-means clustering analysis enables the identification of seasonal inflation regimes and state-level similarities, offering a clearer perspective on temporal and spatial inflation trends across northern India.

Figure 5.3

Comparative position of CPI-C Inflation among Northern states and India (2025).



Source: National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India

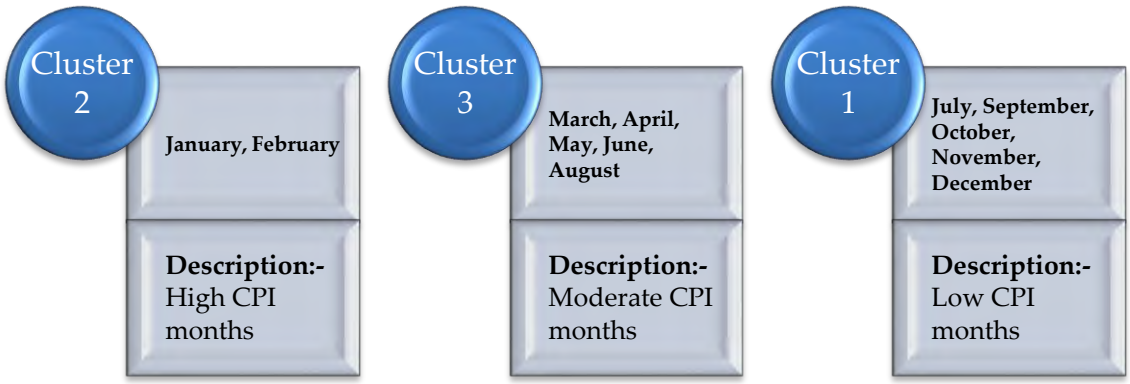
K-means clustering was applied separately to:

1. **Months** (to identify seasonal inflation regimes)
2. **States** (to group regions with similar annual CPI behaviour)

The elbow point was observed at K = 3, indicating three meaningful clusters

A. Clustering of Months

Months were grouped into three clusters based on their CPI profiles across states:

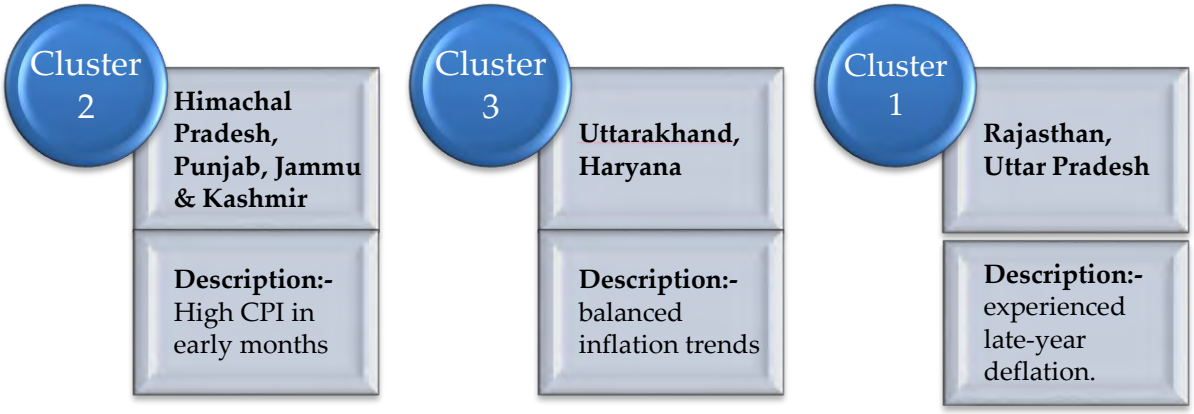


The month-wise CPI data reveals three distinct seasonal inflation regimes. The year opens with a surge- January records high inflation across states, with Haryana at 5.10 per cent, Uttarakhand 4.90 per cent, and the All India average at 4.26 per cent. February and March maintain this momentum, reflecting strong post-harvest demand and winter logistics pressures. By April and May, inflation begins to moderate, though

Punjab peaks at 5.21 per cent in May, indicating region-specific price spikes. June to August marks a transitional phase with easing rates. All India CPI drops to 2.10 per cent in June and 2.07 per cent in August. The sharpest cooling sets in from September to November: Uttar Pradesh plunges to -1.71 per cent in October, Rajasthan to -0.87 per cent, and the national average hits a low of 0.25 per cent. December sees a mild recovery, with All India CPI rising to 1.33 per cent. These shifts underscore a clear seasonal arc early year inflationary heat, mid-year moderation, and late-year deflation in several states driven by cyclical supply-demand dynamics and regional consumption patterns.

B. Clustering of States

States were clustered based on their 12-month CPI trends:



The CPI-based state clustering reveals three distinct inflation profiles across northern India. Himachal Pradesh, Punjab and Jammu & Kashmir show consistently high inflation in the early months. CPI rates stood at 4.19 per cent, 4.28 per cent, and 4.87 per cent respectively, with Punjab peaking at 5.21 per cent in May and J&K maintaining elevated levels throughout the year, ending at 2.26 per cent. Uttarakhand and Haryana exhibit balanced inflation arcs starting strong (4.90 per cent and 5.10 per cent in January) but tapering smoothly to 0.74 per cent and -0.10 per cent by December, indicating stable price dynamics. In contrast, Rajasthan and Uttar Pradesh experienced sharp late-year deflation Uttar Pradesh dropped from 4.59 per cent in January to -1.71 per cent in October, while Rajasthan slided from 3.86 per cent to -0.87 per cent, reflecting intense seasonal cooling. These patterns highlight the diversity in regional inflation behaviour. Some states battle persistent price pressures, while others swung into deflation demanding tailored policy responses.

Overall Comparative Insight

- Himachal Pradesh demonstrates a resilient and steady inflation profile, always positive, moderate in scale, and less volatile than both high-pressure states (Punjab, J&K) and deflation-prone states (UP, Rajasthan).

- This positions Himachal as a middle ground not as persistently high as Punjab/J&K, but far more stable than states with sharp seasonal swings.
- Himachal's inflation management reflects structural stability, though vigilance is needed to prevent spill overs from neighbouring states with more extreme inflationary or deflationary cycles.

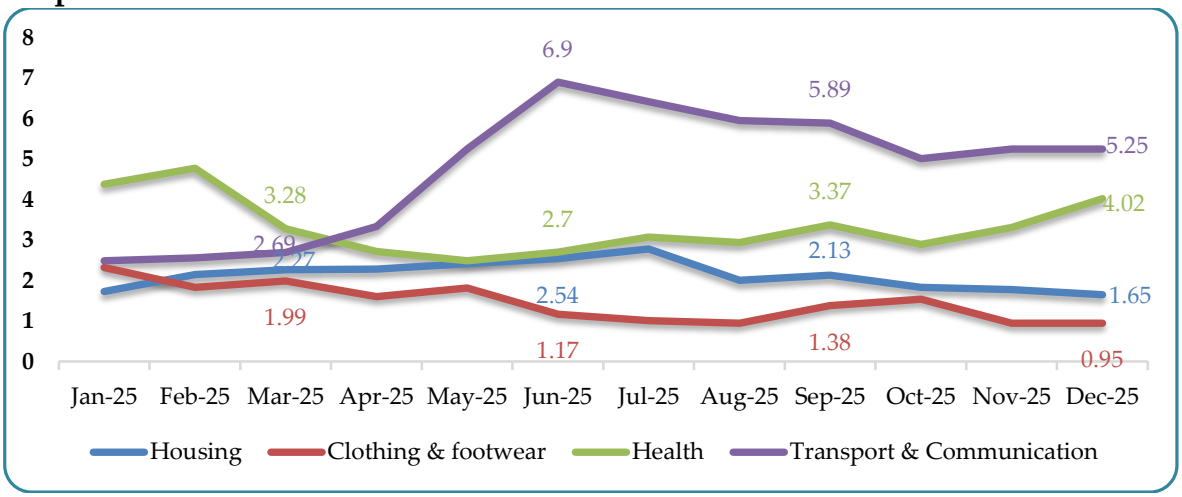
5.1.5 Quarter-wise Evolution of Inflation across Major CPI-C Contributors

The quarterly analysis of sectoral inflation (Figure 5.4) in 2025 indicates a clear shift in price pressures over the year. In the first quarter, inflation remained largely stable across sectors, with moderate increase in housing and transport, declining inflation in clothing and footwear, and persistently elevated health inflation. The second quarter witnessed a sharp escalation in transport and communication inflation, which emerged as the principal driver of overall inflation, while housing continued a gradual upward trend and clothing inflation softened further. During the third quarter, transport inflation moderated but remained high, housing inflation peaked and began to ease, and health inflation firmed up again, reflecting underlying cost pressures. In the final quarter, inflationary pressures showed signs of stabilisation, with housing and clothing inflation remaining subdued, while health and transport inflation stayed relatively elevated, underscoring their continued influence on overall inflation dynamics during the year.

The quarter wise analysis indicates that inflation in 2025 was largely driven by transport and health sectors, while housing showed controlled movements and clothing prices remained largely stable. The persistence of transport-related inflation highlights the role of cost-push factors, whereas subdued clothing inflation reflects favourable supply conditions.

Figure 5.4

Quarterly Inflation Movement across Key Consumer Price Index Combined (CPI-C) Components.



Source: Ministry of Statistics and Programme Implementation, Government of India.

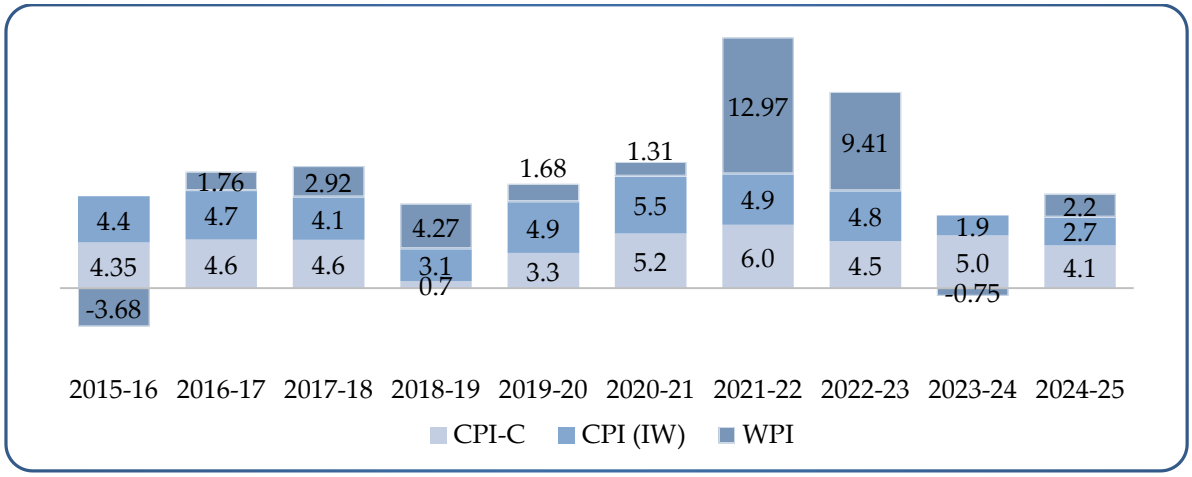
5.1.6 Divergent Inflation Dynamics: Consumer Price Indices vs. Wholesale Price Indices (2015-16 to 2024-25)

Figure 5.5 presents the trend of inflation as measured by the Consumer Price Index Combined (CPI-C), Consumer Price Index for Industrial Workers [CPI (IW)], and Wholesale Price Index (WPI) from 2015-16 to 2024-25. During the period, CPI-C remained within a moderate range, increasing from 4.35 per cent in 2015-16 to 5.0 per cent in 2023-24 before moderating to 4.1 per cent in 2024-25. A similar pattern is observed in CPI (IW), which rose from 4.4 per cent in 2015-16 to a peak of 5.5 per cent in 2020-21 and subsequently it declined to 2.7 per cent in 2024-25.

In contrast, WPI displayed significant volatility, moving from a deflationary level of (-)3.68 per cent in 2015-16 to a high of 12.97 per cent in 2021-22, followed by a moderation to 2.2 per cent in 2024-25. The contrasting movement of consumer and wholesale price indices highlights the differing inflationary pressures at various stages of the economy and underlines the importance of a multi-indicator approach for a comprehensive assessment of inflation trends.

Figure 5.5

Trends in Inflation: CPI-Combined and CPI-IW (Himachal Pradesh) and All-India WPI (2015-16 to 2024-25)



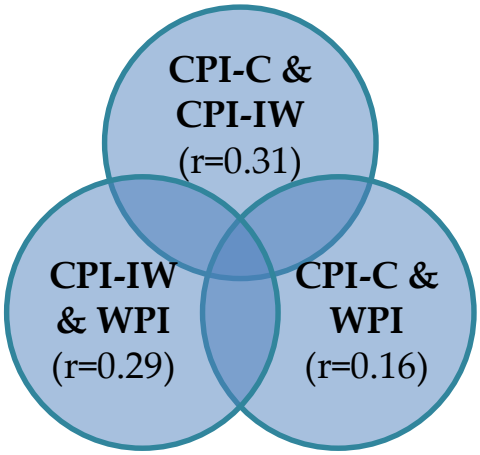
Source: Ministry of Labour and Employment, Government of India for CPI-IW, O/O Economic Adviser, Department for Promotion of Industry and Internal Trade, (DPIIT) for WPI, National Statistical Office (NSO) Ministry of Statistics and Programme Implementation, Government of India (MoSPI, GoI) for CPI (Combined).

Correlation Analysis of Inflation Indicators: CPI-IW, CPI-C Himachal Pradesh and WPI All-India Perspective.

The correlation matrix presents the relationship between CPI-Combined (CPI-C) and CPI for Industrial Workers (CPI-IW) for Himachal Pradesh, and the Wholesale Price Index (WPI) at the All-India level.

Figure 5.6

Correlation Analysis CPI-IW, CPI-C Himachal Pradesh and WPI All-India.



- **CPI-C (Himachal Pradesh) and CPI-IW (Himachal Pradesh) (r = 0.31)**

  The positive but moderate correlation indicates that overall consumer inflation in Himachal Pradesh broadly moves in line with inflation experienced by industrial workers in the state. However, the magnitude of the relationship suggests that differences in consumption patterns, sectoral employment, and item-wise weights lead to variations in inflation dynamics across population groups within the state.

- **CPI-C (Himachal Pradesh) and All-India WPI (r = 0.16)**

  The weak positive correlation implies that movements in wholesale prices at the All-India level have a limited influence on consumer inflation in Himachal Pradesh. This weak pass-through reflects regional factors such as transportation costs, local supply conditions, state-level taxes, and administered prices, which create divergence between national wholesale prices and state-level retail prices.

- **CPI-IW (Himachal Pradesh) and All-India WPI (r = 0.29)**

  The moderate but relatively low correlation suggests that changes in all-India wholesale prices partially affect the cost of living of industrial workers in Himachal Pradesh. The limited strength of this relationship highlights the role of state-specific industrial structure and local market conditions in shaping inflation outcomes for workers

Overall Interpretation

Overall, the results indicate that inflation dynamics in Himachal Pradesh are more closely aligned within state-level CPI measures than with all-India wholesale price movements. The relatively weak association with WPI underscores that consumer inflation in the state is significantly influenced by regional factors, reinforcing the need

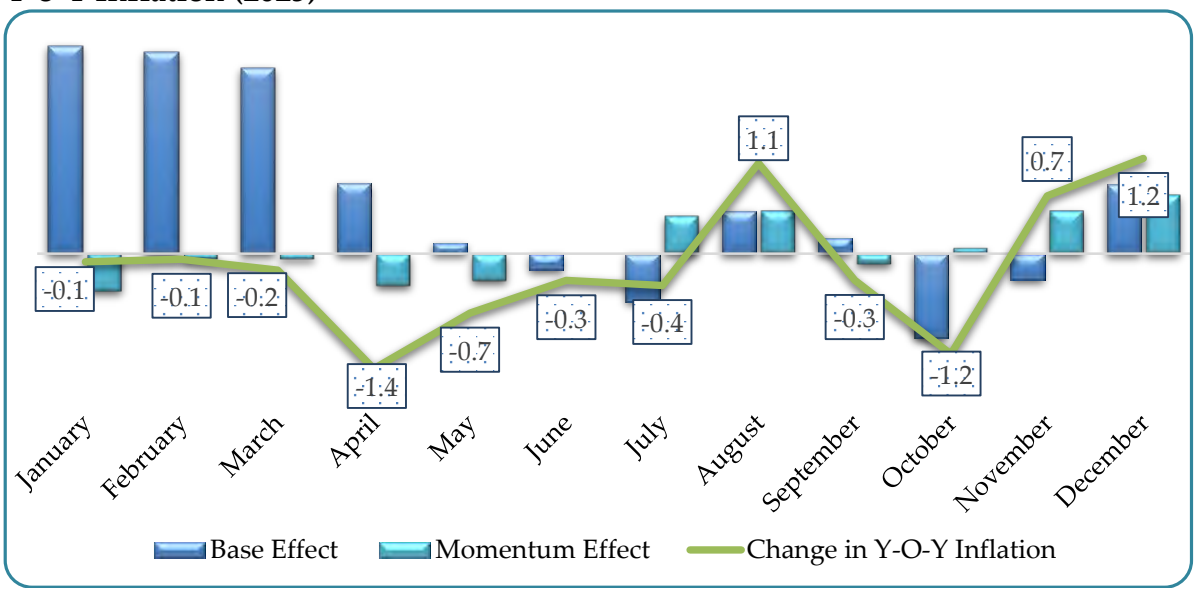
5.1.7 Monthly Wholesale Price Index (WPI)

Figure 5.7 decomposes monthly changes in Wholesale Price Index (WPI) inflation into two key components, base effect and momentum effect and illustrates their combined impact on the change in year-on-year (Y-o-Y) inflation across the year. This decomposition provides clear insight into whether inflation movements are driven by past price levels or by current price pressures. In the first quarter, the change in Y-o-Y inflation remains slightly negative, as a favorable base effect offsets weak negative momentum. Between April and June, Y-o-Y inflation declined sharply, driven by an unfavorable base effect, where higher prices in the previous year suppress current inflation readings.

A clear turnaround occurred in July–August. Strengthening positive momentum, along with an improving base effect, lead to a sharp rise in Y-o-Y inflation, peaking in August and indicating a short-term build-up of price pressures.

Figure 5.7

WPI Inflation Dynamics: Base Effect, Momentum Effect, and Monthly Change in Y-o-Y Inflation (2025)



Source: O/O Economic Adviser, Department for Promotion of Industry and Internal Trade, Government of India (DPIIT)

In September and October, momentum softened and the base effect again turned adverse, resulting in a renewed fall in Y-o-Y inflation, with October recording the steepest contraction. The final quarter showed recovery, as supportive base effects and renewed momentum pushed inflation upward in November and December.

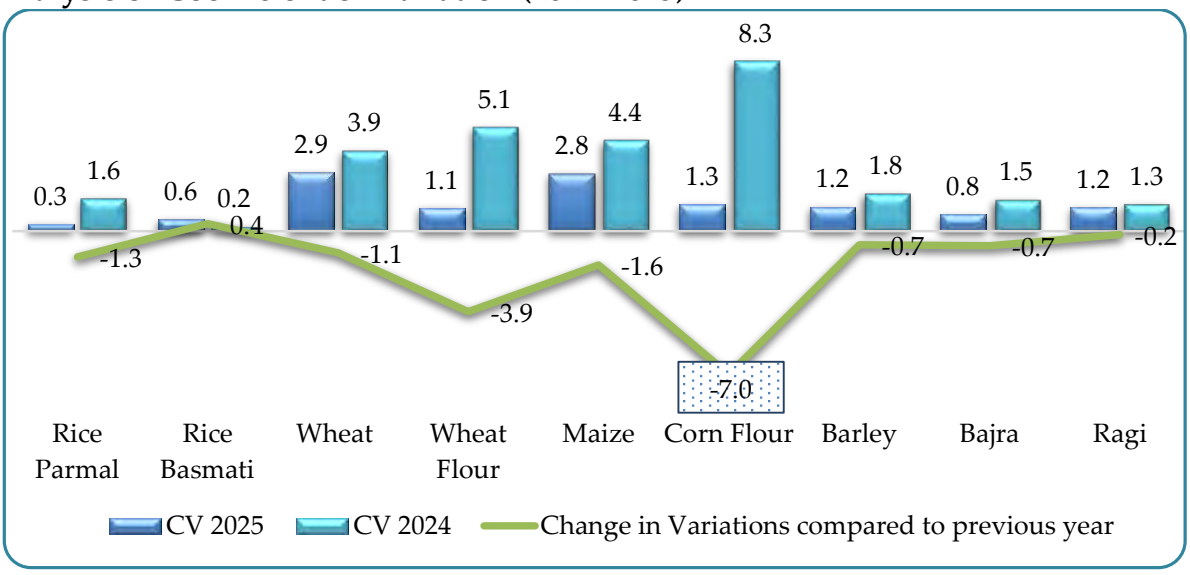
Overall, the chart shows that base effects drove the broad direction of WPI inflation, while momentum effects shaped short-term fluctuations, jointly explaining the observed volatility in inflation trends.

5.1.7.1 Wholesale Price Coefficient of Variation of 2024 and 2025

The figures, particularly Figure 5.8 and Figure 5.9 are visual representations of the coefficient of variation for the prices of fat grains and pulses, respectively. These figures provide a graphical representation of the volatility trends in wholesale prices for the mentioned commodities. The coefficient of variation is used to analyze the volatility of wholesale prices for fat grains in 2024 (April to December) and 2025 (April to December). Overall, the results indicate a broad-based decline in price variability in 2025 compared to 2024 for most commodities, suggesting improved price stability. The most pronounced reduction in volatility is observed in corn flour, where the CV declined sharply from 8.3 in 2024 to 1.3 in 2025, reflecting a substantial moderation in price fluctuations. Similarly, wheat flour and maize also recorded notable decline in CV, indicating reduced dispersion around mean prices and a more stable price environment.

Figure 5.8

Year-on-Year Change in Price Volatility of Selected Food grains: Comparative Analysis of Coefficient of Variation (2024–2025)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

The negative values of the change in variation line across most commodities reinforce the conclusion that price volatility has generally eased in 2025, potentially reflecting improved supply conditions, effective market interventions, or stabilization in input costs. Overall, the analysis underscores a strengthening of price stability in staple foodgrains, which is crucial from both inflation management and food security perspectives.

5.1.7.2 Price Volatility of Pulses

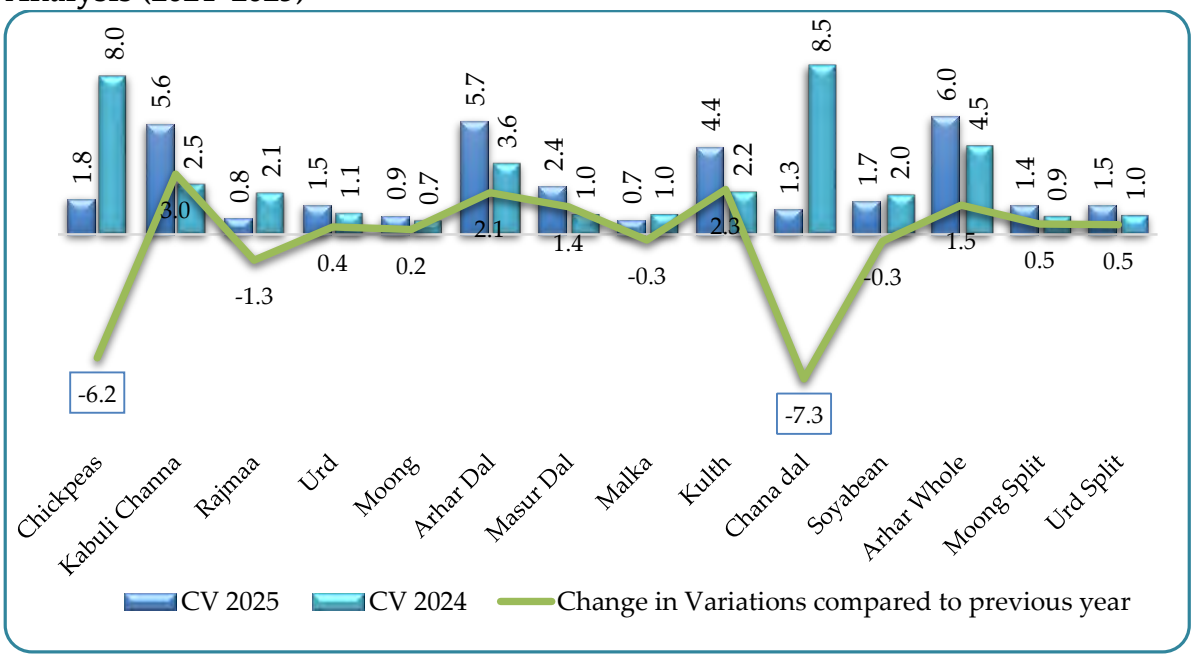
Figure 5.9 compares the coefficient of variation (CV) of selected pulses for 2024 and 2025, highlighting the year-on-year change in price volatility. Overall, price variability moderated in 2025, though the magnitude of change differs across commodities.

A sharp decline in volatility is evident in chana dal and chickpeas, indicating significant improvement in price stability. Rajma, malka, urad, moong and masur dal recorded only marginal changes, reflecting broadly stable price behavior.

In contrast, kabuli channa, arhar dal and kulth show an increase in CV, pointing to rising price fluctuations and emerging volatility pressures.

Figure 5.9

Year-on-Year Dynamics in Price Volatility of Pulses: A Coefficient of Variation Analysis (2024–2025)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

The negative values of the change in variation line for most pulses reinforce the conclusion that price volatility has generally softened in 2025 potentially due to improved supply conditions, better stock availability or stabilizing market interventions. However the presence of commodities with rising CV highlights the need for commodity-specific monitoring, as volatility remains uneven across pulse varieties.

5.1.8 Weekly Retail Price

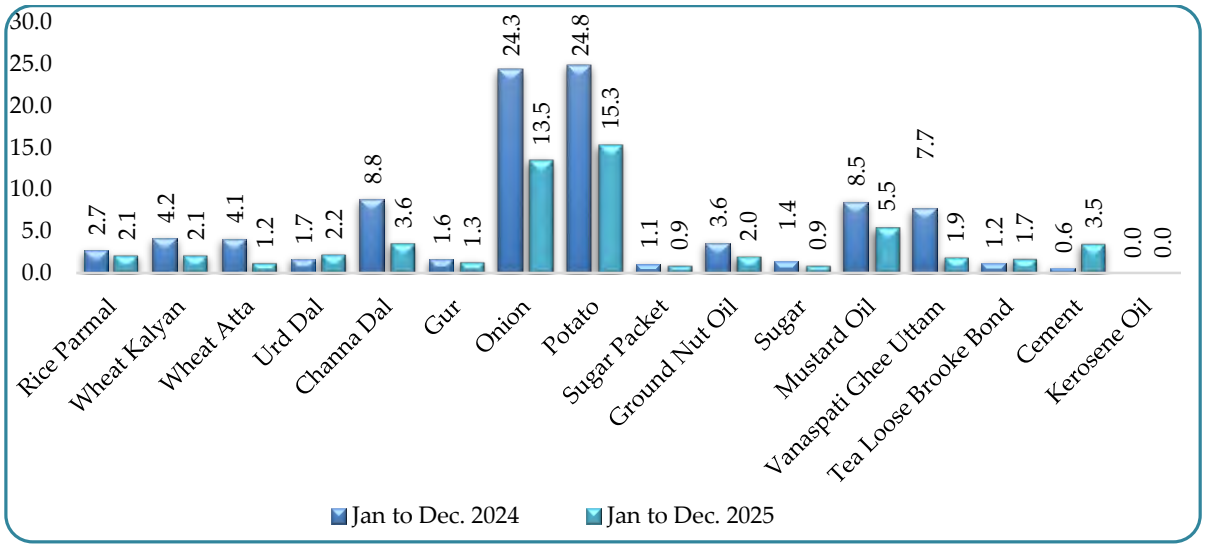
The District Statistical Offices functioning under the Department of Economics and Statistics are entrusted with systematic collection and analysis of price data for essential commodities. Retail prices are compiled every Friday from selected outlets across the district and, following due verification, are uploaded on the official portal www.weeklyprices.hp.gov.in. A consolidated weekly report highlighting price movements during the preceding week is subsequently shared with the Department of Food, Civil Supplies and Consumer Affairs for monitoring and policy review.

5.1.8.1 Volatility in Essential Commodity Prices

The coefficient of variation (CV) has been used as a measure of relative price volatility. Commodities have been classified into three categories based on CV values: Low volatility (CV < 2), Moderate volatility (CV = 2–10), and High volatility (CV > 10).

Figure 5.10

Inter-Temporal Changes in Price Volatility across 16 essential Commodities 2024 vs 2025



Source: Department of Economics and Statistics, Government of Himachal Pradesh

The comparative analysis of the coefficient of variation (Figure 5.10) reveals a broad-based moderation in price volatility during 2025 compared to 2024. The decline

in CV values across cereals, pulses, edible oils and sweeteners indicates strengthening supply-side management, improved buffer stocking, and smoother market arrivals.

The sharp reduction in volatility of onions and potatoes, though still high, reflects partial success of market interventions, including improved logistics and procurement measures. However, their continued classification under high volatility underscores the persistent vulnerability of perishable commodities to supply shocks, making them a major contributor to short-term inflation spikes.

The emergence of cement into the moderate volatility group in 2025 suggests cost-push pressures, possibly arising from higher input and transportation costs. Meanwhile, commodities such as kerosene oil and sugar remain highly stable, reflecting administered pricing and regulatory oversight.

Major Achievements

1. **Major Improvements in Price Stability and Inflation Management**

   - Significant moderation in price volatility across food grains, pulses, edible oils and other staples in 2025.
   - Decline in volatility of onions and potatoes, though still high due to perishability.
   - Himachal Pradesh maintains a stable, moderate and resilient inflation profile, less volatile than neighbouring states.

2. **Strengthened Institutional Food Management**

   - PDS procurement and distribution: ₹785.60 crore (2025-26 upto December).
   - Subsidised items distributed: ₹513.91 crore.
   - Budget provision
     - ₹50 crore (PDS Sugar)
     - ₹165 crore (Pulses, Salt and Oil)

3. **HPSCSC Operational Expansion**

   - 121 wholesale godowns
   - 47 retail shops
   - 54 gas agencies
   - 42 medicine shops
   - 4 petrol pumps
   - Projected turnover 2025-26: ₹2,100 crore (up from ₹1,870.55 crore in 2024-25)

4. **Direct Procurement from Farmers**

Season	Commodity	Quantity
Kharif	Paddy	21,126.82 MT
Rabi	Wheat	2,995.95 MT
Natural Farming	Maize	217.70 MT

Launch of "Him Bhog" branded maize and Atta products.

5. **Mid-Day Meal Support**

- 8,599.65 MT rice supplied.

6. **Tribal Action Plan Support**

- Ensured essential supplies in:
  - Lahaul-Spiti
  - Kinnaur
  - Pangi (Chamba)
  - Dodra Kwar (Shimla)
  - Bharmaur
  - Remote areas of Kullu and Sirmaur

5.2 Public Distribution System in Himachal Pradesh

5.2.1 Targeted Public Distribution System (TPDS)

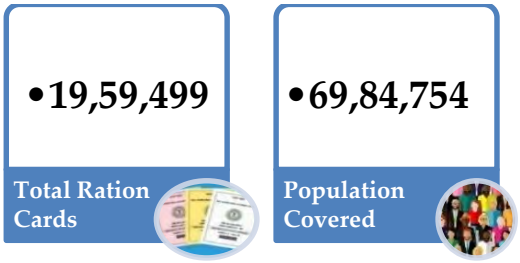
One of the main constituents of the Govt. strategy for poverty alleviation is Targeted Public Distribution System (TPDS) which ensures availability of essential commodities like Wheat, Wheat Atta, Rice, Sugar etc. through a network of 5,389 fair price shops. The families for distribution of essential items have been divided in two categories viz.

1) **National Food Security Act (NFSA)**

   (i) Antodaya Anna Yojna (AAY) (ii) Priority Households

2) **Other than National Food Security Act** (OTNFSA) (Above Poverty Line) (APL)

In the State, the Targeted Public Distribution System have very deep penetration which is shown as under:



The Distribution of essential commodities during the year 2025-26 (upto 12/2025) is shown in Table 5.3.

Table 5.3

Number of Targeted Public Distribution System by Types of Ownership

Sr. No.	Types of Ownership	Total
1	Cooperative Societies	3,395
2	Panchayats	31
3	HPSCSC	47
4	Individuals	1,852
5	Self Help Groups	26
6	Mahila Mandals	38
	Total	**5,389**

Table 5.4

Distribution of necessary goods

Sl. No.	Name of Commodity	Unit	Distribution of items up to December, 2025 (Including Backlogs)
1.	Wheat/Atta APL	M.T.	1,23,735
2.	Rice APL	M.T.	56,646
3.	Wheat/Atta BPL/PHH/AAY/NFSA	M.T.	1,03,317
4.	Rice BPL/PHH/AAY/NFSA	M.T.	77,529
5.	Sugar	M.T.	25,527
6.	Pulses	M.T.	24,182
7.	Iodized Salt	M.T.	6,518
8.	Edible Oil	K.L.	19,615

Source: Department of Food and Civil Supply and Consumer affair, Government of Himachal Pradesh

Presently, following food items are being distributed through TPDS and Himachal Pradesh State Specially Subsidized Scheme whose detail is as per Table 5.5.

Table 5.5

Distribution of Food Grains under State: Specially Subsidized Scheme and TPDS

Scale and Rates of Distribution of commodity Per ration card/Per family/Per person/Per month					
The Government of Himachal Pradesh has launched a State Specially Subsidized Scheme for all ration card holders w.e.f. 01.04.2007, which has been modified from time to time. The consumers have been given the choice to opt for three pulses out of four pulses.					
Sr. No.	**Commodity**	**NFSA**	**Other than NFSA (APL)**	**APL Tax Payer**	**Scale**
1.	Dal Channa	₹68.00 per Kg.	₹ 73.00 per Kg.	₹91.00 per Kg.	3 Kg. per family per month for all ration card holders
2.	Dal Urd Sabut	₹78.00 per Kg.	₹ 83.00 per Kg.	₹101.00 per Kg.	
3	Dal Malka	₹66.00 per Kg.	₹ 71.00 per Kg.	₹91.00 per Kg.	
4.	Edible Oil (F.M. Oil)	₹160.00 per litre.	₹ 160.00 per litre	₹ 168.00 per litres.	1 litre. per ration card having 1 and 2 members and 2 litres. having 3 or above family members per month.
5.	Edible Oil (F.R. Oil)	₹125.00 per litre	₹ 125.00 per litres.	₹ 131.00 per litres.	
6.	Double Fortified Salt	₹8.00 per Kg.	₹ 8.00 per Kg.	₹ 16.00 per Kg.	1 kg. per family per month for all ration card holders
7.	Sugar	₹ 13.00 per Kg.	₹ 33.00 per Kg.	₹ 46.00 per Kg.	500 grams per member per month **Note:** In the case of AAY families having 1 member and 2 members, 1 Kg. Sugar will be provided per month and for more than 2 members, 500 grams of additional sugar will be provided to each AAY family member @ ₹13 per Kg.
8	**Other Than NFSA**				
APL and APL Taxpayers	14 Kg. Fortified Wheat/Atta @ ₹12.00 per Kg., or Wheat @ ₹7.60 per Kg. and 6 Kg. Rice @ ₹13 per Kg. per family per month.				
Note: The APL consumers of the Tribal Areas of State are being provided 20 Kg. Wheat/Fortified Wheat Atta and 15 Kg. Rice per family per month w.e.f. September, 2014.					
9	**NFSA**				
(i)	For AAY ration card holder	18.800 Kg. Fortified Wheat Atta @ ₹1.20 per Kg/ 20 Kg. Wheat and 15 Kg. Rice is free of cost per family per month.			
(ii)	For Priority Households	2.800 Kg. Fortified Wheat Atta @ ₹1.20 per Kg. or 3 Kg. and 2 Kg. Rice is free of cost per member per month. The PHH families having 1, 2, and 3 members are also provided additional food grains (Wheat and Rice) from OTNFSA allocation of the State at OTNFSA (APL) rates to make their entitlement 10,15, 20 Kg. per card respectively.			

	BPL (In addition to NFSA entitlement at BPL rates)	Wheat/ Fortified Wheat Atta/Rice ₹5.25 / ₹9.30 / ₹10.00 per Kg. as mentioned below:

Scheme	1 FM	2 FM	3 FM	4FM	5 FM	6 FM
Wheat/ Wheat Atta	17 Kg.	14 Kg.	11 Kg.	8 Kg.	5 Kg.	2 Kg.
Rice	13 Kg.	11 Kg.	9 Kg.	7 Kg.	5 Kg.	3 Kg.

5.3 Himachal Pradesh State Civil Supplies Corporation (HPSCSC)

Prior to 1980, the procurement and distribution of essential commodities under the Public Distribution System in Himachal Pradesh were carried out by the State, District, and Tehsil Co-operative Federations. However, these institutions faced limitations in sourcing the full range of commodities from central agencies such as the Food Corporation of India, State Trading Corporation, and National Textile Corporation. To address these constraints and strengthen the supply mechanism, the Himachal Pradesh State Civil Supplies Corporation Ltd. was established on 06 September 1980.

At present, the Corporation provides both controlled and non-controlled commodities-including rice, wheat, atta, salt, pulses, sugar, edible oils, cooking gas, diesel, petrol, kerosene, medicines, and other essential items-at reasonable rates to consumers across the State through its 121 Wholesale Godowns, 47 Retail Shops, 54 Gas Agencies, 4 Petrol Pumps, and 42 Medicine Shops.

During the current financial year up to December 2025, the Corporation procured and distributed commodities under the Public Distribution System (PDS) amounting to ₹785.60 crore. Of this, subsidized items-including pulses, fortified mustard oil, refined oil, sugar and fortified salt-under the State Sponsored subsidy Scheme were distributed to ration card holders to the value of ₹513.91 crore during 2025-26 (up to December 2025).

The Corporation also arranges the supply of rice and other supplementary items under the Mid-Day Meal Scheme to primary and upper primary schools. During 2025-26 (up to December 2025), the Corporation distributed 8,599.65 MT of rice under this scheme.

For the implementation of these schemes during 2025-26, a budget provision of ₹50 crore for PDS Sugar and ₹165 crore for PDS Pulses, Salt and Oil has been made as State subsidy. The Corporation is projected to achieve a total turnover of approximately ₹2,100 crore during 2025-26, compared to ₹1,870.55 crore in the previous year (2024-25).

5.3.1. Government Supplies

The Himachal Pradesh State Civil Supplies Corporation Limited is managing the procurement and supplies of ayurvedic medicines to Government hospitals, cement to Government Departments/ Boards/ Corporations and other Government institutions and galvanized iron (GI), ductile iron (DI), cast iron (CI) pipes to Jal Shakti Department. During the current financial year, 2025-26 up to December, 2025, the position of Government supply is as under:

Sr. No.	Items	₹in Crore
1.	Supply of Ayurvedic Medicines to Government hospitals	5.39
2.	Supply of Cement to Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin) (VB-G RAM G)	76.10
3.	Supply of Cement to Contractor	38.95
4.	Supply of Cement to Government Department/Boards/Corporations	28.86
5.	GI/DI/CI pipes to Jal Shakti Department	93.45
	Total	**242.75**

Source: Himachal Pradesh State Civil Supplies Corporation, Government of Himachal Pradesh.

5.3.2 Food Security in Tribal and inaccessible Areas of the State

The Corporation is also ensuring the availability of essential commodities and petroleum products, including kerosene oil and Liquefied Petroleum Gas (LPG), in tribal and inaccessible areas where private traders are unable to operate due to the economic non-viability of the trade. During the current financial year (2025-26), the Corporation arranged supply of essential items and petroleum products to tribal and snow-bound areas in accordance with the Government's Tribal Action Plan.

5.3.3 Medicines Shops

At present, 42 medicine shops are operational in the State. It is proposed to establish 6 additional medicine shops.

5.3.4 Paddy and Wheat procurement from farmers

In pursuance of the State Government's decision, the Corporation, as the nodal procurement agency, has been undertaking direct procurement of paddy and wheat from farmers since the Kharif Marketing Season (KMS) 2022-23 and the Rabi Marketing Season (RMS) 2023-24, with the support of the concerned departments and agencies. The initiative is aimed at benefiting farmers across the State. The details for the financial year 2025-26 are as under.

S. No.	Season	Commodity	Proc. centres	Quantity (MT)
1	Kharif Milling season	Paddy	11	21126.82
2	Rabi Milling Season	Wheat	11	2995.95

Source: Himachal Pradesh State Civil Supplies Corporation, Government of Himachal Pradesh.

5.3.5 Maize procurement from farmers

Pursuant to the budget announcement made Chief Minister the H.P. State Civil Supplies Corporation Limited, through the Agriculture Department, has undertaken procurement of maize produced under natural farming from financial year 2024-25.

During the Kharif Marketing Season (KMS) 2025-26, the Corporation procured 217.70 metric tonnes of maize directly from farmers through 28 procurement centers across the State. The procured maize is being processed and distributed to consumers under the "Him Bhog" brand in 1 kg packs.

Further, under the same initiative, 212 metric tonnes of wheat were procured during 2025-26 and are being processed and supplied to consumers in the form of Him Bhog Atta and Him Bhog Dalia.

5.4 Main Issues and Challenges

A. State-Level Issues and Challenges in Himachal Pradesh

State-Level Issue	Description / Evidence
Transport Cost-Push Inflation	Transport-related costs significantly increased overall inflation; Transport CPI peaked at 6.9 per cent.
High Volatility in Perishable Commodities	Onions and potatoes remain highly volatile (CV > 10) due to perishability and supply-chain sensitivity.
Weak WPI–CPI Pass-Through	Limited transmission of wholesale price trends to retail prices; correlation between CPI-C and WPI only 0.16.
Sectoral Cost-Push Pressures	Rising costs in health and transport sectors, with health inflation staying above 4 per cent.
Increasing Cement Price Variability	Construction belts face rising cement price volatility, adding to infrastructure costs.
Uneven Price Volatility Across Pulses	Pulses such as kabuli channa, arhar dal and kulth exhibit rising volatility despite overall stability in others.
Climatic and Supply-Chain Sensitivity	Snow, difficult terrain, and dependence on external markets cause localized inflation and frequent logistical disruptions.

Structural Burden on Subsidy System (PDS)	Increasing subsidy expenditure and need for modernization strain the long-term sustainability of the PDS.

B. District-Specific and Structural Challenges (Evidence Based)

Challenge	Affected Districts	Evidence
Snow-bound supply disruption	Lahaul-Spiti, Kinnaur	High logistics cost
Transport cost-push inflation	Statewide	Transport CPI peak 6.9 per cent
Perishable volatility	Shimla, Solan, Mandi markets	Onion and Potato CV > 10
Health inflation	Urban centres	CPI Health > 4 per cent
Weak WPI-CPI pass-through	Entire State	Correlation CPI-C and WPI only 0.16
Cement price variability	Construction belts (Kangra, Una)	CV increase

5.5 Way Forward

The strategy should focus on strengthening commodity-wise price monitoring systems, expanding local procurement and decentralized storage infrastructure, improving cold-chain and logistics connectivity in remote areas and promoting climate-resilient local food production. Technology-enabled PDS reforms through end-to-end digital tracking, portability and real-time stock monitoring can improve efficiency and reduce leakages. Strengthening transport and logistics infrastructure, promoting farmer producer organizations and local market integration can improve supply stability. Additionally, targeted subsidy rationalization, nutrition-sensitive food distribution and data-driven price forecasting mechanisms will help ensure long-term price stability, food security and fiscal sustainability in the State.

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CHAPTER 6

AGRICULTURE AND HORTICULTURE

Executive Summary

S. No.	Key Points	Summary
1	**Importance of Agriculture in State Economy**	Agriculture and allied sectors contribute 13.73 per cent of GSVA and provide livelihood to 53.95 per cent of workers, making it central to rural development and food security.
2	**Land Holding Pattern**	88.86 per cent farmers are small and marginal, with average landholding of 0.95 hectare, limiting mechanization and expansion.
3	**GSVA Growth in Agriculture**	Agriculture and allied sector GSVA grew 45 per cent (₹22,428 crore → ₹32,415 crore) between FY22–FY26; FY2025-26 constant price growth estimated at 8.3 per cent.
4	**Crop Sector Performance**	Crop subsector contributes 57.12 per cent of agriculture GVA; sharp growth of 11.9 per cent expected in FY2025-26. Vegetables, wheat, pulses show positive trends; maize slightly declines.
5	**Rainfed Agriculture Dependence**	80 per cent of cultivated land is rainfed, making farming vulnerable to monsoon variability; 2025 monsoon rainfall was 39 per cent above normal, with district-wise variations.
6	**Crop Production Trends**	Total production in FY2025-26 targeted at 3,699.11 thousand MT; food grains form 43.26 per cent, commercial crops 56.74 per cent. Ginger and maize show marginal decline.
7	**Government Interventions**	Major schemes include MMKSY, MKUSY (fencing), JICA HPCDP, PKKKY (natural farming), PMKSY, ATMA, and PMFBY, aiming at productivity, irrigation, mechanization, insurance and diversification.
8	**Marketing Reforms and Infrastructure**	26 markets integrated with e-NAM; 65.01 lakh quintals fruits/vegetables traded in APMCs (2025 up to December). Universal apple carton introduced to ensure transparent payments.
9	**Horticulture Growth and Apple Dominance**	Horticulture covers 2.37 lakh ha (26 per cent of agri area). Apple remains key crop with 77.58 per cent of fruit production; 7.33 lakh tonnes fruit produced in 2025 (till December).
10	**Sectoral Challenges**	Major issues: land fragmentation, climate variability, wildlife crop damage, input constraints, post-harvest losses and low value addition; labour shortages and market volatility persist as hurdles.

6.1 Introduction

Agriculture and allied activities contribute nearly one-seventh of State's GSVA, but it provides direct employment to about 53.95 per cent of total workers of the State. Given the relatively large share of employment in agriculture and allied activities, the sector remains central to State's overall growth trajectory. Strengthening agricultural performance is therefore important for inclusive growth and ensuring food security.

Himachal Pradesh has emerged as a pioneer in the country by successfully transitioning over 2.22 lakh farmers to chemical- free natural farming. However, the backbone of Prakritik Kheti is the indigenious cow, whose Gobar (dung) and Gaumutra (urine) are the primary sources of soil fertility through formulations like Jeevamriti and Ghan- Jeevamarti.

In order to increase the production of food grains, emphasis has been laid on distribution of High Yielding Verities/ Hybrid seeds to the farmers for enhancing income opportunities and strengthening rural livelihoods. At the same time, Agriculture in Himachal Pradesh suffers from certain limitations, especially in production of food grains. One of the reason is that the area under cultivation cannot be extended to any appreciable extent. Reclamation of land on slopes of hills for cultivation of food grains is neither economical nor beneficial. The farmers can profit more by raising cash crops suited to the agro-climatic conditions. Another reason is that reclamation of land from the hills increases the menace of soil erosion. This chapter explores the key trends, government policies and programs shaping agriculture and allied sectors in Himachal Pradesh.

Government of Himachal Pradesh is undertaking several interventions to improve productivity in agriculture and allied sectors through a mix of policy measures, including programmes for technology, input and income support, strengthening infrastructure and improvements in market linkages. Policy measures such as Him Krishi Yojna through niche based focused intervention, Krishi se Sampanta yojna to strengthening traditional seeds hubs by Seed village Concept to achieve Seed Sovereignty have been initiated to boost productivity.

In addition, Himachal Pradesh has become the first state in the country to introduce the highest minimum Support Price (MSP) for naturally grown wheat, maize raw turmeric and barley which are procured directly from certified natural farmers.

In FY2024-25 about 13.74 per cent of the total GSVA comes from Agriculture and its Allied sectors. Out of the total geographical area of 55.67 lakh hect., area of operational holding is about 9.44 lakh hect. and operated by 9.97 lakh. farmers. The average holding size is about 0.95 hect. Distribution of land holding according to 2015-16 Agriculture Census shows that 88.85 per cent of the total holdings belong to Small

and Marginal farmers, about 10.85 per cent holdings are owned by Semi Medium and Medium farmers and only 0.30 per cent by large farmers.

6.1.1 Contribution of Agriculture and its sub-sectors

There has been a sustained growth of primary sector contribution to the State economy over the years. The contribution of agriculture and allied sector to GSVA at current prices has increased 45 per cent from ₹22,428 crore in FY2021-22 to ₹32,415 crore in FY2025-26 (Advance Estimates (AE)). There is a marked improvement in GSVA of crops sector at current prices between 2021-22 to 2025-26 (from ₹13,722 crore in FY2021-22 to ₹18,515 crore in FY2025-26). The contribution of the crops sector to GSVA at current prices has increased by 35 per cent in the same period.

Between 2021-22 to 2025-26 (AE), GSVA (at current prices) of Agriculture, forestry, livestock and fisheries has seen a compound annual growth rate (CAGR) of 9.64 per cent in Himachal Pradesh. The crop sector was a major driver of this growth with a CAGR of 7.78 per cent, the sector's contribution to the GSVA of Agriculture and Allied activities has declined from 61.18 per cent in FY2021-22 to 57.12 per cent in FY2025-26. The share of agriculture and allied sector in total GSVA in the State has remained between 13-15 per cent in the last five years.

6.1.2 Growth of Agriculture and its sub-sectors

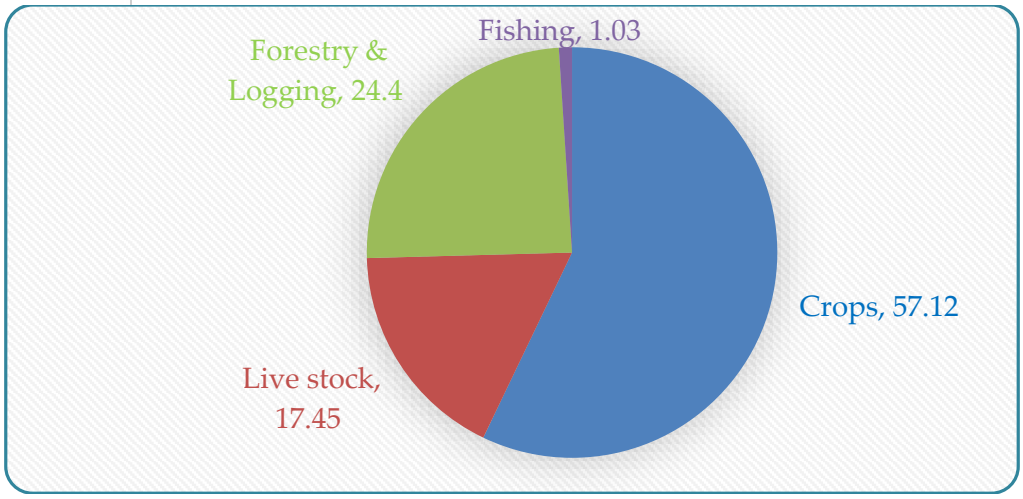
As per advance estimates, agriculture and allied sector GSVA is estimated to increase by 8.30 per cent at constant prices in FY2025-26 against a growth rate of 2.70 per cent realised in FY2024-25. The increase in the agriculture sector is attributed to sharp increase in the crop sub-sector estimated the growth rate of 11.9 per cent in FY2025-26.

6.1.2.1 Crop-sub-sector

The crop sub-sector constitutes major sub-sector within agriculture in Himachal Pradesh accounting for 57.12 per cent of agriculture and allied sector GVA and 7.84 per cent of total GSVA in FY2025-26 (Figure 6.1 and 6.2). During FY2025-26, the contribution of livestock, fishery, and forestry in agriculture and allied sector GSVA stood at 17.45 per cent, 1.03 per cent and 24.40 per cent respectively (Figure 6.1).

Figure 6.1

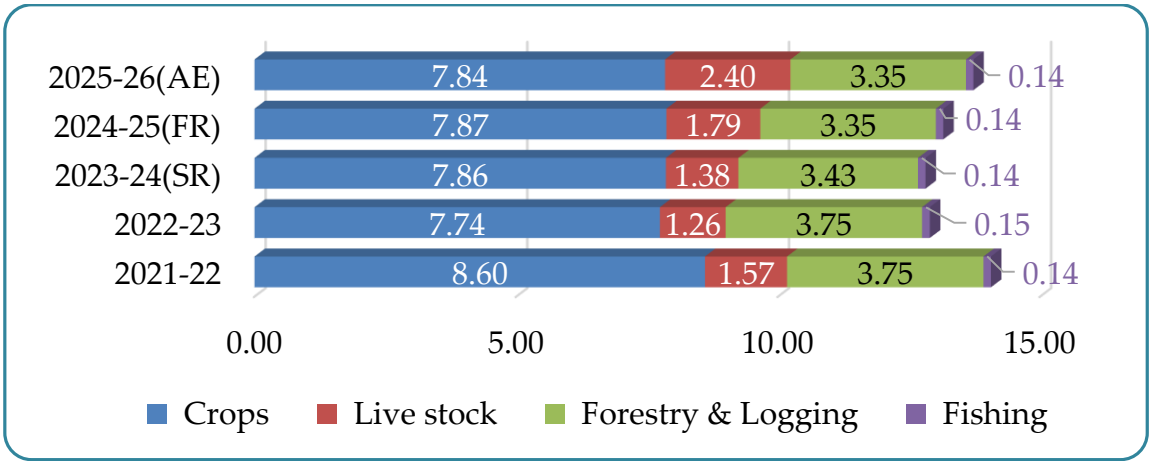
Contribution of Agriculture sub-sectors to total Agriculture and Allied sector GVA for the year 2024-25



Source: Economics and Statistics Department, Government of Himachal Pradesh

Figure 6.2

Contribution of Agriculture and Allied Activities to GSVA between 2020-21 and 2025-26 (AE) at Current Prices



Source: Economics and Statistics Department, Government of Himachal Pradesh

6.1.2.2 Livestock

Livestock sector is critical for the rural economy, especially the small and marginal farmers. This sector not only contributes to farmers income but is also their best insurance against any natural calamity. The potential of crop production depends upon investment, weather and meteorological conditions. Comparatively, Livestock sector is more stable and requires less investment. It has great potential and contribution to the state economy. Further, Livestock and poultry have proved to be life saviors in many distress conditions, especially in cases of drought etc. for the rural

poor. Realizing this and the growth potential of this sector, greater attention is being paid to raise investment in this sector. Livestock subsector accounts for 2.40 per cent of total GSVA and 17.45 per cent of agriculture and allied sector GSVA in FY2025-26. Livestock sub-sector is expected to grow at 46.9 per cent at current prices in FY2025-26.

6.1.2.3 Forestry

Forestry accounted for 3.35 per cent of total GSVA and 24.04 per cent of agriculture and allied sector GSVA at current prices in FY2024-25. Forestry sub-sector is estimated to grow at 9.9 per cent in FY2025-26 against 8.2 per cent in FY2024-25 at current price.

6.1.2.4 Fishery

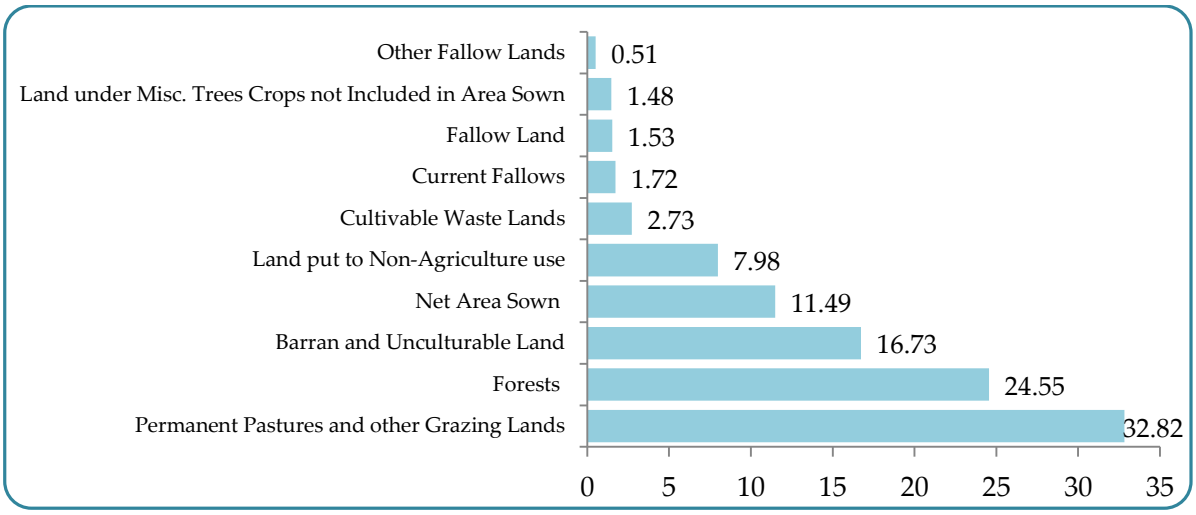
The fishery subsector constitutes only 0.14 per cent of total GSVA and 1.03 per cent of agriculture and allied sector GSVA at current prices in FY2025-26. The growth of fishery sector has been encouraging over the last ten years. The Fishery sub-sector is estimated to grow at 9.9 per cent in FY2025-26 against 8.7 per cent in FY2024-25 at current price.

6.2 Land Use Pattern

Himachal Pradesh ranked 17th State in India with a geographical area of 55,673 square kilometres (Sq. Km). Out of the total geographical area, 11.49 per cent of the area comes under Net Sown Area and around 24.55 per cent is under forest coverage, Land put to non-agriculture uses is around 7.98 per cent, fallow lands 1.53 per cent, Barren and uncultivable land 16.73 per cent.

Figure 6.3

Land use pattern



Source: Agriculture Department, Government of Himachal Pradesh

6.2.1 Land holding pattern

Out of the total geographical area of Himachal Pradesh (55,673, Sq Km), area of operational holding size is about 9.44 lakh hectare and operated by 9.97 lakh farmers with the average size of land holding 0.95 hectares. Distribution of land holding according 2015-16 Agricultural Census shows that 88.86 per cent of the total holdings belongs to small and marginal farmers. About 10.85 per cent of holdings are owned by semi Medium and medium farmers and only 0.30 per cent by large farmers. The size of holdings, area operated and percentage of each category of land holding pattern and area operated are indicated in Table 6.1 and Figure 6.4.

Table 6.1

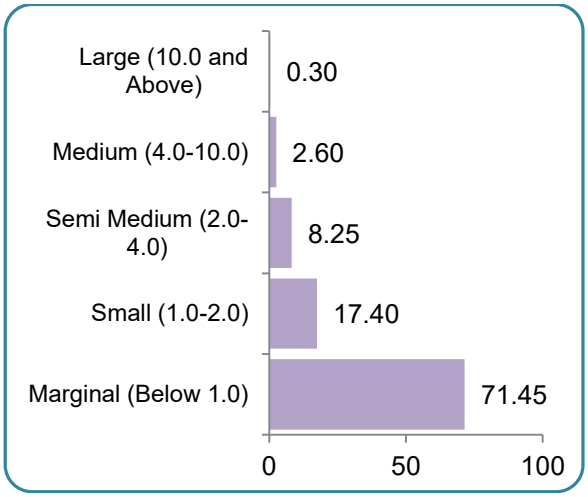
Distribution of Land Holdings in Himachal Pradesh

Size Class (Hectare)	No. of Holdings (lakh)	Area Operated (lakh hectares)	Average Size of Holdings (hectares)
Marginal (Below 1.0)	7.12	2.85	0.40
Small (1.0-2.0)	1.73	2.42	1.39
Semi Medium (2.0-4.0)	0.82	2.23	2.72
Medium (4.0-10.0)	0.26	1.46	5.62
Large (10.0 and Above)	0.03	0.47	15.67
Total	**9.97**	**9.44**	**0.95**

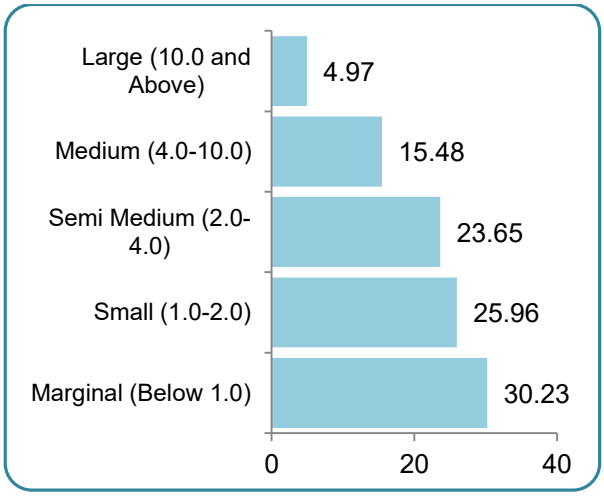
Source: Agriculture Department, Government of Himachal Pradesh

Figure 6.4

Percentage of Land Holding



Percentage of Area Operated



Source: Agriculture Department, Government of Himachal Pradesh

6.2.2 Rainfall

The performance of Agriculture is closely related to the performance of monsoon. As per report from India Meteorological Department (IMD), during the monsoon season of 2025 (June to September) in Himachal Pradesh the rainfall received was excess in District, Bilaspur, Chamba, Hamirpur, Mandi, Solan and Una, normal in Kangra and Kinnaur and deficient in Lahul-Spiti. For Himachal Pradesh as a whole, the total rainfall during the entire monsoon season was 39 per cent above the annual rainfall. Table 6.2 and 6.3 show rainfall data in various districts.

Table 6.2

Monsoon season rainfall data (June to September, 2025) as per IMD

Sr. No.	Name of the District	Actual	Normal	Excess or Deficient	Excess or Deficient in percentage
1.	**Bilaspur**	1454	819	635	78
2.	**Chamba**	1108	853	254	30
3.	**Hamirpur**	1535	973	561	58
4.	**Kangra**	1900	1622	278	17
5.	**Kinnaur**	290	248	42	17
6.	**Kullu**	1057	548	509	93
7.	**Lahul & Spiti**	301	383	-82	-21
8.	**Mandi**	1898	1098	800	73
9.	**Shimla**	1231	628	604	96
10.	**Sirmour**	1608	1184	424	36
11.	**Solan**	1456	874	582	67
12.	**Una**	1532	953	579	61
	State Average	**1023**	**734**	**289**	**39**

Source: Agriculture Department, Government of Himachal Pradesh

Himachal Pradesh received 1023 millimeters (mm) of rainfall from June to September, 2025, which is 289 mm more than normal rainfall of 734 mm.

Table 6.3

Monsoon season rainfall data (October to December, 2025) as per IMD

Sr. No.	Name of the District	Actual	Normal	Excess or Deficient	Excess or Deficient in percentage
1.	**Bilaspur**	93	48	45	94
2.	**Chamba**	93	123	-30	-24

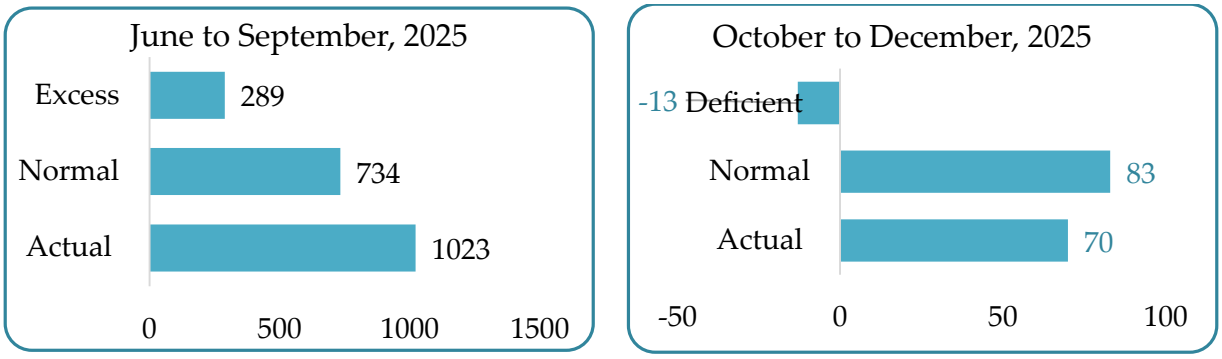
3.	**Hamirpur**	68	56	12	21
4.	**Kangra**	96	77	18	24
5.	**Kinnaur**	41	71	-31	-43
6.	**Kullu**	83	94	-11	-11
7.	**Lahul-Spiti**	49	95	-46	-48
8.	**Mandi**	70	59	11	18
9.	**Shimla**	60	65	-6	-9
10.	**Sirmour**	97	66	31	48
11.	**Solan**	94	67	27	41
12.	**Una**	64	48	16	33
	State Average	**70**	**83**	**-13**	**-16**

Source: Agriculture Department, Government of Himachal Pradesh

Similarly, from October to December, 2025 state received 70 mm of rainfall which is 13 mm less than normal rainfall of 83 mm (Figure 6.5).

Figure 6.5

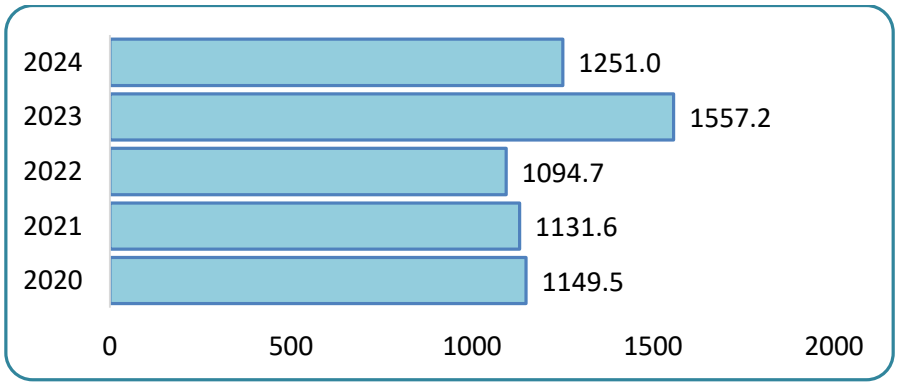
Normal, Actual Rainfall (in mm)



Source: Agriculture Department, Government of Himachal Pradesh

Figure 6.6

Average Annual Rainfall (Actual in mm) between 2020 to 2024



Source: Agriculture Department, Government of Himachal Pradesh

About 80 per cent of the total cultivated area in Himachal Pradesh is rainfed. Rice, Maize and Wheat are important cereal crops of the State. Soyabean and Sunflower in Kharif and Rapeseed/Mustard and Toria are important oilseed crops in the Rabi season. Mash, Moong, and Rajmash in Kharif season and Gram and Lentil in Rabi are the important pulses crops of the State. Agro-Climatically, the State can be divided into four zones viz;(i) Sub Tropical, sub mountain and low hills (ii) Sub Temperate, Subhumid mid hills (iii) Wet temperate high hills (iv) Dry temperate high hills and cold deserts. The Agro-climatic conditions in the state are congenial for production of cash crops like Seed Potato, off-season Vegetable and Ginger. The State Government is emphasizing the production of off-season vegetables, potatoes, ginger, pulses and oilseeds besides increasing the productivity of cereal crops, through timely and adequate supply of inputs, demonstration and effective dissemination of improved farm technology, seed replacement, promoting integrated pest management, bringing more area under efficient use of water resources and implementation of Wasteland Development Projects. There are four distinct seasons concerning rainfall. Almost half of the rainfall is received during the monsoon season and the remaining precipitation is distributed among other seasons. The State receives an average rainfall of 1,251 mms. Kangra district gets the highest rainfall followed by Chamba, Sirmour and Mandi.

6.3 Agriculture and Allied Activities: Trends in Output

6.3.1 Sown Area

The Net Sown Area (NSA) has marginally increased from 527 thousand hectares in 2021-22 to 532 thousand hectares in 2022-23. Wheat, Maize, Rice, Barley, and Pulses are the major crops grown in the State. Cumulatively, the area under these crops constitutes nearly 80 per cent of the total area under cultivation. Currently, cultivated area under Wheat (35.87 per cent) and Maize (28.73 per cent) constitute 65 per cent of the total.

6.3.2 Production of Major Crops

Production of major crops in Himachal Pradesh from 2022-23 to 2025-26 is presented in Table 6.4. During FY2025-26, food grains contributed around 43.26 per cent and commercial crops contributed 56.74 per cent of the total crop production of the state. All major crops are projected to record an increase in production, with the exception of maize and ginger, which are expected to witness marginal declines of 0.37 per cent and 2.05 per cent, respectively.

Table 6.4

Production of Major Crop (in '000 Metric Tonnes (MT))

Crops	2022-23	2023-24	2024-25	2025-26 Targeted	Growth of Percentage in 2025-26 over 2024-25	Percentage Contribution to total production 2025-26
1. Rice/Paddy	130.06	172.86	138.00	175.00	26.81	4.73
2. Maize	680.65	607.94	691.54	689.00	-0.37	18.63
3. Ragi	1.07	0.96	0.96	1.13	17.71	0.03
4. Small Millets & Bajra	1.33	1.30	1.31	1.70	29.77	0.05
5. Wheat	614.15	782.66	647.44	650.00	0.40	17.57
6. Barley	26.42	30.72	23.05	30.00	30.15	0.81
7. Gram	0.20	0.19	0.21	0.28	33.33	0.01
8. Pulses	44.00	46.92	46.95	53.00	12.89	1.43
Total Food grains (A)	**1497.88**	**1643.55**	**1549.46**	**1600.11**	**3.27**	**43.26**
1. Potato	194.50	195.09	194.01	195.00	0.51	5.27
2. Vegetables	1867.41	1849.80	1862.95	1870.00	0.38	50.55
3. Ginger (Green)	32.80	33.15	34.71	34.00	-2.05	0.92
Total commercial crops (B)	**2094.71**	**2078.04**	**2091.67**	**2099.00**	**0.35**	**56.74**
Grand Total A+B	**3592.59**	**3721.59**	**3641.13**	**3699.11**	**1.59**	**100.00**

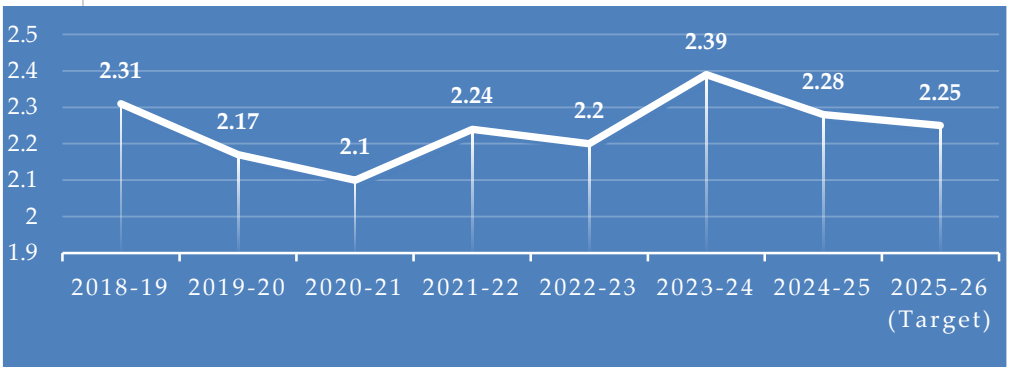
Source: Agriculture Department, Government of Himachal Pradesh

6.3.3 Trends in Productivity

In Himachal Pradesh there is a limited scope of increasing production through area expansion. Agricultural productivity is driven by a host of factors such as irrigation, use of quality seeds, Fertilizers and Pesticides, Extension services, Rural infrastructure etc. In terms of cultivable land, Himachal has already reached a plateau similar to the rest of the nation. Hence, emphasis is on increasing productivity levels besides diversification towards high value crops. Due to an increasing shift towards commercial crops, the area under foodgrain production is gradually decreasing, the area which was 853.88 thousand hectares in 1997-98 has declined to 679.66 thousand hectares in 2024-25. The food grain productivity is reflected at figure 6.7.

Figure 6.7

Productivity per Hectare (MT)



Source: Agriculture Department, Government of Himachal Pradesh

6.3.4 High Yielding Varieties Programme (HYVP)

With a view to increasing food grain production, emphasis has been placed on the distribution of High Yielding Variety (HYV) seeds to farmers. It is envisaged to distribute HYV seeds of maize, wheat, pulses, and oilseeds during the year **2025–26**. The distribution of HYV seeds of the principal crops, namely maize, paddy, and wheat, is presented in Table 6.5.

Table 6.5

Year	Maize (in Qtl.)	Paddy (Rice) (in Qtl.)	Wheat, Pulses and Oil Seed (in M.T.)
2025-26 (Target)	16900	605	8500

Source: Agriculture Department, Government of Himachal Pradesh

6.3.5 Farms / Development Stations of Agriculture Department

The Department of Agriculture has set up 20 Seed Multiplication Farms (SMF), 3 Vegetable Development Station (VDS), 12 Potato Development Stations (PDS) and 1 Ginger Development Stations (GDS) in the state. These Government Farms are for multiplication of Breeder Seed received from ICAR/State Agriculture Universities into Foundation Seed. As per the policy, the Breeder Seed has to be multiplied in the Govt. Farms under strict supervision of Agriculture Experts. The Foundation Seed produced in the Farms is given to the Registered Seed Growers for multiplication which is further procured by the Department to meet requirement of seed in the State.

6.3.6 Plant Protection Programme

The incidence of insects, pests and diseases has a large hindrance in achieving the targeted production of a particular crop. The pests and diseases if not managed at the right time can lead to catastrophe. Thus, to minimize the losses due to these pests

and diseases, appropriate Integrated Pest Management (IPM) measures are required to be adopted to keep their population/incidence below economic injury level.

6.3.7 Fertilizers Consumption and Subsidy

Fertilizer is a critical input, which helps in increasing production to a great extent. Starting from demonstration levels in late fifties and early sixties when fertilizer was introduced in Himachal Pradesh, the level of fertilizer consumption has increased from 23,664 M.T in 1985-86 to 59,990 M.T. in 2024-25. Gradually the use of chemical fertilizers and chemical pesticides is being discouraged. In order to promote balanced use of chemical fertilizers, a subsidy of ₹1000 per M.T. on complex fertilizers have been allowed. The year-wise detail of fertilizers consumption is given in Table 6.6.

Table 6.6

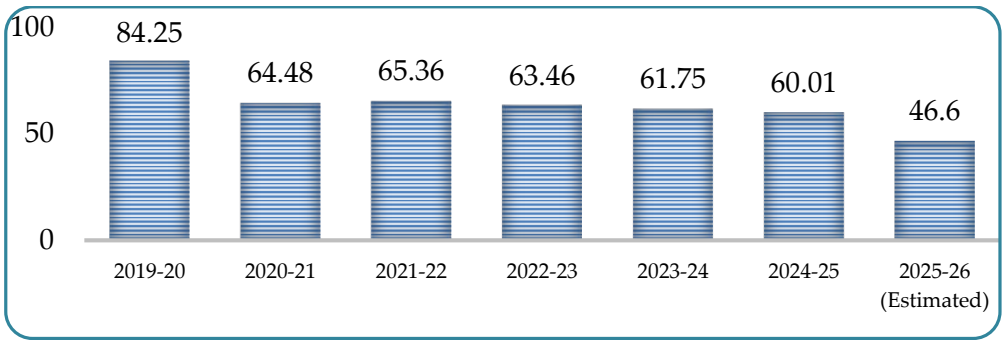
Consumption of Fertilizers (in MT)

Year	Nitrogenous (N)	Phosphetic (P)	Potassic (K)	Total (NPK)
2019-20	38146	12263	11369	61778
2020-21	43388	11681	10172	65241
2021-22	40086	9527	8282	57895
2022-23	38859	10892	8101	57852
2023-24	37164	8195	6111	51470
2024-25	37092	14087	8811	59990
2025-26 (Target)	40618	11509	9276	61403

Source: Agriculture Department, Government of Himachal Pradesh

Figure 6.8

Distribution of Chemicals (MT)



Source: Agriculture Department, Government of Himachal Pradesh

6.3.8 Soil Testing Programme

Department of Agriculture has 12 Soil Testing Laboratories, 3 each Fertilizer and Seed Testing Laboratories, 2 Bio-control laboratories, 1 each State Pesticide Testing

Laboratory & Bio-fertiliser Production and Quality Control Laboratory in the State. For Soil health assessment, Department of Agriculture is providing free of cost facility of soil testing to the farmers. Soil health cards are being made available to farmers through online service.

6.4. Government Initiatives

State Sponsored Schemes

6.4.1 Mukhyamantri Krishi Samvardhan Yojana (MMKSY)

On recommendations of an Expert Group, 8 ongoing schemes having similar activities and common objectives were merged in 2022-23 under the Mukhyamantri Krishi Samvardhan Yojna (MKSY) to avoid overlapping of activities. Under this scheme, a budget provision of ₹20.00 crore has been made for FY2025-26.

i. Cluster based vegetable production scheme

Recent technological breakthroughs in agriculture has stressed the need for diversification which suggests that vegetables are likely to provide exceptionally good opportunities to the economy of farmers as well as the State. Agriculture Department has decided to follow "Cluster Approach" for vegetable cultivation in a phased manner covering the entire State. The overall goal is to promote production of economically competitive vegetable crops and enhancing farmer's income.

ii. Strengthening of Seed Multiplication Chain

The Government farms play a very critical role in multiplication of quality seed in the State and to lessen the dependency on other agencies in the neighboring States. At present, there are 36 Departmental Farms cultivating different crops i.e. Paddy, Mash, Soybean, Wheat, Seed Potato, Rajmash etc. On these farms, approx. 17000 Quintals of Foundation Seed of different crops is produced annually which is further multiplied through the progressive farmers of the state as certified seed.

iii. Strengthening of Laboratories (Fertiliser Testing, Soil Testing, Bio-control, Seed Testing, Bio-fertiliser and State Pesticide Testing Laboratory)

The Department of Agriculture has 12 Soil Testing Laboratories, 3 Fertiliser (Shimla, Sunder Nagar and Hamirpur), 3 Seed Testing Laboratories (Solan, Palampur and Mandi), 2 Bio-control laboratories (Palampur and Mandi), 1 State Pesticide Testing Laboratory at Shimla and 1 Bio-fertiliser Production and Quality Control Laboratory at Shimla. The Department provides soil testing facilities to farmers free of cost and further recommends

the doses of fertilizers to be applied by them on their crop fields so that farmers can reap a good harvest as per potential of the crop variety by judicious use of fertilizers along with maintaining the soil health of the fields. The seed testing laboratories are engaged in testing of the seeds for various quality parameters viz. physical purity, germination test so that distribution of good quality seed to the farmers is ensured.

6.4.2 Mukhyamantri Krishi Utpadan Sanrakshan Yojna (MKUSY):

Budget provision of ₹15.00 crore has been made for implementation of this scheme during the current FY2025-26. The scheme has following components:

i. Monkeys and wild animals are a huge threat to the crop production because they damage the crops and thereby inflict great loss to the farmers. In view of this, the Department of Agriculture started a scheme "Mukhya Mantri Khet Sanrakhshan Yojna" w.e.f. 2016-17 to protect the crops of farmers from this menace. Now, this scheme is a component of the "Mukhyamantri Krishi Utpadan Sanrakshan Yojna" and is known by the name of Badhbandi (Fencing).

ii. Under this component, there is a provision of 70 per cent subsidy to the farmers for installation of Solar Fencing, Interlink Chain Fencing, composite Interlink Chain Solar Fencing and Barbed Wire fencing, as per their requirement.

6.4.3 Himachal Pradesh Crop Diversification Promotion Project (HPCDP) as per Japan International Cooperation Agency (JICA) –External Aided Project (EAP)

JICA EAP- Phase II

The Phase-II JICA Official Development Assistance (ODA), project is being implemented in all Districts of the State with an outlay of ₹1010.13 crore for 9-year period. Memorandum of Understanding (MoU) for the implementation of the second phase has been signed between the Government of India and Japan International Cooperation Agency on 26th March, 2021. Budget provision of ₹50.00 crore has been made to implement the scheme during the FY2025-26. The following components will be covered under JICA Phase –II.

i. Infrastructure development (Minor and micro irrigation system, Farm access Road and Solar/ Electric Fencing),
ii. Farmers Support Component (capacity building programme of Engineering and Agriculture staff and vegetable promotion, Seed Production and Demonstration)
iii. Value Chain and Market Development Component

iv. Institutional Development Component.

6.4.4 Mukhyamantri Kisaan Evam Khetihar Mazdoor Jeevan Suraksha Yojana

The State Government introduced a Program named "Mukhyamantri Kisaan Evam Khetihar Mazdoor Jeevan Suraksha" in 2015–16 to provide insurance coverage to Farmers and Agricultural Labourers in the event of suffering injury or death due to the operation of farm machinery. Affected farmers are given compensation in the event of a partial amputation, permanent handicap, or death for amounts of ₹10,000 to ₹40,000, ₹1.00 lakh and ₹3.00 lakh, respectively.

6.4.5 Agriculture Marketing

"Himachal Pradesh Agricultural and Horticultural Produce Marketing Development and Regulation Act, 2005" governs agricultural marketing. Himachal Pradesh State Agricultural Marketing Board (HPSAMB) and 10 District Agriculture Produce Marketing Committees (APMCs) are formed to market agricultural products in the state. Growers are served by 71 market yards (10 APMC and 61 sub Market Yards). 26 wholesale markets are connected through Electronic-National Agriculture Market (e-NAM) where sale of farm produce is done through online platform.

6.4.6 Rajiv Gandhi Prakritik Kheti Khushal Kisan Yojana

The State Government has introduced the Prakritik Kheti Khushal Kisan Yojna (PKKKY) for sustainable agriculture through non-chemical, low cost, climate resilient and environment friendly Natural Farming in the year 2018-19 which now named as Rajiv Gandhi Prakritik Kheti Khushal Kisan Yojna. The aim is to associate 9.61 farming families in the State in phased manner to promote sustainable agriculture. During this year 2178.52 Qtl. of Maize from 744 farmers and 99.74 Qtl. Barley (Pangi) has been procured under Natural farming. Under this scheme a budget provision of ₹10.58 crore has been made in FY2025-26.

6.4.7 Jal Se Krishi Ko Bal Yojana

Government has launched a scheme "Jal Se Krishi Ko Bal" with a view to provide water for irrigation. Check dams and ponds are built as part of this programme. Farmers can utilise this water for irrigation after building separate small lifting schemes or flow irrigation schemes. The Government bears the whole cost of implementing a community-based modest water-saving system under this scheme. For FY2025-26, a budget provision of ₹1.00 crore has been made.

6.4.8 Flow Irrigation Scheme

Under this scheme, besides renovating the source location of Kuhls, strengthening of Kuhls in the common area is undertaken. Under this scheme, 100 per

cent of expenditure is borne by the Government on community-based work. Government has decided to grant a 50 per cent subsidy for construction of bore wells and shallow wells by individuals for irrigation purposes under this scheme.

6.4.9 Rajya Krishi Yantrikaran Karykram

Under farm mechanisation, the newly developed equipment and modern machinery are being introduced to the farmers. The government is providing 40 per cent to 50 per cent subsidy on additional implements such as chaff cutters, maize shellers, wheat thrashers, sprayers, brush cutters, toolkits, Stainless Steel Ploughs, Mould Board Ploughs, seed bins, water tubs, and so on.

6.4.10 Promotion of Nutri Cereals

The year 2023 was celebrated as the International Year of Millets (IYOM-2023) for awareness about the health and nutritional benefits of millets. It is necessary to sensitize and incentivise the farmers about these crops and at the same time provide necessary technological inputs and market linkages to motivate these farmers to produce a market surplus. The following components are proposed to enhance the area under cultivation of millets:

i. Distribution of Seed on Subsidy.
ii. Distribution of Minikits.
iii. Organization of Millet Food Festival
iv. Capacity Building of Farmers in Production, Post-harvest technology and its uses in nutritional security.
v. Farm Gate Sale of Millets

Centrally Sponsored Schemes

6.4.11 Rashtriya Krishi Vikas Yojana (RKVY RAFTAAR)

Rashtriya Krishi Vikas Yojana is implemented in the State to achieve 4 per cent growth rate in the Agriculture and allied sectors. The scheme's main goals are to incentivize states to increase public investment in agriculture and allied sectors; provide flexibility and autonomy to states in planning and executing agriculture and allied sector schemes; ensure preparation of agriculture plans for districts and states based on agro-climatic conditions, technology, and natural resources; and ensure that local needs/crops/priorities are met.

Along with universities, the Department of Agriculture, Himachal Pradesh State Agricultural Marketing Board (HPSAMB) and the Department of Industries and Horticulture are stakeholders for the execution of this scheme. Under this scheme, a budget allocation of ₹25.01 crore has been approved for FY2025-26.

6.4.12 National Bamboo Mission

The main objective of this mission is to increase the area under bamboo plantation on non-forest Government and private lands to supplement farm income, contribute to climate change resilience, and make quality raw materials available for industries. The Director of Agriculture, Himachal Pradesh, has been designated as the State Mission Director, and the Department of Agriculture, as the Anchoring Department. Departments of Forestry, Rural Development, Panchayati Raj, Industries, and State Agricultural Universities are among the stakeholders.

6.4.13 Crop Insurance Scheme

In Himachal Pradesh, Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (R-WBCIS) are operational from Kharif, 2016 season onwards. Under PMFBY, Maize and Paddy crops are covered during the Kharif season and Wheat and barley crops are covered during the Rabi season. The different stages of risks leading to crop loss due to Preventive sowing, Post-harvest losses, Localized Calamities and losses to standing crops (from sowing to harvest) are covered in this scheme. The scheme is voluntary for both loaned and unloaned farmers as of Kharif 2020. Under the scheme, Claims beyond 350 per cent of premium collected or percentage of Claims to sum Insured exceeds 35 per cent which ever is higher at the National level, of all the Companies combined, shall be paid by Central and State equally.

Under R-WBCIS, during Kharif season Tomatoes, Gingers, Peas, Potatoes, Cauliflower, Cabbage, Broccoli and Capsicum crops are covered and during the Rabi season Tomatoes, Potatoes, Capsicum, Garlic, Cabbage, Cauliflower and Peas are covered. The scheme intends to provide insurance protection to the cultivators against weather incidence, such as Rainfall, Heat, Relative Humidity, Hail Storm, Dry Spell etc. which are deemed to adversely affect the Crops.

Under PMFBY and R-WBCIS 96,431 farmers have been covered during Kharif 2025-26 and 70,950 farmers have been covered during Rabi 2025-26 season. A budget provision of ₹3.50 crore has been made for 2025-26.

6.4.14 Support to State Extension Programme for Extension Reforms (ATMA)

The modified Extension Reforms Scheme was introduced with the objective of strengthening the extension machinery and utilizing it for synergizing the interventions in different schemes under the umbrella of ATMA. Besides Agriculture, other Departments as Horticulture, Animal Husbandry, and Fisheries etc. are also stakeholders in this programme. To create competition amongst the farmers to achieve the best in the agriculture sector, the Krishak Puraskar Yojana has also been launched in the State under this scheme. A budget provision of ₹23.61 crore has been kept for FY2025-26.

6.4.15 Sub Mission of Seed and Planting Material (SMSP)

Under the component organization of training camps at block level and distribution of wheat seed is done. A development budget plan of ₹11.25 crore has been approved for the implementation of this component during FY2025-26.

6.4.16 Sub Mission on Agriculture Mechanization (SMAM)

Under this scheme, the newly developed equipment, contemporary machinery, and gender friendly equipment are provided to the farmer on subsidy. The use of Farm machinery like tractors, Power tillers, Power Weeders, Crop Reaper cum binder, Rotavators, Seed drills, Cultivators etc. is popularized to address the problems of real time unavailability of labour at the time of actual need and to get the agricultural operations done fast within the most ideal time window, so that the potential yield of crops is achieved apart from reducing the cost of labour in farming. The rate of subsidy for SC, ST Small and Marginal and women farmer is 50 per cent and for other farmers it is 40 per cent of the cost subject to maximum ceiling on a particular component of schemes as specified in the guidelines of the scheme. A development budget plan of ₹13.16 crore has been approved for the implementation of this component during FY2025-26.

