

1. GENERAL REVIEW

Economic Situation at National Level

1.1. The Indian economy appears to be in a resilient mode in terms of growth, inflation and balance of payments, combination of which offers large scope for the growth momentum with continued macro economic stability. Real Gross domestic Product witnessed a significant growth of 8.5% during 2003-04 as compared to 4% during 2002-03. The country for the past few years was passing through a difficult phase caused by global slow down as a result of which export growth suffered and industrial profitability affected. Due to favourable climatic conditions during 2003-04 a rise of 21.8% was witnessed in agriculture production as the foodgrains production increased from 174.2 Million tonnes in 2002-03 to 212.1 Million tonnes in 2003-04 as a result of which growth rate also increased as compared to previous years. The growth rate for the fiscal year 2004-05 is expected to 6.9 percent as agriculture sector is having a growth of 1.1% this year as against 10.3% last year.

1.2 The Gross Domestic Product at factor cost at constant (1993-94) prices in 2003-04 is estimated at Rs.14,30,548 crore as against Rs.13,18,362 crore in 2002-03. At current prices Gross Domestic Product in 2003-04 is estimated at Rs. 25,19,785 crore as against Rs.22,54,888 crore in 2002-03

showing an increase of 11.7 percent during the year. The high growth rate in real Gross Domestic Product during 2003-04 was mainly attributed to the higher growth of 10.3% in agriculture, 11.8% in Trade, hotels & Transport & Communication and 7.1% in Finance, real estate & business services sectors and because of lower growth of just 4% in 2002-03. The per capita income is estimated at Rs. 20,989 in 2003-04 as against Rs.19,040 for the previous year recording an increase of 10.2 percent. At constant (1993-94) prices the per capita income increased to Rs. 11,799 in 2003-04 from Rs. 11,013 in 2002-03 registering an increase of 7.1 percent.

1.3 The inflation rate in terms of Whole Sale Price Index was 6.5 percent in the last week of December, 2004 against 7.7 percent in the Last week of November 2004. The rise in the All India Consumer Price Index Number for Industrial workers also was 3.7% in December 2004 as against 4.2 % during November.

Economic Situation in Himachal Pradesh

1.4 The economy of Himachal Pradesh is dependent upon agriculture and its allied activities and any fluctuation in agricultural production affects the growth rate considerably. The over all economic growth in total State Domestic Product during 2003-04(Q)

was 8.1 percent as the total State Domestic Product at constant prices (1993-94) increased to Rs. 9163 crore from Rs. 8473 crore in 2002-03. As per the advanced estimates on the basis of economic conditions up to December, 2004 the likely growth rate for 2004-05 will be around 7.5%. The G.S.D.P at current prices during 2003-04(Q) was estimated at Rs. 17938 crore as against Rs.16075 crore in 2002-03. The Per Capita Income at current prices witnessed an increase of 9.8 percent as it increased to Rs. 24903 in 2003-04(Q) from Rs. 22671 in 2002-03. This increase in total State

Domestic Product is mainly attributed to 8.0 percent growth in primary sectors, 6.6 percent in secondary sectors, 7.5 percent in Transport and Trade and 4.6 percent in Services Sector. Food grains production, which was 11.11 lakh MT during 2002-03 increased to 13.98 lakh MT(likely) during 2003-04 and is expected to remain above this level in 2004-05 and also the fruit production increased by 21.7 percent i.e from 4.60 lakh MT in 2002-03 to 5.60 lakh MT in 2003-04 and to 6.85 lakh tones in 2004-05(upto Dec., 2004).

TABLE 1.1

Key Indicators

Indicators	2002-03	2003-04	2004-05	2002-03	2003-04	2004-05
	Absolute Value			%age change over previous year		
G.S.D.P.(Rs.in crore)						
(a)At current prices	16075	17938	..	7.4	11.6	..
(b)At constant prices	8473	9163	..	4.5	8.1	..
Foodgrains production (lakh tonnes)	11.11	13.98	16.36	(-)30.52	25.8	17.0
			(Anticipated)			
Fruit production ('000 tonnes)	460.00	560.00	685.00	74.9	21.7	22.3
Gross Value Added from Industrial Sector* (Rs.in crore)	2251	2658	..	9.6	18.1	..
Electricity generated (Million Units)	1277	1357	..	11.04	6.3	..
Wholesale price Index	166.8	175.9	..	3.4	5.5	..
C.P.I. for Industrial Workers(HP)	456	471	..	1.8	3.3	..

*At current prices.

1.5 The economic growth in the State, predominantly governed

by agriculture and its allied activities showed not much fluctuations during nineties as the growth rate remained

more or less stable. The decade showed an average annual growth rate of 5.7 percent, which is at par with national level. The economy has shown a shift from agriculture sector to industries and services as the percentage contribution of agriculture and allied sectors in total State Domestic Product has declined from 57.9 percent in 1950-51 to 55.5 percent in 1967-68, 26.5 percent in 1990-91 and to 21.71 percent in 2003-04. The share of industries and services sectors respectively has increased from 1.1 & 5.9 percent in 1950-51 to 5.6 and 12.4 percent in 1967-68, 9.4 & 19.8 percent in 1990-91 and to 14.8 percent and 18.7 percent in 2003-04. However, the contribution of other remaining sectors showed a favourable shift i.e. from 35.1 percent in 1950-51 to 44.1 percent in 2003-04.

1.6 The declining share of agriculture sector do not, however, affect the importance of this sector in the State economy as the state economic growth still is being determined by the trend in agricultural production as it is the major contributor to the total domestic product and has overall impact on other sectors via input linkages, employment and trade etc. Due to lack of irrigation facilities our agricultural production to a large extent still depends on timely rainfall and weather conditions. High priority has been accorded to this sector by the Govt. It has been envisaged to produce 16.36 lakh M.T. of food grains during the year owing to favourable weather conditions in rabi season. Due to this the growth rate

of economy is expected to be around 7.5 percent during 2004-05.

1.7 The state has made significant progress in the development of Horticulture. The topographical variations and altitudinal differences coupled with fertile, deep and well drained soils favour the cultivation of temperate to sub tropical fruits. The region is also suitable for cultivation of ancillary horticultural produce like flowers, mushroom, honey and hops. During the year 2004-05 upto December, 2004, 6.85 lakh tonnes of fruits were produced in the state and it is envisaged to bring 4000 hectares of additional area under fruit plants against which 3596 hectares of area was brought under plantation up to December, 2004. Growing of off-season vegetables has also picked up in the state. During the year 2003-04, 7.31 lakh tonnes of vegetables were produced as against 6.22 lakh tonnes in 2002-03.

1.8 Himachal Pradesh Working Class Consumer Price Index No. during 2004-05 increased by 3.8 percent in December, 2004 from December, 2003 as against an inflation rate of 6.5 percent during this period at national level.

1.9 Himachal Pradesh has launched a reform programme in the power sector. During the financial year 2003-04, 1357 million units of electricity was generated by March, 2004. Due to limited resources available with state Govt., the Govt. of Himachal Pradesh had approved the participation of private sector in the generation and supply of power

and had given various hydroelectric projects in private sector for implementation.

1.10 High priority has been accorded to tourism industry, which has emerged as a major sector in the development of economy of the state. The Govt. has developed appropriate infrastructure for the growth of tourism involving activities requiring heavy investment and pioneering commercial projects in new areas where private sector may be reluctant to undertake such activities initially. As a result of high profile media thrust, a significant rise has been noticed in the tourist influx during last few years as below :-

TABLE 1.2
Tourist arrival (In lakh)

Year	India n	Foreigners	Total
1999	43.52	0.91	44.43
2000	45.70	1.11	46.81
2001	51.11	1.33	52.44
2002	49.60	1.44	51.04
2003	55.44	1.68	57.12
2004 (upto 6/04)	39.88	0.70	40.58

1.11 Information Technology has a great scope for employment generation and Revenue earnings. Himachal Pradesh Govt. in this context has prepared an I.T.Vision 2010 with the assistance of NASSCOM. Government has introduced Himswan, REFNIC, Kiosk, i-CoSC and HIMBHOOI systems to bring efficiency and transparency in administration.

1.12 The state Government mobilises financial resources through

direct and indirect taxes, non-tax revenue, share of central taxes and grants-in-aid from Central Govt. to meet the expenditure on administration and developmental activities. According to the budget estimates for the year 2004-05 the total revenue receipts were estimated at Rs. 4241 crore as against Rs. 3901 crore in 2003-04. The revenue receipts increased by 8.7 percent in 2004-05 over 2003-04.

1.13 The state's own taxes were estimated at Rs. 1226 crore in 2004-05(BE) as against Rs. 1120 crore in 2003-04 and Rs. 1082 crore in 2002-03. The percentage increase in the state's own taxes was estimated at 9.5 percent in 2004-05(BE). Besides this, in 2004-05 Rs.44 crore was tax realized on property & capital transactions.

1.14 The state's non-tax revenue (comprising mainly of interest receipts, road transport receipts and other administrative services etc.) was estimated at Rs. 425 crore in 2004-05(BE). The state's non-tax revenue was 10.0 percent of total revenue receipts in 2004-05.

1.15 The share of central taxes was estimated at Rs. 288 crore in 2004-05(BE). It was 273 crore in 2003-04 which registered an increase of 5.5 percent.

1.16 The break-up of the state's own taxes reveals that sales tax at Rs. 497 crore constitutes a major portion i.e. 31.9 percent of total tax revenue in 2004-05(BE). The corresponding percentages for

the year 2003-04 and 2002-03 were 30.5 and 31.0 per cent respectively. The revenue receipt from state excise duties is estimated at Rs. 311 core in 2004-05(BE).

1.17 The percentage of Revenue deficit to total GSDP has declined to 7.86% in 2004-05(BE) from 8.41% in 2003-04.

1.18 On the basis of various important macro economic parameters viz a budget & prosperity, agriculture, size of

consumer markets, education, health, governance, infrastructure & investment scenario Himachal Pradesh has come up as one of the Socially Most Progressive States of the country. In overall performance, Himachal has attained third position. To fulfill the commitments towards public also a separate department of Redresal and Public grievances under the direct supervision of the Hon'ble Chief Minister has been set up.

Table 1.3**Receipt and Expenditure of the State Government****(Rs. in crore)**

Item	2001-02	2002-03	2003-04	2004-05
1.Revenue Receipts(2+3+4)	3716	3659	3901	4241
2.Tax Revenue	1241	1235	1435	1558
3.Non-Tax Revenue	198	175	255	425
4.Grant-in-aid	2277	2249	2211	2258
5.Revenue Expenditure	4576	5141	5410	5791
(a)Interest Payments	1042	1172	1504	1758
(b)Subsidies	153	166	58	75
6.Revenue Deficit(1-5)	860	1482	1509	1550
7. Capital Receipts	4366	5817	2656	2719
(a)Recovery of loans	29	29	30	23
(b)Other receipts	(-) ⁶⁶	846	250	175
(c) Borrowings & liabilities	4403	4942	2376	2517
8.Capital Expenditure	3659	4315	1684	1102
9.Total Expenditure	8235	9456	7093	6893
(a) Plan expenditure	1866	2276	1511	1505
(b) Non-plan expenditure	6369	7180	5582	5388
As percent of GDP				
1.Revenue Receipts(2+3+4)	24.82	22.76	21.75	21.51
2.Tax Revenue	8.29	7.68	8.00	7.90
3.Non-Tax Revenue	1.32	1.09	1.42	2.16
4.Grant-in-aid	15.21	13.99	12.33	11.45
5.Revenue Expenditure	30.57	31.98	30.16	29.38
(a)Interest Payments	6.96	7.29	8.38	8.92
(b)Subsidies	1.02	1.03	0.32	0.38
6.Revenue Deficit(1-5)	5.75	9.22	8.41	7.86
7.Capital Receipts	29.17	36.19	14.81	13.79
(a)Recovery of loans	0.19	0.18	0.17	0.12
(b)Other receipts	0.44	5.26	1.39	0.89
(c) Borrowings & liabilities	29.41	30.74	13.25	12.77
8.Capital Expenditure	24.44	26.84	9.39	5.59
9.Total Expenditure	55.01	58.82	39.54	34.97
(c) Plan expenditure	12.47	14.16	8.42	7.64
(d) Non-plan expenditure	42.54	44.67	31.12	27.33

Note: GSDP estimates for 2001-02, 2002-03(R), 2003-04(Q)& 2004-05(Tentative)

2. STATE INCOME

State Domestic Product

2.1 State Domestic Product (S.D.P.) or state income is the most important indicator for measuring the economic growth of a state. According to quick estimates, the total State Domestic Product at 1993-94 prices increased to Rs. 9163 crore in 2003-04 from Rs. 8473 crore in 2002-03, thereby registering a growth of 8.1 percent at constant prices. The growth rate of gross domestic product at national level during this period is estimated at 8.5 percent. The total State Domestic Product of the Pradesh at current prices is estimated at Rs. 17938 crore in 2003-04 as against Rs.16075 crore in 2002-03, thereby registering an increase of 11.6 percent. The significant pace of this growth is attributed to increase in food grains production to 13.98 lakh MT(likely) in 2003-04 from 11.11 lakh MT in 2002-03 and the apple production from 3.48 lakh MT in 2002-03 to 4.60 lakh MT in 2003-04. The economy of Himachal Pradesh is predominantly dependent upon agriculture and in the absence of strong industrial base, any fluctuations in the agricultural or horticultural production cause significant change in economic growth also. During 2003-04 about 21.71 percent of state income has been contributed by agriculture sector alone.

2.2 The table given below shows the growth of economy of Himachal Pradesh vis-à-vis all-India during the last three years :-

Table 2.1

Year	(Percent)	
	H.P.	All India
2001-2002	5.4	5.6
2002-2003(R)	4.5	4.0
2003-2004(Q)	8.1	8.5

Per Capita Income

2.3 According to quick estimates based on 1993-94 series, the Per Capita income of Himachal Pradesh at current prices in 2003-04 stood at Rs.24903. This shows an increase of 9.8 percent over 2002-03 (Rs.22671). At constant (1993-94) prices the per capita income during 2003-04 is estimated at Rs.12302.

Sectoral Contribution

2.4 The sectoral analysis reveals that during 2003-04, the percentage contribution of Primary sectors to total S.D.P. of the State is 26.38 percent, Secondary Sector 33.23 percent, followed by Community and Personal Services 18.55 percent, Transport, Communications and Trade 14.28 per cent and Finance and Real Estate 7.56 per cent.

The structural composition of the state economy witnessed significant changes during the decade. The share of agriculture including horticulture and animal husbandry in G.S.D.P. had declined from 26.5 percent in 1990-91 to 21.71 percent in 2003-04 yet the agriculture sector continues to

occupy a significant place in the state economy and any fluctuation in the production of food grains affect the economy considerably. The share of primary sectors which include agriculture, forestry, fishing and mining & quarrying has declined from 35.1 percent in 1990-91 to 26.38 percent during 2003-04. Secondary sector which occupies the second important place in the state economy has witnessed a major improvement since 1990-91. Its contribution increased from 26.5 per cent in 1990-91 to 33.23 percent in 2003-04, reflecting healthy signs of industrialisation and modernisation in the state. The share of the electricity, gas and water supply sector which is a component of secondary sector has also increased from 4.7 percent during 1990-91 to 5.7 percent during 2003-04. Tertiary sector which is comprised of sectors like trade, transport, communications, banking, real estate & business services, community and personal services has also witnessed an increase in its share. Its share in G.S.D.P. has increased from 38.40 percent during 1990-91 to 40.49 percent in 2003-04.

Sectoral growth

2.5 Following are the major constituents which attributed to 8.1 percent growth of state economy during 2003-04.

Primary Sector

2.6 Primary sector, which includes Agriculture, Forestry, Fishing, Mining and Quarrying,

during 2003-04, witnessed a growth rate of 8.0 per cent.

Secondary Sector

2.7 The secondary sector, which comprises Manufacturing, Construction and Electricity, Gas and Water Supply registered a growth of 6.6 percent during 2003-04.

Transport, Storage, Communications and Trade

2.8 This group of sectors shows a growth of 7.5 percent during 2003-04.

Finance and Real Estate

2.9 This sector comprises Banking and Insurance, Real Estate, Ownership of dwellings and Business Services. It witnessed a growth of 22.2 percent in 2003-04.

Community and Personal Services

2.10 The growth in this sector during 2003-04 was 4.6 percent.

Prospects-2004-05

2.11 As per the advanced estimates based on the economic performance of state upto December, 2004 the rate of economic growth of state during 2004-05 likely will be 7.5% as against 6.9% at national level. The state has achieved such a high growth rate of 8.1% & 7.5% for two consecutive years continuously.

The GSDP at current prices is likely to be Rs. 19712 crore.

Pradesh, however, reveals that the state has always tried to keep pace with the all-India growth rate as shown below :-

2.12 A brief analysis of the economic growth in Himachal

Table 2.2

Period		Average annual growth rate(Percentage)	
Plan	Years/Year	H.P.	All 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
	1997-98	(+)6.4	(+)5.0
	1998-99	(+)7.2	(+)6.6
	1999-2000	(+)6.6	(+)6.6
	2000-01	(+)6.2	(+)4.4
	2001-02	(+)5.4	(+)5.6
	2002-03(Revised)	(+)4.5	(+)4.0
	2003-04(Quick)	(+)8.1	(+)8.5
	2004-05(Advance)	(+)7.5	(+)6.9

3. MONEY AND BANKING

3.1 **B**anks have a great role to play in stimulating economic growth by strengthening agricultural, industrial and other self employment activities etc. Banks are also credited with designing of social banking policies and programmes which support vital sectors of the economy as well as aim at poverty alleviation by benefiting farmers, artisans, professionals and self employed.

3.2 The total number of bank branches in the State including the branches of Regional Rural/ Cooperative Banks was 1,165 as on September, 2004. There are 20 Commercial Banks operating in Himachal Pradesh through a network of 658 branches of which 536 branches are located in rural areas and 122 branches in urban/semi-urban areas. SBI, PNB, UCO and SBOP are the major Banks with 558 branches. In addition to two private banks viz. ICICI and UTI, there are two Regional Rural Banks in the state, namely, Himachal Gramin Bank (HGB) and Parvatiya Gramin Bank (PGB) with HGB having 106 branches and PGB 27 branches thus bringing the total number of commercial bank branches to 791.

3.3 The Himachal Pradesh State Cooperative Bank Ltd. is an apex bank under short-term credit

structure. It has a network of 147 branches in six districts of H. P. viz. Shimla, Kinnaur, Bilaspur, Mandi, Sirmaur and Chamba. There are two central cooperative banks in the State namely Kangra Central Cooperative Bank Ltd.(KCCB) and Jogindra Central Cooperative Bank Ltd.(JCCB). While KCCB with 157 branches operates in five districts viz; Kangra, Hamirpur, Kullu, Una and Lahaul & Spiti, JCCB with 20 branches covers Solan district only.

The achievements made by these banks upto September, 2004 are as below:-

Deposits & Advances

3.4 At the end of September, 2004 the Pure Public Deposits (PPD) of banks covered under the lead bank scheme in H.P. stood at Rs. 15,164.51 crore and the total out- standing advances amounted to Rs. 5,469.00 crore. The deposit of banks have registered an increase of Rs. 701.82 crore (4.85%) and total advance increased by Rs. 465.00 crore (9.29%) during the 2nd quarter of the year. As a result of more credit expansion the credit-deposit ratio of banks in H.P. was 36.06% as on September, 2004 where as the new credit ratio (Investment Credit-Deposit Ratio) was 44.99% as on September, 2004.

Table- 3.1
Comparative Data of Banks in HP

Item	March, 2004	Sept., 2004	(Rs. crore) Change over the Period
1. Deposits(PPD):			
Rural	9574.38	9855.18	+ 280.80
Semi Urban	4888.31	5309.33	+ 421.02
TOTAL	14462.69	15164.51	+ 701.82
2. Advances(O/S)			
Rural	2101.00	3073.00	+ 972.00
Semi Urban	2903.00	2396.00	- 507.00
TOTAL	5004.00	5469.00	+ 465.00
3. CD Ratio(CDR)			
Rural	21.94%	31.18%	+ 9.24%
Semi Urban	59.39%	45.13%	- 14.26%
TOTAL	34.60%	36.06%	+ 1.46%
4. Investment Made by Banks in State Govt. Securities/Bonds	2284.82	1566.76	- 718.06
5. Investment Credit Deposit Ratio(ICD)	50.40%	44.99%	- 5.41%
6. Priority Sector Adv.(O/S) under:			
i) Agriculture	861.73	873.53	+ 11.80
ii) SSI	396.88	419.36	+ 22.48
iii) Services	1886.39	2016.35	+ 129.96
7. Weaker Section Advances	879.24	940.91	+ 61.67
8. DRI Advances	0.55	2.96	+ 2.41
9. Advances under Govt. Sponsored Programmes	211.99	226.53	+ 14.54
10. Non-Priority Sector Advances	1859.00	2159.51	+ 300.51
11. Advances to Women	254.52	347.96	+ 93.44

Priority Sector Credit

3.5 All the banks functioning in the state have disbursed total fresh credit to the tune of Rs. 732.02 crore upto quarter ending September, 2004 against an annual commitment of Rs. 1396.84 crore, witnessing 52.41 percent achievement. The sector wise progress is given in Table No. 3.2.