6.4.17 Agro-forestry

Agro forestry is known to have the potential to mitigate the climate change effects through microclimate moderation, conservation of natural resources and creation of an additional source of livelihood and income opportunities for the small farmer. To make agriculture less vulnerable to climatic aberrations, the Government of India launched a scheme "Agroforestry" to encourage and expand tree plantation on farmland, with the motto of "Har Med Par Ped", along with crops/ cropping system. For FY2025-26 a budget provision of ₹1.56 crore has been allocated by the Government of India under the component.

6.4.18 National Mission on Sustainable Agriculture (NMSA)- Rainfed Area Development (RAD)

NMSA has been formulated for enhancing agricultural productivity, particularly in rain fed areas. The different component of this scheme are:

i. Rain fed Area Development

ii. Agriculture Development activities

iii. Climate Change and Sustainable Agriculture- Monitoring, Modeling and Networking (CCSAMMN)

A development budget plan of ₹3.44 crore has been approved for the implementation of this component during FY2025-26.

6.4.19 Paramparagat Krishi Vikas Yojana (PKVY)

This scheme is implemented under NMSA with the aim to develop sustainable models of organic farming/ natural farming through mix of traditional wisdom and modern science to ensure long term soil fertility buildup, resource conservation, climate change adaption and mitigation, to increase soil fertility and production of healthy food without the use of agro chemicals. The main components of the scheme include management cost for cluster formation and capacity building and incentives to the farmers as DBT on organic/natural farming inputs. A development budget plan of ₹6.09 crore has been approved for the implementation of this component during FY2025-26.

6.4.20 Pardhanmantri Krishi Sinchai Yojana (PMKSY)

This scheme was launched on 1st July, 2015 with the motto of "Har Khet Ko Pani" and is implemented to expand cultivated area with assured irrigation, reduce wastage of water and improve water use efficiency. PMKSY not only focuses on creating sources for assured irrigation but also creating protective irrigation by harnesting rain water at micro level through "Jal Sinchay" and "Jal Sinchan". Micro irrigation is also incentivized through subsidy to ensure "Per drop- More crop". A development budget plan of ₹52.70 crore has been approved for the implementation of this component during FY2025-26.

6.4.21 National E-Governance Plan Agriculture (now Digital India Mission)

The Government of India has approved a project titled "Transformation in Agriculture Using Emerging Technologies" under the National e-Governance Plan in Agriculture, which has now been restructured as the Digital Agriculture Mission, a component of the Krishonnati Yojana.

Under this mission, a comprehensive database of farmers across the country will be created, and each farmer will be assigned a unique Farmer ID, similar to the Aadhaar number. This unique ID will include details such as the farmer's landholdings, GPS coordinates of each land parcel, crops cultivated on each plot, and benefits availed by the farmer.

A Unified Farmer Service Interface (UFSI), on the lines of Aadhaar-enabled UPI, will also be developed. The system will be regulated by AgriStack, functioning in a manner similar to the Aadhaar regulatory framework.

This centralized and interoperable digital infrastructure will enable businesses across the country to access a unified agricultural market, thereby improving efficiency and transparency. The Digital Agriculture Mission in Himachal Pradesh marks a major advancement in the digitization of the agriculture sector, with the potential to empower farmers, simplify processes, and bring about meaningful improvements in the state's agricultural ecosystem. A development budget plan of ₹25.16 crore has been approved for the implementation of this component during FY2025-26.

6.4.22 Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan Yojna (PM-KUSUM)

This scheme is introduced with a view to provide assured irrigation to crops, enhance the production and productivity where electricity accessibility in remote areas is costly in comparison to Solar PV pumps. Under this scheme, 85 per cent assistance is provided to small and Marginal groups of farmers and 80 per cent is provided to Medium and Large groups of farmers on individual and community basis for installation of solar pumping machinery.

6.5 Himachal Pradesh State Agricultural Marketing Board (HPSAMB) and Agricultural Produce Market Committees (APMCs)

The Himachal Pradesh State Agricultural Marketing Board (HPSAMB) is the apex body responsible for providing agricultural marketing infrastructure in the state through its Agricultural Produce Market Committees (APMCs). Besides developing marketing infrastructure, HPSAMB also offers modern facilities for the trading, grading, and storage of agricultural and horticultural produce.

6.5.1 Physical and Financial Achivements/ Policy initiatives underataken:

1. Operation and management of wholesale Fruits, Vegetables and Food Grain markets in the state. These market yards are equipped with all essential facilities for facilitation of different stakeholders. 26 Markets are integrated with National Electronic Market (e-NAM).
2. Construction of Fruits and Vegetables Wholesale markets Bandrol (District Kullu), Shilaroo and Tutu (District Shimla), Jachh (District Mandi) and Parwanoo (District Solan) has been completed. Total ₹34.57 crore expenditure has been made. The expansion of principal Market yard at Dhalli (Shimla) has been initiated and estimated expenditure on this project is ₹30.85 crore.
3. Up-gradation and Modernization of market at Bilaspur, Parala, Kather (Solan) and Parwanoo have been done on which expenditure of ₹41.79 crore has been made.
4. APMCs are primarily constructed markets for fruits, vegetables and foodgrains. In FY2025-26 upto December 2025, 65.01 lakh quintals of fruits and vegetables were traded in different APMCs. The detail is shown in Table 6.7:

Table 6.7

District wise arrivals of fruits and vegetables

Sr. No	Name of APMC	Arrival in Qts upto December, 2025		
		Fruits	Vegetables	Total
1	Bilaspur	8,600	33,645	42,245
2	Hamirpur	65,258	20,726	85,984
3	Mandi	1,15,708	2,36,264	3,51,972
4	Kullu and L&S	5,39,265	1,20,097	6,59,362
5	Kangra	87,182	2,14,662	3,01,844
6	Una	38,126	1,17,760	1,55,886
7	Sirmaur	18,659	56,624	75,283
8	Solan	23,24,317	3,66,202	26,90,519
9	Shimla and Kinnaur	17,16,032	3,89,107	21,05,139
10	Chamba	6,952	26,105	33,057
	Total	**49,20,099**	**15,81,192**	**65,01,291**

Source: Agricultural Produce Market Committee, Government of Himachal Pradesh

5. To provide the benefits of Minimum Support Price (MSP), procurement of food grains was done during Rabi Marketing Season (RMS) and Kharif Marketing Season (KMS) at 11 procurement centres. Total 2696 MT of wheat having value ₹7.27 crore was procured from 583 Farmers. During Kharif Marketing season, 21,126 MT paddy having value of ₹50.47 crore was procured from 3961 farmers.

6. In order to ensure payment of apple sale proceeds to farmers on actual weight basis, consultative meetings were convened with all stakeholders and after consideration of all suggestions/objections, notification was issued on 23rd April, 2024 for implementation of Universal Carton (Fixed Weight) for apple packaging. The decision of the Government was implemented in whole of the State, which has benefitted the farmer by ensuring payment on actual weight basis.

   In the apple marketing season 2025, out of 2.74 crore apple boxes, 1.27 crore boxes were traded in APMC markets of Himachal Pradesh.

7. HP State Agricultural Marketing Board and APMC Shimla and Kinnaur have established an integrated cold chain project for preservation and value addition at Parala and Kharapathar.

   i. This project will help farmers to avoid distress sale.
   ii. Total Project cost: ₹60.93 crore
   iii. Project includes: CA Store of 5,600 MT Capacity (Highest in public sector in HP)
   iv. Freezing Chamber: 1,500 MT

v. Grading/Sorting Line: 10MT/Hour
vi. Individual Quick Freezing Line: 1MT/Hour
vii. Farm Level Infrastructure: 60MT Pre Cooling Chamber at Kharapathar
viii. Refer Vans of 15 MT Capacity

8. In Himachal Pradesh 26 Markets have been integrated with electronic National Agriculture Market (e-NAM). As on 31st December, 2025, total 1,25,680 farmers are registered on e-NAM portal in Himachal Pradesh. Total registered traders are 2,349. 82 Commodities are trading on e-NAM portal in HP and transactions of ₹1,668.49 crores have taken place. The volume of total transactions is 15,486 MT. Amount of ₹713.64 crore has been directly transferred in the account of farmers since the inception of scheme in Himachal Pradesh. 140 FPO are also registered on e-NAM portal.

   In current financial year 2025-26 upto 31st December 2025, e-payments of ₹101.29 crore were made directly to bank accounts of 7,366 farmers through e-NAM. Total volume of transaction was 1.85 Lakhs quintals.

9. The registration/licenses of all the stakeholders are being made digitally through web portal of HPSAMB. In the financial year 2025-26, total 3,947 licenses were issued digitally. E-office is being implemented in all the offices of APMCs and HPSAMB.

Major Achievements

1. Strong Economic Contribution of Agriculture and Allied Sectors

Agriculture and allied activities contribute 13.73 per cent of Himachal Pradesh's GSVA and provide livelihoods to 53.95 per cent of the workforce, showing the sector's continued centrality in the state economy.

2. Significant Growth in Agriculture GSVA

GSVA from agriculture increased by 45 per cent from FY 2021–22 to FY 2025–26 (₹22,428 crore → ₹32,415 crore), marking robust sectoral expansion.

3. Rapid Expansion of Horticulture Sector

Horticulture area reached 2.37 lakh hectares, forming 26 per cent of agricultural land. Apple remains dominant with 77.58 per cent of total fruit production.

4. Apple Production and Market Improvements

In FY 2025, 2.74 crore apple boxes were produced, with 1.27 crore boxes traded in APMC markets. Universal apple cartons ensured transparent and weight-based payments to farmers.

5. Expansion of Natural Farming

Himachal Pradesh transitioned over 2.22 lakh farmers to natural farming under PKKKY, making it a pioneering state promoting chemical-free agriculture.

6. Increased Area Under Irrigation and Water Management

Schemes like PMKSY, Jal Se Krishi Ko Bal, and Flow Irrigation expanded micro-irrigation and water harvesting structures, improving water access across rainfed regions.

7. Strengthened Marketing Infrastructure

- 26 markets integrated with e-NAM
- 1,25,680 farmers registered
- Transactions worth ₹1,668.49 crore completed

6.6 Horticulture

Horticulture, is the cornerstone of the economy of the State, which has seen remarkable advancements. Introduction of universal cartons for apple growers have enhanced marketability, while ₹20.05 crore has been disbursed to clear outstanding payments under the Market Intervention Scheme.

In Himachal Pradesh, the area under Horticulture crops increased from 792 Hectares in 1950-51 to 2,37,368 hectares in 2024-25. The area under Horticulture in the state contributes 26 per cent of the total Agriculture area (8, 91,926 hectares), whereas the sector contributes 22 per cent in terms of the value of the produce (Agriculture crops value ₹16,076 crore including vegetables, Horticulture crops value ₹4,290.65 crore in 2024-25). Between 2007-08 and 2024-25, the area under horticulture crops has seen a growth of 17.60 per cent. Apple, Mango, Orange, Pear, Plum, Peach, Galgal and Apricot are the major horticulture crops in the state.

Apple is the most important fruit crop of Himachal Pradesh, which constitutes about 49.01 per cent of the total area under fruit crops and about 77.58 per cent of the total fruit production during FY2024-25. The area under apple has increased from 400 hectares in 1950-51 to 3,025 hectares in 1960-61 and 1,16,338 hectares in FY2024-25.

Between FY2007-08 and FY2024-25, the area under apple has seen a growth of 21.4 per cent.

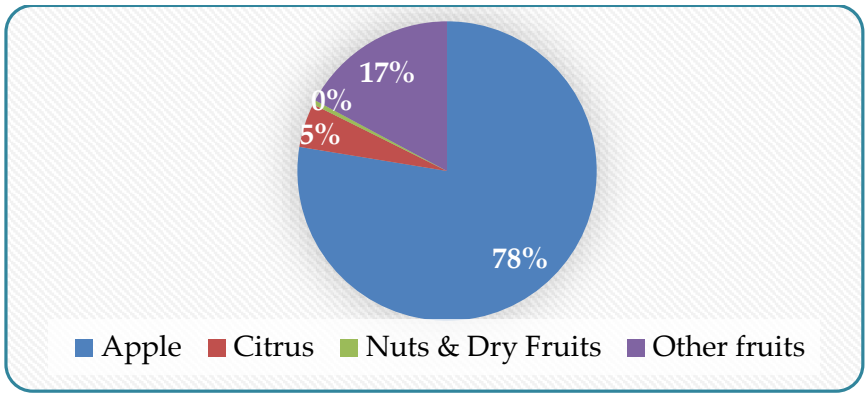
The fluctuations in the production of apples during the last few years have attracted the attention of the Government. The State is trying to explore and harness the vast horticulture potential of the hill State through diversified horticulture production in varied agro-ecological zones.

The area under temperate fruits other than apples has increased from 900 hectares in 1960-61 to 27,386 hectares in FY2024-25. Nuts and dry fruits have seen an increase in area from 231 hectares in 1960-61 to 9,005 hectares in 2024-25, while citrus and other sub-tropical fruits have seen an increase from 1,225 hectare and 623 hectare in FY1960-61 to 26,652 hectare and 57,987 hectare in FY2024-25 respectively.

The overall fruit output in FY2024-25 was 6.48 lakh tonnes. While the total fruit production in FY2025-26 up to 31st December, 2025 is 7.33 lakh tonnes, 1,600.27-hectare area is brought under plantation and 4.49 lakh fruit plants were distributed.

Figure 6.9

Fruit wise contribution of Horticulture Crop (2024-25)



Source: Horticulture Department, Government of Himachal Pradesh

6.6.1. Market Intervention Scheme (MIS)

i. Under MIS, 98,268 MT of C-grade apple fruit worth ₹117.92 crore were procured during FY2025-26.
ii. 234.17 hectare area is under commercial flower cultivation during FY2024-25.
iii. To produce and market flowers in the State, 10 farmers' cooperative societies are working in Chamba, Hamirpur, Lahul-Spiti, Shimla and Solan Districts.
iv. Beekeeping and other ancillary horticulture activities are also encouraged. 2,330.79 MT of honey has been produced under the Bee Keeping Program for FY2024-25.
v. During the FY2024-25, 500.58 MT of pasteurized compost for mushrooms was produced and distributed through departmental offices in Solan, Rampur, Bajoura and Palampur and 3,963.96 MT of mushrooms were produced in FY2024-25.

6.6.2 Programmes/Schemes implemented for holistic development of Horticulture

State Schemes

6.6.2.1 Horticulture Development Scheme (HDS)

During the year 2025-26, ₹10.69 crore has been utilized by providing assistance to farmers on purchase of 982 Power Sprayers (above 16 liters), 3276 Power Tiller (<8 Brake Horse Power) and 190 Power Tillers (8 Brake Horse Power) to promote farmer mechanization.

6.6.2.2 Installation of Anti-Hail Nets Scheme

To protect fruit crops against hail storms, ₹19.42 crore have been utilized benefitting 2,737 farmers of the state under the scheme for FY2024-25.

6.6.2.3 Himachal Pushp Kranti Yojna

To promote protected cultivation of high value flowers like Carnation, Rose, Lilium, Gerbera etc. under polyhouses and construction of polyhouses, an assistance of ₹42.61 lakh has been provided to farmers benefiting 14 farmers under this scheme upto 31st December, 2025.

6.6.2.4 Mukhya Mantri Kiwi Protsahan Yojana

Under this scheme, ₹71.19 lakh has been allocated to field functionaries during the FY2025-26, of which ₹43.79 lakh has been utilized till date, benefitting 39 farmers, upto 31st December, 2025.

Centrally Sponsored Schemes

6.6.2.4 Mission for Integrated Development of Horticulture (MIDH)

The Mission was launched to promote holistic growth of the Horticulture sector through area-based regionally differentiated strategies. A Centrally Sponsored Scheme MIDH is being implemented by the State Horticulture Department. The focus of the programme is to provide comprehensive development of all the sub-sectors of Horticulture to provide additional income to Horticulture growers. The mission provides subsidies ranging from 40-75 per cent to farmers for Horticultural activities like growing Fruits, Flowers, Vegetables, Spices, New Gardens, Mushroom Production, greenhouse cultivation of high-value flowers and vegetables, Anti hail Nets, Horticulture Mechanization and Post-Harvest Management. An Annual Action Plan of ₹61.88 crore has been approved by Government of India and the 1st installment of ₹24.72 crore has been released. Under the mission 2,75,082 farmers have benefitted from the year 2003-04 to December, 2025.

6.6.2.5 Pradhan Mantri Krishi Sinchayee Yojana-Per Drop More Crop (PMKSY-PDMC)

PMKSY-PDMC is a unique project being implemented in Himachal Pradesh since 2015–16. The scheme was launched to enhance crop productivity by improving water use efficiency through Micro Irrigation systems for the benefit of the farmers by providing 55 per cent subsidy for installation of micro irrigation system from the empaneled firms. The government of India has approved ₹14.94 crore for PMKSY-PDMC for FY2025–26. An area of 385 hectare has been covered under micro-irrigation benefiting 650 farmers by providing ₹4.42 crore up to 31st December, 2025.

6.6.2.6 Pradhan Mantri- Rashtriya Krishi Vikas Yojana-DPR

This scheme aims to strengthen the farmer's efforts through creation of required pre and post- harvest in agriculture and allied sectors that help in supply of quality inputs, storage and market facilities etc. to farmers. Under the scheme, ₹4.05 crore were allocated during the year 2025-26 of which ₹2.58 crore have been utilized for promotion of Blueberry cultivation in Polycystic Ovarian Diseases (PCDOs), strengthening of Biocontrol Lab Rajhana and Bagthan and upgradation of Honey Processing unit, Shimla upto 31st December, 2025.

6.6.2.7 Weather-Based Crop Insurance Scheme (WBCIS)

This scheme is implemented in 36 blocks for apple, 56 blocks for mango, 29 blocks for plum, 16 blocks for peach, 58 block for citrus fruit, 21 block for Pomegranate, 38 blocks for litchi and 22 blocks for guava in the state. Three new crops litchi, Guava and Pomegranate have been added to the scheme from 2023-24. The sum insured has been revised from ₹800 to ₹1500 for apple, ₹620 to ₹750 for mango, ₹495 to ₹750 for citrus, ₹475 to ₹750 for peach and ₹520 to ₹750 for plum. Three new crops litchi, guava and pomegranate have been included with sum insured fixed at ₹950, ₹100 and ₹560 respectively. During 2024-25, 66,239 farmers were insured with an area of 14,637 hectares.

6.7 Himachal Pradesh Marketing Corporation (HPMC)

i. HPMC a State Public undertaking, was established in 1974 with the objective of marketing fresh fruits and vegetables, processing unmarketable surplus produce and marketing processed products. Since its inception, HPMC has been playing pivotal role in the life of fruit growers of the State by providing them remunerative returns for their produce.

ii. During 2024-25 HPMC registered overall turnover of ₹111.65 crore. Government of Himachal Pradesh has continued the policy of Market

Intervention Scheme (MIS) for mango, Apple and Citrus fruit crops with support price as under:

Table 6.8

Mango, Apple and Citrus fruit crops in the state with the support price

Sr. No.	Name of fruit	Procurement Price (₹ Per Kg.)
1	Mango (Grafted varieties)	12.00
2	Mango (Seeding varieties)	12.00
3	Mango Achari (unripe)	12.00
4	Apple	12.00
5	Kinnow, Malta and Orange (B Grade)	12.00
6	Kinnow, Malta and Orange (C grade)	12.00
7	Galgal (All grade)	12.00

iii. HPMC is carrying out the production of Apple Juice Concentrate (AJC) at FPP Jarol (Sundernagar) and FPP Parala (Theog) as well as the total AJC production at all 3 plant during 2 years as below in table 6.9:

Table 6.9

(in MT)

Year	Production at FPP Parwanoo	Production at FPP Jarol	Production at FPP Parala	Total Production
2024	842	88	1047	1977
2025	859	170	1056	2085

iv. At the Food Processing Plant (FPP), Parwanoo, District Solan, three categories of processed products are manufactured, namely Apple Juice Concentrate, Apple Aroma, Tetrapak (200 ml), and Apple Cider Vinegar (1000 ml and 600 ml). In addition, at the FPP, Jarol (Sundarnagar), District Mandi, a variety of processed food products including concentrates, jams, squashes, pickles, and wines are produced.

v. HPMC has entered into a Memorandum of Understanding (MoU) with M/s Adiya Solar at FPP Parwanoo for the drying of apple pomace and its conversion into briquettes for use as boiler fuel, on a buy-back basis.

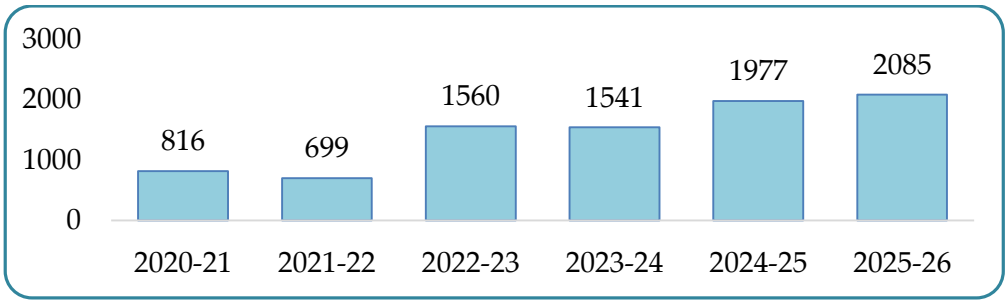
vi. HPMC has rented out 4 CA stores and 2 grading packing facilities on long term basis initially for the period of 3 years to the following parties given in table 6.10.

Table 6.10

Sr. No.	Name of the location	Capacity		Name of the firm to whom rented out
		CA Store (MT)	G & P line (MT/Hrs)	
1	HMPC Jarol (Shimla)	2062	4	M/s Adani Agrifresh
2	HMPC Reckongpeo (Kinnaur)	250	3	M/s Adani Agrifresh
3	HMPC Tutupani (Shimla)	-	5	M/s Adani Agrifresh
4	HMPC Rohru (Shimla)	2020	4	M/s Angd Fruit Ranch
5	HMPC Katlog (Mandi)	500	5	M/s Green Leaf Cocos
6	HMPC Giabong (Kinnaur)	-	5	M/s Suri Agri Fresh Pvt. Ltd.

Figure 6.10

Production of Apple Juice (in MT)



6.8 Main Issues and Challenges

A. State-Level: Key Issues and Challenges.

Issue / Challenge	Evidence	Implications
1. Land Fragmentation and Small Holdings	88.86 per cent farmers are small and marginal; average landholding only 0.95 ha.	Limits mechanization, scale, productivity, and increases production cost.
2. Very High Dependence on Rainfed Agriculture	Nearly 80 per cent of cultivated land is rainfed.	High vulnerability to monsoon variability, crop failure and climate shocks.
3. Terrain Limitations and Soil Erosion Risks	Cultivable area cannot expand due to mountainous terrain; slope reclamation increases erosion.	Restricts horizontal expansion; causes environmental degradation.
4. Climate Variability and Extreme Weather	Erratic rainfall, hailstorms, dry spells; 2025 monsoon saw 39 per cent above normal rainfall.	Causes crop loss, productivity fluctuation, especially horticulture crops like apple.

5. Wildlife and Stray Animal Menace	Monkeys, wild animals cause heavy crop damage; prompting fencing schemes.	Increased cost for farmers; discourages cultivation in affected areas.
6. Input Supply Constraints (Seeds, Fertilizer, IPM)	Need for HYV seeds, balanced fertilizer use, pest/disease management.	Lower productivity, higher crop loss risks.
7. Post-Harvest and Market Infrastructure Gaps	Despite improvements, cold chains and storage insufficient for horticulture volumes.	Post-harvest losses, distress sale, reduced farmer income.
8. Apple Productivity Fluctuations	Frequent fluctuations noted in apple output.	Impacts horticulture-driven regions; affects market stability and livelihood.
9. Labour Shortages and Rising Costs	Youth migration and costly labour affect operations, especially horticulture and vegetable farming.	Increased cost of production; delays in timely agricultural operations.

B. District-Specific: Key Issues and Challenges

Challenges	Affected Districts	Evidence
1. Extreme Rainfall Variability	Bilaspur, Chamba, Hamirpur, Mandi, Solan, Una (excess rainfall) / Lahaul-Spiti (deficient)	District rainfall patterns show wide deviations; 2025 monsoon varied from –21 per cent to +96 per cent.
2. High Climatic Vulnerability in Apple Belt	Shimla, Kinnaur, Kullu, Mandi	Reports of fluctuating apple productivity in recent years.
3. Limited Irrigation and Rainfed Dependence	Kangra, Chamba, Sirmaur, Una (large rainfed areas)	80 per cent cultivated area being rainfed affects these districts significantly.
4. Wildlife Encroachment and Crop Damage	Shimla, Solan, Sirmaur, Mandi, Hamirpur	Mention of fencing schemes due to monkey and wild animal menace.
5. Horticulture Dominance Leading to Market Pressure	Shimla, Kinnaur, Solan, Kullu	Apple forms 77.58 per cent of total fruit production; heavy dependence on a single crop.
6. Cold Desert Constraints	Lahaul-Spiti	Rainfall deficiency (–21 per cent to –48 per cent) and agro-climatic limitations.
7. High Post-Harvest Loss Risk in Vegetable Belts	Solan, Sirmaur, Kangra	Vegetables contribute 50.55 per cent of commercial crops; need for more cold storage and transport.

8. Soil Erosion and Terrain Challenges	Chamba, Kinnaur, Kullu	Steep slopes restrict crop expansion; erosion risks noted.
9. Labour Shortage Impacting Operations	Apple and vegetable districts: Shimla, Kullu, Solan, Mandi	Labour shortages highlighted as rising problem in horticulture.
10. Gaps in Irrigation Infrastructure	Sirmaur, Kangra, Hamirpur, Una	Schemes like PMKSY and Jal Se Krishi Ko Bal highlight need for improved irrigation.

6.9 Way Forward

The strategic pathway for Himachal Pradesh lies in deepening diversification toward high-value, climate-resilient and export-oriented agriculture while strengthening smallholder viability. Expansion of micro-irrigation, water harvesting structures and solar pumping under PMKSY and PM-KUSUM must be accelerated to reduce monsoon dependency. Climate-resilient crop varieties, especially in apple and temperate fruits, along with region-specific diversification into kiwi, nuts, millets and medicinal plants, should be promoted based on agro-climatic zoning.

Strengthening Farmer Producer Organizations (FPOs) and cooperative marketing can enhance aggregation, bargaining power and value addition. Expansion of cold chains, controlled atmosphere storage and processing units will reduce post-harvest losses and enable off-season marketing. Digital integration through AgriStack and e-NAM should be leveraged for real-time price discovery, direct benefit transfers and traceability for natural farming produce.

Scaling natural and organic farming with scientific validation, certification support and premium branding can position Himachal as a niche high-value producer. Mechanization tailored to small holdings, drone-based spraying and precision farming technologies should be promoted to address labour shortages. Wildlife management solutions, including community fencing and habitat strategies, require coordinated action.

A holistic approach integrating production, processing, branding and market access backed by climate adaptation, infrastructure expansion and institutional strengthening will ensure sustainable income enhancement and reinforce Himachal Pradesh's position as a model hill agriculture and horticulture economy.

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CHAPTER 7

ANIMAL HUSBANDRY

Executive Summary

S. No.	Key Points	Summary
1	**Role of Animal Husbandry in Rural Economy**	Animal husbandry is a major pillar of Himachal's rural income, practiced by 95 per cent of households, providing nutrition, employment and resilience against climate and farm risks.
2	**Livestock Population Structure**	State has 44.13 lakh livestock, 13.42 lakh poultry, dominated by cattle, goats and sheep; crossbred cattle form 58.48 per cent of total cattle.
3	**Growth in Milk Production**	Milk output rose from 11.39 lakh tonnes (2012-13) to 17.50 lakh tonnes (2025-26 est.), with a CAGR of 3.4 per cent; cow milk accounts for 71 per cent of production.
4	**High Per Capita Milk Availability**	Per capita milk availability increased from 455 gm/day to 698 gm/day (2025-26), well above the national average (427 gm/day).
5	**Livestock Sector Contribution to Economy**	Livestock sector GVO grew from ₹5,496 crore (2018-19) to ₹9,823 crore (2025-26 AE); milk alone contributes 94.8 per cent of livestock value.
6	**Dairy Cooperative Expansion (H.P. Milkfed)**	H.P. Milkfed expanded to 1,214 societies with 48,500 members, procuring 610.5 lakh litres milk (2025-26 up to December); new plants at Duttnagar and Dhagwar strengthen processing.
7	**Genetic Improvement and Animal Health Services**	22.59 lakh AI services delivered; semen stations strengthened; 2,234 veterinary institutions ensure disease control and health services.
8	**Wool, Sheep and Goat Development**	Sheep breeding farms strengthened; 1,21,921 sheep shorn, 54,446 kg wool procured, wool production estimated at 1,550 tonnes (2025-26).
9	**Poultry and Fisheries Development**	Backyard poultry and broiler schemes implemented; fisheries production reached 12,255.98 tonnes (2025-26 up to December), with strong reservoir-based livelihood support.
10	**Welfare and Subsidy Schemes for Farmers**	Multiple schemes—BPL ration subsidy, Uttam Pashu Puraskar, Bakri Palan Yojana, PMMSY, vaccination drives—support income security, breed improvement and risk mitigation.

7.1 Introduction-Animal Husbandry

Animal husbandry is the cornerstone of Himachal Pradesh's rural economy, making a substantial contribution to income generation, employment, and livelihood sustainability. The State's varied terrain and diverse agro-climatic zones create favourable conditions for livestock development, allowing the sector to act as a strong support to crop-based agriculture. Deeply integrated into traditional farming practices, livestock rearing provides not only food products but also critical on-farm inputs such as manure, draught services, and transport, while promoting resource-efficient and sustainable production of milk, wool, and eggs.

The livestock sector remains instrumental in advancing rural development and reducing poverty by augmenting agricultural earnings, cushioning households against income fluctuations, and enhancing livelihood security, especially among small and marginal farmers. Given its modest capital requirements, the sector offers wide scope for self-employment and inclusive economic participation. Improvements in productivity, veterinary care, and market connectivity backed by focused public initiatives have led to higher household incomes, better nutritional outcomes, and increased involvement of women, thereby strengthening the sector's role in fostering equitable and sustainable rural growth.

7.1.1 Inclusive Growth through Livestock

Animal husbandry in Himachal Pradesh plays a crucial role in strengthening rural livelihoods by improving livestock health, enhancing the production of milk, meat, and eggs, and supporting agricultural operations through draught power. Livestock serves as a key household asset and risk-mitigation mechanism, providing nutrition, income, and resilience against agricultural and climatic uncertainties. This chapter outlines the performance of the animal husbandry and fisheries sectors and reviews major government initiatives supporting their sustainable development.

7.1.2. Milk, Meat and Egg-Key Growth Drivers

Livestock Population

The livestock sector is a major source of non-government employment and plays an important role in meeting the rising demand for dietary fat and protein. In Himachal Pradesh, animal husbandry is widely practiced, with nearly 95 per cent households rearing livestock, mainly cattle and buffaloes. Supported by Common Property Resources such as forests, grazing lands, water bodies, and agricultural land, the sector has emerged as a key income-generating activity in rural and semi-urban areas, sustaining traditional livestock production systems in the State.

As per the Livestock Census, 2019, Key Statistics of Livestock and Poultry in Himachal Pradesh are depicted below in figure 7.1.

Figure 7.1

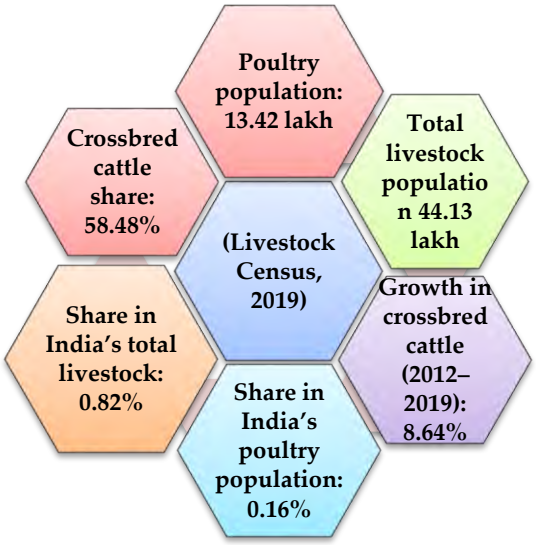
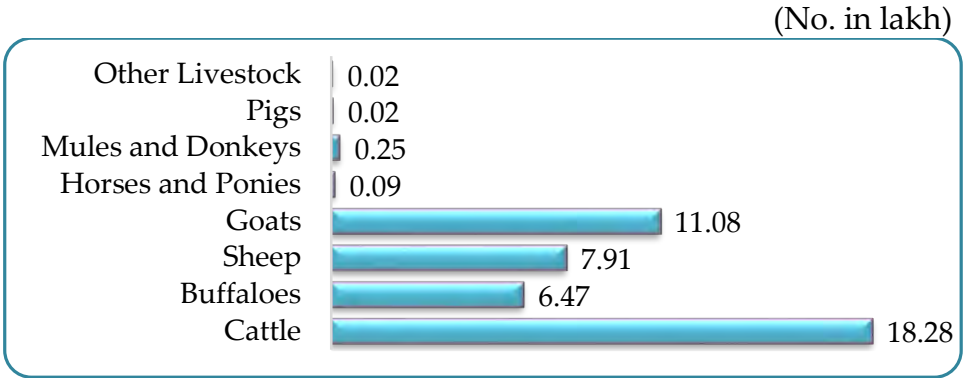


Figure 7.2

Species wise livestock population in Himachal Pradesh as per 2019 Census



Source: Livestock Census 2019

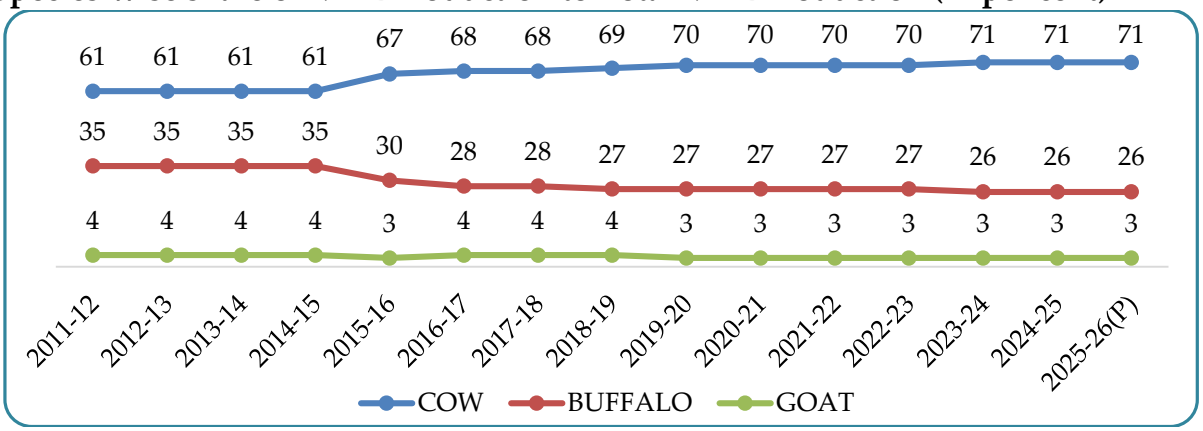
7.1.3 Milk Production and Per Capita Availability of Milk

Welfare schemes for dairy, sheep, and poultry units, along with the development of forward and backward linkages and organized marketing channels, have played a significant role in strengthening rural livelihoods. These interventions have helped narrow income disparities, enhanced value realization for producers, and contributed to the conservation of indigenous livestock breeds and domestic biodiversity. Importantly, livestock-based production systems offer a viable means of food production in arid and semi-arid regions without exerting additional pressure on groundwater resources.

Livestock insurance coverage has been extended to a substantial number of sheep and goat-rearing households, providing an effective risk-mitigation mechanism against unforeseen losses. Overall, the growth and development of the animal husbandry sector have contributed not only to economic prosperity and livelihood security but also to environmentally sustainable practices, thereby supporting balanced rural development and ecological conservation

Figure 7.3

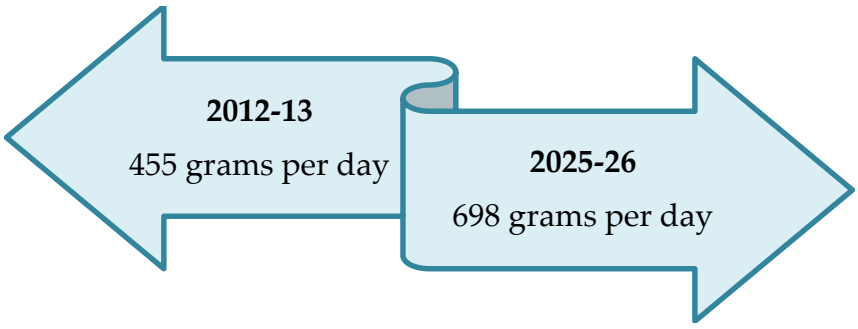
Species-wise share of Milk Production to Total Milk Production (in per cent)



Source: Department of Animal Husbandry, Government of Himachal Pradesh

The trend of milk production in Himachal Pradesh during the period from 2012-13 to 2025-26 is presented in Table 7.1. Milk production in the State has increased steadily from 11.39 lakh tonnes in FY 2012-13 to an estimated 17.50 lakh tonnes in FY 2025-26, registering a compound annual growth rate (CAGR) of 3.8 per cent. Cow milk constitutes the dominant share of total milk production at approximately 71.0 per cent, followed by buffalo milk at 26.0 per cent and goat milk at around 3.0 per cent. The species-wise contribution to total milk production during the period 2011-12 to 2025-26 is illustrated in Figure 7.3.

Per capita availability of milk in the State has recorded a notable improvement, as reflected below:



This is substantially higher than the national average of 427 grams per day in FY 2025-26.

Table 7.1

Production of Milk in Himachal Pradesh (lakh tonnes) Per Capita Availability (Percentage Change in Milk Production from 2012-13 to 2025-26)

Year	Milk Production (lakh tonnes)	% Change over previous year	Per capita availability gm/day
2012-13	11.39	-	455
2013-14	11.51	1.1	460
2014-15	11.70	1.7	468
2015-16	12.83	9.7	511
2016-17	13.28	3.5	531
2017-18	13.92	4.8	556
2018-19	14.71	5.7	588
2019-20	15.31	4.1	612
2020-21	15.76	2.9	630
2021-22	16.15	2.5	645
2022-23	16.17	0.12	645
2023-24	17.50	8.23	697
2024-25	18.24	4.23	728
2025-26 Estimated	17.50	-4.10	698
Compound annual Growth Rate (CAGR)	**3.4**	**-**	**3.3**

Source: Department of Animal Husbandry, Government of Himachal Pradesh

Dairy Sector Performance

Milk Production Growth

- 11.39 lakh tonnes (2012–13) → 17.50 lakh tonnes (2025–26 Estimated)
- CAGR: 3.4 per cent
- Per capita availability:
  - 455 gm/day (2012–13)
  - 698 gm/day (2025–26)
  - National average: 427 gm/day

Species Share in Milk Production (2025–26)

Cow	71%
Buffalo	26%
Goat	3%

Livestock GVO (FY 2025–26)

- Total GVO: ₹9,823 crore
- Milk alone contributes 94.8 per cent (₹9,315 crore)

Insight: Dairy is the dominant economic driver within livestock.

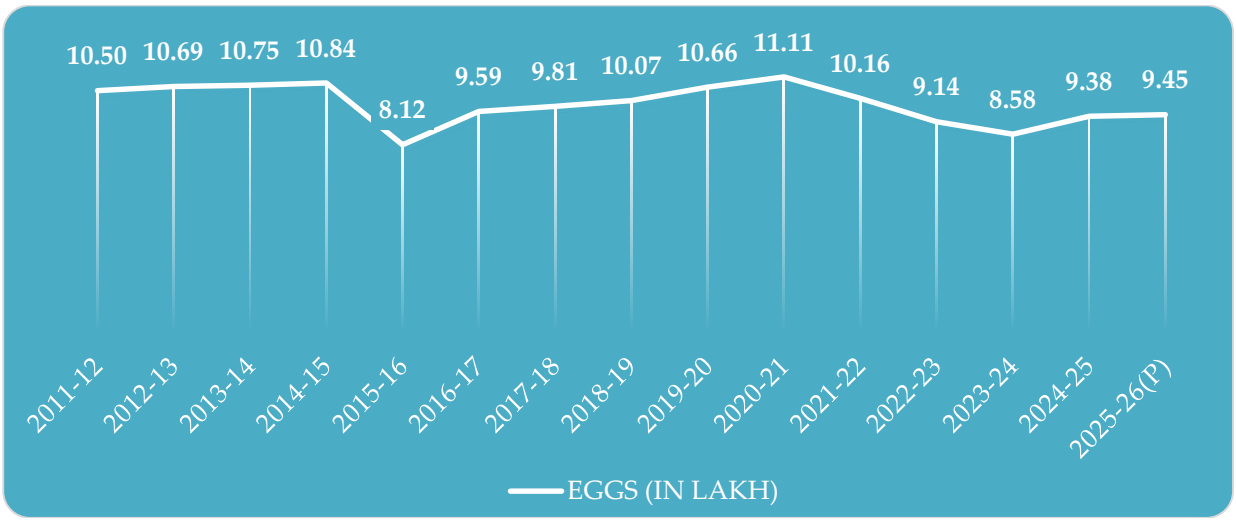
7.1.4 Meat and Poultry Production

Egg production in Himachal Pradesh has witnessed a marginal decline, decreasing from 10.50 lakh in 2011-12 to an estimated 9.45 lakh in 2025-26, as illustrated in Figure 7.4.

In contrast, meat production in the State has shown a steady increase, rising from 39.66 thousand tonnes in 2011-12 to an estimated 55.50 thousand tonnes in 2025-26, as presented in Figure 7.5.

Figure 7.4

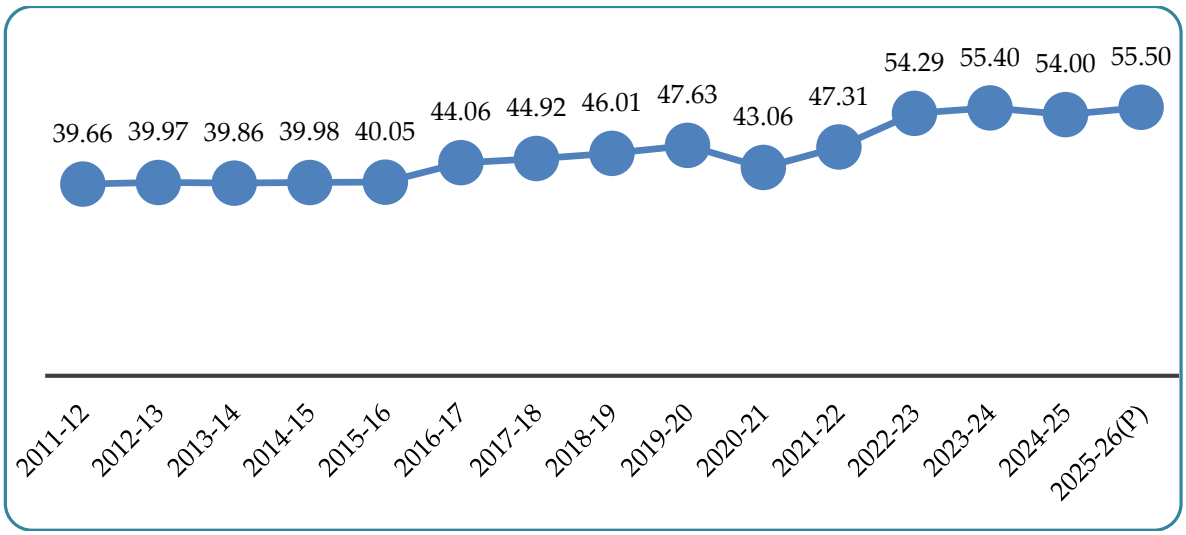
Production of Eggs in Himachal Pradesh (from 2011-12 to 2025-26) Eggs (in Lakh)



Source: Department of Animal Husbandry, Government of Himachal Pradesh

Figure 7.5

Meat production (from 2011-12 to 2025-26) ('000' Tonne)



Source: Department of Animal Husbandry, Government of Himachal Pradesh

7.1.5 Growth of Livestock sector

Livestock rearing remains a critical pillar of the agriculture and allied sector in Himachal Pradesh, contributing significantly to income diversification, nutritional security, and employment generation, particularly in rural and tribal areas. In FY 2025-26, the sector accounted for 2.40 per cent of the total Gross State Value Added (GSVA) and 17.45 per cent of the GSVA of agriculture and allied activities, underscoring its structural importance within the State economy.

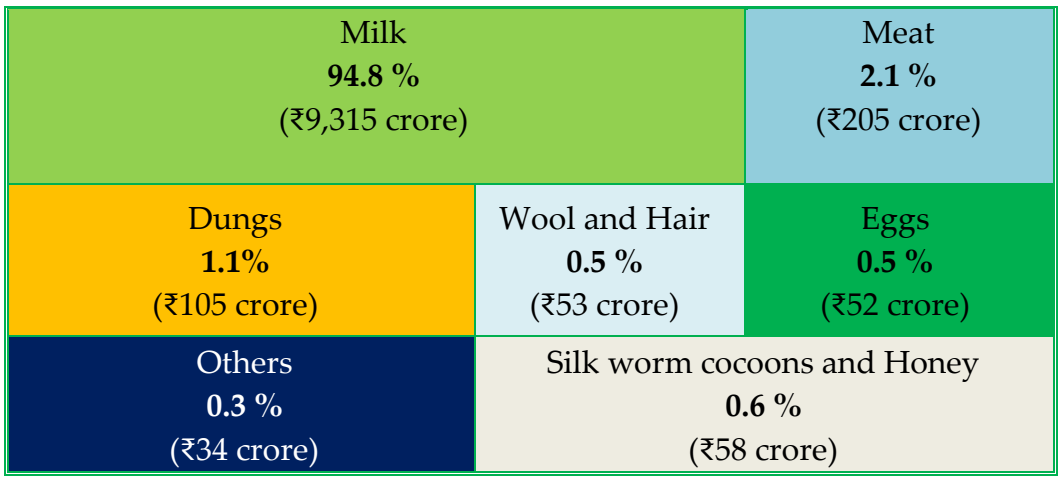
The Gross Value of Output (GVO) of the livestock sector has demonstrated steady and sustained growth over the past several years. At current prices, GVO increased from ₹5,496 crore in FY 2018-19 to ₹9,823 crore in FY 2025-26 (Advance Estimates), registering a substantial expansion over the period. This growth trajectory reflects rising demand for milk, meat, eggs, and other livestock products, improved breed management, expansion of veterinary services, and enhanced market linkages.

The resilience of the livestock sector, even amidst climatic and market uncertainties, highlights its role as a stabilizing component of the agricultural economy. Unlike crop agriculture, livestock provides a more regular and assured source of income, thereby reducing income volatility for small and marginal farmers.

The contribution of various components of the livestock sector is depicted in Figure 7.6.

Figure7.6

Breakup of Livestock GVO in Himachal Pradesh (2025-26)



Source: Department of Animal Husbandry, Government of Himachal Pradesh

The livestock sector registered a growth rate of 6.9 per cent in FY 2025-26 (Advance Estimates) at current price. Over the period from FY 2018-19 to FY 2025-26, the sector recorded an average annual growth rate of 8.0 per cent. In contrast, the

crop sector registered an average growth rate of (+) 2.6 per cent during the same period.

The comparatively higher and stable growth performance of the livestock sector highlights its resilience and counter-cyclical role within the agriculture and allied sector. While crop production remains vulnerable to climatic variability, market fluctuations, and input cost pressures, livestock activities provide a relatively steady stream of income. The sustained expansion of the livestock sector has therefore played a crucial role in stabilizing agricultural incomes and supporting rural livelihoods in the State.

7.2 Government initiatives for Livestock

The State recognises the significant economic potential of the animal husbandry sector and accordingly allocates resources for the implementation of a comprehensive livestock development strategy. The strategy focuses on the following key areas:

- Animal Health and Disease Control
- Cattle Development
- Sheep Breeding and Wool Development
- Poultry Development
- Feed and Fodder Development
- Veterinary Education
- Livestock Census

Under the Animal Health and Disease Control Programme, the number of veterinary and allied institutions operating in the State as of 31st December 2025 is presented in Table 7.2.

Table 7.2

Animal Health Institutions

Sr. No.	Particular	No. of Institutes
1	State level Veterinary Hospital	1
2	Zonal Hospitals	3
3	Polyclinics	10
4	Sub-Divisional Veterinary Hospitals	60
5	Veterinary Hospitals	362
6	Central Veterinary Dispensaries	30
7	Veterinary Check posts	6
8	Veterinary Dispensaries	1762
	Total	**2234**

Source: Department of Animal Husbandry, Government of Himachal Pradesh

Breeders across the State benefit from strengthened Sheep Breeding Farms focused on improving sheep genetics and wool quality. Government farms at Jeori (Shimla), Tal (Hamirpur), and Karachham (Kinnaur) supply improved sheep, while the Ram Centre at Nagwain (Mandi) provides superior rams for cross-breeding.

To meet rising demand for pure hoggets and in view of the popularity of Russian Merino and American Rambouillet breeds, pure breeding practices have been adopted at Government farms. Additionally, nine Sheep and Wool Extension Centres support shepherd welfare. Wool production during FY 2025-26 is estimated at 1,550 tonnes. Angora rabbit farms at Kandwari (Kangra) and Nagwain (Mandi) are operational for distributing rabbits to breeders.

Table 7.3

Status of Artificial Insemination

(Figure in lakh)

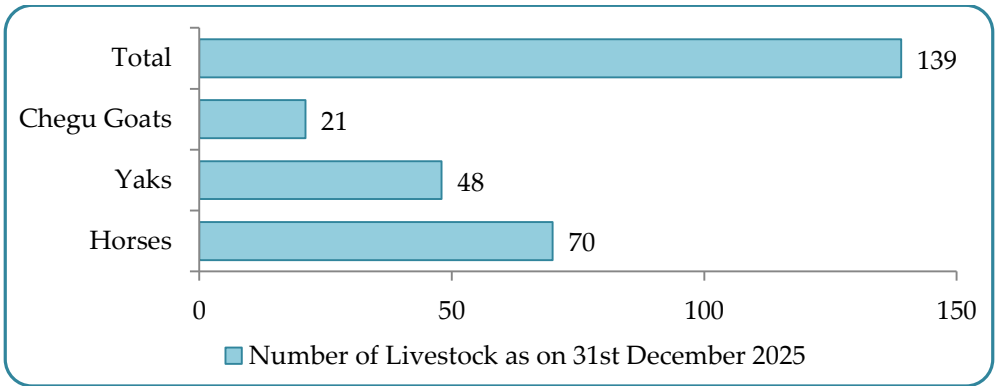
S.N.	Particular	2025-26 up to December, 2025 (Achievement)	2025-26 (Target)
1	Semen straws produced for Cows (in lakh)	2.06	7.00
2	Semen straws produced for Buffaloes (in lakh)	1.54	2.50
3	Liquid Nitrogen (LN2) (lakh liters)	2.64	6.00
4	Artificial Insemination Cows (in lakh)	3.77	6.40
5	Artificial Insemination Buffaloes (in lakh)	0.72	2.20

Source: Department of Animal Husbandry, Government of Himachal Pradesh

To ensure the conservation and continuity of the indigenous Spiti horse breed, a Horse Breeding Farm has been established at Lari in Lahaul and Spiti district. The current livestock strength depicted in table 7.4.

Table 7.4

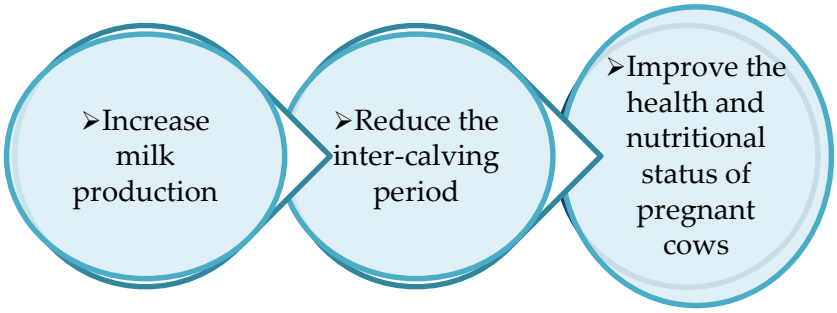
Livestock strength in Lari Farm



7.2.1 Welfare scheme for the Livestock Owners

- **Scheme for General BPL Farmers**

  Under this scheme, indigenous and crossbred cows owned by Below Poverty Line (BPL) families in the general category are provided 50 per cent subsidy on pregnancy ration at the rate of 3 kg per day during the last three months of pregnancy. 19,560 farmers have benefited under the scheme. The key objectives of the scheme are to:



- **Uttam Pashu Puraskar Yojana**

  The Uttam Pashu Puraskar Yojana is being implemented with a budget provision of ₹1.00 crore. The scheme incentivises farmers owning milch cows or buffaloes producing 15 liters or more milk per day. Under the scheme, a reward of ₹1,000 per animal per beneficiary is provided

7.2.2 Poultry Development Scheme

To strengthen and modernise the poultry sector in Himachal Pradesh, particularly in rural areas, the Department has implemented the following poultry development projects:

- **Backyard Poultry Project:** Under the Low Input Technology (LIT) scheme, 3-week-old chicks in batches of 10–100 are distributed to poultry breeders at cost price. During FY 2025-26, up to December 2025, 10,440 chicks were distributed among 246 beneficiaries.
- **Him Kukkut Palan Yojana:** For FY 2025-26, ₹45.00 lakh has been allocated under the broiler poultry scheme. Each beneficiary receives 3,000 day-old broiler chicks along with feed, feeders, and drinkers. 60 per cent subsidy is provided on both capital investments, including shed construction, feeders, and drinkers, and recurring costs such as chicks and feed. Up to December 2025, 11 beneficiaries have been selected.

7.2.3 Rashtriya Gokul Mission (RGM)

Recruitment and Genetic Improvement (RGM) is essential for enhancing milk production and bovine productivity to meet the growing demand for milk and to increase the profitability of dairying for rural farmers. The following RGM activities are currently being pursued and implemented in Himachal Pradesh:

- **Nationwide Artificial Insemination Scheme (NAIP):** The goals of the scheme are delivering quality artificial insemination services at farmer's doorsteps, boosting milk output and bovine productivity, and to increase farmer's revenue, and increasing farmer approval of artificial insemination services. This component is being implemented in all districts of the state and will include all breedable cattle and buffalo populations. Till date 22,59,322 Artificial inseminations have been carried out.

- **Progeny Testing (Jersey) Program in District Kangra:** The initiative is being implemented in approximately 800 revenue villages in District Kangra through a network of 115 departmental veterinary institutions.

  ₹847.41 lakh has been spent on various components of the programme. Provision has also been made for nominated semen straws from high-genetic-merit bulls. To date, 161,163 artificial inseminations using test semen doses have been performed.

- **Strengthening of existing Semen Stations (SS):** Government of India has sanctioned ₹13.51 crore for the project to strengthen State Semen Stations at Palampur in Kangra district and Aduwal in Solan district.

7.2.4 Provision of Subsidized Rams to Sheep Breeders of all categories in Himachal Pradesh

Under this programme, 60 per cent of the cost of breeding rams is subsidised for all sheep producers in Himachal Pradesh who own at least 20 sheep.

7.2.5 Krishak Bakri Palan Yojna

Under this scheme, goat units comprising 11 goats (10 females + 1 male), 5 goats (4 females + 1 male), and 3 goats (2 females + 1 male) are distributed to goat farmers at a 60 per cent subsidy to improve the socio-economic status of all categories of goat farmers.

7.2.6 Control of Animal Diseases

The Government of India provides financial support for livestock immunization through a cost-sharing arrangement of 90 per cent Central Share and 10 per cent State Share. The scheme provides free vaccination against infectious diseases such as Hemorrhagic Septicemia and Black Quarter (HSBQ), Enterotoxaemia (ET), Peste des Petits Ruminants (PPR), Ranikhet, Marek's disease, and Rabies.

Implementation of the scheme helps prevent outbreaks of these diseases, protecting livestock owners from economic losses.

During FY 2025-26, up to 31st December 2025, a total of 8.00 lakh HSBQ vaccinations, 3.12 lakh ET vaccinations, and 0.60 lakh ARV vaccinations were administered.

7.2.7 Integrated Sample Survey for estimation of Production of major livestock produce

Since 1977-78, an integrated sample survey has been conducted annually in Himachal Pradesh with the following objectives:

- To estimate season-wise and annual milk, egg, and wool production.
- To calculate average population and yield estimates.
- To estimate dung production.
- To assess average feed and fodder consumption.
- To study trends in population, yield, and production.

7.3 Himachal Pradesh State Cooperative Milk Producers Federation Limited (HP Milkfed)

Dairy development activities in Himachal Pradesh are organized under the two-tier cooperative structure of the Anand Pattern. The Rural Milk Producers' Cooperative Society forms the basic unit, where surplus milk is procured, tested for quality, and payments are made to producers accordingly. The Himachal Pradesh Milk Federation has organized 1,214 milk cooperative societies with a total membership of about 48,500 farmers. The milk collected at the society level is transported to milk chilling centres for further handling.

During 2024-25, the Federation procured approximately 574.91 lakh litres of milk. In the current financial year, procurement reached about 610.50 lakh litres up to December 2025.

Milk from chilling centres is supplied to processing plants where it is pasteurized, packed, and marketed. At present, the Federation operates 11 milk plants with a total installed capacity of 1.80 lakh litres per day. Major plants include Mandi (50,000 LPD), Duttnagar (70,000 LPD), and Kangra (20,000 LPD), while plants at Nahan, Chamba, Lalsingi (Jhalera), Nalagarh, Jangalbari (Hamirpur), Rekong Peo (Kinnaur), Mouhal (Kullu), and Rohru have a capacity of 5,000 litres per day each. A milk powder plant with a capacity of 5 metric tonnes per day is operational at Duttnagar (Shimla district). Additionally, a cattle feed plant with a capacity of 16 metric tonnes per day has been established at Bhor in Hamirpur district.

7.3.1 Initiatives of Himachal Pradesh Milkfed

- The Himachal Pradesh Milk Federation (MILKFED) markets milk and milk products under the "Him" brand, including ghee, butter, cheese, curd, sweet milk, skimmed and whole milk powder, sweets and bakery biscuits. All products are certified pesticide-free.
- To strengthen procurement and quality assurance, MILKFED has installed 120 Automatic Milk Collection Units (AMCU) and 32 Digital Milk Procurement and Collection Units (DPMCU) in Mandi, Kullu and Shimla districts, along with 19 Bulk Milk Cooling Units across Shimla, Mandi, Kullu, Sirmaur and Kangra districts.
- A 50,000 litres per day (LPD) milk processing plant at Duttnagar was inaugurated on 15th November 2024, benefiting dairy cooperative societies across the State.
- Procurement prices linked to quality have been enhanced: cow milk (4.0% fat, 8.5% SNF) from ₹45 to ₹51 per litre and buffalo milk (6.0% fat, 9.0% SNF) from ₹55 to ₹61 per litre.
- MILKFED is providing an average monthly benefit of ₹34.18 crore to milk producers—the highest so far—while ensuring doorstep milk collection in remote areas to support marginal dairy farmers.
- Under the Him Ganga Yojana, 268 milk cooperative societies have been formed, including 222 in Kangra and 46 in Hamirpur districts.
- A fully automated milk processing plant at Dhagwar (Kangra) with a capacity of 1.50 lakh LPD, expandable to 3.00 lakh LPD, is under construction. The foundation stone was laid on 23 January 2025. The ₹200.43 crore project is being implemented by NDDB under NABARD's infrastructure scheme.
- A Central Testing Laboratory costing ₹6.85 crore is being established in Kangra for testing milk, milk products and Anganwadi nutrition products.
- Capacity-building programmes on clean milk production, cattle management and cooperative governance are being conducted with NDRI Karnal, RDTC Jalandhar and MIT Mehsana, training about 2,000 milk producers.
- To further strengthen dairy infrastructure, 20,000 LPD milk processing plants are proposed at Nahan and Nalagarh, along with Milk Chilling Centres at Una and Hamirpur, to expand farmer participation and enhance milk quality.

Table 7.5

Physical achievement of the H.P. Milkfed for the last four years is as follows

Sr. No.	Particulars	2022-23	2023-24	2024-25	2025-26 (till Dec.2025)
1	Organized Societies	1107	1148	1214	1275
2	Membership	47500	47905	48557	48900
3	Milk Procured (lakh ltrs.)	406.00	360.00	574.91	610.50
4	Milk Sold in local towns (lakh ltrs.)	252.46	235.77	300.31	250.51

Source: Himachal Pradesh State Co-operative Milk Producer's Federation Limited, Government of Himachal Pradesh

7.4 Wool Procurement and Marketing Federation (WPMF)

The primary objective of the Wool Producers' Marketing Federation (WPMF) is to promote the growth and development of the wool industry in Himachal Pradesh and to liberate wool producers from the exploitation of middlemen and traders. The Federation is actively engaged in the procurement of sheep and angora wool, shearing of sheep at pasture level through imported automatic shearing machinery, and the marketing of wool.

During FY 2025–26 (up to December 2025), 1,21,921 sheep were shorn, benefiting 580 breeder families across the State. Additionally, the Federation procured 54,446.30 kg of wool, valued at ₹31.19 lakh, from 355 sheep breeders up to 31st December, 2025.

With the assistance of the Animal Husbandry Department, the Federation is also implementing a new Centrally Sponsored Scheme aimed at the welfare and upliftment of sheep producers in the State. Under the animal healthcare component, particularly dipping and deworming, 2,00,000 sheep and goats will be covered. The programme will be implemented in the districts of Chamba, Kangra, Mandi, Kullu, Lahaul&Spiti, Shimla, and Kinnaur during the summer season and in Sirmaur, Solan, Bilaspur, Una, and Hamirpur during the winter migration period, with a total financial outlay of ₹75 lakh.

Major Achievements

1. **Growth in Milk Production**

   - Milk production increased from 11.39 lakh tonnes (2012–13) to 17.50 lakh tonnes (2025–26 Estimated).
   - Achieved a CAGR of 3.4 per cent over the last decade.

2. **Rise in Per Capita Milk Availability**

   - Per capita milk availability increased from 455 gm/day (2012–13) to 698 gm/day (2025–26).
   - This is significantly above the national average of 427 gm/day.

3. **Dominance of Dairy in Livestock Economy**

   - Milk contributes 94.8 per cent of the total livestock Gross Value of Output (GVO).
   - Livestock GVO increased from ₹5,496 crore (2018–19) to ₹9,823 crore (2025–26 AE).

4. **Strong Cooperative Dairy Network**

   - 1,214 milk cooperative societies with around 48,500 farmer members established.
   - Milk procurement reached 610.50 lakh litres up to December 2025.
   - Commissioning of new processing plants including the 50,000 LPD Duttnagar plant and the upcoming Dhagwar mega plant (1.5–3.0 lakh LPD).

5. **Expansion of Artificial Insemination (AI) Services**

   - 22.59 lakh Artificial Inseminations conducted under NAIP across all districts.
   - Strengthening of semen stations at Palampur and Aduwal sanctioned with ₹1,350.8 lakh.

6. **Sheep and Wool Development**

   - Strengthened sheep breeding farms at Jeori, Tal, Karachham and Nagwain Ram Centre.

- Wool production for FY 2025–26 estimated at 1,550 tonnes.
- 1,21,921 sheep shorn benefiting 580 families and 54,446 kg wool procured.

7. Poultry and Small Ruminant Promotion

- Backyard poultry and broiler schemes implemented with subsidies.
- Under Him Kukkut Palan Yojana, 11 beneficiaries received subsidized broiler units in 2025–26.
- Goat units provided at 60 per cent subsidy under Krishak Bakri Palan Yojana.

8. Fisheries Development

- Total fish production reached 12,255.98 tonnes (up to Dec 2025).
- Trout production from state farms at 4.71 tonnes, earning ₹67.56 lakh.
- Significant production of fish seed (32.58 lakh fingerlings).

9. Welfare and Risk Mitigation Schemes

- Livestock vaccination drives including HSBQ, ET, and Rabies; over 11.72 lakh vaccinations administered in 2025–26.
- Fishermen provided ₹5 lakh insurance and savings-matching support under PMMSY.

10. Strengthening Institutional Infrastructure

- 2,234 animal health institutions established, including hospitals, dispensaries and polyclinics.

7.5 Fisheries and Aquaculture

Fisheries constitute an important sub-sector of the State's primary economy. The Government has accorded high priority to pisciculture and has notified the Himachal Pradesh Fisheries Rules, 2020 to ensure its systematic development. The State is endowed with extensive river systems, cold-water trout streams and large reservoirs, offering significant potential for fisheries development.

By optimally utilizing these resources, the State aims to increase fish production through capture fisheries, culture fisheries and culture-based capture

fisheries, catering to domestic as well as export demand. The sector also generates employment and income opportunities, particularly for rural communities, women and youth.

The downstream stretches of the Beas, Satluj and Ravi rivers, along with their tributaries, support valuable cold-water species such as Schizothorax, Golden Mahseer and exotic trout. The success of the Indo-Norwegian Trout Farming Project and the adoption of advanced fish farming technologies by hill communities reflect the strong potential of cold-water fisheries.

Major reservoirs at Gobind Sagar, Pong, Chamera, Kol Dam and Ranjit Sagar support economically important fish species and have emerged as vital livelihood sources for local communities. Overall, the adoption of modern technologies and integrated development approaches has enhanced fish production, strengthened livelihoods and promoted the sustainable conservation of cold-water resources, ensuring balanced ecological and economic growth of the fisheries sector in the State.

7.5.1 Fish production

About 6,279 fishermen in the State depend directly on reservoir fisheries for their livelihood. During FY 2025–26 (up to December 2025), the cumulative fish production in the State was 12,255.98 metric tonnes, valued at ₹194.35 crore. During the same period, approximately 4.71 tonnes of trout were sold from State fish farms, generating revenue of ₹67.56 lakh. The production and sale of fish year wise are shown in Table 7.6.

Table 7.6

Total Fish Production (MT Tonnes) and Value of Fish (₹ in lakh)

Year	Total Production (in tonnes)	Growth Rate	Value of fish Produced	Growth Rate
2015-16	11798.72	--	10980.92	--
2016-17	12506.85	6.00	12121.19	10.40
2017-18	12765.36	2.10	15822.45	30.54
2018-19	13401.68	5.00	17157.31	8.44
2019-20	14020.14	4.61	18443.92	7.50
2020-21	15288.60	9.10	20161.09	9.31
2021-22	16015.81	4.80	23355.82	15.85
2022-23	17026.91	6.31	24990.72	7.00
2023-24	17721.64	4.10	27323.87	9.34
2024-25	19019.83	7.33	29712.55	8.74
2025-26 (upto	12255.98	-35.60	19434.92	-34.60

December, 25)				
CAGR	**0.4**	**-**	**5.9**	**-**

Source: Department of Fisheries, Government of Himachal Pradesh

Table 7.7 shows the trend and year-wise growth rate of trout production in the State.

Table 7.7

Trout Fish Production (MT Tonnes) and Value of trout Fish (₹in lakh)

Year	Total Production (in tonnes)	Growth	Revenue from Fish Farms	Growth
2012-13	19.18	-	98.48	-
2013-14	13.81	-28.0	114.41	16.20
2014-15	17.07	23.61	114.66	0.22
2015-16	17.63	3.30	120.93	5.50
2016-17	18.78	6.52	141.35	16.90
2017-18	10.82	-42.40	129.75	-8.21
2018-19	8.34	-22.92	118.22	-8.90
2019-20	7.71	-7.60	91.16	-22.90
2020-21	6.73	-12.71	101.72	11.60
2021-22	13.68	103.30	169.24	66.40
2022-23	6.33	-53.73	89.74	-46.97
2023-24	7.72	21.96	57.57	-35.85
2024-25	15.96	106.74	153.93	167.40
2025-26 (up to Dec. 2025)	4.71	-70.49	67.56	-56.11

Source: Department of Fisheries, Government of Himachal Pradesh

7.5.2 Export and Import of Fishery Products

The fisheries sub-sector exhibits mixed trends in the export and import of fish, as presented in Table 7.8. The table reflects a consistently positive long-term trend in the fisheries sector, with fish production showing gradual and stable growth over the years. While physical output has increased at a moderate pace, the economic value of fish production has grown more rapidly, indicating better price realization, improved marketing, and value addition.

Table 7.8

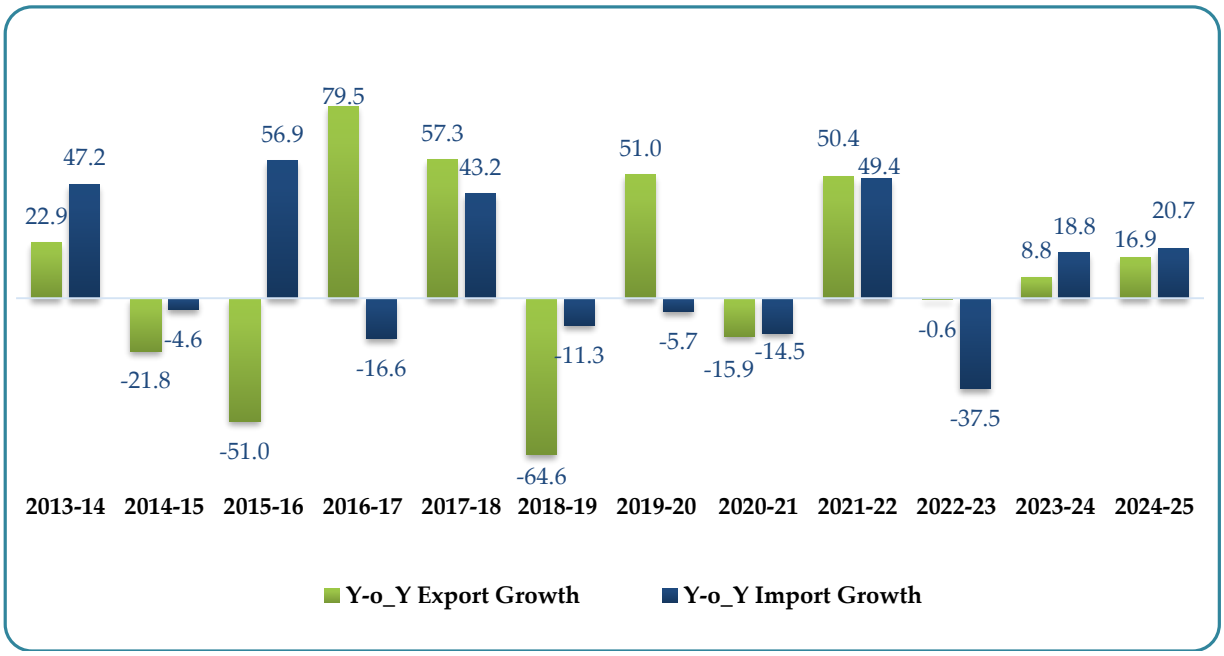
Export and Import of Fishery (MT Tonnes) Value (₹in lakh)

Year	Export	Value	Import	Value
2012-13	1046.08	918.04	312.87	106.79
2013-14	1285.85	1283.56	460.60	342.67
2014-15	1004.99	1134.79	439.42	359.49
2015-16	492.80	514.04	689.48	539.98
2016-17	884.78	1095.70	574.72	476.01
2017-18	1391.90	1632.84	823.00	772.70
2018-19	492.33	693.17	729.81	796.82
2019-20	743.25	1857.73	688.13	773.33
2020-21	624.94	1874.71	588.66	673.49
2021-22	939.99	3417.90	879.66	856.61
2022-23	933.98	3324.05	549.63	539.82
2023-24	1015.75	1877.61	653.23	739.17
2024-25	1187.62	3526.71	788.35	1091.36
CAGR	**1.06**	**11.86**	**8.00**	**21.37**

Source: Department of Fisheries, Government of Himachal Pradesh

Figure 7.7

Y-O-Y Export growth and Import growth rates of fish in percentage



Source: Department of Fisheries, Government of Himachal Pradesh

7.6 Government initiatives for Fishery

To meet the requirements of reservoirs, rural ponds, and commercial farms across the public sector, the Department of Fisheries has established carp and trout seed production facilities in the State. By the end of December 2025, the State produced a total of 32.58 lakh fingerlings (70 mm and above) of Common Carp and Indian Major Carp (IMC), 1.90 lakh Mahseer eggs, and 8.69 lakh Rainbow and Brown Trout fingerlings. The total estimated value of the fish seed produced is approximately ₹68.34 lakh.

7.6.1 Insurance and Welfare Schemes

The Department of Fisheries is implementing targeted welfare measures to support fishermen, with a strong focus on social security and livelihood protection. Fishermen are provided insurance coverage of ₹5.00 lakh in cases of death or permanent total disability. In addition, losses to fishing gear and craft are compensated up to 50 per cent under the Risk Fund Scheme.

To ensure income support during lean periods, a Saving-Cum-Relief Fund Scheme has been implemented, under which fishermen's savings are matched by the State and Central Governments and released during the close season. During 2025–26, an amount of ₹1.63 crore comprising ₹54.24 lakh contributed by fishermen and ₹1.08 crore from the State and Central Governments was disbursed to 3,616 fishermen. The scheme has been renamed as "Livelihood and Nutritional Support for Socio-economically Backward Active Traditional Fishers' Families for Conservation of Fisheries Resources during Fishing Ban/Lean Period" under the Pradhan Mantri Matsya Sampada Yojana (PMMSY).

7.6.2 Pradhan Mantri Matsya Sampada Yojana (PMMSY)

The programme has been initiated by the Union Government and is being implemented by the State Government. Under this programme, the Government of India has approved various projects amounting to ₹20.00 crore for the financial year 2025–26. Table 7.9 presents the achievements of the fisheries sector up to December 2025 for FY2025–26, along with the targets set for the entire financial year 2025–26.

Table 7.9

Achievements and Targets

Sr. No	Items	Achieved up to December, 2025	Targets fixed for the year 2025-26
1	Fish Production from all sources (in tonnes)	12255.98	20000.00

2	Fish Seed Production Carp farms (Spawn) (in lakh)	440.64	812.25
3	Table Size trout Production (in tonnes) Government sector	4.71	25.00
4	Table Size trout Production (in tonnes) Private sector	866.01	1670.00
5	Employment generated (nos.)	551	638
6	Total Revenue of the department (₹in lakh)	214.63	444.32

Source: Department of Fisheries, Government of Himachal Pradesh

Table 7.10

Major Schemes (Tabular Overview)

Scheme	Focus Area	Key Features
Rashtriya Gokul Mission	Dairy genetics	AI, semen station strengthening
Nationwide AI Programme	Breed improvement	22.59 lakh AI
Uttam Pashu Puraskar	Incentive	₹1,000 per high-yielding animal
BPL Pregnancy Ration Scheme	Welfare	50 per cent subsidy
Him Kukkut Palan Yojana	Poultry	60 per cent subsidy
Krishak Bakri Palan Yojana	Goat rearing	60 per cent subsidy
PM Matsya Sampada Yojana	Fisheries	₹20 crore projects (2025–26)
Saving-cum-Relief Scheme	Fisher welfare	₹162.72 lakh disbursed
Livestock Insurance	Risk mitigation	Subsidized coverage

7.7 Main Issues and Challenges

A. State-Level Issues and Challenges

Issue / Challenge	Evidence	Implications
Mountainous terrain increases logistical cost and weakens service delivery	Difficult terrain and scattered settlements raise logistics cost for veterinary services, feed supply and market access.	Higher cost of livestock rearing, delays in veterinary response, reduced productivity in remote areas.
Seasonal fodder shortages, especially in winter and high-altitude areas	Seasonal fodder shortages remain a major constraint, increasing input costs and lowering productivity.	Reduced milk yield, poor animal health, increased dependence on purchased feed.

Lower per-animal productivity despite overall growth in milk production	Productivity per animal remains low compared to advanced dairy regions.	Limits farm income, restricts value chain development and reduces competitiveness.
Disease risks due to climatic variability, migration and cross-border movement	Disease outbreaks continue to pose risks; affected by climate variability and migratory livestock practices.	Increased mortality risk, economic loss and pressure on vaccination systems.
Veterinary manpower shortages in remote areas	Shortages sometimes affect service delivery in remote regions.	Reduced access to timely treatment, delayed preventive care, lower farm productivity.
Poultry sector stagnation and declining egg production	Egg production shows marginal decline over the years.	Reduced income diversification for farmers, increased dependence on imports from other states.
Limited marketing and value-addition infrastructure; dependence on raw milk sales	Marketing and value-addition infrastructure still developing; farmers depend mainly on raw milk sales.	Lower price realization for farmers, limited growth of dairy processing, reduced rural employment potential.

B. District-Specific Issues and Challenges.

Challenges	Affected Districts	Evidence
Need for improved sheep breeds and wool quality through specialized breeding farms	Shimla, Hamirpur, Kinnaur, Mandi	Existence of key sheep-breeding farms at Jeori (Shimla), Tal (Hamirpur), Karachham (Kinnaur) and a Ram Centre at Nagwain (Mandi), reflecting district-specific focus on genetic improvement.
Breed conservation challenges in high-altitude regions	Lahaul-Spiti	Establishment of a Horse Breeding Farm at Lari to conserve the Spiti horse breed indicates vulnerability of indigenous breeds in this region.
Unequal access to veterinary hospitals	Remote pockets across all districts	State-wide network of 2,234 veterinary institutions indicates

and other health institutions, especially in remote terrain		wide variations in accessibility and service delivery across districts.
Need for expanding dairy collection and processing infrastructure	Kangra, Hamirpur, Shimla, Mandi, Kullu, Sirmaur, Chamba, Kinnaur	Milk plants and chilling centres are concentrated in these districts, revealing infrastructure gaps in others and uneven growth of dairy cooperatives.
High dependence on reservoir fisheries for livelihoods	Bilaspur, Kangra, Chamba, Mandi, Kullu	Presence of major reservoirs (Gobind Sagar, Pong, Chamera, Kol Dam) and trout-supportive river stretches highlights livelihood dependence in these districts.
Sheep and goat rearers requiring targeted healthcare and welfare support	Chamba, Kangra, Mandi, Kullu, Lahaul–Spiti, Shimla, Kinnaur, Sirmaur, Solan, Bilaspur, Una, Hamirpur	Districts covered by wool procurement, dipping, deworming and healthcare programmes show concentrated dependence on small-ruminant rearing.
Cold-water trout farming challenges and regional production variations	Kullu, Kinnaur, Shimla, Chamba	Trout production concentrated

7.8 Way Forward

The sector requires a productivity-led, climate-resilient and market-oriented growth strategy. Strengthening genetic improvement programmes through advanced breeding technologies, genomic selection and expanded artificial insemination coverage will be critical. Expansion of fodder development programmes, silage promotion and pasture management through community-based models can address chronic feed shortages. Strengthening veterinary telemedicine, mobile veterinary units and last-mile service delivery in remote areas will improve livestock health outcomes. Promotion of integrated livestock farming systems combining dairy, small ruminants, backyard poultry and fisheries can enhance income stability for small farmers.

Enhancing value chains through milk processing, cold chain expansion, branding and farmer producer organizations can significantly improve price realization. Greater private sector participation and public–private partnerships in

feed manufacturing, processing and livestock services can accelerate modernization. Climate-resilient livestock housing, water-efficient feeding systems and disease surveillance using digital tools should be prioritized. In fisheries, sustainable reservoir management, trout value chains and export-oriented aquaculture can unlock additional economic potential. Skill development and youth entrepreneurship in livestock-based enterprises will be crucial for long-term sector sustainability. Strengthening insurance, social security and risk mitigation schemes will further stabilize farmer incomes and ensure inclusive sectoral growth. Overall, a technology-driven, market-linked and climate-adaptive livestock strategy can transform the sector into a high-value rural growth engine in the coming decade.

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CHAPTER 8

FORESTRY, ENVIRONMENT AND WATER RESOURCE MANAGEMENT

Executive Summary

S. No.	Key Points	Summary
1	**Forest Status in Himachal Pradesh**	Forests cover 68.16 per cent recorded area, with 27.99 per cent actual forest cover. Forests are crucial for ecology, water security, and climate stability.
2	**Forest Cover Changes**	Moderately Dense Forests increased by 14.09 per cent, while Very Dense Forests slightly declined. Total forest extent grew by 915 sq. km.
3	**Carbon Stock Improvements**	Total carbon stock increased by 79,234 ('000 tonnes) (2017–2023), showing stronger ecosystem recovery and improved biomass.
4	**Biodiversity Status**	State hosts rich Himalayan biodiversity 109 herbs, 99 shrubs, 116 tree species with high diversity in Moist Temperate Forests.
5	**Contribution to State Economy**	Forestry and Logging contributed ₹7,909 crore to GSVA in 2025–26; sector grew at 4.4 per cent.
6	**Major Government Initiatives**	Key programmes include CAMPA plantations (5,000 ha target), Van Vistaar Yojana, Rajiv Gandhi Van Samvardhan, CSR-based forest restoration and 2,000 Van Mitras engaged.
7	**Water Security – Jal Jeevan Mission**	HP achieved 100 per cent rural tap water coverage in July 2023, covering 17.09 lakh households, all schools and Anganwadis.
8	**Sewerage and Irrigation Infrastructure**	68 STPs operational; multiple sewerage schemes underway; irrigation potential created for 0.314 million hectares.
9	**Pollution Control and Environment Governance**	₹1.42 crore fines imposed for solid waste mismanagement; online lab module under OCMMS launched; major plastic waste enforcement initiatives implemented.
10	**Emerging Challenges and Way Forward**	Major issues include climate vulnerability, forest fires, human–wildlife conflict, and water stress. State aims to adopt climate-resilient forest management, watershed restoration, community-led conservation and circular economy models.

8.1 Introduction-Forests in Himachal Pradesh

Himachal Pradesh is among India's most forest-rich States, with forest area being nearly two-thirds of its geographical area. As part of the Western Himalayas biodiversity hotspot, it plays a critical role in sustaining ecological balance, water security and climate regulation in northern India.

Recognising its fragile mountain ecosystem, the State prioritises forest conservation, afforestation, biodiversity protection and sustainable forest management through plantations, assisted regeneration, wildlife conservation, soil and water conservation, eco-tourism, and community participation via Forest Management Committees and Van Mitras.

Himachal Pradesh is highly vulnerable to climate change impacts such as extreme weather events, glacier retreat, forest fires and land degradation. The State is strengthening climate resilience, forest fire management, carbon sequestration and nature-based solutions to ensure sustainable development and protect its forest and environmental heritage.

8.1.1 Forest Cover in Himachal Pradesh

The official forest area in Himachal Pradesh is 37,948 square kilo meters (Sq.KM), constituting 68.16 per cent of the State's geographical area. However, the actual forest cover is lower as a significant portion of this area comprises alpine meadows and regions located above the tree line.

Approximately 15,580.33 Sq.KM (27.99 per cent of the geographical area) of Himachal Pradesh is under forest cover, with varying crown density levels ranging from 10 per cent to 70 per cent and above. In addition, 855.07 Sq.KM are under tree cover. The forest cover comprises 3,117.60 Sq.KM very dense forests with crown density of 70 per cent and above, 7,280.29 Sq.KM moderately dense forests with crown density between 40 per cent and 70 per cent and 5,182.46 Sq.KM of open forests with crown density between 10 per cent and 40 per cent. Further, 308.69 Sq.KM are classified as shrub cover. An overview of forest cover by crown density is presented in table 8.1.

Table 8.1

Forests as per crown density (Area in Sq. Kms.)

Years	Very Dense forest above 70 per cent	Mod. Dense Forest between 40 to 70 per cent	Open forest between 10 to 40 per cent	Total forest cover
2011	3224	6381	5074	14679
2013	3224	6381	5078	14683
2015	3225	6387	5095	14707

2017	3110	6705	5285	15100
2019	3113	7126	5195	15434
2021	3163	7100	5180	15443
2023	3118	7280	5182	15580

Source: India State of Forest Report 2023

8.2 Environmental Accounting of Forest-2025

Table 8.2

Forest Asset Account

Type of Forest cover class (area in sq.km)	Very Dense Forest (VDF)	Moderately Dense Forest (MDF)	Open Forest (OF)	Scrub	Non-Forest
Opening 2010-11	3224.00	6381.00	5078.00	298.00	40692.00
Addition	612.49	1877.14	1429.69	96.11	366.63
Reduction	718.89	977.85	1325.23	85.42	1274.67
Closing 2021-22	3117.6	7280.29	5182.46	308.69	39783.96
Net change	-106.4	899.29	104.46	10.69	-908.04
% Change	**-3.30**	**14.09**	**2.06**	**3.59**	**-2.23**

Source: Environmental accounting of forest report-2025

In the Forest Asset Account, between 2010-11 and 2021-22, Himachal Pradesh's Forest cover underwent several changes across different forest types. Moderate dense forests (MDF) saw a more notable increase, increasing by 14.09 per cent. For most forest cover class, it shows a positive trend, while VDF and non-forest experienced some level of decrease during this period, with the most notable change in the MDF category.

Table 8.3

Forest Extent Account

Indicator (area in sq.km)	2013	2023	Net Change	% Change
Recorded Forest Area (RFA)	37033	37948	915	2.47
% of Gross area	66.52	68.16	1.64	
Type of protection				
Reserved forests (RF)	1898	1883	-15	-0.79
Protected forests	33130	28887	-4243	-12.81
Unclassified forests	2005	7178	5173	258.00

Source: Environmental accounting of forest-2025

The Forest Extent Account provides detailed information on the spatial distribution and protection status of forest areas. The Recorded Forest Area(RFA) increased by 915 sq.km, marking a 2.47 per cent rise and expanding from 66.52 per cent to 68.16 per cent of the state's geographical area during observed period. During this period, Reserved Forests reduced by 0.79 per cent and Protected Forests also reduced by 12.81 per cent. The Unclassified Forest category saw a dramatic increase of 5173 sq.km, reflecting a significant reclassification or inclusion of previously unrecorded lands. These trends reflect a shift in the categorization of forest areas, with decreases in the reserved and protected forests.

8.2.1 Condition Accounts

The condition of the forests accounts of Himachal Pradesh for 2013 and 2023 assessment of ISFR are given in table below. However, in some cases where data for these years were unavailable, the closest subsequent year with available data is considered.

Table 8.4

Condition Account

Indicator	Unit	2013	2023	Net Change	% Change
A. Growing Stock					
Volume of Growing Stock	Million m3	317.295	303.94	-13.355	-4.21
Growing Stock in Forest per unit area	M3/ha	-	219.46		
B. Carbon Stock					
Indicator	**Unit**	**2017**	**2023**	**Net Change**	**% Change**
Total	'000 tonnes	1,75,782	2,55,016	79,234	45.08
Above Ground Biomass	'000 tonnes	70,655	1,12,461	41,806	59.17
Below Ground Biomass	'000 tonnes	18,691	31,390	12,699	67.94
Dead Wood	'000 tonnes	739	1,041	302	40.87
Litter	'000 tonnes	2,511	2,717	206	8.2
Soil Organic Carbon	'000 tonnes	83,186	1,07,407	24,221	29.12
Carbon Stock per hectare					
Total	Per hectare stock in tonnes	116.41	163.68	47.27	40.61
Above Ground Biomass	Per hectare stock in tones	46.79	72.18	25.39	54.26
Below Ground Biomass	Per hectare stock in tones	12.38	20.15	7.77	62.76
Dead Wood	Per hectare stock in tones	0.49	0.67	0.18	36.73
Litter	Per hectare stock in tones	1.66	1.74	0.08	4.82

Soil Organic Carbon	Per hectare stock in tones	55.09	68.94	13.85	25.14

Source: Environmental accounting of forest-2025

Table 8.5

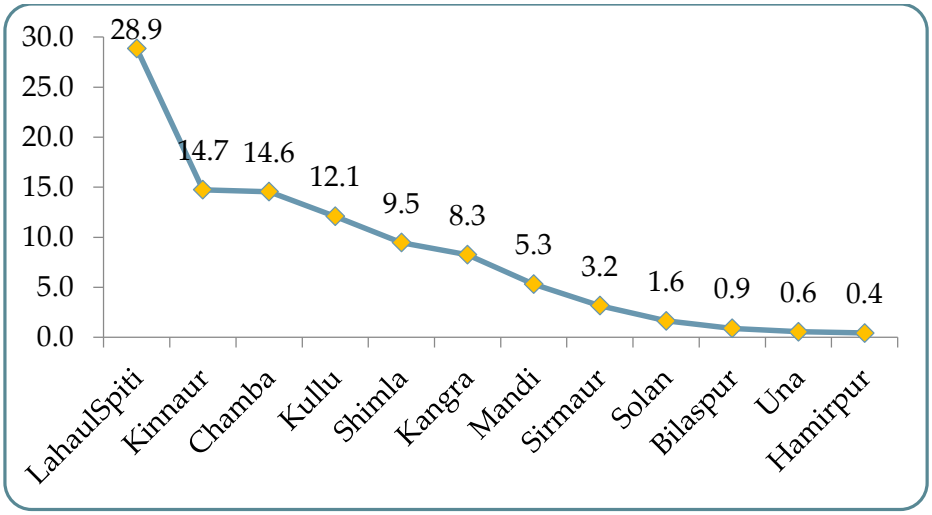
Biodiversity Assessment

Biodiversity Assessment			
Indicator	**2019**		
	Herbs	**Shrubs**	**Trees**
Total Number of species	109	99	116
Tropical Moist Deciduous Forests	1.71	2.15	1.95
Tropical Wet Deciduous Forests	1.95	2.13	2.87
Subtropical pine Forests	1.89	2.17	2.63
Himalayan Moist Temperate Forests	3.48	3.25	2.95
Himalayan Dry Temperate Forests	2.51	2.56	2.03
Sub-Alpine Forests	1.87	1.83	1.64
Dry Alpine Scrubs	2.3	2.34	0.87
Moist Alpine Scrubs	-	-	0.17
Tropical Moist Deciduous Forests	5.53	8.58	7.03
Tropical Wet Deciduous Forests	7.03	8.41	17.64
Subtropical pine Forests	6.62	8.76	13.87
Himalayan Moist Temperate Forests	32.46	25.79	19.11
Himalayan Dry Temperate Forests	12.3	12.94	7.61
Sub-Alpine Forests	6.49	6.23	5.16
Dry Alpine Scrubs	9.97	10.38	2.39
Moist Alpine Scrubs	-	-	1.19

Source: Environmental accounting of forest-2025

Figure 8.1

District-wise forests area in total geographical area of the State (in per cent)



District-wise forests in the total geographical area of the District (In per cent)

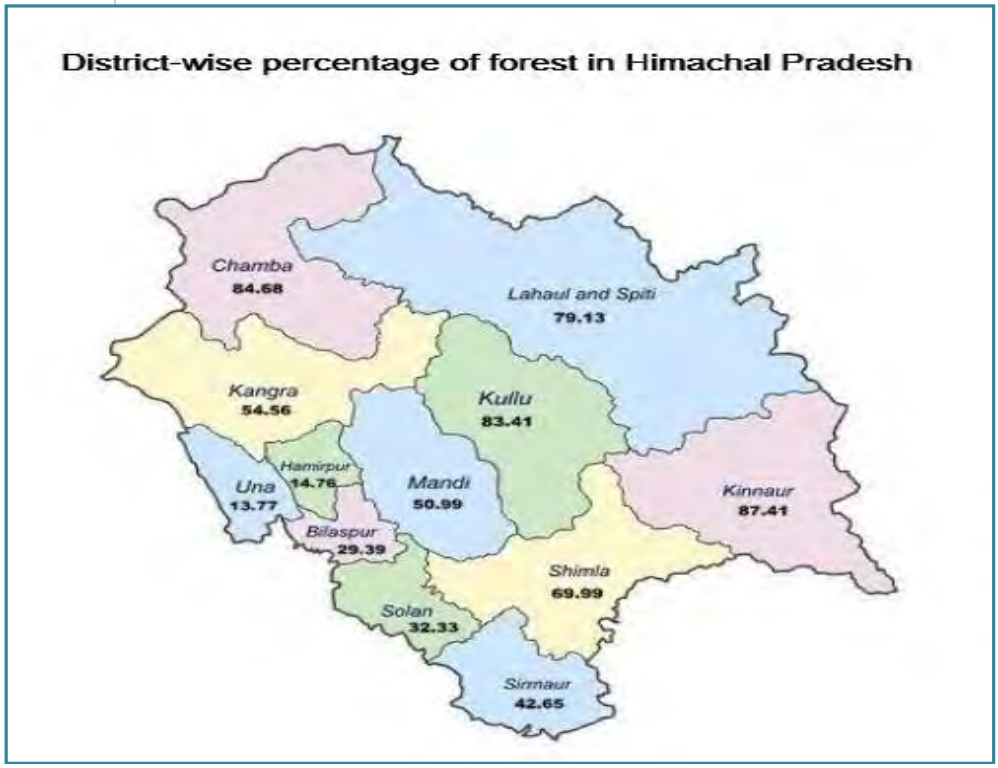


Table 8.6

Forest classification by legal status-2022-23

(Area in sq. km.)

District	Reserved Forest	Demarcated Protected Forests	Un-Demarcated Protected Forests	Other Forests	Total
1.Bilaspur	1	156	186	0	343
2.Chamba	374	4,566	572	11	5,523
3.Hamirpur	0	99	66	0	165
4.Kangra	70	580	1,572	909	3,131
5.Kinnaur	0	270	523	4,802	5,595
6.Kullu	164	3,360	892	174	4,590
7.Lahaul-Spiti	70	397	10,486	0	10,953
8.Mandi	0	1,682	74	258	2,014
9.Shimla	56	1,348	1,378	809	3,591
10.Sirmaur	1,050	69	35	51	1,205
11.Solan	54	281	127	164	626
12.Una	44	44	124	0	212
Total	**1,883**	**12,852**	**16,035**	**7,178**	**37,948**

Source: Forest Department, Himachal Pradesh

8.3 Contribution and Growth of Forestry and Logging

The forest sector contributes significantly to the State's economy and livelihoods, particularly for rural and tribal communities, through timber, fuel wood, fodder and non-timber forest produce such as medicinal and aromatic plants. Forests also support agriculture and hydropower by sustaining catchment areas of major rivers like the Sutlej, Beas, Ravi and Yamuna.

In FY 2025-26, the forestry and logging sub-sector at current price added ₹7,909 crore to the Gross State Value Added (GSVA) which accounted for 24.40 per cent of the Gross Value Added (GVA) of the Agriculture & Allied sector and 3.35 per cent of the total GSVA in the State (Figure 8.2 and 8.3).

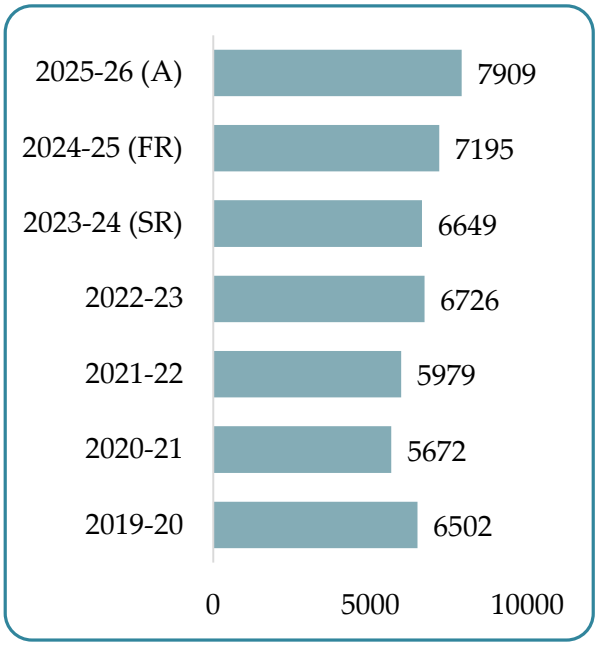
The GSVA at constant (2011-12) prices by forestry and logging activities grew from ₹5,764 crore in FY 2024-25 to ₹6,019 crore in FY 2025-26, an absolute increase of ₹255 crore.

As per advance estimates, forestry and logging sector is expected to grow by 4.4 per cent at constant prices during FY 2025-26.

Figure 8.2

Contribution and Growth of Forestry and Logging (2019-20 to 2025-26)

GVA by Forestry and Logging at Current prices (₹crore)



Growth Rate (Percentage) Forestry and Logging (At Constant Prices)

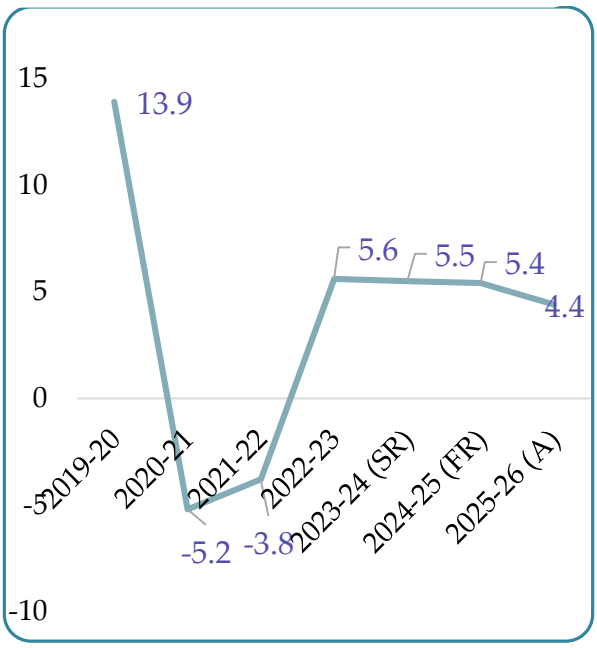
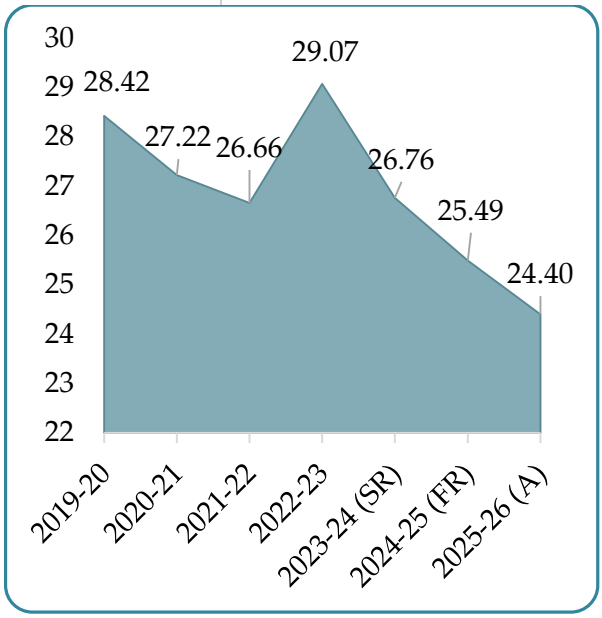
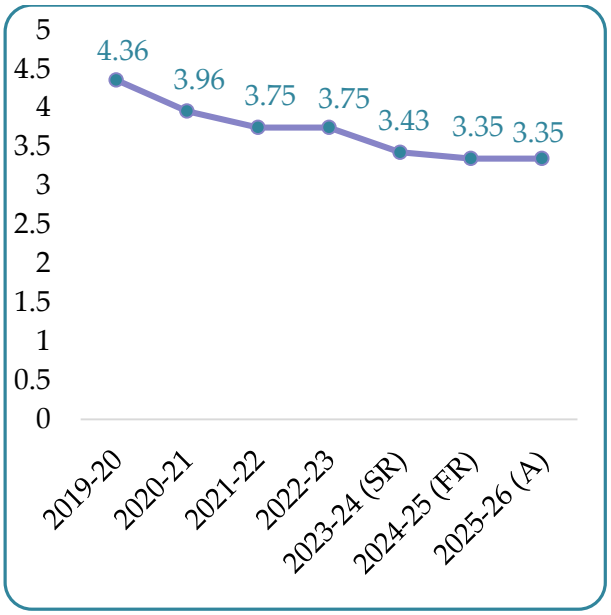


Figure 8.3

Share of 'Forestry and Logging' in the GVA of Agriculture and Allied sector at Current prices (Percentage)



Share of 'Forestry and Logging' in the GSVA at current prices (Percentage)



Note: A: Advance
FR: First Revised
SR: Second Revised

Source: Economics and Statistics Department, Himachal Pradesh

8.4 Government Initiatives for Forestry

The planned programme taken up by the Forest Department aims at fulfilling various policy commitments. Some of the important plan programme activities are as under:

8.4.1 Forest Plantation

Forest plantation activities are being undertaken through various State-level programmes, including the Compensatory Afforestation Fund Management and Planning Authority (CAMPA), as well as Centrally Sponsored Schemes such as the National Afforestation Programme and the National Mission for Green India. In addition, plantation activities are also being implemented through externally aided projects.

For FY 2025–26, a plantation target of 5,000 hectares has been fixed under CAMPA and Centrally Sponsored Schemes. Of this, plantation activities covering 4,100 hectares have already been achieved and the remaining target is expected to be completed by 31st March, 2026.

8.4.2 Forest Management

The State's forests are under increasing biotic pressure due to population growth, changing animal husbandry practices and expanding developmental activities. Consequently, forest ecosystems are increasingly vulnerable to threats such as forest fires, illicit felling, encroachments and other forest-related offences.

Forest protection measures are being strengthened through the installation of CCTV-based electronic surveillance at check posts located in sensitive areas to deter forest offences. In addition, modern fire-fighting equipment and improved fire management techniques are being introduced and made available across forest divisions, particularly in areas prone to forest fires.

Centrally Sponsored Forest Fire Prevention and Management Scheme and the State-sponsored Forest Fire Management Scheme are being implemented in the State to strengthen forest fire preparedness and response mechanisms.

Rapid Forest Fire Response Teams have been established across the State at the circle and division levels to control forest fires. Alerts are sent via SMS to Forest Department officers, officials and registered local community volunteers. Additionally, fire watchers are deployed in all forest fire-prone beats during the fire-sensitive months to enhance preparedness and early detection.

8.4.3 Experimental Silvicultural Felling/Subsidiary Silviculture Operations

The estimated value of Himachal Pradesh's forests is around ₹1.50 lakh crore. Supreme Court of India has permitted experimental silviculture felling of three species Khair, Chil and Sal in selected areas of Nalagarh, Hamirpur, Bilaspur, Una, Nahan and Paonta Sahib.

To date, approximately 22,000 Khair trees have been harvested, generating 56,000 man-days of employment and a total revenue of ₹48.01 crore, of which ₹16.71 crore has been received so far.

8.4.4 New Schemes

To raise awareness among local communities, students and the general public about the importance of forests and their role in environmental conservation, as well as to promote sustainable harvesting, handling and value addition, the State Government has introduced the following schemes:

a) Mukhya Mantri Van Vistaar Yojana

Himachal Pradesh's forests are being expanded under the Department's commitment to increase green cover. During FY 2025–26, approximately 5,000 hectares have been planted under various schemes. Launched in August 2023, the Mukhya Mantri Van VistaarYojana aims to expand green

cover on difficult sites, provide ecosystem services and generate livelihood opportunities. Under this scheme, 119 hectares of barren forest land are being planted in FY 2025–26.

b) Rajiv Gandhi Van Samvardhan Yojana

A new scheme has been launched to enhance community participation in forest and tree cover. Mahila/ Yuvak Mandals, SHGs and conservation-oriented Panchayats are incentivized to raise and protect plantations, managing areas up to 5 hectares, Community-based organizations receive financial support and rewards for high plant survival. In FY 2025–26, plantation on 1,267 hectare is underway, of which 900 hectares have been completed; the remainder will be achieved by 31st March 2026.

C) Rajiv Gandhi Green Adoption Yojana

A new scheme has been launched by the Government under which private entities will be facilitated to participate financially and engage directly in the ecological restoration of specific degraded forests sites under Corporate Social Responsibility (CSR) mandates. This scheme introduces a public-private partnership model specially for forest restoration through Corporate Social Responsibility CSR funding.

D) Engaging of 'Van Mitra'

To promote Community driven Forest Management and Planning the 'Van Mitra' scheme has been launched by Government of Himachal Pradesh under which 2000 Van Mitras have been engaged during the year 2025-26.

8.4.5 Other Initiatives/ Achievements

8.4.5.1 Setting up of a large Zoo in Bankhandi

To promote wildlife awareness and tourism, a large zoo is being established in Kangra district. The master layout plan has been approved by the Central zoo authority (CZA) and the preliminary project report estimates an outlay of ₹609 crore. Zoo design and landscaping are underway. The project incorporates eco-friendly technologies, solar energy, efficient waste management, recycling and sustainable procurement. Till 31st December, 2025 ₹130.39 crore has been received and ₹65 crore has been spent.

8.4.5.2 Recruitment of Forest Guards

The Government of Himachal Pradesh has approved the direct recruitment of 100 Forest Guard posts and Department has also sought approval for 257 additional posts.

8.4.5.3 Eco-Tourism

In line with the MoEF&CC Guidelines on Sustainable Eco-Tourism (2021), the Van Sanrakshan Evam Samvardhan Adhiniyam (2023) and the Eco-Tourism Policy (2021), eco-tourism plans are integrated into the approved Working or Management Plans of territorial and wildlife divisions. Accordingly, 20 eco-tourism chapters have been approved for inclusion in the Working Plans of divisions including Kullu, Parvati, Seraj, Palampur, Shimla (R), Kotgarh, Ani, Una, Bilaspur, Mandi, Rampur, Theog, Nachan, Kunihar, Rajgarh, Hamirpur, Karsog, Dalhousie, Dharamshala and Paonta Sahib.

Following the allotment of seven sites to selected operators in Phases I and II in 2024, ten additional sites were allotted in Phases III and IV in 2025. Currently, 120 Forest Rest Houses, Inspection Huts and Camping Sites have been activated for online booking through https://hpecotourism.com.

To enhance visitor facilities and increase revenue, hospitality and catering services at selected FRHs—such as Mandli (Shimla), Shilaru, Nogli, Tannu Jubber (Rampur) and Barot (Mandi) have been successfully outsourced.

8.4.6 Himachal Pradesh Forest Eco-Systems Climate Proofing Project (KFW assisted)

The Himachal Pradesh Forest Ecosystems Climate Proofing Project, supported by KFW Bank, Germany, is being implemented in Chamba and Kangra districts. Launched in FY 2015–16 with a total budget of ₹308.45 crore, the seven-year project aims to rehabilitate and sustainably manage forest ecosystems, enhance climate resilience, conserve biodiversity, stabilize catchments and improve livelihoods. For FY 2025–26, ₹20.99 crore has been allocated, of which ₹13.29 crore has been spent.

8.4.7 Himachal Pradesh Forest Ecosystems Management and Livelihood Improvement Project

The Himachal Pradesh Forest Ecosystems Management and Livelihood Improvement Project, supported by JICA, has a total outlay of ₹800 crore over 10 years. It is being implemented in Bilaspur, Kullu, Mandi, Shimla, Kangra and the tribal areas of Kinnaur and Lahaul–Spiti, with headquarters at Shimla and regional offices at Kullu and Rampur Bushahar. The project aims to conserve forest and mountain ecosystems, enhance biodiversity and improve livelihoods of forest and pasture-dependent communities through scientific forest management.

For FY 2025–26, ₹55.00 crore was allocated, of which ₹18.70 crore was utilized up to 31st December, 2025.

8.4.8 World Bank Aided Integrated Project for Source Sustainability and Climate Resilient Rain-fed Agriculture

The World Bank has approved an additional project titled Integrated Project for Source Sustainability and Climate-Resilient Rain-fed Agriculture, with a total outlay of USD 100 million (₹650 crore). The project will be implemented over a period of seven years on an 80:20 funding pattern and will cover about 900 Gram Panchayats in the Shiwalik and Mid-Hills agro-climatic zones across various watersheds in the State. The key outcomes of the project include:

- Comprehensive Treatment of around 2 lakh Hectare non-arable and 0.20 lakh Hectare arable lands in the project area.
- Water productivity/efficiency enhancement by 30 per cent of the project area.
- Production enhancement of Milk by 20 per cent.
- 25 per cent of the vulnerable Households covered under livelihood improvement.
- Increase productivity of agricultural crops by 25 per cent.
- Increase the income of farmers through agri-business/enhanced production by 30 per cent.

For the Financial Year 2025-26, the Government has provided ₹101.21 crore under this project of which ₹56.83 crore has been spent up to 31st December, 2025.

Major Achievements

Afforestation and Restoration

- Plantation Target 2025–26: 5,000 ha
- Achieved: 4,100+ ha
- Rajiv Gandhi Van Samvardhan: 1,267 ha (900 ha completed)
- 2,000 Van Mitras engaged

Climate and Carbon

- Carbon stock increased by 79,234 ('000 tonnes)
- SAPCC 2021–30 operational
- Climate-adjusted Human Development Report (first in India)

Water Security

- Jal Jeevan Mission:
  - 100 per cent rural tap coverage (July 2023)
  - 17.09 lakh households covered
  - 17,315 schools and 17,892 Anganwadis connected

Irrigation

- Irrigation potential created: 0.314 million ha
- Shah Nehar: 15,287 ha created; 10,042 ha under CAD

Urban Sewerage

- 68 STPs; 99.463 MLD installed capacity
- 41 towns covered

Pollution Control

- ₹1.42 crore environmental compensation imposed
- 2nd rank (Nalagarh) under Swachh Vayu Sarvekshan
- ₹4.56 lakh fines via Plastic Enforcement App
- 113 environmental clearances granted (2025–26)

8.5 Wildlife- Human Interface

8.5.1 Brief Overview

Throughout history, the state and its biodiversity have existed in harmony. Over the years, more than 600 local plants have been utilized by people for various purposes such as healthcare, food, fruit, fibre, fodder, fuel, gums, oil, resin and more. These plants play a significant role in supporting rural livelihoods.

The State Government has allowed local communities the use of these usufructs from all forests except those that are reserved under the Indian Forest Act,

1927 and those that are constituted as National Parks under the Wildlife (Protection) Act, 1972.

Since 1984, the prohibition of hunting has resulted in a rise in the population of wild animals. The expansion of agriculture, combined with heightened human intervention in previously untouched regions, has consequently increased the instances of human-animal conflicts. Whereas Wild Boar, Black Bear and Monkeys sometimes cause damage to standing crops, instances of lifting of domestic animals by leopards are also reported. Stray cases of injuries to and loss of human life by leopard and black bear have been reported.

Wildlife managers are currently developing a comprehensive, long-term policy to address the growing challenges posed by human-wildlife conflicts. In response to these concerns, the State Government is providing financial compensation for instances involving the loss of domestic animals or injuries, as well as the loss of human life caused by wild animals. Due to losses caused to humans and domestic live stock by the wild animals, following relief rates are paid in the state:

Table 8.7

Sr. No.	Particulars	Rate (In ₹)
1.	In case of death of human being	4,00,000
2.	In case of permanent disability to human being	2,00,000
3.	In case of grievous injuries/partial disability to human being	75,000
4.	In case of simple injury to human being as per actual cost of medical treatment subject to maximum.	15,000
5.	In case of loss of Horse, Mule, Buffalo, Ox, yak and Camel	30,000
6.	In case of loss of Cow Jersey and cross breed	15,000
7.	In case of loss of Cow (local breed), Donkey, Churu, Churi and Pashmina Goat	6,000
8.	In case of loss of Sheep, Goat and Pig.	3,000
9.	In case of loss of young ones of Buffalo, Cow jersey and all other breeds, Mule, Tak, horse, Camel, Churu, Churi, Donkey, Pashmina Goat, Sheep and Goat.	1,500

The inseparable nature of forests and animals is evident, as both constitute vital components of the environment.

8.6 Environment, Science and Technology (DEST&CC)

8.6.1. Brief Overview

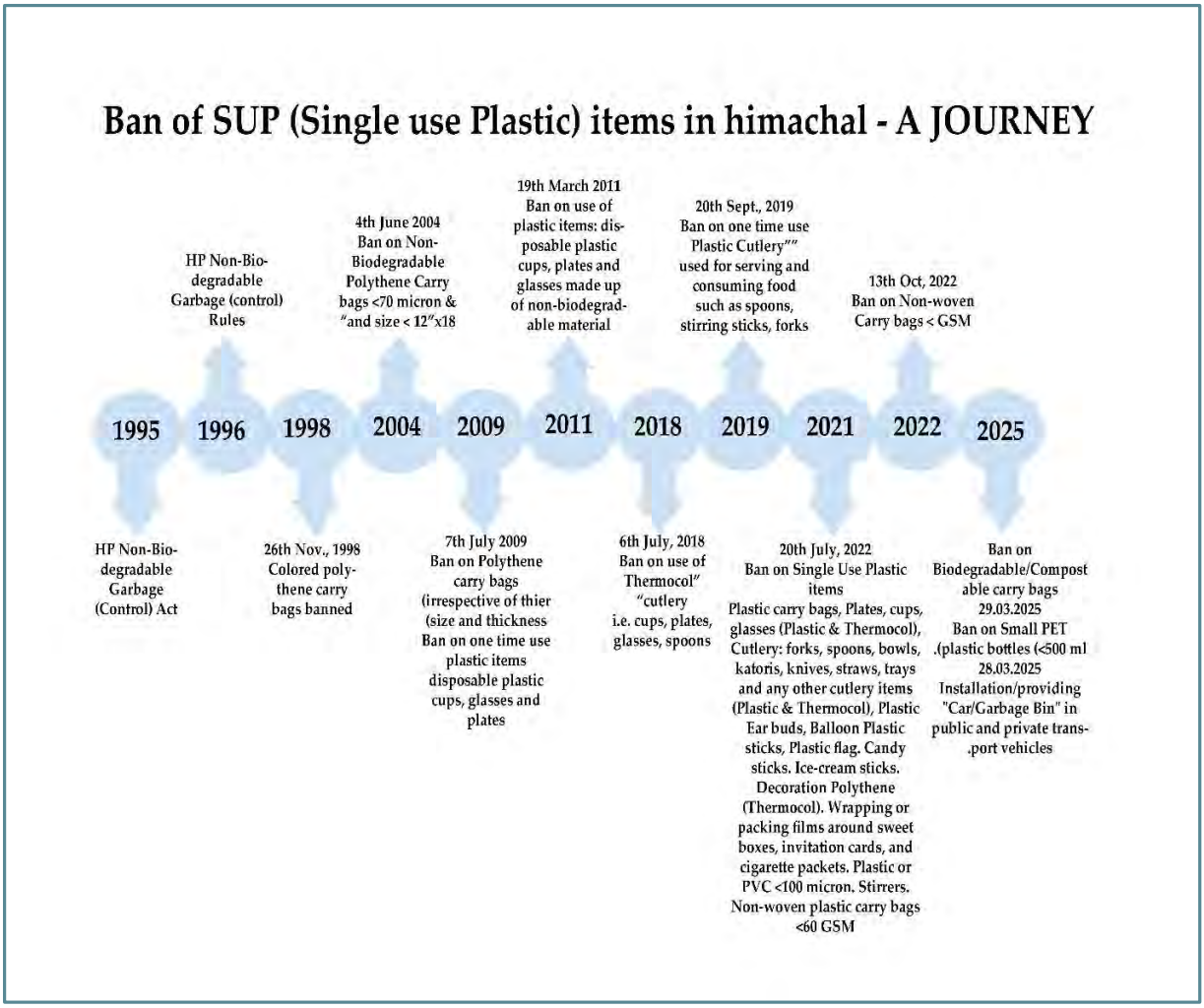
The Department of Environment, Science, Technology and Climate Change (DEST&CC) is the nodal agency for environment and climate change in Himachal Pradesh. It plays a pivotal role in strengthening environmental governance,

conserving ecosystems, promoting sustainable development and building climate resilience. The Department aligns state priorities with national and global climate commitments by leveraging science, technology and policy interventions, positioning Himachal Pradesh as a leader in environmental stewardship.

8.6.2. Major Initiatives and Achievements

8.6.2.1 Plastic Waste Management

Himachal Pradesh pioneered plastic waste regulation with the enactment of the HP Non-Biodegradable Garbage (Control) Act, 1995, becoming the first state in India to legislate against non-biodegradable waste. The Act comprehensively regulates generation, collection, transportation and disposal of plastic waste.



This system is replacing the existing manual process of challaning. All physical challan books previously issued by the DEST&CC to designated authorities will be withdrawn/taken back in due course. After the launch on 5th June 2025 and operationalization of the mobile application fine amounting to ₹4.56 lakhs was imposed to more than 200 number of violators.

This app was launched by the Chief Minister on the occasion of the World Environment Day - 2025 on 5th June.

Government of Himachal Pradesh has notified the Deposit Refund Scheme (DRS) on dated 16th June, 2025, with the objective of establishing a sustainable and accountable mechanism for collection, recycling and disposal of non-biodegradable packaging products. The Department has initiated the process of engaging Scheme Operator. A pilot project was also launched during Mani-Mahesh Yatra 2025.

8.6.2.2 Preparation of Himachal Pradesh Human Development Report (2025)- Building The Future in A Climate-Impacted World

Himachal Pradesh, despite its commendable performance on the SDG India Index 2023-24, remains highly vulnerable to climate change due to its fragile ecosystems and dependence on natural resources. Rising temperatures, erratic monsoons, glacial retreat and an increasing incidence of natural disasters such as landslides and flash floods have significant repercussions on agriculture, water resources, biodiversity and public health in response the State Government supported by UNDP-has prepared an inclusive, climate-responsive Himachal Pradesh Human Development Report (2025) Building the Future in a Climate-Impacted World.

Himachal Pradesh's initiative to prepare the Human Development Report (HDR) for the Future in a Climate-Impacted World represents a pioneering step in India. It is the first state to comprehensively integrate human development assessment with climate vulnerability, addressing how climate risks influence health, education, livelihoods and overall progress.

8.6.2.3 Celebration of World Environment Day 2025

The World Environment Day (WED) 2025 was celebrated in Shimla on 5 June with the theme "Ending Plastic Pollution". The Plastic Neutral Himachal Campaign 2030 was also launched during the programme.

8.6.2.4 Environment Leadership Awards

The Himachal Pradesh Environment Leadership Awards Scheme, a flagship initiative of the Department of Environment, Science and Technology, aims to recognize and honor exemplary contributions towards environmental conservation and sustainability. This year, seven awards were conferred, celebrating innovative actions and achievements across various sectors of the economy.

The awards highlight individuals organizations and institutions that have demonstrated outstanding commitment to sustainable practices, resource conservation and environmental stewardship. By acknowledging these efforts, the scheme seeks to inspire and motivate others to adopt eco-friendly practices and contribute to a greener future. The recognition not only symbolizes appreciation for

these trailblazers but also reinforces the importance of collective responsibility in addressing environmental challenges. Through this initiative, Himachal Pradesh reaffirms its leadership in promoting sustainability and creating a culture of environmental excellence across the region. During 2025-26 eight awards were given and Environment Leadership Awards scheme and various NGOs School children were also given prizes.

8.6.2.5 Research and Development (R&D) Projects

To foster innovation and strengthen research capabilities, the Himachal Pradesh Specific Research and Development Projects initiative is funding academic institutions, national laboratories and other recognized R&D organizations within the state. This scheme focuses on advancing scientific research across diverse fields, addressing region-specific challenges and promoting sustainable development. By investing in Innovative solutions and academic excellence, the initiative aims to build capacity among researchers, drive technological advancements and contribute to the socio-economic development of Himachal Pradesh. This program underscores the importance of localized research in addressing unique environmental scientific and technological needs of the state

8.6.2.6 Environment Impact Assessment and Clearances

The Department of Environment, Science, Technology and Climate Change serves as the state-level secretariat for managing Environment Impact Assessments (EIA) and granting Environmental Clearances, playing a pivotal role in balancing developmental activities with environmental conservation. As part of its mandate, the department ensures that proposed projects undergo a rigorous and transparent evaluation process to assess their potential environmental impacts and compliance with sustainability norms. During the financial year 2025-26, the department through the Environment Impact Assessment Authority. Himachal Pradesh, successfully granted Environmental Clearance to 113 projects spanning various sectors Each clearance reflects a thorough examination of the project's implications on air, water, land and biodiversity, along with ensuring adherence to prescribed mitigation measures. This proactive approach demonstrates the department's commitment to facilitating sustainable development while safeguarding the state's natural resources. By streamlining the EIA process and promoting accountability among project proponents, the department continues to uphold environmental integrity, fostering a harmonious coexistence between development and ecological preservation

8.6.2.7 Adoption and Implementation of State Action Plan on Climate Change 2021-30

Himachal Pradesh has developed the State Action Plan on Climate Change (SAPCC) to localize and implement the National Action Plan on Climate Change (NAPCC), addressing state-specific climate challenges and priorities. The SAPCC is a

dynamic document, regularly updated to reflect the latest knowledge and stale needs the current version, State Strategy and Action Plan on Climate Change 2021-30: guides efforts to adapt to and mitigate climate impacts while supporting sustainable, resilient development

To ensure effective implementation, a State Level Climate Change Governing Council, chaired by the Chief Minister, oversees strategic decisions, while the Executive Council, led by the Chief Secretary. manages operations. DEST&CC serves as the nodal agency for SAPCC execution and coordination.

The plan emphasizes mission-wise targets and sectoral strategies, with a focus on improving rural livelihoods, enhancing resilience and achieving carbon-neutral development. Stakeholder departments are tasked with integrating SAPCC recommendations into their policies and programs, ensuring that climate action is mainstreamed across all sectors of the state's economy and governance.

8.6.2.8 Successful Demonstration of Best Practices Through National Adaptation Fund for Climate Change (NAFCC)

A pilot project under NAFCC for Sustainable Livelihood of Agriculture Dependent Rural Communities in Drought Prone District of Himachal Pradesh through Climate Smart Solutions has been implemented with the support from the Ministry of Environment, Forests and Climate Change (MoEF&CC), in one of the drought prone district Sirmour. State is able to achieve following major objectives:

- Improved community mobilization for climate change adaptation.
- Increased water availability and promote efficient water use through irrigation schemes and water harvesting structures
- Promoted adoption of climate-smart agriculture technologies and farm diversification.
- Enhanced resilience of livestock resources for livelihood stabilization.
- Generated and disseminate knowledge on climate adaptation for rural communities.

The Ministry approved extension to the project up till March 2026 to execute additional Climate Change Adaptation activities.

8.6.2.9 Bilateral Cooperation to Implement Climate Change Adaptation in Rural Areas of India (CCA-RAI) & Climate Adaptation, Resilience and Finance in Rural India (CAFRI).

The Climate Change Adaptation in Rural Areas of India (CCA-RAI) programme in Himachal Pradesh is a collaborative initiative implemented by Department of Environment, Science Technology and Climate Change in collaboration with GIZ and

MoEF&CC, GoI. Its core aim is to integrate climate adaptation into state and local planning to enhance the resilience of rural communities to climate change. Pilot adaptation projects were launched in Bilaspur district, focusing on water management in drought-prone panchayats such as Kandrour.

The Climate Adaptation and Finance in Rural India (CAFRI) project in Himachal Pradesh is an Indo-German technical cooperation initiative, supported by GIZ, the MoEFCC, and the National Bank for Agriculture and Rural Development (NABARD), CAFRI aims to enhance climate resilience and adaptation planning in rural regions by integrating finance and gender-sensitive approaches with state climate action plans. Under this programme adaptive capacity development for approximately 5,000 women farmers in drought-prone and climate change areas of the State is being undertaken between year 2023 to 2026.

8.7 Himachal Pradesh Council for Science, Technology and Environment (HIMCOSTE)

The Himachal Pradesh Council for Science, Technology and Environment (HIMCOSTE), established in 1986, serves as the nodal agency for policy formulation, monitoring and implementation of programmes related to science, technology and environment in Himachal Pradesh.

Major achievements

8.7.1 Community-Led Astro-Tourism/Stargazing at Kaza, Spiti Valley, HP

HIMCOSTE initiated a pioneering Stargazing Project in Spiti Valley to promote science-based tourism and sustainable livelihoods in the high-altitude tribal region of Himachal Pradesh by leveraging its naturally clear and pollution-free night skies. The Stargazing Facility at Kaza was formally inaugurated on 7 July 2025 by the Hon'ble Chief Minister of Himachal Pradesh.

8.7.2 Strengthening Wetlands Governance and Management

In collaboration with the German Development Cooperation (GIZ), Himachal Pradesh has successfully implemented the Wetlands Management for Biodiversity and Climate Protection Project. As part of this initiative, the state has developed a comprehensive capacity-building framework, enhancing the expertise of District Wetland Committees, forest officers and local communities in wetland management. This project has positioned Himachal Pradesh as a leader in wetland governance in India.

8.7.3 Fishermen's Training and Community Engagement

In a significant step towards promoting sustainable fisheries, the state organized three dedicated training programs for fishermen in the long Dam Wetland area. These sessions focused on sustainable fisheries management, conservation of biodiversity and the importance of wise-use principles for wetlands. This initiative not only improved local livelihoods but also contributed to long-term environmental sustainability.

8.7.4 Public Awareness and Community Involvement-SevaParv Activities

To foster a deeper connection with nature, the state actively participated in MoEF&CC's nationwide "SevaParv" campaign. In the wetlands of Pong Dam and Renuka, activities such as cleanliness drives, eco-club engagements and awareness programs were conducted, involving children, local communities and environmental groups. Notably, two individuals from the Nagrota Surian region-a student (Ms. Isha) and a teacher (Mrs. Meena Rani) were selected to represent the state at the Wetlands School Network-Asia Conference in China, marking a significant achievement in global knowledge exchange.

8.7.5 Mission Sahbhagita North Regional workshop on conservation and wise use of wetland

The Mission Sahbhagita North Regional Workshop in Shimla (October 2025) successfully fostered collaboration among seven states and UT's, including Himachal Pradesh, on wetland conservation. Key achievements included enhanced policy integration, capacity building and a focus on participatory management at the Renuka Ji Wetland (Ramsar Site). The workshop emphasized CEPA (communication, education, participation and awareness) strategies, encouraging local community involvement in conservation. It also resulted in actionable recommendations for improving wetland management practices and increasing regional cooperation, contributing to the long-term sustainability of North India's wetlands.

8.7.6 Glacier and Snow Cover Monitoring

Himachal Pradesh has undertaken comprehensive monitoring of glaciers, glacial lakes and snow cover across the state using high-resolution satellite data (AIWFS, LISS-III, LISS-IV). This ongoing study is crucial for understanding glacier retreat, identifying GLOF (Glacial Lake Outburst Flood)-prone areas and supporting disaster risk mitigation, hydropower planning and climate resilience efforts in the region.

8.7.7 Rapid Damage Assessment for Monsoon Disasters

Utilizing Remote Sensing (RS) and GIS, Himachal Pradesh successfully completed spatial mapping and damage assessments of landslides, Nash floods and

riverine floods during the 2025 monsoon season. This initiative supports informed disaster-risk planning and resource allocation, helping the state better prepare for future disasters and prioritize mitigation measures.

8.7.8 GI Applications for Local Products

State has initiated the preparation of Gl applications for four key products- Sirmouri Ginger. BhotJau, Chamba Chukh, and Plectranthus Honey. These applications are expected to be completed by March 2026, contributing to the recognition and protection of Himachal's unique agricultural and artisanal products. In addition, state has also launched a new Gl application for Sirmouri Dangra, further expanding the range of locally-produced products under Gl recognition.

8.8 Jal Jeevan Mission (JJM)

The Jal Jeevan Mission, launched by the Union Government on August 15, 2019, is dedicated to achieving the objective of providing Functional Household Tap Connections (FHTC) to every rural household in India by the year 2024. The estimated nationwide cost for implementing this program is ₹3.60 lakh crore. The mission is centered on establishing a household-level service system, ensuring a consistent supply of water at the prescribed quality, with a target of 55 liters per capita per day.

The Mission adopts a community-centric approach, emphasizing source sustainability, water quality assurance, infrastructure development and institutional strengthening.

Himachal Pradesh has emerged as a leading State in the implementation of JJM by achieving 100 per cent saturation of rural households in July 2023, significantly outperforming the national average of 81.53 per cent. The State has a total of 17.09 lakh rural households, of which 7.63 lakh households had access to tap water prior to the launch of the Mission. The remaining 9.46 lakh households were provided Functional Household Tap Connections under JJM, ensuring universal access to piped drinking water in rural areas.

A major focus of JJM implementation in Himachal Pradesh has been the provision of drinking water in public institutions. Tap water connections have been ensured in all 17,315 schools and 17,892 Anganwadi Centres, thereby strengthening water security for children and improving hygiene and sanitation outcomes.

Table 8.8

Status of distribution of certified water

Particulars	Number	Water certified status (Percentage)
Block	88	48 (54.54)
Panchayats	3,536	2,967 (83.91)
Villages	17,627	15,292 (86.75)

Source: Jal Jeevan Mission

8.8.1 Rural Water Supply Schemes

To support infrastructure creation, the State has approved 1,747 rural water supply schemes under JJM at an estimated cost of ₹6,395.09 crore. Of these, 650 schemes have been completed both physically and financially, while 1,097 schemes are under various stages of implementation. Out of the approved outlay, the State received ₹5,174.96 crore, which was utilized in accordance with JJM operational guidelines. For FY 2025-26, the Annual Action Plan amounting to ₹2,296.77 crore has been recommended by the State Water and Sanitation Mission (SWSM).

8.8.2 Hand Pump Programme

The State Government is implementing an ongoing programme to provide hand pumps in water-scarce areas, particularly during the summer season. As of November, 2025, a total of 42,180 hand pumps have been installed across the State.

8.8.3 Urban Water Supply Schemes

Himachal Pradesh has 74 Urban Local Bodies (ULBs). Water supply in Shimla city is managed by the Shimla Jal Prabhandan Nigam, while Parwanoo is served by HIMUDA. The Jal Shakti Vibhag maintains water supply systems in the remaining 72 towns, of which 46 schemes have been completed. Construction of new water supply schemes is underway in 8 towns and survey and investigation for augmentation of water supply @135 LPCD are in progress in the remaining 18 towns.

Under AMRUT 2.0, upgradation and augmentation of water supply schemes have been sanctioned for 17 towns. DPRs for 8 towns amounting to ₹154.07 crore under Tranche-I, 2 towns (Amb and Bhunter) amounting to ₹32.90 crore under Tranche-II and 17 towns amounting to ₹111.90 crore under Tranche-III have been approved and work in progress.

8.8.4 Sewerage Schemes in Urban Sector

With the addition of 13 newly notified Urban Local Bodies, Himachal Pradesh now has 74 towns/ULBs. Sewerage services in Shimla are managed by the Shimla Jal Prabhandan Nigam Limited (SJPNL).

The Jal Shakti Vibhag has provided sewerage facilities in 41 towns, with 68 Sewage Treatment Plants (STPs) of total installed capacity 99.46 MLD, currently receiving a sewage inflow of 62.39 MLD. Sewerage schemes are under construction in 6 towns (Bhota, Santokhgarh, Talai, Baijnath-Paprola, Nerchowk and Banjar), while works have been awarded in 3 towns (Nagrota Surian, Dharampur and Rajgarh). Administrative approval and expenditure sanction have been accorded for 3 towns (Nerwa, Chopal and Shahpur) under the State Head and for Bilaspur town under an Externally Aided Project (EAP). Proposals for 10 additional towns are under preparation for funding under the State Head or Externally Aided Projects. The remaining 9 towns are yet to be covered with sewerage facilities.

Under Swachh Bharat Mission (Urban) 2.0, sewerage components have been approved for 31 towns at a cost of ₹111.88 crore.

8.8.5 Sewerage Schemes in Rural Sector

The Jal Shakti Department has initiated the execution of sewerage schemes in rural areas. At present, partial sewerage facilities have been provided in six rural locations Sharbo (Reckong Peo), Jhakri, Sangla (where Phases II and III were damaged during floods), Chintpurni (Zones I, II and III), Hardsar and Marhi (Manali) with an installed treatment capacity of 7.48 MLD against a sewage inflow of 3.3 MLD. Sewerage schemes are currently under implementation in 13 additional rural areas.

Rural sewerage schemes have also been taken up for funding under NABARD (MLA Priority). So far, 20 sewerage schemes amounting to ₹303.78 crore are being prepared. Of these, three locations, Nagrota Surian, Sandhole and Dharampur have since been notified as Urban Local Bodies, for which sanctions had already been accorded.

Work has commenced on nine rural sewerage schemes across districts, including Taklech (Rampur), Baranda (Nurpur), Chatrari (Chamba), Rehan area, Udaipur Khas, Namgia (Pooh), Kot, Rosso, Thana (Dharampur), Neri, Sandhole Datwar, Sohar, Ghanala (Sandhole) and the heritage villages of Garli and Pragpur.

To strengthen septage and sludge management, ₹11.54 crore has been received from the Rural Development Department and allocated to 22 STPs across 21 divisions of the Jal Shakti Vibhag for infrastructure development.

8.8.6 Command Area Development (CAD)

During FY 2025–26, the Government of Himachal Pradesh allocated ₹5.87 crore (including central share) for Himachal Pradesh Command Area Development (HIMCAD) activities, primarily to bridge the gap between irrigation potential created and utilized under minor irrigation schemes. Against a physical target of 2,318.43 hectares of Culturable Command Area (CCA), 634.62 hectares were covered by November 2025, with an expenditure of ₹0.59 crore (up to September, 2025).

8.8.7 Irrigation

Himachal Pradesh has a total geographical area of 5.567 million hectares, of which 0.583 million hectares are under cultivation. The State's estimated irrigation potential is 0.335 million hectares, comprising 0.050 million hectares through major and medium irrigation projects and 0.285 million hectares through minor irrigation schemes. As of November, 2025, an area of 0.314 million hectares has been brought under irrigation.

8.8.8 Major Irrigation

The Shah Nehar Project in Kangra district is the only major irrigation project in Himachal Pradesh. With its completion, irrigation infrastructure has been created for 15,287 hectares of land. As of November, 2025, the Command Area Development (CAD) team has brought 10,042 hectares under CAD operations out of the total command area.

8.8.9 Medium Irrigation

The Balh Valley Left Bank Irrigation Project covers 2,780 hectares, the Sidhatha Kangra Irrigation Project 3,150 hectares and the Changer area Irrigation Project in Bilaspur covers 2,350 hectares. As of November 2025, Command Area Development (CAD) activities have been extended to 2,705 hectares in the Sidhatha area. In addition, the Phina Singh Cultivated Command Area (4,205 hectares) and the Nadaun area in Hamirpur district (2,980 hectares) are under development as part of medium irrigation projects.

8.8.10 Minor Irrigation

An allocation of ₹580.34 crore has been made in FY 2025–26 for the development of irrigation infrastructure covering 5,292.07 hectares. As of November 2025, an expenditure of ₹37.22 crore (up to September 2025) has been incurred, resulting in irrigation coverage of 1,808.02 hectares.

8.9 Himachal Pradesh State Pollution Control Board (HPSPCB)

HPSPCB has been constituted under the provisions of section 4 of Water Act, 1974 to achieve the objective to check the pollution. Subsequently the provisions contained in Air Act, 1981 and the Environment Protection Act, 1986 were also entrusted to the State Board.

8.9.1 Activates/Works done by the Board year 2025-26 (December, 2025) are as under:

1. State Government has notified the Regional Laboratory, Shimla of HPSPCB as the State Water and Air Laboratory under Section 52(1) (b) of the Water (Prevention and Control of Pollution) Act, 1974 and Section 28(1)(b) of the Air (Prevention and Control of Pollution) Act, 1981.

2. HPSPCB successfully developed and implemented the Laboratory Module in Online Consent Management and Monitoring System (OCMMS) for water, air, hazardous waste and solid waste samples, becoming the first Pollution Control Board in India to operationalize this module among using OCMMS.

3. Under the Swachh Vayu Sarvekshan of the National Clean Air Programme (NCAP), Nalagarh, a non-attainment town of Himachal Pradesh, secured 2nd position in Category-III cities for improvement in air quality and effective implementation of its City Action Plan during 2025.

4. During FY2025–26, the State Board imposed penalty ₹1.42 crore as Environmental Compensation on Urban Local Bodies, Rural Bodies and Special Area Development Authorities for mismanagement of solid waste across the State.

5. The State Board regularly undertakes mass awareness campaigns and enforcement actions against the use of banned plastic items under the H.P. Non-Biodegradable Garbage (Control) Act, 1995. In 2025, compound challans amounting to ₹5.63 lakh were issued to violators across the State.

6. The HPSPCB is commemorating its 50th anniversary (December 2024–December 2025). A Coffee Table Book and a commemorative journey video highlighting the Board's 50-year legacy have also been prepared.

7. To facilitate industries under the Compliance Reduction and Deregulation initiative, the State Board introduced an auto-renewal mechanism for

Consent to Establish (CTE) for Green category industries and extended the same mechanism to Consent to Operate (CTO).

8. The State Board adopted the revised categorization of industrial sectors under Red, Orange, Green and Blue categories in accordance with CPCB guidelines. The updated classification enhances regulatory clarity and strengthens environmental monitoring by aligning industries with their pollution potential and operational impact.

9. In addition to adopting the revised CPCB industrial categorization, the State Board has identified left-out industrial sectors under the Red, Orange and Green categories in compliance with CPCB directions. The list of newly identified industrial sectors is as under:

Table 8.9

Category	Total industrial sectors as per CPCB classification 2025	Newly identified left out industrial sectors	Total industrial sectors
Red	125	1	126
Orange	137	18	155
Green	94	22	116
Blue	9	-	9
White	54	3	57

Source: H.P. State Pollution Control Board

10. In accordance with the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981, all industries, processes, development projects and tourism units are required to obtain mandatory consent from the State Board. The details of consents granted are as under:

Table 8.10

Particulars	Total Number of Consent Granted w.e.f.1.4.2025 to 31.12.2025
Consent to Establish	1072
Consent to Operate/ Renewal of Consent to Operate	2956
Pollution Control System Installed (Air and Water)	61

Pollution Control System Improved (Air and Water)	55

Source: H.P. State Pollution Control Board

Table 8.11

Major Schemes (Overview)

Scheme	Area Covered	Financial Outlay	Status
CAMPA and National Afforestation	Statewide	Plantation 5,000 ha	4,100 ha achieved
Mukhya Mantri Van Vistaar Yojana	119 ha (2025–26)	State scheme	Ongoing
Rajiv Gandhi Van Samvardhan	1,267 ha	Community model	900 ha done
KFW Climate Proofing	Chamba, Kangra	₹308.45 crore	₹13.29 crore spent (2025–26)
JICA Forest Project	7 districts	₹800 crore	₹18.70 crore spent (2025–26)
World Bank Climate Resilience	900 GPs	₹650 crore	₹56.83 crore spent
NAFCC Pilot	Sirmaur	Extended till Mar 2026	Completed objectives
CAFRI	5,000 women farmers	Indo-German	2023–26
Jal Jeevan Mission	Statewide	₹6,395 crore	100 per cent rural coverage

8.10 Main Issues and Challenges

A. State-level Main Issues and challenges (Evidence-Based)

Issue / Challenge	Evidence	Implications
Climate Vulnerability in the Western Himalayas	Increasing frequency of extreme weather events, glacier retreat, landslides, and ecosystem fragility.	Threatens forests, water sources, agriculture and increases disaster risks for communities.
Forest Degradation and Biotic Pressure	Rising pressures from population growth, livestock grazing and developmental activities.	Decline in forest quality, increased soil erosion and reduced ecological resilience.

Forest Fires, Illegal Felling and Encroachments	Higher incidence of forest fires and forest-related offences.	Loss of vegetation, habitat destruction, carbon stock depletion and rising protection costs.
Human–Wildlife Conflict	Crop damage by boar, monkeys, bears; livestock predation by leopards; injuries to people.	Economic loss for farmers, safety risks, high compensation burden and declining tolerance for wildlife.
Water Resource Stress and Source Vulnerability	Dependence on springs/snowmelt; declining recharge; climate-driven variability in river flows.	Seasonal water shortages, pressure on drinking-water schemes and risk to rural water security.
Urbanization and Tourism Burden on Environment	Increased waste generation, inadequate sewerage in many towns, pressure on hill ecosystems.	Pollution, water contamination, reduced carrying capacity of towns and environmental degradation.
Fragmentation and Declining Health of Forest Ecosystems	Declining growing stock, small fragmented forest patches and uneven forest density.	Habitat loss, reduced biodiversity, weakened ecological stability and lower long-term productivity.

B. District-Specific Issues and Challenges (Evidence-Based)

Challenges	Affected Districts	Evidence
High proportion of un-demarcated or "other" forest areas creating management and enforcement difficulties	Lahaul–Spiti, Kinnaur, Kangra, Shimla, Una, Solan	Large areas fall under un-demarcated or other forest categories, complicating monitoring, protection and legal compliance.
Gaps in urban sewerage networks; several schemes under construction or pending	Hamirpur, Una, Bilaspur, Kangra, Mandi, Kullu, Sirmaur, Shimla	Multiple towns still lack complete sewerage systems or have works under execution, delaying full sanitation coverage.

Damage and partial functionality of rural sewerage systems due to terrain and climate risks	Kinnaur, Kullu, Una, Chamba, Shimla	Rural sewerage systems in several locations are either partially functional, recently damaged by floods or undergoing repairs.
Industrial air-quality pressure in specific clusters	Solan (Nalagarh)	Industrial belts face air-quality management challenges due to concentrated industrial activity.
Seasonal plastic waste surges during major pilgrimages and tourist inflow	Chamba	Large pilgrim gatherings generate high volumes of plastic waste requiring special collection and management efforts.
Climate and ecosystem vulnerability requiring targeted restoration and resilience projects	Chamba, Kangra	Dedicated climate-proofing and restoration programmes indicate higher ecological sensitivity in these districts.
Need for long-term livelihood-linked forest ecosystem management	Bilaspur, Kullu, Mandi, Shimla, Kangra, Kinnaur, Lahaul–Spiti	Multi-year forest ecosystem and livelihood improvement projects highlight the need for sustained interventions in these regions.

8.11 Way Forward

The way forward requires strengthening climate-resilient natural resource governance through landscape-level ecosystem management, science-based planning and community-led conservation. Forest management should increasingly focus on quality improvement through assisted natural regeneration, mixed species plantations, landscape restoration, fire-resilient ecosystems and biodiversity corridors. Scaling up community participation models such as Van Mitra, joint forest management and payment for ecosystem services can strengthen livelihood linkages while improving conservation outcomes. Climate finance, CSR participation and public-private partnerships should be leveraged to expand restoration and carbon sequestration initiatives.

Environmental governance should prioritize integrated climate risk planning, strengthening early warning systems, expanding glacier and watershed monitoring and promoting circular economy models for waste management. Research institutions and technology platforms should support real-time environmental monitoring, disaster risk modelling and localized climate adaptation solutions. Expanding nature-

based tourism and green economy initiatives can generate sustainable income while promoting conservation awareness.

In water resources, the focus should shift from infrastructure creation to long-term source sustainability through spring rejuvenation, watershed restoration, rainwater harvesting, micro-irrigation and water-use efficiency. Integrated river basin management and climate-resilient irrigation planning should be strengthened. Urban water and sewerage systems should adopt decentralized treatment and reuse systems to reduce pressure on natural sources. Strengthening institutional coordination, capacity building of local bodies and community ownership of water assets will be essential for sustaining gains and ensuring climate-resilient water security.

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CHAPTER 9

INDUSTRIES

Executive Summary

S. No.	Key Points	Summary
1	**Industrial Transformation**	Himachal Pradesh moved from an agrarian to an industry-driven economy, raising the secondary sector's share to 40.11 per cent in 2024–25.
2	**Pharma Hub of India**	The state hosts 650+ pharma units, producing 35 per cent of India's medicines, emerging as one of Asia's key pharma hubs.
3	**Export Growth**	State exports rose sharply from ₹550 crore (2003) to ₹20,414 crore (2024–25), with strong global linkages across 60 countries.
4	**Bulk Drug Park (Una)**	A ₹2,071 crore mega project under development, expected to attract ₹8,000–10,000 crore investment and create 20,000 jobs.
5	**Investment Promotion**	135 industrial proposals approved via Single Window, bringing ₹3,118.91 crore investment and generating 12,947 jobs.
6	**Ease of Doing Business Reforms**	Himachal achieved 98 per cent BRAP 2024 implementation, expanded online services, simplified approvals, and earned "Top Achiever" recognition.
7	**MSME and Startup Expansion**	MSMEs form 99 per cent of industrial units; 365 startups incubated, supported by a ₹10 crore HIMSUP fund and incubation infrastructure.
8	**Land Bank and New Industrial Areas**	Five new industrial areas notified, with 1,383 bighas of land at Bir Plassi and Dhabota progressing toward industrial allocation.
9	**Self-Employment and Skill Development**	MMSY sanctioned 10,850 cases, PMFME supported 780 units, and PM Vishwakarma trained 12,728 artisans statewide.
10	**Sericulture and Rural Industries**	Sericulture supports 10,221 families; cluster-based rural industrialisation and multiple CFC projects strengthen village-level industry.

9.1 Introduction - Industry Sector

Himachal Pradesh has transitioned from a predominantly agrarian economy to one increasingly driven by industry and services. This transformation has been supported by progressive industrial policies, a favourable investment climate, and active participation of the private sector. Consequently, the share of the secondary sector in the State's GSDP has risen from about 7.00 per cent in 1950–51 to 40.11 per cent in 2024–25.

In the early years, the State had only a few industries such as Mohan Meakins, Salt Mines, Nurpur Silk, and the Palampur Cooperative Tea Factory. Over time, industrial activity expanded across key sectors including pharmaceuticals, textiles, FMCG and food processing, cement, auto and engineering, and electrical and electronics, placing the State on a steady growth path.

A major impetus to industrialization came in 2003 with the announcement of a special industrial package, which attracted large investments, particularly in Solan, Sirmaur, and Una districts. This initiative, along with sustained infrastructure development and pro-industry policies, significantly accelerated industrial growth in the State.

Himachal Pradesh has since emerged as a major pharmaceutical manufacturing hub, with over 650 operational units. The State is also a key cement producer and export centre. The exports were valued at ₹20,414 crore and there are trade linkages with nearly 60 countries.

9.2 Industrial Scenario in Himachal Pradesh

The industrial base of the State is predominantly driven by Micro, Small, and Medium Enterprises (MSMEs), which account for about 99 per cent of total industrial units. This sector plays a vital role in employment generation and regional economic development, supported by a conducive policy and infrastructure environment.

9.2.1 Snapshot of Industrialization

9.2.1.1 Bulk Drug Park, District Una

Himachal Pradesh has emerged as one of the country's largest pharmaceutical formulation hubs, producing over 35 per cent of India's medicines. The sector consumes bulk drugs and raw materials worth more than ₹35,000 crore annually, underscoring the need for a dedicated Bulk Drug Park.

The park is being developed at Haroli in District Una under the Government of India's scheme for promotion of bulk drug parks. The project has a revised cost of ₹2,071 crore, including ₹996.45 crore from the Government of India and ₹1,074.55 crore

from the State Government. It is expected to attract ₹8,000–10,000 crore in investments and generate direct employment for about 20,000 persons.

Environmental clearance was granted in September 2025. The park will provide common infrastructure, including a Zero Liquid Discharge-based CETP, steam generation systems, hazardous waste management, a Centre of Excellence, testing laboratories, an emergency response centre, and warehousing facilities.

State Government is committed to execute this upcoming park in time bound manner and following infra related works to be executed within the park has been initiated:

Table 9.1

Infrastructure Works Initiated for the Upcoming Park

Sl. No.	Component	Estimated cost (₹ crore)
1	Site development, roads, bridges	225
2	ZLD-based CETP	273.49
3	Boiler Steam Generation and Distribution System	300.28
4	Hazardous Waste Management Plant	52.00
5	Centre of Excellence, Safety & Hazardous Audit Centre and Advanced Laboratory Testing Facility	135.66
6	Emergency Response Centre	20.17
7	Construction of five warehouses	56.00

Apart from the above, requisite infrastructure for water availability of 15 MLD is almost complete. Similarly, power-related works outside the park are at an advanced stage. To support the economic activity generated by the park, the State Government has earmarked a dedicated land parcel of 175 acres in the vicinity for residential, commercial and institutional purposes.

9.3 Investment Scenario

- In view of the evolving dynamics of the manufacturing sector in the post-COVID period and the global supply chain realignments, the State Government is committed to accelerating industrialization through an "Industry through Invitation" approach. In this direction, delegations led by the Industries Minister have interacted with potential investors in Dubai and Mumbai over the past three years. As a result, Memorandums of Commitment (MoC) worth ₹5,000 crore have already been signed.

- **International Outreach Visit:** A State Government delegation led by the Industries Minister undertook an international outreach visit to Japan, Hong Kong, and Vietnam from 29 September to 9 October 2025. The visit aimed to promote Himachal Pradesh as a preferred investment destination and showcase opportunities across key sectors, particularly pharmaceuticals and allied industries.
- Under the Single Window System, 135 industrial proposals were approved during the year, involving an investment of ₹3,118.91 crore and employment for 12,947 persons.
- Government has also identified priority sectors such as green energy, hydrogen, solar, ethanol, dairy, food processing, IT & ITES, and electric vehicles.

9.4 Export Scenario in Himachal Pradesh

The State's exports have increased significantly from ₹550 crore in 2003 to ₹20,414 crore in 2024–25, reflecting strong industrial growth and improved manufacturing capacity. The pharmaceutical sector dominates exports, contributing around ₹13,000 crore annually, which accounts for 70 per cent of the State's exports and 45 per cent of the Northern region's exports.

9.5 Policy Reforms for Attracting Investment

To accelerate industrialisation and investment, the Government has streamlined approval procedures to reduce delays and create a conducive industrial environment. Under the Compliance Reduction and Deregulation initiative, CLU processes have been relaxed and digitised, with a minimum 3-metre road width recognised as a national best practice. Setback norms have been reduced, cutting land loss by up to 30 per cent and improving plot utilisation. FAR norms have been liberalised. The list of white-category industries has been expanded from 54 to 57, and the removal of the one-year validity clause for night-time employment of women has further strengthened labour-friendly reforms.

9.6 Land Bank for Industrialisation

State Government is committed to developing new industrial areas and estates with basic infrastructure for investors. Accordingly, five new large and micro-industrial areas have been notified in 2025–26:

- Industrial Area Haar, Tehsil Barsar, District Hamirpur
- Industrial Area Kishanpura, Tehsil Baddi, District Solan
- Industrial Area Makhun Majra, Tehsil Baddi, District Solan
- Industrial Area Bersan, Tehsil Nalagarh, District Solan
- Industrial Area Androla Upperla, Sub-Tehsil Panjhera, District Solan

Apart from the above, the transfer of Government land parcels measuring 1,383 bighas at Bir Plassi and Dhabota is at the stage of final approval.

9.7 PM Vishwakarma Scheme – Himachal Pradesh

State Government is implementing the PM Vishwakarma Scheme of Government of India. The scheme aims to provide skilling support and financial assistance to artisans and craftspeople.

- Around 12,728 artisans and craftspeople have benefited through skill training
- 6,000 toolkits have been delivered under the scheme

9.8 Encouragement for self-employment ventures

State Government has taken several initiatives over the last two years to encourage youth to set up their own ventures so that they may become employment providers instead of employment seekers.

- **Mukhyamantri Swavalamban Yojana (MMSY):** Under the MMSY 396 self-employment cases were sanctioned with an investment of ₹110.70 crore, generating employment potential for 1,361 persons. Additionally, 628 units have been established with a total investment of ₹111.59 crore, creating employment for 1,413 persons.

- **Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PMFME):** This scheme aims to strengthen micro food processing enterprises through credit-linked subsidy, seed capital and training support. Under the scheme, 780 cases were sanctioned with subsidies worth ₹51.65 crore and 289 women Self-Help Groups were provided seed capital amounting to ₹1.46 crore.

9.9 Rural Industrialisation through Cluster Approach

- The State Level Steering Committee (SLSC) under the GoI's MSE-CDP scheme has approved 16 cluster projects worth ₹200.08 crore for establishing Common Facility Centres (CFCs) across various districts. The clusters cover key sectors such as agro and food processing, dairy, textiles, handlooms, handicrafts, waste management, furniture, wood carving, sericulture and tourism, with a focus on rural empowerment.

- The SLSC has also approved 10 infrastructure projects worth ₹110.19 crore under MSE-CDP to strengthen basic amenities in industrial areas across the State.

9.10 Accolades

- Himachal Pradesh was recognised as a 'Top Performer' in the State Startup Ranking 5.0 for strengthening its startup ecosystem through incubators, policy support, innovation and investor connectivity.
- In 2025, the State also received three prestigious awards from DPIIT, Government of India, under the Ease of Doing Business (EoDB) initiative.
- The State was recognised under the EoDB framework for excellence in Construction Permit Enablers, Sector-Specific Healthcare and the Services Sector. Himachal Pradesh also emerged as an EoDB Aspirer State in 2024 and secured 1st position in the PMFME Scheme in 2023, gaining national recognition for micro food processing.

9.11 Mining Wing

State Government has amended the Himachal Pradesh Minor Minerals (Concession) and Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2015 through the 5th Amendment Rules, 2024, introducing several innovative provisions to enhance revenue generation:

- For materials sourced from non-mining activities, an additional processing charge of 75 per cent of the royalty payable has been introduced.
- New charges have been incorporated: ₹5 per tonne as EV charges, ₹5 per tonne as online charges, and ₹2 per tonne as Milk Cess.
- To promote systematic and scientific mining, the riverbed mining depth has been increased from 1 metre to 2 metres, ensuring sustainable exploration and additional revenue.
- The royalty for shale has been increased from ₹60 per tonne to ₹80 per tonne, the first revision in 10 years.

Government has notified the Himachal Pradesh Mineral Policy, 2024, revised after more than a decade, to ensure sustainable, systematic and scientific mining in the State. As a result of these measures, mining revenue for 2024–25 increased to ₹354 crore, with the projected revenue for 2025–26 estimated at ₹360 crore.

9.12 Classification of MSME

An enterprise shall be classified as a micro, small or medium enterprise on the basis of the following criteria, namely:

Table 9.2

Revised definition of MSMEs

Composite criteria: Investment in Plant and Machinery or Equipment and Annual Turnover			
Classification	**Micro**	**Small**	**Medium**
Manufacturing enterprises and enterprises rendering Services	Investment < ₹1 crore	Investment < ₹10 crore	Investment < ₹50 crore
	Turnover < ₹5 crore	Turnover < ₹50 crore	Turnover < ₹250 crore

Source: Ministry of MSME, Government of India

The revised characterization of MSMEs is poised to foster their expansion and advancement. This adjustment is expected to generate economies of scale, thereby boosting productivity, while ensuring that MSMEs continue to benefit from various government incentives. The supportive framework is designed to encourage healthy competition and prevent stunted growth among MSMEs.

Government has implemented several initiatives to enhance business environment for Micro, Small, and Medium Enterprises (MSMEs), with the introduction of the Udyam Registration Portal, being a significant step. The registration procedure is now entirely online, digital, and paperless, relying on self-declaration. This streamlined registration process has significantly improved the ease of doing business for MSMEs by reducing both transaction time and costs.

9.12.1 Him MSME Fest 2026

HIM MSME Fest 2026, held from 3rd and 4th January, 2026 at Shimla, marked a significant milestone in Himachal Pradesh's journey towards inclusive and sustainable industrial development. Anchored in the theme "Rooted in Himachal, Ready for the World", the festival celebrated the State's rich indigenous production ecosystem while positioning Himachal Pradesh as an emerging hub for agri-tourism, sustainable agriculture, handicrafts and value-added enterprises.

9.12.1.1 Key Highlights of the Event:

1 **Guinness World Record Achievement - Celebrating Himachal's Handloom Heritage**: A defining highlight of HIM MSME FEST 2026 was Himachal Pradesh's entry into the Guinness World Records for the largest handmade shawl display at a single venue. The record attempt was held on 3rd January 2026 at the Ridge, Shimla, where 4,023 handmade Himachali shawls were displayed, creating a vibrant panorama of the State's rich weaving traditions. The shawls were crafted by skilled artisans and women Self-Help Groups

(SHGs) from all 12 districts, each contributing distinctive patterns and cultural motifs reflecting centuries-old textile heritage.

2 **Reverse Buyer–Seller Meet under ODOP**: Another major highlight was the One District One Product (ODOP) Reverse Buyer–Seller Meet, which showcased the State's diverse district-level industrial and craft strengths, providing a platform for local producers to connect with national and international buyers. The ODOP Reverse Buyer–Seller Meet featured 14 exhibitors, including one departmental stall and 13 individual enterprises, showcasing a diverse range of ODOP-based and value-added products. The event witnessed active participation from producers, buyers, exporters and institutional stakeholders, fostering market linkages and business opportunities.

3 **Women Networking Meet:** The Women Entrepreneurs Networking Meet was held at Shimla, on 4th January 2026 as part of HIM MSME FEST 2026. The event brought together over 100 aspiring women entrepreneurs from across the State for an interactive knowledge-sharing session with senior State and Central Government officials and ecosystem leaders. The platform facilitated networking, mentorship and entrepreneurship-linked skilling, with a special focus on women-led MSEs.

4 **Advancing Himachal Pradesh's Startup and Entrepreneurship Ecosystem**: HIM MSME Fest 2026 highlighted the State's growing startup ecosystem through a Startup Exhibition at the Ridge and industry interactions. Thirty-two startups from IT, manufacturing, food processing and sustainability sectors gained investor exposure, with pitching sessions leading to follow-up funding discussions.

The Annual Startup Entrepreneurship Awards honoured leading startups from 2022–23 and 2023–24, while incubation centres were recognised for their support. MoUs were also signed to strengthen mentorship and training. Key recommendations included forming advisory committees, establishing acceleration centres, improving market linkages and introducing entrepreneurship education in schools and ITIs.

5 **CEO's Roundtable with Chief Minister:** HIM MSME FEST 2026 was the CEO's Roundtable with the Chief Minister, held in the presence of the Industries Minister. The event concluded with the signing of Memoranda of Commitment (MoC)/MoUs, wherein 37 companies pledged investments exceeding ₹9,619 crore, reflecting strong investor confidence and long-term engagement in Himachal Pradesh.

9.13 Himachal Pradesh Industrial Investment Policy

The vision statement in the industrial policy 2019 is, ***"To create an enabling ecosystem to enhance the scale of economic development and employment opportunities; ensure sustainable development and balanced growth of industrial and service sectors to make Himachal one of the preferred destinations for investment".*** In 2022-23, industrial policy 2019 was extended from December, 2022 to December, 2025 to provide a favourable industrial development environment, especially for Micro, Small and Medium Enterprises. It will help accomplish its goals by:

- EoDB will be ensured by simplification of laws and processes.
- Building a new industrial infrastructure.
- The provision of reliable, cost-effective electricity.
- Streamlining the distribution of State-provided incentives, concessions and facilities.
- By providing incentives, facilities and concessions with the condition of employment to 80 per cent Bonafide Himachalies at all levels.
- Net State Goods and Service Tax (SGST) rebate: Fixed capital Investment limit for Net SGST reimbursement (excluding Steel manufacturing) has been increased to the max. of 100 per cent of Food Corporation of India (FCI) for the period of 7 to 10 years in A, B and C category, while for anchor units this FCI limit has been increased to 250 per cent for 10 years in B and C category.

9.14 Focus Sectors for Investment in Himachal

To accelerate manufacturing growth and generate employment, the Government of Himachal Pradesh has identified eight priority industries as key drivers of industrial development. The State is fostering an investor and entrepreneur-friendly ecosystem through transparent governance, simplified procedures and enhanced ease of doing business, supported by progressive sectoral policies. Industrial areas have been strategically earmarked for high-impact activities such as IT Parks with data centres, tourism and allied sectors (including adventure tourism, health, AYUSH and wellness), educational institutions, integrated industrial townships, housing and real estate projects, residential complexes and worker hostels. Emphasis has also been placed on developing manufacturing-linked ancillary services and service clusters to strengthen the industrial value chain. This integrated strategy reflects the State's commitment to building a resilient, sustainable and growth-oriented industrial landscape.

9.14.1 Sector Highlights: Manufacturing and Pharmaceuticals

- State has developed 64 Industrial Areas and 17 Industrial Estates. It has promoted private sector participation, including support for the Cremica Food

Park. Leveraging abundant raw materials and improved connectivity, the Government envisages establishment of additional Food Parks.

- Several major industrial projects have been proposed, including an Integrated Industrial Township and Software Technology Park at Kangra, Integrated Industrial Township under MIIUS, Mega Food Park, Mega Textile Park at Una, Biotechnology Park at Aduwal, Bulk Drug Park at Una, Gheer Industrial Area at Nalagarh (Solan) and Software Technology Park at Mehli, Shimla, under the Industrial Investment Policy, 2019.

- Himachal Pradesh has emerged as one of Asia's leading pharmaceutical manufacturing hubs and a vital contributor to India's pharma sector, accounting for nearly 35 per cent of national pharmaceutical production. Most leading pharmaceutical companies have established or are establishing manufacturing units in the State. An ultra-modern pharmaceutical testing and research laboratory, with technical support from NIPER, is proposed at Baddi to further strengthen the sector's research and quality infrastructure.

- Investment promotion has gained strong momentum under the innovative "Industry through Invitation" initiative. MoUs worth ₹2,500 crore have been facilitated. Despite heavy rains and floods in 2023, the State approved over 450 industrial projects, unlocking an investment potential of approximately ₹9,800 crore and generating around 30,000 employment opportunities. Strategic focus sectors include Green Energy, Green Hydrogen, Solar Power, Ethanol, Dairy and Electric Vehicles, aligned with sustainability and environmental priorities.

- To meet the growing demand for industrial expansion, new industrial areas are notified annually to augment the State's land bank. Currently, 1,350 bighas of government land at Dhabota and Bir Plassi in Tehsil Nalagarh are at the final stage of transfer for industrial use.

9.15 Government Initiatives: State Sponsored Schemes

9.15.1 Mukhya Mantri Swavalamban Yojana (MMSY)

To provide sustainable livelihood opportunities to the bonafide youth of Himachal Pradesh (aged 18–45 years and up to 50 years for women), the State Government is implementing the "Mukhya Mantri Swavalamban Yojana", launched in 2018. The scheme aims not only to generate employment but also to promote entrepreneurship and self-employment among the youth of the State. Over the years, it has emerged as a transformative initiative fostering enterprise-led growth.

9.15.2 Salient Features and Benefits:

i. 35 per cent investment subsidy to women & Divyangjan led enterprises, 30 per cent for SC, ST's and 25 per cent for others up to maximum ceiling of ₹60 lakh in plant and machinery (or equipments) with total project cost not exceeding ₹1.00 crore.

ii. Interest subsidy @ 5 per cent for 3 years on loan up ₹60 lakh.

iii. Industrial plots, sheds, shops in IAs/IEs in C category area only would be allotted @25 per cent of the prevailing premium at the time of allotment.

iv. If an entrepreneur intends to buy private land under this scheme then the stamp duty will be charged @3 per cent of applicable rate.

v. State Government is reimbursing actual fee/expenses incurred on payment of guarantee fee of Credit Guarantee fund Trust for Micro and Small Enterprises (CGTMSE) of Government of India to provide collateral free loan.

It covers 103 notified service-sector activities in addition to manufacturing. It includes Computer Graphics and Data Processing, Healthcare Testing Labs at village level, Raw Material/Finished Product Testing Laboratories, Community Kitchens, Beauty and Wellness Centres, Digital Photo/Video Studios, Floriculture, Camping Sites, Banquet Halls, Laundry and Dry Cleaning Services, Eco-Tourism, Waste Disposal Services, Event Management, Fashion Designing, Hospital and Nursing Services, Restaurants and Trade Shops, Traditional Handicrafts, Silage Units, Cold Storage for Milk Products, Farm Stay/Agro Tourism, Retail Outlets for Agriculture (Composite Units), Vegetable Nurseries, Warehousing and Transportation of Agricultural Produce, EV Charging Stations and Silk Processing Units, among others.

Through financial incentives, institutional support, and a diversified list of eligible activities, the scheme seeks to nurture entrepreneurship, strengthen local enterprise and generate sustainable employment across both manufacturing and service sectors in the State.

Table 9.3

Achievement of MMSY

Year	No. of cases sanctioned (In No's)	Propos. Invest. (₹in crore)	Subsidy Involved (₹in crore)	Propos. Emp. (in No's)	Unit actually setup (in No's)	Actual Invest. (₹in crore)	Emp. Actually Generated (In No's)	Subsidy Released (₹in crore)
2018-19	346	71.88	17.45	1471	212	43.87	668	8.50
2019-20	1055	206.55	48.85	4377	733	132.19	2471	31.80

2020-21	1986	352.05	81.39	5464	1330	229.13	3990	79.15
2021-22	3042	542.02	116.75	6967	1863	279.48	4045	70.18
2022-23	2801	540.83	127.45	6939	1728	282.33	3310	94.80
2023-24	1224	270.10	64.64	3539	953	188.92	2283	43.08
2024-25	352	86.33	20.22	1093	449	78.00	984	8.41
2025-26	44	24.37	5.60	268	179	33.59	429	9.68
Total	**10850**	**2094.13**	**482.35**	**30118**	**7447**	**1267.51**	**18180**	**345.6**

Source: Department of Industries, Government of Himachal Pradesh

9.15.2 State Mission on Food Processing (SMFP)

In order to assist and to establish food processing industries in the State the State Government has started State Mission on Food Processing scheme w.e.f. Aug, 2015 onwards. The main schemes being implemented under SMFP, their pattern of assistance and Maximum limit of Grant-in-Aid is as under:

- In Technology Up-gradation/ Establishment / Modernization of FPI's, units are provided with 33.33 per cent Grant-in-Aid with maximum limit of ₹75 lakh.
- Units engaged in Cold Chain, Value Addition and preservation infrastructure (Non-Horticulture products) are eligible for 50 per cent of Grant-in-Aid with upper limit of ₹ 5 crore.
- Grant-in-Aid of 75 per cent upto ₹2.50 crore is provided to Primary Processing Centers/Collection Centers in Rural Areas.
- For Modernization of Meat Shops, Grant-in-Aid of 75 per cent upto ₹5 lakh is provided.
- Grant-in-Aid of 50 per cent with maximum limit of ₹50 lakh is provided for the purchase of Refer Vehicle.

Table 9.4

Achievements under SMFP (Since FY 2015-16 to FY 2025-26):

Sr. No.	Scheme	Total Cases Sanctioned	Total Project Cost (in crore)	GIA Sanctioned (in crore)	GIA Released (in crore)
1.	Technology up-gradation /Establishment/Modernization of Food Processing Industries under SMFP	81	140.85	21.39	16.63

2.	Cold Chain, Value Addition and preservation infrastructure (Non-Horticulture products)	8	55.54	21.03	16.39
3.	Primary Processing Centers/Collection Centers in Rural Areas	12	49.39	23.51	10.93
4.	Modernization of Meat Shops	102	7.58	4.07	2.99
5.	Reefer Vehicles	27	6.96	2.80	2.30
Total		**230**	**260.32**	**72.8**	**49.24**

9.15.3 Chief Minister's Startup/ Innovation Projects/ New Industries Scheme

Himachal Pradesh has a growing Startup ecosystem, supported by the "Chief Minister's Startup/ Innovation Projects/ New Industries Scheme". The key objectives of this Scheme are as follows:

i. Self-employment or employment generation and income generation.
ii. Promotion of new ideas, products, and processes suitable for commercialization through Startups.
iii. Establishment of Incubation Centres in the State.
iv. Handholding new enterprises and entrepreneurs.
v. Assistance in gaining knowledge, expertise, and support from various schemes implemented by the State, Central Government and other institutions.
vi. Facilitation and promotion of innovation.
vii. Support for Startups and Innovation Projects.
viii. Creation of incubation space.
ix. Facilitation of adequate investment for Startups.
x. Facilitation of venture capital funding.
xi. Promotion of Human Capital development.
xii. Promotion of Industrial development in the State.

Department of Industries is developing a robust and enabling startup ecosystem aligned with the State's entrepreneurial vision. The initiative provides a comprehensive package of incentives aimed at supporting early-stage enterprises and enhancing the success rate of startups. Key provisions include a monthly subsistence allowance of ₹25,000 for a period of one year to eligible founders, along with access to free incubation facilities equipped with plug-and-play infrastructure.

To strengthen access to venture capital and seed funding within the State, the Government has launched the HIMSUP (Himachal Startup) Yojana, under which a dedicated corpus of ₹10 crore has been created for a period of five years to support promising startups. This initiative reflects the Government's commitment to fostering innovation, encouraging risk-taking, and building a sustainable startup ecosystem in Himachal Pradesh.

The following are the key highlights of the Chief Minister's Startup Mission:

i. To cater to the requirements of prospective start-up enterprises, the State Government has authorized a total of fourteen business incubators across the State.

ii. 365 start-ups have been selected for incubation, out of which 120 have successfully achieved commercialization. ₹6.74 crore has been released to incubation centres for strengthening infrastructure and capacity development.

iii. Under the HIMSUP Yojana, financial assistance ₹2.73 crore has been extended to 12 start-ups as capital support.

iv. During FY2025–26, a sustenance allowance of ₹57.94 lakh has been disbursed to selected start-ups to support their initial operational requirements.

v. HP Centre for Entrepreneurship Development (HPCED), a society functioning under the aegis of the Department of Industries, has been established with the primary objective of promoting entrepreneurial activities, skill development and self-employment generation, particularly among the educated unemployed youth of the State. At present, HPCED is functioning as a key support agency for the implementation of the Start-up Scheme.

9.15.4 Ease of Doing Business (EoDB)

In order to enhance operational efficiency and return on investment as well as strengthening integrated online services following initiatives have been taken in the last three years:

- More than 120 inter-department services have been onboarded and integrated on State single window portal.
- To minimize ground-level losses and make optimal use of vertical space, building regulations have been relaxed, enabling more efficient utilization of allotted plots for manufacturing facilities.

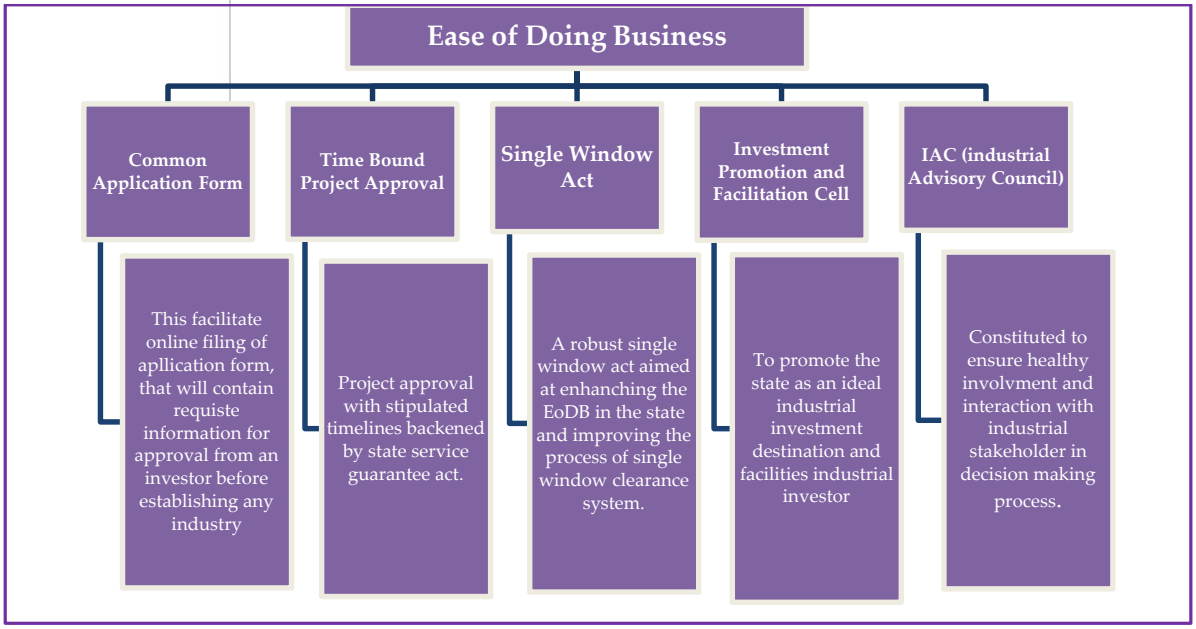
- The State mandates a minimum road width of 3m in industrial rural areas, which is identified as one of the best practices among all States of India.
- To promote an investor-friendly environment in the State, the list of White category industries has been expanded, encouraging low-impact investments.
- The State boosts Introduction of investor friendly regulations like: deemed approvals, auto renewals and GIS Enabled Mapping of Industrial Land and integrated with Indian Industrial Land Bank (IILB).
- Under BRAP 2024, the State has successfully implemented all 434 reforms recommended by DPIIT, Govt. of India and secured an implementation score of 98 per cent. This accomplishment positioned the State in the Aspirers category and earned recognition as a Top Achiever in three sectors: Healthcare, Service Sector and Construction Permit.
- To enhance productivity and empower women, the State has allowed women (excluding pregnant and lactating mothers) to work in all occupations (except industry involving lead) provided that their safety is ensured in accordance with the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code).

Investment and Ease of Doing Business

- 135 proposals approved under Single Window
- Investment: ₹3,118.91 crore
- Employment: 12,947 persons
- 120+ services integrated online
- 98 per cent implementation score under BRAP 2024
- Recognized as Top Achiever (Healthcare, Services, Construction Permit)

Figure 9.1

Snapshot of Provision under EoDB



Source: Department of Industries, Government of Himachal Pradesh

9.16 Centrally Sponsored Schemes

9.16.1 Prime Minister Formalization of Micro Food Processing Enterprises (PMFMFPE)

PMFMFPE Scheme was rolled out in Himachal Pradesh in the month of June, 2020 with sharing pattern GoI 90 per cent : State 10 per cent. The scheme promotes formalization of the food processing sector of the state providing financial, technical, infrastructural and capacity building support to SHGs, FPOs, Cooperatives and individual entrepreneurs involved in the food processing sector.

9.16.2 Achievements under PMFME Scheme (April to 31st December, 2025)

- **Seed Capital Component**

  Micro food processing units have been provided seed capital fund amounting to ₹40,000 per SHG member for purchasing small tools and working capital.

Sr. No.	SHG Members	Total seed capital fund disbursed
1	289	1,46,13,400

- **Credit Linked Subsidy Component**

  Individual micro food processing units have been provided credit-linked capital subsidy @35 per cent of the eligible project cost with a maximum ceiling of ₹10.0

lakh per unit. Under this head 598 beneficiaries ₹15.43 crore subsidy has been released.

Sr. No.	Individual Cases Sanctioned	Total project Cost
1	780	51,65,06,806

- **Beneficiary Training**

5870 Seed Capital and Credit Linked beneficiaries have been provided training on various topics viz. Capacity Building, Entrepreneurial Development Programme (EDP), Book keeping, Legal Compliances and Marketing Strategies.