Table- 3.2

Sector	Annual commit- ments 2004-05	Actual Achieve- ments upto Sept., 04	(Rs. crore) Percentage achieve- ments
1. Agriculture	500.45	251.07	50.17
2. SSI	194.65	72.73	37.36
3. Services	701.74	408.22	58.17
Total Priority Sector	1396.84	732.02	52.41
Non-priority	380.47	416.52	109.46
Grand Total	1777.31	1148.54	64.62

PERFORMANCE UNDER GOVT. SPONSORED PROGRAMMES

a) Prime Minister Rojgar Yojna

3.6 The banks in Himachal have sanctioned 1,761 loan cases under this scheme upto September, 2004 against the target of 3,000 loan cases. Rs. 957.58 lakh were disbursed to 1,121 cases under this programme upto September, 2004.

b) Swarn Jayanti Gram Swarojgar Yojna

3.7 Under this scheme, 1,163 cases of individual Swarojgaris were sanctioned and an amount of Rs. 339.50 lakh was disbursed against 889 cases upto September, 2004. Under group financing scheme 345 group loan cases were sanctioned and an amount of Rs. 607.80 lakh was disbursed to 313 cases upto September, 2004.

c) Swarn Jayanti Shahri Rojgar Yojna

3.8 The SJSRY urban poverty alleviation and employment generation scheme is implemented by Municipal Bodies in all towns of H.P. The banks have sanctioned 160 loan cases amounting to Rs. 53.79 lakh against an annual target of 137 loan cases and an amount of Rs. 41.10 lakh was disbursed to 130 cases upto September, 2004.

d) Scheme for Liberation and Rehabilitation of Scavengers

3.9 Under this scheme, the banks in H.P. have sanctioned 125 loan cases with an amount of Rs. 44.18 lakh upto September, 2004 and 111 cases have been disbursed with an amount of Rs. 42.60 lakh.

e) Khadi and Village Industries Board / Commission - Margin Money Scheme

3.10 Under this scheme, 95 loan cases with an amount of Rs. 372.10 lakh have been sanctioned upto September, 2004 disbursing an amount of Rs. 295.77 lakh to 80 cases.

Micro Finance

3.11 The Banks in the state have formed 20,900 Self Help Groups upto September, 2004 out of which 16,806 Groups have been linked to the Banks for credit. The Banks have disbursed a sum of Rs. 6454.82 lakh as credit to these groups.

3.12 The banks have issued 1,51,476 Kisan Credit Cards to the farmers in the state upto September, 2004 involving total credit of Rs. 298.33 crore.

NABARD

3.13 The National Bank for Agriculture and Rural Development (NABARD) has strengthened its association with the developmental process substantially for integrated rural development in the recent years by initiatives encompassing a wide range of activities viz; Development of Rural Infrastructure, Micro Credit, Rural Non-Farm Sector, Minor Irrigation and other agricultural sectors, besides strengthening the rural credit delivery system in the state. The active support from NABARD is generating tremendous social and economic benefits in the rural areas of the state.

Rural Infrastructure

3.14 Government of India had created Rural Infrastructure Development Fund (RIDF) in 1995-96. Under this scheme, loans are given to State Government and State owned Corporations for the completion of on-going projects as also to start new projects in certain selected sectors. This scheme has also been extended to Panchayati Raj Institutions, Self Help Groups and Non-Government Organisations for development of various location specific infrastructures having a direct bearing on society and the rural economy.

3.15 Financial assistance of Rs. 982.83 crore has been sanctioned to the H.P Government since inception of RIDF for taking up 2837 projects (as on 31st December, 2004) in the diversified sectors like

irrigation, roads and bridges, drinking water supply, flood protection, watershed development and construction of rooms for primary schools.

3.16 For the current year upto December, 2004 total Rs. 57.80 crore were sanctioned under RIDF. An amount of Rs. 49.46 crore was disbursed to the State Govt. during 2004-05 raising the cumulative disbursement to Rs. 695.77 crore.

3.17 After the implementation/ completion of the sanctioned projects, 45,635 hectares additional land will be brought under irrigation, 4,260 Km. road will be metalled, construction of 8,953 mt. span bridges will be done, 3,249 hectares of land will be covered under flood protection measures, under watershed projects 7,427 hectares of land will be covered. 1,220 no. of rooms will be constructed in Primary Schools and 64 no. of Science Laboratories will be constructed in Secondary Schools.

Refinance Support

3.18 NABARD extended financial support of Rs. 90.06 crore (as on 31st December, 2004) to the banks operating in the state by extending refinance disbursement during 2004-05, for diverse activities viz. dairy development, plantation and horticulture, farm mechanisation, minor irrigation, land development, SGSY and non-farm sector. NABARD has been laying emphasis on enhanced credit flow for irrigation schemes.

Micro Credit

3.19 The SHG movement has spread across the state and is now on a firm base. The movement has been upscaled with support in the human resources and financial products. There were 27,000 SHGs operative in the state promoted by Department of Social Justice and Empowerment and various NGOs. The number of SHGs credit linked in H.P. upto the end of December, 2004 was 15,338 with a bank loan of approximately Rs. 3,894 lakh and 632 bank branches were associated with micro credit movement. An amount of Rs. 2,538 lakh has been extended as refinance assistance to the banks upto 31.12.2004.

Rural Non-Farm Sector

3.20 NABARD has identified Rural Non-Farm Sector as one of the thrust areas of development. The refinance assistance to Rural Non-Farm Sector has increased manifold from Rs.0.43 crore in 1998-99 to Rs.163.71 crore in 2003-04. During the year 2004-05, NABARD has provided refinance assistance of Rs. 61.89 crore as on 31st December, 2004, for development of Rural Non-Farm sector. NABARD launched a District Rural Industries Project (DRIP) with the objective of generating sustainable rural employment opportunity by providing

adequate credit support for rural industrialisation together with promotional measures. Solan, Mandi, Kangra and Hamirpur districts of the state had been covered under DRIP w.e.f. April 2001, April 2002, April 2003 and April, 2004 respectively. In addition to above NABARD is providing financial assistance under Rural Entrepreneurship Development Programmes (REDPs) for the benefit of rural persons intending to set up small enterprises in the rural areas and an another programme "Assistance to Rural Women in Non-Farm Development" (ARWIND) to meet the credit needs of women entrepreneurs has also been introduced by NABARD which covers the activities like carpet weaving, shawl making, tailoring, soft toys making etc. NABARD has established 93 farmers club in the state.

Ground Level Credit Flow

3.21 The credit flow at the ground level during 2003-04 for priority sector reached Rs. 1189.53 crore and for the year 2004-05 was Rs. 732.02 crore upto September, 2004.

3.22 NABARD continued to extend support to the rural financial institutions viz. Co-operative Banks, Regional Rural Banks, Agriculture & Rural Development Banks and Commercial banks in the State.

4. PRICES AND CIVIL SUPPLIES

Price Situation

4.1 Inflation is by far the most pressing problem for the common man. The Wholesale Price Index at National level during the last week of the year 2003 (27.12.2003) was 176.7 which increased to 188.2 in

the last week of December, 2004 (25.12.2004) showing an inflation rate of 6.5%. The month-wise average Wholesale price Index Numbers for a few years and for the 2004-05 depicting the inflation rate is given in the table 4.1 below:-

Table-4.1

All India Wholesale Price Index No.(Base 1993-94=100)

Month	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	Inflation rate
1.	2.	3.	4.	5.	6.	7.	8.	9
April	136.9	142.4	151.7	159.9	162.3	173.1	180.9	4.5
May	138.2	142.8	151.8	160.3	162.8	173.4	182.1	5.0
June	139.8	143.3	152.7	160.8	164.7	173.5	183.7(P)	5.9
July	140.9	143.7	153.1	161.1	165.6	173.4	185.3(P)	6.9
August	140.6	144.6	153.4	161.6	167.1	173.7	187.6(P)	8.0
September	140.8	145.3	154.7	161.7	167.4	175.6	189.2(P)	7.7
October	142.0	146.9	157.9	162.5	167.5	176.1	188.7(P)	7.2
November	142.6	147.0	158.2	162.2	167.8	176.9	190.0(P)	7.4
December	142.1	146.1	158.6	161.8	167.2	176.8	189.0(P)	6.9
January	140.9	145.9	158.6	161.0	167.8	178.7	..	..
February	141.4	146.4	158.6	160.8	169.4	179.7	..	..
March	141.6	149.5	159.1	161.9	171.6	179.7	..	..
Average	140.7	145.3	155.7	161.3	166.8	175.9	..	..

4.2 The Price situation in Himachal Pradesh remained under constant watch as the Food and Civil Supplies Department of the Pradesh has been keeping constant vigil on the price situation and the essential consumer commodities were supplied to the public through a net work of 4,131 fair price shops. As a result of various measures by the

State Govt. the prices of essential commodities remained under control and Consumer Price Index of Himachal Pradesh increased at lower rate as compared to the Price Index at National level as is evident from the column No. 9 of table No. 4.1 and 4.2. Between December, 2003 & December, 2004, the C.P.I. for Industrial Workers in H.P. increased by 3.8% only, as against

an increase of 6.9% in W.P.I. for All India. Further, in order to check hoarding and profiteering and other malpractices in the sale and distribution of essential commodities of mass consumption, the State Govt. is vigorously enforcing various

Orders/Acts. A system of regular weekly monitoring of prices of essential commodities was also continued during the year so that effective measures could be taken in time to check undue price rise.

Table - 4.2

**Consumer Price Index Numbers for Industrial Workers in H.P.(Base 1982=100)
(Financial year average Month-wise)**

Month	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	Percentage change over previous year
1	2	3	4	5	6	7	8	9
April	363	404	428	446	450	459	481	4.8
May	370	400	426	446	451	462	481	4.1
June	385	399	428	446	454	462	485	5.0
July	393	406	436	447	457	469	491	4.7
August	395	410	437	452	459	470	496	5.5
Sept.	401	413	433	451	464	474	497	4.9
Oct .	413	416	442	451	462	479	500	4.4
Nov.	415	420	443	454	462	476	498	4.6
Dec.	403	413	440	449	451	473	491	3.8
Jan.	400	415	440	445	453	476	..	..
Feb.	402	415	441	447	455	477	..	..
March	402	418	443	447	457	478	..	..
Average	395	411	436	448	456	471	..	..

Targeted Public Distribution System

4.3 One of the main constituents of the Govt. strategy for poverty alleviation is Targeted Public Distribution System (T.P.D.S.) which ensures availability of essential commodities like Wheat, Rice, Levy

Sugar and Kerosene through a net work of 4,131 Fair Price Shops for distribution of the essential commodities. The total families have been divided in four categories viz. (i) Above Poverty Line (APL), (ii)Below Poverty Line (BPL), (iii)Antyodaya (Poorest) and (iv)Annapurna (Indigent).

4.4 During the year 2004-05, the following quantities of essential commodities were distributed upto

December, 2004, through these fair price shops:-

(MT)

Commodity	Categories of Consumers				
	APL	BPL	Antyodaya	Annapurna	Mid day meal
1. Wheat/Atta	55109	35428	12047	--	--
2. Rice	43339	57205	16133	368	12686

4.5 In addition, the levy sugar was made available to the consumers at the scale of 700 gms. per head per month @ Rs. 13.50 per Kg. During 2004-05, 44,186 M.T. of levy sugar and 44,049 kilo litres of Kerosene were made available to the consumers upto December, 2004. At present 107 gas agencies are distributing cooking gas to the public

in the state. Where these agencies are not viable, it is being distributed through H.P. State Civil Supplies Corporation. There are 150 petrol pumps functioning in the state. In addition to the above, following items were stocked in the tribal areas for distribution during the year 2004-05:-

Item	Units	Classification of Consumers			
		APL	BPL	Antyodaya	Annapurna
1. Wheat /Atta	MT.	2980	1603	701	--
2. Rice	MT.	1259	2181	977	15
3. Levy Sugar	MT.	1324			
4. Petrol	KL.	545			
5. Diesel	KL.	2041			
6. L.P.G.	No.	117135			
7. Kerosene oil	KL.	1702			

5. AGRICULTURE AND ALLIED ACTIVITIES

AGRICULTURE

5.1 **A**griculture is the main occupation of the people of Himachal Pradesh and has an important place in the economy of the State. It provides direct employment to 69% of the total workers of the State. About 21.7% of the total GSDP comes from agriculture and its allied sectors. Out of the total geographical area of 55.67 lakh hectare the area of operational holdings is about 9.99 lakh hectares and is operated by 8.63 lakh farmers. The average holding size comes to 1.2 hectare. Distribution of land holdings according to 1995-96 Agricultural Census shows that 84.5% of the total holdings are of small and marginal farmers. About 14.9% of holdings are owned by semi medium and medium farmers and only 0.6% by large farmers.

Table-5.1

Distribution of Land Holdings

Size of Holdings (hect.)	Category (Farmers)	No. of Holdings (lakh)	Area (lakh hect.)	Av. Size of Holding (hect.)
Below 1.0	Marginal	5.56 (64.4%)	2.30 (23.0%)	0.4
1.0-2.0	Small	1.73 (20.1%)	2.41 (24.1%)	1.4
2.0-4.0	Semi	0.95 (11.0%)	2.56 (25.6%)	2.7
4.0-10.0	Medium	0.34 (3.9%)	1.94 (19.5%)	5.7
10.0-Above	Large	0.05 (0.6%)	0.78 (7.8%)	15.6
	Total	8.63	9.99	1.2

5.2 About 80% of the total cultivated area in the State is rainfed. Rice, Wheat and Maize are important cereal crops of the State. Groundnut, Soyabean and Sunflower in Kharif and Rapeseed/Mustard and Toria are important oilseed crops in the Rabi season. Urd, Bean, Moong, Rajmash in Kharif season and Gram in Rabi are the important pulse 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, Sub Humid mid hills, (iii) Wet Temperate high hills, (iv) Dry Temperate high hills and cold deserts. The agro-climatic conditions are congenial for the production of cash crops like off-season vegetables, potato and ginger. The State Government is laying emphasis on production of off-season vegetables, potato, ginger, pulses and oilseeds besides increasing production of cereal crops, through timely and adequate supply of inputs, demonstration and effective dissemination of improved farm technology, replacement of old variety seed, promoting integrated pest management, bringing more area under efficient use of water resources and implementation of wasteland development projects. There are four distinct seasons with respect to rainfall. Almost half of the rainfall is received during the Monsoon season and remaining is distributed among other seasons. The State receives an average rainfall of 152 cms., Kangra district gets the highest rainfall followed by Shimla district.

Monsoon 2004

5.3 The performance of agriculture is closely related to the performance of monsoon. During the monsoon season of 2004 (June-September) in Himachal Pradesh, the rainfall was deficient in all the districts except Lahaul-Spiti where it was scanty. For Himachal as a whole, the total rainfall during entire monsoon season was 76% of the annual normal rainfall. The table 5.2 shows southwest monsoon performance in various districts.

Table 5.2
Monsoon Rainfall
(June-Sept.-2004)

District	Actual (mm)	Normal (mm)	Excess/Deficient	
			Total (mm)	%age
1	2	3	4	5
Bilaspur	712	898	-186	-21
Chamba	411	877	-466	-53
Hamirpur	858	1093	-235	-22
Kangra	987	1565	-577	-37
Kinnaur	86	183	-96	-53
Kullu	369	569	-200	-35
L/Spiti	44	454	-410	-90
Mandi	810	1138	-328	-29
Shimla	445	718	-273	-38
Sirmaur	916	1401	-485	-35
Solan	543	1036	-493	-48
Una	626	834	-208	-25

Note:

Normal = -19% to +19%
Excess = 20% and above
Deficient = -20% to -59%
Scanty = -60% to -99%

Crop Performance 2003-04

5.4 The economy of Himachal Pradesh is largely dependent on agriculture which still occupies a significant place in the state economy as 21.7 percent of total State Domestic Product in 2003-04 was generated by agriculture and allied sectors and any fluctuations in the production of foodgrains affect the economy significantly. During the Tenth Five Year Plan, 2002-07 emphasis has been laid on production of off-season vegetables, potato, pulses and oilseeds besides cereal crops through timely and adequate supply of inputs, bringing more area under irrigation, approach of watershed development, demonstration and effective dissemination of improved farm technology etc. During the year 2003-04 the foodgrains production is likely to be 13.98 lakh M.Ts against 11.11 lakh M.Ts. during 2002-03. The production of Potato was 1.73 lakh M.Ts in 2003-04, as against 1.43 lakh M.Ts in 2002-03. The production of vegetables during the year 2003-04 was 7.31 lakh tonnes against 6.22 lakh M.Ts in 2002-03.

Prospects 2004-05

5.5 The foodgrains production for 2004-05 is likely to be around 16.36 lakh M.Ts. The kharif production mainly depends upon the behaviour of southwest monsoon, as about 80% of the total cultivated area is rainfed. For sowing of Kharif crops

sporadic rains were received during May and June, but the rain were not evenly distributed. The sowing of Kharif crops was done intime in most of the areas. Due to erratic behaviour of rains, the transplanting of paddy was delayed considerably. It has affected the Kharif crops and as such against a target of 10.13 lakh MT it is expected that about 9.00 lakh MT of Kharif foodgrains production would be achieved. Due to

timely and adequate rainfall during October to December, 2004 it is expected that the production targets of rabi will not only be achieved but even may surpass the targets fixed. The production of foodgrains in the State during 2000-01 to 2002-03, likely for 2003-04, anticipated achievement for 2004-05 and target for 2005-06 is as under:-

Table-5.3
Foodgrains Production

Crop	(In '000 tonnes)					
	2000-01	2001-02	2002-03	2003-04 (likely)	2004-05 (Anti. Ach.)	2005-06 Target
1.	2.	3.	4.	5.	6.	7.
Rice	124.89	137.42	85.65	120.62	100.00	142.00
Maize	683.64	768.20	479.21	729.57	783.00	850.00
Ragi	4.16	4.69	4.05	4.28	3.00	4.00
Millets	7.06	6.30	6.85	7.42	4.00	8.00
Wheat	251.32	637.07	495.56	500.00	682.00	700.00
Barley	21.41	34.68	30.61	25.00	42.00	42.00
Gram	1.49	1.11	1.01	1.21	4.50	4.50
Other Pulses	18.15	9.45	7.92	9.80	17.50	34.50
Foodgrains	1112.12	1598.92	1110.86	1397.90	1636.00	1785.00

Growth in Foodgrains Production

5.6 There are limits of increasing production through expansion of cultivable land. Like the whole country, Himachal too has almost reached a plateau in so far as cultivable land is concerned. Hence the emphasis has to be on increasing productivity levels. Due to an increasing shift towards commercial crops the area under foodgrains is gradually declining as the area which in 1998-99 was 837.0 thousand hectares declined to 814.2 thousand hectares in 2003-04,

(likely). Increase in production thus reflects gain in productivity as is evident from the table 5.4.

Table 5.4
Foodgrains Area and Production

Year	Area ('000 hect)	Production ('000 M.T.)	Production per hectare (M.T.)
1.	2.	3.	4.
1998-99	837.0	1313.0	1.57
1999-2000	822.4	1446.1	1.76
2000-01	813.9	1112.1	1.36
2001-02	817.2	1598.9	1.96
2002-03	806.3	1110.9	1.38
2003-04(likely)	814.2	1397.9	1.72
2004-05 (Anti. Ach.)	797.0	1636.0	2.05

High Yielding Varieties Programme (H.Y.V.P.)

5.7 In order to increase the production of foodgrains emphasis was laid on distribution of seeds of high yielding varieties to the farmers. Area brought under high yielding varieties of principal crops viz. Maize, Paddy and Wheat during the last four years, likely for 2003-04 and anticipated achievement for 2004-05 is given in table 5.5.

Table-5.5
Area Brought Under High Yielding Varieties ('000 hect.)

Year	Maize	Paddy	Wheat
1.	2.	3.	4.
1999-2000	193.74	74.31	366.52
2000-01	219.68	73.83	329.77
2001-02	212.33	62.68	376.72
2002-03	192.10	64.73	313.23
2003-04(likely)	204.64	77.60	365.21
2004-05 (Anti. Ach.)	250.00	65.00	365.00

There are 25 seed multiplication farms comprising an area of 417.90 hectares where foundation seed is produced for further multiplication. In addition, there are 4 vegetable development stations, 14 potato development stations and 2 ginger development stations in the Pradesh. The potato development farm at Omla Dwar is being developed to supplement the production of seed Potato.

Plant Protection Programme

5.8 In order to increase the production of crops, adoption of plant protection measures is of paramount

importance. During each season, campaigns are organised to fight the menace of crop disease, insects and pest etc. The Scheduled Castes/ Scheduled Tribes, IRDP families, farmers of Backward Areas and small and marginal farmers are provided plant protection chemicals and equipments at 50% cost. From October, 1998 the Govt. has allowed 30% subsidy on such material to big farmers also. During 2003-04, an area of about 350 thousand hectares was brought under Plant Protection measures and a target of 360 thousand hectares was fixed for 2004-05.

Soil Testing Programme

5.9 In order to maintain the fertility of the soil during each season soil samples are collected from the farmers and analysed in the soil testing laboratories. About 70 to 80 thousand numbers of soil samples are collected for soil analysis in a year. About one lakh soil samples were expected to be analysed during 2004-05.

Bio-Gas Development Programme

5.10 Keeping in view depleting sources of conventional fuel i.e. firewood, biogas plants have assumed great importance in the low and mid hills in the State. Till December, 2004 since inception 42,203 biogas plants have been installed in the State. Out of the total biogas produced in the Himalayas, about 90.86 % is being produced in Himachal Pradesh alone. During 2003-04, 306 biogas plants

were installed in the State and it was proposed to install 200 biogas plants during 2004-05 against which 125 plants have been installed upto December, 2004.