- **Incubation Centre**

Three Incubation Centres are being setting up in the State with a vision to encourage the micro enterprises to constantly upgrade their quality standards in products and processes. It will also promote adaptation of new technology, quality tools and energy efficient manufacturing practices. Details and funds released to the Incubation Centre are as below table:

Table 9.5

Sr. No.	Host Institute	Processing lines	Funds Released (2nd Installment) ₹in crore
1	KVK- Kukumseri, Lahaul-Spiti (CSK Himachal Pradesh Agricultural University)	Sea buckthorn, Fruit and Vegetable	1.44
2	Dr YSPUHF, Nauni, Solan	Mushroom, Fruit and Vegetable, Spices, Herbs	2.01

9.16.3 Prime Minister's Employment Generation Programme (PMEGP)

- PMEGP is a credit-linked subsidy scheme of the Government of India, launched on 15th August, 2008 through the merger of the erstwhile Prime Minister Rozgar Yojana (PMRY) and Rural Employment Generation Programme (REGP). The scheme aims to generate self-employment opportunities through establishment of micro-enterprises in the manufacturing and service sectors.

- Under PMEGP, the maximum permissible project cost is ₹50.00 lakh for the manufacturing sector and ₹20.00 lakh for the service/business sector. In cases where the project cost exceeds these prescribed limits, the additional amount may be financed by banks without Government subsidy. Beneficiaries under

the General Category are eligible for a subsidy ranging from 15 to 25 per cent, depending upon the location of the unit, with a minimum beneficiary contribution of 10 per cent of the project cost. For Special Categories (SC/ ST/ OBC/ Minorities/ Women/ Ex-servicemen/ Divyangjan, etc.), the subsidy ranges from 25 to 35 per cent, with a reduced beneficiary contribution of 5 per cent.

- The scheme is implemented through the Department of Industries, Himachal Pradesh Khadi and Village Industries Board (HPKVIB) and the State Offices of the Khadi and Village Industries Commission (KVIC). The achievements under PMEGP during 2025–26 (up to 31st December, 2025) are as follows:

Table 9.6

No of applications sanctioned by Bank			No of cases in which MM Claimed			MM Claimed (₹In Lakh)			No of cases in which MM Disbursement			MM Disbursement (₹In Lakh)		
DIC's	KVIC	KVIB	DIC's	KVIC	KVIB	DIC's	KVIC	KVIB	DIC's	KVIC	KVIB	DIC's	KVIC	KVIB
217	219	82	588	234	279	2029.18	1080.34	1108.45	300	120	177	1069.55	547.84	636.95

Source: Industry Department, Government of Himachal Pradesh

9.16.4 Pradhan Mantri Vishwakarma Yojana (PMV Scheme)

The initiative aims to empower traditional artisans across 18 identified trades by enhancing skills, strengthening livelihoods and generating employment. Under the scheme, artisans receive ₹15,000 for tool kits and access to collateral-free loans up to ₹3.00 lakh at a concessional interest rate of 5 per cent, along with market linkage support and participation in State-level exhibitions and fairs.

Marketing Support Workshops under the PM Vishwakarma Scheme were also organized, focusing on financial literacy, digital on boarding, market access and entrepreneurship development. 1,019 artisans from 9 districts, representing 18 trades such as Carpenter, Tailor, Blacksmith, Goldsmith, Potter, Barber, Cobbler, Mason, Sculptor and others, participated in these programmes.

Table 9.7

Key achievements of the scheme as on 31st December, 2025

Sr. No.	Component	Number
1	**On boarding of Gram Panchayats**	
	Total no of Gram Panchayat	3615
	Gram Panchayat on boarded on PM Vishwakarma portal	3613
	Pending Gram Panchayat	2
2	**Artisan's application and Approval Stages**	

	Total application received	179040
	Applications approved in the first stage (Gram panchayat level)	127191 (71 per cent)
	Applications approved in the Second stage (District Level)	36160 (28 per cent)
	Application approved in the Third stage (State Level)	19701 (54 per cent)
3	**Skill development**	
	Institutions empaneled for skill development	59
	Institutions actively participating in skill development	35
	Beneficiaries enrolled for basic skill training	14249
	Beneficiaries trained	12728

4	**Credit Access**				
Trade	**Application Sent for loan**	**Sanctioned**	**Sanctioned Amount (₹in crore)**	**Disbursed**	**Disbursed Amount (₹in crore)**
Barber (Naai)	531	180	1.66	163	1.49
Basket/Mat/Broom Maker/Coir Weaver	33	13	0.12	12	0.11
Carpenter (Suthar/ Badhai)	2410	955	8.98	898	8.22
Cobbler (Charmakar)/ Shoesmith/ Footwear Artisan	23	6	0.05	4	0.03
Doll and Toy Maker (Traditional)	13	3	0.03	3	0.03
Hammer and Tool Kit Maker	70	26	0.24	22	0.21
Masons (Raj Mistri)	1363	516	4.9	484	4.49
Metal Smith/Metal Caster (Dhatu-Shilpi)	385	111	1.05	104	0.91
Sculptor (Moortikar, Stone Carver), Stone Breaker	103	20	0.2	18	0.18
Tailor	417	113	1.02	106	0.86
Washerman	14	4	0.03	3	0.02
Total	**5362**	**1947**	**18.33**	**1817**	**16.59**

5	**Toolkit**	**No.**
	No. of Toolkit Applied	14249
	Toolkit Received	5969
6	**Digital Incentive**	
	QR Code Generation	3514

Source: Industry Department, Government of Himachal Pradesh

9.16.5 Unity Mall: A Beacon of National Integration and Economic Growth

Government of India has approved the establishment of a Unity Mall at Mohal Chakvan Dhagwar, Dharamshala (District Kangra) under Part-VI of the Scheme for Special Assistance to States for Capital Investment 2023–24. Envisaged as a state of the art commercial complex, the project has been sanctioned ₹132 crore by the Ministry of Finance, Department of Expenditure, of which ₹66 crore has been released as the first instalment to the Industries Department, Himachal Pradesh.

The Mall aims to promote national integration, strengthen the "Make in India" initiative, enhance the marketability of indigenous products under the One District One Product (ODOP) framework, and provide a dedicated platform for rural artisans to showcase and sell their products. The Concession Agreement was signed on 31st July, 2025 for a 32 year period (2 years construction and 30 years operation and maintenance). Pre-construction activities have commenced and the project is scheduled for completion by July 2027.

Table 9.8

Entrepreneurship and Self-Employment – Major Achievements

Scheme	Key Achievements
MMSY	10,850 cases sanctioned; ₹2,094 crore proposed investment; 30,118 proposed employment
Startup Mission	365 startups incubated; ₹6.74 crore support; HIMSUP ₹10 crore corpus
PMFME	780 cases sanctioned; ₹51.65 crore subsidy; 289 SHGs supported
PM Vishwakarma	12,728 artisans trained; ₹18.33 crore loans sanctioned
PMEGP (2025–26)	588 MM claims; subsidy disbursement ongoing

9.17 Sericulture Industry

Sericulture has emerged as an agro-based cottage industry in Himachal Pradesh, serving as a supplementary source of income for the agrarian community. State is predominantly a bivoltine silk-producing region, with favourable climatic conditions for producing high-quality bivoltine cocoons.

At present, sericulture supports around 10,221 families across 1,691 villages, with major concentration in Bilaspur, Mandi, Hamirpur, Kangra, Una and Sirmour districts. District Bilaspur is the leading producer, contributing about 35 per cent of

total cocoon production, followed by Mandi (25 per cent), Kangra (22 per cent) and Hamirpur (16 per cent).

To strengthen the sector, the Department of Industries has established eight Sericulture Divisions covering 11 districts, under which 79 Government Sericulture Centres-cum-Chawki Rearing Centres and 64 mulberry farms are operational. These centres undertake young-age rearing, supply chawki-reared silkworms for late-age rearing, distribute high-yielding mulberry saplings and provide technical guidance to farmers. The physical achievements of the Department are as under:

i. Mulberry sector:

- **Mulberry Plantations:** Government has established a State Mulberry Production-cum-Demonstration and Training Centre at Nalagarh on 32 bighas of land, where 5.00 lakh of High yielding varieties suitable for Himachal Pradesh have propagated in this winter season.

- **Silk Seed Distribution:** 6.00 lakh of Silkworm seed were distributed to farmers under which 2.20 lakh of Silkworm seed were produced in the State Silk Seed Production Centre Palampur, District Kangra and SSPC Thunag, District Mandi and the rest of the seed have been procured from Central Silk Board, GOI during FY2025-26.

  State Government has established a new Chawki rearing centre at Anni District Kullu to provide various facilities to the Sericulture Farmers. It will be a fully scientifically equipped CRC which will ensure a quality silk production this region.

ii. Oak Tasar Activities:

- 10000 saplings of Quarcus Serrate (Manipur banj) have been distributed to 100 farmers of development block Tutu, District Shimla and Gohar District Mandi.

- State Government has started Basic silkworm seed production of Oak Tasar seed producing about 1010 DFLs.

- 90 farmers reared the Oak Tasar Seed in 17 villages of the state producing 18764 Units of Cocoon.

iii. Eri Sericulture:

- State has successfully introduced The Eri culture in the state and Eri Silkworm rearing was successfully conducted 52 farmers of 12 villages in District Bilaspur.

- Castor Plantation farm at Ghumarwin and Ladda, Distt. Bilaspur, Dhaulakuan, District Sirmour and Nadaun, District Hamirpur will be established, and a CRC building will be constructed on these farms.
- The Government. has approved a Cluster program for 100 Eri Sericulture farmers of District Bilaspur for FY2025-26 under the Silk Samagta –II Scheme of GoI.

Table 9.9

The Present Status of Sericulture activities

S. No.	Particulars	2025-26
1.	Mulberry Sapling Distributed (No.)	217000
2.	Silkworm Seed Consumption (onz)	6000
3.	Cocoon Production (Kgs)	226000
4.	Raw Silk Production (MT)	30130
5.	Sericulture Farmers (No.)	10221

9.18 Contribution of Industry Sector and its sub-sectors in Gross State Value Added

The industry sector is crucial for boosting the state economy and in generating job. Industry Sector (including Mining and Quarrying) at current prices as per Advance Estimates (AE) for the FY2025-26 is estimated at ₹94,381 crore.

The manufacturing sector contributes 63.36 per cent of the nominal Gross Value Added (GVA) to the overall value added by the industry sector, with the remaining 36.64 per cent contribution coming from the sub-sectors of construction, mining and quarrying and electricity and other utilities.

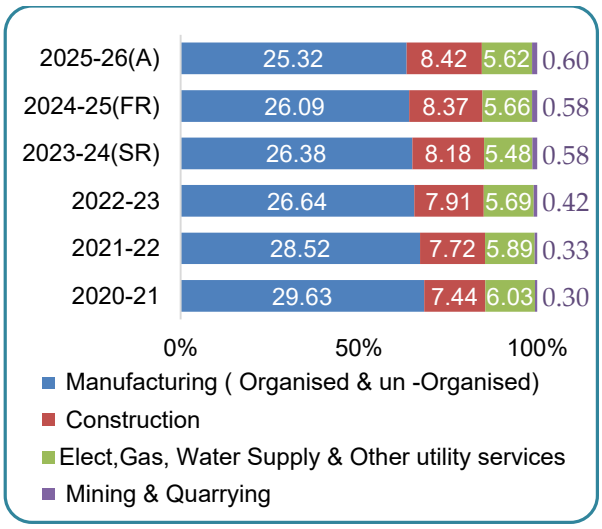
The contribution of the industry sector (including Mining and Quarrying) at current prices to Gross State Value Added (GSVA) is 39.96 per cent in FY2025-26 of which 25.32 per cent comes from the manufacturing sector, 8.42 per cent form construction and 6.22 per cent in electricity, water supply and other utilities services.

The contribution of mining and quarrying sector in GSVA at Current Prices has increased from 0.33 per cent in the year 2021-22 to 0.60 per cent in FY2025-26.

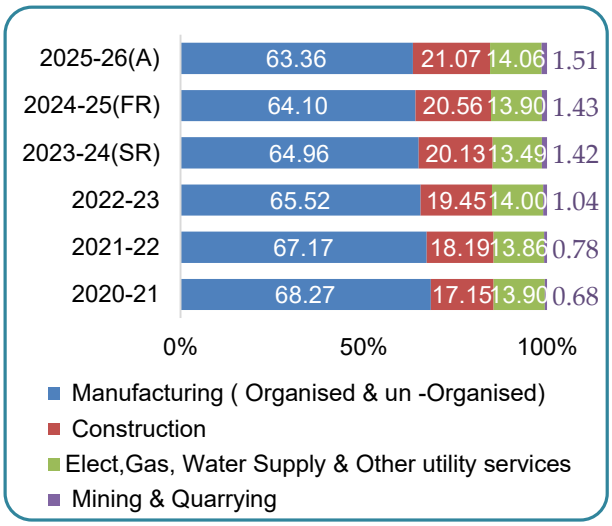
Figure 9.3

Sub-sector wise Contribution of Industry Sector and its Contribution to total GSVA (at current prices)

Contribution of Industry Sector to total GSVA in per cent



Contribution of the sub-sectors to Industry GSVA at current prices in per



Source: Department of Economics and Statistics, Government of Himachal Pradesh

9.18.1 Growth of Industry Sector and its sub-sectors

As per the AE, the Industry sector's GSVA is expected to grow by 7.77 per cent during FY2025-26 and at the national level, the industry sector's GVA surged by 6.15 per cent in constant terms during the same period.

9.18.2 Manufacturing sector

During FY2025-26, the manufacturing sector is expected to grow at 5.74 per cent (Figure 9.4). Between 2015-16 to 2025-26, manufacturing sector experienced CAGR of 5.19 per cent among sub-sectors of industry sector demonstrating Himachal Pradesh's rapid manufacturing development and its capacity to draw in investment through business reforms, provision of better infrastructure and competitive financial concessions to prospective investors.

9.18.3 Construction sector

Growth of the construction sub-sector is critical for increasing income of organised as well as unorganised sectors and also necessary for the infrastructure development of the State. The construction sector anticipated the highest growth rate in the industry sector during FY2025-26 which is 12.56 per cent (Figure 9.4).

9.18.4 Electricity, Water Supply and Other Utility Services Sector

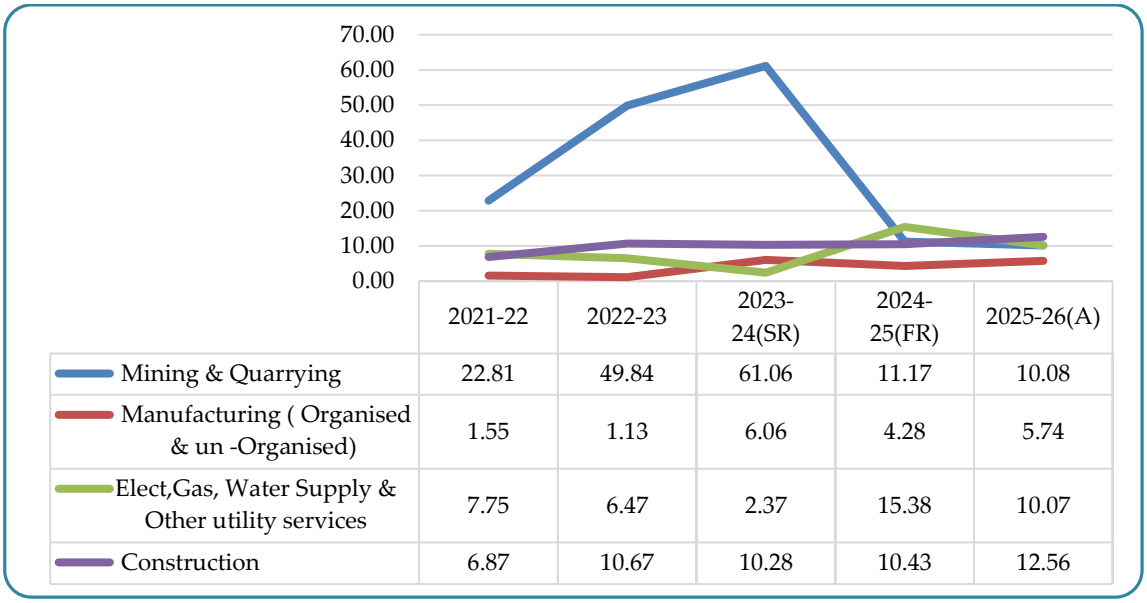
During FY2025-26, the electricity, water supply and other utility servicessector is expected to grow at 10.07 per cent which has the second highest growth rate in the industry sector (Figure 9.4).

9.18.5 Mining and Quarrying Sector

The mining and quarrying sector is expected to grow at 10.08 per cent in FY2025-26.

Figure 9.4

Sub-Sectors wise Growth Rate of Industry sector at Constant Prices

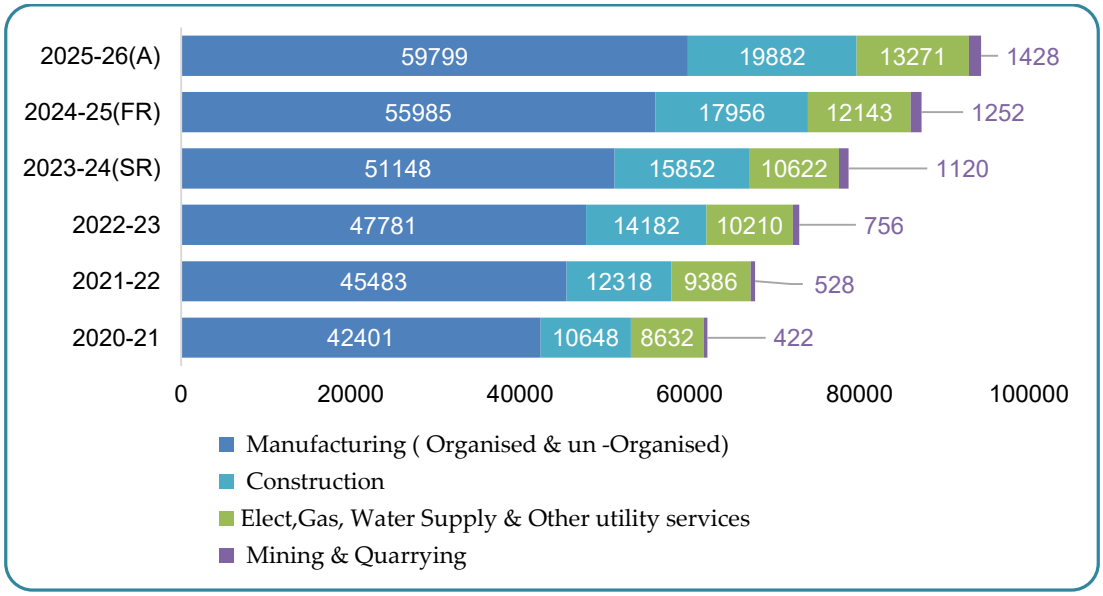


	2021-22	2022-23	2023-24(SR)	2024-25(FR)	2025-26(A)
Mining & Quarrying	22.81	49.84	61.06	11.17	10.08
Manufacturing (Organised & un -Organised)	1.55	1.13	6.06	4.28	5.74
Elect,Gas, Water Supply & Other utility services	7.75	6.47	2.37	15.38	10.07
Construction	6.87	10.67	10.28	10.43	12.56

Source: Department of Economics and Statistics, Government of Himachal Pradesh

Figure 9.4

Sub-Sectors wise GSVA of Industry Sector at Current Prices (₹ in crore)



Source: Department of Economics and Statistics, Government of Himachal Pradesh

Major Achievements

1. **Pharmaceutical Leadership**

   Emerged as a national pharma powerhouse—hosting 650+ units and contributing 35 per cent of India's pharmaceutical production, with plans for an advanced testing and research ecosystem at Baddi.

2. **Exports at an All-Time High**

   State exports rose from ₹550 crore (2003) to ₹20,414 crore (2024–25), with trade linkages spanning 60 countries.

3. **Bulk Drug Park – Scale and Jobs**

   ₹2,071 crore Bulk Drug Park at Una (Haroli) under implementation targeting ₹8,000–10,000 crore investment and 20,000 direct jobs, with ZLD-based CETP and other common facilities.

4. **Investment Acceleration (Single Window)**

   135 proposals approved in the year, entailing ₹3,118.91 crore investment and 12,947 jobs; international outreach (Dubai, Mumbai; Japan–Hong Kong–Vietnam) catalyzed fresh commitments.

5. **Ease of Doing Business Reforms**

   Implemented 434 BRAP 2024 reforms (98 per cent score), introduced deemed approvals/auto-renewals, expanded white-category list, relaxed building norms and integrated GIS land mapping.

6. **MSME–Startup Ecosystem Strengthening**

   MSMEs (99 per cent of units) supported through simplified Udyam registration; 365 startups incubated with ₹6.74 crore support to incubators and ₹2.73 crore in seed assistance under HIMSUP.

7. **Industrial Land Bank Expansion**

   Five new industrial areas notified in 2025–26 (Hamirpur and Solan belts); large government land parcels at Bir Plassi and Dhabota advancing for industrial use.

9.19 Himachal Pradesh Khadi and Village Industries Board (HPKVIB)

The HPKVIB is a statutory body created by an act of Legislative assembly (November 8 of 1966). It came into existence on 8th January, 1968.

The Himachal Pradesh Khadi and Village Industries Board is currently implementing the Prime Minister Employment Generation Programme (PMEGP) to support unemployed youth and artisans in establishing micro-industries in both rural and urban areas. The scheme aims to generate employment opportunities locally, at the doorstep of communities. The progress achieved under the programme over the past five years is as follows:

Table 9.10

Years	Units	Subsidy released (₹ in crore)	Employment generated
2021-22	434	12.55	3,480
2022-23	383	14.34	3,064
2023-24	349	14.31	2,792
2024-25	281	11.28	2,810
2025-26 (Provisional)	174	6.39	1,911

Source: Himachal Pradesh Khadi and Village Industries Board.

9.20 Himachal Pradesh State Industrial Development Corporation (HPSIDC)

HPSIDC, incorporated in November 1966, is wholly owned by the State Government. It focuses on industrial development, execution of civil works and providing long-term financial assistance to industrial units. Following the merger of HP State Small Industries & Export Corporation and Nahan Foundry Limited, HPSIDC now also engages in steel and bitumen trading and industrial shed rentals.

The Corporation provides loans up to ₹5.00 crore and in select cases, equity participation to small, medium, and large-scale industries, supplementing support from other State-owned banks and corporations.

HPSIDC has developed an Industrial Area at Davni, Tehsil Nalagarh, Solan (426.12 bighas), with plot sales ongoing. It is also the State Implementing Agency for the Medical Device Park at Nalagarh and contributes to infrastructure for the Bulk Drug Park in Una. Additionally, the Corporation is developing Unity Mall in Kangra under the "One District, One Product" initiative of the Central Government.

9.20.1 Projects under Implementation during 2025–26

- Operation and management of the Bulk Drug Park, District Una.
- Operation and management of the Medical Device Park, Nalagarh (certain civil works are currently on hold due to shortage of funds).
- Construction of Digital Libraries across the State under the Directorate of Higher Education, Shimla.
- Construction of six Working Women Hostels (WWHs) at:

  i. MDP Nalagarh
  ii. Gagret (Una)
  iii. Daruhi (Hamirpur)
  iv. Chanour (Kangra)
  v. Nagrota Bagwan (Kangra)
  vi. Panjuana (Una)

- Construction of State Civil Supplies Corporation godowns across Himachal Pradesh.
- Operation and management of the Pharma Testing Laboratory, Baddi (Solan).
- Construction of Animal Husbandry Hospitals throughout the State.

9.20.2 Other Activities/Initiatives during 2025–26

- The Government of Himachal Pradesh has directed the Corporation to operationalise liquor vends in District Mandi.
- The Corporation is in the process of revising its One-Time Settlement (OTS) Policy to expedite recovery of outstanding term loans.
- E-auction of industrial plots commenced in January 2026. The Corporation is also developing a payment gateway system to facilitate online payment of Annual Maintenance Charges, water charges (for Industrial Areas at Baddi and Davni), and rental income from industrial sheds.

9.21 Himachal Pradesh Infrastructure Development Board (HPIDB)

HPIDB was established on 28th January 2002 under Section 2 of the H.P. Infrastructure Development Act, 2001. The Board functions as a Special Purpose

Vehicle (SPV) to mobilize resources for financing development expenditure under the State Plan.

In addition, HPIDB serves as the Public-Private Partnership (PPP) Cell of the State Government.

9.21.1 Projects under Implementation during 2025–26 (PPP Mode)

The following PPP projects are currently under implementation:

- Operation and management of parking facilities at various locations in Shimla.
- Operation, management and maintenance of Himachal Niketan, Sector-19, Dwarka, New Delhi.
- Operation, management and maintenance of infrastructure developed by Dharamshala Smart City Limited.
- Operation, management and maintenance of building premises under the project "Stabilization of Ridge", developed by Shimla Smart City Limited.
- Selection of a developer/private operator for Mata-Ka-Bag, Kinnu, District Una.
- Operation, management and maintenance of the Centre of Excellence (CoE), Waknaghat, Solan.
- Pilot commercial operations of drones in the State.

9.21.2 Other Activities/Initiatives during 2025–26

- As mandated by the Finance Department, HPIDB is raising a loan of ₹2,680 crore from Housing and Urban Development Corporation (HUDCO) for the expansion of Kangra Airport. The borrowing is being undertaken in accordance with the HPIDB Act, 2001 and is backed by an unconditional and irrevocable guarantee of the Government of Himachal Pradesh.

- The loan agreement with HUDCO was signed on 24th December 2025 and the first installment of ₹1,000 crore has been received in the ESCROW account of HPIDB.

- An initiative to establish a Panel of Merchant Bankers-cum-Arrangers is under process. The empanelment will create a pool of professionals to assist State Government organizations/PSUs in raising debt as per their requirements.

Major District-wise Industrial Strength

District	Industrial Character
Solan (Baddi Nalagarh)	Pharma, FMCG, food processing, medical devices
Una	Bulk Drug Park, Mega Textile Park, industrial corridor
Sirmaur (Paonta Sahib)	Pharma, cement, manufacturing
Kangra	IT park proposals, tourism-linked enterprises, Unity Mall
Hamirpur	MSMEs, service enterprises
Bilaspur and Mandi	Sericulture, agro-processing
Shimla	MSME Fest, policy and startup ecosystem
Lahaul-Spiti, Kinnaur	Emerging agro-based and niche rural clusters

9.22 Index of Industrial Production (IIP)

IIP is a yardstick for measuring industrial growth; it includes the relative change of physical production in the field of Industry during a specific period as compared to the previous period. The main objective of this index is to estimate the contribution of the Industry sector to the Gross State Domestic Product. IIP in the State is being compiled on base year 2011-12. The IIP is estimated quarterly by collecting data from selected units of Manufacturing, Mining, Quarrying and Electricity, based on quarterly indices, annual indices have been worked out and are shown in table 9.11.

Table 9.11

Index of Industrial Production

Year	Mining	Manufacturing	Electricity	General
2023-24	140.00	192.70	461.25	248.18
2024-25	167.48	201.48	499.55	263.13
2025-26*	129.80	207.55	792.20	328.55

*Indices are of two quarters June and September, 2025.

Source: Department of Economics and Statistics, Government of Himachal Pradesh.

The General Index has increased from 248.18 in FY2023-24 to 263.13 in the FY2024-25 and an increase of 6.02 per cent. As regards the indices for FY2025-26, these have been worked out based on two quarters i.e. June, 2025 and September 2025. Based

on these two quarters, the increase in the General Index of 24.86 per cent has been observed over the previous year, whereas on comparing the Index of these two quarters with the Index of the same quarters of the previous year i.e. 2024-25, there was an increase in the indices of all sectors i.e. General, Electricity, Mining and Manufacturing in these quarters of the year 2025-26.

9.23 Main issues and Challenges

A. State-Specific Issues and Challenges

Issue / Challenge	Evidence	Implications
Industrial concentration causing regional imbalance	Industrial growth largely concentrated in Solan, Sirmaur and Una due to past incentives.	Uneven regional development and limited industrial diversification across interior districts.
Heavy reliance on pharmaceutical sector	Over 650 pharma units; sector contributes 35 per cent of India's medicines and 70 per cent of State exports.	High vulnerability to regulatory shifts, global market disruptions and sector-specific risks.
Infrastructure gaps in new industrial areas	Newly notified industrial areas still developing road, sewerage and power infrastructure.	Higher setup cost, slower investor response, and delayed commissioning of units.
Environmental compliance challenges	Bulk Drug Park requires ZLD, CETP, hazardous waste systems and high-compliance infrastructure.	Increased operational cost, need for strict monitoring, environmental safety risks.
Slow manufacturing productivity growth	Manufacturing sector expected to grow only 3.10 per cent in FY 2025–26.	Lower competitiveness, weaker value addition and slower employment creation.
MSME limitations in scale, technology and markets	MSMEs comprise 99 per cent of units; revised classification needed for competitiveness.	Small size restricts technology adoption, innovation and market expansion.
Land availability and approval delays	Large land parcels (e.g., 1,383 bighas at Bir Plassi and Dhabota) still pending final approval.	Delays new investments, reduces investor confidence and slows industrial expansion.

B. District-Specific Issues and Challenges

Challenges	Affected Districts	Evidence
Industrial concentration leading to regional imbalance	Solan, Sirmaur, Una	Industrial growth and major investments clustered after the special industrial package, concentrating activity in these districts.
Pharma-dependence and cluster risk	Solan (Baddi–Nalagarh), Sirmaur (Paonta Sahib), Una	State hosts 650+ pharma units; a major national medicine-producing hub with strong presence in Baddi–Nalagarh/Paonta belts.
Infrastructure gaps in newly notified industrial areas	Hamirpur (Haar–Barsar), Solan (Kishanpura, Makhun Majra, Bersan, Androla Upperla)	Five new industrial areas were notified; these require development of roads, power and basic services for faster commissioning.
Land availability and approval pendency slowing expansion	Solan (Nalagarh—Bir Plassi and Dhabota)	Government land parcels totaling 1,383 bighas at Bir Plassi and Dhabota remain at the stage of final approval.
High environmental compliance burden in bulk-drug ecosystem	Una (Haroli—Bulk Drug Park)	Park requires ZLD-based CETP, hazardous-waste systems, steam generation and other shared facilities; tight environmental conditions.
Need to diversify beyond pharma via anchor projects	Kangra, Una, Solan	Proposed/ongoing projects: Integrated Industrial Township and Software Technology Park (Kangra), Mega Textile Park (Una), Medical Device Park (Nalagarh—Solan).
Start-up and MSME ecosystem still maturing; requires market linkages	Shimla (statewide platforms anchored here)	MSME Fest 2026 and Startup exhibitions/networking were held in Shimla to improve mentorship, incubation and market linkages.
Sericulture value chain remains localized and capacity constrained	Bilaspur, Mandi, Hamirpur, Kangra, Una, Sirmaur	Sericulture supports 10,221 families with district concentrations led by Bilaspur, Mandi, Kangra and Hamirpur.

9.24 Way Forward

Himachal Pradesh must adopt a strategy of diversification, value addition and sustainable industrial growth. Strengthening sectoral diversification beyond pharmaceuticals into medical devices, green hydrogen, renewable energy equipment, food processing, IT-enabled services and high-end agro-based industries will reduce concentration risks. Accelerated development of the Bulk Drug Park and Medical Device Park should be leveraged to build integrated pharma and life sciences ecosystems with strong R&D linkages.

Logistics efficiency can be improved through multimodal connectivity, warehousing hubs and digital supply chain integration. Expansion of industrial land banks with plug-and-play infrastructure and worker housing facilities will enhance investor confidence. Continued reforms in Ease of Doing Business, faster dispute resolution and strengthened single-window clearance mechanisms should remain a priority.

MSME competitiveness can be enhanced through cluster-based common facility centres, technology upgradation support, digital adoption and integration with national and global supply chains. Skill development must be aligned with emerging technologies, automation, biotech and clean energy sectors through stronger industry academia collaboration. Focused incentives for green and low-carbon manufacturing will ensure alignment with environmental sustainability.

By combining infrastructure expansion, policy stability, innovation support and sustainable practices, Himachal Pradesh can consolidate its position as a high-value, export-oriented and environmentally responsible industrial destination in India.

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CHAPTER 10

POWER

Executive Summary

S. No.	Key Point	Summary
1	**Hydropower Driven Growth**	The State's power sector continues to be anchored by hydropower, supporting industrial expansion, domestic consumption, irrigation and public infrastructure. Hydropower remains the cornerstone of energy security.
2	**Major Capacity Addition**	Four hydro projects—Parbati-II (800 MW), Uhl-III (100 MW), Kutehr (240 MW) and Bhanu SHP (5 MW)—were commissioned, adding 1,145 MW and significantly strengthening the generation base.
3	**Revenue from Entitlements**	Government entitlement from 143 projects totals 1,574.06 MW of saleable power. Revenue earned till December 2025 was ₹1,668 crore, with an additional ₹249 crore expected by March, 2026.
4	**Institutional Reform (HPEMC)**	The Himachal Pradesh Energy Management Centre was established as a unified framework for optimization, scheduling and revenue maximization of State power resources.
5	**HPSEBL Performance**	HPSEBL operates 28 hydro projects (589.35 MW) generating 1,973.64 MU up to December 2025, projected to exceed 2,200 MU by March 2026, ensuring reliable distribution statewide.
6	**Transmission Strengthening**	62 EHV substations and over 3,693 circuit km are operational; upgrades under ADB, REC, World Bank and Green Energy Corridor are enhancing grid reliability and evacuation capacity.
7	**Digital Transformation in Distribution**	Under RDSS and other schemes, smart metering expanded with 30.69 lakh meters awarded and 9.41 lakh installed; 90 per cent of payments are now digital, improving transparency and consumer services.
8	**Renewable Diversification**	Projects under HPPCL and HIMURJA include large hydro (Shongtong-Karchham 450 MW, Renukaji 40 MW), solar plants (32 MW Pekhubella, 10 MW Aghlor) and emerging technologies such as BESS, wind and green hydrogen.
9	**Grid Modernization**	Establishment of the Transmission Asset Management Centre and expansion under GEC projects are enabling modern, resilient, renewable-ready grid infrastructure statewide.

10.1 Introduction

The power sector plays a vital role in the socio-economic development of Himachal Pradesh by ensuring reliable electricity supply for households, industry, agriculture, and infrastructure. The State has made significant progress in power generation, transmission, and distribution through sustained investments, institutional reforms, and the promotion of renewable energy. This chapter offers a comprehensive overview of electricity consumption patterns, capacity addition, power sector institutions, ongoing schemes, and key achievements during FY 2024–25 and FY 2025–26 (up to December 2025).

Table 10.1

Schemes and Reforms

Scheme	Financial Outlay	Key Achievements	Coverage Districts
Low Voltage Pockets Scheme (Phase-II)	₹25.08 crore	Voltage stabilization	Statewide (rural pockets)
RDSS	₹4,115.74 crore (₹2,501.68 crore GoI Grant)	Smart metering, feeder monitoring, loss reduction	Shimla, Kangra, Mandi, Hamirpur, border districts
Smart Metering	30.69 lakh awarded	9.41 lakh installed	Urban + industrial clusters
DA-JGUA	₹53.74 lakh	100 tribal households electrified	Tribal belts
Vibrant Villages Programme	Border development	Infrastructure + power	Kinnaur, Lahaul-Spiti

Table 10.2 below depicts the status of consumption of Energy by the various categories of consumers in the state:

Table 10.2

Consumption of Electricity in Million Units (MUs)

Sr. No.	Type of Consumer	2024-25	2025-26 (Up to Dec., 2025)
1.	Domestic	2859.38 (24.06)	2115.392 (24.26)
2.	Non-Domestic Non Commercial	200.238 (1.685)	142.24 (1.63)
3.	Commercial	747.429 (6.29)	535.456 (6.14)
4.	Industrial	6877.105 (57.87)	5111.963 (58.62)
5.	Public Lighting	12.962 (0.109)	9.882 (0.11)
6.	Agricultural	97.687 (0.822)	67.73 (0.77)

7.	Bulk and Misc.	184.79 (1.55)	112.28 (1.28)
8.	Government Irrigation and water supply scheme	837.078 (7.04)	579.644 (6.64)
9.	Temporary Supply	63.015 (0.53)	42.504 (0.48)
10.	Electric Vehicle	2.558 (0.02)	1.991 (0.02)
	Total Consumed	**11882.24 (100)**	**8719.082 (100)**

Note: Figures in parentheses are per cent to total consumed.
Source: Himachal Pradesh State Electricity Board Ltd.

Table 10.1 shows that the industrial sector is the largest consumer of electricity in the State, followed by domestic consumers. This consumption pattern highlights the critical role of electric power in supporting industrial growth and underscores its importance in the overall economic development of the State.

10.2 Directorate of Energy (DoE)

The Directorate of Energy, Government of Himachal Pradesh is the nodal office of the Department of Multi-Purpose Project (MPP) and Power, responsible for the management and optimization of the State's energy resources. It ensures effective coordination with power utilities and oversees the allocation of hydroelectric projects above 5 MW, grant of Techno-Economic Clearances (TEC), hydropower safety, environmental and social issues, management of the Local Area Development Fund, power flow management and sale of the State's power share, energy conservation initiatives, and safety oversight of large dams in the State.

10.2.1 Capacity Addition

Four power projects with a total installed capacity of 1,145 MW—namely, the Parbati II Hydro Power Station (800 MW) in Kullu district, the Uhl-III Hydro Power Station (100 MW) in Mandi district, the Kutehr Hydro Power Station (240 MW) in Chamba district, and the Bhanu Small Hydro Power Station (5 MW) in Kangra district were commissioned between April 2025 to December 2025.

10.2.2 Government's Power Entitlement

The details of various projects in Himachal Pradesh where GoHP has entitlement to power are as under:

Table 10.3

Government of Himachal Pradesh Entitlements in Projects

Sr. No.	Power Station Category	Free and Equity Power Share (in MW)	No. of Projects
1	Central Sector Stations	661.59	9
2	State Sector Projects	72.09	11

3	Shared Generation Projects	28.10	2
4	Private Sector Projects	374.75	121
a) Total Royalty Power (1+2+3+4)		**1136.53**	**143**
b) Equity Power		437.53	-
Total Saleable Power (a+b)		**1574.06**	**143**

Source: Directorate of Energy, GoHP

Table 10.2 shows the sector-wise availability of free (royalty) and equity power. 143 power projects contribute 1,136.53 MW of royalty power, comprising 661.59 MW from Central Sector Stations (9 projects), 72.09 MW from State Sector Projects (11 projects), 28.10 MW from Shared Generation Projects (2 projects), and 374.75 MW from Private Sector Projects (121 projects). In addition, 437.53 MW equity power is available, taking the total saleable power to 1,574.06 MW from 143 projects.

GoHP has earned revenue of ₹1668 crore during the FY2025-26 (up to 31st December 2025) and anticipated revenue up to March, 2026 is an additional ₹249 crore from royalty on power sales and sale of State Government share of power in the hydel projects.

10.2.3 Establishment of Himachal Pradesh Energy Management Centre (HPEMC) in DoE

The Government of Himachal Pradesh has established the Himachal Pradesh Energy Management Centre (HPEMC) in the Directorate of Energy. The Centre functions as a single unified institutional framework for power management, optimization of energy resources and State energy transactions, consolidating functions earlier performed by HPSEBL, HPPCL and DoE. The establishment of HPEMC is a key reform initiative aimed at transforming the power sector and maximizing revenue from the sale of power in the State.

10.3 Himachal Pradesh State Electricity Board Limited (HPSEBL)

The Himachal Pradesh State Electricity Board (HPSEB) was constituted on 1st September 1971 under the provisions of the Electricity (Supply) Act, 1948, and was subsequently reorganized as Himachal Pradesh State Electricity Board Limited (HPSEBL) under the Companies Act, 1956.

HPSEBL is responsible for ensuring supply of uninterrupted and quality power to all consumers across the State. The power distribution system comprises transmission, sub-transmission, and distribution networks forming an integrated electricity infrastructure. Since its inception, the Board has made significant progress in achieving the objectives entrusted to it. The district-wise generation of power during FY 2024–25 and 2025–26 is presented in Table 10.4.

Table 10.4

District Wise Generation of Power from HPSEBL's Own Power Houses

(in MU)

Name of District	2024-25	2025-26 (Up to Dec., 2025)
1. Bilaspur	-	-
2. Chamba	0.643	7.569
3. Hamirpur	-	-
4. Kangra	132.795	134.887
5. Kinnaur	606.073	482.759
6. Kullu	-	-
7. Lahul-Spiti	13.261	10.525
8. Mandi	626.388	1055.018
9. Shimla	182.651	102.711
10. Sirmaur	154.329	180.169
11. Solan	-	-
12. Una	-	-
Total	**1716.14**	**1973.638**

Source: Himachal Pradesh State Electricity Board Ltd.

During FY2025-26 District-wise data show that Mandi and Kinnaur are the leading power-producing districts, contributing the bulk of generation in both 2024–25 and 2025–26 (up to December 2025). Kangra and Shimla are moderate contributors, while Sirmaur and Chamba show smaller but rising generation. HPSEBL does not have Power Houses in five districts of the State namely Bilaspur, Hamirpur, Kullu, Solan and Una.

10.3.1 Hydro Electricity Generation

HPSEBL operates 28 Hydro Electric Projects with a total installed capacity of 589.350 MW, including Uhl Stage-III (100 MW), constructed by BVPCL, a subsidiary of HPSEBL. After completion of restoration and rehabilitation works, Uhl Stage-III was commissioned in phases, with all three units synchronized between January and February 2025. Combined load throw-off tests up to 100 MW were successfully conducted and the project was fully commissioned on 26th March 2025.

Power generation from Uhl Stage-III commenced with the synchronization of the first unit, generating 340 MU up to 16th December 2025, with 370 MU expected by 31st March 2026. Revenue of approximately ₹170 crore has been earned up to 16th December 2025 at a provisional tariff of ₹5 per unit approved by Himachal Pradesh Electricity Regulatory Commission (HPERC).

During FY 2025-26 (up to December 2025), HPSEBL's own power houses, including Uhl Stage-III, generated 1973.638 MU of energy, which is projected to reach 2221.693 MU by 31st March 2026.

10.3.2 Transmission

The Transmission Wing of HPSEBL has established 62 Extra High Voltage (EHV) Sub-Stations with a total transformation capacity of 5406.65 Mega Volt-Ampere (MVA) and laid 3693.495 circuit kilometers of EHV transmission lines up to 31st March 2025.

During the Financial Year 2025–26 (up to December, 2025), two EHV Sub-Stations with an installed capacity of 41.5 MVA and an additional capacity of 100 MW were commissioned. Additionally, 4.0225 circuit kilometers of EHV transmission lines were added during the same period.

10.3.3 New Hydro Electric Project under HPSEBL

The Government of Himachal Pradesh has allotted 4 projects to HPSEBL i.e. Devi Kothi HEP (16 MW), Sai Kothi-I HEP (15 MW), Sai Kothi-II (18 MW), Hail HEP (18 MW) for implementation, all in the Tissa region of District Chamba.

10.3.4 Schemes

10.3.4.1 Low Voltage Pockets Scheme in Himachal Pradesh: To improve the Low Voltage Pockets, 2nd phase scheme for Low Voltage Pockets amounting to ₹25.08 crore is in final stage of execution. With this scheme, low voltage problem is being addressed and this is a continuous process as with increase in demand of power in a particular area, voltage level drops and requires improvement.

10.3.4.2 Revamped Distribution Sector Scheme (RDSS):

The Revamped Distribution Sector Scheme (RDSS) was launched by the Ministry of Power, Government of India on 20th July 2021 to enhance the quality, reliability, and financial sustainability of power distribution. Under RDSS, HPSEBL is implementing projects worth ₹4,115.74 crore, with a GoI grant of ₹2,501.68 crore and an HPSEBL share of ₹233.73 crore, covering smart metering, loss reduction, the Vibrant Village Programme, border outpost works, and Dharti Aabha-Janjatiya Gram Utkarsh Abhiyan (DA-JGUA). Smart metering works receive a 22.5 per cent GoI grant, while the remaining components are supported with a 90 per cent GoI grant.

10.3.4.3 The current status of execution of works is as follows:

A. Smart Metering Works

Under the scheme, provision has been made for installation of 28, 00,945 prepaid smart meters, 39,012 DT meters, and 1,951 feeder/boundary meters. The work for installation of all smart meters under three packages has been awarded.

B. Loss Reduction Works

Under this component, works include construction and augmentation of 33/11 kV substations, construction of new 33 kV, 22 kV, and 11 kV lines, installation and augmentation of Distribution Transformers (DTRs), and laying of High Tension (HT) and Low Tension (LT) cables to improve the quality and reliability of power supply. The Loss Reduction works for all Operation Zones have been awarded and are currently in progress.

i. **SCADA Works**: SCADA works have been awarded. As of date, survey activities for 68 sub-stations have been completed, while the remaining 25 sub-stations are being constructed under Loss Reduction Works. Additionally, a Control Room Building at Mattansidh, Hamirpur, under the World Bank–funded programme, is under construction to house SCADA equipment and staff, enabling monitoring and remote operations.

ii. **IT–OT Works:** The GIS survey and mapping work has been awarded and is currently in progress. Further, the GIS software application work has also been awarded.

C. Vibrant Village Programme (VVP)

The Vibrant Villages Programme (VVP) as a Centrally Sponsored Scheme aimed at the comprehensive development of select villages in the Spiti, Kalpa, and Pooh blocks of two districts along the northern border of Himachal Pradesh. The programme includes improving road connectivity, housing, infrastructure, renewable energy, and telecom access. The primary objective is to provide incentives that encourage people to remain connected with the villages. Following villages are covered under the Vibrant Villages Programme:

(i) Villages under Kinnaur District: Thankarma (Chala Shalkhar), Sunni (Leo), Thankarma (Qungdha), Chango, Batseri (Chispan),

Chhitkul, Chulling (Tashizong), Charang (Rangrik), Chango Uperla, Labrang, Hangmat and Rakcham.

(ii) Villages under Spiti Block in Lahaul-Spiti District: Dhar Chhochhodun, Dhar Sumdo, Gipu, Hikkim, Hull, Hurling, Kaurik, Kaza Khas, Kaza Soma, Kee, Kibber Khas, Komik, Kyamo, Lalung Khas, Lara Khas, Lidang, Lirit, Rama Khas, Samdo and Shego.

D. Border Area Work in Himachal Pradesh

The Ministry of Power, Government of India, has sanctioned a scheme for the extension of electricity distribution infrastructure to identified locations and for ensuring supply of quality and reliable power to remote border areas of Himachal Pradesh.

E. Electrification of 100 un-electrified tribal households under DA-JGUA

RDSS Monitoring Committee in its 46th meeting held on 24.02.2025 has sanctioned DPR as per norms/guidelines issued by MoP for establishment of infrastructure works for electrification of 100 un-electrified households under Dharti Aabha-Janjatiya Gram Utkarsh Abhiyan (DA-JGUA) in HPSEBL with total project cost of ₹53.74 lakh @₹42,500 per household for partially electrified habitations and @ ₹82,650 per household for un electrified habitations) corresponding GBS (Gross Budgetary Support) of ₹48.36 lakh (90 per cent of the approved project cost).

10.3.5 Information Technology Initiatives

i. Smart Metering Installation Progress – HPSEBL

- HPSEBL has initiated the installation of Smart Meters under the Integrated Power Development Scheme (IPDS) and the Revamped Distribution Sector Scheme (RDSS) of the Ministry of Power, Government of India. The Detailed Project Report (DPR) for implementation of loss reduction and smart metering works has been approved.
- Under the IPDS pilot project, smart metering works in Shimla and Dharamshala towns have been fully completed, with installations exceeding the awarded quantities. Under RDSS, smart meter installation is progressing across Shimla, Kangra, Mandi, and Hamirpur zones. Against a total awarded quantity of 30.69 lakh meters, 9.41 lakh smart meters have been installed as of date.

ii. **Computerized Consumer Billing i.e. SAP ISU-Billing and major achievements**

- As on 05.01.2026, HPSEBL has 29, 41,788 active consumers in the State.
- By December 2025, 7, 27,843 smart-metered consumers were billed, accounting for 24.78 per cent of the total consumer base (29, 36,389). Electricity bills are being delivered through SMS and e-mail, wherever consumer details are available, and are also accessible on the HPSEBL website and Mobile App.
- On an average, about 17 lakh domestic consumers with monthly consumption below 125 units are issued zero electricity bills every month.
- The Consumer Portal provides online services such as new connection applications, change of name/category/load/demand, temporary revision of contract demand, online NOC for FOG/DG sets and PAC, complaint registration, bill viewing, and access to payment history.
- Consumers have multiple digital payment options including Lok Mitra Kendras, Internet Banking, Credit/Debit Cards, UPI/BHIM, e-CMS, BBPS and the Mobile App. Consequently, around 90 per cent of monthly electricity bill payments are realized through digital transactions.
- HPSEBL has launched the HPSEBL Smart Meter Mobile App for consumers in Himachal Pradesh, enabling real-time monitoring of electricity consumption patterns, power quality, and related parameters.
- Consumers can register grievances and lodge complaints through the web portal, Mobile App, and a 24×7 Call Centre, ensuring prompt and convenient redressed.
- The prepaid smart metering facility has also been initiated for consumers in Himachal Pradesh, providing greater control over electricity usage and expenditure.

iii. **Facial Recognition based Attendance System**

- The work for implementation of the Face Recognition Attendance System (FRAS) was awarded to M/s EI Networks on 10.05.2023 for installation of 143 FRAS machines at HPSEBL Headquarters, Chief Offices, Circle Offices, and Division Offices. Eight machines at HPSEBL Head Office were commissioned in July 2023, and installation of the remaining 125 machines was completed in February 2024.
- For field offices (Sub-Divisions, Sub-Stations, and Sections), over 10,000 FRAS mobile applications with geo-fencing have been

deployed. The FRAS is integrated with the employee portal, enabling employees to view their attendance online.

iv. National Feeder Monitoring System (NFMS)

- The National Feeder Monitoring System (NFMS) is an initiative of the Ministry of Power, Government of India, aimed at enabling real-time online monitoring of electrical feeders. Under the Revamped Distribution Sector Scheme (RDSS), 640 feeders in the Shimla Zone and 1,097 feeder meters in Kangra, Mandi, and Hamirpur Zones were awarded under the 2nd Package of Smart Metering.

- In the Shimla Zone, 602 feeders have been integrated with NFMS, of which 414 feeders are integrated through Smart Meter MDM and 188 feeders through the RTDAS project. In Kangra, Mandi, and Hamirpur Zones, 715 feeders have been integrated under RDSS, while 151 feeders were already integrated through RTDAS, taking the total to 866 feeders out of 1,097.

- Accordingly, at the DISCOM level, as on 27th January 2026, 1,468 feeders of HPSEBL stand integrated with the National Feeder Monitoring System (NFMS).

10.3.6 New Achievements

- During 2025-26 (up to December 2025) HPSEBL has provided 78,616 new electricity connections across various consumer categories in the State. In addition, 567 new Distribution Transformer (DTRs) have been installed, 248.28 km of HT lines and 416.51 km of LT lines have been constructed, the capacity of 812 existing DTRs has been augmented, and 506 wooden poles have been replaced with steel tubular poles.

- In FY 2025–26, HPSEBL has successfully commissioned two new EHV substations with capacities of approximately 10 MVA and 31.5 MVA at Shanug and Andra, respectively. Further, construction of a 66 kV transmission line of about 2.78 km from the 66/22 kV Substation Nathpa to the 400/220/66 kV Substation Wagtoo, and a 1.24 km line from Sundha to Andra Power House, has been completed.

- To improve the quality and reliability of power supply, HPSEBL has commissioned three new 33/11 kV substations at Nagheta and Kaffota (District Sirmour) and Patlander (District Hamirpur) during the current financial year. Additionally, the capacity of three existing 33/11 kV

substations at Ramshehar (District Solan), Rampurghat (District Sirmour), and Santokhgarh (District Una) has been augmented.

- HPSEBL is actively pursuing proposals for EHV schemes, including the construction of two new EHV substations of approximately 63 MVA capacity at Nadukhar and Kothipura (District Bilaspur), along with the construction of seven transmission lines.

- Construction works for 20 new 33/11 kV substations and augmentation of 7 existing 33/11 kV substations at various locations across the State are currently in progress.

10.4 Himachal Pradesh Power Corporation Limited (HPPCL)

Himachal Pradesh Power Corporation Limited (HPPCL) was established in December 2006 under the Companies Act, 1956 and is entrusted with the planning, promotion, and management of hydroelectric power development in Himachal Pradesh. The corporation possesses strong technical and organizational capabilities comparable to leading power sector entities such as NTPC, SJVNL, and NHPC.

10.4.1 Projects currently in operation / under execution stage:

Table 10.5

Projects under Operation/Execution

Sr. No.	Projects	Capacity (MW)	Status
1	Integrated Kashang	243	Integrated Kashang Hydroelectric Project (243 MW) envisages the development of Kashang and Kerang streams, tributaries of the River Sutlej, through three distinct stages. **Stage-I (65 MW):** The project has been under commercial operation since 01.09.2016. From the date of commissioning up to 31.12.2025, 1,563.945 million units (MU) of energy has been generated. The targeted generation up to 31.03.2026 is 1,574 MU. During the Financial Year 2025-26, Kashang Stage-I HEP has already generated 200.759 MU against an annual generation target of 211 MU, resulting in revenue of approximately ₹61.79 crore.

			Work of Stage-II: Kashang Stage-II & III envisage diversion of the Kerang stream through the K-K Link to augment Stage-I generation to 790.93 MU annually. After delays due to litigation, the issue has been resolved and works are in progress, with overall physical progress of 40.36 per cent achieved up to 31.12.2025; the project is targeted for completion by December 2030. **Work of Stage-III:** Major modifications to convert Balancing Reservoir-III into a sand trap basin have been completed, and SFT outfall works are nearing completion. Until Kerang Nallah inflows commence, it will function as a balancing reservoir for Stage-I, enhancing generation through increased discharge and effective de-silting.
2	Sawra Kuddu	111	Sawra Kuddu Hydroelectric Project (111 MW) is a run-of-the-river scheme located on the Pabbar River in Shimla District, Himachal Pradesh, near Rohru. The project has been under commercial operation since 21.01.2021. From the date of commissioning up to 31.12.2025, the project has generated 1,543.32 million units (MU) of energy, with a targeted cumulative generation of 1,596 MU up to 31.03.2026. During FY 2025–26, Sawra Kuddu HEP has already generated 303.03 MU against an annual generation target of 329 MU, resulting in revenue of approximately ₹136 crore.
3	Sainj	100	Sainj Hydroelectric Project (HEP) was executed on EPC mode and has been under commercial operation since 04.09.2017. From the date of commissioning up to 31.12.2025, the project has generated 3,046.82 million units (MU) of energy, with a targeted cumulative generation of 2,744.89 MU up to 31.03.2026. During FY 2025–26, Sainj HEP generated 109.50 MU against an annual target of 418 MU, resulting in revenue of approximately ₹35.47 crore. The project suffered extensive damage due to a cloudburst in Jiva Nallah in August 2025; however, restoration works were completed, and the project was successfully restored to operation on 23.01.2026.
4	Shongtong	450	Shongtong Karchham Hydroelectric Project is being

	Karchham		developed as a run-of-the-river scheme on the River Sutlej in Kinnaur District, Himachal Pradesh, with a diversion barrage near village Powari and an underground powerhouse located on the left bank of the Sutlej near village Ralli. The project is designed to generate 1,578.95 million units (MU) of energy annually with a gross head of 129 m. Construction activities are progressing on all fronts, and an overall physical progress of 63.55per cent has been achieved as of 31.12.2025. The project is scheduled for commissioning in December 2026.
5	Renukaji	40	Renukaji Dam HEP (40 MW) is a National Importance storage project on the Giri River in Sirmaur district, Himachal Pradesh, envisaging a 148 m high earth-cum-rockfill dam with 0.498 BCM live storage, supplying 23 cumecs of drinking water to Delhi and generating 200 MU of power annually for Himachal Pradesh. The project has received all statutory and financial approvals, with foundation stone laid in December 2021; ₹3,194.96 crore has been utilized so far, and tendering for initial construction works is underway.
6	Thana Plaun	191	The project is proposed as a Storage-cum-Run-of-River scheme on the River Beas in Mandi district, Himachal Pradesh, featuring a 107 m high RCC gravity dam with an annual generation of 661 MU (90 per cent dependable year). The project has received Techno Economic Clearance (TEC) from Central Electricity Authority (CEA), environmental and Stage-I forest clearances, with land acquisition and R&R processes in progress, while funding has been tied up with REC, Power Finance Corporation (PFC), and proposal is submitted to ADB through DEA.
7	Kishau Multipurpose Project	422	Kishau Dam Project (422 MW) is proposed on the River Tons, along the Himachal Pradesh–Uttarakhand border, with a dam-toe powerhouse on the left bank.

			The project is being developed by Kishau Corporation Ltd. (KCL); the updated DPR has been submitted to CWC, cost apportionment finalized, while funding of the power component and signing of the Interstate Agreement are under consideration with the Government of India.
8	Kashang Stage-IV	48	This stage is an independent scheme proposed on the Kerang stream upstream of Stage-II, utilizing an approximate head of 300 m through an underground powerhouse on the right bank.
9	Gyspa Dam Project	300	Gyspa Dam Project (300 MW) in Lahaul & Spiti is under renewed investigation, with fresh drilling tenders floated, drone survey completed, and conceptual dam layout being developed based on updated geographical and geological inputs. The Pre-Feasibility Report has been submitted to CWC for in-principle acceptance; observations are being addressed, and the revised conceptual plan will be submitted shortly for approval.
10	Triveni Mahadev HEP	72	Triveni Mahadev HEP (72 MW) in Mandi district is being explored as an alternative scheme upstream of the Beas–Binwa Khad confluence and downstream of the UHL HEP powerhouse, and has been found techno-commercially viable in preliminary studies. HPPCL is in the process of appointing a consultant for DPR preparation, with schematic layout finalized and fresh geological/geotechnical investigations on the new dam axis to be carried out by GSI shortly.
11	Surgani Sundla HEP	48	Surgani–Sundla HEP (48 MW) is envisaged to utilize the tailrace water of Baira Suil HEP (188 MW) and will operate in tandem with it, with an expected annual generation of 209.60 MU (90 per cent dependable year).
12	Jangi Thopan Powari HEP	780	Jangi Thopan Powari HEP (780 MW) is an upstream development of Shongtong Karchham HEP in the Sutlej basin and has been allotted to HPPCL on BOOT basis for 40 years by GoHP on 09.10.2024. HPPCL is acquiring earlier investigation data and DPRs for updation, and plans to take up this project

			along with the upstream Khab HEP, also allotted to HPPCL, as part of a cascade development.
13	Chanju-III HEP	48	Chanju-III HEP (48 MW) is a run-of-river scheme on Chanju Nallah in Chamba district, Himachal Pradesh, with an expected annual generation of 176.19 MU (90 per cent dependable year). Both civil and HM packages were awarded to M/s MFB-ACNC JV in October 2022, agreements signed in December 2022, and the project is expected to be commissioned by February 2028.
14	Thana Plaun Pumped Storage Project	270	The project is proposed as an off-stream Pumped Storage Scheme, using Thana Plaun HEP reservoir as the lower reservoir and an upper reservoir formed by a ±60 m high gravity dam on Luni Khad, with an underground powerhouse of 4 × 67.5 MW. Allotted to HPPCL on 08.10.2024, consultants are being engaged for DPR preparation and for ToR, EIA/EMP studies with MoEF&CC.
15	Renukaji Pumped Storage Project	1630	The project is proposed as an off-stream open-loop Pumped Storage Scheme, using Renukaji Dam reservoir as the lower reservoir and an upper reservoir formed by a ±100 m high earth-cum-rockfill dam on Jogar Ka Khalla in Sirmaur district, with an underground powerhouse of 10 × 163 MW.
16	Bara Khamba HEP	45	Bara Khamba HEP (45 MW) was initially developed in-house in collaboration with HPSEBL, but major components of the project fall within the Eco-Sensitive Zone (ESZ) of Rupi Bhaba Wildlife Sanctuary.
17	Nakthan	460	The DPR of Nakthan HEP (460 MW), though in advanced appraisal with CEA/CWC, has been withheld due to a water-sharing dispute with an Independent Power Producer (IPP). The arbitration case (No. 27/2016) is now in the Commercial Division of the High Court, with HPPCL's intervening application under consideration, while GoHP is exploring an amicable settlement.

Source: Himachal Pradesh Power Corporation Ltd.

10.4.2 Other areas of Power development

Apart from hydro power development, Himachal Pradesh Power Corporation has ventured into solar power and aims to diversify into other renewable energy sources, including green hydrogen and Compressed Bio-Gas, to meet the growing energy demands of the State and the Nation.

10.4.3 Solar Projects in various phases

i. **Berra- Dol Solar Power Project (5 MW)**
Constructed by HPPCL near Shri Naina Devi Ji Shrine, Bilaspur, is the first government-built solar project in Himachal Pradesh. Commissioned on 04.01.2019, it has generated 55.023 MU up to 31.12.2025, with a target of 56.68 MU by 31.03.2026; during FY 2025-26, it produced 4.90 MU, earning ₹1.84 crore.

ii. **Pekhubella Solar Power Project (32 MW)**
Constructed by HPPCL at Pekhubella village in Una district, it has been under commercial operation since 15.04.2024. Up to 31.12.2025, the project has generated 82.05 MU, earning ₹23.29 crore; during FY 2025–26, it generated 22.22 MU with revenue of ₹6.22 crore, against a target of 82.199 MU by 31.03.2026.

iii. **Bhanjal Solar Power Project (5 MW)**
Constructed by HPPCL at Amb tehsil in Una district, was synchronized with the HPSEBL grid on 30.11.2024. Up to 31.12.2025, the project has generated 11.14 MU, earning ₹4.02 crore; during FY 2025–26, it generated 7.61 MU with revenue of ₹2.75 crore, against a target of 11.164 MU by 31.03.2026.

iv. **Aghlor SPP (10 MW)**
Constructed by HPPCL in Una district, was synchronized with the HPSEBL grid on 21.05.2025. Up to 31.12.2025, the project has generated 10.90 MU, earning ₹3.31 crore, against a target of 10.951 MU by 31.03.2026.

v. **Solar Power Projects:**
- EPC works for Gondpur Bulla SPP (12 MW), Lamlehri Uparli SPP (11 MW), and Bada Basot SPP (8 MW) were awarded on 20.12.2024, 01.01.2025, and 03.10.2025, respectively.
- EPC tenders for four SPPs totaling 34 MW—Sanerh (11 MW), Dabhota-I (9 MW), Tihra Khas (6 MW), and Mazra (8 MW)—are being revised to include Battery Energy Storage Systems (BESS) and will be floated shortly.
- DPRs for Ghandran SPP (10 MW) and Sukohan SPP (5 MW) have been approved by HIMURJA.

- Damtal Solar Power Project (206 MW), including 200 MW capacity, is at the initial DPR stage and is being developed by HPPCL as a technical agency on behalf of the Language, Art & Culture (LAC) Department.
- Bhanjal-II Solar Power Project (6 MW) is at the pre-feasibility stage, and its PFR has been prepared.

10.4.4 Development of Projects in the Alternative Energy Sector:

i. A Memorandum of Understanding (MoU) was signed on 26.04.2023 between the Government of Himachal Pradesh/HPPCL and M/s Oil India Limited, under which GoHP has agreed to collaborate in the development of alternative energy projects in Himachal Pradesh, including solar energy, green hydrogen, Compressed Bio-Gas (CBG), geothermal, and other emerging sectors.
ii. The EPC tender for setting up a 1 MW Green Hydrogen Plant at Dabhota, Nalagarh was awarded by M/s Oil India Limited on 09.09.2024, and execution work is currently in progress. The project is expected to be completed by June 2026.
iii. A draft DPR for a 2-tonne-per-day (CBG) plant has been prepared.
iv. HPPCL has been entrusted with the establishment of a 2 MW Wind Power Project at Haripurdhar, District Sirmaur. The process for empanelment of agencies to carry out pre-feasibility studies for wind power projects at various sites across Himachal Pradesh has been initiated.

During the implementation of these projects, Himachal Pradesh Power Corporation Limited (HPPCL) is implementing various welfare and community development schemes, including skill development, educational support, training and awareness camps, school and youth sports competitions, self-employment initiatives, compensation for crop loss, financial assistance for loss of forest customary rights, and provision of 100 units of free electricity per month. An expenditure of ₹2.21 crore has been incurred on these initiatives up to December 2025.

10.4.5 Financial Achievements in Respect of Projects under Construction/ Implementation Stage

The following 10.6 table presents the achievements of the projects under construction/implementation stage of Himachal Pradesh Power Corporation Limited are here under:

Table 10.6

Financial Achievements

(₹in crore)

Sr. No.	Name of Project	Budget 2025-26	Expenditure (April, 2025-Dec., 2026)	Percentage Utilization
1	Shongtong Karchham HEP	908.24	358.77	39.50
2	Integrated Kashang HEP Stages 2 and 3	57.35	21.30	37.14
3	Renuka Ji Dam Project	375.11	46.17	12.31
4	Chanju -III	248.48	23.74	9.55
5	Deothal Chanju-III	3.98	0	0
Total		1593.16	449.98	28.24

Source: Himachal Pradesh Power Corporation Ltd.

Table 10.7

Revenue Generation by Sale of Power

(₹in crore)

Sr. No.	Name of Project	Revenue Generation by Sale of Power since inception to 31.03.2025	Revenue Generation By Sale of Power w.e.f. April, 2025 to December, 2025	Grand Total
1	Integrated Kashang HEP Stage-1	346.45	61.79	408.24
2	Sainj HEP	1013.05	35.47	1048.52
3	SawraKuddu HEP	552.58	136.00	688.58
4	Berra Dol Solar Project	20.68	1.84	22.52
5	Pekhubella	17.07	6.22	23.29
6	Bhanjal	1.27	2.75	4.02
7	Aghlor SSP	0.00	3.31	3.31
	Total	1951.10	247.38	2198.48

Source: Himachal Pradesh Power Corporation Ltd.

Table 10.8

HPPCL – Hydro and Renewable Expansion (Major Ongoing Projects)

Project	Capacity (MW)	Status
Shongtong Karchham Hydroelectric Project	450	63.55 per cent complete
Renukaji Dam Project	40	Storage + Drinking Water
Sawra Kuddu Hydroelectric Project	111	Operational
Sainj Hydroelectric Project	100	Restored after cloudburst

Major Achievements of Power Sector

1. **Added 1,145 MW of New Hydro Capacity**
   - A major capacity boost through commissioning of four hydro projects, strengthening the State's clean energy dominance.
2. **Strong Power Revenue Growth**
   - Generated over ₹1,600 crore from royalty and equity power, reinforcing hydropower as a key fiscal resource.
3. **Establishment of HPEMC**
   - A unified Energy Management Centre created to optimize power scheduling, trading, and maximize revenue.
4. **Expanded and Modernized Transmission Network**
   - Strengthened the grid with new EHV substations and transmission lines under various national and international funding programs.
5. **Large-Scale Smart Meter Rollout**
   - Over 9 lakh smart meters installed, enabling digital billing, improved accuracy, and 90% digital payment adoption.
6. **Rapid Renewable Energy Expansion**
   - Commissioned major solar plants, initiated green hydrogen and wind projects, and advanced towards diversified clean energy.
7. **HIMURJA's Renewable Push**
   - Installed thousands of SPV street lights, expanded rooftop and off-grid solar systems, and supported over 600 small hydro projects.

10.5 Himachal Pradesh Power Transmission Corporation Limited (HPPTCL)

This Corporation is an undertaking of the Government of Himachal Pradesh, established to strengthen the state's transmission network and facilitate the evacuation of power from upcoming generating plants. The functions entrusted to the Corporation by the Government includes the execution of all new transmission works—both transmission lines and substations—of voltage level 66 kV and above, as well as the formulation, upgradation, and implementation of the Transmission Master Plan of Himachal Pradesh for strengthening the transmission network and ensuring efficient power evacuation.

HPPTCL is discharging the functions of a State Transmission Utility (STU) and coordinating transmission issues with the Central Transmission Utility, Central Electricity Authority, Ministry of Power (Government of India), Himachal Pradesh Government and HPSEB Ltd. Beside, the Corporation is also responsible for planning and coordinating transmission-related issues with Independent Power Producers (IPPs), Central Public Sector Undertakings (CPSUs), State Public Sector Undertakings (SPSUs), HPPCL and other State/Central Government Agencies.

Government of India has approved (Asian Development Bank) ADB loan for implementation of transmission projects covered in the Power System Master Plan (PSMP) of Himachal Pradesh. Table 10.9 presents the details of commissioned projects by HPPTCL up to FY2025-26.

Table 10.9

Commissioned Projects up to FY 2025-2026 (up to 31st December, 2025)

Sr. No.	Project Details	MVA	Ckt Kms	Cost (₹crore)
	ADB Tranche-I			
1	220/66/22 KV, Sub-Station at Bhoktoo	56.5	-	32
2	400/220/66 KV, Sub-Station at Wangtoo	830	-	363
3	220/400 KV, 1x315 MVA Sub-Station at Pragati Nagar	315	-	161
4	33/132 KV Sub-Station at Pandoh	31.5	-	36
5	33/132 KV, Sub-Station at Chambi	63	-	45
6	LILO of both circuits of 400 KVJhakri- Abdullapur D/C Line at Gumma and 220 KV D/C TL from Hatkoti to Gumma	-	58.1	105
	ADB Tranche-II			
7	66 KV Switching Sub-station Urni	-	-	27

8	33/220/400 KV Lahal Substation	693	-	280
9	220 KV Charor-Banala TL	-	36	57
10	220 KV Lahal Budhil TL	-	1.9	6
11	132 KV LILO Kangra-Dehra TL at Chambi	-	30	21
	ADB Tranche-III			
12	220 KV D/C line (Twin Moose) from Bajoli Holi HEP to 400/220 KV Lahal GIS	-	36.68	69
13	66 KV D/C Line from 66 KV Switching station at Urni to Wangtoo Sub-Station (Kinnaur)	-	26	20.73
14	220 KV D/C TL from Sunda SS to Hatkoti (Shimla)	-	50.6	46.75
15	2 No. 220 KV Bays at Baddi Sub-Station for LILO of 2nd Ckt. of Kunihar-Pinjore Transmission Line	-	5.7	4.67
16	220 KV Switching Station at Hatkoti	-	-	39.77
17	66/22 KV, 2x12.5MVA GIS Substation at Nirmand	25	-	38.16
18	220/132 KV Substation at Sunda, Shimla	200	-	64.84
19	132/220 KV Sub Station at Charor (Kullu)	100	-	69.03
20	220/66 KV GIS Substation at Gumma (Shimla)	126	-	44.16
21	66 KV D/C Transmission Line from Nirmand to Kotla (Kinnaur)	-	46	30.78
22	400 KV D/C Transmission Line from 400/220/33 KV Lahal SS to Rajera (Chamba)	-	70	140.07
23	220 KV D/C Transmission Line from Mazra to Karian (Chamba)	-	36	36.28
24	220/132 KV, 2x100 MVA GIS Substation at Mazra (Chamba)	200	-	65.54
25	132 KV LILO Kurthala Bathri Transmission Line	-	14.4	11.98
	GEC-I			
26	132/33 KV Addl. Pandoh Substation	31.5	-	16.38
27	400/220 KV Addl. Gumma Substation	315	-	42.16
28	220KV Snail-Hatkoti TL	-	26.3	25.61
29	220KV D/C TL from Dehan SS to Hamirpur SS	-	115.88	119.51
30	132/220 KV, 2x100 MVA Sub Station at Dehan (Kangra)	200	-	71.81
31	220/66 KV Additional Sunda Substation	100	-	38.74
32	Providing additional 220/33 KV, 80/100 MVA Transformer at Charor Substation (Kullu)	100	-	34.96
33	132 KV D/C line from TangnuRomai to 220/132 KV Sunda Substation	-	22	13.37
34	LILO of 220 KV D/C Bajoli Holi to Lahal Transmission Line at 220/66 KV Heiling Substation	-	0.7	4.48

35	33 KV Palchan to Prini Transmission Line	-	17.2	9.03
36	220/66 KV Substation at Heiling	100	-	85.74
37	33 KV Switching Station Palchan	-	-	19.55
	Domestic			
38	220/33 KV Karian Sub-Station	63	-	52
39	220/33 KV Phojal Sub-Station	100	-	72
40	220/33 KV Sub-station at Prini (Kullu)	31.5	-	8.91
41	220/132 KV Sub-station at Kala-Amb	263	-	69.76
42	220 KV D/C Karian-Rajera TL	-	6	11
43	220 KV LILO Phojal- Patlikuhal Transmission Line	-	20.0	17
44	220 KV Kashang-Bhaba TL	-	76	87
45	220 KV MCT line from PGCIL to Andheri Substation	-	12.8	15.39
46	220-132 KV MCT Transmission Line from HPPTCL Kala-Amb to T20/21 of existing Jamta Kala Amb line (132 KV Part Charged)	-	34	49.19
47	132 KV D/C Transmission line by LILO of 132 KV S/C Bassi-Dehan line at T-88 to 220 KV GIS Substation Dehan (Patti)	-	7.91	2.90
48	400 KV S/C LILO Lahal Rajera Line at Kutehr HEP	-	2	9.0
	Total	**3944**	**752.17**	**2690.25**

Source: Himachal Pradesh Power Transmission Corporation Ltd.

In addition, HPPTCL has successfully completed the Green Energy Corridor Phase-I (GEC-I) for the development of an economical transmission system to promote renewable energy. The scheme was funded through 40per cent grant from Ministry of New and Renewable Energy (MNRE), 40per cent low-interest loan from KfW, and the balance from HPPTCL's equity. Under GEC-I, eleven projects were completed and commissioned, resulting in the addition of 846.5 MVA of transformation capacity and 182.08 circuit kilometres of transmission lines across the State.

Further, Green Energy Corridor Phase-II (GEC-II) is being undertaken by HPPTCL for strengthening the State transmission network. Under this phase, eight projects are under tendering/award, with Central Financial Assistance of 33 per cent of DPR cost amounting to ₹161.53 crore. On completion, by 2030, these projects will add 252 MVA of transformation capacity and 281 circuit kilometres of transmission lines in Kangra, Chamba, and Una districts.

With financial assistance from Rural Electrification Corporation Limited (RECL), HPPTCL has commissioned 12 projects and one project is under execution, likely to be completed by March 2026, adding 457.5 MVA of transformation capacity

and 158.71 circuit kilometres of transmission lines in Kangra, Kullu, Sirmaur, and Kinnaur districts.

Additionally, with World Bank assistance, HPPTCL is implementing three projects-two substations at Paonta Sahib and Una and one Reru-Kunihar transmission line-with 80 per cent funding (₹257.13 crore) from the World Bank. One substation at Una is under construction, while the remaining projects are under tendering. These projects are targeted for completion by 2028 and will add 600 MVA of transformation capacity and 48 circuit kilometres of transmission lines in Una, Sirmaur, and Solan districts.

10.5.1 Major Achievements

During FY 2025–26 (up to 31st December 2025), HPPTCL has completed and commissioned one 33 kV Switching Station at Palchan and one 400 kV S/C LILO Lahal–Rajera transmission line at Kutehr HEP, with an approximate cost of ₹28.55 crore. The Corporation has incurred an overall capital expenditure of ₹51.30 crore on completed and ongoing transmission projects during the same period.

Further, HPPTCL commenced trial operations of the Himachal Pradesh Transmission Asset Management Centre (HPTAMC) at Kunihar w.e.f. 2nd October 2025. This state-of-the-art Joint Control Centre enables real-time monitoring and control of EHV transmission assets across the State, enhancing grid reliability and operational efficiency.

In addition, two transmission lines (1.122 ckt km) and three substations—220/132 kV, 200 MVA Kangoo, 220/132 kV, 100 MVA Tahliwal, 132/33 kV, 63 MVA Dharampur—with an approximate cost of ₹128 crore, are nearing completion and are scheduled for commissioning before 31st March 2026. These projects will add 363 MVA of transformation capacity in Una and Mandi districts (Table 10.10).

Table 10.10

Sr. No.	Name of Transmission Project	Ckt km/ MVA Capacity	Amended Awarded Amount Cost (₹ in crore)	Funding Agency
1.	**Transmission Line**			
I	LILO of 132 kV Bassi-Hamirpur Line at Dharampur.	0.56	Included in Sub-Station Award	REC
II	LILO of 132kV Bhakhra-Jamalpur Line at Tahliwal	0.562		REC/ Industries
	Sub-Total – I	**1.122**		

2.	**Sub-station**			
I	220/132 kV Kangoo Sub-Station	200	70.92	ADB Spill over
II	220/132 kV Tahliwal Sub-Station	100	28.08	REC/ Industries
III	132/33 kV Dharampur Sub-Station	63	28.84	REC
	Sub-Total – II	**363**	**127.8**	
	Total I+II	**364.122**	**127.84**	

The commissioning of the above transmission projects shall facilitate constraint-free power evacuation of several Hydro Power Projects and will also improve the quality of power supply in the State.

HPPTCL – Transmission Strengthening

- Commissioned Projects (Cumulative)
  - 3,944 MVA capacity
  - 752.17 circuit km lines
  - ₹2,690.25 crore investment
- GEC-I Completed: +846.5 MVA
- GEC-II (By 2030): +252 MVA (Kangra, Chamba, Una)
- Transmission Asset Management Centre operational

10.6 HIMURJA

HIMURJA was set up in 1989 to promote renewable energy programmes in the State, with financial support from the Ministry of New and Renewable Energy (MNRE), Government of India, and the State Government. The major programmes being implemented in the State include solar power projects, grid-connected rooftop plants, solar photovoltaic off-grid systems, solar thermal systems and small hydroelectric projects with capacities of up to 5 MW.

10.6.1 Achievements during the FY2025–26 (up to December, 2025 and anticipated up to March, 2026 are as follows:

A. Solar Photovoltaic Programme

(i) Solar Power Projects/Plants:

(a) Ground Mounted Solar Power Projects: Ground-Mounted Solar Power Projects with an aggregate capacity of 69.3 MW have been allotted to bonafide Himachali developers under the Open Scheme, with individual project capacities ranging from 250 kW to 5 MW. 169

developers have signed Connectivity Agreements for solar power projects aggregating 219.005 MW, while 167 developers have executed Power Purchase Agreements (PPAs) for a cumulative capacity of 218.505 MW. Further, 33 ground-mounted solar power projects with a combined capacity of 32.926 MW have been set up by individual bonafide Himachali developers. In addition, solar power projects aggregating 50 MW are proposed to be set up during FY 2026–27.

(b) **Grid-connected Solar Roof Top Power Plants:** Grid-connected solar rooftop power plants with a total installed capacity of 641 kwp have been commissioned across various parts of the State.

(c) **Off—grid Solar Power Plants:** An aggregate capacity of 1.94 MW of solar power plants has been installed at various locations across the State.

(ii) **SPV Street Lighting System:** During the FY 2025-26, 23,410 Solar Photovoltaic (SPV) street lighting systems were installed. The anticipated achievement by March, 2026 is expected to reach approximately 26,000 installations.

(iii) **Green Panchayat Scheme**: Under the Green Panchayat Scheme, 8 solar power projects with a cumulative capacity of 4 MW have been allotted, out of which 4 projects are likely to be commissioned by March 2026.

B. Small Hydroelectric Projects upto 5 mw capacities

During FY2025-26, 1 Hydro Electric Project with an aggregate capacity of 5 MW have been commissioned upto December, 2025.

Table 10.11

Details of 609 Small Hydro Projects upto 5 MW as on December, 2025

Project Stage	Number of Projects	Capacity (MW)
(i) Small Hydro Projects under private sector up to 5.00 MW		
(A) IA STAGE		
Commissioned	99	356.00
Under construction	35	93.44
Under Clearance	136	352.76
(B) PRE-IA STAGE	268	577.54
Total	**538**	**1379.74**

(ii) Status of Micro Hydel Projects up to 100 kw programme		
Total	**55**	**5.50**
(iii) Build-Operate-Transfer (BOT) projects allotted to HIMURJA		
Commissioned Under Clearance S&I in progress	1 0 5	4.80 0.00 20.00
Total	**6**	**24.80**
(iv) Projects set up under State sector		
Commissioned	5	0.47
Commissioned (transferred to HPSEBL)	5	1.90
Total	**10**	**2.37**
Grand Total (i to iv)	**609**	**1412.41**

HIMURJA – Decentralized Renewable Push

- 33 Ground-mounted projects: 32.926 MW
- 23,410 SPV Street Lights installed (target 26,000 by March 2026)
- 609 Small Hydro Projects (≤5 MW)
  - Total Capacity: 1,412.41 MW
- 55 Micro Hydel Projects (≤100 kW)

10.7 Main Issues and Challenges

A. State-Level Issues and Challenges

Issues / Challenges	Evidence	Implications
1. Delays in Hydropower Project Execution	Multiple projects face delays due to land acquisition, forest clearances, litigation and difficult terrain.	Slows down capacity addition, revenue generation, and impacts long-term energy security.
2. Climate-Related Disruptions	Cloudbursts, landslides, floods and siltation frequently damage hydro assets and disrupt operations.	Increased repair costs, downtime in power generation and reduced reliability of hydro-dependent supply.
3. Transmission	Need for continuous	Limits evacuation of new

Evacuation Constraints	strengthening of EHV substations and long transmission corridors in remote regions.	hydro and renewable power; causes potential generation losses.
4. High AT&C Losses and Ageing Distribution Network	Existing distribution infrastructure requires upgrades, smart metering, and loss-reduction investments.	Financial stress on DISCOM, reduced revenue realization and inefficiencies in supply quality.
5. Over dependence on Hydropower	Seasonal variations in river flows significantly affect generation levels.	Vulnerability to dry seasons; need for solar, wind, hydrogen and storage diversification.
6. Electrification Challenges in Remote/Tribal Areas	Border villages and sparsely populated zones require high-cost infrastructure and frequent maintenance.	Slower household electrification, higher financial burden and service delivery gaps.
7. Financial Sustainability Concerns	Revenue depends heavily on royalty power sales; large capital expenditure in transmission and renewables.	Increased fiscal pressure; need for better tariff design, optimized power trading and efficient project execution.

B. District-Specific Issues and Challenges (Evidence-Based)

Challenges	Affected Districts	Evidence
1. Climate-induced damage to hydropower assets	Kinnaur, Lahaul–Spiti	Frequent cloudbursts, landslides, floods, siltation and harsh terrain disrupt hydro operations and damage infrastructure.
2. Difficult terrain slowing hydropower construction	Chamba, Kinnaur, Mandi	Remote locations, litigation, forest clearances and challenging geography cause delays in major hydro projects and impede timely completion.
3. Transmission evacuation constraints	Chamba, Kullu, Kinnaur	Long and difficult transmission corridors limit evacuation of new hydro power; continuous strengthening of EHV network is required for power flow.
4. High-cost electrification in	Lahaul–Spiti, Kinnaur	Electrification of sparsely populated tribal and border areas under schemes

remote and border villages		like VVP requires expensive infrastructure and frequent maintenance.
5. Distribution network strain due to rising demand	Kangra, Shimla, Solan	Increasing urban/ industrial load requires HT/LT line augmentation, new substations, smart metering rollout and loss-reduction works.

10.8 Way Forward

Himachal Pradesh must adopt a balanced strategy combining hydropower optimization with accelerated diversification into solar, wind, green hydrogen and pumped storage to enhance energy security and climate resilience. Expedited clearances through single-window mechanisms, improved project management practices and proactive dispute resolution will reduce implementation delays. Strengthening climate-resilient infrastructure, slope stabilization and disaster mitigation measures is essential to safeguard assets.

Full-scale smart metering rollout, feeder segregation, SCADA expansion and GIS-based asset management should be prioritized to reduce losses and improve demand forecasting. Development of battery storage and pumped storage capacity will support renewable integration and peak load management. Financial sustainability can be enhanced through dynamic tariff design, better power trading strategies and optimization of royalty and equity power sales through HPEMC. Lastly, community engagement, local area development and skill-building initiatives must continue to ensure inclusive growth and social acceptance of future energy projects, consolidating Himachal Pradesh's position as a model green energy State.

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CHAPTER 11

LABOUR AND EMPLOYMENT

Executive Summary

S. No.	Key Point	Summary
1	**Labour and Employment Overview**	The chapter presents India's and Himachal Pradesh's labour landscape, covering LFPR, WPR, unemployment trends, reforms, skilling and sectoral shifts.
2	**LFPR Rural–Urban Trends (2025)**	Rural LFPR remained higher than urban during April to Dec 2025, with overall LFPR rising gradually toward year end.
3	**Gender Gaps in WPR**	Male WPR stayed significantly higher than female WPR; however, female WPR improved in later months. Himachal's female LFPR (46.8 per cent) was far above India's (26.8 per cent).
4	**Industrial Employment Fluctuations**	Industrial employment contracted sharply in 2020–21 (–8 to –9 per cent) and rebounded strongly in 2021–22; factory growth reached 2.7 per cent by 2023–24.
5	**Implementation of Labour Codes**	Four consolidated Labour Codes were enforced on 21 Nov 2025, ensuring universal minimum wages, simplified compliance and expanded social security.
6	**AI's Impact on Jobs**	AI is automating routine tasks while creating roles in ML, cybersecurity and data analytics; reforms emphasise upskilling to meet emerging labour demands.
7	**Himachal's Employment Standing**	HP recorded higher CWS LFPR: males 62.5 per cent and females 46.8 per cent, surpassing India's 57.8 per cent and 26.8 per cent respectively. HP's WPR (50.4 per cent) also exceeds neighbouring states.
8	**State Government Initiatives**	65,132 registrations and 4,559 private placements via Employment Exchanges; ₹56.92 lakh disbursed to 3,717 youth under Unemployment Allowance; ₹33.07 lakh to 2,764 beneficiaries under Skill Development Allowance.
9	**Skilling and HPKVN Achievements**	Over 10,000 youth certified through ITIs; 7,600 trained in Industry 4.0 skills; 1,629 students certified under Graduate Add-On courses.
10	**Factory Wing Reforms**	Major reforms introduced in 2025–26, includs permission for women to work night shifts, extension of continuous working time to 6 hours, and reduction of factory registration documents from 10 to 4.

11.1 Introduction

This chapter presents a comprehensive overview of the labour and employment scenario in India with focus on Himachal Pradesh, examining key trends in labour force participation, employment patterns, and unemployment dynamics. It analyses gender-wise and rural–urban disparities, sectoral shifts in employment, and post-pandemic recovery in industrial labour markets using recent survey evidence. The chapter also highlights major policy reforms, including the implementation of the new Labour Codes, the growing influence of artificial intelligence on employment and State-specific initiatives aimed at enhancing employability, social security and inclusive workforce development in Himachal Pradesh.

Table 11.1

Schemes and Interventions

Scheme / Initiative	Objective	Key Data (2024-25)
Employment Exchange (EEMIS)	Registration and placement	65,132 registrations; 4,559 private placements
Skill Development Allowance	Financial support during training	₹33.07 lakh; 2,764 beneficiaries
Unemployment Allowance	Income support	₹56.92 lakh; 3,717 youth
Industrial Skill Dev. Allowance	On-job upskilling	₹4.08 lakh; 94 beneficiaries
Rajiv Gandhi Swarozgaar Startup Yojana	Green self-employment	₹3.95 crore subsidy; 56 e-taxis
HPKVN (HPSDP – ADB)	Skill ecosystem strengthening	10,000+ ITI certified; 7,600 Industry 4.0
PMKVY (State Component)	Short-term skilling	3,828 enrolled; 2,100 certified
SANKALP	Institutional strengthening	₹2.20 crore budget
RAMP	Women MSME training	700 rural women; ₹1.80 crore
BOCW Welfare Board	Social security for construction workers	₹26.24 crore disbursed (FY 2025-26)
Mukhyamantri Mahila Awas Yojna	Housing for registered women workers	₹3 lakh per eligible beneficiary

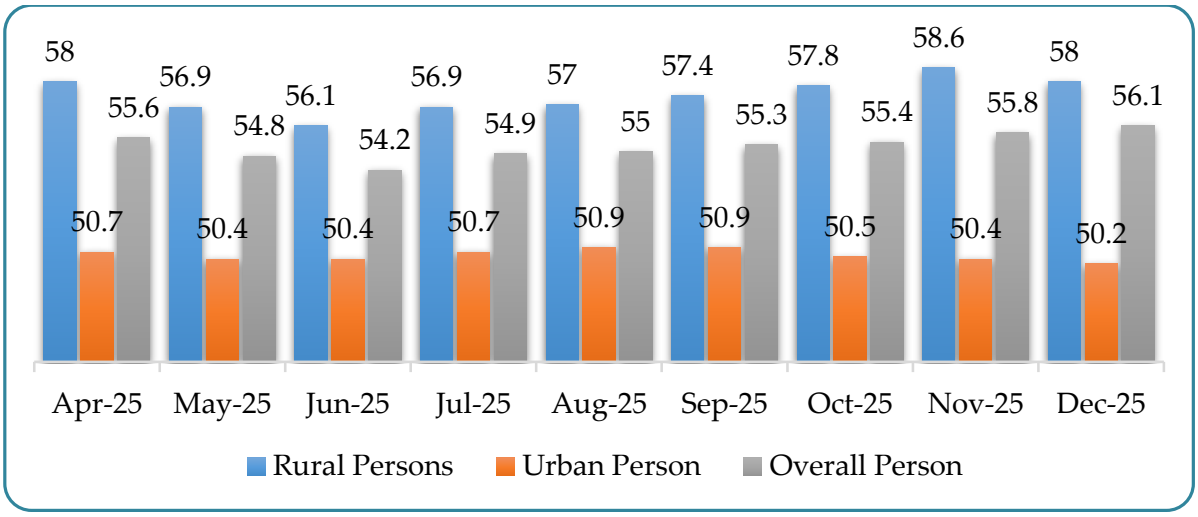
11.2 Evolving Patterns in the Labour Market

I. Monthly Labour Force Participation Rate (LFPR) in India by Rural, Urban and Overall Persons (April to December 2025)

The figure 11.1 highlights clear rural–urban differences in labour force participation in India during April to December 2025. Rural LFPR remains consistently higher than urban LFPR throughout the period, reflecting greater engagement of the rural population in economic activities, largely driven by agriculture and allied sectors. Urban LFPR is comparatively lower and shows limited fluctuation, indicating relatively stable but restrained participation in urban labour markets. The overall LFPR closely mirrors the rural trend, underscoring the dominant influence of rural participation on aggregate labour force dynamics. A gradual improvement in LFPR towards the latter months suggests strengthening labour market engagement across the country, possibly supported by seasonal and economic factors.

Figure 11.1

LFPR (%) in CWS during April to December, 2025 for persons of age 15 years and above



Source: Periodic Labour Force Survey (PLFS), MoSPI

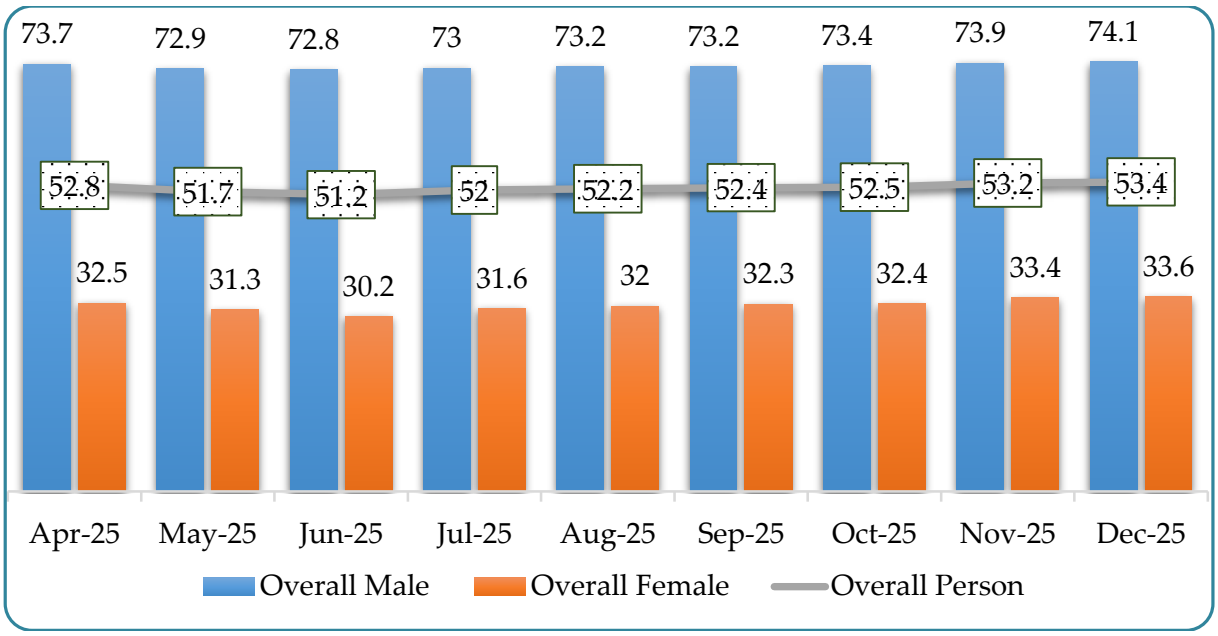
II. Monthly Worker Population Ratio (WPR) in India by Gender (April–December 2025)

The figure 11.2 illustrates the gender-wise pattern of the Worker Population Ratio in India from April to December 2025, highlighting persistent disparities in workforce engagement. The WPR for males remains consistently high and stable throughout the period, reflecting sustained participation of men in employment. In contrast, female WPR is substantially lower, though it shows a gradual improvement in the latter months, indicating a slow but positive movement in women's workforce

participation. The overall WPR remains broadly stable with a mild upward trend towards the end of the year, driven mainly by gains in female employment and steady male participation. These trends underscore the continuing challenge of gender gaps in employment, while also pointing towards incremental progress in inclusive labour market outcomes.

Figure 11.2

WPR (%) in Current Weekly Status (CWS) during April to December, 2025 for male of age 15 years and above



Source: Periodic Labour Force Survey (PLFS), MoSPI, December, 2025

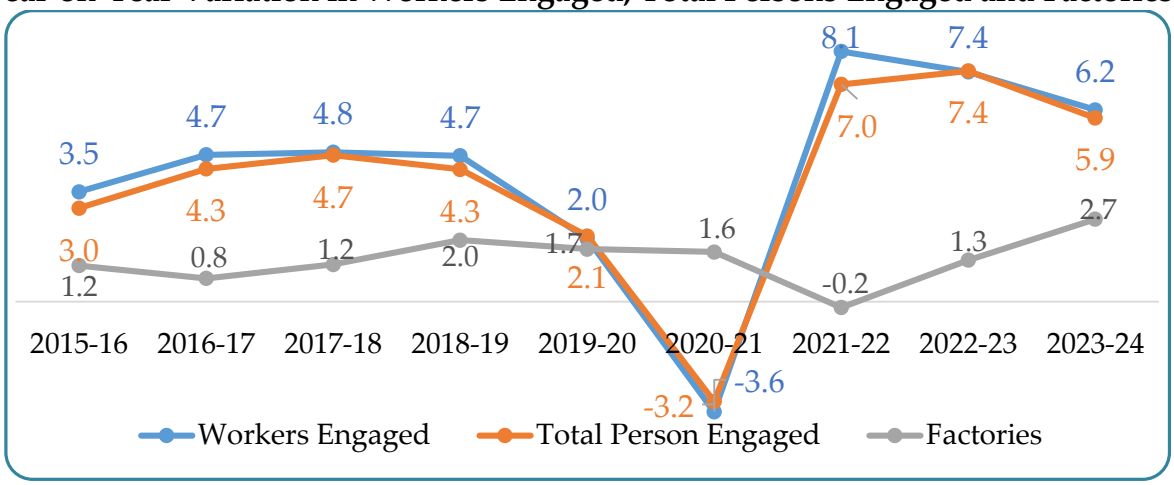
III. Industrial Employment Contraction and Recovery in India

The figure 11.3 shows significant year-on-year fluctuations in industrial employment and factory growth in India between 2015-16 and 2023-24. During the pre-pandemic period (2015-16 to 2018-19), both workers engaged and total persons engaged recorded steady positive growth, rising from moderate increases to around 2 per cent in 2018-19, indicating expansion in industrial activity and employment absorption. In 2019-20, growth moderated to about 1.7 per cent, reflecting an early economic slowdown. A sharp contraction is evident in 2020-21, when workers engaged and total persons engaged declined steeply (around 8 to 9 per cent), highlighting the severe impact of the COVID-19 pandemic on industrial employment. In contrast, the number of factories showed relatively lower volatility, remaining positive at 1.6 per cent in 2020-21, indicating structural resilience in factory units. A strong rebound followed in 2021-22, with workers and persons engaged recording robust double-digit growth, while factory growth turned marginally negative (–0.2 per cent). In the subsequent years,

2022-23 and 2023-24, employment growth moderated but remained positive, while factory growth improved steadily, rising to 2.7 per cent in 2023-24, suggesting stabilization and gradual strengthening of industrial capacity and employment conditions in the post-pandemic phase.

Figure 11.3

Year-on-Year Variation in Workers Engaged, Total Persons Engaged and Factories



Source: ASI Report 2023-24, MoSPI

District-Level Labour Dynamics

High Registration Districts

- **Kangra**: 13,998 registrations; 1,090 private placements; live register 1.12 lakh.
- **Mandi**: 13,318 registrations; live register 1.07 lakh.
- **Shimla**: High private vacancy notification (3,072).

Industrial Cluster Districts

- **Solan**: Pharma and manufacturing hub; strong private vacancy base.
- **Una**: Industrial corridor influence.
- **Sirmaur**: Growing industrial base (Paonta Sahib region).

Tourism and Seasonal Employment Districts: Kullu, Kinnaur, Lahaul-Spiti, Chamba

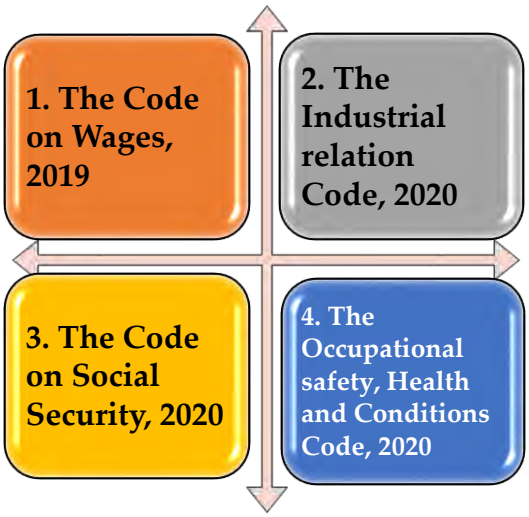
- Seasonal employment dependency.
- High self-employment share.

Remote and Low Absorption Districts

- **Lahaul-Spiti**: Very low placements (21).
- **Kinnaur**: Limited industrial depth.

11.3. Reforming Labour Governance: Introduction of New Labour Codes

India's four consolidated Labour Codes were implemented on 21st November 2025 through official notification by the Government of India, marking a landmark shift in the country's labour reform agenda. These reforms aim to simplify the regulatory framework while strengthening worker welfare and supporting sustainable economic growth. By promoting flexibility, transparency, and formalisation, the Labour Codes balance the interests of both workers and employers and collectively lay the foundation for a fair, inclusive, and future-ready labour ecosystem in India. Earlier, 29 separate labour laws were in force; these have now been consolidated into 4 comprehensive labour codes.

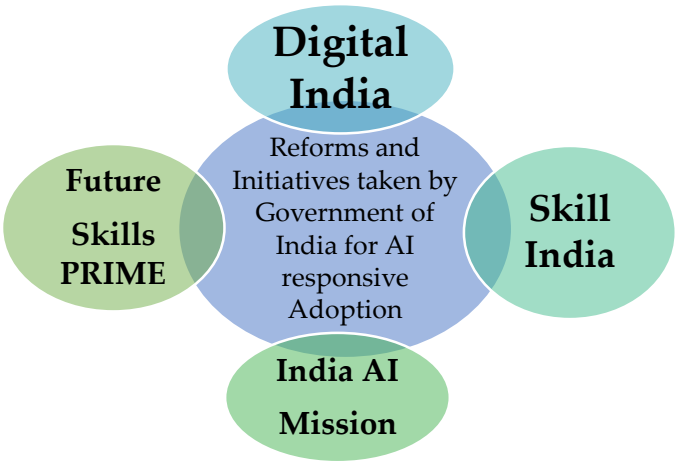


The Codes ensure universal minimum wages, timely payment, and gender equality, expand social security to unorganised, gig and platform workers and improve occupational safety and health standards across sectors. Key features include single registration and licensing, digital compliance systems, inspector-cum-facilitator mechanisms and decriminalisation of minor offences to promote ease of doing business. Overall, the reforms balance labour welfare with economic efficiency, encourage formalisation of employment and support inclusive and sustainable growth.

11.4 Artificial intelligence (AI) and Its Influence on Employment: India's Reform-Oriented Perspective

Artificial Intelligence (AI) is rapidly transforming the nature of work by automating routine and repetitive tasks, enhancing productivity and creating new job roles that require advanced digital and analytical skills. While AI may lead to the displacement of certain low- and medium-skill jobs, it also generates employment opportunities in areas such as data analytics, machine learning, cybersecurity and AI system management, thereby shifting the demand towards skill-intensive and knowledge-based work.

To address these changes, Government of India has undertaken several reforms and initiatives that focus on reskilling, upskilling and promoting responsible AI adoption.



Additionally, labour reforms, digital skilling through ITIs and higher education institutions, and emphasis on emerging technologies aim to prepare the workforce for AI-driven transitions. Overall, AI presents both challenges and opportunities for employment, and effective policy interventions are key to ensuring inclusive and sustainable workforce transformation.

11.5 Employment Scenario: Himachal Pradesh, Neighboring States and India

The employment scenario in Himachal Pradesh is shaped by its unique mountainous geography, sectoral composition and demographic structure, it needs to be viewed in a comparative perspective with neighboring states and the national economy. While the State has made notable progress in education, health, and human development, employment opportunities remain largely concentrated in agriculture, allied activities, tourism, construction, and public services, with limited absorption in large-scale industry. A comparison with neighboring states such as Punjab, Haryana, Uttarakhand, and Jammu & Kashmir highlights variations in labour force participation, sectoral diversification, and urban employment, reflecting differences in industrial base and economic structure. At the all-India level, structural shifts towards services and non-farm employment provide an important backdrop for assessing Himachal Pradesh's employment outcomes, challenges, and emerging opportunities in the context of inclusive and sustainable growth.

11.6 Labour Force Participation Rate

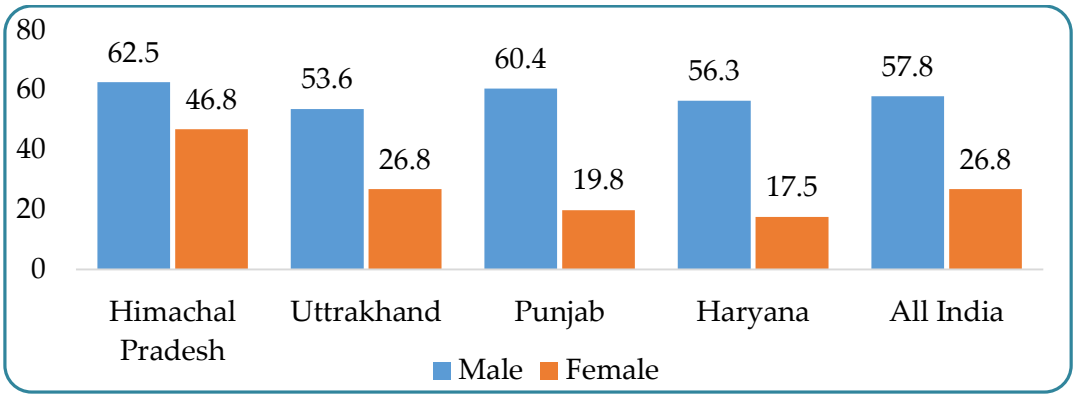
Labour force and work status are generally examined based on two indicators of employment viz. Usual Status (US) which includes principal economic activity and subsidiary economic activity of employment and Current weekly status (CWS). It is important to understand the difference between the two indicators.

The labour force scenario in Himachal Pradesh can be assessed through key indicators such as the Labour Force Participation Rate (LFPR)—which measures the proportion of the working-age population either employed or actively seeking work—and the Worker Population Ratio (WPR), which reflects the share of the population that is actually employed. While LFPR and WPR provide insights into employment levels over the long term based on Usual Status (PS+SS), the Current Weekly Status (CWS) captures short-term employment dynamics, helping distinguish between those employed for most of the year and those currently active. Additionally, wage rate trends and industrial relations offer further context on employment quality and stability. Together, these metrics enable a comprehensive understanding of the state's employment landscape, highlighting both workforce engagement and areas requiring policy intervention.

CWS during Oct–Dec 2025 shows Himachal Pradesh recording higher participation for both males (62.5 per cent) and females (46.8 per cent) compared to India averages of 57.8 per cent and 26.8 per cent, respectively. Female LFPR remains particularly low in Haryana (17.5 per cent) and Punjab (19.8 per cent), while Uttarakhand stands at 26.8 per cent.

Figure 11.4

LFPR (in per cent) according to current weekly status for all ages in 2025-26 (Oct. - Dec., 2025)



Source: Periodic Labour Force Survey (PLFS) report Quarter October – December, 2025

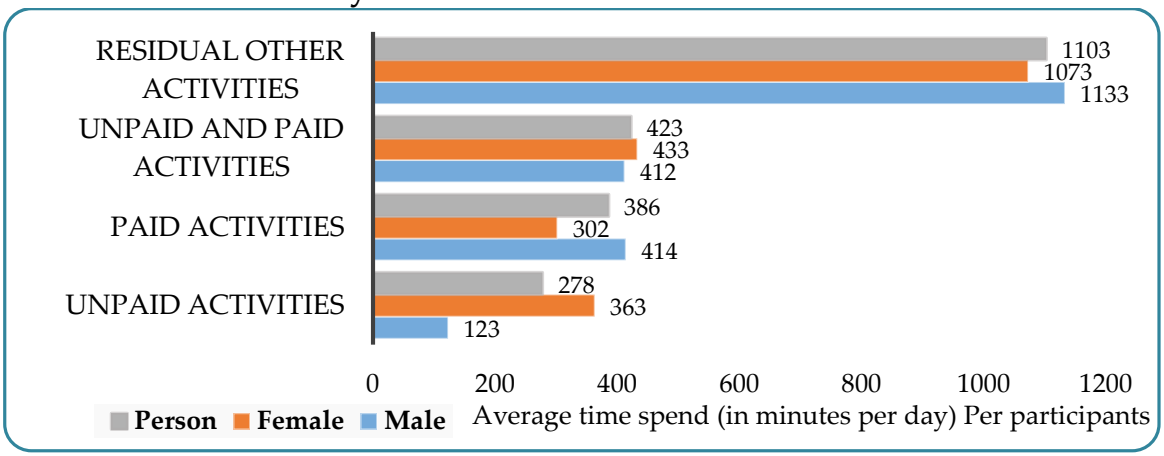
11.7 Gender-wise Distribution of Average Daily Time Use across Paid, Unpaid and Other Activities

The figure 11.5 highlights clear gender differences in daily time use patterns. Males spend a higher share of their time in paid activities, while females devote significantly more time to unpaid activities, reflecting the unequal burden of domestic and care work. When paid and unpaid activities are combined, the total workload of females is comparable to or slightly higher than that of males, indicating a "double burden" on women. A substantial portion of time for both genders is absorbed by

residual/other activities (such as personal care, rest, and leisure), though males consistently record higher time allocation here. Overall, the pattern underscores persistent gender disparities in the division of labour, with women disproportionately engaged in unpaid work despite similar total time commitments.

Figure 11.5

Time Use Statistics Survey



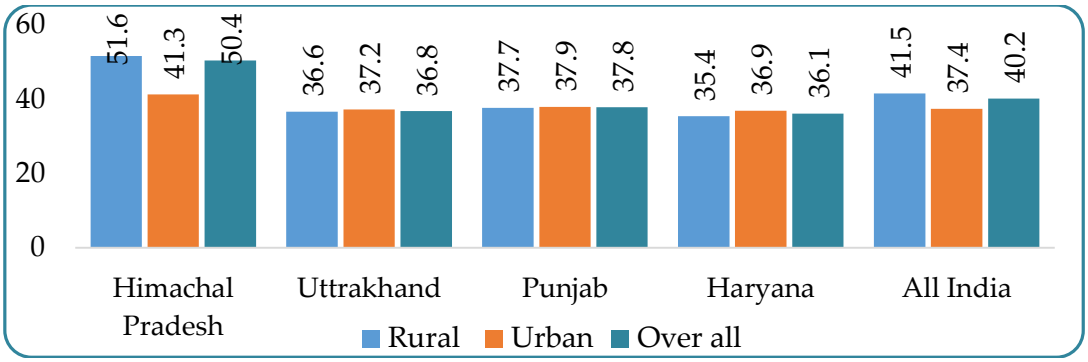
Source: Time Use Statistics Survey 2024, MoSPI.

11.8 Worker Population Ratio (WPR)

WPR is an indicator used for analyzing the employment situation and knowing the proportion of the population actively contributing to the production of goods and services in the economy. "WPR is defined as the percentage of employed persons in the population". It is clear at all ages, the WPR of Himachal Pradesh in 2025-26 (Quarter ending December, 2025) (50.4) is better than Uttarakhand (36.8), Punjab (37.8), Haryana (36.1) and India (40.2). It is evident from survey results that more women (41.3 per cent) in Himachal Pradesh are actively participating in economic activities than their counterparts, at all India level and among neighboring states.

Figure 11.6

Worker Population Ratio (Rural, Urban) according to current weekly status for all ages in 2025-26 (Oct. - Dec., 2025)



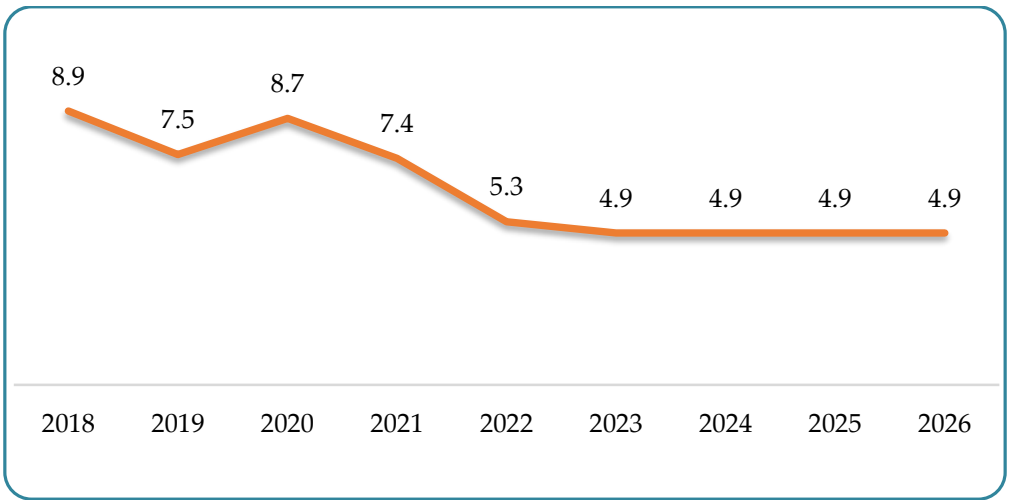
Source: Periodic Labour Force Survey (PLFS) report Quarter October – December, 2025

11.9 Unemployment Rate

"Unemployment Rate (UR) is defined as the percentage of persons unemployed among the persons in the labour force". Figure 11.7 shows an overall improvement in India's unemployment situation, moving from a phase of volatility to relative stability over the period. The initial years reflect noticeable fluctuations, indicating economic stress and adjustment in the labour market. This is followed by a clear downward trend, suggesting recovery and better absorption of the workforce as economic activity strengthened. In the later years, the unemployment rate stabilizes, pointing to a more balanced labour market. However, this stabilization also implies that further reductions will depend on sustained economic growth, expansion of employment-intensive sectors and continued structural reforms in the labour market.

Figure 11.7

Unemployment Rate of India



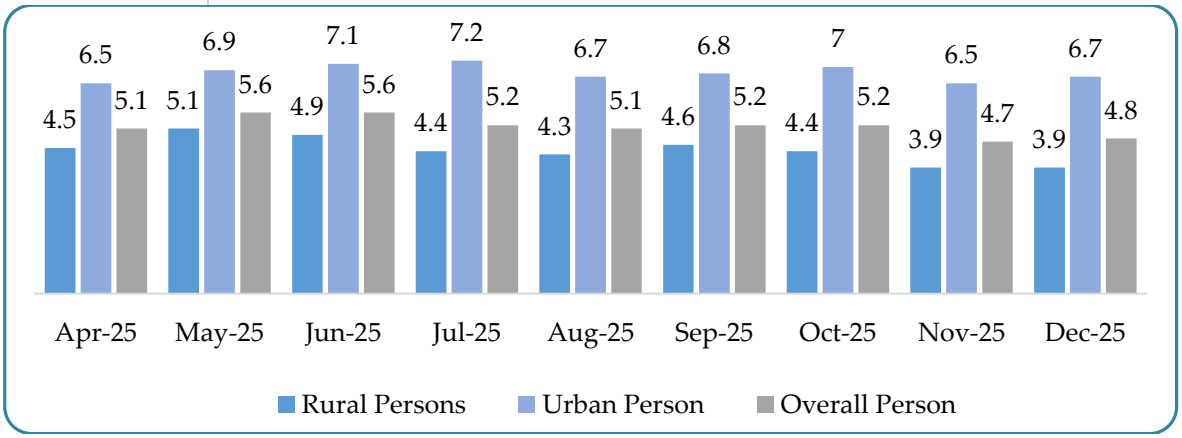
Source: IMF World Economic Outlook Databases.

11.9.1 Monthly Unemployment Rate Trends by Rural, Urban and Overall Persons of India (April–December 2025)

The figure 11.8 depicts clear and persistent differences in unemployment rates between rural and urban areas over the period April to December 2025. Urban unemployment remains consistently higher than rural unemployment throughout, indicating greater job market pressures in urban centres, possibly due to higher labour supply and structural mismatches. Rural unemployment shows relatively lower levels and a gradual decline towards the end of the year, suggesting some seasonal absorption of labour. The overall unemployment rate closely follows the urban trend, reflecting the stronger influence of urban labour market dynamics on aggregate outcomes. A noticeable moderation in unemployment across all categories in the later months points towards improving employment conditions towards the end of 2025.

Figure 11.8

Dynamics of Unemployment in India across Rural and Urban Areas



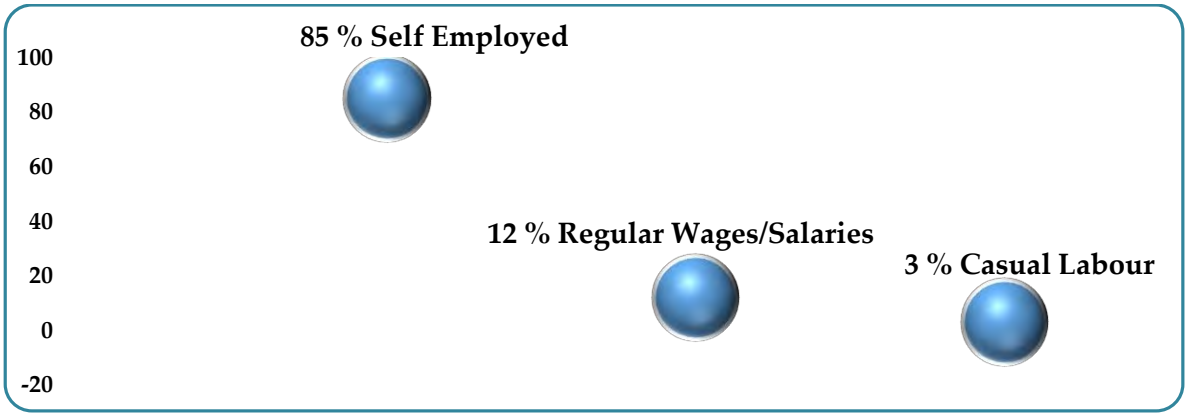
Source: Periodic Labour Force Survey (PLFS), MoSPI

11.9.2 Employment Structure of Female Workers in Himachal Pradesh (2023–24)

Figure 11.9 shows distribution of female workers in Himachal Pradesh during 2023–24 shows a pronounced dominance of self-employment, which accounts for about 85 per cent of female workers, indicating heavy reliance on agriculture, allied activities, and household-based enterprises. Regular wage/salaried employment constitutes around 12 per cent, reflecting limited access of women to stable and formal jobs in the State. Casual labour forms a very small share at about 3 per cent, suggesting relatively lower engagement of women in short-term or daily wage work.

Figure 11.9

Distribution of female workers in usual status by broad status in employment for Himachal Pradesh (2023-24)



Source: Periodic Labour Force Survey (PLFS) 2023-24

Overall, the pattern highlights the predominance of informal and self-driven employment among women, underscoring the need for policies that promote diversification of employment opportunities, expansion of formal sector jobs, and improved income security for female workers in Himachal Pradesh.

Table 11.2

Percentage distribution of workers in usual status (ps+ss) by broad status in employment for Himachal, neighboring states and all India

States	Self Employed						regular wage/ salary		casual labour	
	own account worker, employer		helper in household enterprise		all self employed					
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2022-23										
Himachal Pradesh	**44.3**	**46.4**	**14.6**	**40.1**	**58.9**	**86.5**	**27.1**	**11.9**	**14.0**	**1.7**
Uttarakhand	47.4	27.6	10.0	55.5	57.4	83.1	28.7	14.6	13.9	2.3
Punjab	37.3	36.6	7.5	9.4	44.8	46.1	32.5	36.0	22.7	18.0
Haryana	37.9	31.5	6.0	18.8	43.9	50.3	39.2	30.0	16.9	19.7
All India	**44.3**	**27.8**	**9.3**	**37.5**	**53.6**	**65.3**	**23.2**	**15.9**	**23.2**	**18.8**
2023-24										
Himachal Pradesh	**37.8**	**47.6**	**13.0**	**36.9**	**50.8**	**84.6**	**30.9**	**12.6**	**18.2**	**2.8**
Uttarakhand	43.4	32.7	8.4	44.3	51.8	77.0	32.0	17.2	16.2	5.8
Punjab	36.9	40.4	7.8	11.2	44.7	51.6	33.6	36.1	21.7	12.3
Haryana	37.3	34.1	6.2	22.2	43.6	56.4	41.4	31.4	15.0	12.2
All India	**43.5**	**30.7**	**10.1**	**36.7**	**53.6**	**67.4**	**24.9**	**15.9**	**21.5**	**16.7**

Source: Periodic Labour Force Survey (PLFS) 2022-23 and 2023-24

Major Achievements

1. Enhancement of Minimum Wages

- Minimum wages for unskilled workers increased from ₹400 to ₹425 per day or ₹12000 to ₹12750 per month, effective from 1st April 2025.

2. Strong Placement Outcomes through Job Fairs and Campus Drives

- 4,547 youth were placed in the private sector through job fairs and campus interviews conducted by the Central Employment Cell.

3. Social Security Support to Unemployed Youth

- ₹56.92 lakh disbursed under the Unemployment Allowance Scheme to 3,717 youth.

4. Promotion of Skill Development

- ₹33.07 lakh disbursed under the Skill Development Allowance Scheme, benefitting 2,764 youth. 7,600 youth certified in Industry 4.0 skills under HPKVN's initiatives.

5. Boost to Green Entrepreneurship — E-Taxi Subsidies

- ₹3.95 crore subsidy provided to 56 beneficiaries for purchase of electric taxis under Rajiv Gandhi Swarozgaar Startup Yojana.

6. Gender Reforms in Labour Policies

- Women allowed night shift employment in all factories under revised labour regulations.

7. Labour Reforms Improving Industrial Flexibility

- Revised spread-over limits, rest intervals, and working hours to make industries more flexible and efficient.

8. Expansion of Skill Infrastructure

- 19 Skill Centres operational under the ADB-funded HP Skill Development Project.

9. Inclusion Efforts for Specially Abled Persons

- 600 specially abled persons registered and 15 placed through the Special Employment Exchange in 2025–26.

11.10 Initiatives of Government of Himachal Pradesh

11.10.1 Employment Assistance and Information Services

Twelve District Employment Exchanges, 65 Sub Office Employment Exchanges, one Special Employment Exchange for Physically Handicapped, and Central Employment Cell offer employment assistance and information services to job seekers. All 77 Employment Exchanges have been automated and made available online for the purpose of providing youth with vocational guidance and employment counseling as well as information about the employment market. Interested applicants can register themselves online to Employment Exchanges from anywhere without physically visiting employment exchange through EEMIS Portal.

11.10.2 Minimum wages

Himachal Pradesh Government has constituted a Minimum Wages Advisory Board under the Minimum Wages Act-1948 for the purpose of advising the State Government in the matter of fixing and revising the minimum rates of wages for the workers. State Government has enhanced the minimum wages for unskilled category of workers from ₹400 to ₹425 per day or ₹12,000 to ₹12,750 per month w.e.f. 1st April, 2025, in all existing 19 scheduled employment under the provisions of Minimum Wages Act, 1948. Also, the minimum rates of other categories have been enhanced proportionately.

11.10.3 Employment Market Information Programme

At the district level, employment data is being collected under the Employment Market Information Programme since 1960. The total employment in the State as on 31st March, 2025 in Public Sector was 2,80,433 and in private sector it was 2,42,597. The number of establishments in Public Sector and Private Sector were 4,770 and 2,600 respectively.

11.10.4 Vocational Guidance

The Department of Labour and Employment provides Vocational/Career Guidance to the youth and organizes guidance camps at Schools, Colleges, ITIs and Polytechnics, among other places. Accordingly, apart from providing information about Schemes/Welfare programmes being implemented for the youth, information about skill development, career options, employment/ self-employment opportunities etc., is also provided by the department. During this Financial Year, (up to 31st December, 2025) 18,678 youth were provided vocational guidance and career counseling.

11.10.5 Central Employment Cell

To provide technical and highly skilled manpower to all the industrial units, Institutions and establishments, the Central Employment Cell which has been set up

in the Directorate of Labour and Employment of the State remained engaged in rendering its services during the year 2025-26. Under this scheme, assistance is provided to the employment seekers, in finding suitable jobs in private sector according to their qualifications. The Central Employment Cell organizes Campus Interviews for Private Sector Employers for their requirement of unskilled labour. During this financial year, up to 31st December, 2025 Central Employment Cell has organized 5 job fairs and 334 Campus Interviews wherein 4,547 candidates have been selected.

11.10.6 Special Employment Exchange for Specially Abled

The special employment exchange for the placement of specially abled persons (physically, visually, hearing and locomotor impaired) was set-up in the Directorate of Labour and Employment in 1976, which renders assistance to the especially abled candidates in the field of vocational guidance and also provides employment assistance in Public and Private Sector. During FY2025-26 (up to December, 2025) 600 specially abled persons were brought on the Live Register of the Special Employment Exchange bringing the total number to 9,019 and 15 especially abled persons were provided employment.

11.10.7 Skill Development Allowance Scheme

During this FY2025-26, provision of ₹1.00 crore has been made under Skill Development Allowance Scheme, 2013. This programme offers financial assistance to the State's qualified unemployed youths in order to help them improve their skills and increase their employability. For the length of skill development training, up to a maximum of two years, this allowance is granted at a rate of ₹1,000 per month and offered at a rate of ₹1,500 per month for those who are 50 per cent or more permanently physically handicapped. During current FY2025-26 (up to December, 2025) ₹33.07 lakh Skill Development Allowance has been disbursed amongst 2,764 beneficiaries. The labour and employment department is also implementing Industrial Skill Development Allowance Scheme, 2018. Under this scheme, there is a provision of allowance to eligible employed youth engaged in private industrial establishments of the State for On Job skill up gradation. Under this head ₹4.08 lakh was disbursed among 94 beneficiaries.

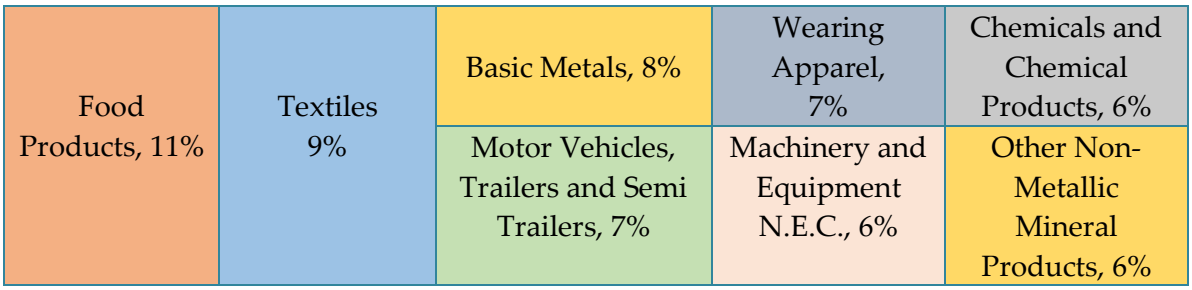
11.10.8 Unemployment Allowance Scheme

During this FY2025-26, budgetary provision of ₹1.00 crore has been made under Unemployment Allowance Scheme. Under this scheme, there is provision of allowance to the eligible unemployed youths of the state @ ₹1,000 per month and for 50 per cent or more permanent physically challenged @ ₹1,500 per month for a maximum period of 2 years to enable them to sustain themselves for a certain period. During the period up to December, 2025, 3,717 youth have benefitted under this scheme and ₹56.92 lakh has been disbursed.

11.11 Eight major industry group in terms of employment

The chart shows the share of employment across industries. Food products lead with 11 per cent, followed by textiles (9 per cent), basic metals (8 per cent), motor vehicles and wearing apparel (7 per cent each). Chemicals, machinery and non-metallic mineral products each contribute around 6 per cent. In short, jobs are spread across manufacturing sectors, with food and textiles being the largest employers.

Per cent share of employment:



Source: ASI report 2023-24, MoSPI

11.12 Employment Exchange

During current FY (up to December, 2025) 65,132 applicants were registered under Employment Exchange Scheme. Of these, 375 (including non-notified vacancies) placements were made in Government sector vacancies and 4,559 placements were done in private sector against 11,546 notified vacancies. The consolidated number on live registers of all employment exchanges as on December, 2025 is 5,18,807. The district-wise registrations and placements done by the employment exchanges with effect from April to December, 2025 (including Special Employment Exchange) are given in Table 11.3.

Table 11.3

Employment Exchange

District	Registration	Vacancies notified		Placement		Live Registration
		Govt.	Private	Govt.	Private	
Bilaspur	4,889	2	88	30	321	36,697
Chamba	5,201	2	2,033	25	451	40,754
Hamirpur	5,441	0	2,096	90	603	39,670
Kangra	13,998	2	0	77	1,090	1,12,820
Kinnaur	578	0	0	6	23	4,232
Kullu	4,153	2	0	4	94	25,230
Lahaul-Spiti	428	0	100	0	21	2,443
Mandi	13,318	0	0	88	328	1,07,287
Shimla	4,563	13	3,072	19	844	45,531
Sirmaur	4,724	2	1,181	1	152	40,382

Solan	3,791	14	1,308	13	219	27,581
Una	4,048	0	1,668	7	413	36,180
Special Employment Exchange (for Specially Abled Persons)	600	3	0	15	0	9019
H.P.	**65,132**	**40**	**11,546**	**375**	**4,559**	**5,18,807**

Source: Department of Labour and Employment, Government of Himachal Pradesh
Note: Data of special employment exchange is included in the data of districts.

11.13 Initiatives taken by Factory Wing during FY 2025-26

Factory wing has implemented several important reforms during the financial year 2025-26 with the objective of enhancing gender-neutral employment opportunities, improving operational efficiency in factories and significantly strengthening ease of doing business in the State of Himachal Pradesh. The initiatives undertaken are as under:

1. Gender-based prohibitions under the HP Factories Rules, 1950 have been eliminated, allowing women workers to be employed in those factories where employment was earlier restricted.
2. To meet operational needs of industries, the spread-over limit for adult workers has been revised from 10½ hours to 12 hours per day. This revision has been notified vide notification no. LEP-A003/19/2023-Loose-I dated 16.10.2025.
3. The permissible duration of continuous work without an interval for rest has been increased from 5 hours to 6 hours.
4. Daily working hours have been enhanced from 9 hours to 10 hours, subject to the statutory weekly limit of 48 hours.
5. To reduce compliance burden and promote ease of doing business, the checklist of documents required for factory registration has been rationalized. Applicants are now required to submit only 4 documents instead of the earlier 10.
6. Women workers engaged in all factories in the state have been allowed to work during night shifts subject to certain conditions.

11.14 Rajiv Gandhi Swarozgaar Startup Yojana, 2023

The Rajiv Gandhi Self-Employment Startup Scheme, 2023, was notified by the state government on January 1, 2024, with the aim of promoting self-employment and entrepreneurship among the youth of the state, primarily in the green sector. Under this scheme, there is a provision to provide incentives, concessions and facilities to eligible youth for setting up self-employment-based activities under new projects in the green sector. The department is working to promote youth self-employment and entrepreneurship by providing subsidies to eligible applicants for purchasing e-taxis.

During the FY 2025-26 (December, 2025), subsidy of ₹3.95 crore has been provided to 56 applicants.

11.15 Foreign Employment

Nomenclature of the Department has been changed to the Labour, Employment and Overseas Placement Department, whereby the work of providing assistance to Himachali youth getting overseas employment has been assigned to the Department.

Further to the decision taken by the Himachal Pradesh Government, H.P. State Electronics Development Corporation has been registered as Recruiting Agent with the Ministry of MEA for organizing overseas placement drives in collaboration with the Department of Labour, Employment and Overseas Placement.

11.16 Himachal Pradesh Kaushal Vikas Nigam (HPKVN)

Himachal Pradesh Kaushal Vikas Nigam (HPKVN) is a State Government Corporation incorporated on 14th September 2015 under the Companies Act, 2013, as the State Skill Mission. HPKVN is implementing two major projects for imparting training to the youth of Himachal Pradesh.

11.16.1 Asian Development Bank Funded HP Skill Development Project (HPSDP):

a. **MoU's with reputed Government Training Institutions**: To emphasize high-aspirational skilling, HPKVN has signed Memorandums of Understanding (MOUs) with various prestigious institutions, including the National Institute of Electronics and Information Technology (NIELIT), Centre for Development of Advanced Computing (CDAC), and Himachal Pradesh University (HPU), among others. Over 400 individuals have been certified through these partnerships since December, 2022.

b. **Short Term Training Programmes through Government Industrial Training Institutions (ITI's) of Himachal Pradesh**: As part of HPSDP, short-term up-skilling and multi-skilling training sessions were conducted at Government ITIs. Since December, 2022 these programs successfully certified over 10,000 students across a variety of sectors, including Automotive, Construction, Plumbing, IT-ITeS, Capital Goods, Apparel and Made-ups, and Electronics and Hardware.

c. **NSQF-Aligned RPL Training:** The Recognition of Prior Learning (RPL) programs have provided training to individuals with existing skills or experience in sectors like Agriculture, Handicrafts, Tourism and Hospitality, Green Jobs, Power, Construction and Healthcare. Within HPSDP, more than 2800 of these individuals have achieved certification since December, 2022.

d. **City Livelihood Centres (CLCs), Rural Livelihood Centres (RLCs), Model Career Centres (MCC) and other aligned infrastructure**: To support skill development activities across the state, several initiatives are underway: 6 City

Livelihood Centres (CLCs) with a budget of ₹30.93 crore, 7 Rural Livelihood Centres (RLCs) with a budget of ₹71.54 crore, and 10 Model Career Centres (MCCs) with a budget of ₹39.68 crore. Additionally, a Women's Polytechnic in Rehan, District Kangra is being developed with a budget of ₹41.22 crore and an ITI in Chhatri, District Mandi with a budget of ₹22.75 crore. Since Dec 2022, 10 of these sites became operational, bringing the total number of operational sites to 19, while 7 sites are still awaiting handover.

e. **Memorandum of Understanding (MoU) with 21 Sector Skill Councils:** Under the Himachal Pradesh Skill Development Project (HPSDP), the Himachal Pradesh Kaushal Vikas Nigam has entered into a Memorandum of Understanding (MoU) with 21 Sector Skill Councils. This collaboration is designed to provide training and employment opportunities in cutting-edge Industry 4.0 skills to the youth of Himachal Pradesh. Since Dec 2022, 7600 individuals were successfully certified through this initiative.

f. **Graduate Add-On Training:** Under HPSDP, NSQF-aligned add-on modules were delivered across 28 Government Degree Colleges, certifying 1629 students.

g. **B.Voc Degree Programme:** Against a target of 2,880, the programme enrolled 5,755 candidates in Retail Management and Tourism & Hospitality, with 1100 being enrolled for 2022-25 demonstrating strong demand for practice-based vocational higher education.

11.16.2 State Component under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

The Scheme Pradhan Mantri Kaushal Vikas Yojna was launched on 2nd October 2016. HPKVN is the implementing agency for the state component of PMKVY 2.0 (2016-20) 3.0. (2020-21) and 4.0. (2023). A target of 5,000 was allocated: 1,000 through government ITIs and 4,000 through government degree colleges. In FY 2023-24, 3,828 trainees were enrolled and 2,100 were certified. For FY 2024-25, HPKVN has submitted a proposal for approximately 20,000 trainees.

11.16.3. SANKALP

HPKVN successfully implemented the World Bank assisted Skills Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) programme aimed at strengthening institutional mechanisms and skilling the ecosystem across the State with budgetary provisions of INR ₹2.20 crore.

11.16.4 RAMP

The Department of Industries, Himachal Pradesh is implementing Raising and Accelerating MSME Performance (RAMP), which is a Central Sector Scheme assisted by World Bank. The objective of the scheme is to enhance the involvement of women entrepreneur. Skill development training for 700 rural women entrepreneurs is being

implemented. This training will be conducted for 6-7 days following by certification of the participants. The tentative budget is ₹1.80 crore, to be borne by Department of Industries.

11.16.5 Upcoming Initiatives of Himachal Pradesh Kaushal Vikas Nigam (HPKVN)

I. **HPKVN as Awarding Body (Dual)**
HPKVN aims to empower the youth of Himachal Pradesh by providing comprehensive skilling opportunities that lead to sustainable livelihood generation. By functioning as an awarding body across all sectors with major focus on the role of Pilgrimage Tour Guide, HPKVN seeks to enhance the quality of tourism activities in the state. This initiative involves preparing Qualification Packs (QPs) and conducting assessments to ensure the competence and employability of professionals in these sectors.

II. **Collaboration with Maharashtra Knowledge Corporation Limited (MKCL)**
As part of our future initiatives, we plan to collaborate with Maharashtra Knowledge Corporation Limited (MKCL) to enhance educational and vocational training in Himachal Pradesh. This partnership will introduce "iLike" credit-based courses aligned with the National Credit-Based Framework (NCrF), 2023 and implement an efficient Management Information System (MIS) for HPKVN.

11.17 Himachal Pradesh Building and Other Construction Workers (BOCW) Welfare Board

The Himachal Pradesh Building and Other Construction Workers (BOCW) Welfare Board, established on 2 March 2009, aims to provide financial assistance and social security to unorganised construction workers across the State. Registration is open to workers aged 18–60 years who have completed at least 90 days of building or construction work in a year and are not covered under any other welfare fund, ensuring targeted support to eligible beneficiaries.

The Board has registered 4,76,052 workers since inception upto November, 2025. Financial benefits of ₹26.24 crore have been disbursed to 7,955 beneficiaries and labour Cess amounting to ₹68.59 crore was received/collected in the year 2025-26 up to December, 2025 from various establishments. The Board since its inception has disbursed benefits amounting to ₹526.63 crore on different welfare schemes to 5,66,859 beneficiaries and Cess amounting to the ₹1268.26 crore has been collected up to 30th November, 2025. The Welfare Board has developed a mobile App through the Department of Digital Technology and Governance to speed up e-KYC of its beneficiaries and the same is being used by the District Labour Welfare Officers for new registration and renewals of the beneficiaries of the Board.

The Board is organizing awareness camps through Labour Welfare Officers of Welfare Board across the State to publicize welfare schemes.

Government of Himachal Pradesh has recently approved New Scheme "Mukhyamantri Widow/Single/Destitute/Divyang Mahila Awas Yojna" for registered women workers of the HP BOCW Welfare Board. Under this scheme of ₹3.00 lakh will be provided to registered women workers for construction of house, whose annual income is less than ₹2.50 lakh per annum.

11.18 Main Issues and Challenges

A. State-Level Main Issues / Challenges (Evidence-Based)

Issues / Challenges	Evidence	Implications
High dependence on agriculture and self-employment	Large share of workforce, especially women, engaged in low-productivity self-employment and agriculture.	Low income stability, limited social security, slow economic diversification.
Limited industrial base and geographic constraints	State lacks large-scale manufacturing clusters due to hilly terrain and restricted industrial expansion.	Fewer high-quality jobs, limited private sector growth, reduced investment inflow.
Out-migration of skilled youth	Insufficient absorption of technically trained workers within the state.	Brain drain, shortage of skilled manpower domestically, rising youth unemployment.
Gender disparities in formal employment	Women face barriers accessing formal, high-productivity jobs and bear high burden of unpaid care work.	Reduced women's economic participation, lower household incomes, persistent inequality.
Skill mismatch amid rapid technological change	Workforce skills lag behind emerging demands in AI, automation, digital services, and Industry 4.0.	Rising structural unemployment, reduced competitiveness, difficulty transitioning to new sectors.
High informality and seasonal employment	Employment heavily reliant on informal and seasonal sectors like agriculture, tourism, and construction.	Income volatility, vulnerability to shocks, weaker social protection coverage.
Slow private sector job creation	Limited new job opportunities in high-value sectors.	Growing unemployment among educated youth, higher dependence on government jobs.

B. District-Specific Issues and Challenges.

Challenges	Affected Districts	Evidence / Situation
High registration pressure and low placement ratios	Kangra, Mandi, Bilaspur, Hamirpur, Chamba	These districts record high job-seeker registrations while placements, especially in government sector, remain comparatively low.

Industrial employment concentration but limited absorption capacity	Solan, Una, Sirmaur	These districts act as industrial hubs but still show limited job absorption relative to demand, leading to pressure on local labour markets.
Seasonal and tourism-dependent employment	Kullu, Kinnaur, Lahaul–Spiti, Chamba	Heavy reliance on tourism and seasonal economic activities creates fluctuating employment patterns.
Very low placement outcomes in remote tribal areas	Lahaul–Spiti, Kinnaur	Remoteness, limited industries and connectivity issues result in extremely low placement figures.
High self-employment dependency	Kullu, Chamba, Kinnaur, Lahaul–Spiti	These districts show a large share of people relying on self-employment due to lack of formal sector opportunities.
Limited industrial depth and weak private vacancy base	Kinnaur, Lahaul–Spiti	Minimal private sector vacancies hinder job creation and reduce livelihood diversification.
High vacancy but low placement conversion	Shimla	Despite high private vacancy notifications, the conversion into placements remains modest compared to demand.

11.19 Way Forward

Going forward, the State needs to focus on employment diversification by promoting non-farm sectors such as tourism value chains, food processing, green industries, digital services and knowledge-based sectors. Strengthening MSMEs, promoting start-ups and supporting entrepreneurship, especially in green and technology-enabled sectors, can create sustainable local employment opportunities and reduce migration pressures.

Greater integration between skill development institutions and industry demand is essential. This includes strengthening apprenticeship programmes, industry-led curriculum design and targeted skilling in emerging areas such as AI, data analytics, cybersecurity, advanced manufacturing and climate-resilient livelihoods. Expanding women-focused employment schemes, flexible work models and support for women entrepreneurship can improve quality employment outcomes for female workers. Effective implementation of Labour Codes through digital compliance, awareness programmes and employer-worker facilitation mechanisms will be critical for expanding formal employment and social security coverage. Strengthening social protection systems, including welfare boards and targeted allowances, will help safeguard vulnerable workers during economic transitions.

Finally, region-specific employment planning based on local resource strengths, combined with digital employment platforms, overseas placement support and enhanced labour market data systems, can help create a resilient, inclusive and future-ready labour ecosystem capable of sustaining long-term economic growth and workforce well-being.

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CHAPTER 12

TOURISM, ROAD AND TRANSPORT

Executive Summary

S. No.	Key Point	Summary
1	**Strong Tourism Revival**	Tourist arrivals rebounded strongly, reaching 1.45 crore visitors in 2025, showing renewed confidence and improved connectivity.
2	**Record Pilgrimage Footfall**	Five major temples recorded 166.51 lakh pilgrims in 2025, with Baba Balak Nath and Chintpurni seeing the highest turnout.
3	**National Schemes Boost Tourism**	Major infrastructure projects sanctioned under Swadesh Darshan 2.0, PRASHAD, and Challenge-Based Destination Development, benefiting Kangra, Kaza, and Rakchham–Chhitkul.
4	**Kangra Airport Expansion**	Runway expansion progressed with 147.75 hectares of land acquired and submission of a revised ₹6,311 crore TEFR for enabling large aircraft operations.
5	**Rapid Heliport Development**	Heliports completed at Baddi, Rampur, Sanjauli and Kangnidhar, with UDAN Phase-II works progressing in Palampur, Rakkar, Sultanpur and Sharbo.
6	**Road Network Expansion**	Himachal Pradesh reached 43,091 km of motorable roads and connected 15,606 villages with road infrastructure by Dec 2025.
7	**Strengthening Public Transport**	HRTC operated 3,079 buses, including 110 electric buses, and provided multiple concessional/free travel schemes for women, students, senior citizens and vulnerable groups.
8	**Expansion of EV Charging Network**	Six green corridors developed with 30 EV charging stations operational at petrol pumps, with additional stations under construction at government and private sites.
9	**Employment Generation via Transport Permits**	The Transport Department generated employment for 46,795 individuals by issuing 17,619 permits in FY 2025–26.

12.1 Introduction

Himachal Pradesh is a known tourist destination. Known for its stunning Himalayan views and charming hill stations, it attracts visitors globally. Popular adventure activities here include trekking, paragliding, river rafting, mountain biking, and winter sports like ice skating and heli-skiing. Tourism is a major and rapidly growing industry in Himachal, significantly boosting the state's economy. The rise in tourists has led to an increase in hotels and resorts, creating jobs and supporting local businesses.

Popular destinations include:

- Shimla — the "Queen of Hills"
- Manali
- Dharamshala
- Dalhousie
- Spiti Valley
- Great Himalayan National Park (a UNESCO World Heritage Site)

Himachal Pradesh's economy benefits from sustainable tourism, which supports the environment while creating local jobs and protecting the state's natural and cultural heritage. Key sustainable tourism areas include eco-tourism, adventure tourism, and wellness tourism, all helping the state grow responsibly.

Himachal Pradesh possesses significant pilgrimage sites and archaeological heritage. The state has 5,163 registered hotels with 1,46,361 beds, plus 5,855 registered Home Stay units offering 38,043 beds. This chapter assesses tourism's impact in Himachal.

International tourist arrivals up 4 per cent in 2025 reflecting strong travel demand around the world

- International tourist arrivals (overnight visitors) grew 4 per cent in 2025, with most destinations worldwide posting solid results.
- An estimated 1.52 billion international tourists were recorded around the world in 2025, almost 60 million more than in 2024.
- 2025 marks a new record year for international tourist arrivals in the post-pandemic era.
- Results are in line with our 3 per cent to 5 per cent forecast published in January 2025, and come a year after the full recovery of international arrivals in 2024.
- This reflects a return to pre-pandemic long-term growth trends, where arrivals grew an average 5 per cent per year between 2009 and 2019.
- Travel demand remained solid in 2025 despite inflation in tourism services and geopolitical challenges, though it softened somewhat towards the end of the year.
- Results were driven by strong demand, robust performance from large source markets globally, as well as the ongoing recovery of destinations in Asia and the Pacific. Increased air connectivity and enhanced visa facilitation also supported international travel.
- The fourth quarter saw a 3 per cent increase in arrivals (based on limited data for December), slightly below the 4 per cent increase in Q3 2025 which corresponds to the Northern Hemisphere summer season.
- Extraordinary levels in visitor spending were also seen in 2025, with tourism earnings growing faster than arrivals in many destinations.

Source: The World Tourism Organization (UNWTO) UN Tourism Barometer January, 2026.

12.2 Tourism in Himachal – An Integral Driver for Economic Growth

Tourism is a major economic driver in Himachal Pradesh, creating jobs, boosting exports, and supporting local prosperity. Known for its diverse landscapes, cuisine, heritage, adventure, wildlife, and culture, the state has become a popular destination for both international and domestic travelers. The Tourism, Hotel and Restaurant sector contributes 7.77 per cent in FY2024-25 (FR) to Himachal's GSVA, fueled by hospitality, transportation, handicrafts and related industries.

12.2.1 Tourism and Hospitality Sector

Tourist arrivals in Himachal Pradesh have rebounded post-pandemic, with domestic tourists rising from 32.13 lakh in 2020 to 311.47 lakh in 2025 including religious tourists. To protect the state's fragile ecosystem, it is essential to ensure this growth is sustainable in the long term.

Table: 12.1

Tourist Arrivals in Lakh

Year	Indian	Foreigner	Total
2012	156.46	5.00	161.46
2013	147.16	4.14	151.30
2014	159.25	3.90	163.15
2015	171.25	4.06	175.31
2016	179.98	4.53	184.51
2017	191.31	4.71	196.09
2018	160.94	3.56	164.50
2019	168.29	3.83	172.12
2020	31.70	0.43	32.13
2021	56.32	0.05	56.37
2022	150.70	0.29	150.99
2023	159.42	0.63	160.05
2024	180.41	0.83	181.24
2025	144.11	0.85	144.96
Religious (2025)	-	-	166.51
Total tourist arrivals in 2025			**311.47**

Source: Tourism Department, Government of Himachal Pradesh

Table 12.2 shows that five major temples of Himachal Pradesh recorded total annual footfall of 166.51 lakh devotees**.** Baba Balak Nath Temple (63.50 lakh) and Mata Chintpurni Temple (74.23 lakh) witnessed the highest pilgrim turnout during the year. Peak inflow was observed in March, April and May, with April recording

the highest monthly total of 20.15 lakh visitors. Among Kangra temples, Jwala Ji Temple attracted the maximum devotees compared to Shri Bajreshwari Devi Temple and Chamunda Devi Temple.

Table 12.2

Estimate of Religious Tourist (January–December, 2025)

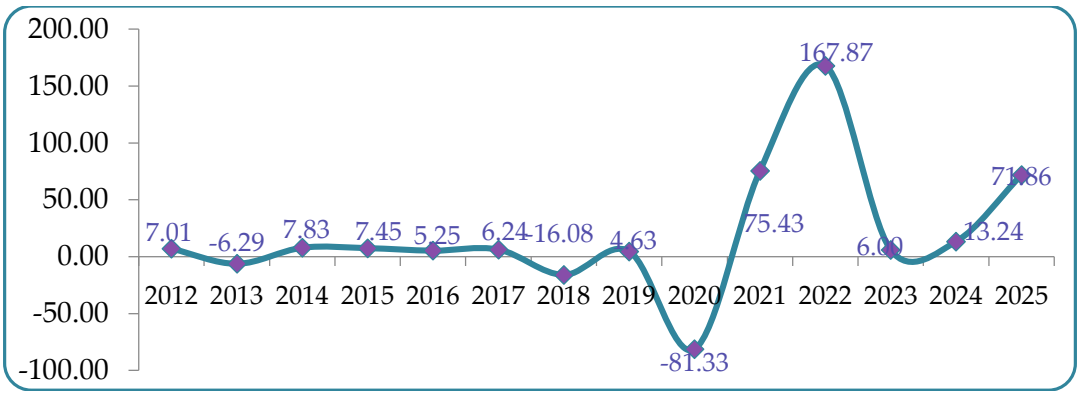
(Figure in lakh)

Month	Baba Balak Nath (Hamirpur)	Shri Bajreshwari (Kangra)	Shri Jwalaji (Kangra)	Shri Chamunda Devi (Kangra)	Mata Shree Chintpurni (Una)	Total
Jan	1.75	0.49	0.90	0.20	3.15	6.49
Feb	2.75	0.41	0.70	0.15	4.13	8.14
Mar	8.95	0.70	1.50	0.45	5.08	16.68
Apr	10.75	0.70	2.50	0.60	5.60	20.15
May	9.95	0.60	2.25	0.55	7.27	20.62
June	5.60	0.70	2.00	0.60	7.50	16.40
July	4.10	0.57	0.75	0.45	8.00	13.87
Aug	2.75	0.45	0.80	0.42	10.00	14.42
Sept	3.05	0.50	0.90	0.35	7.00	11.80
Oct	4.50	0.60	2.00	0.65	6.00	13.75
Nov	4.15	0.70	0.90	0.30	5.50	11.55
Dec	5.20	0.59	1.50	0.35	5.00	12.64
Total	**63.50**	**7.01**	**16.70**	**5.07**	**74.23**	**166.51**

Figure 12.1 shows that tourist arrival has improved significantly after the lockdown of 2020 (-81.33).

Figure 12.1

YoY Growth Rate of Tourist Inflow

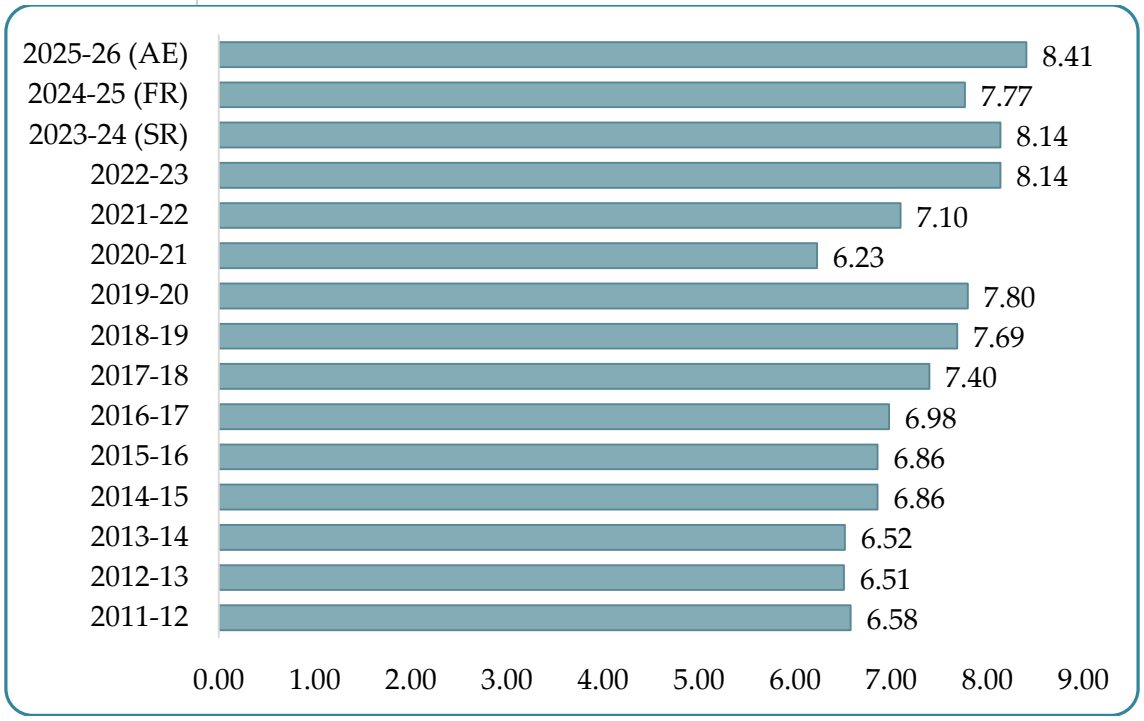


Note: The data for these figures pertains to calendar year

Source: Tourism Department, Government of Himachal Pradesh

Figure 12.2

Contribution of Trade, Hotel and Restaurant to Gross State Value Added (GSVA) in per cent



Source: Department of Economics and Statistics, Government of Himachal Pradesh

Figure 12.2 shows steady rise of contribution of this sector from 6.58 in 2011-12 to 7.80 in 2019-20, indicating consistent growth over the period. A sharp decline was observed in 2020-21 (6.23), followed by a strong recovery to 8.14 in 2022-23 and 2023-24 (SR). Although 2024-25 (FR) slightly moderated to 7.77, the estimates for 2025-26 (AE) project the highest level at 8.41, reflecting renewed upward momentum.

12.3 Initiatives to Boost Tourism Sector

Tourism being integral pillar of the economy, various development initiative have been taken by Government of Himachal Pradesh and Government of India.

12.3.1 The Asian Development Bank (ADB)

Department of Economic Affairs, Government of India, approved an ADB loan for New Project-II on 30th November, 2021. The project is to be executed in two Tranches. The ADB and State share is in the ratio of 80:20, respectively.

Loan Negotiation meeting was held on 12th August, 2024 with the Department of Economic Affairs, Ministry of Finance, Government of India and ADB by the State Government. After that, loan has been signed on 19th December, 2024. The cost of Tranche-I is US$ 202.50 million (₹1680.75 crore). Out of this, ADB's share is US$ 162 million (₹1344.60 crore) and State Share is US$ 40.50 million

(₹336.15 crore) Sub-projects under Tranche-I of new ADB project will be executed in 5 Districts i.e. Shimla, Mandi, Kullu, Kangra and Hamirpur.

12.3.2 Swadesh Darshan Scheme 2.0

The Ministry of Tourism's revamped Swadesh Darshan 2.0 scheme aims to develop sustainable tourism destinations nationwide, with Pong Dam selected as one such destination in Himachal Pradesh. In consultation with the District Administration and Forest Department, the Master Plan Iteration-I for Nagrota Surian has been prepared and approved by the appointed consultant, Voyants Solutions Pvt. Ltd., marking a structured step toward sustainable tourism development in the region.

Ministry of Tourism, Government of India has approved sustainable tourism project in Kangra Valley under Swadesh Darshan 2.0 and PRASHAD Scheme. Development of Maa Chintpurni Temple has also been sanctioned under Swadesh Darshan 2.0.

12.3.3 Challenge Based Destination Scheme

The Department of Tourism and Civil Aviation, Himachal Pradesh has identified following five destinations for development under the Challenge Based Destination Development Scheme and has submitted proposals on 10th Januray,.2024 to Ministry of Tourism, GOI:

- Chander Tal, District Lahual-Spiti, H.P.
- Kaza ,District Lahual-Spiti, H.P.
- Tandi, District Lahual-Spiti, H.P.
- Rakchham, District Kinnaur, H.P.
- Nako-Chango- Khab, District Kinnaur, H.P.

The Ministry of Tourism has conveyed the selection of the following two destinations i.e. Kaza (Culture and Haritage) and Rakchham Chhitkul (Vibrant Village Programme) under the sub-scheme in respect of the State of HP. The State Government has notified Destination Management Organization (DMOs) for these destinations.

The Ministry of Tourism, Government of India has conveyed administrative and financial sanction on 27.03.2025 for the following two projects:

1. "Tourism Infrastructure Development at Rakchham, Chhitkul" in Himachal Pradesh under CBDD, a sub-scheme under Swadesh Darshan 2.0 with the estimated Central Financial Assistance of ₹ 4.96 crore.
2. "Tourism Infrastructure Development at Kaza, in Himachal Pradesh under CBDD, a sub-scheme under Swadesh Darshan 2.0 with stimated Central Financial Assistance of ₹ 24.82 crore.

The Central Nodal Agency i.e. ITDC, released 10 per cent of the total approved budget as follows to tourism Department in July 2025:

S. No.	Name of Destination	Category	Approved funds (in crore)	1st Installment is being received from MoT GOI (in lakh)
1	Tourism Infrastructure Development at Rakchham Chhitkul	Vibrant Village Programme	4.96	49.59
2	Tourism Infrastructure Development at Kaza	Culture and Heritage	24.82	248.19

12.3.4 Pilgrimage Rejuvenation and Spiritual, Heritage Augmentation Drive (PRASHAD) Scheme

The Ministry of Tourism, Government of India, initially sanctioned the project under the PRASHAD Scheme on 31st March, 2025 with a budget of ₹56.26 crore. However, the Central Sanctioning and Monitoring Committee (CSMC) in its meeting on 21st May, 2025 reviewed and recommended its implementation under the Swadesh Darshan 2.0 Scheme instead, focusing on the sustainable development of Maa Chintpurni Temple in Una district. This shift aligns the project with the broader national vision of creating holistic and eco-friendly tourist destinations.

Accordingly the project has been re-sanctioned on 4th July, 2025 under Swadesh Darshan Scheme 2.0. The Tourism Department has assigned the work "Development of Maa Chintpurni Temple" to HPPWD. Technical Sanction amounting to ₹ 5.63 crore has been accorded by the HPPWD. Working Estimate for calling tender is under finalization.

12.5 Interest Subvention Scheme for Home Stays

The State Government notified Interest Subvention Scheme for Home Stays under CM Tourism Startup Scheme on 13th October, 2025 objective to promote entrepreneurship and to self-employment opportunities to Himachalis in tourism and hospitality sector by providing financial relief on loans taken for establishing Home Stays and expanding/upgrading the old/existing ones.

This subvention is available for maximum three year from the date of loan disbursement including moratorium period. Home Stays units will not be allowed to downgrade the category i.e. Gold/Diamond during the currency of the tenure of subventions. Loan amount up to ₹2.00 crore is covered under this scheme for diamond and gold categories only. For silver category Home Stays, the limit is ₹1.00 crore or less. Tourism units with a total investment of ₹ 5.00 crore or less only are eligible. The detail of eligible percentage of subsidy under this scheme is as follows:

Sr. No.	Area	Interest subvention
1.	Within limit of Urban Area of the entire State	3 per cent
2.	Within Rural area of the entire State	4 per cent
3.	Within Tribal Area of entire State	5 per cent

This scheme is valid up to 1st December, 2027 ₹2.00 crore is available under this the scheme.

12.6 Civil Aviation

State Government has three airports namely Jubberhatti (Shimla), Gaggal (Kangra) Bhuntar (Kullu). Due to shorter runways, bigger aircrafts as A-320 cannot be operated from these airports. As per the various studies of Airports Authority of India (AAI), the expansion of runway at Jubberhatti and Bhuntar is not feasible. Hence, the Kangra Airport is the only airport where the runway can be expanded further.

12.6.1 Expansion of Kangra (Gaggal) Airport

The Himachal Pradesh Government is actively working to expand Kangra Airport's runway from 1376x30 meters to 3278x45 meters to enable landing of larger aircraft, as per the master plan from AAI. Land acquisition for 147.75 hectares (mostly private) is underway under the 2013 Land Acquisition Act, with ₹936.25 crore already disbursed from a total award of ₹1646.78 crore.

The revised Techno-Economic Feasibility Report (TEFR) by WAPCOS estimates project costs at ₹6311 crore (including GST) which has been forwarded to AAI for final approval. The remaining land (Khasra No. 657, 9.22 hectares) is also being acquired, with the district administration preparing the draft notification

12.6.2 Heliports in Himachal Pradesh

The Himachal Pradesh Government is enhancing air connectivity by developing heliports across districts and tribal areas. Construction of Baddi, Rampur, Sanjauli, and Kangnidhar heliports is complete, with DGCA authorization received for Sanjauli and Rampur. Under UDAN Phase II, heliports at Rakkar, Palampur, Sultanpur and Sharbo have been sanctioned, with construction underway at the first three. Additional heliports in Lahaul-Spiti, Chamba, Solan, Sirmour, Una and Bilaspur are also being developed.

Helitaxi routes under UDAN-connecting Chandigarh, Palampur, Rakkar, Gaggal, Shimla, Reckong Peo, Kullu, Baddi and Manali have been awarded to operators like Pawan Hans Ltd., with services set to begin soon.

Table 12.3

Statistics Relating to No. of Hotels, Guest Houses, Restaurants, Home Stay Units, Travel Agencies, Guides, Photographers and Bed Capacity/No. of Rooms as of December, 2025.

Sl. No.	District	No. of Hotels/Guest Houses and Home Stay Units	No. of Restaurants	No of Rooms						Bed Capacity	Travel Agencies	photographers	Tourist Guides
				SBR	DBR	DOR	FS	TBR	TOTAL				
1	Bilaspur	112	13	51	940	9	89	17	1106	2380	75	1	34
2	Chamba	335	49	122	3997	28	124	33	4304	8783	81	139	213
3	Hamirpur	82	40	66	612	15	5	5	703	1499	23	0	2
4	Kangra	974	208	485	10998	62	588	94	12227	25384	852	5	324
5	Kinnaur	187	9	204	1952	103	52	38	2349	5398	32	0	18
6	Kullu	1628	95	454	21753	28	1378	60	23673	49821	1790	852	555
7	Lahaul-Spiti	141	0	220	1528	15	28	0	1791	3596	45	0	26
8	Mandi	305	51	148	2545	43	144	32	2912	6095	271	3	90
9	Shimla	651	175	167	10104	257	467	23	11018	22986	2114	130	479
10	Sirmaur	146	102	80	1623	55	82	13	1853	3849	28	0	39
11	Solan	460	283	148	6228	48	208	72	6704	13408	218	0	72
12	Una	142	26	89	1305	12	52	7	1465	3162	15	0	0
Total (i)		5163	1051	2234	63585	675	3217	394	70105	146361	5544	1130	1852
Homestay Units (ii)		5855	0	114	17417	0	485	3	18019	38043			
GRAND TOTAL (i+ii)		11018	1051	2348	81002	675	3702	397	88124	184404	5544	1130	1852

Source: Himachal Pradesh Tourism Development Corporation, Government of Himachal Pradesh

SBR: Single bedroom

DBR: Double bedroom

DOR: Dormitory

FS: Family Suite

TBR: Three Bed Room

Table 12.4

Estimate of Domestic and Foreign Tourist Arrival for the Year 2025 (January to December) District Wise

Month	Bilaspur		Chamba		Hamirpur		Kangra		Kinnaur		Kullu		Lahaul & Spiti		Mandi		Shimla		Sirmaur		Solan		Una		Total	
	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F	I	F
Jan.	96387	0	28153	84	35400	0	54260	777	3220	68	285266	689	7335	70	151480	19	163428	2381	46768	11	227487	195	48284	9	1147468	4303
Fab.	62250	0	20119	67	31778	0	45233	1173	7859	271	237272	773	10758	153	191587	59	143785	3798	43572	22	193368	266	47635	0	1035216	6582
Mar.	102693	0	38569	85	28800	0	89633	3932	15842	168	265388	831	11564	46	198527	102	172376	3943	93907	134	200917	372	43836	3	1262052	9616
Apr.	139678	0	49391	100	29745	2	88967	2662	35476	192	317840	1032	59398	102	107524	118	268756	2676	246969	34	182198	361	45120	8	1571062	7287
May	65630	0	25985	51	30245	2	64842	1750	37821	829	337181	1050	81512	485	91485	41	206324	916	82400	22	236237	156	46180	0	1305842	5302
June	52680	0	45255	32	29338	3	115901	1808	95842	1140	492533	1213	175952	2249	79574	152	428272	1034	78900	14	348575	220	44975	0	1987797	7865
July	66970	0	82725	99	17838	2	55797	1779	52859	637	81714	1050	27965	1465	58517	64	165273	867	75624	16	122003	183	29475	0	836760	6162
Aug.	110674	0	225486	32	16303	0	37889	1049	28405	535	28196	719	15248	705	65927	68	138464	887	96356	14	131385	182	27442	6	921775	4197
Sept.	100375	0	11286	32	17250	0	32747	3481	2460	469	12238	768	15370	823	58654	43	181230	1442	97026	23	142426	180	28132	8	699194	7269
Oct.	92576	0	19226	85	18285	0	57585	4338	55640	416	111460	928	30224	1280	120987	64	248346	3093	94355	71	175700	276	30159	0	1054543	10551
Nov.	65464	0	23316	131	18785	2	61489	5217	32786	77	159930	685	15074	35	95324	30	221287	3503	98874	71	200682	393	30984	0	1023995	10144
Dec.	72306	0	62012	101	22566	0	92194	1789	21290	43	413041	849	38305	43	135890	9	336482	2347	97642	40	234506	329	39389	0	1565623	5550
Total	1027683	0	631523	899	296333	11	796537	29755	389500	4845	2742059	10587	488705	7456	1355476	769	2674023	26887	1152393	472	2395484	3113	461611	34	14411327	84828

Source: Tourism Department, Government of Himachal Pradesh

Indian	1,44,11,327
Foreigner	84,828
Total	**1,44,96,155**

12.7 Himachal Pradesh Tourism Development Corporation Ltd. (HPTDC)

The Himachal Pradesh Tourism Development Corporation (HPTDC) is a pioneer in the development of tourism infrastructure in Himachal Pradesh. It provides a complete package of tourism services, including accommodation catering, transport, conferencing and sports activities. It has the largest chain of hotels and restaurants in the State with 56 hotels, 1,111 rooms with 2,510 beds.

The HPTDC generated income of ₹75.75 crore upto December, 2025 and the anticipated income for the period January, 2026 to March, 2026 is ₹25.25 crore against the target of ₹150.00 crore for FY2025-26.

12.8 Roads and Bridges (State Sector)

Roads are a vital infrastructure for the rapid economic growth of the State. Development of important sectors of the economy such as Agriculture, Horticulture, Industry, Mining and Forestry depend upon an efficient road network. In the absence of any other suitable and viable modes of transportation like railways and waterways, roads play a vital role in boosting the economy of hilly States like Himachal Pradesh. Starting almost from scratch, the State Government has constructed 43,091 Kilometers (km.) of motorable roads (inclusive of jeepable and track) till December, 2025. The State Government has been assigning a very high priority to the road sector.

Himachal Pradesh State has a good road network. There are 19 National Highways with a total length of 2,592 km. 15,606 villages are connected with roads.

The target fixed for FY2025-26 and achievements made up to December, 2025 are given in table 12.5.

Table 12.5

Roads and Bridges

Item	Unit	Target for 2025-26	Achievement upto December, 2025
Motorable road	Km	145	132
Cross- drainage	″	235	570
Metalling and Tarring	″	252	391
Jeepable	″	4	10
Bridges	Nos	12	11
Villages connectivity	″	4	8

Source: Public Works Department, Government of Himachal Pradesh

In the State 15,606 villages as shown in Table 12.6 are connected with roads as on December, 2025:

Table 12.6

Villages connected with road

Villages connected with road	2023-24	2024-25	2025-26 Up to December, 2025
Population of more than 1500	436	436	436
1000-1499	553	554	555
500-999	2,300	2,301	2,307
250-499	3,976	3,978	3,986
Below 250	8,296	8,317	8,322
Total	**15,561**	**15,586**	**15,606**

Source: Public Works Department, Government of Himachal Pradesh

12.9 National Highways (Central Sector)

There are 19 National Highways with a length of 2,592 Kilometers in the State. The Himachal Pradesh Public Works Department has the responsibility for development and maintenance of 994 km. and the Ministry of Road Transport and Highways (MoRTH) is upgrading 238 km. length as Green National Highways Corridor of NH-07 and NH-03. The National Highway Authority (NHA) of India is developing 5 National Highways stretch of 790 km. length and Border Road Organization (BRO) has responsibility for developing and maintaining 570 km. road length in the State.

Table 12.7

Roads in kilometres

Type of road	2024-25	2025-26 As of December, 2025 (In Kilometers)
Motorable Four Lane	262	262
Motorable double Lane	2,027	2,027
Motorable Single Lane	39,163	39,465
Jeepable	1,327	1,337
Less than Jeepable	0	0
Total	**42,779**	**43,091**

Source: Public Works Department Himachal Pradesh.
Note: Figures include National Highways also.

Major Achievements

1. **Strong Revival of Tourism Post-Pandemic**
   Tourist arrivals rebounded significantly, reaching 1.45 crore visitors in 2025, reflecting renewed confidence and improved connectivity.
2. **Record Pilgrimage Footfall Across Major Temples**
   Five key pilgrimage sites recorded 166.51 lakh devotees in 2025, with Baba Balak Nath and Chintpurni receiving the highest turnout.
3. **Strengthening of Tourism Infrastructure Through National Schemes**
   Multiple projects were approved under Swadesh Darshan 2.0, PRASHAD, and the Challenge-Based Destination Development Scheme, including works in Kangra, Kaza, and Rakchham–Chhitkul.
4. **Progress on Kangra Airport Expansion**
   The runway expansion project advanced with acquisition of 147.75 hectares of land and submission of a revised ₹6,311 crore TEFR to AAI, enabling future operation of larger aircraft.
5. **Rapid Development of Heliports for Improved Connectivity**
   Heliports at Baddi, Rampur, Sanjauli, and Kangnidhar completed, with others under UDAN Phase-II progressing in Palampur, Rakkar, Sultanpur, and Shabro.
6. **Expansion of Road Network and Improved Rural Connectivity**
   The State achieved 43,091 km of motorable roads by December 2025 and connected 15,606 villages with road infrastructure.
7. **Strengthening of Public Transport and Green Mobility**
   HRTC operates a fleet of 3,079 buses, including 110 electric buses, and offers multiple concessional travel schemes to women, students, senior citizens, and vulnerable groups.
8. **Expansion of Electric Vehicle Charging Network**
   A network of EV charging stations was developed across six green corridors, with 30 stations operational at petrol pumps and more being built at government and private sites.
9. **Large-Scale Employment Generation Through Transport Permits**
   Transport Department generated employment for 46,795 individuals in FY 2025–26 through issuance of 17,619 permits.

12.10 Transport Development

The Transport Department of Himachal Pradesh enforces Motor Vehicle Act and state taxation laws, regulating road transport while enhancing connectivity and supporting affordable passenger and goods movement. As a major revenue source through vehicle taxes, it funds critical infrastructure and public services, underpinning both governance and growth in the state.

12.10.1 Transport Department

(i) **Revenue Generation:** The detail of revenue collection for the financial year 2024-25 and 2025-26 are as under:

Year	Collection	Year	Projected Collection	Collection up to 31-12-2025
2024-25	₹912.00 crore	2025-26	₹978.00 crore	₹730.00 crore

(ii) **Enforcement of Motor Vehicles Act and Rules:** The Transport Department has been strictly implementing the provisions of the Motor Vehicles Act. The summary of the challans issued during financial year 2025-26 is as under:

Sr. No.	Particular	2025-26 (Up to 31st December, 2025)
1	Number of vehicles challaned for various offences.	66,518
2	The amount released on account of the compounding fee.	₹10.45 crore

(iii) **Registration of Vehicles:** 24,48,466 vehicles (Transport and Non-Transport) are registered in the State. District-wise detail of vehicles registered is as under:

Table 12.8

District-wise Registered Vehicles

Sr. No.	District	Registered Vehicles
1	**Bilaspur**	1,35,008
2	**Chamba**	99,013
3	**Hamirpur**	1,77,180
4	**Kangra**	6,11,492
5	**Kinnaur**	16,108
6	**Kullu**	1,22,861
7	**Lahaul-Spiti**	9,097
8	**Mandi**	2,82,413
9	**Shimla**	2,29,421

10	Sirmaur	1,69,045
11	Solan	3,32,249
12	Una	2,64,579
	Total	24,48,466

Source: Regional Transport Department, Government of Himachal Pradesh

12.10.2 Policies of Department of Transport

The Transport Department of Himachal Pradesh has made significant progress during the current financial year. Some important achievements, schemes and decisions taken by the department during the current financial year 2025-26 are as under:

i. Setting up of Inspection and Certification Centre at Baddi:

The Inspection and Certification (I and C) Centre at Baddi, approved in 2019 by MoRTH with a budget of ₹16.35 crore, is nearing completion, with 95 per cent of civil work finished. While MoRTH has released ₹7.00 crore for civil works, ₹2.92 crore for utility works remains pending. Equipment installation by M/s MAHA India Equipments Pvt. Ltd. is underway and is expected to finish within six months, targeting the centre's operational launch by 30.06.2026.

ii. Establishment of Transport Nagars

For the Transport Nagar at Shanan (Shimla Rural), an expenditure of ₹75.10 lakh has been incurred from the sanctioned funds. The DPR, estimates the total project cost at ₹108 crore.

iii. Driving Training School (DTS) and Pollution Check Centre (PCC)

At present, 406 Driving Training Schools and 321 Pollution Check Centres are established in the State. The detail of the Driving Training Schools and Pollution Check Centres as on 31st December, 2025 is as under:

Table 12.9

Sr. No.	Name of RTO	Total No. of DTS	Private		HRTC	Govt. ITI	No. of PCC	No. of PCC	Total No. of PCC
			LMV	HTV	HTV	LMV/ HTV	Private	HRTC	
1.	RTO Shimla	40	37	02	01	00	26	01	27
2.	RTO Hamirpur	46	39	06	01	00	20	01	21
3.	RTO Una	22	15	06	00	01	27	00	27
4.	RTO Chamba	09	08	00	01	00	11	01	12
5.	RTO Rampur	16	15	00	01	00	03	00	03
6.	RTO Mandi	90	78	09	02	01	39	00	39

7.	RTO Solan	25	24	01	00	00	26	00	26
8.	RTO Baddi at Nalagarh	11	08	02	01	00	18	00	18
9.	RTO Kullu	11	09	01	01	00	09	01	10
10.	RTO Sirmour at Nahan	08	06	02	00	00	06	00	06
11.	RTO Bilaspur	33	25	07	01	00	15	00	15
12.	RTO Dharamshala	95	83	10	02	00	117	00	117
Total		**406**	**347**	**46**	**11**	**02**	**317**	**04**	**321**

Source: Transport Department, Government of Himachal Pradesh

iv. Employment Generation

During the current financial year 2025-26 (up to 31st December, 2025), the Transport Department has granted employment to 46,795. Unemployed youth by granting 17,619 permits including contract carriage, stage carriage, goods carriage, and Passenger Service Vehicle (PSV) permits to unemployed youth.

Table 12.10

Status of Employment Generation

Type of Permit	No. of Employment against each permit per person	Permit issued for the period April to December, 2025	Total Employment
Taxi/Maxi Cab	2	5,489	10,978
Bus Stage Carriage	3	66	198
Trucks (Goods Carriage)	3	11,491	34,473
Passenger Service Vehicle (PSV)	2	573	1,146
Total	**10**	**17,619**	**46,795**

Source: Regional Transport Department, Government of Himachal Pradesh

v. **Electric Vehicle Policy:** The State has notified "Himachal Pradesh Electric Vehicle Policy, 2022" to establish Himachal Pradesh as a model State for Electric Vehicle (EV). The State has accorded top priority to the introduction of Electric Vehicles in the State.

(i) Establishment of E-Charging Stations

State Government in collaboration with various stakeholders viz. Indian Oil Corporation Limited (IOCL), Bharat Petroleum Corporation Limited (BPCL) etc. is progressing towards establishing Electric Vehicle Charging Stations across the State. For this purpose, the State Government has initially identified 100 locations, of which 54 are Petrol Pumps and 46 were

government sites. For the current financial year, 43 more petrol pumps have been identified for establishing charging stations.

The State has notified following 6 Green Corridors:

1. Parwanoo-Nalagarh-Una-Hamirpur-Dehra-Amb-Mubarikpur-Sansarpur Terrace-Nurpur.
2. Paonta-Nahan-Solan-Shimla.
3. Parwanoo-Solan-Shimla-Rampur-Peo-Pooh-Tabo-Kaza-Losar.
4. Shimla-Bilaspur-Hamirpur-Kangra-Nurpur-Banikhet-Chamba.
5. Mandi-Jogindernagar-Palampur-Dharamshala-Kangra.
6. Kiratpur-Bilaspur-Mandi-Kullu-Manali-Keylong-Zing-Zing Bar.