Fertilizer Consumption and Subsidy

5.11 Fertilizer is a single input, which helps in increasing the production to a great extent. Starting from demonstration level in late fifties and early sixties when fertilizer was introduced in Himachal, the level of fertilizer consumption is constantly increasing. The level which in 1985-86 was 23,664 tonnes increased to 46,808 tonnes in 2003-04. The State Govt. provides 100 % subsidy on transport of all kind of fertilizers to retail sale points thereby bringing the uniform sale rates of fertilizer in the State. The State Govt. has allowed subsidy on cost of CAN, UREA and AMONIUM SULPHATE @ Rs. 200 per M.T., and on complex fertilizers N.P.K. 12:32:16 @ Rs. 500 per M.T., and N.P.K. 15:15:15 @ Rs. 500 per M.T. For tea planters fertilizers are being made available on 50% cost subsidies (Freezed level) upto 8 hectare tea garden/orchard. 42,947 M.T. of fertilizer in terms of nutrients are likely to be distributed during 2004-05. The consumption of fertilizers is shown in table 5.6.

Table-5.6
Consumption of Fertilizer
(M.T.)

Year	Nitro- genous (N)	Phos- phatic (P)	Pota- ssic (K)	Total (NPK)
1.	2.	3.	4.	5.
1999-2000	27593	5762	3988	37343
2000-01	24418	6540	4594	35552
2001-02	27503	7043	5610	40156
2002-03	25645	7916	6160	39721
2003-04	30909	8706	7193	46808
2004-05 (likely)	30676	7361	4910	42947
2004-05 (Target)	29800	7400	5300	42500

Agriculture Credit

5.12 Traditionally, non-institutional sources of finance have been the major source of finance for the rural households due to various socio-economic conditions. Some of them have been lending at exorbitant rates of interest and since the poor own few assets, it is unviable for the financial institutions to secure their lending with collateral. However, the Govt. has taken measures to ensure timely and adequate supply of institutional credit to the rural households at reasonable rate. In view of the propensity of the farmers to borrow money, most of whom are marginal and small farmers, credit flow for purchase of inputs is being made by the banks. Institutional credit is being extensively disbursed but there is scope to increase the same particularly in respect of the crops for which insurance cover is available.

Providing better access to institutional credit for small and marginal farmers and other weaker sections to enable them to adopt modern technology and improved agricultural practices has been one of the major objectives of the Government.

Kisan Credit Card (K.C.C)

5.13 The scheme is under successful operation for the last 5 years in the state. More than 1022 bank branches are implementing the scheme. As on September, 2004, 1,51,476 Kisan Credit Cards were issued by the banks. The banks have extended a total credit of Rs. 298.33 crore under this scheme.

Crop Insurance Scheme

5.14 In order to provide insurance to all crops and all farmers, the Government has introduced "Rashtriya Krishi Bima Yojna" in the State from Rabi 1999-2000 season. Initially Maize, Rice, Wheat, Barley and Potato crops have been brought under this scheme. During Kharif season 2004, 23,102 farmers have been insured for Maize, Paddy and Potato crops. The scheme under Rabi is in progress.

Seed Certification Programme

5.15 Agro-climatic conditions in the State are quite conducive for seed production. In order to maintain the quality of the seeds and also ensure higher prices of seeds to growers, seed certification programme has been given due emphasis. Himachal Pradesh State Seed Certification Agency registered

growers in different parts of the State for seed production and certification of their produce.

Agriculture Marketing

5.16 For the regulation of marketing of agricultural produce in the State, Himachal Pradesh Agricultural Produce Marketing Act, 1969 has been enforced (implemented). Under the Act, Himachal Pradesh Marketing Board has been established at the State level. The whole of H.P. has been divided into ten notified market areas. It's main objective is to safeguard the interest of the farming community. The regulated markets established in different parts of the state are providing useful services to the farmers. A modernised market complex at Solan has started functioning for marketing of agricultural produce besides construction of market yards in different areas. In order to generate resources for modernising market infrastructure the market fee has been increased from 1% to 2% which will generate additional Rs.10.00 crore annually.

Women in Agriculture Programme

5.17 For operationalisation of programme in the traditional sector for women emancipation and empowerment a pilot scheme viz. "Women in Agriculture" is in operation in 68 blocks in the state. Under this scheme, the farm-women are organised into groups, so that Agriculture Technology and

Extension support could be smoothly channelised through them. During 2004-05, an amount of Rs. 28.35 lakh is being spent on this programme.

National Agriculture Technology Project

5.18 In order to strengthen the extension activities and better use of human resources for over-all development of agriculture in the state National Agriculture Technology Project has been started in the first phase in Shimla district with the assistance of World Bank which has further been extended to Hamirpur, Bilaspur and Kangra districts of the state. With the persuasion of the state Govt. this project, which was to be terminated on 31st December, 2003 has been extended by one and half year will now be terminated on 30th June, 2005. Under this Project, Agriculture Technology Management Agency which is known as ATMA has been set up under the chairmanship of respective Deputy Commissioners.

5.19 The Agriculture Extension Training Centre, Mashobra, meant for organising trainings to the extension functionaries of Agriculture and Allied Departments, has been upgraded to a State Level Institution known as State Agricultural Management Extension and Training Institute (SAMETI).

SOIL AND WATER CONSERVATION

5.20 During 2004-05, 1,000 tank irrigation schemes, 80 water harvesting schemes, 180 pump sets and 240 sprinkler irrigation schemes shall be executed where 25% subsidy shall be provided to individual farmers. Besides this, 36 watershed development projects have been sanctioned covering an area of 4,092 hectares with an estimated cost of Rs. 3.00 crore. In these projects, major thrust would be on soil & water conservation and creation of employment opportunities at farm level.

5.21 During the year, 79 minor irrigation schemes under RIDF will be completed with a budget provision of Rs. 9.10 crore. Additional irrigation potential of 2,100 hectare shall be created during this year. The schemes are being executed through Krishak Vikas Sangh and the operation and maintenance is being entrusted to them.

HORTICULTURE

5.22 The rich diversity of agro-climatic conditions, topographical variations and altitudinal differences coupled with fertile, deep and well drained soils favour the cultivation of temperate to sub-tropical fruits in Himachal. The region is also suitable for cultivation of ancillary horticultural produce like flowers, mushroom, honey and hops.

5.23 This particular suitability of Himachal has resulted in shifting of land use pattern from agriculture to fruit crops in the past few decades. The area under fruits, which was 792 hectares in 1950-51 with total production of 1200 tonnes increased to 1,82,441 hectares during 2003-04. The total fruit production in 2003-04 was 5.60 lakh tonnes which during 2004-05 (Upto December, 2004) has increased to 6.85 lakh tonnes. During 2004-05, it was envisaged to bring 4,000 hectares of additional area under fruit plants against which 3,596 hectares of area was brought under plantations and 8.99 lakh fruit plants of different species were distributed upto 31.12.2004.

5.24 Apple is so far the most important fruit crop of Himachal Pradesh, which constitutes about 46% of the total area under fruit crops and about 82% of the total fruit production. Area under apple has increased from 400 hectares in 1950-51 to 3025 hectares in 1960-61 and 84,112 hectares in 2003-04.

5.25 The area under temperate fruits other than apple has increased from 900 hectares in 1960-61 to 24,873 hectares in 2003-04. Nuts and dry fruits exhibit area increase from 231 hectares in 1960-61 to 10,939 hectares in 2003-04, Citrus and other sub tropical fruits have increased from 1225 hectares and 623 hectares in 1960-61 to 20,261 hectares and 42,256 hectares in 2003-04, respectively. Unfortunately the production of other fruits has not steadily increased over the years.

5.26 This pace of development is further jeopardized due to the dwindling apple production, owing to weather vagaries and market fluctuations. The advent of WTO, GATT and liberalisation of economy is further imposing many challenges on the dominance of apple in fruit industry of Himachal Pradesh. The fluctuations in the production of apple during last few years has attracted the attention of the Government. It is necessary to explore and harness the vast horticulture potential of the hill State through diversified horticulture production in varied agro-ecological zones.

5.27 In recent years mango has emerged as an important fruit crop. Litchi is also gaining importance in certain regions. Mango and litchi are fetching better market prices. In the midhill zone, the agro-climatic

conditions are highly suitable for the successful cultivation of new fruits like kiwi, olive, pecan and strawberry. The production of fruits for the last three years and current year upto December, 2004 is given in table 5.7.

Table 5.7
Fruit Production
(’000 tonnes)

Item	2001-02	2002-03	2003-04	2004-05 (upto Dec. 04)
Apple	180.53	348.26	459.49	527.60
Other temperate fruits	29.24	63.02	40.65	60.16
Nuts & dry Fruits	2.91	3.26	3.57	3.73
Citrus	20.46	16.03	28.12	25.84
Other sub tropical fruits	30.31	29.05	28.14	67.71
Total	263.45	459.62	559.97	685.04

5.28 Elaborate arrangements were made for making available the packing material to the fruit growers for packing their fruit produce. The State owned carton manufacturing factory at Pragtinagar manufactured and supplied about 22.00 lakh of 20 Kg. telescopic cartons. In addition, 9.59 lakh of telescopic cartons and 1.65 lakh of 10 kg cartons were also procured and supplied through HPMC, HIMFED and KINFED to the fruit growers. 138.76 lakh telescopic cartons were directly procured by fruit growers through private firms. About 5.40 lakh eucalyptus/ poplar wooden boxes were also brought by the growers from outside the state.

5.29 H.P.M.C., a State public undertaking was established in the Pradesh with the objective of marketing fresh fruits and vegetables, processing the unmarketable surplus and marketing the processed products. Since its inception, H.P.M.C. has been playing

pivotal role in the life of fruit growers of the state by providing them remunerative returns of their produce. During the year 2004-05, HPMC achieved sale/income amounting to Rs. 21.87 crore. Under Market Intervention Scheme (MIS) HPMC has procured about 22,585 M.T. of apple out of which 17,768 MT were sold in the market and 4,740 MT was processed in the HPMC plants, out of which 435 MT of Apple Juice concentrate have been produced. Similarly, under the Market Intervention Scheme (MIS) for Citrus fruits the Corporation has procured about 22 MT of Citrus fruits as on December, 2004 and has been processed in the HPMC plants. The Corporation also procured about 116 MT of other fruits for processing purpose which are not covered under MIS. During the year 2004-05 HPMC purchased 6,346 boxes of apple direct from the growers of the state on outright purchase basis. For the first time HPMC entered in the trading activity by selling spices, tomato ketchup, tea, sweets, ghee and rice of M/S Nafed and H.P. Milk Federation on consignment sale basis.

5.30 To bring diversification in horticulture industry a total area of 129 hectares has been brought under flower cultivation upto December, 2004 and 48 flower grower cooperative societies are functioning in the state. Ancillary horticultural activities like mushroom and bee keeping are also being promoted. During 2004-05 upto December, 2004, 300.62 MT of pasteurised compost for mushroom was prepared in two development projects located at Chambaghat and

Palampur and distributed to mushroom growers and 4,278 MT of mushroom was produced. Under the bee keeping programme 38 bee-colonies have been distributed amongst the beekeepers and 147 MT of honey has been produced upto 31.12.04 against the target of 800 M.T. for the year 2004-05.