Out of the above six green corridors, 4 Corridors i.e. 1st ,4th, 5th and 6th are operational as most of the EV Charging Stations at petrol pumps on these corridors are functional for the use of general public.

a) Petrol Pumps

The Department of Transport, Himachal Pradesh, in consultation with the Oil Marketing Companies, has identified 79 petrol pumps located along the above-mentioned six Green Corridors for the establishment of Electric Vehicle Charging Stations. Out of these 79 identified petrol pumps, 30 charging stations have been made operational and are functional for the general public.

b) Government Sites

The Transport Department, in consultation with various stakeholders, has identified 41 government-owned sites across the identified Green Corridors for the development of Electric Vehicle (EV) Charging Stations. The implementation work has been awarded to three private partners under the Public–Private Partnership (PPP) mode. Formal agreements for allotment under the EV model were executed on 10.12.2024 and 27.02.2025

Corridor	Name of Company	Auctioned (in ₹Lakh)	Locations
Corridor No. 1 (Parwanoo-Nurpur)	EVI Tech	17.11	08
Corridor No. 3 (Parwanoo-Losar)	EVI Tech	14.16	14
Corridor No. 4 (Shimla-Chamba)	Electro wave	9.20	10
Corridor No. 5 (Mandi- Pathankot)	Jio	15.60	03
Corridor No. 6 (Kiratpur-Zing zing bar)	Jio	18.36	06
Total		**74.43**	**41**

At present, EV Charging Stations at three locations have been made operational by M/s EVI Technologies. Further, work for the establishment of EV Charging Stations at five locations by M/s Jio BP is in progress and is likely to be operational shortly. Construction work for setting up EV Charging Stations along with way-side amenities at the remaining locations is currently underway.

c) Tourism Hotels

The Himachal Pradesh Tourism Development Corporation (HPTDC) proposes to establish EV Charging Stations at 65 tourism hotels in coordination with the Indian Oil Corporation Limited (IOCL). In the first phase, 11 hotel sites have been identified. A Memorandum of Understanding (MoU) has been signed between IOCL and the Himachal Pradesh Tourism Development Corporation for implementation of the project.

d) Private Hotels

The Transport Department is actively promoting the establishment of EV Charging Stations at private hotels across the State. Several meetings have been convened with Hotel Associations to encourage installation of charging infrastructure at their respective establishments. As a result, a total of 65 EV Charging Stations have been installed at private hotels in the State.

District-wise details are as under:

Sr. No.	Name of District	Total
1	Shimla	24
2	Solan	12
3	Kullu-Manali	11
4	Kangra	06
5	Chamba (Dalhousie)	01
6	Una	04
7	Mandi	04
8	Bilaspur	03
Total		**65**

ii. E- Taxi

The Government has notified Standard Operating Procedure (SOP) on 1st September, 2023 for hiring e-taxi under Rajiv Gandhi Swarojgar Yojana, 2023. Under this scheme, the government is providing 50 per cent subsidy to the unemployed youth for purchase of e-taxi. All these e-taxis will be

attached in government departments, corporations and boards. In 1st phase, 54 applicants have been selected by government for providing e-taxi subsidy.

iii. Government Rest Houses / Circuit Houses

In coordination with the District Administration, the Transport Department has identified 434 locations, including Government Offices, Hospitals, Rest Houses, Circuit Houses, and other public establishments, for establishment of EV Charging Stations. Further, the Ministry of Heavy Industries (MHI), Government of India, has issued Operational Guidelines for establishment of Electric Vehicle (EV) Public Charging Stations under the PM e-Drive Scheme. As per the provisions of the Scheme, the Ministry of Heavy Industries will extend financial assistance for selected locations in accordance with the criteria in the Operational Guidelines. Accordingly, the Transport Department has submitted proposals for 184 locations to the Ministry of Heavy Industries, which are presently under consideration.

iv. Automated Testing Stations (ATS)

Transport Department of the State Government is establishing Automated Testing Stations in seven districts of the State. Five are being set up in the private sector and two in the government sector. Out of these seven ATS, one station in Kangra district is ready for operation, and its registration certificate was issued through the National Single Window System portal on 23rd December 2025. The work on the remaining six Automated Testing Stations is in progress and four private-sector ATS are expected to become operational soon.

v. Registered Vehicle Scrapping Facility (RVSF)

Transport Department has issued preliminary consent in favour of 80 applicants for setting up of Vehicle Scrapping Facility Centres (VSCs) in the private sector in Himachal Pradesh. At present, only two applicants have started the work for setting up of VSCs at Solan and Hamirpur. Till date, 1,681 vehicles (336 governments and 1,345 private) have been scrapped through VSCs in the State.

vi. Rent a Motor Cycle and Motor Cab Scheme

The rent motor bike scheme is notified under the provision of the Motor Vehicle Act, 1988. The State Transport Authority granted 4,834 permits to applicants and 4,180 motor cycle have been registered for this purpose.

vii. Fleet Strength of Private Buses and Taxis

The total strength of private stage carriage buses in Himachal Pradesh is 3,324 and the strength of taxis (Seating Capacity 4+1) is 21,969, Maxi (6+1

and above) is 14,074. The District wise and Regional Transport Office (RTO) wise Details are as under:

Table 12.11

Fleet Strength of Private Buses and Taxies

RTO Wise detail of Pvt. Stage Carriage Busses in HP up to 31st December, 2025		
Sr. No.	**Name of RTO**	**Total No. of Private Buses**
1	RTO Shimla	262
2	RTO Kinnaur at Rampur	88
3	RTO Solan	207
4	RTO Baddi at Nalagarh	103
5	RTO Bilaspur	274
6	RTO Hamirpur	357
7	RTO Kullu	168
8	RTO Una	287
9	RTO Mandi	424
10	RTO Dharamshala	834
11	RTO Sirmour	172
12	RTO Chamba	148
Total		**3,324**

District-wise detail of registered Taxi and Maxi in HP up to 31st December, 2025			
Sr. No.	**Name of District**	**Total no. of Taxis (4+1)**	**Total no. of Maxi (6+1) and above**
1	Kullu	5,806	2,563
2	Shimla	3,123	2,265
3	Solan	1,218	929
4	Sirmour	252	226
5	Kangra	4,620	2,511
6	Hamirpur	1,407	872
7	Una	274	480
8	Mandi	2521	1683
9	Lahaul-Spiti	-	-
10	Kinnaur	608	608
11	Bilaspur	782	872
12	Chamba	1,358	1,065
Total		**21,969**	**14,074**

12.10 Himachal Road Transport Corporation

Himachal Road Transport Corporation (HRTC) is the main source of public transportation in the State as other means of transport namely, Railways, Airways, etc. are negligible. Therefore, Himachal Road Transport Corporation assumes paramount importance. The passenger transport services to the people of Himachal Pradesh, within and outside the State are being provided by Himachal Road Transport Corporation with a fleet strength of 3,079 buses, 110 Electric Buses, 38 Taxis, 50 Electric Taxies and 12 Tempo Travelers.

12.10.1 HRTC Schemes for the benefits of Passengers

For the benefit of people, the following schemes/benefits are in operation:

i) **Green Card Scheme:** Green cardholder is allowed 25 per cent discount in fare.

ii) **Smart Card Scheme:** Himachal Road Transport Corporation has introduced the Smart Card Scheme. The cost of the card is ₹100 and having its validity for one year. This is having 10 per cent discount on fare and also valid in HRTC Ordinary, Super Fast, Semi Deluxe and Deluxe buses. In Volvo and AC buses discount is to be allowed from 1st October to 31st March.

iii) **Samman Card Scheme for Senior Citizen:** The Corporation has introduced the Samman Card Scheme for senior citizens. Under this scheme, a discount of 30 per cent on fare is allowed in ordinary buses.

iv) **Free Facility to Women:** Women have been allowed free travelling facility in HRTC ordinary buses on the occasion of "Raksha Bandhan" and "Bhaiya Dooj". Muslim women have been allowed free travelling facility on the occasion of "Id" and "Baker Id".

v) **Discount on fare to Women:** The Himachal Road Transport Corporation has also allowed a 50 per cent discount on fare in ordinary buses within the State to women.

vi) **Free Facility to Students of Government Schools:** The students of Government schools up to +2 classes have been allowed free travelling facility in HRTC ordinary buses from their residence to School and vice-versa.

vii) **Free Facility to persons suffering from serious disease:** Free travelling facility is provided to cancer, spinal injury, kidney and dialysis patients along with one attendant in HRTC buses for the purpose of medical treatment.

viii) **Free Facility to Specially abled persons:** The Corporation is providing free travelling facility to specially abled persons having disability of 70 per cent or more along with one attendant within the State.

ix) **Free Facility to Gallantry Awardees:** The Gallantry Award winners have been allowed free travelling facility in HRTC's ordinary buses in addition to Deluxe Buses in the State.

x) The Himachal Pradesh Bus Stand Management and Development Authority has completed new bus stands at Patlikuhul, Manali (Phase I), Banjar, Haroli, Theog, Bhawanagar, Barchwar and Janjehli, with several more targeted for completion in 2025–26. HRTC has introduced "Pratham Darshan Seva" for religious destinations, added new and extended routes and implemented a new luggage policy. To promote digitization, cashless payment options and the online Him Bus Card (RFID-based concessions) were launched in October, 2025.

Table 12.12

Nationalized Road Transport

Year	Buses	Attached Buses	Electric Buses	Taxies	Electric Taxies	Others	Total	No. of Route Under Operation	Distance Covered ('000 KM)
2016-17	3,105	53	-	-	-	77	3,235	2,573	2,11,519
2017-18	3,110	62	-	-	-	86	3,258	2,723	2,27,767
2018-19	3,078	69	40	21	50	92	3,350	2,833	2,31,155
2019-20	3,093	76	75	21	50	95	3,410	2,953	2,22,646
2020-21	3,099	51	75	21	50	92	3,391	2,350	77,767
2021-22	3,103	48	75	21	50	99	3,396	2,170	1,43,717
2022-23	3,142	31	75	38	50	106	3,442	2,813	2,08,837
2023-24	3,180	23	110	47	50	56	3,343	3,466	1,99,559
2024-25	3,079	20	110	47	50	52	3,336	2,721	2,08,235
2025-26 November, 2025	2,823	0	110	47	50	52	3,082	2,721	1,26,048

Source: Regional Transport Department, Government of Himachal Pradesh

12.11 Main Challenges and Issues

A) State-level Issues and Challenges

Issue / Challenge	Evidence	Implications
1. Heavy pressure on tourist destinations and fragile ecosystems	Tourist arrivals surged to 1.45 crore in 2025, creating pressure on hill stations and ecological zones.	Risk of environmental degradation, waste accumulation, overcrowding, and decline in visitor experience.
2. High seasonal and pilgrimage-related congestion	Religious tourism alone accounted for 166.51 lakh visitors in 2025, with peaks in April and May.	Strain on civic amenities, traffic bottlenecks, safety challenges, and need for improved crowd management.
3. Limited air connectivity due to geographical constraints	Airports at Jubberhatti and Bhuntar cannot expand, leaving Kangra Airport as the only feasible runway expansion site.	Restricted tourist inflow, longer travel time, reduced access to remote districts, and lost high-value tourism potential.
4. Vulnerability of road network in mountainous terrain	State relies heavily on roads with 43,091 km constructed till 2025; terrain makes connectivity difficult and disaster-prone.	Frequent disruptions, high maintenance cost, slower transport services, and risks during monsoon/winter.
5. Rising vehicle load and traffic management issues	24.48 lakh vehicles registered in the State, indicating rising congestion and regulatory pressure.	Increased pollution, road safety risks, need for better enforcement and traffic infrastructure planning.
6. Pressure on public transport to meet mobility and affordability needs	HRTC operates a fleet of 3,079 buses but must provide several concessional/free travel schemes.	Financial stress on HRTC, difficulty in modernizing fleet, higher subsidy burden for the State.
7. Slow expansion of EV charging ecosystem in challenging terrain	Only 30 EV charging stations operational at petrol pumps; additional sites are under construction.	Slow EV adoption, range anxiety, difficulties in decarbonizing transport, and need for faster infrastructure rollout.

B. District-Specific Issues and Challenges

Challenges	Affected Districts	Evidence
1. Extreme pilgrimage congestion leading to pressure on civic services	Hamirpur, Kangra, Una	Baba Balak Nath (Hamirpur), Jwalaji, Bajreshwari, Chamunda (Kangra), and Chintpurni (Una) collectively received 166.51 lakh pilgrims in 2025, with April–May being peak months.
2. Tourism pressure on major hill circuits causing ecological and infrastructure stress	Shimla, Kullu, Manali, Dharamshala, Dalhousie	Himachal received 1.45 crore tourists in 2025, heavily concentrated in popular circuits.
3. Delays and challenges in airport expansion limiting air connectivity	Kangra	Kangra Airport is the only airport where runway expansion is feasible; land acquisition of 147.75 hectares underway with a project cost of ₹6,311 crore.
4. Slow progress and gaps in heliport development	Lahaul-Spiti, Chamba, Solan, Sirmour, Una, Bilaspur	Additional heliports are being developed across these districts; several are still under construction or awaiting operationalization.
5. Heavy dependency on roads in difficult terrain causing frequent disruptions	Kinnaur, Kullu, Lahaul-Spiti, Chamba	Mountainous terrain makes connectivity difficult; roads are the only major transport mode in many districts, prone to disruption. 43,091 km motorable roads constructed till Dec 2025.
6. Rising vehicle load increasing traffic management burden	Urban districts: Shimla, Solan, Kangra, Mandi	The State has 24.48 lakh registered vehicles, increasing congestion especially in high-traffic urban districts.
7. EV charging network still limited in hilly and remote districts	Kinnaur, Lahaul-Spiti, Chamba, Shimla rural belt	Only 30 EV charging stations at petrol pumps are currently operational; others still under construction, limiting adoption in remote belts.

12.13 Way Forward

The future strategy for tourism, roads and transport in Himachal Pradesh should prioritize sustainability, resilience and technological integration. Tourism development must shift toward destination diversification, promotion of lesser-known circuits, strict enforcement of carrying capacity norms and integrated waste management systems. Community-based tourism, eco-certification and green building standards should be strengthened to protect natural resources while enhancing visitor experience.

Road infrastructure planning should incorporate climate-resilient design, slope stabilization technologies, advanced drainage systems and early warning mechanisms for landslides. Greater convergence between state and central agencies can accelerate highway upgradation and bridge modernization. Digital road asset management systems can improve monitoring and maintenance efficiency.

In transport, accelerated adoption of electric vehicles through expansion of charging networks along all major corridors, incentives for commercial EV fleets and integration with renewable energy sources will support low-carbon mobility. Strengthening public transport through fleet modernization, intelligent transport systems and financial reforms can enhance service quality and sustainability. Expansion of air connectivity, particularly completion of Kangra Airport runway expansion, will unlock high-value tourism potential.

By integrating sustainable tourism practices, resilient infrastructure development and green mobility reforms, Himachal Pradesh can position itself as a model Himalayan state balancing economic growth with ecological stewardship and inclusive development.

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CHAPTER 13

EDUCATION

Executive Summary

S. No.	Key Point	Summary
1	**High Literacy and Strong Educational Access**	Himachal Pradesh has achieved near-universal access to schooling with literacy rising to 93.3 per cent (NFHS-5) and consistently high female literacy, supported by extensive public investment.
2	**Extensive School Network**	As of December 2025, the State has 9,750 Primary, 1,744 Middle, 967 High, and 1,972 Senior Secondary Schools, ensuring access even in remote regions.
3	**Strong Infrastructure Coverage**	Nearly 100 per cent schools have drinking water; 98 per cent have separate toilets; most have electricity, libraries, computers and internet connectivity, indicating infrastructure saturation.
4	**Improved Student–Teacher Ratio**	The Teacher–Pupil Ratio stands at 1:12 (Primary), 1:11 (Middle) and 1:10 (High/Sr. Secondary), supporting quality classroom interaction.
5	**Low Dropout and High Enrolment**	Elementary dropout rate is extremely low at 0.09 per cent, and gross enrolment at early grades exceeds 100 per cent, showing strong retention and participation.
6	**Expansion of Higher Education and Scholarships**	The State has 143 degree institutions, with multiple scholarship schemes supporting SC/ST/OBC, girls, meritorious students and economically weaker sections.
7	**Digital Transformation in Colleges**	Digital libraries, virtual classrooms, upgraded ICT labs, CCTV systems and placement cells are being expanded across government colleges under 2025–26 initiatives.
8	**Inclusive Education for CwSN**	A total of 5,926 CwSN identified; integration in schools, home-based education, aids/appliances, braille books, escorts and special educators provided under Samagra Shiksha.
9	**Strengthening Vocational and Technical Education**	NSQF implemented in 1,742 schools across 16 trades; B.Voc programmes, skill labs, and major expansion of ITI, polytechnic and engineering courses underway.

13.1 Introduction

Education in Himachal Pradesh, which has consistently a key priority of the State Government. Despite its difficult mountainous terrain and scattered habitations, the State has achieved near-universal access to education through an extensive network of schools, particularly in rural and remote areas. Himachal Pradesh has been among the leading States in terms of literacy rate, reflecting sustained public investment in education infrastructure, teacher availability and student welfare measures.

The State places special focus on inclusive and quality education through initiatives as free textbooks, uniforms, mid-day meals, scholarships and support for girls, Scheduled Castes, Scheduled Tribes and economically weaker sections. Increased budgetary allocations are directed towards strengthening school infrastructure, digital education, skill development and higher education institutions, in alignment with the National Education Policy and Sustainable Development Goal 4 (Quality Education), to build a skilled and knowledgeable human resource base for long-term socio-economic development.

Upon achieving full Statehood, the literacy rate in the State stood at a modest 31.96 per cent. The State has undergone substantial advancements in both education and the economy, primarily attributable to concerted efforts in expanding educational infrastructure. The inclusion of Article 21A in the Indian Constitution through the 86thAmendment underscores this commitment. This article mandates that the State must provide free and compulsory education to all children aged 6 to 14, as prescribed by relevant laws. The Right of Children to Free and Compulsory Education (RTE) Act of 2009 further solidifies this commitment, ensuring that every child receives free and compulsory education until completion of elementary schooling. This chapter explores the status of education in Himachal Pradesh and the various policy initiatives/aimed at making this public good accessible to all sections of society.

The literacy rate in Himachal Pradesh was 82.80 per cent in 2011, which was 8.8 per cent higher than the national average of 74.0 per cent. The male literacy rate was 89.53 per cent, while the female literacy rate was 75.93 per cent. According to the National Family Health Survey (NFHS)-5 conducted in 2019-21, the literacy rate in Himachal Pradesh has increased to 93.3 per cent. The male and female literacy rates are now 94.9 per cent and 91.7 per cent, respectively, with a 3.2 per cent gender disparity.

The Right to Education Act 2009 and the National Education Policy 2020 (NEP) are playing a crucial role in shaping the education landscape by expanding

access to quality education universally, promoting equity and driving innovation in teaching and learning.

13.2 School Education

As on 31st December, 2025, there are 9,750 Primary, 1,744 Middle, 967 High and 1972 Sr. Secondary Schools in Government Sector. To overcome shortage of trained teachers, efforts are being made to make fresh appointments of teachers in the schools regularly. An attempt has also been made to cater to the educational needs of specially abled children. The policies of the Government in the field of elementary education are implemented with following aims:

- To achieve the goal of universalization of Elementary Education.
- To ensure that all children have access to a high-quality elementary school education.
- Access of education to every child in the State.

Below is a crisp tabular summary of major schemes:

Table 13.1

School Education Schemes (State and Major Central)

Scheme	Target Group	Key Benefit
Medhavi Chhatravriti Yojana	Class V meritorious students	₹1,200 p.a. (till Class VIII)
IRDP/BPL Scholarship	BPL students (I–VIII)	₹500–₹700 p.a.
Lahaul–Spiti Pattern Scholarship	Tribal area students (I–VIII)	₹80 p.a.
Free Text Books	All Govt. school students (I–X)	Free textbooks
PM Poshan (Mid-Day Meal) + MM Bal Paushtik Aahaar	Pre-primary to VIII	Hot meals + weekly nutrition
New India Literacy Programme	Adult learners	Adult literacy support
Pre-Matric Scholarship (SC/ST/OBC/Minority)	Classes I–X	Academic allowance + maintenance

Major Achievements in Education Sector:

1. Universal School Infrastructure

Achieved 100 per cent drinking water coverage in schools, over 98 per cent schools equipped with separate boys' and girls' toilets, and near-universal electricity coverage across secondary and senior secondary levels.

2. Improved Teacher–Pupil Ratios

Teacher–Pupil Ratios strengthened to 1:12 at Primary, 1:11 at Middle, and 1:10 at High/Senior Secondary, ensuring better instructional support.

3. Digital Transformation in Higher Education

Digital Libraries established in 50 colleges, Virtual Classrooms installed in 14 colleges, ICT Labs upgraded in 17 colleges, and CCTV systems installed in 15 colleges, improving access, learning quality and safety.

4. Vocational and Skill Education Expansion

NSQF implemented in 1,742 Senior Secondary Schools across 16 vocational sectors. Vocational enrolment increased from 1,03,926 to 1,11,068, and 3,525 students enrolled in B.Voc programmes across 20 colleges.

5. Inclusive Education for CwSN

A total of 5,926 Children with Special Needs identified; 1,553 integrated at secondary level and 1,334 covered under Home-Based Education, supported with aids, appliances, Braille books, escort allowances and special educators.

6. Strengthening Girls' Education

Free education continued for all girls in Government Colleges, and 14 KGBVs provided residential facilities to 999 girls belonging to SC/ST/OBC/IRDP families.

7. Growth in Technical Education and Employability

The State operated 355 technical/vocational institutions with an intake capacity of 53,638 students, and 5,118 ITI trainees secured employment through job fairs and campus interviews.

13.3 Higher Education

There is a strong emphasis on secondary education in the State. As on 31st December, 2025, the Government sector in Himachal Pradesh comprises 143 Degree Colleges, including 09 Sanskrit Colleges, 01 State Council of Educational Research and Training (SCERT), 01 B.Ed. College and 02 Fine Art Colleges. This wide network of institutions ensures access to quality higher education across diverse and geographically challenging regions of the State.

The Government continues to prioritise expansion, up gradation and diversification of higher education institutions, with a focus on improving academic quality, skill development and alignment with emerging employment needs. Budgetary support is directed towards strengthening infrastructure, faculty capacity, digital learning and inclusive access, enabling students from rural and remote areas to participate effectively in higher education and contribute to the State's socio-economic development.

13.3.1 Scholarship Schemes

To improve educational status of deprived and disadvantaged sections of society, various scholarships and stipends are provided by the State and Central Governments at different stages of education. These schemes aim to promote access, retention and completion of education among eligible students. The major scholarship schemes are as under:

Table 13.2

Higher Education – State Sponsored Schemes

Scheme	Category	Benefit
Dr. Ambedkar Medhavi (SC/OBC)	SC and OBC meritorious students	₹18,000 p.a.
Swami Vivekanand Utkrisht	General category meritorious	₹18,000 p.a.
Thakur Sen Negi	Tribal toppers	₹11,000 p.a.
Kalpana Chawla Chhatravriti	Meritorious girls (10+2)	₹18,000 p.a.
Indira Gandhi Utkrisht	10+2 / UG toppers	₹18,000 p.a.
Mukhya Mantri Protsahan Yojana	IIT/AIIMS/IIM etc. entrants	₹75,000 (one-time)
Vidyarthi Kalyan (IRDP)	EWS students	₹1,500–₹6,000 p.a.
Gyandeep Yojana	Higher education loan	4 per cent interest

		subsidy
Dr. Y.S. Parmar Rin Yojana	Professional courses	1 per cent concessional loan

Table 13.3

Centrally Sponsored (Major)

Scheme	Target Group	Benefit
PM-YASASVI	OBC/EBC/DNT	₹4,000–₹20,000 p.a.
Post-Matric Scholarship (SC/ST)	SC/ST students	₹2,300–₹13,500 p.a.
Minority Scholarships	Minority students	Fee + maintenance support
Disability Scholarships	40 per cent+ disability	Fee reimbursement + allowance

13.4 Promotion of Sanskrit Education

Himachal Sanskrit Academy, Shimla is engaged in the promotion of Sanskrit in Sanskrit colleges and Degree colleges under various state schemes, organization of Sanskrit competitions, Karma-kāṇḍa and Jyotiṣa Shivirs, Kavi Sammelans and research projects in the interest of students and the general public of the state.

13.5 Teachers Training Programmes

During 2025-26 the State Council of Educational Research and training Solan and Govt. College of Teacher Education Dharamshala, Himachal Pradesh organized Training Programmes in which 1,146 teaching and non teaching staff of schools / colleges have been trained.

13.6 Free Education to Specially Abled Children

Free and compulsory Education for Children with 40 per cent or above disabilities is being provided in the Govt. College in State and they are exempted from paying any fee and funds up to Colleges level.

13.7 Free Education for Girls

Free education, without any tuition fee, is being provided to girl students in the Government Colleges.

13.8 Rashtriya Ucchtar Shiksha Abhiyan (RUSA)

The RUSA has been implemented in the State to strengthen the higher education system. Under the programme:

- 73 colleges and Himachal Pradesh University (HPU), Shimla receive RUSA grants.
- HPU Shimla is supported under Multi-Disciplinary Education and Research Universities (MERU).
- Four colleges Government College Darlaghat, Government College Sihunta, DAV College Kangra and Government College Mandiare supported under Grants to Strengthen Colleges (GSC) schemes.
- Girls' hostels in Sirmaur, Chamba, Una and Kangra districts are supported under Gender Inclusion and Equity Initiatives (GI&EI) under PM-USHA.

13.9 Medha Protsahan Yojna

The scheme supports meritorious Himachal Pradesh students from families with annual income up to ₹2.50 lakh by providing coaching for competitive exams such as CLAT, NEET, IIT-JEE, AIIMS, AFMC, NDA, UPSC, SSC and Banking for admission to prestigious professional/technical institutes.

13.10 Khel Se Swasthya Yojna

Under this scheme, the Department intends to provide TT tables in 67 colleges and cable cross equipment in 57 colleges during the financial year 2025–26.

13.11 Bachelor of Vocational Degree Courses (B.Voc.)

B.Voc. Degree Program has been started in 20 Government colleges of the states in two sectors "Retail Management" and Hospitality & Tourism. These colleges are Government College Bilaspur, Chamba, Dharmshala (Kangra), Nurpur (Kangra), Kullu, Mandi, Sanjauli (Shimla), Rampur (Shimla), Una, Hamirpur, Solan and Nahan (Sirmour), Dhaliara (Kangra), Ghumarwin (Bilaspur), Sarkaghat (Mandi), Haripur (Kullu), Seema and RKMV (Shimla). Under this scheme maximum 80 students are enrolled in a batch (40 students in RM and 40 Students in H&T). Total 3525 students are under training/enrolled during the academic session 2025-26.

13.12 Implementation of Digital Initiatives in Government Colleges

During the Financial Year 2025–26, the Directorate of Higher Education undertook a comprehensive programme of Digital Transformation across Government Colleges in the State. These initiatives were aimed at strengthening academic infrastructure, expanding digital access, enhancing campus safety and promoting skill-based and future-ready learning. Some of the initiatives are as below:

1. **Digital Libraries and Study Centers**

To modernize library services and expand access to digital academic resources, Digital Libraries and Study Centers are being established. Students and faculty have been registered on the National Digital Library (NDL), IIT Kharagpur, enabling access to a vast repository of e-learning content (online/offline) using tablets and computers. Digital Libraries and Study Centers are being set up in 50 Government Colleges.

2. **Virtual and Live Streaming Classrooms**

To promote technology-enabled teaching and resource sharing, Virtual and Live Streaming Class rooms are being installed in Govt. Colleges of the State. These facilities support real-time online teaching, expert lectures across multiple colleges, webinars and hybrid learning models. During 2025–26, ₹51.00 lakh was utilized for the installation of Virtual Classrooms in 14 Government Colleges.

3. **ICT-Enabled Computer Labs**

To enhance digital skills and provide access to modern computing facilities, ICT-Enabled Computer Labs are being upgraded. During the financial year 2025–26, ₹51.00 lakh was utilized for the up-gradation of ICT Labs in 17 Government Colleges.

4. **CCTV Surveillance Systems**

In order to strengthen campus safety and monitoring, CCTV Surveillance Systems are being installed in Government Colleges. During FY2025-26, ₹20.00 lakh was utilized for the procurement of CCTV cameras in 15 Government Colleges.

5. **Skill Labs and Internship Centers**

With a focus on employability and industry readiness, Skill Labs and Internship Centers are being established to provide hands-on training, vocational skills and structured internship support aligned with local and national skill requirements.

6. **Placement Cells and Incubation Centers**

To institutionalize career guidance, placements and entrepreneurship support, Placement Cells and Incubation Centers are being established. Placement Cells have already been set up in 134 Government Colleges with financial support under RUSA.

7. **Innovation and Future Technology Labs**

Further, to prepare students for emerging technologies, Innovation and Future Technology Labs focusing on areas such as Artificial Intelligence, Robotics, Internet of Things and Digital Automation are proposed to be established in at least 10 Government Colleges.

Table 13.4

Number of Degree colleges in the State

No. of Educational Institutions	2025-26 (UptoDecember,2025)	No. of Educational Institutions Non Functional
Govt. Degree Colleges	130	-
Govt. Sanskrit Colleges	09	-
SECRT	01	-
GCTE (B.Ed. College)	01	-
Fine Arts Colleges	02	-
Total	**143**	**-**

13.13 Samagra Shiksha

Samagra Shiksha scheme places primary emphasis on improving the quality of school education by focusing on the two T's—Teacher and Technology. All interventions under the scheme are strategically designed to enhance learning outcomes at every level of schooling. Samagra Shiksha is implemented under a 90:10 funding pattern, with 90 per cent contribution from the Government of India and 10 per cent from the State Government. Main schemes running under Samagra Shiksha scheme are:

13.13.1 Early Childhood Care and Education (ECCE)

Early Childhood Care and Education (ECCE) is widely recognized as a precursor to formal school education. The preschool years play a crucial role in shaping a child's educational trajectory, as they lay a strong foundation for effective learning in later years. Quality ECCE contributes to improved enrolment in higher grades, reduces dropout rates and supports the acquisition of foundational literacy and numeracy skills during the early grades.

The National Education Policy (NEP) 2020 envisages an expansion of early childhood education, with a strong emphasis on the inclusion of children from economically weaker sections. The policy adopts a holistic approach to child

development, focusing on physical and motor skills, cognitive development, socio-emotional and ethical growth, cultural and artistic expression, communication abilities and the development of early language, literacy and numeracy skills.

Emphasis on ECCE in NEP has the potential to offer wide ranging developmental benefits for early-grade learners across India.

13.13.2 Pre-Primary-ECCE

The Government of Himachal Pradesh initiated Pre-Primary (ECCE) classes in 3,391 primary schools across the state during the financial year 2018–19, in the first phase. Subsequently, schools from various districts were added in a phased manner. At present, the Pre-Primary intervention is being implemented in 6,409 selected primary schools across the state, catering to 71,724 children.

i. Information and Communication Technology (ICT) Project

Information and Communication Technology (ICT) has emerged as a fundamental pillar of modern society. By harnessing its vast potential, the core principles of access, equity and quality in education can be effectively advanced. For teachers, ICT not only strengthens digital competencies but also enriches teaching–learning processes through innovative and interactive approaches. Moreover, ICT-enabled solutions have demonstrated significant potential in building strong foundational skills, while also fostering essential 21st century skills such as communication, collaboration, creativity, critical thinking and problem-solving.

ICT labs have already been established in majority of government schools in Himachal Pradesh. Department plans to establish ICT labs in all high and senior secondary schools in the state by the end of this financial year.

ii. Vocational Education

The Government of India introduced a revised Centrally Sponsored Scheme for the Vocationalisation of Secondary and Higher Secondary Education in September 2013, aimed at integrating employability education into the school system. The scheme is now implemented under the National Skill Qualification Framework (NSQF) through the Vocationalisation of School Education Programme in Himachal Pradesh. It establishes clear vocational pathways from school to higher education by providing recognized certification of vocational skills. The project has been approved for Himachal Pradesh by the Ministry of Education (MoE), Government of India and seeks to enhance students' employability upon completion of Higher Secondary Education.

The National Skill Qualification Framework (NSQF) has been implemented in 1,742 Government Senior Secondary Schools across the State, covering 16 vocational trades/sectors. These include Healthcare, Agriculture, Retail, Tourism and Hospitality, Automobile, IT/ITeS, Telecom, Banking, Financial Services and Insurance (BFSI), Media and Entertainment, Physical Education, Private Security, Apparel, Made-ups and Home Furnishing, Beauty and Wellness, Electronics and Hardware, Food Processing and Plumbing.

During the session 2024-25, the total enrollment of students was 1,03,926 and in the year 2025-26 the total enrollment of student is 1,11,068.

iii. Inclusive Education for Children with Special Needs (CwSN)

Inclusive Education is delivered through a common learning environment where students of diverse abilities learn together. The Centrally Sponsored Scheme of Integrated Education for Disabled Children, introduced in 1992, aimed to provide educational opportunities to children with disabilities in mainstream schools and support their retention. These efforts were further strengthened under Samagra Shiksha, in line with the Rights of Persons with Disabilities (RPwD) Act, 2016 and the Right to Education (RTE) Act, 2009, which ensure free and compulsory elementary education for all children without discrimination on the basis of caste, gender, disability, or other factors.

In Himachal Pradesh, 5,926 Children with Special Needs (CwSN) were identified in 2024–25. Of these, 209 at the pre-primary level, 4,164 at the elementary level and 1,553 at the secondary level have been integrated into formal schools. Additionally, the Home-Based Education Programme was implemented for 1,334 children with severe and profound disabilities at the elementary level.

Activities under Inclusive Education:

a) Medical Assessment Camps.
b) Distribution of Aids and Appliances.
c) Braille books and enlarged print books for visually impaired children.
d) Escort allowances.
e) Home-based education programme.
f) Stipend for girls.
g) Environment Building Programme.
h) Engagement of special educators.
i) Capacity building of in-service special educators.
j) Sports event/ Unified Games for CwSN.

k) Exposure Visit for CwSN.
l) Day care centers for Mentally Retarded children.
m) Model Inclusive Schools with Hostel facility.
n) Orientation of Principals, Educational administrators.
o) Model Resource Centres
p) Teacher Training in Inclusive Education under NISHTHA

iv. Kasturba Gandhi Balika Vidyalaya (KGBV)

Himachal Pradesh has 14 Kasturba Gandhi Balika Vidyalayas (KGBVs) (residential)—11 in Chamba district, 1 in Shimla and 2 in Sirmour district. All KGBVs are fully functional and managed under Samagra Shiksha Abhiyan (SSA). At present, 999 girls are residing in these hostels, which are attached to Government Senior Secondary Schools or Government High Schools. The residents primarily belong to SC, ST, OBC and IRDP categories, with most girls coming from Scheduled Castes, Scheduled Tribes and Backward Classes.

v. Unified District Information System for education Plus (UDISE+)

The Ministry of Education, Government of India has replaced the offline UDISE with online UDISE+ to enable a transition towards real-time education data. The UDISE+ data for 2024–25 was collected online and finalized and certified on 3rdMay, 2025. Districts have been instructed to share UDISE reports with schools, Cluster Resource Centre Coordinator (CRCCs), Block Resource Centre Coordinator (BRCCs), Block Primary Education Officer (BPEOs) and Deputy Directors. Further, districts undertake Social Audit by sharing & discussing UDISE-School Report Card with the Community i.e. School Management Committee/Mothers Teachers Association (SMC/MTA) etc.

vi. Teachers and Students exchange Programme

During 2025–26, the Teacher and Student Exchange Programme will facilitate exposure visits for 252 students accompanied by 48 escort teachers.

vii. Sports and Physical Education

The Sports and Physical Education component under Samagra Shiksha provides for the procurement of sports equipment. Expenditure for purchasing equipment for both indoor and outdoor games is met from this component.

viii. Youth and Eco Club

Participation in youth clubs provides students with opportunities to develop essential life skills, build self-esteem and learn to overcome challenges and setbacks. Eco Clubs in Schools, an initiative under Samagra Shiksha, encourage students to engage in meaningful, environment-friendly activities and projects, fostering environmental awareness and sensitivity to contemporary environmental concerns.

ix. Self –Defense Training

Under Samagra Shiksha, all girl students studying in Government Middle, High and Senior Secondary Schools in Himachal Pradesh are provided self-defence and self-safety training through expert trainers. During 2024–25, such training was imparted in 4,655 Government schools, benefiting 2,27,664 girls.

x. Teachers Education

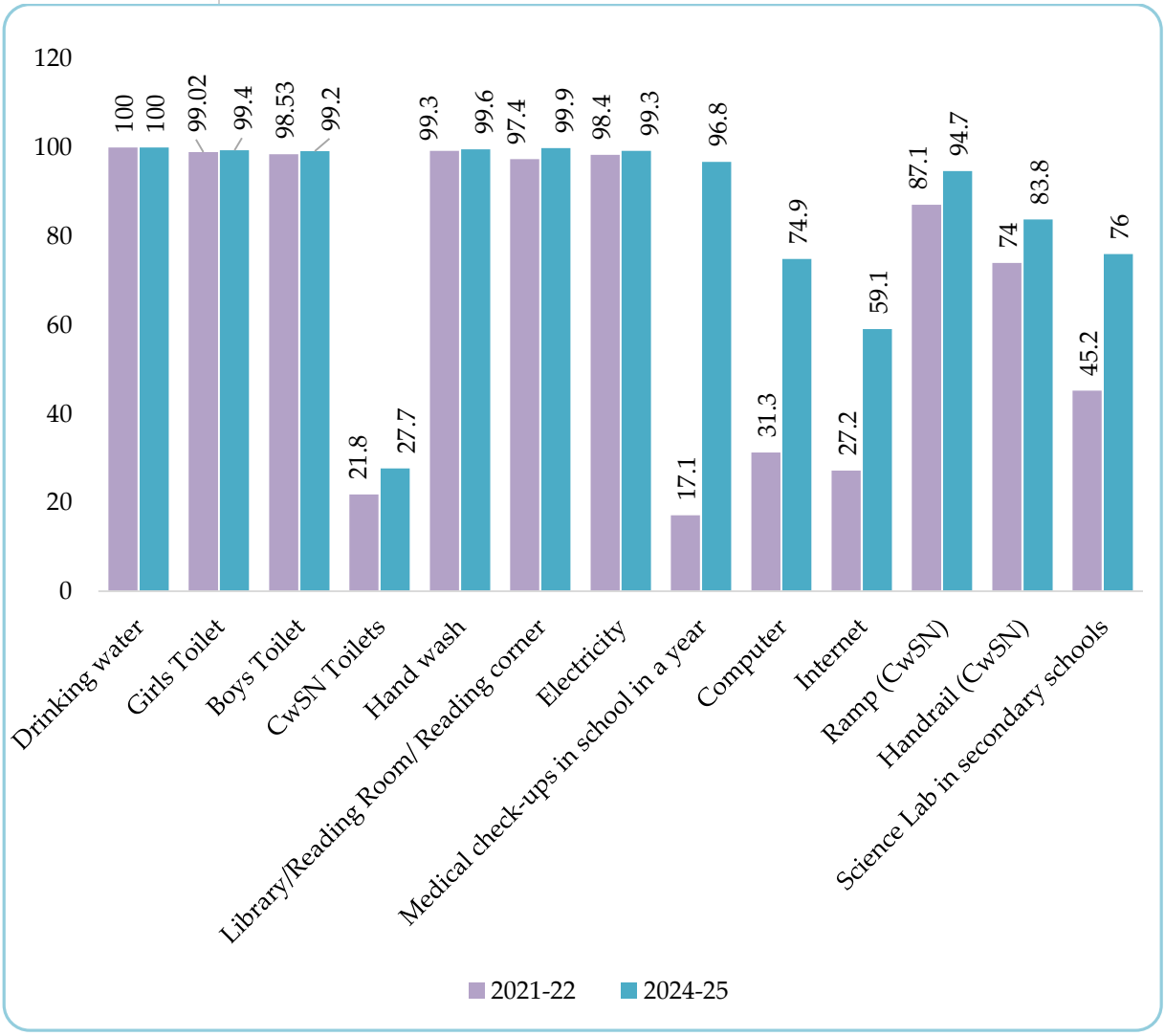
District Institute of Education and Training (DIETs) established in all 12 Districts of the Pradesh are providing training, guidance and academic support to primary and adult education teachers as well as conducting research to improve local education quality. In Himachal Pradesh, 2 DIET's (Shimla and Sirmaur) have been established as centers of excellence ata cost of ₹18.16 crore.

In 2025-26 two more DIETs (Hamirpur and Kangra) will be established as centers of excellence at a cost of ₹29 crore.

School infrastructure improved significantly during 2020-21 to 2024-25, with near-universal coverage in drinking water, toilets, electricity, hand washing facilities, and libraries. Digital infrastructure expanded, with computer availability rising to 75 per cent and internet connectivity to 59 per cent of schools. Accessibility features for Children with Special Needs improved, but dedicated CwSN toilets remain critically low. Science laboratories in secondary schools also expanded, strengthening practical learning. Overall, while basic infrastructure is strong, digital and inclusive facilities require continued focus.

Figure 13.1

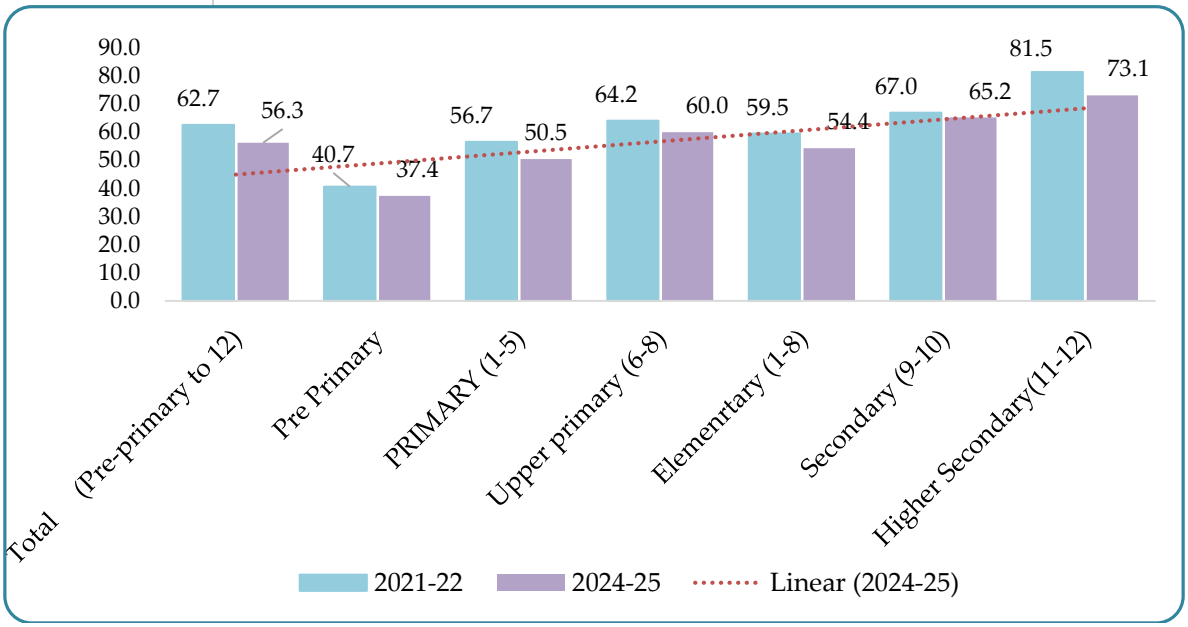
Schools with basic facilities as a Percentage of all schools



The declining share of government school enrolment, particularly at the pre-primary and primary levels, suggests growing parental preference for private schooling, possibly due to perceived quality differentials, demographic shifts, and migration patterns. However, government schools continue to play a dominant role at the secondary and higher secondary levels, highlighting their critical importance in ensuring equitable access to post-elementary education.

Figure 13.3

Students Enrolled in Government schools as Percentage of all students



13.14 Technical Education

The Department of Technical Education came into existence in the year 1968. In July, 1983 professional and Industrial Training Institutes were brought under its ambit. Presently the department is providing technical, professional and industrial training. Interested students can take admissions in the degree course in engineering and pharmacy, diploma courses in polytechnic colleges and certificate courses in following institutions:

Table 13.5

Number of Vocational and training Institutions in the State

Sr. No.	Names of Institute	Number of Institutes
1.	Indian Institute of Technology (IIT), Mandi at Kamand	01
2.	National Institute of Technology, Hamirpur	01
3.	National Institute of Fashion Technology (NIFT), Kangra	01
4.	Indian Institute of Management (IIM) Sirmour	01
5.	Indian Institute of Information Technology, Una	01
6.	Central Institute of Plastic Engineering & Technology (CIPET), Baddi, Tehsil Nalagarh, District Solan	01
7.	MSME Technology Center Baddi, District Solan, H.P.	01
8.	Govt. Engineering Colleges	05

9.	Govt. Pharmacy Colleges	05
10.	B-Pharmacy Colleges in Private Sector	18
11.	Engineering Colleges in Private Sector	7
12.	Polytechnics in Govt. Sector	17
13.	Polytechnics in Private Sector	05
14.	D-Pharmacy Colleges in Private Sector	17
15.	2nd Shift in Diploma Courses in Private Sector	03
16.	Co-educational Industrial Training Institutes in Govt. Sector	127
17.	State of Arts ITIs	04
18.	Modal ITI Nalagarh District Solan, Sansarpur Tarrace and Garhjamula, District Kangra.	03
19	Industrial Training Institutes (women) in Govt. Sector	01
20.	ITI for Persons with disability at Sundernagar in Govt. Sector	01
21.	Motor Driving School at Una in Govt. Sector	01
22.	ITIs in Private Sector	134
	Total	**355**

Table 13.6

Intake of Students in the Existing Institutions

Sr. No.	Description of Institute	Intake Capacity
1.	Degree Level	2904
2.	B-Pharmacy	1854
3.	Diploma Level	5208
4.	Government/Private ITIs	43672
	Total	**53638**

13.14.1 Other Initiatives Taken

- 40 trainees under National Apprentices Training Scheme in Engineering Colleges, Polytechnics, Pharmacy Colleges and Govt. Industrial Training Institutes have been engaged, wherein stipend along with training is provided to every trainee.
- 264 Faculty & 4059 students have been registered/attended the Massive Open Online course/ Swayam courses.
- Faculty Development Programmes run by National Institute of Technical Teachers Training & Research (NITTTR) Chandigarh/Dr. Manmohan Singh Himachal Institute of Public Administration (MSHIPA) IIT Ropar/IIT Delhi/ESIC Hyderabad/CTC Kolkata have trained more than 380 faculties through online/offline mode.

- M. Tech in Electrical Engineering (Electric Vehicle Technology) has been started in Govt. Hydro Engineering College Bandla from the academic session 2025-26.
- B.Tech. in Civil Engineering has been started in Atal Bihari Vajpayee Government Institute of Engineering and Technology Pragtinagar from the academic session 2025-26.
- B.Tech. in Computer Science Engineering (Artificial Intelligence and Data Science) has been started in Rajiv Gandhi Government Engineering College Kangra from the academic session 2025-26.
- Diploma course in Computer Engineering and Internet of Things has been started in Government Polytechnic Hamirpur from the academic session 2025-26.
- 79 apprentices under the National Apprenticeship Promotion Scheme in Engineering Colleges, Polytechnics, Pharmacy colleges and Govt. ITIs have been engaged, wherein stipend is provided to every Trainee along with training.
- About 5118 trainees from all Government Industrial Training Institutes have secured employment in various Govt. /Pvt. Sector/industrial units/ establishments through job fairs, campus interviews and joint campus interviews from 1st April, 2024 to 31st December, 2025.
- Capacity Building of ITI staff/faculty, 243 faculty of various ITIs was done at CSTARI Kolkata, IACE Gandhinagar, (Gujarat), NIFT Kangra, Directorate of Technical Education Sundernagar, C-DAC Mohalı and CRISP Bhopal.

13.15 Main Issues and Challenges.

A. State-Level Main Issues and Challenges (Evidence-Based)

Issues / Challenges	Evidence (From 2025–26 Data)	Implications
Declining Government School Enrolment	Share of students in government schools dropped from 62.7 per cent (2021–22) to 56.3 per cent (2024–25), especially in pre-primary and primary levels.	Reduced trust in public schooling; risk of shrinking government school ecosystem; increased burden on private sector.
Digital Infrastructure Gaps	Only **59 per cent schools** have internet access; computers available in **75 per cent** of schools.	Limits effectiveness of digital education, online learning, and ICT-based teaching; digital divide widens.
Inadequate Inclusive Facilities	Dedicated CwSN toilets remain very low; only 27.7 per cent	Physical barriers hinder inclusion; affects regular

for CwSN	schools have such toilets despite rising identification of 5,926 CwSN.	attendance and learning outcomes of special-needs students.
Limited Quality Infrastructure in Remote Areas	Terrain challenges and scattered habitations delay development of smart classrooms, labs, and digital facilities.	Students in remote areas remain disadvantaged compared to urban learners; inequity in learning opportunities.
Skill Mismatch & Employability Gap	Vocational enrolment rising but industry-linked internships, skill labs and placement structures still evolving.	Graduates face limited job readiness; mismatch between education and labour market requirements persists.
Teacher Capacity & Training Needs	Although 1,146 personnel trained, many need continuous upskilling in digital pedagogy, competency-based teaching and NEP-aligned practices.	Inconsistent classroom quality; gaps in foundational learning and modern teaching methods.
Rising Preference for Private Schools	Shift observed mostly in early grades, where parents move children to private institutions citing quality perceptions and peer influence.	Pressure on government schools to upgrade quality; potential underutilization of public infrastructure.
Incomplete Integration of Technology in Higher Education	Digital Libraries, ICT labs, and Virtual Classrooms covered only a portion of colleges (50, 17 and 14 colleges respectively).	Uneven access to digital learning resources; affects equity and innovation in higher education.
Low Secondary-Level Retention in Some Pockets	Though dropout rates are low overall, certain districts show relatively higher secondary-level withdrawals.	Affects transition to higher education and participation in skill economy; increases long-term socio-economic vulnerability

13.16 Way Forward

The future strategy for the education sector in Himachal Pradesh should focus on improving learning quality, strengthening digital transformation and enhancing employability outcomes. Priority must be given to strengthening foundational literacy and numeracy through competency-based curriculum, continuous assessment and early childhood education expansion. Teacher capacity building must be accelerated through regular training, digital pedagogy certification and performance-linked incentives to improve classroom delivery. Expansion of blended

learning models, digital content access and connectivity in remote and tribal areas should be fast-tracked to ensure equitable digital learning opportunities.

Infrastructure modernization in State should focus on smart classrooms, advanced laboratories, inclusive facilities and residential schooling in remote regions. Vocational education must be integrated with mainstream schooling and aligned with local economic opportunities such as tourism, agriculture value chains and services. Stronger academia–industry collaboration, internships, apprenticeship programmes and entrepreneurship incubation centres should be expanded to enhance job readiness. Higher education institutions should be strengthened through research funding, innovation ecosystems and global academic partnerships.

Finally, governance reforms using real-time education data systems, outcome-based monitoring and decentralized planning should be institutionalized. Targeted support for girls, tribal populations, children with disabilities and economically weaker sections should continue through scholarships, residential facilities and technology-enabled inclusion programmes. With sustained policy focus on quality, equity, digital integration and skill development, the education sector can continue to act as a key driver of human capital development and economic growth in the State.

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CHAPTER 14

HEALTH

Executive Summary

S. No.	Key Point	Summary
1	**Strong Public Health Governance**	Health services in the State are managed through the Department of Health and Family Welfare, AYUSH and the Department of Medical Research, ensuring comprehensive coverage for communicable and non-communicable diseases.
2	**Improved Demographic and Survival Indicators**	Himachal Pradesh performs better than India on key indicators—lower birth rate (14.3), lower IMR (14), lower U-5 mortality (24) and higher life expectancy (73.5 years). These reflect strong healthcare interventions.
3	**Extensive Health Infrastructure**	A wide health network covers the State including hospitals, CHCs, PHCs, sub-centres and specialized research units. TB control infrastructure alone includes 499 facilities, ensuring strong disease surveillance.
4	**High Performance in National Health Programmes**	National programmes for TB, malaria, leprosy, blindness control, AIDS, NCDs, menstrual hygiene and dialysis services reported significant achievements during 2025–26.
5	**Strong Maternal and Child Health Services**	High institutional deliveries (95.45 per cent), low IMR, and wide coverage under JSY, JSSK, PMSMA and Atal Ashirwad Yojana reflect well-functioning maternal and child health systems.
6	**Financial Protection Schemes**	Schemes like HIMCARE (₹142.18 crore), PMJAY (₹106.74 crore), Mukhya Mantri Chikitsa Sahayta and Sahara Yojana have provided large-scale financial risk protection to thousands of beneficiaries.
7	**Expansion of NCD Screening and Chronic Care**	Under NP-NCD, 16 lakh adults screened; 3.2 lakh hypertension and 2 lakh diabetes patients are on treatment; 11 Day Care Chemotherapy Centres are functioning; significant dialysis expansion approved.
8	**Medical Education Growth**	The State strengthened medical colleges, super-specialty institutes, and nursing institutions with new infrastructure, advanced equipment (PET-CT, 3-Tesla MRI, LINAC) and expanded MBBS, PG and super-specialty seats.
9	**AYUSH System Expansion**	AYUSH services expanded to 1,252 institutions, including Ayurvedic hospitals, health centres, herbal gardens, AYUSH HWCs and the formation of HIMOSHDHAM Society to support medicinal plant promotion and drug manufacturing.

14.1 Introduction

Public health plays a crucial role in strengthening human capital and enhancing economic productivity. In the state, public health services are primarily overseen by the Department of Health and Family Welfare, which is responsible for implementing national programmes aimed at the prevention and control of communicable and non-communicable diseases. The department also manages hospitals, dispensaries, and medical education institutions.

Complementing these efforts, the Department of AYUSH promotes traditional systems of medicine, including Ayurveda, Homeopathy, Unani, and Siddha, while also supporting research and development in these fields. The Department of Medical Research, established in 2007, undertakes research on health and medical issues to inform policy and improve healthcare delivery. This chapter examines the progress made by Himachal Pradesh in the area of health and well-being. It also outlines the initiatives undertaken by the state government to improve the overall health status of the population.

Table 14.1

Major Health Indicators – Himachal vs India

Indicator	Himachal	India	Interpretation
Birth Rate	14.3	18.4	Advanced demographic transition
Death Rate	6.7	6.4	Slightly higher due to ageing population
IMR	14	25	Strong MCH services
Natural Growth Rate	7.6	12	Slower population growth
Under-5 Mortality	24	32	Near SDG target (25)
Life Expectancy	73.5	70	Better survival outcomes
TB Notification (%)	97.5	87.1	Strong disease surveillance
Health Worker Density (per 10,000)	84.7	49.4	High public sector presence
Institutional Deliveries (%)	95.45	97.15	Slight improvement scope
OOP Expenditure (%)	14.4	13	Needs reduction
Road Accident Death Rate	13.15	12.4	Major emerging concern

Source: SRS 2025, SDG Index 2023–24

The Health and Family Welfare Department has created a wide network of healthcare facilities to provide treatment, prevention, and follow-up care.

Table 14.1

Number of Health Institutions 2025-26 (up to Nov. 2025)

Source: Department of Health Services, Government of Himachal Pradesh

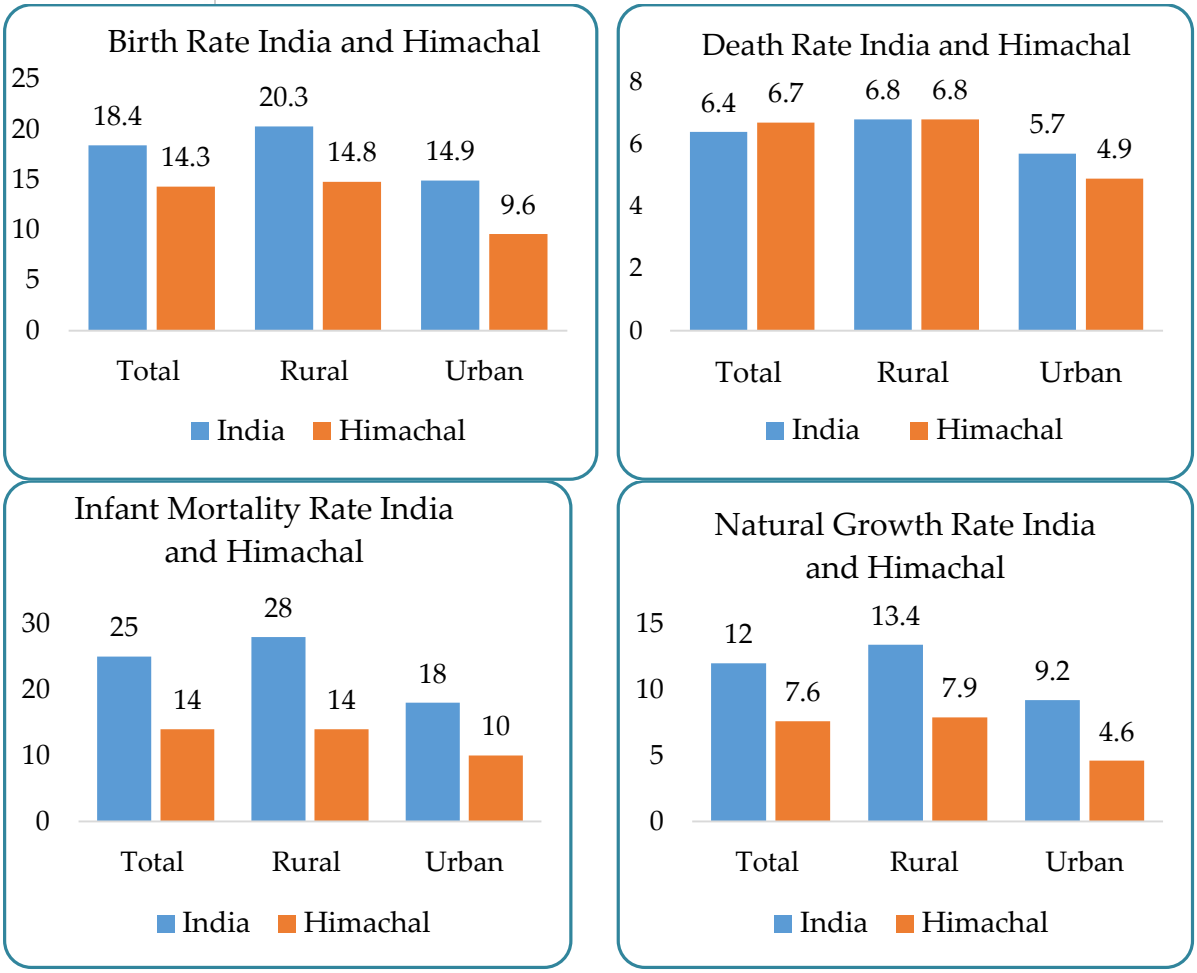
As per the Sample Registration System (SRS) Report, improvements in healthcare delivery and public health interventions have led to a decline in birth and death rates, a sustained reduction in Infant Mortality Rate (IMR), and a favorable trend in the natural growth.

14.1.1 Major Health Indicators

Birth and Death rate are two important indicators which show overall health achievements. Following figures show the birth and death rate of the State in comparison to National average.

Figure 14.1

Birth, Death, Infant Mortality and Natural Growth Rate – Himachal vis-à-vis India



Source: SRS Bulletin, (2025), Sample Registration System, Office of the Registrar General of India.

The birth rate in Himachal Pradesh remains consistently lower than the national average across rural and urban areas.

At the aggregate level, the death rate in Himachal Pradesh is marginally higher at 6.7 per thousand population as compared to the all-India rate of 6.4. This reflects better access to healthcare facilities, improved living conditions, and higher levels of health awareness in urban areas of the State. The slightly higher overall death rate in Himachal Pradesh may also be influenced by the State's ageing population, a consequence of sustained decline in fertility and increased life expectancy.

14.1.3 Infant Mortality Rate– Himachal vis-à-vis India

The Infant Mortality Rate (IMR) in Himachal Pradesh both in rural as well as in urban areas is significantly lower than the national average indicating better maternal and child health outcomes in the State.

The consistently low IMR in Himachal Pradesh reflects sustained investments in public health infrastructure, higher female literacy, improved nutrition, and successful implementation of maternal and child health programmes. Together, these factors have strengthened early childhood survival rates and contributed meaningfully to the State's overall human development indicators.

The natural growth rate in Himachal Pradesh is substantially lower than the national average across total, rural, and urban segments, reflecting a more advanced stage of demographic transition in the State. At the aggregate level, India records a natural growth rate of 12 per thousand populations, whereas Himachal Pradesh reports a significantly lower rate of 7.6.

The lower natural growth rate is primarily attributable to the State's lower birth rate combined with a death rate comparable to the national level. This demographic outcome underscores the impact of higher literacy, improved health services, effective family planning and changing socio-economic preferences. While slower population growth reduces pressure on natural resources and public services, it also calls for forward-looking policies to address challenges related to workforce availability and population ageing in the medium to long term.

A brief detail of Health and Family Welfare programmes during FY2025-26 is shown in Table 14.2.

Table 14.2

Infrastructure to Control T.B. in Himachal Pradesh

Sr. No.	Tuberculosis (TB) Control Programme	Number
1	State TB Sanitarium	1
2	District TB Control cell	12
3	TB Units	80
4	Designated Microscopy Centers (DMCs)	239
5	Intermediate Reference Laboratory (IRL)	1(IRL Dharmpur)
6	Culture and Drug Sensitivity (C&DST) Labs (excluding IRL)	2 (IGMC Shimla and RPGMC Tanda)
7	State TB Training Center	1
8	Cartridge-based Nucleic Acid and Amplification Test (CBNAAT) laboratories	57
9	True NAAT (Nucleic Acid and Amplification Test) Machines	70
10	Nodal Drug Resistant TB Centre (DRTBC) (MDR TB Wards)	4
11	District Drug Resistant TB Centre (DDRTBC) (MDR TB Wards)	19
12	No. of State Drug Store	1
13	No. of District Drug Store	12
	Total	**499**

Table 14.3

Various Programmes of National Health Mission in the State

Sr. No.	Programme	Brief Description
1	**National Vector Borne Disease Control Programme**	2,92,532 slides were examined out of which 27 slides were found positive up to December 2025. No death to malaria was reported during this period.
2	**National Leprosy Eradication Programme**	Where the prevalence rate was 5.14 during 1995-96, it has been reduced to 0.14 per ten thousand during 2024-25. 73 New cases of Leprosy have been detected till 30th November, 2025.
3	**National T.B. Elimination Programme (NTEP) / Revised National TB Control Programme (RNTCP)**	In 2025, the State diagnosed 14,369 TB patients, including 1,421 from the private sector, and achieved 98 per cent universal Drug Susceptibility Testing. Under Nikshay Poshan Yojana, ₹1,095.60 crore was transferred through DBT for nutritional support. Additionally, 18 handheld X-ray machines were deployed for doorstep TB screening.
4	**National Programme for Control of Blindness**	The programme, launched in 1977–78 as a centrally sponsored scheme, aims to reduce blindness prevalence from 0.87 per cent to 0.3 per cent. During April–November 2025, 32,455 cataract surgeries were performed.
5	**Himachal Health Care Scheme (HIMCARE)**	The State is implementing the Himachal Health Care Scheme (HIMCARE) since January 1, 2019, for families not covered under Ayushman Bharat or Government Medical Reimbursement. The scheme provides cashless treatment up to ₹5 lakh per family per year. Since inception, 4.39 lakh families have been registered and 1.04 lakh beneficiaries have availed treatment amounting to ₹142.18 crore.
6	**Ayushman Bharat-Pradhan Mantri Jan ArogyaYojana (PMJAY)**	Ayushman Bharat–Pradhan Mantri Jan Arogya Yojana, launched on September 23, 2018, provides health insurance coverage of ₹5 lakh per family per year. In Himachal Pradesh, about 5.32 lakh eligible families have been selected, and 72,839 beneficiaries have availed cashless treatment amounting to ₹106.74 crore since inception.

7	**Mukhya Mantri Chikitsa Sahayta Kosh**	The Mukhya Mantri Chikitsa Sahayta Kosh, launched on October 20, 2018, provides financial assistance to needy patients with critical illnesses. Since inception, 993 beneficiaries have received assistance amounting to ₹5.24 crore.
8	**Mukhya Mantri Sahara Yojana**	The State Government is implementing the Mukhya Mantri Sahara Yojna since July 15, 2019, to provide financial assistance of ₹3,000 per month to patients suffering from specified diseases or incapacitating ailments. At present, 34,709 beneficiaries are registered under the scheme.
9	**National Programme for Prevention and Control of Cancer, Diabetes and Stroke**	Under NP-NCD, about 16 lakh persons above 30 years were screened up to December 2025, with 3.2 lakh hypertension and 2 lakh diabetes patients placed on treatment. Of the 18 proposed Day Care Chemotherapy Centres, 11 are functional across the State. To support children with Type-1 diabetes, 33 free insulin pumps have been installed, with 16 more approved at Dr. RPGMC, Tanda.
10	**Menstrual Hygiene Programme under Rastriya Kishor Swasthya Karyakram.**	Under the Menstrual Hygiene Scheme, sanitary napkins are provided to all adolescent girls. During FY 2025–26, 59,81,472 sanitary napkins were supplied to Block Medical Officers for distribution in government and private schools.
11	**Pradhan Mantri National Dialysis Programma (PMNDP)**	Currently, 24 dialysis units are operational under NHM in Himachal Pradesh—22 by Hans Foundation and 2 by Rahi Care. By November 2025, 48,048 dialysis sessions were conducted for 6,151 patients. For 2025–26, ₹27.44 crore has been sanctioned to establish 49 new dialysis centres, with work initiated in 29 centres.
12	**National Tobacco Control Programme (NTCP)**	The National Tobacco Control Programme (NTCP) is operational across all districts, promoting tobacco- and drug-free spaces, especially in schools. By December 2025, 9,677 educational institutions and 387 Gram Panchayats were declared tobacco and drug-free. Enforcement included 610 drives, resulting in 11,466 challans and ₹11.99 lakh in fines, alongside extensive IEC activities.

13	**Kayakalp**	To promote hygiene, sanitation, and infection control in public health facilities, 51 Health Care Facilities received I, II and III awards and 594 commendation awards were given in FY 2024–25. In FY 2025–26, 50 peer assessments were completed and results are under compilation.
14	**Janani Suraksha Yojana PLUS**	Janani Suraksha Yojana (JSY) promotes institutional deliveries by providing incentives to BPL/SC/ST women. An incentive of ₹1,100 is given for institutional delivery and ₹500 for home delivery to BPL beneficiaries. During FY 2025–26 (April–November), 4,359 women benefited under the scheme.
15	**Janani Shishu Suraksha Karyakaram (JSSK)**	Janani Shishu Suraksha Karyakram (JSSK) provides free services to pregnant women and sick infants up to one year, including drugs, diagnostics, blood, transport, food and user-charge exemptions at public health facilities. During FY 2025–26 (April–November), 49,607 women benefited under the scheme.
16	**Pradhan Mantri Surakshit Matriav Abiyan (PMSMA)**	Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA) provides fixed-day quality antenatal care on the 9th of every month for women in their 2nd and 3rd trimester. During FY 2025–26 (April–November), 64,862 women benefited under the scheme.
17	**Atal Ashirwad Yojana**	The Atal Ashirwad Yojna, launched in 2018, provides baby care kits to mothers of all newborns in government and private health institutions. Around one lakh institutional deliveries occur annually, with kits worth about ₹1,500 each. Up to November 30, 2025, 3,58,136 kits have been distributed in the State.
18	**National Acquired Immuno deficiency Syndrome (AIDS) Control Programme**	During FY 2025–26 (up to December), 2.88 lakh persons were screened and 728 HIV-positive cases were detected. State has 55 ICTCs, 20 STI/RTI clinics, 18 blood banks, and 7 Anti retroviral Therapy (ART) centres with 2 Frequency Actuated Rectal Tremor (F-ART) and 5 Link Anti retroviral Therapy (ART) centres providing free treatment. Targeted interventions covered 33,630 beneficiaries during the period.

14.2 Medical Education and Research

Currently, the Directorate of Medical Education and Research (DME) regulates six medical colleges, one dental college, one Atal Medical and Research University, and one Atal Institute of Medical Super Specialties in the public sector, as well as one medical college and four dental colleges in the private sector. Under the Pradhan Mantri Swathya Suraksha Yojana (PMSSY), All India Institute of Medical Sciences (AIIMS) has been established in Himachal Pradesh at Bilaspur.

Table 14.4

Institution wise Budgetary Allocation and Expenditure (year 2025-26)

(₹in crore)

Name of Institution	Allocation	Expenditure
1. Directorate of Medical Education and Research H.P.	2.40	2.05
2. Indira Gandhi Medical College (IGMC) and Associate Hospitals	268.49	226.14
3. Himachal Pradesh Government Dental College (HPGDC)	26.63	22.27
4. Dr. Rajinder Prashad Government Medical College (Dr. RPGMC), Tanda	267.72	239.35
5. Dr. Yashwant Singh Parmar Government Medical College (Dr. YSPGMC) Nahan	65.92	55.50
6. Pt. Jawahar Lal Nehru Government Medical College (Pt. JLNGMC), Chamba	51.67	41.63
7. Dr. Radha Krishnan Government Medical College (Dr. RK GMC), Hamirpur	143.49	130.01
8. Sh. Lal Bahadur Shastri Government Medical College (SLBSGMC), Nerchowk, Mandi	127.83	109.67
9. Atal Medical and Research University, Mandi at Nerchowk	0.59	0.01
10. Atal Institute of Medical Super Specialties Shimla at Chamiana	86.87	79.85

Source: Directorate of Medical Education and Research, Himachal Pradesh

14.2.1 Academic Achievements

Academic achievements in Medical Education and Research areas follow:

i. **Bachelor of Medicines and Bachelor of Surgery (MBBS) and Post Graduate (PG):** During the academic session 2024-25, 870 MBBS seats were filled in the Government and Private Sector (720 in Government and 150 in

Private Sector). Similarly, 371 postgraduate Doctor of Medicine / Master of Surgeon (MD/MS) seats in various specialties were allotted in Government (279 seats) and Private Medical Colleges (92 seats).

ii. **Bachelor of Dental Surgery (BDS) and Master of Dental Surgery (MDS):** 295 Bachelor of Dental Surgery (BDS) seats were filled in Government and private sector (75 in Government Dental College and 220 in the private sector). Similarly, 100 Master of Dental Surgery (MDS) seats were filled in both the Government and Private sectors (23 in Government Dental College and 77 in private Dental Colleges) during Academic Session 2025-26.

iii **Nursing:** During the academic year 2025-26, 1,730 seats for the General Nursing and Midwifery (GNM) course, 2,170 B.Sc. Nursing, 690 Post Basic B.Sc. Nursing and 216 seats for M.Sc. Nursing Degree courses have been approved in various Government and Private institutions.

iv **Scholarship/Stipend:** At present, stipend is being given to the following categories in the Government Medical Colleges and Dental Colleges of the State.

Sr. No.	Post/Category of Students	Year (if applicable)	Stipend per month/per student /Doctor (₹)
1.	Bachelor of Medicines and Bachelor of Surgery (MBBS) (Intern)	-	20,000
2.	Bachelor of Dental Surgery (BDS) (Intern)	-	17,000
3.	Junior Resident/Tutor General	-	41,000
4.	Senior Resident/Tutor Specialist	First Year	1,00,000
		Second Year	1,00,000
		Third Year	1,00,000
5.	Doctor of Medicine/ Master of surgery (D.M./M.S)	First Year	60,000
		Second Year	62,500
		Third Year	65,000
6.	Post Graduate M.D./M.S. and DNB	First Year	40,000
		Second Year	45,000
		Third Year	50,000

v **Super Specialty Courses:** During 2025-26, 7 seats in super speciality courses were filled up in different specialties in Indira Gandhi Medical College (IGMC) and Hospital Shimla and 6 seats were allotted to Dr. Rajinder

Prashad Government Medical College (Dr. RPGMC) and Hospital, Kangra at Tanda under DNB super specialty courses in Neurology (2 seats), Cardiology (2 seats) and Gastro (2 seats).

vi **Diplomate of National Board courses:** During the academic session 2025-26, 43 post MBBS DNB seats and 14 post DNB diploma seats were existing in different Government Medical Collages of the State.

The Institution wise major achievements/activities upto December, 2025 are given in Table 14.5

Table 14.5

Institution wise major activities

Institution	Facilities Developed
Indira Gandhi Medical College (IGMC), Shimla	**Infrastructure Development (IGMC Shimla)** • Construction of UG Boys' and Girls' Hostels approved with an outlay of ₹50.14 crore; work in progress. • Construction of two lifts connecting the Principal Office to the New OPD Block underway; completion expected by March 2026. • Three lecture theatres and one examination hall approved at a cost of ₹5.74 crore; construction ongoing in the multi-storey parking building. • NELS Skill Lab being established with MoH&FW support of ₹1.10 crore; site identified and estimates under preparation. • Separate block for Nuclear Medicine and Medical Oncology approved with an outlay of ₹45.68 crore; civil works expected to be completed by February 2026. • Robotic Surgery facility approved at a cost of ₹28.44 crore; operations expected to begin in 2026–27. • Shifting of 50-bedded OBG Department from KNSHM&C to IGMC Shimla underway; space identified and equipment proposals submitted. **Machinery and Equipment** • CT Simulator costing ₹8.71crore installed and operational, improving precision in cancer treatment planning. • High Energy Linear Accelerator (LINAC) costing ₹28.00 crore installed; commissioning tests underway; first true-beam LINAC in the State. • PET-CT machine installed and tested; AERB license under process; expected to be functional by February 2026.

	• 3-Tesla MRI machine installed; power and infrastructure works ongoing; expected to be operational by February 2026.
Dr. Rajinder Prashad Government Medical College (Dr. RPGMC), Tanda	**Infrastructure and Institutional Development** • Centre of Excellence in Mental Health constructed at a cost of ₹35.39 crore; OPD services operational since March 2025. • 200-bedded Sh. G.S. Bali Mother & Child Hospital constructed at a cost of ₹44.77 crore; ground floor functional; full completion expected by March 2026. • Lecture Theatre Complex under EWS Scheme under construction at a cost of ₹14.14 crore; about 30 per cent work completed. • Staff quarters under construction: – 16 Type-V quarters costing ₹12.26 crore; 80 per cent completed. – 8 Type-IV quarters costing ₹3.37 crore; 80 per cent completed. • 50-bedded Critical Care Block constructed at a cost of ₹19.86 crore; about 95 per cent work completed. **Nursing Education** • Nursing School constructed through HPPWD with administrative approval of ₹1,9.69 crore, ₹17.86 crore released, civil works completed and electrical works pending. • The Nursing School has been upgraded to College of Nursing. **Medical Equipment and Advanced Facilities** • ₹15.82 crore released for PET-CT at Dr. RPGMC, Tanda, and ₹23.50 crore released for procurement of a 3.0 Tesla MRI machine; installation expected by April 2026. • Establishment of a Hi-Tech Testing Laboratory approved at a cost of ₹25.00 crore through Medical Corporation, H.P. • Over 35 robotic surgeries successfully performed by December 2025, enhancing access to advanced surgical care. **Patient Care and Support Services** • Additional 25 KL Liquid Medical Oxygen tank installed to strengthen oxygen availability and emergency preparedness. • Free diagnostic services provided during FY 2025–26 (April–December), with expenditure of ₹3.93 crore.

	• Free treatment provided to beneficiaries under PMJAY, HIMCARE, and Samman Yojana during FY 2025–26 (April–December).
Pt. Jawahar Lal Nehru Government Medical College (Pt. JLNGMC), Chamba	• **Infrastructure an Expansion:** Phase-I completed with a 200-bedded hospital, 8 clinical departments, 300 MBBS hostels, Nursing hostel, 36 Type-III and 24 Type-IV staff quarters, diagnostics, and BMW facility. Phase-II approved at ₹193.81 crore, with ₹18.98 crore released for senior residents' accommodation; academic block and interns' hostels proposed. • **Diagnostics and Procedures (2025):** 6,185 dialysis sessions; 1,07,367 X-rays; 17,904 ultrasounds; 2,726 CT scans; 51 MRIs; over 5.51 lakh laboratory tests (Biochemistry 4,39,621, Microbiology 15,365, Clinical Pathology 95,575). • Clinical Services: 2,854 major and 8,041 minor surgeries; 3,131 normal deliveries and 744 C-sections; 24×7 central laboratory services. • **Social Protection Coverage (2025):** 633 beneficiaries under HIMCARE, 242 under Ayushman Bharat, and 16 under ESIC; free drugs, diagnostics, and JSSK benefits ensured. • Clinical Excellence: Advanced orthopedic procedures (spine, pelvic-ace tabular, revision hip, B/L TKR), ECHO services, Diabetic OPD; insulin pumps provided to 5 children with Type-1 diabetes.
Dr. Radhakrishan Govt. Medical College and Hospital Hamirpur	• Dr. Radhakrishnan Government Medical College and Hospital, Hamirpur has emerged as a major hub for tertiary healthcare and medical education in the State. • The project has a total outlay of ₹376.30 crore, including ₹170.10 crore support from the Government of India. • Phase-I academic block and 240-bedded hospital constructed on 6.56 hectares and completed, with modern teaching facilities, laboratories, lecture theatres, MRI, CT scan, ICUs, trauma care centre, and seven operation theatres. • Installation of furniture and equipment underway. • Final approval obtained for diversion of 15.53 hectares of forest land for Phase-II expansion. • Major upcoming infrastructure includes a State Cancer Institute (₹140.73 crore), auditorium (₹36.90 crore), nursing college, hostels, administrative block, hi-tech laboratory, and staff residences.

	• These initiatives are expected to significantly strengthen tertiary healthcare delivery, specialist services, and medical education capacity in Hamirpur and surrounding regions.
Sh. Lal Bahadur Shastri Government Medical College (SLBSGMC), Mandi	• The institution has strengthened clinical training infrastructure through the establishment of three fully functional skill laboratories. A modern OBG and Gynae Skill Lab has been set up under a tripartite agreement with Johnson and Johnson at a cost of ₹25 lakh, enhancing hands-on training and procedural competencies. In addition, a Skill Lab and Comprehensive Midwifery Led Care Unit (CMLC) costing ₹10 lakh has been established in the OBG department, while a State Midwifery Training Institute (SMTI) Skill Lab costing ₹10 lakh has been made operational in the Nursing College. • In the Financial Year 2024-25 budget allocated amounting ₹23.50 Crore out of which payment amounting to ₹ 21.57 Crore has been disbursed to the HITES in the month of March, 2025 and ₹ 1.96 crore paid to above firm during FY 2025-26 and to supply the machine.
Himachal Pradesh Government Dental College and Hospital Shimla	The institution has strengthened its academic and clinical infrastructure through targeted procurement of modern machinery and medical equipment. This includes Electronic Lectern LCD and Interactive Panel for smart classrooms (₹3.78 lakh), student microscopes for Oral Pathology and Microbiology (₹2.15 lakh), cylindrical autoclave for OT (₹1.78 lakh), six dental chairs for Oral Medicine and Radiology (₹19.22 lakh), defibrillator for OT (₹4.63 lakh), physio dispensor (₹1.40 lakh), dental implant kits (₹1.60 lakh), dental instruments across departments (₹9.54 lakh), and mobile digital radiography machine for OMR (₹17.41 lakh)
Atal Institute of Medical Super Specialties Shimla at Chamiana	**Construction works:** The Critical Care Block (₹23.75 crore) is targeted for completion by March 2026, while the Additional Block (₹43.50 crore) is expected to be completed by June 2026, with hostel facilities proposed in the attic floors of both buildings. Administrative approval of ₹10.93 crore and expenditure sanction of ₹1.00 crore have been accorded for attic floor construction, with funds released to HSCC India Ltd. Procurement of medical equipment is being undertaken concurrently to ensure synchronization with civil works.

	• **Machinery and Equipment's:** This Institution intends to procure the Machinery and equipment in its various departments to cater the need of patients out of which some machines have already been installed and fully functional and 3 Tesla MRI machine is likely to be installed in the institute within six months. **Robotic Surgery Facility:-** 100 Plus robotic surgeries have been completed successfully by December, 2025.

Major Achievements

1. Health indicators improved significantly, with the Infant Mortality Rate reduced to 14, well below the national value of 25, and life expectancy rising to 73.5 years, compared to 70 years nationally.
2. High TB detection and control performance, achieving 97.5 per cent TB case notification, diagnosing 14,369 patients in 2025, and completing 98 per cent universal Drug Susceptibility Testing.
3. Advanced medical technology expanded, including installation of PET-CT, 3-Tesla MRI, LINAC, and CT Simulator; over 100 robotic surgeries completed at Chamiana and 35+ at Tanda by 2025.
4. Strong maternal and child health outcomes, benefiting 49,607 pregnant women under JSSK and distributing 3,58,136 baby kits under the Atal Ashirwad scheme.
5. Financial protection strengthened, with 1.04 lakh beneficiaries receiving treatment worth ₹142.18 crore under HIMCARE and 72,839 beneficiaries availing ₹106.74 crore under PM-JAY.
6. AYUSH services expanded, with 1,252 AYUSH institutions, including 33 Ayurvedic hospitals and 740 wellness centres, and Panchkarma training capacity increased to 256 trainees per year.
7. High SDG-3 performance, achieving an SDG-3 Index Score of 83, surpassing the national average of 77, and showing strong outcomes in life expectancy, TB control and HIV incidence.

14.3 Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy (AYUSH)

This department includes the Ayurveda, Yoga, Unani, Siddha and

Homoeopathy systems of medicines. Health care services being provided to the general public through AYUSH health infrastructure are given in Table 14.6:

Table 14.6

Availability of AYUSH Health Infrastructure in Himachal Pradesh

Sr. No.	Institution	Numbers (upto December, 2025)
1	Post Graduate (PG) Ayurvedic College	1
2	College of Pharmaceutical Science	1
3	Regional Hospitals	2
4	Ayurvedic Hospitals	33
5	Nature Cure Hospital	1
6	Ayurvedic Health Centres	445
7	AYUSH Health and Wellness Centres	740
8	Research Institute in Indian System of Medicines/Harbal Gardens	4
9	Drug Testing Laboratory	1
10	Unani Health Centers	3
11	Homoeopathic Health Centers	14
12	Amchi clinics	4
13	Ayurvedic Pharmacies	3
	Total	**1252**

14.3.1 Formation of HIMOSHDHAM Society

In FY 2025–26, AYUSH Vibhag formed HIMOSHDHAM Society by integrating three Government Ayurvedic Pharmacies to improve operational efficiency, modernize infrastructure, and strengthen institutional capacity. The initiative promotes cultivation of medicinal plants by farmers through coordination with the State Medicinal Plant Board, ensuring assured procurement and value addition through local manufacturing of Ayurvedic medicines.

14.3.2 Boosting Wellness Tourism in the State

To strengthen the State's wellness ecosystem, AYUSH Vibhag has expanded the Panchkarma Technician training programme by increasing intake capacity at existing institutions and introducing the course in 12 additional hospitals, raising total annual intake to 256 trainees.

14.3.3 AYUSH Aarogya Kalyan Nidhi

A new initiative has been taken to provide financial assistance to Ayurvedic Health Centres (AHC's) situated all over the state through creation of AYUSH Aarogya Kalyan Nidhi to meet their small requirements.

14.4 Performance of Himachal Pradesh on SDG-3 (Health) Indicators: An Analysis

Performance of Himachal Pradesh and India on key indicators under Sustainable Development Goal-3 (SDG-3), which aims to ensure healthy lives and promote well-being for all at all ages. The indicators cover critical dimensions of maternal and child health, communicable diseases, life expectancy, injury-related mortality, institutional deliveries, health infrastructure, and overall health outcomes, benchmarked against national targets. A comparative assessment reveals that Himachal Pradesh performs better than the national average on several parameters, particularly maternal mortality, life expectancy, immunization coverage, HIV prevalence and overall (SDG-3) Index Score, indicating relatively stronger health outcomes and service delivery. However, gaps remain in achieving universal targets, especially in areas such as child immunization, road traffic accident deaths, and suicide rates, highlighting the need for sustained policy focus and health system strengthening to meet SDG benchmarks. Indicators wise analysis as follow:

Table 14.7

Himachal Pradesh vs India vs Target: SDG-3 Health Indicators

State	Himachal Pradesh	India	Target
Maternal Mortality Ratio (per 100000 live births)	Null	97.00	79.00
Under Five Morality Rate (per 1000 live births)	24.00	32.00	25.00
% of Children in the age group 9-11 months fully immunized	84.87	93.23	100.00
Tuberculosis case notification against target in per cent	97.51	87.13	100.00
HIV Incidence per 1000 uninfected population	0.02	9.05	8.00
Life Expectancy	73.50	70.00	76.63
Suicide Rate (per 100000 population)	8.70	12.40	3.50
Death rate due to road traffic accidents (per 100000 population)	13.15	12.40	5.81
% of institutional deliveries out of the total deliveries reported	95.45	97.15	100.00
Monthly per capita out of pocket expenditure on health as a share of Monthly per capita consumption Expenditure (MPCE)	14.40	13.00	7.83

Health worker density per 10000 population	84.73	49.45	44.50
SDG 3 Index Score	83.00	77.00	100.00

Source: SDG India Index 2023-24

14.4.1 Comparative Performance of States on SDG Index

Among the selected States, Gujarat has emerged as the top performer with an SDG Index Score of 90, reflecting strong progress across multiple Sustainable Development Goals. Maharashtra and Uttarakhand follow jointly with a score of 84, indicating consistent advancement and relatively better outcomes compared to most States.

Himachal Pradesh, with an SDG Index Score of 83, ranks close to Maharashtra and Uttarakhand and performs significantly above the national average of 77. The State's performance highlights steady progress towards achieving SDG targets, particularly in social sector outcomes, though marginal improvements are required to match the leading States.

Overall, the comparison indicates that Himachal Pradesh remains among the better-performing States in the country in terms of SDG achievement.

14.5 Programme and Scheme Performance

A. Disease Control and Public Health

Programme	Latest Achievement (2025)	Evidence of Impact
NTEP (TB)	14,369 patients diagnosed; 98% DST; ₹1,095.60 crore DBT	High notification, universal testing
Vector Borne Disease	2.92 lakh slides tested; 27 positive; Zero malaria deaths	Effective surveillance
Leprosy	Prevalence reduced to 0.14/10,000	Sustained elimination status
Blindness Control	32,455 cataract surgeries	Expanded surgical outreach
AIDS Control	2.88 lakh screened; 728 positive	Active detection and ART coverage

B. Financial Protection Schemes

Scheme	Coverage	Financial Outlay	Beneficiaries
HIMCARE	₹5 lakh per family	₹142.18 crore	1.04 lakh treated
PMJAY	₹5 lakh per family	₹106.74 crore	72,839 treated

MM Chikitsa Sahayta	Critical illness support	₹5.24 crore	993
MM Sahara Yojana	₹3,000/month support	Ongoing	34,709 registered

C. NCD and Chronic Care Response

- 16 lakh screened (30+ age group).
- 3.2 lakh hypertension patients on treatment.
- 2 lakh diabetes patients on treatment.
- 11 functional Day Care Chemotherapy Centres.
- 33 free insulin pumps installed (Type-1 diabetes).
- 24 dialysis units operational; 49 new centres approved (₹27.44 crore).

D. Maternal and Child Health

- 4,359 women under JSY (2025-26).
- 49,607 women benefited under JSSK.
- 64,862 women under PMSMA.
- 3,58,136 Atal Ashirwad kits distributed.
- IMR reduced to 14 (well below national average).

E. AYUSH Expansion

- 1 PG Ayurvedic College, 33 Ayurvedic Hospitals.
- 740 AYUSH Health and Wellness Centres.
- HIMOSHDHAM Society formed for medicinal plant value chain.
- Panchkarma training intake increased to 256 trainees annually.