5.31 For the improvement of quality and production of various fruit crops in the state, State Department of Horticulture have been importing virus free clonal root stock for different fruit plants for the distribution to the growers. During the year 2003-04 about 55,000 various clonal root stock of Apple, Cherry, Pear and Hazelnut were distributed amongst the orchardists in the state and import of more virus free planting material of various kinds are also being procured from Netherland.

5.32 Horticulture technology mission for the development of horticulture in the state with the financial assistance of Rs. 80.00 crore was launched in the state to establish convergence and synergy among numerous ongoing government programmes in the field of horticulture development to achieve horizontal and vertical integration of these programmes to ensure adequate, appropriate, timely and concurrent attention to all the links in the production, post harvest management

and consumption chain, maximize economic, ecological and social benefits from the existing investments infrastructure created for horticulture development, promote ecologically sustainable intensification, economically desirable diversification and skilled employment to generate value addition, promote tree development and dissemination of ecotechnologies based on the blending of the traditional wisdom and technology with frontier knowledge such as bio-technology, information technology and space technology and to provide the missing links in ongoing horticulture development projects. During the year 2004-05, Govt. of India has approved an action plan of Rs. 13.00 crore and this amount was released by the Centre Govt. to the State.

5.33 The F.A.O project to be implemented during the years 2003 to 2005 for "Apple Production Improvement" with the financial assistance of Rs. 90.00 lakh has been approved. The objective of this project is to improve apple production and nursery sector as a means to increase food and nutritional security through the provisions of selected technologies expert advice training and planting material.

ANIMAL HUSBANDRY AND DAIRYING

5.34 Raising up of livestock is an integral component of rural economy. In Himachal there is a dynamic relationship between common property resources (CPRs such as forests, water and grazing land), livestock and crops. Livestock depend to a certain extent on fodder and grass grown on CPRs as well as on crops and residues. At the same time the animals return fodder, grass and crop residues to the CPRs and fields in the form of manure and provide much needed draught power. Livestock thus is an important integral to the sustainability of economy of Himachal Pradesh. The contribution of major livestock products during the year 2003-04 was 7.84 lakh tonnes of milk, 1,598 tonnes of wool, 83.00 million eggs and 3,400 tonnes of meat which will likely to be of the order of 8.10 lakh tonnes of milk, 1,630 tonnes of wool, 94.00 million eggs and 3,650 tonnes of meat during 2004-05.

Table 5.8
Milk Production and Per Capita Availability

Year	Milk Production ('000tonnes)	Per Capita Availability (grm./Day)
2000-01	760.0	343
2001-02	763.0	344
2002-03	776.0	350
2003-04	784.0	359
2004-05 (likely)	810.0	360

5.35 Animal Husbandry plays an important role to boost the rural economy and as such for livestock development programme attention is paid in the state by way of (i) Animal

Health & Disease control (ii) Cattle Development (iii) Sheep Breeding & Development of Wool (iv) Poultry Development (v) Feed & Fodder Development (vi) Veterinary Education and (vii) Livestock Census.

5.36 Under Animal Health and Disease Control, 7 Polyclinics, 303 Veterinary Hospitals, 25 Central Vety. Dispensaries and 1721 Vety. Dispensaries/Centres are working in the state. In addition, 14 mobile dispensaries are also operating which provide immediate veterinary aid.

5.37 For improving the quality of sheep and wool, Govt. Sheep Breeding Farms at Jeori (Shimla), Sarol (Chamba), Nagwain (Mandi), Tal (Hamirpur), Karchham (Kinnaur) are supplying improved sheep to the breeders of the state. The flock strength of these farms is 1,701 during the year 2004-05. About 112 rams were distributed to the farmers during the year. In view of the increasing demand for pure hoggets and the established popularity of the Soviet Marino and American Rambouillet in the Pradesh, the state has switched over to pure breeding at the existing Government farms. Ten Sheep and Wool Extension Centres are also to continue their functioning. During the year 2004-05 the wool production is likely to be of the order of 16.30 lakh kg. Angora rabbit farms for distribution of rabbits to the breeders are functioning at Kandwari (Kangra) and Nagwain (Mandi).

5.38 Dairy production is an integral part of the Animal

Husbandry and forms a part of the rearing of small farm holder in Himachal Pradesh. The recent trend towards the development of a market- oriented economy emphasised the importance of milk production, especially in areas falling in the vicinity of urban consumption centres. This has motivated farmers to replace local non-descript breeds of cows with crossbred cows. Upgradation of indigenous cattle is being carried out by cross breeding with Jersey and Holsten. In buffalo cross breeding with improved milch breeds is being popularised. Artificial insemination with the latest technology of Deep Frozen Semen is being practised. Artificial insemination facilities were made available through 1,344 institutions during the year 2004-05. Cross breed cows are preferred because of factors such as longer lactation period, shorter gestation period and higher lactation and yields. Department has introduced a new scheme named “Hundred Egger” in Una, Bilaspur and Shimla districts for the breeders to assist them in Poultry Farming, who are not covered under IRDP scheme. Another scheme named “200 Days Old Brioler Chicks” for Scheduled Caste has been started in Shimla districts to provide self employment to the unemployed youth.

Milk Based Industries

5.39 H.P. MILKFED is operating dairy development activities in the state by providing a remunerative outlet for the surplus milk to the rural milk producers residing in remote and far-flung areas. Majority of these milk producers are small and marginal farmers.

5.40 The estimated production of various milk products in the organised sector (MILKFED) including milk sold in the market, paneer, butter, ghee and SFM bottles is shown in table 5.9.

Table 5.9
Production of Milk Based Industry

Product	Unit	2001-02	2002-03	2003-04	2004-05 upto 31.12.04
Milk sold	Lakh lts.	74.02	77.97	56.88	37.12
Paneer	M.T.	30.60	32.23	42.24	38.16
Butter	M.T.	5.11	5.10	5.49	5.52
Ghee	M.T.	44.27	63.99	48.41	32.56
SFM	Lakh bottles	0.34	0.30	0.19	0.16
Dahi cups	Lakh cups	4.24	7.07	6.70	4.19

FISHERIES AND AQUACULTURE

5.41 Himachal Pradesh is blessed with vast and variegated fishery resources in the shape of networks of rivers, streams, tributaries, sprawling reservoirs, natural lakes and ponds etc. Mainly classified into riverine, lacustrine, recreational and pond fisheries, the state waters offer considerable potential for the promotion of fisheries and employment generation. The commercially important fish species in Gobind Sagar and Pong Dam reservoirs have become a tool for the upliftment of local population. The state has the proud to be the first in the country to introduce and popularise trout farming in the private sector. About 5,000 fishermen in the Pradesh depend directly on reservoir

fisheries for their livelihood. During 2004-05 (upto December, 2004), cumulative fish production was of the level of 3,993.88 tonnes valued at Rs. 1,899.17 lakh. The reservoir of Himachal Pradesh has the distinction of highest per hectare fish production (110-120 Kg per ha.). 113.77 lakh fish seed has been stocked in three reservoirs namely Gobind Sagar, Pong Dam and Chamera and 14.83 tonnes table size trout earning revenue to the tune of Rs. 21.56 lakh has been produced at State farms.

Despite hilly terrain of the State aquaculture is being given due importance. On the proposal of the state Government a new scheme "Strengthening of Cold Water Aquaculture" with an outlay of Rs. 221.00 lakh has been approved by Govt. of India on 80:20 basis and fund to the tune of Rs. 86.31 lakh has been released to the State Govt. for its implementation. The scheme envisages upgradation of fish farms and assistance to fish farms and fishermen.

Department of Fisheries has initiated many welfare schemes for the upliftment of fishermen. Fishermen now are covered under insurance scheme where Rs. 50,000 is given on any casualty and Rs. 25,000 on disability and even losses to their gear and crafts are being born by the State Govt. to some extent (33%). A contributory saving scheme has been initiated by the State Govt. and matching state's share of deposited saving is provided to them during this season. During the year 536 self employment opportunities were generated and an amount of Rs. 30.74 lakh was given under various major schemes.

IRRIGATION

5.42 To increase the crop production the importance of irrigation is well established. Adequate and timely supply of irrigation water to crops is the pre-requisite in the agriculture production process, particularly in areas where the rainfall is scanty and irregular. The supply of land is fixed, i.e. inelastic, therefore, the accelerated growth in production is possible through multiple cropping and realisation of higher crop yields per unit area, which in turn depends upon irrigation. Creation of irrigation potential and its optimum utilization continues to receive a high priority in Government Planning.

5.43 Of the total geographical area of Himachal, only 5.83 lakh hectares is the net area sown. It is estimated that ultimate irrigation potential of the state is approximately 3.35 lakh hectares. Out of this, 0.50 lakh hectares can be brought under irrigation through major and medium irrigation projects and balance 2.85 lakh hectares of area can be provided irrigation through minor irrigation schemes of different agencies.

5.44 The only major irrigation project in the state is Shahnehar Project in Kangra District. On completion of this project an irrigation potential of 15287 hectares shall be created.

5.45 The work on the medium irrigation projects was taken in hand in the state during fifth plan. Since then four medium projects creating a CCA of 11236 hectares in

the state have been completed. The completed projects are Giri Irrigation Project (CCA 5263 hectares), Balh Valley Project (CCA 2410 hectares), Bhabour Sahib Phase-I(CCA 923 hectares) and the Bhabour Sahib phase-II(CCA 2640 hectares).

5.46 The assessed irrigation potential and CCA created is shown in the table 5.10 below:-

Table-5.10
Assessed Irrigation Potential
and CCA Created
(lakh hectare)

Item	Area
Total Geographical Area	55.67
Net area sown	5.83
Ultimate Irrigation Potential available..	
a) Major and medium Irrigation	0.50
b) Minor irrigation	2.85
CCA created upto	
31.3.2001	1.95
31.3.2002	1.97
31.3.2003	1.99
31.3.2004	2.01
31.12.2004	2.03

Note:- Irrigation projects with a culturable command area(CCA) of more than 10000 hectares are classified as major projects and projects with CCA of more than 2000 hectares and upto 10000 hectares as medium projects. Minor projects have CCA less than 2000 hectares.

The scheme-wise achievements during the year 2004-05 are as below:-

Major and Medium Irrigation

5.47 During 2004-05, an amount of Rs.1,353.74 lakh was provided to bring an area of 300 hectares under irrigation. Upto November, 2004, an expenditure of Rs. 614.87 lakh was incurred. An area of 250 hectares was covered upto December, 2004.

Minor Irrigation

5.48 During the year 2004-05, there was a provision of Rs. 6,788.10 lakh in the state sector to provide irrigation facilities to an area of 2000 hectares. Upto December, 2004, an area of 1,629 hectares was covered. An expenditure of Rs. 1,961.04 lakh was incurred upto November, 2004.