14.6 Main Issues and Challenges

A. State-level Issues and Challenges (Evidence-Based)

Issue/Challenge	Evidence	Implication
Rising NCD burden alongside population ageing	Non-communicable diseases (diabetes, hypertension, cancer, mental health) are rising; ageing population identified as a primary challenge.	Increased demand for chronic disease management, long-term care, and geriatric services; higher system costs and need for continuous follow-up.
Geographical and terrain constraints affecting access	Remote, tribal, high-altitude areas face accessibility barriers; workforce retention and emergency response	Service delays, higher operational costs, referral bottlenecks, and unequal access to advanced diagnostics and specialists.

	remain difficult due to geography and weather disruptions.	
Human resource shortages and maldistribution	Despite education capacity expansion, rural/remote facilities still lack specialists, trained nurses, and technical staff.	Quality and continuity of care suffer; longer wait times; overburdened urban centers; retention requires targeted incentives.
Financial sustainability pressures and high out-of-pocket (OOP) share	Health spending pressures rising; OOP as share of MPCE at 14.4 per cent vs target 7.83 per cent.	Risk of financial hardship for households; need to expand free diagnostics/medicines and strengthen public facilities.
Mental health needs outpacing current service integration	Mental health concerns flagged as a major public health challenge requiring stronger policy focus and integration into primary care	Unmet need, higher disability burden, and productivity losses unless community-level services and referrals are scaled.
High road traffic accident mortality and emergency care gaps	Road traffic accident death rate 13.15 per 100,000 vs target 5.81; call to strengthen emergency trauma care and district critical care.	Preventable deaths and disabilities; necessity for trauma systems, pre-hospital care, and critical care capacity.
Digital health systems and data integration still evolving	Integration of electronic records, telemedicine, and data-driven decision-making "still evolving" and requires further strengthening.	Limited real-time surveillance, fragmented care continuity, and slower service delivery improvements without robust digital adoption.

14.7 Way Forward

The future strategy for the health sector should prioritize strengthening primary healthcare and preventive services through Health and Wellness Centres, community-based screening and lifestyle modification programmes. Early detection and management of non-communicable diseases must be scaled up through population-level screening, digital health monitoring and community outreach. Expansion of telemedicine and mobile diagnostic services will help bridge geographical barriers and improve access in remote areas. Strengthening mental health services and integrating

them into primary care will be critical for addressing emerging psychosocial health challenges.

Reducing out-of-pocket expenditure must remain a priority through expanded insurance coverage, free diagnostics and medicines and strengthened public sector hospitals. Continued investment in medical education, specialist training and skill development will help address workforce shortages. Incentive-based posting policies, housing and career growth opportunities can improve retention in remote regions. The State should also strengthen emergency trauma care systems, especially for road traffic accidents and improve district-level critical care capacity.

Technology-driven healthcare transformation will be essential, including electronic health records, AI-enabled disease surveillance and integrated health data platforms. AYUSH integration, wellness tourism and preventive health promotion can support long-term population health and generate economic opportunities. A people-centric, preventive and financially protective healthcare system, combined with strong governance and community participation, will help the State sustain its leadership in health outcomes while preparing for future demographic and epidemiological transitions.

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CHAPTER 15

SOCIAL WELFARE

Executive Summary

S. No.	Key Point	Summary
1	**Expansion of Social Security Pensions**	Social Security Pension coverage expanded significantly with 5.04 lakh elderly, widows, single women, PwDs and transgender persons receiving monthly pensions, supported by an allocation of over ₹800 crore.
2	**Women's Economic Empowerment**	The Indira Gandhi Pyari Behna Sukh Samman Nidhi provides ₹1,500 per month to women, benefiting 35,687 recipients, along with support through SHGs, skill development and marriage assistance schemes.
3	**Child Development and Nutrition**	Programmes such as Anganwadi Services, POSHAN Abhiyaan, Mission Vatsalya, and the Supplementary Nutrition Programme support children, adolescent girls and mothers, benefiting 2.7 lakh children and thousands of pregnant/lactating women.
4	**Scheduled Caste Development Plan (SCDP)**	25.19 per cent of the State Development Plan is earmarked for SCDP, with an expenditure of ₹1,228.21 crore up to December 2025, focusing on individual beneficiaries and area development.
5	**Tribal Area Development**	A provision of ₹638.73 crore was made under the Tribal Area Development Programme for 2025–26, supporting infrastructure and welfare initiatives in tribal districts.
6	**Disability Inclusion and Support**	Multiple schemes provide scholarships, rehabilitation services, UDID cards, marriage incentives and institutional support for persons with disabilities, ensuring social and economic inclusion.
7	**Support for Vulnerable Women and Children**	Schemes like State Home Mashobra, One-Stop Centres, Mukhya Mantri Sukh-Ashray, and Mission Vatsalya provide protection, care, education and financial assistance to widows, orphans and victims of abuse.
8	**Self-Employment and Livelihood Promotion**	Development corporations (SC/ST/OBC/Minorities) provide term loans, business loans and skill-training support, benefiting thousands under various self-employment schemes up to December 2025.

15.1 Introduction

Inclusive and sustainable development requires focused attention on the welfare and empowerment of socially and economically vulnerable sections of society. Government of Himachal Pradesh accords high priority to the advancement of women, children and other disadvantaged groups through a comprehensive framework of social welfare interventions. These initiatives are aimed at ensuring social justice, reducing inequalities, strengthening human capital and enabling equitable access to opportunities across the State.

This chapter presents an overview of the policies, programmes and institutional mechanisms implemented for the welfare of women and children, along with other marginalized sections. It highlights the State's efforts to promote social protection, nutritional security, health, education and economic empowerment through both State-specific initiatives and Centrally Sponsored Schemes. The chapter also underscores the role of effective governance, convergence and targeted interventions in translating welfare measures into meaningful improvements in the quality of life of intended beneficiaries.

15.2 Social Welfare of the Society

The responsibility for empowerment of underprivileged marginalized sections rests with the Directorate for Empowerment of Scheduled Castes, Other Backward Classes, Minorities Affairs and the Specially Abled (ESOMSA). This Department implements a range of programmes aimed at improving the socio-economic conditions of these groups facilitating their integration into the mainstream of society. The focus of these initiatives is on social, educational, and economic development, which has contributed significantly to improving the overall well-being of the target population.

Social protection plays a vital role in addressing extreme deprivation, risks vulnerabilities, as economic growth and market forces alone are insufficient to eliminate inequality. In addition to mitigating risks arising from illness, old age, unemployment and social exclusion, social protection programmes provide income support to the economically weaker sections. Multiple social security pension schemes are being implemented to enhance the overall welfare of the population.

Details of the Social Security Pension Schemes implemented in the State are summarised below in table 15.1:

Table 15.1

Social Security Pension Schemes of the State

Scheme	Eligibility / Budget Provision	₹ Amount per Month
Old Age Pension	• No income bar, except if the person or spouse is a taxpayer or receiving any Government pension. • Males aged 60–69 years; • females aged 60–69 years. • Persons aged 70 years and above. • Expenditure: ₹622.24 crore up to Dec 2025; Budget Provision: ₹854.98 crore ; Beneficiaries: 5,04,253	₹1,000 ₹1,500 ₹1,700
Special Disability Relief Allowance	• Persons with 40–69 per cent disability (Male) • Persons with 40–69 per cent disability (Female) • Persons with above 70 per cent disability without income criteria. • Expenditure: ₹98.57 crore; Budget Provision: ₹118.59 crore; Beneficiaries: 78,291	₹1,150 ₹1,500 ₹1,700
Widow / Deserted / Ekal Nari Pension	• Females up to 69 years; • Females aged 70 years and above. • Expenditure: ₹168.73 crore; Budget Provision: ₹218.97 crore; Beneficiaries: 1,26,808	₹1,500 ₹1,700
Rehabilitation Allowance to Lepers	• Male leprosy patients up to 69 years; • Females up to 69 years. • All patients aged 70 years and above. • Expenditure: ₹1.13 crore; Budget Provision: ₹1.86 crore; Beneficiaries: 1,021	₹1,000 ₹1,500 ₹1,700
Transgender Pension	• Transgender up to 69 years • Transgender aged 70 years and above • Expenditure: ₹1.23 lakh; Budget Provision: ₹9.00 lakh; Beneficiaries: 50	₹1,000 ₹1,700
Indira Gandhi National Old Age Pension (BPL)	• Persons(Male) aged 60–69 years belonging to BPL households. • Females aged 60–69 years in BPL households. • Persons aged 70 years and above belonging to BPL households.	₹1,000 ₹1,500 ₹1,700

	• Expenditure: ₹31.86 crore; Budget Provision: ₹44.10 crore; Beneficiaries: 1,04,740	
Indira Gandhi National Widow Pension	• Widows aged 40–69 years in BPL households. • Widows aged 70 years and above in BPL households. • Expenditure: ₹7.19 crore; Budget Provision: ₹9.85 crore; Beneficiaries: 25,414	₹1,500 ₹1,700
Indira Gandhi National Specially Disabled Pension	• Divyangjans with ≥80 per cent disability in BPL households. • Expenditure: ₹37.19 lakh; Budget Provision: ₹53.00 lakh; Beneficiaries: 1,340	₹1,700

15.2.1 National Family Benefit Scheme

Under the National Family Benefit Scheme, financial assistance of ₹20,000 is provided to Below Poverty Line (BPL) households in the unfortunate event of the death of the primary breadwinner aged between 18 to 59 years. As of December 2025, financial assistance amounting to ₹102.40 lakh has been disbursed to 512 beneficiary households.

15.2.2 Indira Gandhi Pyari Behna Sukh Samman Nidhi Yojna

Women constitute about 49 per cent of the population of Himachal Pradesh. Owing to the State's difficult terrain and scattered habitations, women play a crucial role not only in household management but also in sustaining the family economy. Recognizing their contribution to the development of the State and preservation of its cultural heritage, the Government has introduced targeted measures to promote women's economic empowerment and self-reliance.

The Indira Gandhi Pyari Behna Sukh Samman Nidhi Yojna, 2024, has been launched to provide financial support of ₹1,500 per month to eligible women in the State. A budget provision of ₹200.00 crore has been made for the scheme. Till December 2025, 35,687 women have benefited under the scheme, with an expenditure of ₹742.21 crore.

Progress achieved up to December 2025 is outlined below:

- Women benefited under the scheme

35,687

- Expenditure made to this scheme (December, 2025)

₹742.21 crore

15.2.3 Self-Employment Schemes

To promote self-employment entrepreneurship among disadvantaged sections, the State Government supports three Corporations, namely the Himachal Pradesh Scheduled Castes and Scheduled Tribes Development Corporation (HPSC&STDC), Himachal Pradesh Backward Classes Finance Development Corporation (HPBCF&DC) and Himachal Pradesh Minorities Finance Development Corporation (HPMF&DC). These Corporations provide financial assistance through various loan-based schemes to eligible beneficiaries belonging to SCs, STs, OBCs, minorities and persons with disabilities.

The financial and physical achievements of loans disbursed by these Corporations up to December 2025 are summarised below:

Table 15.2

Performance of Self-Employment Schemes (up to December 2025)

Corporation	Scheme	Target Group	Financial Achievement (₹ lakh)	Physical Achievement (No. of beneficiaries)
HPBCF&DC	Term Loan (Self-employment)	OBCs	448.21	74
HPMF&DC	Small Business Loan	Minorities	573.50	93
		PwDs	187.90	25
	Agriculture Unit	Minorities	0.00	0
		PwDs	33.00	2
	Education Loan	Minorities	19.71	2
	Transport Sector	Minorities	25.00	1
HPSC&STDC	Self-Employment Scheme	SCs/STs	0.00	0

	Hast Shilap Vikas Yojana	SCs/STs	0.00	25
	Interest-Free Study Loan	SCs/STs	3.90	3
	AMSY / MSY / ALRY / Small Business	SCs/STs	262.12	410
	Dalit Varg Vyavasaik Prashikshan Yojana	SCs/STs	0.00	20
	Him Swavlamban Yojana (PM-AJAY)	SCs/STs	729.40	176

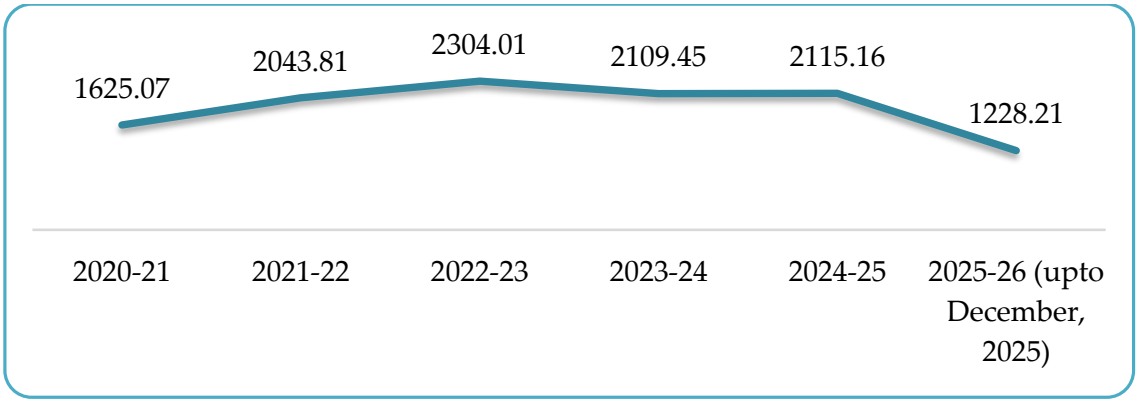
Source: Director ESOMSA

15.2.4 Scheduled Caste Development Plan (SCDP)

In the State Development Plan for 2025–26, 25.19 per cent of the total plan outlay has been earmarked for the Scheduled Caste Development Plan (SCDP). The Plan focuses on individual beneficiary-oriented schemes and infrastructure development in SC-concentrated areas. An outlay of ₹1,829.35 crore has been provided under the State Development Plan, supplemented by an additional ₹1,325.61 crore from the Central Development Budget. As of December 2025, an expenditure of ₹1,228.21 crore had been incurred from the State Development Budget during the financial year 2025–26. The distribution of expenditure under the SCDP from 2020–21 to 2025–26 (up to December 2025) is illustrated in figure 15.1.

Figure 15.1

Expenditure under Scheduled Caste Development Plan (₹ in crore)



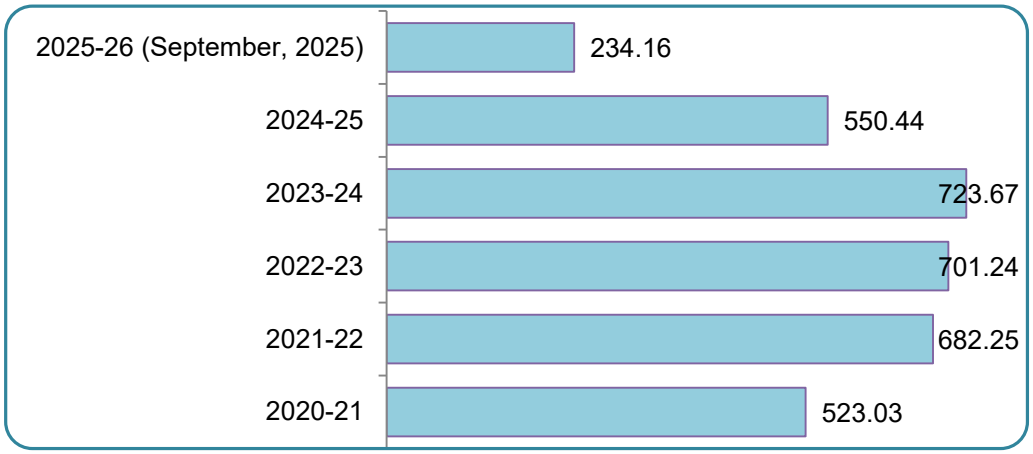
15.2.5 Tribal Area Development Programme

The State continues to accord priority to the development of tribal areas through sustained budgetary support under the Tribal Area Development Programme.

In 2025–26, a provision of ₹638.73 crore has been made and an expenditure of ₹234.16 crore was recorded up to 30th September, 2025.

Figure 15.2

Expenditure under ST/Tribal Development Programme (₹ in crore)



15.2.6 Welfare of Scheduled Castes, Scheduled Tribes Other Backward Classes

During the financial year 2025–26, several important schemes were implemented for the welfare of SCs, STs, OBCs, minorities, senior citizens persons with disabilities. These schemes aim to provide social security, encourage social integration, enhance employability and ensure protection against social economic vulnerabilities.

The major welfare schemes implemented during FY2025–26 are presented below:

Table 15.3

Major Welfare Schemes for SCs, STs, OBCs and Minorities

Scheme	Description Financial Progress
Award for Inter-caste Marriage	An incentive is provided to promote inter-caste marriages. The incentive amount has been enhanced from ₹50,000 to ₹2,00,000 with effect from November, 2025. During FY2025-26, a budget provision of ₹5.10 crore has been made, against which 493 couples have benefited with an expenditure of ₹2.18 crore up to December 2025.
Swaran Jayanti Ashray Yojana (Housing Subsidy)	Under the scheme, a housing subsidy of ₹1.5 Lakh per family is provided to eligible SC, ST and OBC beneficiaries having annual income below ₹50,000 for construction of dwelling units. During FY 2025-26, a budget provision of ₹6.00 crore has

	been made.
Training and Proficiency in Computer Applications and Allied Activities	The scheme provides training in computer application courses such as PGDCA and DCA through empanelled agencies for SC/ST/OBC/Minorities/Divyangjan/Single Women and Widows. The Department bears training cost and provides stipend during training and six-month placement in Government offices.
Follow-up Programme	Financial assistance is provided to SC and OBC beneficiaries having annual income up to ₹50,000 for purchase of tools and equipment. Assistance of ₹1,300 is provided for traditional trades and ₹1,800 for sewing machines. A budget provision of ₹1.18 crore has been made for FY 2025-26.
Compensation to Victims under SC/ST (Prevention of Atrocities) Act, 1989	Victims of atrocities are provided compensation ranging from ₹85,000 to ₹8.25 lakh as per the provisions of the Act. During FY2025-26, a budget provision of ₹3.59 crore has been made, against which ₹2.01 crore has been disbursed to 325 victims up to December, 2025.
Assistance to Civil Service Coaching	One-time financial assistance of ₹30,000 is provided to bonafide Himachali candidates qualifying the Civil Services Preliminary Examination.
Prevention of Drug Abuse	To curb drug abuse, Integrated Rehabilitation Centres for Addicts (IRCAs) are being run in collaboration with NGOs with Grant-in-Aid support from Government of India and State Government. Awareness activities including Nukkad Nataks and campaigns in educational institutions are also undertaken. For FY 2025-26, a demand of ₹14.95 crore has been placed with GoI and an additional grant of ₹0.50 crore has been received for celebration of the 5th anniversary of Nasha Mukt Bharat Abhiyaan (NMBA).
Grant-in-Aid to Voluntary Organizations (Old Age Homes)	Grant-in-Aid is provided to NGOs running Old Age Homes, Day Care Centres and Varishth Nagrik Suvidha Kendras for the welfare of destitute senior citizens. During FY 2025-26, a budget provision of ₹3.00 crore has been made, against which ₹1.61 crore has been utilized up to December 2025.

Table 15.4

Welfare Schemes for Persons with Disabilities (Divyangjans)	
Scholarship to Divyangjans	Scholarship is provided to children with disabilities having 40 per cent and above disability to support education. The rate of scholarship varies from ₹625 to ₹3,750 per month for day scholars and from ₹1,875 to ₹5,000 per month for boarders,

	depending upon the class of study. A budget provision of ₹1.28 crore has been made for FY 2025-26.
Incentive for Marriage to Persons with Disabilities	A one-time incentive grant is provided to encourage marriage with Divyangjans. An amount of ₹25,000 is granted in cases of disability between 40–74 per cent and ₹50,000 in cases of disability of 75 per cent and above. A budget provision of ₹70 lakh has been made for FY2025-26.
Institutions for Children with Special Needs (ICSA)	Three Institutions for Children with Special Needs at Dhalli (Shimla), Dari (Dharamshala) and Sundernagar (Mandi) provide education and vocational rehabilitation services to children with visual, hearing and locomotor impairments. A budget provision of ₹1.96 crore has been made for FY 2025-26.
District Rehabilitation Centres (DRCs)	Two District Rehabilitation Centres functioning at Hamirpur and Dharamshala provide rehabilitation services, counselling and assistive support to persons with disabilities.
Rehabilitation of Mentally ill Cured Persons	Two halfway homes, one for females at Kunihar (District Solan) and one for males at Nagchalla (District Mandi), are functioning through NGOs for rehabilitation and social reintegration of mentally ill cured persons.
Unique Disability ID (UDID) Cards	Under the UDID project, universal disability identity cards are issued to persons with disabilities after medical examination by the competent authority to ensure a uniform and integrated system of disability certification. The project is implemented as a centrally sponsored initiative.
Festival Grant	Festival grant is provided to residents of Special Homes and Old Age Homes and to institutions for the celebration of eight main festivals. A grant of ₹500 per resident is provided, while institutions with capacity up to 25 residents receive ₹5,000 and those with more than 25 residents receive ₹10,000.

Major Achievements

1. **Strengthened Social Security Coverage**

   - Around 5 lakh elderly individuals are receiving social security pensions, ensuring income stability for senior citizens. Expanded pension benefits for widows, single women, persons with disabilities and transgender persons.

2. **Enhanced Support for Women**

   - 35,687 women benefited from the Pyari Behna Sukh Samman scheme, receiving ₹1,500 per month in direct support.

3. **Robust Child Protection and Nutrition Interventions**

   - 4,131 vulnerable children supported under comprehensive care initiatives.
   - 2.7 lakh children received supplementary nutrition, improving early childhood health and nutrition outcomes.

4. **Targeted Development for Marginalized Communities**

   - Over ₹1,200 crore expenditure under the Scheduled Caste Development Plan in FY 2025–26.

5. **Disability Inclusion Initiatives**

   - Scholarships, rehabilitation support, incentive grants, and improved institutional care infrastructure.

6. **Expansion of Women Safety and Welfare Infrastructure**

   - Universal presence of One-Stop Centres in all districts, offering medical, legal, and psychological support.

7. **Economic Empowerment and Self-employment Support**

   - Multiple self-employment schemes benefiting SC, ST, OBC, minorities, and PwDs through term loans, business loans, education loans and skill development.

15.3 Women and Child Welfare

The Government of Himachal Pradesh is implementing a range of initiatives for the welfare, protection and empowerment of women and children to promote inclusive and equitable development across the State. These measures aim to reduce gender disparities, enhance women's economic participation, raise household incomes, and improve health and nutritional outcomes for women and children.

Women's empowerment is being strengthened through Self-Help Groups, social protection programmes, targeted financial assistance for marriage, self-employment, education and rehabilitation. Alongside State initiatives, Centrally Sponsored Schemes such as Anganwadi Services, Supplementary Nutrition Programme, POSHAN Abhiyaan, Mission Shakti, Mission Vatsalya, and the construction and renovation of Anganwadi Centres are being implemented.

To ensure effective implementation and monitoring, the Directorate of Women and Child Development was established in 2011 under the Department of Social Justice and Empowerment.

Women-Centric Schemes

Scheme	Support	Coverage
Pyari Behna Sukh Samman	₹1,500/month	35,687 women
Mukhya Mantri Kanyadaan	₹51,000	182 beneficiaries
Widow Remarriage	₹2 lakh	45 couples
Shagun Yojna	₹31,000	1,118 beneficiaries
Indira Gandhi Sukh Shiksha	Education support	21,588 children

Child Protection and Nutrition

Scheme	Coverage	Data
Mission Vatsalya	Institutional + foster care	1,246 institutional + 3,227 foster
Sukh-Ashray	Orphans, vulnerable children	4,131 covered
Supplementary Nutrition	6 months–6 yrs	2.7 lakh children
POSHAN	Malnutrition reduction	₹30.60 crore utilized
PMMVY	Maternal benefit	72,000+ installments

Table 15.5

Various Schemes of the State for the Welfare of Women, Children and Girl

Schemes	Brief description
State Home cum Protective Home Mashobra	The primary objective of the State Home-cum-Protective Home, Mashobra, is to provide shelter, food, clothing, education, training and rehabilitation support to young widows, deserted women without support, women in moral danger, women admitted under court orders and mentally challenged or disabled women. At present, 16 residents are living in the State Home. For rehabilitation after leaving the Home, financial assistance of up to ₹25,000 per woman is provided. In case of marriage, an assistance of ₹51,000 is granted. During the financial year 2025-26, a budget provision of ₹0.50 crore was made, out of which ₹0.30 crore has been utilized up to December 2025.
One-Stop Centre	One Stop Centre is a Centrally Sponsored Scheme aimed at providing integrated support and assistance to women affected by violence, under one roof. Services include medical aid, legal assistance, psychological counselling and emergency and non-emergency support. At present, One Stop Centres are functional at the headquarters of all districts in Himachal Pradesh, with an additional OSC at Rampur (District Shimla).During FY 2025-26, a budget provision of ₹2.48 crore was made, out of which ₹2.14 crore has been utilized up to December 2025, benefiting 1,127 women.
Saksham Gudiya Board	Saksham Gudiya Board aims to make policy recommendations related to the empowerment, safety and security of the girl child and adolescent girls. It also reviews the implementation of programmes run by various departments for the protection and upliftment of girls.
Mukhya Mantri Sukh-Ashray Yojana	This scheme provides comprehensive care and protection to orphans, semi-orphans, specially-abled, abandoned, surrendered and transgender children, as well as destitute and single women, until they become self-reliant. The scheme was notified on 28th February, 2023 and a corpus of ₹101.00 crore has been established to support higher education and skill development. The corpus also receives

	voluntary donations and CSR contributions. During FY 2025-26 (up to 31st December, 2025), 4,131 children have been covered. A budget provision of ₹35.03 crore was made, out of which ₹25.78 crore has been utilized.
Mission Vatsalya Scheme	Mission Vatsalya (earlier Child Protection Scheme) has been implemented in the State since 17th September,2012 to provide care and protection to Children in Need of Care and Protection (CNCP) and Children in Conflict with Law (CICL). Institutional care is provided through 61 Child Care Institutions, benefiting 1,246 children. Under non-institutional care, 3,227 children are covered under foster care/sponsorship and 117 children under after-care services during 01st April,2025 to 31st December, 2025. During FY2025-26, a budget provision of ₹61.36 crore was made, out of which ₹29.45 crore has been utilized up to December 2025.
Rehabilitation Support to Minor Victims of Rape and Child Abuse and Objectification Background	It restore dignity and self-confidence of minor victims through counselling, financial security, skill up-gradation, rehabilitation and livelihood support. On confirmation of the crime, a monthly assistance of ₹7,500 is provided till the age of 21 years. During FY2025-26, 384 beneficiaries received assistance.
Anganwadi Services	The scheme provides supplementary nutrition, health education, immunization, health check-ups, referral services and pre-school education. From 1st April, 2025, all Anganwadi Centres have been declared "Anganwadi-cum-Pre-School". During FY2025-26, ₹129.62 crore has been utilized up to December 2025.
Supplementary Nutrition Programme and Bal Poshahaar Top-up Yojana	Supplementary nutrition is provided to children (6 months–6 years), pregnant and lactating mothers and severely malnourished children to bridge dietary gaps. During FY2025-26, 2,70,552 children, 63,986 pregnant and lactating mothers and 1,489 severely malnourished children are being benefited. A total budget of ₹71.10 crore (Central) and ₹7.90 crore (State) was provided under SNP and ₹21.00 crore under Bal Poshahaar Top-up Yojana and ₹51.06 crore

	been utilized upto December 2025.
Scheme for Adolescent Girls (SAG)	The SAG scheme is implemented in District Chamba, the aspirational district of the State, to improve the nutritional and health status of adolescent girls (14–18 years). During FY2025-26, 14,943 girls are being benefited. Against a budget provision of ₹4.78 crore, an amount of ₹2.32 crore has been utilized up to December 2025.

Some other State Schemes

Scheme	Objective	FY 2025-26 Budget	Utilization (up to Dec 2025)	Beneficiaries/Details
Mukhya Mantri Kanyadaan Yojna	It provide financial assistance of ₹51000 for the marriage of girls belonging to economically weaker and socially vulnerable families. It seeks to mitigate financial hardship in cases where the father is deceased or incapacitated due to physical or mental disability or prolonged illness.	₹9.39 crore	₹0.93 crore	182
Widow Re-marriage Scheme	It facilitates the social and economic rehabilitation of widows through remarriage. It seeks to provide financial support of ₹2,00,000 to couples opting for widow remarriage to reduce social vulnerability and stigma associated with widowhood.	₹4.67 crore	₹0.91 crore	45
Indira Gandhi Sukh Shiksha Yojna	It aims to ensure uninterrupted education of children of widowed, destitute and abandoned women and disabled parents. The sustained financial and educational support from early childhood (upto age 27 years) through higher and professional education.	₹23.37 crore	₹22.21 crore	21,588

Vishesh Mahila Uthan Yojna	The scheme is to rehabilitate marginalized women, particularly sex workers, through vocational training and skill development. It seeks to enable alternative livelihood opportunities, promote self-reliance and facilitate their social and economic mainstreaming.	-	-	Stipend ₹3,000 per Month, Test Fee ₹800
Beti Bachao Beti Padhao	It aims to prevent gender-biased sex-selective practices and to improve the child sex ratio. It seeks to promote education, safety and empowerment of the girl child through awareness generation, community engagement and behavioural change.	₹1.55 crore	₹1.07 crore	395 camps organized
Beti Hai Anmol Yojna	To change negative societal attitudes towards the girl child and her mother. It seeks to improve enrolment, retention and continuation of girls' education by providing post-birth financial assistance of ₹21,000 and scholarships to eligible families belonging to the BPL category.	₹1.00 crore	₹0.68 crore	319
Mukhya Mantri Shagun Yojna	It provide financial assistance of ₹31000 to girls belonging to Below Poverty Line (BPL) families at the time of marriage in order to reduce the financial burden on economically weaker households.	₹19.47 crore	₹3.47 crore	1,118
Pardhan Mantri Matru Yojna (PMMVY)	It provide partial wage compensation to pregnant and lactating women to enable adequate rest before and after childbirth. It seeks to improve maternal and child health	₹29.84 crore	₹28.04 crore	34,372 (1st child installment), 37,788 (2nd child installment)

	outcomes by encouraging health-seeking behaviour and to promote positive behavioural change towards the girl child through additional incentives.			

15.3.1 POSHAN Abhiyaan

POSHAN Abhiyaan focuses on reducing malnutrition through awareness, behaviour change and community engagement. Activities such as POSHAN Maah, World Breastfeeding Week and community-based events were conducted extensively. During FY 2025-26, against a budget provision of ₹38.67 crore, an amount of ₹30.60 crore has been utilized up to December, 2025.

15.3.2 Vo Din Yojana

Vo Din Yojana focuses on menstrual hygiene management, anemia reduction and care during the first 1,000 days of a child. The scheme is implemented in collaboration with the Health and AYUSH departments.

15.4 Main Issues and Challenges

A. State-Level Issues and Challenges (Evidence-Based)

Issues / Challenges	Evidence	Implications
High dependency on social security pensions	Over 5.04 lakh elderly, 1.26 lakh widows, 78,291 PwDs, 50 transgender persons receiving pensions.	Increasing long-term fiscal burden; need for sustainable livelihoods and reduced dependency.
Growing expenditure on welfare schemes	Social Security Pension expenditure: ₹622.24 crore (till Dec 2025); SCDP expenditure ₹1,228.21 crore.	High pressure on State budget; need to ensure efficiency and outcome-based allocation.
Gaps in child nutrition and early childhood care	2.70 lakh children and 1,489 severely malnourished receiving supplementary nutrition.	Indicates persistent malnutrition; risk of poor learning, health outcomes.
Limited employment/entrepreneurship outcomes despite loans	Many schemes show zero or very low physical achievement (e.g.,	Reduced economic empowerment; underutilization of

	HPSC&STDC Self-Employment Scheme: 0 beneficiaries).	schemes; weak outreach.
Vulnerability among women due to terrain and socio-economic conditions	Women play crucial role due to difficult terrain and scattered habitations.	Increased workload, limited mobility, poor access to services.
Rising drug abuse requiring intervention	Drug de-addiction centres operating due to rising social risks.	Social instability, health issues; need for preventive and rehabilitation measures.
Challenges in implementation and monitoring of multiple schemes	Need for improved digital welfare ecosystem, real-time dashboards, integrated beneficiary data.	Overlaps, leakages, and weak monitoring reduce scheme effect.

B. District-Specific Issues and Challenges

Challenges	Affected Districts	Evidence
Need for expanded One-Stop women support services	All districts; additional centre at Rampur (Shimla)	One-Stop Centres functional in all districts; one additional at Rampur.
Rehabilitation needs for children with special needs	Shimla (Dhalli), Dharamshala, Mandi (Sundernagar)	Institutions for Children with Special Needs operate in these districts.
District-level gaps in tribal area development	Tribal districts under Tribal Area Development Programme	Provision of ₹638.73 crore, with ₹234.16 crore spent indicating implementation gaps.
Higher vulnerability in aspirational district requiring focused adolescent support	Chamba	SAG scheme implemented exclusively in Chamba, benefiting 14,943 girls
Limited district-level rehabilitation services for mentally ill persons	Kunihar, (Solan) Nagchala, (Mandi)	Halfway homes operating only in these two locations.
Drug abuse awareness and rehabilitation gaps	All districts (Statewide IRCA programme)	Awareness campaigns and IRCAs operating with central funding needs.

Over-dependence on Anganwadi infrastructure	All districts	All Anganwadi Centres declared "Anganwadi-cum-Pre-School," requiring upgrades.

15.5 Way Forward

Social welfare strategy in Himachal Pradesh should transition from a scheme-centric approach to an outcome-oriented, technology-enabled and community-driven model. This requires strengthening digital welfare ecosystems through integrated beneficiary databases, real-time monitoring dashboards and optimized direct benefit transfers to improve targeting, transparency and efficiency. Greater convergence is needed through district-level integrated welfare platforms linking health, nutrition, education and social protection services, particularly for women, children and vulnerable households. The focus should increasingly shift from subsidy-based support to sustainable economic empowerment through skill mapping, local value chain development, tourism-linked livelihoods, agro-processing and digital entrepreneurship. Strengthening last-mile delivery in remote and tribal areas through mobile service units, community workers and digital service kiosks will be critical. Preventive social welfare must be expanded by prioritizing early childhood nutrition, adolescent health, mental health services and drug prevention through school and community-based programmes. Further, stronger public-private and community partnerships leveraging NGOs, CSR funding and local institutions can enhance rehabilitation, skill development and awareness initiatives. Finally, institutionalizing evidence-based policy making through third-party impact assessments, social audits and data analytics will enable continuous improvement in programme design and implementation. Together, these measures will help the State move from welfare expansion to sustainable social empowerment, ensuring long-term economic and social resilience for vulnerable populations.

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CHAPTER 16

RURAL DEVELOPMENT AND PANCHAYATI RAJ

Executive Summary

S. No.	Key Point	Summary
1	**Convergence-Based Rural Development**	The State adopted a comprehensive rural development approach integrating livelihoods, infrastructure, water conservation, sanitation and decentralized governance for holistic rural growth.
2	**Livelihood Promotion through SHGs**	Women-led SHGs form the foundation of rural livelihoods, with strong financial inclusion and priority support to single women, widows, elderly and persons with disabilities.
3	**Youth Skilling and Employment**	Over 22,000 rural youth trained since 2017 and 15,000+ placed through DDU-GKY, strengthening employability and income diversification.
4	**Watershed and Springshed Management**	Large-scale watershed works, springshed revival and NRM activities strengthen drinking water security, agriculture sustainability and climate resilience in hill regions.
5	**Rural Sanitation and Waste Management**	Himachal Pradesh achieved ODF status and is progressing toward ODF-Plus through expanded solid and liquid waste management, village-level infrastructure and policy reforms.
6	**Housing and Disaster Support**	Under PMAY-G, thousands of rural houses were constructed with enhanced State support and special provisions for disaster-affected families, improving housing resilience.
7	**Employment Guarantee Expansion**	MGNREGA provides 120 days of wage employment in the State (higher than the national 100 days), ensuring livelihood security and reducing vulnerability.
8	**Social Protection for Vulnerable Groups**	Schemes like Matri-Shakti Bima Yojana offer insurance coverage and financial support to rural BPL women and their families, reducing hardship during crises.
9	**Strengthening Panchayati Raj Institutions**	Major financial devolution under Central and State Finance Commissions, digital governance (e-Parivar), infrastructure support and capacity building have strengthened grassroots democracy.
10	**Outcomes of Integrated Rural Governance**	The State witnessed stronger women-led development, greater rural employment, enhanced ecological sustainability and digitally empowered Panchayats through convergence-based development.

16.1 Introduction

Rural Development encompasses a comprehensive set of interventions aimed at strengthening rural infrastructure, enhancing livelihood opportunities, promoting sanitation and cleanliness, conserving water resources and improving the overall ease of living for rural populations-particularly the poor, marginalized and economically weaker sections of society. This multifaceted transformation is pursued through implementation of various government schemes such as Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM), Deen Dyal Upadhyaya-Grameen Kaushalya Yojana (DDU-GKY), Watershed Development Programme (WDC) Pradhan Mantri Krishi Sinchayi Yojana-2.0 (WDC,PMKSY-2.0), Swachh Bharat Mission–Gramin (SBM-G), Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA), Pradhan Mantri Awaas Yojana-Gramin, (PMAY-G) and Matri-Shakti Bima Yojana (MSBY).

Recognizing the central role of rural communities in sustaining economic progress, the State Government has placed sustained emphasis on their welfare, capacity building and active participation in the development process. This chapter highlights an analytical overview of the policies, programmes and institutional interventions implemented to promote rural development, to strengthen the rural economy and to enhance well-being of rural communities.

Table 16.1

Scheme Summary Table (Integrated View)

Scheme	Core Objective	Key Achievement	FY 2025–26 Financials
DAY-NRLM	Livelihoods	₹19,303 lakh credit linkage	₹750 lakh RF
DDU-GKY	Skill and Placement	15,234 placements	₹29.75 crore exp
WDC-PMKSY	Watershed	1,488 NRM works	₹39.54 crore exp
SBM-G	ODF Plus	15,965 LWM villages	₹29.10 crore exp
MGNREGA	Employment	174.16 lakh person-days	₹934.14 crore exp
PMAY-G	Housing	26,306 houses	₹185.31 crore
MSBY	Social Security	61 beneficiaries	₹1.21 crore
Panchayati Raj	Decentralization	₹343 crore FC grants	₹467.48 crore SFC

16.2 Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM)

Deendayal Antyodaya Yojana-National Rural Livelihood Mission (DAY-NRLM) replaced the Swarnjayanti Gram Swarozgar Yojana (SGSY) in the State with effect from 01st April, 2013. DAY-NRLM seeks to reduce rural poverty by enabling poor and vulnerable households to access diversified livelihood opportunities through self-employment and skilled wage employment. The Mission adopts a community-driven approach, focusing on capacity building, financial inclusion and creation of sustainable livelihood institutions. DAY-NRLM is being implemented in 91 blocks of the State.

16.2.1 The main features of this programme are as under:

- The National Rural Livelihoods Mission's (NRLMs) seeks to cover all poor households by organising them into Self-Help-Groups (SHGs), facilitating access to sustainable livelihood opportunities and providing continuous institutional support until they achieve economic self-reliance, overcome poverty and attain an improved quality of life. The Mission accords special emphasis to women's empowerment, therefore, rural poor Households (HHs) are brought under its ambit primarily through their women members. These women are firstly organized into SHGs and thereafter into Village/Block/District federations in order to assist them.

- The State's own Rural Livelihood Mission is covering all rural poor and poorest of the poor who are selected through the process of Participatory Identification of Poor, (PIP) as well as Socio Economic and Caste Census data (SECC) data 2011. The selected women are being organized in to SHGs, and their Federated Institutions are being linked with Banks for micro financing. NRLM focuses on coverage of single women, war widows, handicapped and the elderly group who do not have caretakers on priority basis.

Table 16.2

District-wise target and achievement of DAY-NRLM for the Financial Year (FY) 2025-26 (up to December, 2025)

Sr. No.	Name of District	SHG Formation		Revolving fund				Community Investment Fund (CIF)				Credit Linkage			
		Target No. of SHGs formed	Ach. No. of SHG Formation	Target No. of SHG provided RF		Achievement of RF disbursement		Target No. of SHG provided CIF		Achievement of CIF disbursement		SHGs Credit Linkage with Bank Target		Ach. of Credit Linkage	
				SHG	₹in lakh	SHG	₹in lakh	SHG	₹in lakh	SHG	₹in lakh	SHG Target	₹in lakh	SHG	₹in lakh
1	Bilaspur	0	0	223	33.45	127	19.05	258	129.00	105	51.07	1140	1660.00	304	629.06
2	Chamba	30	25	577	86.55	214	32.10	360	180.00	155	76.50	1420	1680.00	288	631.49
3	Hamirpur	0	0	239	35.85	73	10.95	289	144.50	122	61.00	760	1120.00	599	802.03
4	Kangra	20	18	1171	175.65	868	130.20	1016	508.00	233	116.50	4760	8350.00	2331	5509.36
5	Kinnaur	15	12	56	8.40	24	3.60	94	47.00	31	15.50	210	370.00	136	198.53
6	Kullu	12	9	433	64.95	193	28.95	452	226.00	157	78.50	910	1240.00	554	971.28
7	L-Spiti	15	8	38	5.70	11	1.65	32	16.00	0	0.00	20	30.00	11	21.07
8	Mandi	12	10	1006	150.90	560	84.45	1059	529.50	243	142.60	4390	6340.00	1877	3777.41
9	Shimla	6	4	613	91.95	405	60.60	600	300.00	268	142.69	2580	4860.00	1294	2548.03
10	Sirmour	0	0	115	17.25	123	18.45	314	157.00	235	183.00	920	1660.00	592	1235.26
11	Solan	5	4	321	48.15	237	35.70	231	115.50	79	55.00	1180	1730.00	489	1123.81
12	Una	0	0	208	31.20	134	20.10	295	147.50	135	68.00	1110	1960.00	1015	1856.16
	Total	**115**	**90**	**5000**	**750.00**	**2969**	**445.80**	**5000**	**2500.00**	**1763**	**990.36**	**19400**	**31000.00**	**9490**	**19303.49**

Source: Department of Rural Development, Government of Himachal Pradesh.

Progress Summary: Rural Livelihoods and SHG Strengthening

Livelihoods – DAY-NRLM

Key Achievements

- Implemented in 91 Blocks
- FY 2025–26 (till Dec 2025):
  - 5,000 SHGs formed (Target), 90 new SHGs formed this year
  - ₹750 lakh Revolving Fund disbursed
  - ₹445.80 lakh CIF disbursed
  - ₹19,303.49 lakh Credit Linkage achieved (9,490 SHGs)

Leading Districts (Credit Linkage – ₹ in lakh)

District	SHGs Linked	Credit (₹ lakh)
Kangra	2,331	5,509.36
Mandi	1,877	3,777.41
Shimla	1,294	2,548.03
Una	1,015	1,856.16
Sirmour	592	1,235.26

Focus Groups: Single women, widows, elderly and PWDs.

16.3 Deen Dyal Upadhyaya-Grameen Kaushalya Yojana (DDU-GKY)

Deen Dayal Upadhyaya-Grameen Kaushalya Yojana (DDU-GKY) is a flagship scheme of the Ministry of Rural Development, (MoRD, GoI) Government of India. The scheme aims at skilling rural youth between 15-35 years. The programme provides free employment-oriented training in market-relevant various popular trades and ensures placement in wage employment offering remuneration above the prescribed the minimum monthly wages.

16.3.1 Training benefits and Rights of candidates under Deen Dyal Upadhyay-Grameen Kaushalya Yojana (DDU-GKY):

- Free training of 3-12 months in multiple popular trades and job roles.
- Free training, food and accommodation.
- Training through training partners recognized and approved by the Government of India.
- Free 160 hours of training in spoken English, communication skills and Information Technology.
- Computer labs and Digi-tables for learning.
- Industry experience through on-the-job training.
- Post-placement support for 2-6 months after getting employment of ₹1270 per month.

16.3.2 Achievement under Deen Dyal Upadhyay-Grameen Kaushalya Yojana (DDU-GKY)

In Himachal Pradesh, since the inception of Deen Dayal Upadhyay–Grameen Kaushalya Yojana (DDU-GKY) (September, 2017) till 31st December, 2025 22,026 beneficiaries were selected for training through various trades and job roles, of which 20,231 beneficiaries completed their training and 15,234 youths were employed in various companies.

- The anticipated expenditure under DDU-GKY is ₹35.00 crore (approx), which will be disbursed to around 65 Project Implementing Agency (PIA). In January, 2026, 54 PIA's were selected in the meeting of Project Appraisal Committee (PAC).

Table 16.3

Fund status since Inspection of the Scheme ₹in crore

Total Fund Received	Total Expenditure
₹76.83	₹29.75

Source: Department of Rural Development, Government of Himachal Pradesh

Major Achievements

- Expansion of SHG-based livelihood development, with 9,490 SHGs receiving bank credit linkage amounting to over ₹19,303 lakh.
- Significant progress in skill development, where 15,234 rural youth have been placed in various employment opportunities since programme launch.
- Strengthening of natural resource management, completing 1,488 NRM works and 936 production system works to improve land and water sustainability.
- Advancement in springshed management, with 417 springs identified, 178 revived, and 130 works ongoing across the state.
- Major progress in rural sanitation, including 15,965 villages covered under Liquid Waste Management and 15,201 villages under Solid Waste Management.
- Improved housing delivery, with 26,306 rural houses constructed through rural housing initiatives using enhanced financial support.
- Empowerment of Panchayati Raj Institutions, supported by large financial devolutions ₹343 crore (15th Finance Commission) and ₹467.48 crore (State Finance Commission).

16.4 Watershed Development Component (WDC)-Pradhan Mantri Krishi Sinchayi Yojana - 2.0) (WDC, PMKSY-2.0)

Watershed development project is being implemented in the state with the goal of rehabilitating wasteland and degraded lands, drought-prone and desert areas on a 90:10 financing pattern between the Centre and the State. Government of India has accorded approval to the project for implementation for the period 2021-2026.

i. Objectives of Watershed Development Projects

- To improve the productive potential of rainfed/degraded land through integrated watershed management.
- To strengthen community-based local institutions for promotion of livelihoods and watershed sustainability, and
- To improve the efficiency of watershed projects through cross-learning and incentive mechanism.

ii. Institution and Capacity Building (I&CB)

With the aim of enhancing the capabilities of Junior Engineers, Agricultural Experts, Technical Assistants, and Gram Rojgar Sahayak (GRS), Panchayati Raj Institutions (PRIs) and other non-technical staff, the department has organized various training programs under this scheme. The department has conducted 63 trainings for 1881 personnel.

iii. Natural Resource Management (NRM)

Under Natural Resource Management 1,488 works have been completed.

iv. Production System:

Under Production System, 936 works have been completed.

v. Springshed Management in Himachal Pradesh

Springshed management involves the analysis of springs, identification of recharge areas and monitoring of water quality, rainfall and spring discharge. The goal is to revive springs and ensure a reliable supply of drinking water while also supporting the local ecosystem and biodiversity.

Table 16.4

Number of Springs Identified to be revived under WDC-PMKSY-2.0

Springs Identified	Completed	Ongoing	Not started
417	178	130	109

Source: Department of Rural Development, Government of Himachal Pradesh.

In addition to, Department of Land Resources (DoLR), Govt. of India has also assigned the target of 79 Springs for Springshed Management related activities on pilot basis, within the boundary of project area under WDC-PMKSY 2.0. Hydrogeological survey in 15 Project Areas has been completed and suggested measures on the basis of the survey have been communicated to the Blocks.

vi. Watershed Development Component (WDC) Plus Areas in Himachal Pradesh

Development Blocks Lambagaon (Kangra) and Bangana (Una) were selected as WDC Plus Watershed Project Areas under WDC-PMKSY 2.0. Under WDC-Plus scheme, 17 works have been completed.

vii. Allocation of Additional Areas to Himachal Pradesh

The Government of India has allocated 12,870 hectare additional area to the State. 1430 hectare area for each of the 9 projects viz. Ghumarwin, Balichowki, Una, Bangana, Lambagaon, Kalpa, Nirmand, Baijnath and Lahaul was identified. The works on these additional areas are being expedited, they are to be competed in the FY2025-26. Under Additional Areas, 158 works have been completed.

viii. Watershed Yatra

Watershed Yatra in Himachal Pradesh covered Development Block Dharampur, Nalagarh, Una, Gagret, Bangana, Fatehpur, Indora, Sulla, Baijnath, Lambagaon, Bhoranj, Ghumarwin, Pachhad and Paonta Sahib during 22nd March, 2025 to 15th April, 2025. Activities such as Bhoomi Pujan, Shramdaan, Shapath Samaroh, Plantation activities, Quiz and Painting Competitions and other cultural activities were organized.

ix. Financial Achievement of WDC-PMSKY 2.0 FY (2024-25 to 2025-26)

- In FY 2024-25, ₹17.93 crore (Centre+State) has been received.
- In FY 2025-26, ₹62.27 crore (Centre+State) has been received.
- As on 31st December, 2025 an expenditure of ₹39.54 crore has been incurred during FY2025-26.

16.5 Swachh Bharat Mission–Gramin (SBM-G)

Swachh Bharat Mission-Gramin (SBM-G), launched on 2nd October 2014, enabled Himachal Pradesh to achieve Open Defecation Free (ODF) status on 28th October, 2016. Under SBM-G Phase-II (effective from 01st April. 2020), the focus is on sustaining sanitation gains through Individual Household Latrines (IHHLs),

Community Sanitary Complexes (CSCs), Solid & Liquid Waste Management and Plastic Waste Management Units (PWMUs).

16.5.1 Physical and Financial Progress

- 4,529 Individual Household Latrines (IHHLs) and 373 Community Sanitary Complexes (CSCs) constructed.
- Solid Waste Management (SWM) initiated in 15,201 villages; Liquid Waste Management (LWM) in 15,965 villages.
- 56 (SWM) (PWMUs) established (52 operational).
- 774 segregation sheds constructed.
- 2 Sewage Treatment Plants (STPs) functional for co-treatment of fecal sludge; 20 additional STPs approved.
- During the financial year 2025–26 total funds amounting to ₹40.00 crore were received an expenditure of ₹29.10 crore has been incurred.

16.5.2 Key Initiatives

- Comprehensive Solid Waste Management (SWM) Policy and Operation & Maintenance (O&M) framework notified.
- Model bye-laws issued to strengthen Gram Panchayat (GP)-level governance.
- MoUs with cement industries for co-processing non-recyclable plastic waste (transport cost borne by companies).
- Memorandum of Understanding (MoUs) with NGOs for Information, Education and Communication (IEC) and capacity building.
- Convergence with Jal Shakti Vibhag for faecal sludge co-treatment.

As a result of above initiatives, Himachal Pradesh is transitioning from Open Defecation Free (ODF) to ODF Plus Model through strengthened infrastructure, policy support, convergence, and capacity building for scientific rural waste management.

16.6 Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA)

The Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is a rights-based employment programme aimed at enhancing livelihood security in rural areas. The Scheme guarantees at least 100 days of wage employment in a financial year to every rural household whose adult members volunteer to undertake unskilled manual work.

16.6.1 Features and Objectives

- The scheme strengthens rural livelihood through 100 days of guaranteed annual wage employment.

- From the FY2018-19, the State Government has increased Guaranteed wage employment from 100 to 120 days with the additional cost borne by the State Government.
- Under the Mahatma Gandhi National Rural Employment Guarantee Scheme, each eligible rural household in areas notified by Government of India is entitled to up to 120 days of guaranteed employment per financial year. This entitlement is shareable among its households.

Table:16.5

Progress made during the year 2025-26 (up to 31.12.2025) is as under

₹In crore			Number in lakh	
Central Share	State Share	Expenditure	Man-days Generated	Employment provided (Household)
756.13	12.72	934.14	174.16	4.80

Source: Department of Rural Development, Government of Himachal Pradesh

16.7 Pradhan Mantri Awaas Yojana-Gramin (PMAY-G)

For catering to the housing needs in rural areas, Pradhan Mantri Awaas Yojana (PMAY-G) was launched in 2016.

16.7.1 Features of PMAY (G)

- Pradhan Mantri Awaas Yojana (Gramin) is completely Management Information System (MIS) based.
- Financial assistance is jointly funded by the Centre and the State Governments in the ratio of 90:10.
- The base for identification of beneficiaries under PMAY (G) is Socio Economic and Caste (SECC) data 2011 followed by Awaas+2018 survey.
- The State Government's additional contribution of ₹20,000 has enhanced the per house assistance under PMAY(G) from ₹1.30 lakh to ₹1.50 lakh in the State.
- The minimum unit (house) size is 25 Square Meter (Sqm) including a dedicated area for hygienic cooking.
- MGNREGA provides 90/95 person-days of unskilled wage labour for house construction, over and above unit assistance with convergence of other government schemes for basic amenities.
- All beneficiary payments are made to Aadhar- linked Bank/Post office accounts.
- Beneficiary-led construction of durable quality houses using local materials, appropriate designs and skilled masonry.

16.7.2 Special Project

- The Special Project is one of the main components of PMAY-G and 5 percent of annual central allocation is reserved for special Project.
- During the FY2025-26, 10,180 number target has been approved by the Government of India (GoI) for disaster affected beneficiaries under PMAY-G and process of registration and sanction of these houses is underway.
- In 2025-26, ₹185.31 crore has been utilized for construction of 26,306 number of previous year houses till 31st December, 2025.

16.7.3 New Survey under PMAY-G Awaas + 2024

- As per the directions of GoI, Awaas Plus 2024 survey was conducted till 18th June, 2025 for identification of left out beneficiaries/houseless beneficiaries under Pradhan Mantri Awaas Yojana-Gramin.
- 2,18,602 households were registered through Awaas+ Mobile App and corroboration and verification of survey cases is under process.

16.8 Matri-Shakti Bima Yojana (MSBY)

Matri Shakti Bima Yojana was launched in the year 2000 by the State Government to provide financial assistance to the women members of Below Poverty Line (BPL) households in the State.

- The scheme provides insurance cover to rural BPL women (10–75 years) and their families against death or permanent disability (loss of limbs or eyesight).
- Coverage includes death due to accidents, drowning, surgical procedures, and snake/scorpion bites.
- Compensation is admissible to married BPL women's families on the death of the husband.
- Financial assistance of ₹2.00 lakh (w.e.f. 01.04.2017) is provided for death, permanent total disability, or loss of both limbs/eyes or one limb and one eye, while ₹1.00 lakh is granted for loss of one limb or one ear.
- During 2025-26 (up to 31st December, 2025), ₹121.00 lakh was released to 61 households under the scheme.

16.9 Panchayati Raj

This State Government is committed for the empowerment of Panchayat Raj Institutions and to carry forward the process of decentralization of powers of these Institutions as per the provision of Article 243-G of the Constitution. The State Government has already taken many steps and decisions to empower the Panchayati

Raj Institutions so that the Panchayati Raj Institutions function as a local self-governments and make the Gram Panchayats more empowered and self-dependent.

1. The implementation of the 15th Finance Commission recommendations has commenced from FY2020-21. Under this commission, ₹343.00 crore has been recommended to the Panchayat Raj Institutions (PRIs) of the State for FY2025-26.

2. A grant of ₹467.48 crore has been made available on recommendation of the State Finance Commission (SFC) for the salary/honorarium of employees of the Zila Parishad/Gram Panchayat cadre and Elected representatives of three tiers of the (PRIs) during FY2025-26.

3. A new estimate and design has been prepared for the construction of Gram Panchayat Ghars, ₹21.69 crore have being sanctioned for the construction/upgradation/repair of Gram Panchayat Ghars for FY2025-26. Out of this, ₹9.32 crore is for construction of 32 newly created Gram Panchayats, whereas ₹12.37 crore for construction/upgradation/repair of 45 old Gram Panchayat Ghars and ₹2.45 crore for construction of Zila Parishad (ZP) Bhawans whereas ₹6.15 lakh for upgradation/repair of Panchayat Samiti office building has been released in the State.

4. Rashtriya Gram Swaraj Abhiyaan (CSS)

   - ₹11.11 crore have been received from Ministry of Panchayati Raj Government of India (GoI) in FY2025-26.
   - 86 Common Service Centres (CSC) have been constructed under Rashtriya Gram Swaraj Abhiyaan.
   - 221 CSCs have been Co-located with Panchayat Bhawans.
   - 29 new Panchayat Bhawans have been constructed.
   - During FY 2025-26, 11,217 participants were trained on multiple themes, including Localisation of SDGs, Panchayat Development Plans (PDPs), Disaster Management, Drug Abuse, SHG-PRI Convergence, PESA Act, Forest Rights Act (FRA), Women Elected Representatives, Own Source Revenue, and e-Panchayat applications. The participants comprised Elected Representatives and members of PRIs, officers/officials of line departments, SHG members, ASHA and Anganwadi workers, and NGOs.
   - Exposure visits of 160 elected representatives and functionaries of PRIs within the State and exposure visit outside State.
   - Publication books and brochures as part of awareness and capacity-building efforts to educate stakeholders on the Gram Panchayat Development Plan (GPDP) and to address the growing concern of

drug abuse through information, sensitization and preventive messaging.

- Funds amounting to ₹4.00 crore i.e. (₹02.00 crore per project) have been released for setting up 02 Livelihood based Eco-Tourism Projects at Kamyana, Development Block Mashobra, District Shimla and at Hareta, Development Block, Nadaun, District Hamirpur.
- Every Gram Panchayat traditionally maintained a Parivar Register i.e. physical register of all family data under the provision of Himachal Pradesh Panchayati Raj (General) Rules, 1997. Necessary amendments have been made to the said rules to mandate the maintenance of this register through the online software at www.eparivar.hp.gov.in.
- The e-parivar software allows Gram Panchayats to manage all tasks related to the Parivar Register online, such as adding new families/members, transferring members and issuing copies of the Parivar Nakal.
- To maintain a comprehensive record of livestock in rural areas, a cattle survey is being undertaken for all families registered under e-parivar. This data is being captured through a Mobile App and is fully integrated with the e-parivar system.

16.10 Main Issues and Challenges

A) State-level Issues and Challenges

Issues / Challenges	Evidence	Implication
Difficult terrain, scattered habitations, and disaster vulnerability raise delivery costs and complexity	The document highlights difficult geographical terrain, scattered habitations, and vulnerability to natural disasters, which increase infrastructure costs and limit service-delivery efficiency.	Higher per-capita cost of rural assets and services; harder last-mile connectivity; slower project execution and O&M challenges.
Market access and logistics constraints hinder rural livelihoods and value chains	Connectivity, market access and logistics continue to pose challenges for rural livelihoods and value chain development.	Lower farmgate prices, higher input costs, reduced competitiveness of rural products.
Climate risks (erratic rainfall, landslides, declining spring	The text notes erratic rainfall, landslides, and declining spring discharge impacting water security and agricultural	Volatile yields, drinking-water stress, need for larger climate-resilient

discharge) threaten water and agriculture	productivity.	investments (springshed, watershed, water conservation).
Capacity gaps in Panchayats (technical manpower, planning, data-use)	Shortages of technical manpower, limited planning expertise, and weak data-based decision-making persist at the Panchayat level.	Suboptimal GPDPs, slower execution, weaker monitoring and quality control of works.
Weak field-level convergence across schemes	Scheme convergence at field level remains inconsistent due to coordination challenges among departments.	Duplications/overlaps, slower benefits to households, fragmented assets with lower impact.

B. District-Specific Issues and Challenges

Challenges	Affected Districts/Areas	Evidence
Need for intensified watershed treatment in priority "Plus" areas	Kangra, Una	These two blocks are designated as WDC-Plus watershed project areas under PMKSY 2.0, indicating higher-intensity treatment requirements.
Large additional watershed areas assigned—works to be completed in FY 2025–26	Project areas named: Ghumarwin, Balichowki, Una, Bangana, Lambagaon, Kalpa, Nirmand, Baijnath, Lahaul (multi-district spread as per project names)	An additional 12,870 ha (1,430 ha each across 9 project areas) was allocated, with instructions to expedite works for completion in FY 2025–26.
Concentration of SHG credit linkage in a few districts; others need a stronger push	Districts leading on SHG credit linkage: Kangra, Mandi, Shimla, Una, Sirmour; by implication, other districts lag behind these leaders	The document lists leading districts by SHG credit linkage (Kangra, Mandi, Shimla, Una, Sirmour), highlighting the uneven distribution of credit mobilization across districts.
Community mobilization and awareness required across several watershed blocks	Blocks covered (multi-district): Dharampur, Nalagarh, Una, Gagret, Bangana, Fatehpur, Indora, Sulla, Baijnath, Lambagaon, Bhoranj, Ghumarwin, Pachhad, Paonta Sahib	Watershed Yatra (Mar 22–Apr 15, 2025) conducted activities (e.g., Shramdaan, plantation, competitions) across these blocks—signaling on-ground engagement needs in these locations.

Springshed revival backlog (works ongoing/not started)	Multiple districts (locations not itemized in the document)	Out of 417 springs identified, 130 are ongoing and 109 not started, indicating district/GP pockets where revival is pending.
Rural waste-management assets pending commissioning	Multiple districts/GPs (sites not listed)	52 of 56 PWMUs operational; only 2 STPs functional with 20 more approved for co-treatment—showing commissioning gaps in certain locations.
Livelihood diversification pilots limited to select districts—need to scale	Shimla (Kamyana, Block: Mashobra); Hamirpur (Hareta, Block: Nadaun)	Two livelihood-based eco-tourism projects are being set up at Kamyana (Shimla) and Hareta (Hamirpur), implying the pilot nature of diversification and scope for expansion elsewhere.

16.11 Way Forward

The focus on strengthening Gram Panchayats as institutions of local self-governance through enhanced capacity building, digital governance expansion and data-driven planning. Greater emphasis is needed on convergence of schemes to maximize outcomes and avoid duplication of resources. Panchayats should be supported to generate own-source revenues and improve financial sustainability.

Sustainable livelihood diversification through eco-tourism, agri-value chains, skill-based employment and rural enterprise development must be prioritized. Climate-resilient rural infrastructure, water conservation, springshed rejuvenation and watershed management need scaling up to address long-term environmental risks. Technology integration such as GIS planning, mobile-based monitoring and real-time beneficiary tracking can significantly improve governance efficiency.

Greater focus should also be placed on women-led development models, youth entrepreneurship and community-owned institutions. Strengthening participatory planning through Gram Panchayat Development Plans, expanding digital inclusion, and improving last-mile service delivery will help achieve sustainable, inclusive and resilient rural development.

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CHAPTER 17

HOUSING AND URBAN DEVELOPMENT

Executive Summary

S. No.	Key Point	Summary
1	**Urban Transformation**	Himachal Pradesh is undergoing a structured urban transition with planned expansion, improved governance and stronger civic infrastructure across all 75 ULBs. Government policies are shaping orderly, inclusive and sustainable urban growth.
2	**Affordable Housing Delivery**	HIMUDA has constructed over 13,000 houses/flats and developed 5,800+ residential plots, with new targets set for FY 2025–26 to strengthen affordable housing supply. This supports planned urbanization across multiple districts.
3	**Strengthening Urban Local Bodies**	All 75 ULBs are supported through grants for sanitation, mobility, housing and civic services, with ₹212.37 crore sanctioned for FY 2025–26. These measures enhance financial and governance capacity.
4	**Smart City Progress**	Shimla and Dharamshala have completed major Smart City components, including digital governance, mobility improvements and public infrastructure upgrades. Most remaining works are at advanced stages.
5	**AMRUT 2.0 Implementation**	Under AMRUT 2.0, 47 projects worth ₹296.88 crore have been awarded across water supply, sewerage, water bodies and green spaces, with significant funds released for FY 2025–26. Several projects are already completed.
6	**Support for Livelihoods**	Schemes such as D-JAY (S) and PM SVANidhi have expanded credit access, enterprise development and street vendor financing, benefiting thousands across ULBs. Integrated facilitation centres support welfare convergence.
7	**Financial Transfers and Grants**	Substantial tied and untied grants under the 15th Finance Commission were released to ULBs and Cantonment Boards, supporting urban infrastructure and service delivery. These transfers ensure predictable financing to local bodies.
8	**Urban Sanitation and Waste Management**	Under Swachh Bharat Mission 2.0, significant central assistance has been released for solid waste, wastewater, and toilet infrastructure, strengthening cleanliness and hygiene across urban areas.

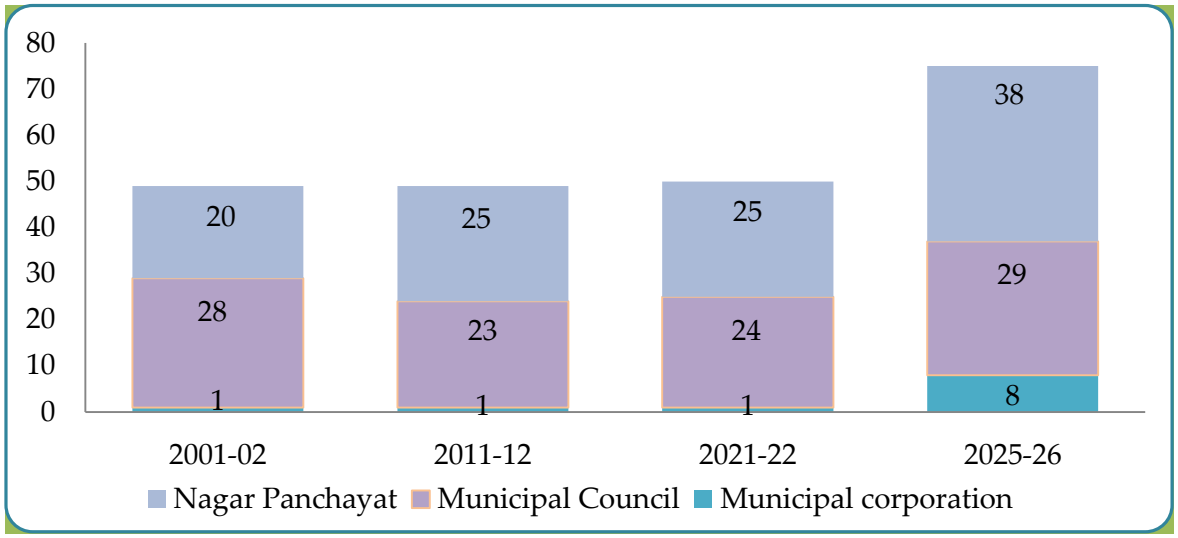
17.1 Urban Development

Urban Development Department of the State, in close coordination with Municipal Corporations, Municipal Councils and Nagar Panchayats (Urban Local Bodies- ULBs), is continuously working to address key urban challenges through an integrated approach. These efforts focus on improving urban transport, sanitation, solid waste management, urban infrastructure, urban housing, urban planning, financial sustainability of ULBs, urban poverty alleviation and overall urban governance.

Himachal Pradesh has 75 Urban Local Bodies, comprising 8 Municipal Corporations Shimla, Dharamshala, Solan, Mandi, Palampur, Hamirpur, Una and Baddi, 29 Municipal Councils, and 38 Nagar Panchayats. The State Government provides grants-in-aid to these local bodies to strengthen their capacity to deliver essential civic amenities to urban residents.

Figure 17.1 illustrates a rise in the number of ULBs across the State, reaching a figure of 75 ULBs during 2025-26 compared to 2001-02.

Figure 17.1

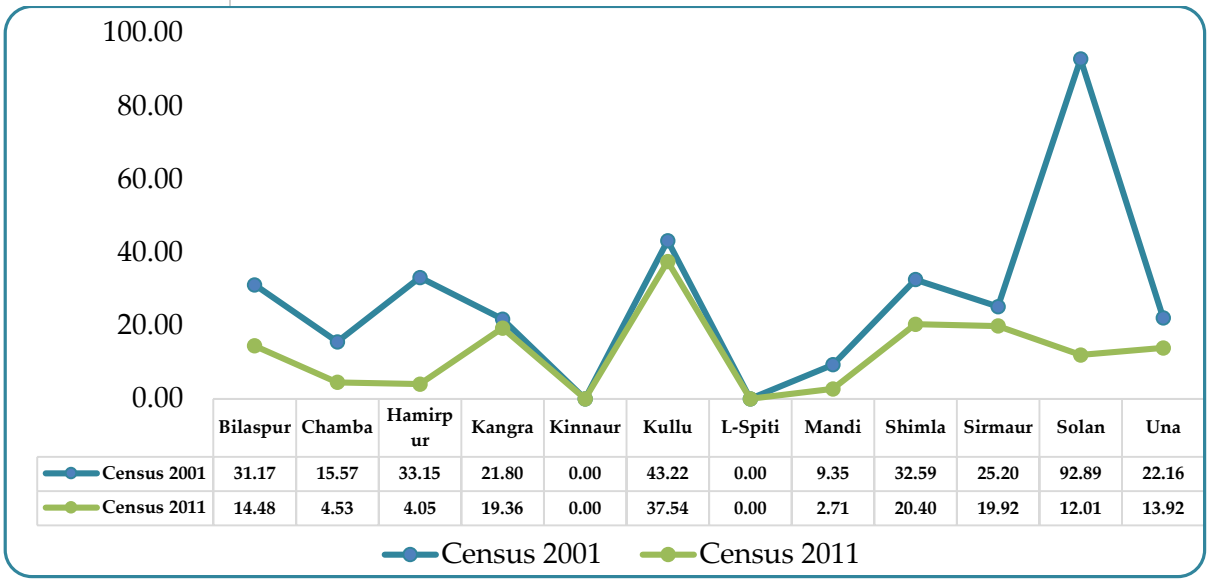


Source: Department of Urban Development, Government of Himachal Pradesh

As per recommendations of the State Finance Commission, ₹212.37 crore has been sanctioned for FY2025-26, comprising 80 per cent basic grants and 20 per cent performance-based grants. Out of this ₹84.94 crore Basic Grants has been released to ULBs during FY2025-26 up to 31st December, 2025. The remaining funds will be released upon fulfillment of the prescribed conditions. These grants include development grants and gap-filling grants to bridge the gap between income and expenditure of ULBs.

District-wise decadal growth rate of Population Living in Urban Areas (Census 2001 and 2011)

Figure 17.2



	Bilaspur	Chamba	Hamirpur	Kangra	Kinnaur	Kullu	L-Spiti	Mandi	Shimla	Sirmaur	Solan	Una
Census 2001	31.17	15.57	33.15	21.80	0.00	43.22	0.00	9.35	32.59	25.20	92.89	22.16
Census 2011	14.48	4.53	4.05	19.36	0.00	37.54	0.00	2.71	20.40	19.92	12.01	13.92

Source: Census 2001 and 2011

17.1.1 Maintenance of Roads in Municipal Areas

The 75 ULBs in the State manage approximately 5,000 km of roads, pathways, streets and drainage infrastructure. For 2025-26, the State Government has allocated ₹6.00 crore for maintenance and improvement of this urban road and drainage network.

17.2 HIMUDA

The Himachal Pradesh Housing Board was established in 1972 under the Housing Board Act, 1972, to provide affordable housing for economically weaker and needy groups. To strengthen urban development, it was re-designated as the Himachal Pradesh Housing and Urban Development Authority (HIMUDA) on 1st July, 2004 under the corresponding Act of 2004.

Since its inception, HIMUDA has played a crucial role in planned housing across the State, constructing 13,320 houses/flats and developing 5,823 plots in multiple districts, including Shimla, Solan, Una, Hamirpur, Kangra, Sirmaur and Mandi. In FY2024–25, against a budget provision of ₹112.09 crore, an expenditure of ₹101.55 crore was incurred, resulting in construction of 31 flats and development of 202 plots. For FY2025–26, a provision of ₹125.76 crore has been made, with target to construct 78 flats and develop 165 residential plots to further strengthen affordable and planned housing infrastructure.

Housing Delivery – HIMUDA

HIMUDA Performance (Since Inception)

- 13,320 houses/flats constructed
- 5,823 residential plots developed
- FY 2024-25: ₹101.55 crore expenditure; 31 flats + 202 plots
- FY 2025-26 Target: 78 flats + 165 plots

Major Districts Covered: Shimla, Solan, Una, Hamirpur, Kangra, Sirmaur and Mandi

17.3 Deendayal Jan Aajeevika Yojana-Shehari (D-JAY (S))

Deendayal Jan Aajeevika Yojana – Shehari (D-JAY (S)) is a pilot urban poverty alleviation programme and the successor to DAY–NULM. It is an inclusive urban livelihoods mission designed to address the complex occupational, social and residential vulnerabilities faced by urban poor households, particularly those engaged in the informal sector. The Mission places special emphasis on vulnerable occupational groups such as construction workers, transport workers, gig and platform workers, care workers, waste workers and domestic workers, who often face barriers to stable incomes, social security and dignified living conditions.

The overarching objective of D-JAY (S) is to reduce urban poverty by promoting self-employment and skill development, improving quality of life of the urban poor, strengthening community-led institutions, enhancing financial inclusion and social security coverage and creating a comprehensive database to enable effective targeting of welfare schemes.

The Ministry of Housing and Urban Affairs, Government of India launched the Deendayal Jan Aajeevika Yojana – Shehari (D-JAY (S)) on 1st October, 2024. Under this Mission, Municipal Council Chamba has been selected as one of the 25 pilot cities under the Hill States/Aspirational Districts category. Under the D-JAY (S), the component-wise progress of Municipal Council Chamba are as follows:

17.3.1 Community Led Institution Development (CLID)

Under the Community Led Institution Development (CLID) component, socio-economic profiling of 170 households and 417 individuals has been completed. Based on the profiling exercise, 608 individuals were identified as eligible for various social

security and livelihood-related schemes and 251 scheme linkages were successfully facilitated.

Further, under pilot implementation, to strengthen the financial base and promote livelihood activities are following:

17.3.2 Financial Inclusion and Enterprise Development (FI&ED)

Under the FI&ED component, 18 individual loan applications were received during the period, out of which 12 applications have been sanctioned, facilitating access to institutional credit for livelihood and enterprise development.

17.3.3 Convergence

To ensure seamless access to government welfare schemes, a single-window facilitation system titled SUYOG (Suraksha Yojana Guarantee) Centre has been established as a permanent ULB-level facilitation centre. The Centre functions as a dedicated convergence platform, enabling effective coordination with concerned line departments for delivery of multiple welfare services to eligible beneficiaries.

17.4 PM SVANidhi Scheme

Under the PM SVANidhi Scheme, 5,523 beneficiaries have been provided first-term loans of ₹10,000 each. Further, 3,332 beneficiaries have been provided second-term loans of ₹20,000 and 1,713 beneficiaries have received third-term loans of ₹50,000, thereby supporting street vendors in sustaining and expanding their livelihoods in Himachal Pradesh.

Major Achievements

1. **Strengthened Urban Governance:** Capacity of 75 Urban Local Bodies enhanced through grants and governance reforms.
2. **Significant Housing Delivery:** HIMUDA has constructed 13,320 houses/flats and developed 5,823 residential plots across the state.
3. **Smart City Progress:** Shimla completed 186 of 203 project components, while Dharamshala completed 64 of 80 projects under the Smart City Mission.
4. **Expansion of Urban Livelihood Support:** Under D-JAY (S), socio-economic profiling of 417 individuals enabled 251 successful scheme linkages and 12 credit sanctions.
5. **Support to Street Vendors:** PM SVANidhi provided 5,523 first-term, 3,332 second-term, and 1,713 third-term loans to beneficiaries.
6. **AMRUT 2.0 Implementation:** 47 projects worth ₹296.88 crore awarded, with 16 projects completed across water supply, sewerage, green spaces, and water bodies.
7. **Real Estate Sector Reforms:** HPRERA registered 265 new projects, 157 agents, refunded ₹2.18 crore to homebuyers, and imposed ₹68 lakh in penalties for non-compliance.

17.5 Union Finance Commission Grant

The 15th Finance Commission had recommended two categories of grants for ULBs and Cantonment Boards (CBs), subject to fulfillment of prescribed conditions. These include Untied Grants (40 per cent) and Tied Grants (60 per cent), as stipulated in the 15th Finance Commission Report.

For FY2025-26, a budget provision of ₹185.00 crore has been made under this component. During the current financial year, the second installment of both Untied and Tied Grants amounting to ₹86.55 crore pertaining to FY2024-25 has been released to ULBs/CBs.

Further, the first installment of both Untied and Tied Grants amounting to ₹88.91 crore for FY2025-26 has also been released to the ULBs/CBs. In addition, the second installment of both grants for FY2025-26, amounting to ₹88.91 crore, has been received from the Government of India and will be released to the ULBs/CBs upon completion of codal formalities.

17.6 Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and AMRUT 2.0

AMRUT 2.0, launched on 1st October 2021, aims to make cities water-secure and self-sustainable by strengthening urban water supply, sewerage and septage management, recycling and reuse of treated wastewater, rejuvenation of water bodies and development of green spaces.

The Mission covers the period FY2021-22 to 2025-26 with a 90:10 Centre–State funding pattern and includes all statutory towns in the State-60 ULBs and 6 CBs. The approved outlay is ₹284.44 crore, comprising ₹256.00 crore (Central share) and ₹28.44 crore (State share).

State Water Action Plans (SWAPs) were submitted in three tranches after approval by the SLTC and SHPSC. Tranches of ₹170.57 crore, ₹39.01 crore and ₹112.08 crore (including O&M) were submitted to the Ministry of Housing and Urban Affairs (MoHUA) and all have been approved.

During FY2025-26, ₹60.34 crore (₹54.78 crore Central and ₹5.56 crore State) was released and disbursed to ULBs. Under the Mission, 47 projects worth ₹296.88 crore have been awarded across Water Supply (17), Sewerage & Septage Management (2), Water Bodies Rejuvenation (17) and Green Spaces & Parks (11). Of these, 16 projects amounting to ₹3.27 crore have been completed.

17.7 Smart City Mission (SCM)

The Smart Cities Mission (SCM) aims to promote cities that provide robust core infrastructure and ensure a high quality of life for the citizens through adoption of smart, technology-driven solutions.

In Himachal Pradesh, Shimla was selected under the third round of the Smart Cities Mission by the Government of India on 28th June 2017. An amount of ₹465 crore has been released by the Government of India for the development of Shimla. Overall, ₹978 crore has been released under the Smart Cities Mission for the development of Shimla and Dharamshala in the State.

Shimla Smart City Limited (SSCL) identified 28 high-priority projects out of 53 proposed initiatives, which were further subdivided into 203 project components. Of these, 186 components have been completed, involving an expenditure of ₹490.62 crore. The remaining 17 components, with an estimated cost of ₹320.34 crore, are currently under various stages of implementation.

Similarly, in Dharamshala Smart City, out of 80 projects, 64 projects have been completed, while the remaining 16 projects are under different stages of implementation.

17.8 Swachh Bharat Mission 2.0 (Urban)

Swachh Bharat Mission 2.0 (Urban) is a flagship programme of the Government of India, implemented through the State Urban Development Department in all ULBs. The Mission aims to achieve and sustain Open Defecation-Free (ODF) status in urban areas, ensure scientific management of municipal solid waste and promote cleanliness, hygiene and sanitation. Through outcome-oriented interventions, the programme seeks to improve public health, enhance environmental sustainability and provide a clean, healthy and livable urban environment for all citizens.

For different components of SBM, central assistance released in FY2025-26 is given in table 17.1.

Table 17.1

(₹in crore)

Sl. No.	Component Name	Sanctioned Amount	Released Amount
1.	Solid Waste Management component	22.61	4.10
2.	Waste Water Management component	100.91	12.00
3.	Toilet Component	2.20	0.19

Source: Department of Urban Development, Government of Himachal Pradesh

17.9 Pradhan Mantri Awas Yojana-Housing for all (Urban) (PMAY-HFA(U))

Housing for All (Urban) [PMAY-HFA (U)] was launched in June 2015 with the objective of providing pucca houses to all eligible urban households. The Mission addresses the housing needs of slum dwellers under Slum Rehabilitation component and promotes affordable housing for the Economically Weaker Sections (EWS), Low-Income Groups (LIG), and Middle-Income Groups (MIG) through the Credit Linked

Subsidy Scheme (CLSS), as well as through Affordable Housing in Partnership (AHP) and Public-Private Partnership (PPP) components.

MoHUA provides financial assistance to the State Government for the implementation of PMAY-HFA (U). PMAY (Urban) 2.0 was launched in September 2025 with the objective of further accelerating urban housing delivery. The funding pattern under the scheme is 90:10 between the Centre and the State.

Outcomes/Achievements:

Under PMAY-HFA (U)

- 536 dwelling units have been completed with a total financial assistance of ₹9.92 crore

Under PMAY (Urban) 2.0

- 1,361 dwelling units have been approved, ₹34.02 crore sanctioned and the first installment of ₹6.75 crore has been received from MoHUA,

17.10 Construction of Parking Space

To mitigate the parking problem in urban areas, funds under this scheme are released in the ratio of 75:25, wherein 75 per cent of the total cost is provided by the Government and the remaining 25 per cent is contributed by the concerned ULBs.

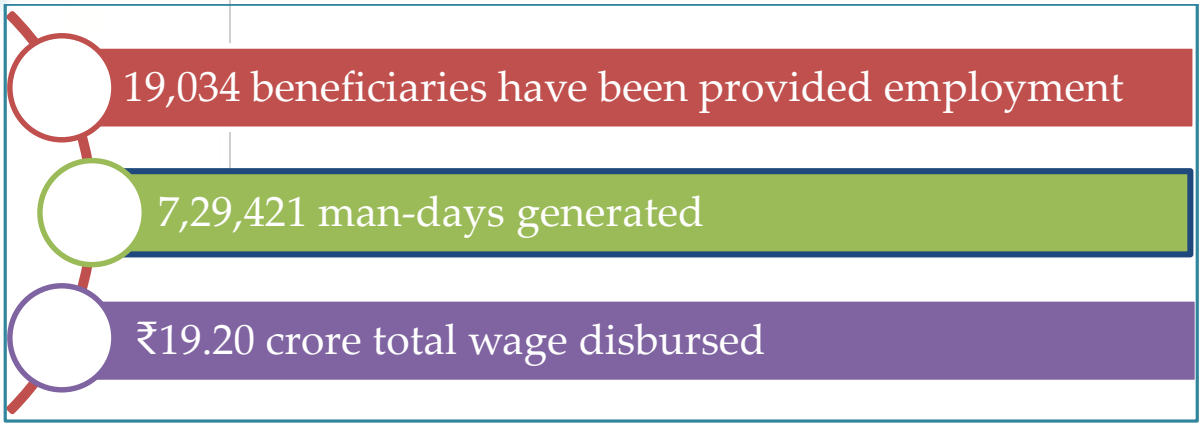
17.11 Mukhya Mantri Shahri Ajeevika-Guarantee Yojana (MMSAGY)

During the pandemic, the Government of Himachal Pradesh notified the MMSAGY with the objective of enhancing livelihood security in urban areas by providing up to 120 days of guaranteed wage employment to eligible households. Under the scheme, adult members of registered households residing within the jurisdiction of ULBs are eligible to seek employment.

To ensure transparency and ease of access, the Urban Development Department has developed an online portal for MMSAGY, enabling beneficiaries to register themselves without the need to visit municipal offices.

17.11.1 Outcomes/Achievements:

As on December 2025 under this Scheme:



Source: Department of Urban Development, Government of Himachal Pradesh

17.12 Town and Country Planning (TCP)

The Himachal Pradesh Town and Country Planning Act, 1977 has been enforced in 60 Planning Areas and 36 Special Areas across the State with the objective of ensuring a functional, economical, sustainable and aesthetic living environment through planned, equitable and regulated development.

Initiatives

- The number of designated Green Areas in the Shimla Planning Area was increased from 25 to 26 with the notification of Shri Tara Mata Hill Green Area.
- Development Plans were notified to promote planned development for Bhota Planning Area, Sarahan Special Area, Chintpurni Special Area (2nd June, 2025) and Dhaulakuan Majra Planning Area (12th August, 2025).
- Use of closed basements for parking has been permitted to ease urban parking shortages, with a fee of ₹1,500 per sq. metre of built-up area.
- Premium FAR of 0.25 to 0.50 has been allowed for commercial plots above 500 sq. metres, including tourism buildings, enabling additional built-up area and revenue generation.
- Further, the State Government amended the Himachal Pradesh Town and Country Planning Rules, 2014. The key highlights of the amendments include:
    - Reduction in land loss in commercial plots.
    - Rationalization of the width of roads and pathways and
    - Enhancement of the permissible height of multi-level parking structures from 21.0 metres to 25.0 metres.

17.13 Himachal Pradesh Real Estate Regulatory Authority (HPRERA)

HPRERA commenced its functioning with effect from 1st January 2020. The primary objective of the Authority is to regulate and promote the real estate sector in the State and to ensure the sale of plots, apartments and buildings in an efficient and transparent manner, while safeguarding the interests of consumers and home buyers in Himachal Pradesh.

17.13.1 HPRERA Achievements

The major achievements of HPRERA during the period 1st April, 2025 to 31st December, 2025 are as follows:

- HPRERA has significantly accelerated registrations, adding 265 new real estate projects as of 6th December 2025. It also registered 157 real estate agents and continues to guide stakeholders on projects, agent and allottee-related matters.
- For grievance redressal, 35 complaints were filed during the year, 49 were pending and 12 complaints were disposed of, while 72 cases remain under adjudication as of 8th December, 2025.
- The Authority has promoted amicable dispute resolution, leading to ₹2.18 crore refunded to home buyers.
- During the year, imposed ₹68.00 lakh penalties on promoters for non-compliance with the RERA Act.
- A consumer friendly grievance system has been established, with all hearings conducted online via WebEx. From 1st April, 2025 44 WebEx hearings were held, raising the cumulative total to 253.
- To enhance transparency and accessibility, launched a new user friendly, consumer centric website for promoters, agents and allottees.

17.14 Building Construction and Cost Index

The National Building Organization has tasked the Department of Economics and Statistics of the Government of Himachal Pradesh to compile the Building Construction Cost Index (BCCI) of the State. The department has been preparing and releasing the State level BCCI with base year 2011-12. These indices are collected and compiled every quarter and on this basis, annual indices have been worked out as shown in the Table 17.2.

Table 17.2

Building Construction Cost Index

Year	Material cost Index	Labour cost Index	Index of other Exp.	Overall Building Construction Cost Index
2023-24	148.15	148.29	150.92	148.67
2024-25	147.97	149.58	151.60	148.90
2025-26*	148.87	153.73	149.92	149.92

*Indices are an average of three quarters viz. June, September and December, 2025.
Source: Department of Economics and Statistics, Government of Himachal Pradesh

As per the above table, the material cost index has decreased from 148.15 to 147.97 in FY2024-25, which increased to 148.87 in FY2025-26. The labour cost index has risen from 148.29 to 149.58 in FY2024-25 and to 153.73 in FY2025-26, owing to increase in wages component. Similarly, other expenditure, which includes contractual and supervisory charges, comes under the index of other expenditure. This has increased from 150.92 to 151.60 in FY2024-25 and decreased to 149.92 in FY2025-26. The rise in all these indices has led to an increase in the overall BCCI from 148.90 in 2024-25 to 149.92 in FY2025-26.

17.15 Main Issues and Challenges

A. State-Level Issues and Challenges (Evidence-Based)

Issue / Challenge	Evidence	Implications
Increasing Pressure on Urban Infrastructure	Rapid and uneven urbanization is straining water supply, sewerage networks, solid waste management and transport systems.	Service delivery gaps, rising urban congestion, and infrastructure overloading in major towns.
High Construction Costs in Hill Terrain	Hill terrain and dispersed settlements increase construction and maintenance costs; rising labour costs also elevate building cost indices.	Slower infrastructure expansion, higher housing prices, and financial pressure on ULBs and citizens.
Financial Constraints of Urban Local Bodies (ULBs)	ULBs have limited own-source revenue and high dependence on grants, affecting project execution and asset maintenance.	Delayed project completion, lower quality of civic services, and weak municipal autonomy.
Environmental Vulnerability of Eco-Fragile Hill	Urban expansion increases risks of landslides, deforestation, water scarcity,	Threats to public safety, infrastructure damage, and higher long-term adaptation

Regions	and climate-induced disasters.	costs.
Waste Management and Wastewater Gaps in Smaller ULBs	Waste management and wastewater treatment systems remain uneven across smaller towns and Nagar Panchayats.	Pollution, health risks, reduced urban livability, and environmental degradation.
Housing Affordability and Rising Demand	Rising construction costs and urban pressure are slowing affordable housing delivery despite ongoing schemes.	Increasing housing shortages, especially for low-income households.
Weak Institutional Coordination in Urban Governance	Multiple agencies and departments create coordination challenges, slowing integrated planning and implementation.	Delays in major projects, inefficient resource use, and reduced effectiveness of urban missions like AMRUT and Smart City.

B. District-Specific Issues and Challenges

Challenges	Affected Districts	Evidence
Slow completion of Smart City projects	Shimla, Dharamshala	Several project components in both Smart Cities remain under various stages of implementation.
High population pressure on major urban centres leading to infrastructure stress	Shimla, Solan, Mandi, Kangra, Una, Baddi, Hamirpur, Palampur	These towns have been declared Municipal Corporations due to rapid urban expansion.
High housing demand requiring expansion of planned residential supply	Shimla, Solan, Una, Hamirpur, Kangra, Sirmaur, Mandi	Planned housing projects and plots developed across these districts indicate concentrated demand.
Urban poverty and livelihood vulnerability in small towns	Chamba	Selected as a pilot city for urban livelihood strengthening and beneficiary profiling under targeted programmes.
Parking shortages and traffic congestion in hill towns	Shimla, Solan, Dharamshala, Mandi and other major towns	Special funding provisions made for construction of parking spaces to address rising congestion.
Environmental pressure and need for regulated development in eco-sensitive areas	Shimla, Bhota, Sarahan, Chintpurni, Dhaulakuan Majra	New planning areas and green zones were notified to control unregulated construction.

Real estate project delays and consumer protection needs	Shimla, Solan, Kangra (major urban hubs)	Large number of new real estate project registrations, pending grievance cases and penalties imposed indicate compliance and dispute-resolution challenges.

17.16 Way Forward

Himachal Pradesh should focus on climate-resilient and environmentally sustainable urban expansion through green building norms, low-impact infrastructure and ecosystem-sensitive planning. Affordable housing delivery should be accelerated through faster project execution, public-private partnerships and stronger integration between state housing agencies and national housing schemes. Strengthening ULB financial capacity through improved property tax systems, user charges and digital revenue monitoring will be critical for long-term sustainability. Technology-enabled governance such as GIS-based planning, digital service delivery and real-time urban infrastructure monitoring should be expanded to improve efficiency and transparency.

Urban infrastructure investments must prioritize water security, scientific waste management, non-motorized and public transport systems and resilient storm-water and drainage networks suitable for hill cities. Completion and scaling of Smart City and AMRUT initiatives should focus on livable public spaces, digital infrastructure and smart mobility suited to hill terrain. Stronger institutional coordination, data-driven urban planning and community participation should guide policy execution. With balanced investment in housing, infrastructure, environment and governance reforms, Himachal Pradesh can achieve inclusive, resilient and sustainable urban development aligned with future climate and demographic realities.

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CHAPTER 18

DIGITAL TECHNOLOGIES AND GOVERNANCE

Executive Summary

S. No.	Key Points	Summary
1	**Digital Governance Framework**	The State is moving from e-Governance to integrated digital governance through the Department of Digital Technologies and Governance, improving citizen-centric service delivery.
2	**Centralized Grievance Redressal**	MMSS Helpline handled over 9 lakh complaints with a 98 per cent disposal rate and now functions as a unified State Call Centre integrating major departmental helplines.
3	**Strengthened Digital Infrastructure**	HPSDC hosts nearly 300 applications and HIMSWAN connects 2,575+ offices, enabling secure and efficient statewide digital service delivery.
4	**HimSeva Service Delivery Platform**	The Him Seva Portal offers 450+ services, processes lakhs of applications annually, integrates DigiLocker, and uses AI for document verification.
5	**Unified Digital Identity Systems**	Him Parivar and Him Access SSO integrate citizen databases, supporting seamless authentication with more than 4.7 lakh users onboarded.
6	**Direct Benefit Transfers**	The DBT framework transferred ₹1,857 crore to 23.4 lakh beneficiaries, ensuring timely, transparent and leakage-free delivery of welfare benefits.
7	**Administrative Digitalization**	e-Office is operational in 747 offices, enabling paperless workflows, e-Sign, online file tracking and remote access capabilities.
8	**Real-Time Data Governance**	CM Dashboard monitors 66 KPIs across major departments, strengthening data-based decision-making and improving programme performance tracking.
9	**GIS-Enabled Governance**	A unified GIS portal and mobile app support asset mapping, planning and geospatial data access across departments for evidence-based governance.
10	**Adoption of Emerging Technologies**	The State is leveraging AI, ML, drones, digital helplines and proposed drone stations to modernize governance and improve service delivery.

18.1 Introduction

Himachal Pradesh has made significant strides in leveraging digital technology to enhance governance and public service delivery. The state's Department of Digital Technologies and Governance (DDTG), formerly known as the IT Department, is at the forefront of this transformation. With a focus on emerging technologies, digital infrastructure and inclusive digital services, the government aims to improve transparency, efficiency and accessibility in administration. Key initiatives such as the Himachal Online Seva portal, Mukhya Mantri Seva Sankalp (Helpline @1100), and e-Office systems have enabled citizens to access over 300 government services online, reducing the need for physical visits and streamlining grievance redressal. Projects like HIMSWAN (Himachal State Wide Area Network) and the Himachal State Data Centre provide robust digital infrastructure to support interdepartmental coordination and citizen engagement. Despite challenges such as connectivity in remote areas and digital literacy gaps, Himachal Pradesh continues to strengthen its e-governance ecosystem, aiming for a more transparent, accountable and citizen-centric government.

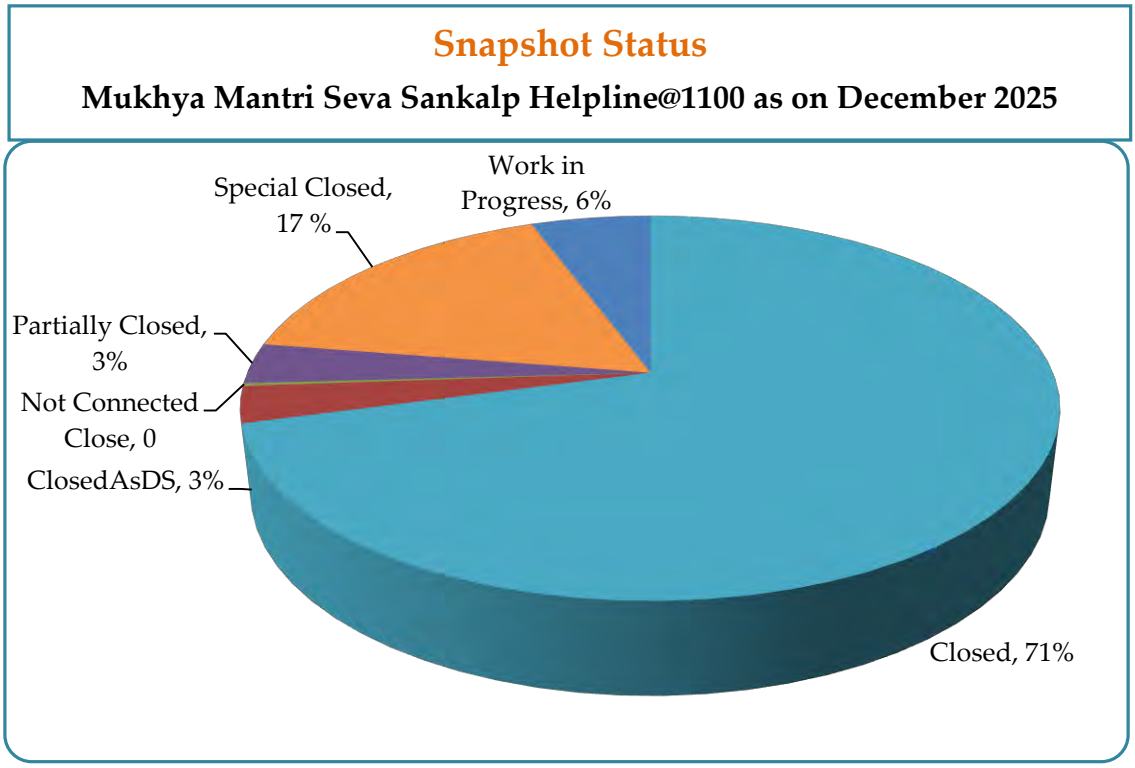
18.2 Digital Infrastructure and Data Governance

18.2.1. Mukhya Mantri Seva Sankalp Helpline@1100(MMSS)

The Mukhya Mantri Seva Sankalp (MMSS) Helpline serves as a centralized grievance redressal platform for the citizens of Himachal Pradesh. Through this system, citizens can register complaints, seek information on government schemes, and submit demands or suggestions to the Government. The helpline is accessible through multiple channels, including the toll-free number 1100, the CM Seva Sankalp Portal, the Mobile App, and the paper-trail mechanism at the CM Office.

Since its launch, the MMSS Helpline has received 9,18,345 complaints as on 5th December,2025 of which 8,97,975 (98 per cent) have been disposed of. This includes 6,56,413 (71 per cent) complaints that have been resolved based on citizen satisfaction. In FY 2025-26, 1,42,306 complaints have been registered, of which 1,23,264 (87 per cent) have been disposed of, including 95,874 (67 per cent) complaints closed satisfactorily after obtaining citizen feedback.

Figure 18.1



As per the direction of Chief Minister, the MMSS Helpline infrastructure has now been established as the State's centralized call centre. The helplines of Himachal Road Transport Corporation (HRTC), Goods and Services Tax (GST), and Public Distribution System (PDS) 1967 have been successfully migrated and are currently being operated through this unified call centre system.

To further enhance accessibility and improve the citizen experience, a WhatsApp Chatbot facility on 9418601100 has been implemented in the MMSS Helpline system.

18.2.2. Himachal Pradesh State Data Centre (HPSDC)

Himachal Pradesh State Data Centre (HPSDC) is one of the core Information and Communications Technology (ICT) infrastructure created by Department of Digital Technologies and Governance (DDT&G) to consolidate services, applications and infrastructure to provide efficient electronic delivery of Government to Government (G2G), Government to Citizen (G2C) and Government to Business (G2B) services.

- HPSDC capacity has been enhanced to meet the growing hosting requirements of all departments.
- 291 applications of various departments are hosted in HPSDC including 75 new applications/websites hosted during FY 2025-26.

- The 'Application and Infrastructure Hosting Policy for HPSDC has been notified to streamline hosting processes, ensure uniform standards, and implement robust security practices across all hosted applications.

18.2.3. HIM Parivar

Him Parivar Project was launched by Chief Minister Sh. Sukhvinder Singh Sukhu on Statehood Day, 25th January, 2025 at Baijnath. Him Parivar system is the integration of various existing databases such as Parivar Register, Public Distribution System (PDS) etc. to create a State Social Registry, which will help in creating a proactive entitlement-based benefit delivery system, reduce pilferage and reduce the documentary burden on the citizens to access government benefit schemes. This system will also provide data for evidence-based policy making for the future.

Recently Him Access Single Sign On (SSO) has also been developed under Him Parivar, which is the Single Sign On system for Citizen and Government employees. Using SSO, Citizens will not to remember just one username and password to access multiple government services. 4.7 Lakh users have been on-boarded on Him Access platform for availing various services. The Policy Document on Digital Identity and Access Management has been notified for ensuring the security, privacy, and management of digital identities within the State.

Additionally, Survey platform has been developed under Him Parivar, which is being utilized by following Departments to collect verified data from the field:

- **Urban Development Department**: Surveyed 2,11,696 urban families, covering 6,63,371 members.
- **Himachal Pradesh State Electricity Board Limited (HPSEBL):** Surveyed 23,73,303 domestic meter connections, mapping them with family records.
- **Land Record Department**: Mapped 20,12,784 Khatas with Aadhaar numbers.
- **Building and Other Construction Workers (BoCW):** Surveyed and Verified 49,672 construction workers.
- **Directorate for the Empowerment of Scheduled Castes, Other Backward Classes, Minorities and Specially Abled (ESOMSA):** More than 6.8 Lakh verification of e-Kalyan beneficiaries conducted.

Major Achievements

1. **Grievance Redressal Strengthened**
   - 9,18,345 complaints received under MMSS Helpline
   - 98 per cent disposal rate (8,97,975 disposed)
   - 71 per cent closed with citizen satisfaction
   - Unified State Call Centre established (HRTC, GST, PDS 1967 integrated)
   - WhatsApp chatbot introduced
2. **Digital Infrastructure Expansion**
   - 291 applications hosted at HPSDC
   - 75 new applications added in FY 2025-26
   - Hosting policy notified for security & standardization
3. **Social Registry and Digital Identity (Him Parivar)**
   - 4.7 lakh users onboarded on Him Access (SSO)
   - 2.11 lakh urban families surveyed
   - 23.73 lakh electricity meters mapped
   - 20.12 lakh Khatas Aadhaar linked
   - 6.8 lakh e-Kalyan verifications completed
4. **Service Delivery Digitization**
   - 451 services online (Him Seva Portal)
   - 6,000 daily applications (average)
   - 17 lakh transactions (FY 2025-26 till Nov 2025)
   - 51 services integrated with DigiLocker
   - AI-based document deficiency detection introduced
5. **Direct Benefit Transfer (DBT)**
   - 167 schemes identified
   - 58 schemes operationalized under DBT
   - ₹1,857.23 crore transferred
   - 23.4 lakh beneficiaries covered
   - Paperless correspondence mandated
6. **e-Office Rollout**
   - 747 offices onboarded
   - Secretariat (108 branches), 98 Directorates, 12 DC offices, 14 SP offices
   - VPN + Aadhaar e-Sign enabled

7. **Revenue Digitization**
   - 1,85,018 cases registered under RCMS
   - 1,18,692 disposed
   - e-Filing introduced
   - Relief Portal: 1,35,293 applications; 71,116 approved
8. **Aadhaar Saturation**
   - 104.29 per cent Aadhaar generation
   - 4th Rank nationally
   - 1st Rank (0–5 year category)
   - 215 Permanent Enrolment Centres operational
9. **Governance Monitoring**
   - CM Dashboard launched (March 2025)
   - 66 KPIs across 8 major departments
   - Real-time performance monitoring institutionalized
10. **HIMSWAN Connectivity**
   - 2,575 offices connected
   - 72 Directorates
   - 680 District Offices
   - 1,733 Tehsil/Block Offices
   - 90 Judiciary complexes
11. **HPSEDC Financial Performance**
   - ₹199.25 crore turnover
   - ₹9.69 crore net profit

18.2.4. Him Seva Portal (e-District)

Himachal Seva Portal (e-District) is a unified platform designed to deliver citizen-centric services electronically, ensuring accessibility and operational efficiency across the State. By integrating and automating workflows of multiple departments such as Revenue, Women & Child Development, Panchayati Raj, Rural Development and Urban Development, the portal has streamlined service delivery, making it time-bound, transparent and accountable. 451 services are being provided online with an average of 6,000 daily applications.

During FY2025-26, the Department has added or provided links to additional 135 Government to Citizen (G2C) services on the HimSeva portal to ensure unified

online service delivery. In the current financial year, around 17 lakh transactions have been carried out through the portal up to 30th November, 2025.

Further, Artificial Intelligence (AI) is being implemented in Him Seva portal to pre-check document deficiencies at the time of application submission, enabling citizens to submit error-free applications and reducing processing delays.

Additionally, 51 HimSeva (e-District) services along with Him Acces and Him Parivar cards have been integrated with the DigiLocker platform to provide seamless access to digital documents for citizens. For this achievement, Himachal Pradesh was honoured with the "People First Integration Award" at the National Workshop & Conference on DigiLocker 2025 held in New Delhi on 4th November, 2025.

18.2.5. Digital Helpline

A Digital Helpline has been established in the Department of Digital Technologies and Governance to address queries from field offices regarding departmental applications and portals. The helpline is available at 0177-3525101/02 during standard office hours. To date, more than 19,000 calls have been received and 401 cases have been registered and successfully resolved through the Digital Helpline.

18.2.6. Revenue Court Management System (RCMS)

Revenue Court Management System (RCMS) is a comprehensive software developed by Department of Digital Technologies and Governance (DDT&G) in close co-ordination with Revenue Department. Revenue Court Management System is a digital solution designed to modernize and streamline revenue court operations in Himachal Pradesh. As part of initiative, revenue court processes, case management and record-keeping have been digitized. Citizens and advocates can avail all information pertaining to their cases, free of cost. This information includes case profile, case status, interim orders, final orders, cause list etc. Since the state of RCMS, 1,85,018 cases was registered online on Revenue Courts Management System, of which 1,18,692 cases have been disposed of.

Recent features added in the portal

- Implemented e-Kargujari (Attendance) and e-Waqiati (Diary) modules for Patwaris.
- Provision for digital signatures of the visiting officers thereby ensuring greater authenticity and transparency in the process.
- Integration with e-Himbhoomi portal
- e-filing of revenue cases has been implemented on the revenue portal. Citizens and advocates can now file cases online.

18.2.7 Revenue Relief Application Portal

The Relief portal is a digital solution designed to simplify and expedite the management and disbursement of relief funds in Himachal Pradesh. It serves as a comprehensive platform for processing relief applications, tracking their progress and ensuring transparency and accountability in relief operations. The module simplifies the application process, integrates the treasury system for direct fund disbursement and provides real-time status updates to applicants and authorities. Additionally, it generates insightful reports to facilitate data-driven decision-making. Since the beginning of this portal, 1,35,293 applications have been received online through Revenue Management System (RMS)-Relief, of which 71,116 applications have been approved.

18.2.8 Aadhaar

Unique Identification Authority of India (UIDAI's) mandate is to issue every resident a unique identification number linked to the resident's demographic and biometric information, which they can use to identify themselves anywhere in India and to access a host of benefits and services. There are 74,68,000 residents in the State (projected population 2023) as on 31st October, 2023. 104.29 per cent (LIVE) Unique Identifications (UIDs) have been generated in the State. The Aadhaar saturation level in the State for the population above 5 years is more than 100 per cent. The State has attained overall 4th Rank and 1st in 0-5 year age group in the Country regarding Aadhaar generation. To cover the left-out population and Aadhaar updation, currently 215 Permanent Enrolment Centers (PECs) are functioning covering all districts and blocks in the State through the Department of Digital Technologies and Governance and Common Services Centre-Special Purpose Vehicle (CSC-SPV). Government of Himachal Pradesh has been awarded for its outstanding performance in Aadhaar enrolment of children April, 2025.

18.2.9 Direct Benefit Transfer (DBT)

To deliver financial benefits of government schemes and programmes to citizens on real time basis ensuring zero pilferage, Direct Benefit Transfer is being implemented in the State.

The Department of Digital Technologies and Governance has identified 167 (Centre-81; State-86) schemes with concerned departments during FY 2025-26, of which DBT has been implemented in 58 schemes (Centre-20; State-38). During FY 2025-26, till of November, 2025, ₹1857.23 crore has been transferred through DBT to 23.4 lakh beneficiaries under 58 schemes.

18.2.10 Annual Performance Appraisal Report (APAR) Portal

- The Annual Performance Appraisal Report (APAR) portal has been developed by the department to facilitate online processing of the Annual Performance Appraisal Report and Annual Work Plan for officers and officials.
- APAR helps manage performance appraisals for employees. It is based on the work plans and goals set by the Reporting Authority, which can be both measurable and qualitative.
- A training session for all departments, corporations, and boards of the State on the new Annual Performance Appraisal Report (APAR) system was launched in March, 2025.

18.2.11 Himachal Pradesh State Wide Area Network (HIMSWAN)

The Government of India had approved the Scheme for establishing State Wide Area Networks (SWANS) across the country in March, 2005. Under this Scheme, financial assistance was provided to all States for the establishment, operation, and management of SWANs for an initial period of five years, which was subsequently extended by one additional year. SWAN was conceptualized as a converged and robust backbone network capable of supporting data, voice, and video communications throughout the State.

The objective of the Scheme was to create a State Wide Area Network connecting the State Headquarters with District, Sub-Divisional and Block Headquarters, and further down to Tehsil level. The key objectives of the Scheme are as under:

- To establish a state-of-the-art, reliable, and secure network for efficient delivery of Government-to-Citizen (G2C), Government-to-Business (G2B), and Government-to-Government (G2G) services.
- To provide secure Internet connectivity enabling the end-to-end implementation of e-Office, thereby supporting the Government's vision of paperless offices, enhanced efficiency, and improved transparency in official processes.
- To ensure seamless network connectivity to all Court Complexes under the Judicially and all Police Stations, including higher offices of the Police Department across the State, through HIMSWAN.

The Position of Government offices connected through HIMSWAN is as under:

Table-18.1

Sr. No.	Category of offices	Minimum Bandwidth (Mbps)	Maximum Bandwidth (Mbps)	No of Office Connected
1	Directorates Level offices	--	100	72
2	District Level Offices	20	100	680
3	Tehsil/Block Level Offices	12	100	1733
4	Judiciary complexes in courts	20	100	90
Total				2575

18.2.12 e-office

E-Office is a step forward into an era of paperless administration in Himachal Pradesh. E-Office system enables Government to automate its Internal processes, reduce paper usage, increase transparency, and improve overall efficiency of Government's administrative procedures. The Office platform provides a range of features, including document management, file tracking, task management, workflow automation, e-Signature, and communication tools. It is designed to facilitate easy collaboration among Government officials, eliminate the need for physical movement of files, reduce the time and cost of administrative tasks and improve the quality of decision-making. At present, following offices are on-boarded on e-Office:

Table 18.2

Sr. No.	Offices	e-Office mapped	Effectively using e-Office
1.	Himachal Pradesh Secretariat	108 Branches	To connect all offices in the State
2.	Directorates	98	
3.	Deputy Commissioner Offices	12	
4.	Superintendent of Police Offices	14	
5.	Sub divisional Magistrate Office	73	
6.	Block Development Office	88	
7.	Other Field Offices	354	
Total		747	

In addition, being a web based application, e-Office application could be access from anywhere anytime by using Virtual Private Network (VPN) of Saccess National informatics Centre (NIC) and Forti-client Department of Digital Technologies & Governance (DDT&G) through any network. The e-Sign facility, utilizing Aadhaar for electronic signatures, has been extended to all users for signing noting and draft letters, in addition to the existing Digital Signature Certificate (DSC) option. The State Government has now emphasized that all field offices will start dispatch of official

correspondence/ letter through the Intra-Office facility of the e-Office application, creating a complete paperless eco-system in the State.

18.2.13 CM Dashboard: Driving Transparent and Efficient Governance

The State Government launched the Chief Minister's Dashboard on 1st March, 2025 with the objective of strengthening real-time monitoring and enhancing transparency in governance. The Dashboard has been designed to track the progress and performance of 66 Key Performance Indicators (KPIs) across eight major departments, namely:

Table 18.3

Sr. No.	Offices	Key Performance Indicators
1.	Rural Development	8
2.	Public Works Department	8
3.	Jal Shakti Vibhag	6
4.	Revenue Department	7
5.	Women and Child Development	4
6.	Education Department	10
7.	Tribal Development	5
8.	Health Department	18
Total		**66**

The CM Dashboard serves as a unified platform that facilitates accurate data collection, timely reporting, and improved beneficiary tracking, thereby strengthening the delivery and monitoring of welfare schemes. The Chief Minister reviews the progress through the Dashboard to ensure timely intervention and promote data-driven decision-making.

Objectives of the CM Dashboard are as under:

- To enhance transparency, accountability, and efficiency in governance through technology-driven monitoring.
- To reduce administrative burden on departments by automating data consolidation and reporting functions.
- To enable real-time assessment of departmental performance against defined KPIs.
- To ensure timely and informed decision-making for improved public service delivery.
- To provide a scalable platform capable of integrating all Government departments, Boards, and Corporations in subsequent phases along with an expanded set of KPIs.

The initiative reflects the State Government's continued commitment to Good Governance, Citizen Welfare, and the adoption of modern technological tools to ensure efficient and effective service delivery.

18.2.14 Investment and Industry Promotion

In order to promote Information Technology investments, two Software Technology Parks of India (STPI) centers are established in the State. One STPI Centre has been setup in Shimla and the other Centre has been setup in Chetru near Gaggal at Kangra. Construction work has completed at both locations, with plans for operationalization them shortly.

Further, Himachal Pradesh Kaushal Vikas Nigam (HPKVN) is completing steel structure of Center of Excellence (CoE-IT) building at Waknaghat with a total built-up area of 47,595.85 sq. ft. Within this facility, Department of Digital Technologies & Governance (DDT&G), in collaboration with STPI, will establish a Centre of Excellence (CoE) in Artificial Intelligence and Machine Learning, occupying 1,800 sq. ft. Additionally, 10,000 sq. ft. will be allocated for an incubation facility under the Chief Minister's Startup/Innovation Project/New Industries initiative. The remaining raw space will be offered on a rental basis to successful startups and Information Technology/ Information Technology Enabled Service (IT/ITeS) companies for commercial use.

18.2.15 Drone/ Unmanned Aerial Vehicle (UAV) Project

A Proposal of establishing 3 Drone Stations as central hub in the State of Himachal Pradesh is under process. Additionally, 2 large Drones (Disaster and Surveillance) have been procured through HPSEDC.

18.2.16 Geographical Information System (GIS) Cell

The Government of Himachal Pradesh has been proactively leveraging Geographical Information System (GIS) technology to strengthen planning, monitoring, and service delivery across various sectors. As part of our key achievements, the Department have successfully completed the following GIS mapping:

- Completed GIS mapping of HIMSWAN network locations
- Designed digital visualisation and interactive maps for the Economics and Statistics Department in their Economic and Statistics Yearbooks 2023-24 and 2024-25.
- Comprehensive data visualisation with maps for the Animal Husbandry Department, which also include mapping of Milkfed societies (MPP, MCC, MPCS).
- Mapped LGD village data and geo-tagged Government buildings in the GIS. GIS-based mapping and analysis for HRTC Department for their bus routes, parallel routes analysis for better bus connectivity.

- Field verification of veterinary dispensaries, bus stops, traffic lights, taxi stands, railway infrastructure, street furniture, and electrical poles are under process
- Geospatial Network Mapping and corrections across infrastructure datasets is under process.
- These efforts will elevate spatial planning, directly informing economic indicators in various sectors.

18.2.16.1 Platforms: HP Geo Information System

Recently a GIS web application portal along with a GIS mobile application has been developed as a centralised platform for mapping, storing, mapping and accessing authenticated geographical datasets. This platform will be utilized by various State departments for comprehensive asset mapping and data-driven decision-making. The same is available to Departments/ offices of the State to free of cost.

Table 18.4

Scheme and Initiative Mapping

Initiative	Coverage / Output	Impact Area	Quantified Outcome
MMSS Helpline	Statewide grievance redressal	Citizen accountability	98 per cent disposal
Him Seva Portal	451 online services	Service delivery reform	17 lakh transactions
Him Parivar	Social registry	Targeted welfare	23+ lakh household mapping
DBT	58 schemes	Leak-proof transfers	₹1,857.23 crore
e-Office	747 offices	Paperless governance	End-to-end file tracking
RCMS	Revenue courts	Judicial transparency	1.18 lakh cases disposed
CM Dashboard	66 KPIs	Performance monitoring	Real-time data
HIMSWAN	2,575 offices	Backbone connectivity	G2G/G2C integration
Aadhaar	Statewide coverage	Identity authentication	104 per cent saturation
GIS Platform	Multi-sector use	Data-driven planning	Centralized geo-database
Drone Stations (Proposed)	Disaster and surveillance	Predictive governance	2 large drones procured

18.3 Himachal Pradesh State Electronics Development Corporation Limited (HPSEDC)

The Himachal Pradesh State Electronics Development Corporation Limited (HPSEDC) operates under the administrative oversight of the Department of Digital Technologies and Governance, Himachal Pradesh. The Himachal Pradesh State Electronics Development Corporation (HPSEDC) is being renamed to the "Himachal Pradesh Electronics Manpower and Overseas Employment Corporation". This change, reflects the corporation's expanded role in facilitating overseas employment for the state's youth in addition to its core IT and electronics functions.

The Corporation serves as the nodal agency for

i. **Procurement:** Supplying high-quality computer hardware, medical electronics, and specialized equipment to government bodies.
ii. **Software and Web Services:** Developing packaged software solutions and managing official government websites.
iii. **Support Services:** Providing manpower outsourcing and office automation for various Departments, Boards, and Public Sector Undertakings (PSUs).
iv. **Maintenance:** Ensuring the longevity of hardware through partnerships with Original Equipment Manufacturers (OEMs) and Authorized Service Partners (ASPs).

To ensure transparency, all procurement is conducted through the GeM Portal, HP e-Procurement Portal or formal Notice Inviting Quotations (NIQ).

18.3.1 Financial Achievements

The Himachal Pradesh State Electronic Development Corporation rendered various services during the FY2025-26 and achieved the turnover as on December, 2025 as under:

Table 18.5 (₹in crore)

Sr. No.	Financial Achievements	Turnover
1	Sale of hardware	73.14
2	Sale of services and other Income	126.11
3	**Total Turnover**	**199.25**
4	**Net profit**	**9.69**

Source: Department of Digital Technologies and Governance, Government of Himachal Pradesh

18.4 Main Issues and Challenges

A) State-level Issues and Challenges

Issues / Challenges	Evidence (from document)	Implication
Last-mile connectivity in mountainous and remote regions	Difficult terrain and dispersed rural population cause last-mile connectivity issues, especially in tribal/remote areas and during extreme weather.	Unreliable access to e-services; higher costs and delays in rolling out/maintaining digital infrastructure.
Digital literacy gaps among citizens	Digital literacy gaps among seniors, marginalized communities and rural populations limit platform utilization.	Lower adoption and satisfaction; need for sustained user handholding and outreach.
Uneven digital capacity within departments	Uneven capacity in digital skills and change management slows full adoption of e-Office and analytics.	Slower process digitization; inconsistent quality and speed of public service delivery.
Cybersecurity and data privacy risks	As systems become data-driven, cyber security, data privacy and secure data sharing grow in importance.	Higher exposure to breaches; need for stronger security architecture and protocols.
Legacy integration and data standardization gaps	Integration across legacy systems and standardization of data formats remain challenges.	Data silos and duplication; increased cost and complexity for cross-department services.
Real-time data quality for dashboards	Ensuring real-time data accuracy for dashboards/KPIs requires stronger governance and accountability.	Decision-making risk due to poor/lagged data; undermines performance monitoring.

B) District-specific Issues and Challenges

Challenges	Affected Districts	Evidence
Operationalization pending for IT park infrastructure, potentially delaying local startup/IT enablement	Shimla (STPI Centre); Kangra (STPI Chetru near Gaggal)	Two STPI centres—Shimla and Chetru (Kangra)—have completed construction, with plans for operationalization shortly.

Readiness and utilization of upcoming CoE-IT and incubation space	Solan (Waknaghat)	CoE-IT building at Waknaghat nearing completion; space earmarked for AI/ML CoE and incubator—implying commissioning and utilization steps pending.
Consistent Aadhaar enrolment/update access across all blocks	All districts and blocks (statewide PEC coverage)	215 Permanent Enrolment Centres functioning across all districts and blocks to cover left-out population/updation—indicates ongoing service access parity work.
Adoption and field-level use of e-Office for paperless correspondence	Statewide offices including field formations	Government emphasized all field offices to dispatch correspondence through e-Office, creating a paperless ecosystem—implies district/field handholding and compliance monitoring.
Commissioning and utilization of GIS portal and mobile app for asset mapping	Multiple departments across districts	A GIS web and mobile application created as a centralized platform for asset mapping and planning district units must on-board and update datasets.

18.5 Way Forward

Going forward, Himachal Pradesh should prioritize universal and resilient digital connectivity by strengthening optical fibre networks, enhancing mobile broadband penetration and exploring satellite-based solutions for remote habitations. Building digital capacity among government officials, frontline workers and citizens through structured training and awareness programmes will be essential to bridge the digital divide and ensure inclusive access.

Strengthening cyber security architecture, implementing robust data protection standards and institutionalizing comprehensive data governance policies will be critical to sustaining public trust. Greater interoperability through standardized APIs and integrated platforms can enable seamless data exchange and holistic decision-making.

State can further leverage Artificial Intelligence, advanced analytics, GIS and drone technologies for predictive governance, disaster management, infrastructure monitoring and targeted welfare delivery. Expanding real-time dashboards and structured citizen feedback systems will enhance transparency and participatory governance. By aligning technological innovation with institutional reform and capacity building, Himachal Pradesh can consolidate its progress toward a secure, inclusive and data-driven digital governance model.

*****

GLOSSARY

Basic Price	Basic price is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, on that unit as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer.
Casual labour	A person who was casually engaged in others' farm or non-farm enterprises (both household and non-household) and, in return, received wages according to the terms of the daily or periodic work contract, is considered as a casual labour.
Consumer Price Index (CPI)	Consumer Price Index (CPI) is designed to measure the changes overtime in the level of retail prices of a fixed set of goods and services (consumption basket) consumed by an average family of a defined population group at a particular place.
Constant prices	Constant prices adjust for the effects of inflation. Using constant prices enables us to measure the actual change in output and not just an increase due to the effects of inflation. Constant price are in real value i.e. corrected for changes in prices in relation to a base line.
CDS	The Current Daily activity Status for a person is determined on the basis of his/her activity status on each day of the reference week using a priority-cum-major time criterion.
CWS	The Current Weekly activity Status of a person is the activity status obtained for a person during a reference period of 7 days preceding the date of survey. It is decided on the basis of a certain priority cum major time criterion. According to the priority criterion, the status of 'working' gets priority over the status of 'not working but seeking or available for work', which in turn gets priority over the status of 'neither working nor available for work'.
Current Prices	Current Prices measures GDP/ inflation/asset prices using the actual prices we notice in the economy. Current prices make no adjustment for inflation. Current prices are those indicated at a given point of time.

Density of Population	Density of population is defined as the number of persons per square kilometre. The geographical unit is ward, town, district, State, country and world.
Fiscal Deficit	Fiscal deficit is the difference between the government's expenditures and its revenues (excluding the money it has borrowed). A country's fiscal deficit is usually communicated as a percentage of its Gross Domestic Product (GDP).
Gross State Income (GSI)	Gross State Income is GSDP less net taxes on production and imports, less compensation of employees less property income payable to the rest of the world plus the corresponding items receivable from the rest of the world (in other words, GSDP less primary incomes payable to non-resident units plus primary incomes receivable from non-resident units); an alternative approach to measuring GSI at market prices is as the aggregate value of the balances of gross primary incomes for all sectors; (note that GSI is identical to GSP as previously used in national accounts generally).
Gross Value Added (GVA)	GVA is the measure of the value of all goods and services produced in an area by an individual producer, industry or sector of an economy. In national accounts, GVA is output minus inter-mediate consumption.
GVA at Basic prices	Gross Value Added at basic prices is defined as output valued at basic prices less intermediate consumption valued at purchasers' prices. Here the GVA is known by the price with which the output is valued. From the point of view of the producer, purchasers' prices for inputs and basic prices for outputs represent the prices actually paid and received. Their use leads to a measure of gross value added that is particularly relevant for the producer.
Infant Mortality	The infant mortality rate is an estimate of the number of infant deaths (death before the first birthday of an infant) for every 1,000 live births.
Inflation	Inflation is defined as a sustained increase in the general level of prices for goods and services. It is measured as an annual percentage increase. As inflation rises, every rupee we own buys a smaller percentage of a good or service.
Labour force	Persons who were either 'working' (or employed) or 'seeking

	or available for work' (or unemployed) constituted the labour force.
Labour Force Participation Rate (LFPR)	Labour Force Participation Rate is the ratio between the labour force and the overall size of their cohort (national population of the same age range).
Literacy Rate	Literacy rate is defined as the percentage of population aged 6 years and above who can both read and write with understanding a short simple statement on his/her everyday life.
National Family Health Survey	National Family Health Survey (NFHS) is a large-scale, multi-round survey conducted in a representative sample of households throughout India.
Per capita income	Per capita income is the average income earned per person in a given area in a specified year. It is calculated by dividing the area's total income by its total population. Per capita income is national income divided by population size.
Retail Price	Retail Price of a commodity is defined as the price which the ultimate consumer pays for relatively small transactions of the commodity.
Sex Ratio	Sex ratio is defined as the number of females per 1000 males.
Usual Principal Status (UPS)	Here the activity status is determined with reference to a relatively longer period during a reference period of 365 days.
Unemployment Rate	It indicates percentage of unemployed individuals in an economy among individuals currently in the labour force. It is calculated as unemployed individuals / total labour.
Usual Principal Status or Usual Status (PS)	The activity on which a person has spent relatively longer time of the preceding 365 days prior to the date of survey is considered to be the usual principal activity status of the person. The Usual Principal Activity status (UPS), written as Usual Status (PS), is determined using the majority time criterion and refers to the activity status on which he/she spent longer part of the year.
Usual Principal Subsidiary Status (UPSS) or Usual Status (SS)	This approach seeks to identify 'workers' out of those who were classified as 'unemployed' or as 'outside labour force' on the basis the majority time criterion of the UPS approach. According to this approach all individuals who are either

	unemployed or outside the labour force, but have worked for a minor period of not less than 30 days during the reference year are classified as subsidiary status workers
Wholesale Price Index (WPI)	Wholesale Price Index measures the changes in the prices of commodities for bulk sale at the level of early stage of transaction.
Worker Population Ratio (WPR)	WPR is defined as the percentage of employed persons in the population.

Part-II

Statistical Tables

2025-26

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32	Incidence of Crimes	21
33	Development Budget Outlays	22

TABLE – 1

SELECTED INDICATORS 1950-51 to 2024-25

Items/Year	1950-51	1960-61	1970-71	1980-81	1990-91	2000-01	2011-12	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
ECONOMIC INDICATORS																		
Gross State Domestic Product (₹ crore)																		
(i) At current prices	27*	48*	223*	794**	2815**	5661***	72720****	103772	114239	125634	138551	148383	159164	151905	170654	191567	209385	230587
(ii) At constant prices	..	..	..	794**	1285**	5004***	72720****	89060	96274	103055	109406	116414	121227	115894	121481	128277	135947	144656
Per capita Income (₹)																		
(i) At current prices	240	359	651	1704**	4910**	22795***	87721****	123299	135512	150290	165497	174804	186559	173565	193392	214129	234436	258196
(ii) At constant prices	..	..	..	1704**	2241**	21959***	87721****	105241	112723	122208	129303	136292	140999	132015	137402	143600	151826	161167
Output																		
(a) Food grains (lakh Tons)				11.58	14.33	11.12	15.44	16.08	16.37	15.63	15.81	16.92	15.94	15.21	15.79	15.23		
(b) Fruit production (lakh Tons)				1.4	3.86	4.28	3.73	7.52	9.29	6.12	5.65	4.95	8.45	6.24	7.53	8.14		
(c) Electricity Generated (Million units)	0.4	..	52.8	245.1	1262	1153	1906	2097	1573	1596	1941	2063	2243	1955	2203	2157		
All India WPI (Base 2011-12=100)							100.0	113.9	109.7	111.6	114.9	119.8	121.8	123.4	139.4	152.5		
SOCIAL INDICATORS																		
Population (In lakh) (Projected 2011-12 onwards)	11.09	28.12	34.60	42.81	51.17	60.78	69.23	71.10	71.19	72.60	73.30	73.90	74.60	75.20	75.90	76.40		
Literacy rate (Percentage)																		
(a) Male	7.5	27.2	42.3	53.2	75.4	85.3	89.5											
(b) Female	2.9	6.2	20.0	31.5	52.1	67.4	75.9											
Total	4.8	17.1	31.3	42.5	63.9	76.5	82.8											

* Net State Domestic Product **Base 1980-81 ***Base 1999-2000 ****Base 2011-12

Source: Department of Economics and Statistics, Himachal Pradesh

TABLE – 2
GROSS AND NET STATE DOMESTIC PRODUCT

Year	Gross State Domestic Product at Market Prices (₹crore)		Net State Domestic Product at Market Prices (₹crore)		Per Capita Net State Domestic Product/Per Capita income (₹)	
	At current prices	At constant prices	At current prices	At constant prices	At current prices	At constant prices
1	2	3	4	5	6	7
1950-51*	27	27	27	27	240	..
1960-61*	48	35	48	35	359	..
1966-67*	138	91	138	91	440	..
1970-71*	223	223	223	223	651	..
1980-81	794	794	723	723	1704	..
1990-91	2815	1285	2522	1151	4910	..
(Base 1993-94)						
1994-95	5825	5244	5193	4664	9451	8489
1995-96	6698	5569	5930	4921	10607	8801
1996-97	7755	5955	6803	5199	11960	9140
1997-98	8837	6335	7807	5571	13488	9625
1998-99	10696	6792	9508	5966	16144	10131
(Base1999-2k)						
1999-2000	14112	14112	12467	12467	20806	20806
2000-01	15661	15004	13853	13262	22795	21824
2001-02	17148	15786	15215	13938	24608	22543
2002-03	18905	16585	16751	14617	26627	23234
2003-04	20721	17925	18127	15596	28333	24377
(Base2004-05)						
2004-05	24077	24077	21189	21189	33348	33348
2005-06	27127	26107	23743	23009	36949	35806
2006-07	30281	28483	26247	24819	40393	38195
2007-08	33963	30917	28873	26362	43966	40143
2008-09	41483	33210	33115	27649	49909	41666
2009-10	48189	35897	39141	29149	58402	43492
2010-11	56980	39054	46216	31590	68297	46682
New series (Base2011-12)						
2011-12	72720	72720	60536	60536	87721	87721
2012-13	82820	77384	69432	64519	99730	92672
2013-14	94764	82847	80129	69398	114095	98816
2014-15	103772	89060	87345	74553	123299	105241
2015-16	114239	96274	96850	80563	135512	112723
2016-17	125634	103055	108359	88112	150290	122208
2017-18	138551	109406	119704	93525	165497	129303
2018-19	148383	116414	127257	99221	174804	136292
2019-20	159164	121227	136692	103310	186559	140999
2020-21	151905	115894	127987	97348	173565	132015
2021-22	170654	121481	143400	101883	193392	137402
2022-23	191567	128277	159590	107025	214129	143600
2023-24(SRE)	209385	135947	175592	113718	234436	151826
2024-25(FRE)	230587	144656	194344	121311	258196	161167

* Net State Domestic Product

Note: GSDP and NSDP from 1950-51 to 2010-11 are at factor cost.

Source: Department Economics and Statistics, Himachal Pradesh

TABLE – 3
ANNUAL GROWTH RATE OF GROSS STATE DOMESTIC PRODUCT/ NET STATE DOMESTIC PRODUCT AND PER CAPITA INCOME
(At current and constant prices)

(Per cent)

Year	Gross State Domestic Product at Market Prices		Net State Domestic Product at Market Prices		Per Capita Net State Domestic Product/ Per Capita income	
	At current prices	At constant prices	At current prices	At constant prices	At current prices	At constant prices
1	2	3	4	5	6	7
(Base 1980-81)						
1990-91	15.6	3.9	15.5	2.5	12.3	(-)0.4
1991-92	17.8	0.4	18.0	0.6	15.9	(-)1.3
1992-93	15.3	5.6	14.7	4.6	12.2	2.5
(Base 1993-94)						
1994-95	21.7	9.6	22.2	9.7	20.8	7.9
1995-96	15.0	6.2	14.2	5.5	12.3	3.7
1996-97	15.8	6.9	14.7	5.7	12.8	3.9
1997-98	13.9	6.4	14.8	7.1	12.8	5.3
1998-99	21.0	7.2	21.8	7.1	19.7	5.2
(Base1999-2000)						
2000-01	10.9	6.3	11.1	6.4	9.6	4.9
2001-02	9.5	5.2	9.8	5.1	7.9	3.3
2002-03	10.2	5.1	10.1	4.9	8.2	3.5
2003-04	9.6	8.1	8.2	6.7	6.4	4.9
(Base2004-05)						
2005-06	12.7	8.4	12.1	8.6	10.8	7.4
2006-07	11.6	9.1	10.5	7.9	9.3	6.7
2007-08	12.2	8.5	10.0	6.2	8.8	5.1
2008-09	22.1	7.4	14.7	4.9	13.5	3.8
2009-10	16.2	8.1	18.2	5.4	17.0	4.4
2010-11	18.2	8.8	18.1	8.4	16.9	7.3
New series (Base2011-12)						
2012-13	13.9	6.4	14.7	6.6	13.7	5.6
2013-14	14.4	7.1	15.4	7.6	14.4	6.6
2014-15	9.5	7.5	9.0	7.4	8.1	6.5
2015-16	10.1	8.1	10.9	8.1	9.9	7.1
2016-17	10.0	7.0	11.9	9.4	10.9	8.4
2017-18	10.3	6.2	10.5	6.1	10.1	5.8
2018-19	7.1	6.4	6.3	6.1	5.6	5.4
2019-20	7.3	4.1	7.4	4.1	6.7	3.5
2020-21	-4.6	-4.4	-6.4	-5.8	-7.0	-6.4
2021-22	12.3	4.8	12.0	4.7	11.4	4.1
2022-23	12.3	5.6	11.3	5.0	10.7	4.5
2023-24(SRE)	9.3	6.0	10.0	6.3	9.5	5.7
2024-25(FRE)	10.1	6.4	10.7	6.7	10.1	6.2

Source: Department of Economics and Statistics, Himachal Pradesh

TABLE – 4
GROSS STATE DOMESTIC PRODUCT AT MARKET PRICES
(At current prices)

(₹ in crore)

Year	Agriculture forestry & logging, fishing, mining & quarrying	Manufactu-ring, construction, electricity, gas & water supply	Transp-ort commu-nication& trade	Banking & insurance, real estate & ownership of dwelling & business services	Public administ-ration & defense & other services	Gross Value Added at Basic Prices	Plus Product Taxes less Subsidies	Gross State domestic product at market prices
1	2	3	4	5	6	7	8	9
1950-51*	19	2	2	2	2	--	--	27
1960-61*	30	5	3	3	7	--	--	48
1966-67*	104	24	16	6	21	--	--	171
1970-71*	131	37	18	9	28	--	--	223
Old series Base 1980-81)								
1980-81	376	156	67	79	116	--	--	794
1981-82	448	178	79	90	130	--	--	925
1982-83	437	206	85	103	156	--	--	987
1983-84	525	220	102	111	169	--	--	1127
1984-85	489	224	105	121	200	--	--	1139
1985-86	576	312	123	132	228	--	--	1371
1986-87	615	339	145	150	268	--	--	1517
1987-88	627	416	168	162	349	--	--	1722
1988-89	781	549	204	196	427	--	--	2157
1989-90	895	568	229	237	506	--	--	2435
1990-91	987	746	260	266	556	--	--	2815
1991-92	1243	841	316	301	616	--	--	3317
1992-93	1368	1014	378	371	693	--	--	3824
(Base 1993-94)								
1993-94	1567	1313	569	502	831	--	--	4782
1994-95	1802	1875	683	570	895	--	--	5825
1995-96	1979	2246	783	622	1068	--	--	6698
1996-97	2229	2690	909	696	1231	--	--	7755
1997-98	2488	2958	1116	727	1548	--	--	8837
1998-99	2930	3560	1303	858	2045	--	--	10696
(Base1999-2k)								
1999-2000	3265	5162	1737	1286	2662	--	--	14112
2000-01	3954	5602	2056	1365	2684	--	--	15661
2001-02	4442	6095	2305	1552	2754	--	--	17148
2002-03	4657	6867	2742	1678	2961	--	--	18905
2003-04	5194	7468	2888	2042	3129	--	--	20721
(Base2004-05)						--	--	
2004-05	6197	9176	3468	1767	3469	--	--	24077
2005-06	6858	10373	4007	1918	3971	--	--	27127
2006-07	7010	12101	4235	2177	4758	--	--	30281
2007-08	7887	13507	5027	2405	5137	--	--	33963
2008-09	8316	17848	6141	2778	6400	--	--	41483
2009-10	9166	20679	7471	3268	7605	--	--	48189
2010-11	10914	24040	8347	3672	10007	--	--	56980
New series (Base2011-12)								
2011-12	11913	30405	7576	9622	9887	69403	3317	72720
2012-13	13443	33935	8660	11346	11524	78908	3912	82820
2013-14	15262	38440	10285	13002	12369	89358	5406	94764
2014-15	15265	41617	11764	14724	13961	97331	6441	103772
2015-16	17393	45652	13141	15936	15135	107257	6982	114239
2016-17)	18762	50237	14200	16897	17399	117495	8139	125634
2017-18	16473	56692	15862	18008	19563	126599	11952	138551
2018-19	18207	62381	17513	19687	21196	138984	9399	148383
2019-20	23340	63013	18927	20288	23474	149042	10122	159164
2020-21	21261	61681	15629	21125	23389	143085	8820	151905
2021-22	22957	67187	19878	24347	25119	159487	11167	170654
2022-23	23893	72172	23510	28217	31590	179381	12287	191568
2023-24(SRE)	25967	77622	25247	32154	32890	193881	15504	209385
2024-25(FRE)	29482	86083	26944	35568	36526	214603	15984	230587

* Net State Domestic Product

Note: GSDP and NSDP from 1950-51 to 2010-11 are at factor cost.

Source: Department of Economics and Statistics, Himachal Pradesh.

TABLE – 5
GROSS STATE DOMESTIC PRODUCT AT MARKET PRICES
(At constant prices) (₹ crore)

Year	Agriculture forestry & logging fishing, mining & quarrying	Manufacturing, construction, electricity, gas & water supply	Transport communi-cation& trade	Banking & insurance, real estate & owner-ship of dwelling & business services	Public administ-ration, &defence& other services	Gross Value Added at Basic Prices	Plus Product Taxes less Subsidies	Gross domestic product at market prices
1	2	3	4	5	6	7	8	9
1950-51*	19	2	2	2	2	--	--	27
1960-61*	20	5	3	0	7	--	--	35
1966-67*	57	18	9	4	13	--	--	101
1970-71*	131	37	18	9	28	--	--	223
(Base 1980-81)								
1980-81	376	156	67	79	116	--	--	794
1981-82	405	164	72	84	116	--	--	841
1982-83	355	173	74	88	128	--	--	818
1983-84	396	168	81	92	124	--	--	861
1984-85	343	161	78	95	137	--	--	814
1985-86	387	207	85	100	147	--	--	926
1986-87	417	208	95	113	158	--	--	991
1987-88	360	235	98	119	188	--	--	1000
1988-89	400	288	108	116	212	--	--	1124
1989-90	488	265	112	139	234	--	--	1238
1990-91	484	316	117	141	227	--	--	1285
1991-92	465	323	124	152	226	--	--	1290
1992-93	469	362	135	162	234	--	--	1362
(Base 1993-94)								
1993-94	1567	1313	569	502	831	--	--	4782
1994-95	1590	1686	625	532	811	--	--	5244
1995-96	1622	1856	669	535	886	--	--	5568
1996-97	1646	2084	712	578	935	--	--	5955
1997-98	1673	2179	791	597	1095	--	--	6335
1998-99	1692	2324	867	631	1278	--	--	6792
(Base1999-2000)								
1999-2000	3265	5162	1737	1286	2662	--	--	14112
2000-01	3773	5437	1920	1252	2622	--	--	15004
2001-02	4093	5694	2080	1336	2583	--	--	15786
2002-03	4184	6153	2186	1370	2692	--	--	16585
2003-04	4671	6544	2356	1582	2772			17925
(Base2004-05)								
2004-05	6197	9176	3468	1767	3469	--	--	24077
2005-06	6578	9960	3820	1958	3791	--	--	26107
2006-07	6539	11315	4078	2270	4282	--	--	28484
2007-08	7118	12371	4488	2513	4427	--	--	30917
2008-09	7059	13547	5179	2625	4800	--	--	33210
2009-10	6340	15390	5757	3040	5370	--	--	35897
2010-11	7496	15987	5999	3578	5994	--	--	39054
New series (Base2011-12)								
2011-12	11913	30405	7576	9622	9887	69403	3317	72720
2012-13	12725	32049	8040	10598	10714	74126	3258	77384
2013-14	13954	34223	9134	11203	10775	79289	3558	82847
2014-15	13525	37551	10099	12354	11573	85102	3958	89060
2015-16	14674	40724	11460	12793	12275	91926	4348	96274
2016-17	14478	44934	12075	13351	13479	98317	4738	103055
2017-18	13748	49485	12684	13688	14525	104130	5277	109407
2018-19	14186	53092	13054	14632	15049	110012	6402	116414
2019-20	16764	52885	13902	14635	15920	114106	7121	121227
2020-21	15677	50623	13134	14542	15324	109299	6595	115894
2021-22	16129	52273	14228	15991	15823	114444	7037	121481
2022-23	16524	54120	15311	17178	18271	121404	6873	128277
2023-24(SRE)	16839	57551	16727	18592	18813	128523	7424	135947
2024-25(FRE)	17362	61561	17662	19786	20195	136565	8091	144656

* Net State Domestic Product

Note: GSDP and NSDP from 1950-51 to 2010-11 are at factor cost.

Source: Department of Economics and Statistics, Himachal Pradesh

TABLE – 6
ANNUAL GROWTH RATE OF GROSS STATE DOMESTIC PRODUCT
(At constant prices) (Per cent)

Year	Agriculture forestry & logging fishing, mining & quarrying	Manufacturing, construction, electricity, gas & water supply	Transport communi-cation& trade	Banking & insurance, real estate & owner-ship of dwelling & business services	Public administ-ration &defence& other services	Gross state domestic product at Market prices
1	2	3	4	5	6	7
(Base 1980-81)						
1981-82	8.3	5.1	7.7	6.3	0	5.9
1982-83	12.6	5.5	2.8	4.7	10.3	(-)2.7
1983-84	11.5	2.9	9.5	4.5	3.1	5.3
1984-85	13.4	4.8	3.7	3.3	10.5	(-)5.5
1985-86	13.1	29.4	8.8	5.3	7.3	13.8
1986-87	7.5	0.5	11.8	13	7.5	7
1987-88	13.7	13	3.2	5.3	18.1	0.9
1988-89	11.1	22.6	10.2	2.5	12.8	12.4
1989-90	22	(-) 8.0	3.7	18.1	10.4	10.1
1990-91	(-)0.8	19.3	4.5	2.9	2.1	3.8
1991-92	3.9	2.2	5.1	7.8	0.4	0.4
1992-93	0.9	12.1	8.9	6.7	3.5	5.6
(Base 1993-94)						
1994-95	1.2	28.4	9.9	5.9	(-)2.5	9.6
1995-96	2	10.1	7.1	0.5	9.3	6.2
1996-97	1.5	12.3	6.5	8	5.5	6.9
1997-98	1.6	4.5	10.9	3.3	17.1	6.4
1998-99	1.2	6.6	9.6	5.7	16.6	7.2
(Base1999-2000)						
2000-01	15.6	5.3	10.5	(-) 2.6	(-)1.5	6.3
2001-02	8.5	4.7	8.3	6.7	(-)1.5	5.2
2002-03	2.2	8.1	5.1	2.5	4.2	5.1
2003-04	11.6	6.4	7.8	15.5	3	8.1
(Base2004-05)						
2005-06	6.1	8.5	10.2	10.8	9.3	8.4
2006-07	(-)0.6	13.6	6.8	15.9	12.9	9.1
2007-08	8.9	9.3	10.1	10.7	3.4	8.5
2008-09	(-)0.8	9.5	15.4	4.5	8.4	7.4
2009-10	(-)10.2	13.6	11.2	15.8	11.9	8.1
2010-11	18.2	3.9	4.2	17.7	11.6	8.8
New series (Base2011-12)						
2012-13	6.8	5.4	6.1	10.1	8.4	6.4
2013-14	9.7	6.8	13.6	5.7	0.6	7.1
2014-15	(-)3.1	9.7	10.6	10.3	7.4	7.5
2015-16	8.5	8.4	13.5	3.6	6.1	8.1
2016-17	(-)1.3	10.3	5.4	4.4	9.8	7
2017-18	(-)5.0	10.1	5	2.5	7.8	6.2
2018-19	3.2	7.3	2.9	6.9	3.6	6.4
2019-20	18.2	-0.4	6.5	0.0	5.8	4.1
2020-21	-6.5	-4.3	-5.5	-0.6	-3.7	-4.4
2021-22	2.9	3.3	8.3	10.0	3.3	4.8
2022-23	2.4	3.5	7.6	7.4	15.5	5.6
2023-24(SRE)	1.9	6.3	9.3	8.2	3.0	6.0
2024-25(FRE)	3.1	7.0	5.6	6.4	7.3	6.4

Source: Department of Economics and Statistics, Himachal Pradesh

TABLE-7
SALIENT FEATURES OF POPULATION IN HIMACHAL PRADESH

Year	Total population (in lakh)	Decennial growth rate	Sex ratio (females per thousand males)	Density per sq. kilometre	Literacy percentage	Urban population percentage
1.	2.	3.	4.	5.	6.	7.
1951	23.86	5.42	912	43	..	4.1
1961	28.12	17.87	938	51	21.27	6.3
1971	34.60	23.04	958	62	31.96	7.0
1981	42.81	23.71	973	77	42.48	7.6
1991	51.71	20.79	976	93	63.86	8.7
2001	60.78	17.54	968	109	76.48	9.8
2011	68.65	12.94	972	123	82.80	10.0

Source: Census of India 1951, 1961, 1971, 1981, 1991, 2001 and 2011.

TABLE-8
DISTRICT-WISE AREA, POPULATION, SEX RATIO AND DENSITY OF POPULATION 2011 CENSUS

District	Area sq. kilometres		Population		Sex ratio females per thousand males)	Density per sq. kilometer
1.	2.		3.		4.	5.
Bilaspur	1,167	(2.10)	3,81,956	(5.56)	981	327
Chamba	6,522	(11.71)	5,19,080	(7.56)	986	80
Hamirpur	1,118	(2.01)	4,54,768	(6.63)	1095	407
Kangra	5,739	(10.31)	15,10,075	(22.00)	1012	263
Kinnaur	6,401	(11.50)	84,121	(1.23)	819	13
Kullu	5,503	(9.88)	4,37,903	(6.38)	942	80
Lahaul-Spiti	13,841	(24.86)	31,564	(0.46)	903	2
Mandi	3,950	(7.09)	9,99,777	(14.56)	1007	253
Shimla	5,131	(9.22)	8,14,010	(11.86)	915	159
Sirmaur	2,825	(5.07)	5,29,855	(7.72)	918	188
Solan	1,936	(3.48)	5,80,320	(8.45)	880	300
Una	1,540	(2.77)	5,21,173	(7.59)	976	338
H.P.	**55,673**	**(100.00)**	**68,64,602**	**(100.00)**	**972**	**123**

Source: Census of India, 2011 Census.

TABLE-9

SEX WISE RURAL-URBAN POPULATION-2011 CENSUS

District	Population								
	Rural			Urban			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
Bilaspur	179653	177174	**356827**	13111	12018	**25129**	192764	189192	**381956**
Chamba	241963	241009	**482972**	19357	16751	**36108**	261320	257760	**519080**
Hamirpur	200748	222590	**423338**	16322	15108	**31430**	217070	237698	**454768**
Kangra	705365	718429	**1423794**	45226	41055	**86281**	750591	759484	**1510075**
Kinnaur	46249	37872	**84121**	0	0	**0**	46249	37872	**84121**
Kullu	203269	193243	**396512**	22183	19208	**41391**	225452	212451	**437903**
L-Spiti	16588	14976	**31564**	0	0	**0**	16588	14976	**31564**
Mandi	466050	471090	**937140**	32015	30622	**62637**	498065	501712	**999777**
Shimla	314295	298364	**612659**	110744	90607	**201351**	425039	388971	**814010**
Sirmaur	246175	226515	**472690**	30114	27051	**57165**	276289	253566	**529855**
Solan	249736	228437	**478173**	59018	43129	**102147**	308754	271566	**580320**
Una	240254	236006	**476260**	23438	21475	**44913**	263692	257481	**521173**
H.P.	3110345	3065705	6176050	371528	317024	688552	3481873	3382729	6864602

Source: Census of India-2011

TABLE-10

PRODUCTION OF PRINCIPAL CROPS

(In '000 tonnes)

Crops	2021-22	2022-23	2023-24	2024-25	2025-26 (Target)
1	2	3	4	5	6
FOODGRAINS (Cereals & Pulses)					
A. Cereals					
1. Rice/Paddy	151.39	130.06	172.86	138.00	175.00
2. Maize	703.26	680.65	607.94	691.54	689.00
3. Ragi	1.06	1.07	0.96	0.96	1.13
4. Small Millets & Bajra	1.41	1.33	1.30	1.31	1.70
5. Wheat	642.24	614.15	782.66	647.44	650.00
6. Barley	28.28	26.42	30.72	23.05	30.00
Total Cereals	1527.64	1453.68	1596.44	1502.30	1546.83
B. Pulses					
1. Gram	0.27	0.20	0.19	0.21	0.28
2. Other Pulses	51.51	44.00	46.92	46.95	53.00
Total Pulses	**51.78**	**44.20**	**47.11**	**47.16**	**53.28**
Total Foodgrains (a+b)	1579.41	1497.88	1643.55	1549.46	1600.11
1. Potato	**195.15**	**194.50**	**195.09**	**194.01**	**195.00**
2. Vegetables	**1803.89**	**1867.41**	**1849.80**	**1862.95**	**1870.00**
3. Ginger(Green)	**33.94**	**32.80**	**33.15**	**34.71**	**34.00**

Source: Directorate of Agriculture Himachal Pradesh.

TABLE-11
CONSUMPTION OF FERTILIZERS IN TERMS OF NUTRIENTS

(MT)

Year/District	Kharif (N+P+K)	Rabi (N+P+K)	Total (N.P.K.)
1	2	3	4
2018-19	21690	35865	57555
2019-20	25898	35880	61778
2020-21	29269	35973	65242
2021-22	26369	31524	57894
2022-23	27479	30373	57852
2023-24	19238	32232	51470
2024-25	26260	33730	59990
District Wise			
Bilaspur	1121	1217	2338
Chamba	842	415	1257
Hamirpur	1183	798	1981
Kangra	3625	4306	7931
Kinnaur	165	261	426
Kullu	2632	4368	7000
L/Spiti	927	121	1048
Mandi	2489	4049	6538
Shimla	4468	8175	12643
Sirmour	2220	2516	4736
Solan	1987	1870	3857
Una	4601	5634	10235

Source: Directorate of Agriculture, Himachal Pradesh.

TABLE-12
DISTRICT-WISE NUMBER AND AREA OF OPERATIONAL HOLDINGS (2021-22 Census)

District	Number	Area (hectares)
1.	2.	3.
Bilaspur	52310	52021
Chamba	72582	55398
Hamirpur	93639	72911
Kangra	233042	195215
Kinnaur	24054	15556
Kullu	54389	30000
Lahaul & Spiti	5573	6519
Mandi	166995	123691
Shimla	133216	117899
Sirmaur	60588	87428
Solan	76128	83032
Una	86057	83856
Himachal Pradesh	1058573	923526

Source: Directorate of Land Records, H.P.

TABLE-13
LIVESTOCK AND POULTRY

(In thousands)

Category	2003	2007	2012	2019
1.	2.	3.	4.	5.
A. Livestock				
1. Cattle	2,196	2,269	2,149	1,828
2. Buffaloes	773	762	716	647
3. Sheep	906	901	805	791
4. Goats	1,116	1,241	1,119	1,108
5. Horses and ponies	17	13	15	9
6. Mules and donkeys	33	26	31	25
7. Pigs	3	2	5	2
8. Other livestock	2	2	4	3
Total-Livestock	**5,046**	**5,216**	**4,844**	**4,413**
B. Poultry	764	809	1,104	1,342

Source: Directorate of Animal Husbandry, Himachal Pradesh.

TABLE-14
OUTTURN AND VALUE OF MAJOR AND MINOR FOREST PRODUCE

Year	Major produce		Minor produce (Value in ₹'000)		
	Timber(Standing volume '000 cu. Meters)	Fuel* (tonnes)	Resin	Fodder and grazing	Other produce
1.	2.	3.	4.	5.	6.
2011-12	146.1	18	1,02,457	947	80,141
2012-13	207.1	33	76,278	918	1,68,374
2013-14	245.1	39	85,451	878	2,10,615
2014-15	242.3	775	83,262	1,035	2,29,280
2015-16	148.2	..	94,249	542	5,69,832
2016-17	225.1	..	84,434	382	4,37,722
2017-18	226.5	..	74,655	646	3,51,587
2018-19	187.6	50	58,809	401	4,14,361
2019-20	230.8	178	59,510	582	6,32,175
2020-21	196.02	183	45,938	487	4,11,227
2021-22	126.65	183	45,938	487	4,11,227
2022-23	158.83	1.31	2,76,840	894	5,71,185
2023-24	164.88	2.05	3,59,400	764	9,10,291
2024-25	141.37	6.53	4,29,229	762	11,58,335

Source: Forest Department, Himachal Pradesh.

TABLE-15
AREA UNDER FORESTS

(Sq. Kilometres)

Year	Reserved forests	Protected forests	Un-classed forests	Other forests	Forest not under the control of Forest Deptt.	Total
1.	2.	3.	4.	5.	6.	7.
2010-11	1,898	33,130	886	369	750	**37,033**
2011-12	1,896	33,123	886	370	758	**37,033**
2012-13	1,896	33,123	886	370	758	**37,033**
2013-14	1,898	33,123	886	369	750	**37,026**
2014-15	1,898	33,130	886	369	750	**37,033**
2015-16	1,898	33,130	886	369	750	**37,033**
2016-17	1,898	33,130	886	369	750	**37,033**
Year	Reserved forests	Demarcated Protected Forests	Other forests**	Un-demarcated Protected Forests	Municipal & Cantonment Forests	Total
2017-18*	1,883	12,852	7,160	16,035	18	**37,948**
2018-19*	1,883	12,852	7,160	16,035	18	**37,948**
2019-20*	1,883	12,852	7,160	16,035	18	**37,948**
2020-21*	1,883	12,852	7,160	16,035	18	**37,948**
2021-22*	1,883	12,852	7,160	16,035	18	**37,948**
2022-23	1,883	12,852	7,160	16,035	18	**37,948**
2023-24	1,883	12,852	7,160	16,035	18	**37,948**
2024-25	1,883	12,852	7,160	16,035	18	**37,948**

Source: Forest Department, Himachal Pradesh.

*Provisional

** Other Forests includes Un-classed, Forests, Co-operative Forest Societies, Charagahbilladrakten and strips Strips Forests etc.

TABLE-16
FAIR PRICE SHOPS

(As on 31-12-2025)

District	Rural	Urban	Total
1.	2.	3.	4.
Bilaspur	244	10	**254**
Chamba	503	18	**521**
Hamirpur	298	22	**320**
Kangra	1,063	82	**1,145**
Kinnaur	68	0	**68**
Kullu	450	34	**484**
Lahaul-Spiti	65	0	**65**
Mandi	795	59	**854**
Shimla	545	79	**624**
Sirmaur	353	26	**379**
Solan	299	49	**348**
Una	291	36	**327**
Total	**4,974**	**415**	**5,389**

Source: Food, Civil Supplies and Consumer Affairs, Himachal Pradesh.

TABLE-17
L.P.G. CONSUMER IN HIMACHAL PRADESH

(As on 31.12.2025)

District	SBC	DBC	Total
1.	2.	3.	4.
Bilaspur	64,318	78,929	1,43,247
Chamba	1,15,102	50,801	1,65,903
Hamirpur	64,424	98,571	1,62,995
Kangra	2,89,656	2,76,954	5,66,610
Kinnaur	9,293	22,057	31,350
Kullu	58,937	88,392	1,47,329
Lahaul & Spiti	3,749	10,262	14,011
Mandi	1,56,508	1,83,841	3,40,349
Shimla	96,116	2,09,528	3,05,644
Sirmaur	80,230	81,875	1,62,105
Solan	66,732	1,36,754	2,03,486
Una	67,120	95,874	1,62,994
Himachal Pradesh	10,72,185	13,33,838	24,06,023

Source: Food, Civil Supplies and Consumer Affairs, Himachal Pradesh.

TABLE-18
DISTRICT- WISE PETROL/ DIESEL RETAIL OUTLETS IN HIMACHAL PRADESH

(As on 31.12.2025)

District	IOC	BPC	HPC	OTHER	Total
1.	2.	3.	4.	5.	6.
Bilaspur	26	16	19	9	70
Chamba	14	4	5	-	23
Hamirpur	23	8	13	11	55
Kangra	72	24	20	11	127
Kinnaur	4	-	3	-	7
Kullu	18	7	6	1	32
Lahaul & Spiti	4	-	-	-	4
Mandi	40	10	14	11	75
Shimla	34	7	21	9	71
Sirmaur	16	9	10	5	40
Solan	40	20	21	9	90
Una	40	22	12	9	83
Himachal Pradesh	331	127	144	75	677

Source: Food, Civil Supplies and Consumer Affairs, Himachal Pradesh.

TABLE-19

DISTRICT- WISE / COMPANY- WISE DETAIL OF GAS AGENICIES

(As on 31.12.2025)

District	IOC	BPC	HPC	IBPC	Total
1.	2.	3.	4.	5.	6.
Bilaspur	10	-	4	-	14
Chamba	7	2	1	-	10
Hamirpur	10	-	-	-	10
Kangra	24	3	10	-	37
Kinnaur	5	-	1	-	6
Kullu	6	5	2	-	13
Lahaul & Spiti	2	2	-	-	4
Mandi	21	5	2	-	28
Shimla	24	3	2	-	29
Sirmaur	13	1	2	-	16
Solan	12	3	5	-	20
Una	8	2	2	-	12
Himachal Pradesh	142	26	31	-	199

Source: Food, Civil Supplies and Consumer Affairs, Himachal Pradesh.

TABLE-20
CO-OPERATION

Item	2023-24	2024-25
1.	2.	3.
I. Societies (No):		
Agricultural	2226	2277
Non-Agricultural	2943	3097
Urban banks	5	5
State and Central banks	4	4
Other secondary societies	63	63
TOTAL	5241	5446
II. Membership ('000)		
Agricultural societies	1371	1376
Non-Agricultural Societies	395	369
Urban banks	30	30
State and Central banks	145	145
Other secondary societies	5	4
TOTAL	1946	1924
III. Working Capital (₹ lakh)		
Agricultural Societies	828111.09	951594.65
Non-Agricultural Societies	104395.66	652899.18
Urban banks	80053.15	50558.53
State & Central banks	3801033.00	3995788.65
Other secondary societies	4594.99	8919.57
TOTAL	4818187.89	5659760.58
IV. Loans Advanced (₹ lakh)		
Agricultural societies	69954.34	82925.05
Non-Agricultural societies	30163.54	48387.39
Urban banks	17622.2	14080.51
Primary Land Mortgage Bank and State & Central Banks	671035	400257.33
TOTAL	788775.08	545650.28
V. Loans outstanding (₹ lakh)		
Agricultural societies	137040.45	132868.89
Non-Agricultural societies	44548.08	55414.28
Urban banks	42630.70	54196.83
Primary Land Mortgage Bank and State & Central Banks	1509363.00	1231357.62
TOTAL	1733582.23	1473837.62

Source: Co-operative Department, Himachal Pradesh.

Table-21

GENERATION AND CONSUMPTION OF ELECTRICITY

(MU)

Sr. No.	Item	2023-24	2024-25	2025-26 (up to December,2025)
1.	2.	3.	4.	5.
1.	Electricity Generated from own HPSEBL projects	1664.57	1718.838	1659.148
	Uhl-III, MD(BVPCL)	-	25.51	314.49
2	Electricity purchased from BBMB and other States	13566.67	14188	12023.77
3	Energy Consumed: Within the State			
(a)	Domestic	2724.49	2859.38	2115.392
(b)	Non-Domestic and Non-Commercial	186.00	200.24	142.24
(c)	Commercial	737.67	747.43	535.456
(d)	Industries	6616.48	6877.11	5111.963
(e)	Public Lighting	12.97	12.96	9.882
(f)	Agriculture	79.40	97.69	67.73
(g)	Bulk and Miscellanous	192.83	184.79	112.28
(h)	Govt. Irrigation and Water Supply Scheme	738.93	837.08	579.644
(i)	Temporary Supply	54.66	63.02	42.504
(j)	Electric vehicle	1.27	2.56	1.991
	Total (3)	11344. 69	11882.242	8719.082
4.	Energy Sold outside the State	2532.48	2322.543	3061.60
Total Consumed/Sold		13877.17	14204.785	11780.682

Source: State Electricity Board, Himachal Pradesh.

Note: The figures of energy consumed (within the state) are tentative and based on data extracted from SAP ISU billing. Actual figures may very as and when the returns received from field units.

TABLE-22
AREA UNDER FRUITS

(Hectares)

Year	Apple	Nuts & dry fruits	Citrus	Other fruits	Total
1.	2.	3.	4.	5.	6.
2010-11	1,01,485	11,022	22,305	76,483	**2,11,295**
2011-12	1,03,644	11,039	22,396	77,495	**2,14,574**
2012-13	1,06,440	10,902	22,809	78,152	**2,18,303**
2013-14	1,07,686	10,819	23,110	79,091	**2,20,706**
2014-15	1,09,553	10,621	23,704	80,474	**2,24,352**
2015-16	1,10,679	10,491	24,063	81,566	**2,26,799**
2016-17	1,11,896	10,364	24,475	82,467	**2,29,202**
2017-18	1,12,634	10,301	24,649	83,268	**2,30,852**
2018-19	1,13,154	10,194	24,869	83,922	**2,32,139**
2019-20	1,14,144	10,070	25,051	84,035	**2,33,300**
2020-21	1,14,646	10,029	25,654	84,450	**2,34,779**
2021-22	1,15,016	9,786	26,096	84,887	**2,35,785**
2022-23	1,15,680	9,583	26,370	84,833	**2,36,466**
2023-24	1,16,240	9,277	26,432	85,001	**2,36,950**
2024-25	1,16,338	9,005	26,652	85,373	**2,37,368**

Source: Horticulture Department, Himachal Pradesh

TABLE-23
PRODUCTION OF FRUITS

('000 tonnes)

Year	Apple	Citrus	Nuts & dry fruits	Other fruits	Total
1.	2.	3.	4.	5.	6.
2011-12	275.04	25.03	2.49	70.26	**372.82**
2012-13	412.39	24.32	2.81	116.19	**555.71**
2013-14	738.72	22.27	3.48	101.87	**866.34**
2014-15	625.20	22.17	2.41	102.16	**751.94**
2015-16	777.13	26.62	3.37	121.71	**928.83**
2016-17	468.13	28.05	2.99	112.71	**611.88**
2017-18	446.57	26.85	3.38	88.50	**565.31**
2018-19	368.60	29.34	3.65	93.77	**495.36**
2019-20	715.25	32.11	4.25	93.82	**845.42**
2020-21	481.06	33.29	4.69	105.45	**624.49**
2021-22	611.90	32.93	3.68	105.46	**753.98**
2022-23	672.34	31.94	3.27	107.06	**814.61**
2023- 24	506.69	35.31	3.11	92.12	**637.23**
2024-25	502.948	30.95	3.11	111.31	**648.325**
2025-26	646.998	7.23	1.46	77.72	**733.409**

Source: Horticulture Department, Himachal Pradesh

TABLE-24
HIMACHAL PRADESH GOVERNMENT EMPLOYEES

As on 31st March	Regular	Part time Employees	Work charged	Daily paid workers
1.	2.	3.	4.	5.
2008	1,82,746	13,168	5,904	14,824
2009	1,89,065	13,050	2,167	11,908
2010	1,90,560	13,088	0	11,551
2011	1,87,604	11,639	0	10,170
2012	1,87,419	11,780	0	9,979
2013	1,84,761	8,153	0	12,337
2014	1,83,600	7,750	0	11,599
2015	1,82,049	6,312	0	11,512
2016	1,78,744	5,687	0	10,950
2017	1,77,338	4,666	0	10,578
2018	1,81,376	4,048	0	7,760
2019	1,81,231	3,334	0	7,253
2020	1,81,379	3,619	0	6,256
2021	1,87,899	3,086	0	4,930
2022	1,90,137	2,430	0	4,412
2023	1,85,698	5,726	0	4,593
2024	1,80,800	6,015	0	3,715
2025	1,75,579	5,960	0	4,054

Note: The Figures of Contract, Ad-hoc and Volunteer Employees not included.
Source: Department of Economics and Statistics, Himachal Pradesh.

TABLE-25
TOURIST ARRIVAL FOR THE YEAR 2025

District	Indian	Foreigner	Total
1.	2.	3.	4.
Bilaspur	1027683	0	1027683
Chamba	631523	899	632422
Hamirpur	296333	11	296344
Kangra	796537	29755	826292
Kinnaur	389500	4845	394345
Kullu	2742059	10587	2752646
Lahaul & Spiti	488705	7456	496161
Mandi	1355476	769	1356245
Shimla	2674023	26887	2700910
Sirmaur	1152393	472	1152865
Solan	2395484	3113	2398597
''Una	461611	34	461645
Himachal Pradesh	**14411327**	**84828**	**14496155**

Source: Tourism and Civil Aviation Department, Himachal Pradesh

TABLE-26
EDUCATION

No. of Educational functional Institutions	2024-25 up to Dec.2025
1.	2
1. Primary	9,750
2. Middle	1,744
3. High Schools	967
4. Senior Secondary Schools	1,972
5. Degree colleges	130
6. Govt. Sanskrit Colleges	09
7. SECRT	01
8. GCTE (B.Ed. College)	01
9. Fine Arts Colleges	02
Total	14,576

Source: Education Department, Himachal Pradesh.

TABLE-27
MEDICAL AND PUBLIC HEALTH

Item	2023-24	2024-25	2025-26 (Up to Dec. 2025)
1.	2.	3.	4.
1.Allopathic institutions			
(i) No. of Institutions			
(a) Hospitals	115	115	115
(b)Community Health Centers	106	106	106
(b) Primary Health Centers	583	585	586
(c) ESI Dispensaries	16	24	24
TOTAL	820	830	835
(ii) Beds available	16,699	16,699	16,699
2. Ayurvedic institutions			
No. of Institutions			
(a) P.G. Ayurvedic College	1	1	1
(b) College of Pharmaceutical Science	1	1	1
(c) Regional Hospitals	2	2	2
(d) Ayurvedic Hospitals	31	32	33
(e) Nature Cure Hospital	1	1	1
(f) AYUSH Health and Wellness Centres / Ayurvedic health Centres	1185	1185	1185
(g) Research Institute in Indian System of Medicines /Herbal Gardens	4	4	4
(h) Drug Testing Laboratory	1	1	1
(i) Ayurvedic Pharmacies	3	3	3
(j) Aamchi Health Center	4	4	4
(ii) Beds available in Ayurvedic Institutions	790	790	790
3. No. of Unani Dispensaries	3	3	3
4. No. of Homoeopathy Dispensaries	14	14	14

Source: Directorate of Health and Family Welfare and Ayurveda, Himachal Pradesh.

TABLE-28
ROADS

(In Kilometres)

Type of road	2024-25	2025-26 (As on 31.12.2025)
1.	2.	3.
Motorable Four lane	262	262
Motorable double lane	2,027	2,027
Motorable single lane	39,163	39,465
Jeepable	1327	1337
Less than Jeepable	0	0
Total	42,779	43,091

Source: Public works Department Himachal Pradesh

Note: Figures include National Highways also.

TABLE-29
NATIONALISED ROAD TRANSPORT

Year	Number of motor vehicles							No. of routes under operation	Distance Covered ('000 kilometers)
	Buses	Att-ached Buses	Electric Buses	Taxies	Electric Taxies	Others	Total		
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
2013-14	2,054	33	0	0	0	52	2,139	2,142	1,71,647
2014-15	2,447	33	0	0	0	50	2,530	2,225	1,79,396
2015-16	2,645	34	0	0	0	85	2,764	2,325	1,88,292
2016-17	3,105	53	0	0	0	77	3,235	2,573	2,11,519
2017-18	3,110	62	0	0	0	86	3,258	2,723	2,27,767
2018-19	3,078	69	40	21	50	92	3,350	2,833	2,31,155
2019-20	3,093	76	75	21	50	95	3,410	2,953	2,22,646
2020-21	3,099	51	75	21	50	92	3,391	2,350	77,767
2021-22	3,103	48	75	21	50	99	3,396	2,170	1,437,17
2022-23	3,142	31	75	38	50	106	3,442	2,813	2,08,837
2023-24	3,180	23	110	47	50	56	3,343	3,466	1,99,559
2024-25	3,079	20	110	47	50	52	3,336	2,721	2,08,235
2025-26 Nov. 2025	2,823	0	110	47	50	52	3,082	2,721	1,26,048

Source: Himachal Road Transport Corporation, Shimla.

TABLE-30

CONSUMER PRICE INDEX NUMBERS IN HIMACHAL RADESH

Year/Month	For Industrial Workers Base: 2016=100	
	General Index	Food Index
1.	2.	3.
2021	123	120
2022	130	128
2023	132.5	131.8
2024	135.9	140.2
2025	140.9	142.5
January	138.4	140.1
February	137.7	138.4
March	137.9	138.8
April	138.6	138.7
May	138.7	138.0
June	140.4	140.7
July	142.4	144.1
August	143.3	146.6
September	143.5	147.0
October	143.9	147.8
November	143.5	146.7
December	142.1	143.4

Source: Labour Bureau, Government of India.

TABLE-31
ALL-INDIA INDEX NUMBERS OF WHOLESALE PRICES

Items	(Base 2011-12=100)			
	2021-22	2022-23	2023-24	2024-25
1.	2.	3.	4.	
ALL COMMODITIES	**139.4**	**152.5**	**151.4**	**154.9**
I. Primary articles	**160.7**	**176.8**	**183**	**192.5**
A. Food articles	167.3	179.5	191.3	205.3
B. Non-food articles	158.1	172.1	162.4	161.7
C. Minerals	197.2	203.5	217.7	229.0
II. Fuel, power, light and lubricants	**124.6**	**159.5**	**152**	**150.0**
III. Manufactured products	**135**	**142.6**	**140.2**	**142.6**
A. Food products	157.9	165.3	160.5	172.0
B. Beverages, tobacco and tobacco products	126.8	128.9	131.5	134.1
C. Textiles	135.2	142.7	134.6	136.3
D. Wood and wood products	141.0	143.2	146.6	149.2
E. Paper and paper products	137.5	152.0	140.3	139.2
F. Leather and leather products	119.2	122.2	124.1	125.3
G. Rubber and plastic products	124.8	129.7	127.5	129.0
H. Chemical and chemical products	133.5	145.4	136.9	136.5
I. Non-metallic mineral products	123.7	133.7	134.7	131.5
J. Basic metals, alloys and metal products	140.1	148.7	141.0	139.7
K .Machinery and machine tools including electrical machinery	120.0	126.2	129.0	130.8
L. Transport equipment and parts	131.7	137.4	143.1	145.2

Source: Ministry of Commerce and Industry, Government of India.

TABLE-32
INCIDENCE OF CRIMES

District/Other	2020	2021	2022	2023	2024	2025
1.	2	3	4	5	6	7
Bilaspur	1562	1349	1319	1435	1325	1420
Chamba	1300	1245	1134	1125	921	976
Hamirpur	1102	901	1020	1115	892	987
Kangra	3850	3390	2261	2585	2222	1843
Kinnaur	416	471	465	469	334	383
Kullu	1585	1413	1639	1473	1430	1470
Lahaul-Spiti	83	130	215	182	143	157
Mandi	3308	2567	2535	2606	2443	2526
Shimla	2704	2621	2426	2469	1942	1934
Sirmaur	1260	1336	1402	1518	1416	1554
Solan	1033	953	1102	1119	1167	1202
Una	1329	1355	1317	1431	1414	1397
Railway and Traffic	10	14	15	20	15	09
PS CID	37	32	18	17	01	04
PD Nurpur	0	0	1087	1169	1008	1120
PD Baddi	1045	1051	1087	1167	1131	1124
PD Dehra	0	0	0	0	0	625
PS Cyber Crime	6	5	11	87	111	75
Himachal Pradesh	20630	18833	19053	19987	17915	18806

Source: Police Department, Himachal Pradesh.

TABLE-33

Development Budget Outlays

(₹in crore)

Sl. No.	Major/Minor Head of Development	Approved Outlay (2025-26)
1	2	3
	ECONOMIC SERVICES	
I	Agriculture and Allied Services	
	1.Agriculture	109.00
	2.Horticulture	157.98
	3.Soil and Water Conservation	6.97
	4.Animal Husbandry	2.06
	5.Dairy Development	0.12
	6.Fisheries	2.50
	7.Forestry and Wildlife	153.20
	8.Agricultural Research and Education	0.00
	9. Co-operation	3.59
	10. Horticulture Marketing	20.00
	Total-I	455.42
II	Rural Development	
	1. DRDA Administration	0.00
	2. Pradhan Mantri Awaas Yojna(Rural)	19.50
	3. Mahatma Gandhi National Employment Guarantee.	100.00
	4. NRLM	10.00
	5. DDU-GKY	7.68
	6. National R-Urban Mission	0.00
	7.PMKSY (WDC)	3.00
	8.National Bamboo Mission	0.00
	9. Others	1.28
	10. Land Reforms	3.40
	11.Community Development and Panchayats	8.79
	Total-II	153.65
III	Special Areas Programmes	4.00
	Total-III	4.00

TABLE-33 – Continued

(₹ in crore)

1	2	3
IV	Irrigation and Flood Control	
	1. Major and Medium Irrigation	0.16
	2. Minor Irrigation	113.00
	3. Command Area Development	1.03
	4. Flood Control	6.66
	Total - IV	120.85
V	Energy	
	1. Power	838.72
	2. Non-conventional Sources of Energy	5.00
	Total - V	843.72
VI	Industry and Minerals	
	1. Village and Small Industries	15.40
	2. Other Industries (other than VSI)	1.51
	3. Minerals	0.00
	Total- VI	16.91
VII	Transport	
	1. Civil Aviation	3.00
	2. Roads and Bridges	591.50
	3. Road Transport	223.63
	4. Rail Transport	1.00
	5. Other than Transport services	0.50
	Total-VII	819.63
VIII	Science, Technology and Environment	
	1 .Scienctific Research	1.01
	2. Ecology and Environment	0.00
	3. Information Technology	5.00
	Total- VIII	6.01
IX	General Economic Services	
	1. Secretariat Economic Services	17.00
	2. Excise and Taxation	0.03
	3. Tourism	13.00
	4. Civil Supplies	230.57
	5. Other General Economic Services	13.00
	6. Weights and Measures	0.08
	7. District Planning / District Councils	0.00
	Total-IX	273.68
	Total Economic Services	2693.87

TABLE-33 – Concluded

(₹ in crore)

1	2	3
X	B. Social Services	
	1. General Education	
	a) Elementary Education and Literacy	107.87
	b) Higher /Secondary Education	68.40
	2. Technical Education	3.54
	3. Sports and Youth Services	0.16
	4. Art & Culture	0.03
	5. Health and Family Welfare	87.50
	6. Water Supply Sanitation	414.92
	7. Housing including Police Housing	12.21
	8. Urban Development including TCP	72.58
	9. Information and Publicity	0.03
	10. Welfare of SCs, STs and OBCs	1618.27
	11. Labour and Employment	32.66
	12. Women and Child Development	78.96
	13. Nutrition	7.90
	Total-X	2505.03
XI	C. General Services	
	1. Jails	0.03
	2. Public Works	3.03
	3. Other Administrative Services	33.04
	Total-XI	36.10
	Grand Total	5235.00

Source: Planning Department, Himachal Pradesh.

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