Command Area Development

5.49 During the year 2004-05, a provision of Rs. 424.00 lakh including central assistance was kept to construct field channel in 1000 hectares of area and warabandi in 1000 hectares of area against which 1,034 hectares of area under field channel and 495 hectares of area under warabandi were covered upto December, 2004. An expenditure of Rs. 121.34 lakh was incurred upto November, 2004.

Flood Control Works

5.50 During the year 2004-05, a sum of Rs. 1,223.00 lakh was provided to protect 600 hectares of land. Upto November, 2004, Rs. 815.12 lakh had been spent. An area of 583 hectares was covered upto November, 2004.

FOREST

5.51 Forests in Himachal Pradesh cover an area of 37,033 square kilometres and form about 66.5 percent of the total geographical area of the state. The strategy of Himachal Pradesh Government in forestry management is conservation along with rational utilization and side by side expanding its base. The plan programmes taken up by the Forest Department aim at fulfilling these policy measures. Some of the important plan programmes are as under:-

Forest Plantation

5.52 Forest plantation is being carried out under Productive Forestry Scheme and Soil Conservation Schemes. These Schemes include improvement of tree cover, raising nurseries for departmental plantation and public distribution, pasture improvement, fuel & fodder, minor forest produce and soil & moisture conservation. An area of 3,976 hectares was covered with a cost of Rs.292.76 lakh upto September, 2004.

Wild Life and Nature Conservation

5.53 Himachal Pradesh is known for its diversity of animal and bird habitat and population. The scheme aims at improving the habitat and facilitating provision of areas (sanctuaries) so as to afford protection to the various species of birds and animals facing extinction. An amount of Rs. 40.72 lakh (including central share) has been utilised for this purpose upto September, 2004.

Forest Protection

5.54 Forests are exposed to dangers of fire, illicit felling and encroachments. It is, therefore, necessary that check posts at suitable places are established to curb illicit timber trade, fire fighting equipments and techniques are introduced and made available to all the forest divisions where fire is a major destructive element and communication network is also required for good management and protection. Rs. 29.59 lakh were spent upto September, 2004 under this scheme.

Externally Aided Projects

Indo-German Eco-development Project (Changer Area Project)

5.55 An Indo-German Eco-development Project for Changer area of Palampur Sub-division with the assistance of Federal Republic of Germany is being implemented. The total cost of the project is estimated to be Rs. 50.00 crore. The project has multi-disciplinary approach by integrating the departments of Forest, Agriculture, Horticulture and Animal Husbandry. During the year 2004-05, a sum of Rs.117.00 lakh has been provided for this, out of which a sum of Rs.50.00 lakh has been spent on forestry sector upto September, 2004.

Himachal Pradesh Forestry Project (DFID) U.K. Assistance

5.56 The project covering Mandi and Kullu districts was launched in October, 1994 and completed in March, 2001. The total outlay of the project was Rs.2172.40 lakh and against this a sum of Rs.2171.24 lakh was spent upto March, 2001. The main aim of the project was to achieve sustainable forest planning and management through introduction of Joint Forest Management approach. After deliberations with regard to Forest Sector Reforms the Project titled "H.P. Forests Sector Reforms Project" having four years term from 2002-03 to 2006-07 is being implemented throughout the state. The total cost of the project is Rs.60.00 crore out of which Rs. 3.27

crore has been spent upto 31.3.2004 and during the current financial year an amount of Rs. 30.52 lakh has been spent upto September, 2004

Watershed Development Project for Himalayan Hills (Kandi Project)

5.57 An integrated Watershed Development Project for Himalayan Hills (Kandi areas) has been launched in the state during 1990-91 with the assistance from the World Bank with an outlay of Rs.59.90 crore in five watersheds namely, Ghagger (Solan), Swan (Una), Sirsa (Solan), Chakki (Kangra) and Markanda(Sirmaur). The first phase of the project ended in March, 1999 and since then phase-II has been started with an outlay of Rs.170.00 crore. The main objectives of the project are to improve the socio-economic conditions of farmers living in these areas and to slow down and reverse the process of degradation of environment through the use of appropriate soil and moisture conservation intervention. The project has a multi-disciplinary approach by integrating the departments of Forest, Agriculture, Horticulture and Animal Husbandry. During the year 2004-05, a sum of Rs. 2,507.00 lakh was provided for afforestation, soil conservation treatment, horticultural and agricultural activities, stream bank protection and other civil works. An amount of Rs. 750.01 lakh has been spent upto September, 2004.

6. INDUSTRIES AND EMPLOYMENT

INDUSTRIES

6.1 **H**imachal Pradesh has made significant achievements in the field of industrialisation in the past few years. With the ushering in the liberalised economy and consequent delicensing and notification of special package of incentives for the state, the flow of investment in the Pradesh has increased manifold resulting in very good response for setting up new industrial ventures in the state. At present, there are about 229 medium and large scale industries and about 31,384 small scale industries with a total investment of about Rs. 3,280.99 crore working in the state. These industries provide employment to about 1.70 lakh persons. With a view to provide umbrella support to existing and new ventures, the state Govt. has notified a State Level Single Window Clearance and Monitoring Authority under the chairmanship of the Hon'ble Chief Minister to discuss and solve all contentious and inter-departmental issues, monitor and review the progress of units already approved and being set-up and expedite approval (Administrative and Statutory) of each concerned department necessary for the establishment of the unit in the state. During the year 2004-05, 545 small scale industrial units having an investment of Rs. 753.32 crore were registered upto December, 2004, on permanent basis and employment opportunities were provided to 3,759 persons in these units. In

medium and large scale sector, 18 industrial units with an investment of Rs. 67.82 crore have commenced production and providing employment opportunities to about 1,000 persons.

6.2 In order to provide infrastructural facilities to the entrepreneurs the state Govt. has already developed 29 industrial areas and 9 industrial estates with all basic amenities. Apart from existing industrial areas and estates, the department of Industries has identified land/areas so that a Land Bank could be set up for allotment of land to the entrepreneurs.

6.3 Prime Minister Rojgar Yojna for providing assistance to educated unemployed youths for self employment has been launched all over the State. During the year a target of providing assistance to 3,000 educated unemployed youths was kept and 2,625 cases were sanctioned, loan amounting to Rs. 2,208.04 lakh during 2004-05, upto December, 2004, and an amount of Rs. 1,665.80 lakh was disbursed to 2,003 beneficiaries

Industrial Policy

6.4 In order to provide additional incentives to the industries and to ensure equitable industrial development and employment generation, the state Govt. has notified a new Industrial Policy and Incentives Rules-2004 in December, 2004. The policy is

effective from 31.12.2004. The Highlights of the new Policy are as under:-

- i) The new policy envisages accelerating the industrial development, employment generation and creating an environment which attracts additional investment to the state. The new units will have to provide employment to at least 70% Himachalies to get the incentives.
- ii) For the equitable industrial development, the state has now been categorized into three categories.
- iii) Khadi produce being produced by village industry in the state will be exempted from the payment of tax.
- iv) A new category of activities called 'Specified Category of Activities' primarily based on agricultural and horticultural produce, tourism and allied sectors has been introduced so as to encourage such activities in the State and provide them incentives.

Sericulture Industry

6.5 Sericulture is one of the important agro-based industries of the Pradesh that provides gainful employment to about 7,400 rural families for supplementing their income by rearing silk-worms and selling cocoons produced by them. During 2004-05, 3,241 Ozs silk seed was distributed, 107.33 MT reeling Cocoons were produced, 2,03,443

mulbery sapling were distributed and 6,836 families were benefited.

Arts and Exhibitions

6.6 With a view to promote the products being manufactured by various industrial units in the state, the Pradesh has been participating in various fairs, festivals and exhibitions organised at National and International level. During the current year the state displayed its produce in India International Trade Fair in New Delhi, Agrotech-2004 in Chandigarh, Dussehra Fair at Kullu, Lavi Fair at Rampur and in various State Level Fairs.

Handloom and Handicrafts

6.7 Handloom and Handicrafts is an important cottage industry of the state. There are about 0.50 lakh handlooms in the state, which are primarily based on wool. For the development of Handloom, Handicrafts, Khadi and Village Industries, centrally sponsored scheme of Deen Dyal Hathakargha Protsahan Yojana (DDHPY) Integrated Handloom Training Project, Special 10% Rebate Scheme, Handloom Export Scheme and Workshed-cum-Housing scheme are being implemented in the state. Under DDHPY financial assistance for training, supply of modernised looms, design development, publicity and margin money for enhancement of cash credit limit is being provided. During the financial year, financial assistance to the tune of Rs. 66.66 lakh has been provided for the benefit of 55 weavers of various

handloom agencies of the state under DDHPY scheme. In addition to it, under state schemes the H.P State Handicrafts and Handloom Corporation and H.P Khadi and Village Industries Board are provided grant-in-aid by the department for undertaking various development activities in handloom, handicrafts, khadi and village industries sectors.

Assistance to States for Development of Export Infrastructure for Export and Allied Activities (ASIDE) Scheme

6.8 In order to assist states in developing export infrastructure, Govt. of India has introduced ASIDE scheme, which is being implemented in the Pradesh. Under the scheme a State Level Export Promotion Committee has been notified in the state and HPSIDC has been designated as Nodal Agency. The Committee has approved 17 works with a cost of Rs. 915.61 lakh and an amount of Rs. 500.00 lakh has been received from the Govt. of India for the purpose.

Industrial Growth Centre Project

6.9 An industrial Growth Centre is being developed with an investment of Rs. 22.77 crore at Sansarpur Terrace (growth Centre Phase-I), Bain Attariaan (Phase-II), Raja-Ka-Bag (Phase-III), Gwalthai (Phase-IV) and Banalgi (Phase-V). The Govt. of India has provided Rs. 1,103.00 lakh for this project as against Rs. 1,500.00 lakh to be

provided under this scheme. The expenditure incurred upto December, 2004 was Rs. 1,072.05 lakh.

MINING

6.10 Minerals constitute a fundamental component of State's economic base in the Pradesh. The quality limestone, which is one of the ingredients in the manufacture of grey portland cement, is available in plenty in the state. Based on the detailed studies carried out by the Geological Wing with respect to Baga-Bhalag limestone deposits, the area has been given to M/S J.P. Industries for setting up of a 2 million tonnes cement plant. During 2004-05 "River/Stream bed Mining Policy Guidelines for the State of H.P.-2004 were framed and notified and revenue of Rs. 21.43 crore has been earned upto December, 2004.

EMPLOYMENT

6.11 As per 2001 Census, 32.31 percent of the total population of the Pradesh is classified as main workers, 16.92 percent marginal workers and the rest 50.77 percent as non-workers. Of the total workers (main + marginal) 65.33 percent are cultivators and 3.15 percent agricultural labourers, 1.75 per cent are engaged in household industry and 29.77 per cent in other activities. The employment assistance/information service for placement of Himachalis in various industrial units, institutions and establishments in the Pradesh is rendered through the 3 regional employment exchanges, 9

district employment exchanges, 2 university employment information and guidance bureaus and 54 sub-employment exchanges. Besides this, the State Govt. has also set up a Foreign Employment and Manpower Bureau at Shimla from February, 2004 for workmen seeking jobs abroad.

Employment Exchange Information

6.12 During the period 1.4.2004 to 31.10.2004, in all 76,446 applicants were registered and 326 placements were done. The number of vacancies notified during this period by various employers was 1,300. The consolidated number on live register of all employment exchanges stood at 8.93 lakh on 31.10. 2004.

Employment Market Information Programme

6.13 At the district level, the employment data is being collected under the Employment Market Information Programme since 1960. The total employment in the state as on 30.06.2002 was 2.93 lakh both in public and private sectors (2.43 lakh in public & 0.50 in private sector).

Central Employment Cell

6.14 With a view 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 2004. The main objective of setting up of this cell is to make available the technical and highly skilled and un-skilled manpower to the industrial units in the private sector as per their requirements. Thus under this scheme, assistance is provided to the employment seekers on the one hand in finding suitable jobs in private sector according to their qualifications and experience and to employers on the other hand to recruit suitable workers without wastage of money, material and time. During the year 2004-05, upto November, 2004, 13,784 technical and highly skilled persons were registered with the cell on the basis of the duplicate registration cards received from their parent employment exchanges. As many as 6,357 vacancies of various natures were notified during the year 2004-05, upto November, 2004 by employers of private sector establishments, out of which, 2,007 vacancies were of technical and highly skilled nature and were notified to Central Employment Cell. The Central Employment Cell sponsored 33,184 candidates of various trades (including unskilled) to the various industrial units out of which 7,847 candidates were of technical and highly skilled nature. During the year 2004-05, upto November, 2004, 488 persons were placed in various private sector industrial units of the Pradesh, out of which 51 were of technical and highly skilled nature placed by the Central Employment Cell.

Special Cell for the Placement of Physically Handicapped Persons

6.15 A special employment cell for physically handicapped is functioning at Dharamshala since 1983. This cell renders assistance to the physically disabled candidates in the field of vocational guidance and also provides employment assistance to the job seekers. During the year 2004-05, upto December, 2004, 925 physically handicapped persons were brought on the live register of this special cell bringing the total number to 11,184. Besides, 70 reserved vacancies were notified and 298 physically handicapped persons were sponsored against these vacancies. 49 physically handicapped persons were placed in employment.

Minimum Wages

6.16 Himachal Pradesh Government has constituted a Minimum Wages Advisory Board under the Minimum Wages Act, 1948 for the purpose of advising the State Govt. generally in the matter of fixing and revising the minimum rates of wages for the workers. The State Govt. has revised the minimum rates of wages from Rs. 60.00 to Rs.65.00 per day w.e.f. 15.8.2003.

Labour Welfare Measures

6.17 Under the Bonded Labour System Abolition Act, 1976 the State Govt. has constituted vigilance committees at the district and sub-divisional levels under the Chairmanship of Chief Secretary

besides a screening committee at the state level. The Pradesh Govt. has established two Labour Courts-cum-Industrial Tribunals one with headquarter at Shimla with its jurisdiction of District Shimla, Kinnaur, Solan and Sirmaur and the other at Dharmshala during this year, with its jurisdiction of District Kangra, Chamba, Una, Hamirpur, Bilaspur, Mandi, Kullu and Lahaul-Spiti for adjudication of industrial disputes. An independent presiding officer of Labour Court/Industrial Tribunal of the rank of District and Session Judge has been appointed in these two labour courts. The Employees State Insurance Scheme is applicable in the areas of Solan, Parwanoo, Barotiwala, Baddi, Mehatpur, Nalagarh, Paonta Sahib, Kala Amb and Shimla. About 1,015 establishments with an estimated employment of 47,820 workers were covered under this scheme and 2,634 establishments with an estimated employment of 1,14,354 workers were covered under the Employees Provident Fund scheme. During the year 2004, 30 trade unions were registered under the Trade Union Act 1926, and 304 disputes were received out of which 229 were referred to the Labour Court/Industrial Tribunal H.P. for adjudication during the year 2004.

7. POWER

7.1 Himachal Pradesh has a vast hydel potential and through preliminary hydrological, topographical and geological investigations, it has been estimated that about 20,300 MW of hydel power can be generated in the state by constructing various major, medium, small and mini/micro hydel projects on the five river basins. In addition, a large number of unidentified areas have still been left in the river basins, which can contribute, substantially to the power potential of Himachal Pradesh by way of mini/micro, medium and even large projects. Also in view of the rising cost of thermal and nuclear generation, many identified projects, which have been excluded from the above mentioned hydel potential on account of non-suitability due to high cost of generation, will also become viable in future. On these two considerations, a conservative estimate of the total potential in Himachal Pradesh could well be put up at 25,000 MW or even more. The huge hydel potential of the state can play a major role in power development programmes in the northern region, which will provide an economic base for the overall development of Himachal Pradesh.

7.2 Himachal Pradesh State Electricity Board has been entrusted the work of investigation and execution of various hydroelectric projects and transmission and distribution of electricity in the Pradesh.

7.3 Hydel power generation in the Pradesh has been accorded top priority from Sixth Plan onwards because it will not only meet the increasing power demand within the state but also bridge the gap in the demand and supply in the northern region as a whole. In view of this, a phased programme has been chalked out to take up various major, medium, small and mini/micro projects in the state during the Tenth Five Year Plan besides completing the ongoing projects as early as possible. The state Government has prepared an ambitious plan to accelerate hydro generation

7.4 To match the increasing activities on construction of hydel projects, there is an immediate need to lay emphasis on adequate transmission and distribution network in order to transmit power from these projects and its distribution for utilisation within the state.

7.5 In the field of rural electrification, the state has made remarkable achievements. In spite of the fact that Himachal Pradesh was a late starter in the field of rural electrification and also because of very difficult and mountainous terrain, it is a matter of satisfaction that almost all the inhabited villages have been electrified in the state. Intensive electrification schemes are also in operation for electrification of left out houses and further improvement in the availability and reliability of electric supply in the state.

7.6 Brief description of various activities under generation, transmission distribution including private sector participation etc. is given below:-

GENERATION

On Going Projects

Larji Hydel Electric Project (126 MW)

7.7 Larji Hydel Project is under execution by HPSEB in the Beas basin in district Mandi. The civil works, most of which are underground, have been excavated and the lining work is in the final stage of completion. Electromechanical works are also underway. The hydromechanical works are also in final stage of completion. The target date of commissioning has been kept at the end of 2005-06. The project will generate 584 MU annually, resulting in an income of about Rs. 146 crore to the state.

Khauli Hydro Electric Project (12 MW)

7.8 The project is being constructed in Salli area of Shahpur in Kangra District. The work on main components of the project is under execution. This project will generate 55 MU annually. The completion of this project is scheduled during the year 2005.

Uhl Hydro Electric Project Stage-III (100 MW)

7.9 This project is located in Jogindernagar Tehsil of District Mandi and envisages utilisation of tailrace water of Uhl Stage-II alongwith discharge of Rana and Neri Khads. The work on the project has been started from May, 2000. The main works of the project are in different stages of award. The work of Head Race Tunnel has been awarded and excavation has commenced. The project will generate 391 MU annually resulting in an income of about Rs.100 crore every year to the state and is likely to be commissioned during 2007-08.

Kashang Hydro Electric Project (258 MW)

7.10 Proposed Kashang hydro-electric Project is an integrated development of potential of Kerang and Kashang Khads, tributaries of river Satluj for generation of 258 MW power in three stages. Stage-I of this scheme envisages diversion of water of Kashang Khad for generation of 66 MW power. Subsequently, Kerang water is to be diverted through a barrage and an underground water conductor system to generate 60 MW of power in an underground power house in stage-II development. The tail water of Stage-II power house is to be brought into the reservoir of Stage-I and this additional discharge will enhance the power generation capacity of stage-I from 66 MW to

198 MW in stage-III of the project. On completion, Stage-I project will generate 295 million units and the project will generate revenue of about Rs. 70 crore every year, and while on development of all three Stages it will yield an aggregate annual energy generation of 992 MU thereby earning a revenue of about Rs. 250 crore to the state every year. The stage-I of this project is being executed on fast track basis and Himachal Pradesh Jal Vidyut Vikas Nigam Limited has been constituted under HPSEB. The stage of the project is scheduled for commissioning during 2007-08.

Ghanvi Stage-II Hydro Electric Project (10 MW)

7.11 This project is a run of the river development on Ghanvi rivulet, a tributary of Satluj river, which contemplates the generation of 10 MW of power. The annual generation from the project during a dependable year will be 41.63 MU thereby earning a revenue of Rs. 11 crore annually. The project is scheduled for commissioning during 2006-07. The project is being executed on fast track basis by the H.P. Jal Vidyut Vikas Nigam Ltd. constituted under HPSEB.

Nathpa Jhakri Hydro Electric Project (1,500 MW)

7.12 This project with an installed capacity of 1500 MW has been executed jointly by the State and the

Central Government through the Satlej Jal Vidhyut Nigam Ltd. with an equity participation of 1:3. It will generate 6,700 million units of energy in a 90 percent dependable year and 7,447 million units of energy in a 50 percent mean year. Himachal Pradesh will get 12 percent free power in addition to 25 percent of balance 88 percent of energy generated at generation cost at the bus bar. All the units were commissioned during May, 2004.

Kol Dam (800 MW)

7.13 The state Government is executing Kol Dam HEP (800MW) through NTPC (A Government of India Undertaking) in the central sector. In this regards an agreement was reached between Govt. of Himachal Pradesh and NTPC during February, 2000. The project is likely to be commissioned in 2008-09.

Parbati Hydro Electric Project (2051MW)

7.14 The Parbati Hydro Electric Project is proposed to be taken up in three stages: Stage-I (750MW), Stage-II (800MW) and Stage-III (501MW) on river Parbati, a tributary of Beas river in Himachal Pradesh. An Agreement for the execution of Parbati Hydro Electric Project was signed on 20.11.98 between Himachal Pradesh Government and National Hydro Electric Power Corporation. NHPC has started works on stage-II of the project. The project is stated for commissioning in 2009-10.

Chamera Stage-II Hydro Electric Project (300 MW)

7.15 An agreement between Govt. of H.P. and NHPC was signed on 20.12.2000. The project has been commissioned on 2.11.2003.

Chamera Stage-III Hydro-electric (231 MW)

7.16 The Government decided to execute Chamera-III (231MW) through NHPC during July, 2001. The techno-economic clearance for the project has been accorded by CEA on 10.10.2003 at a estimated cost of Rs. 1364.01 crore. Land acquisition and site development works are in progress. The project is stated for commissioning in 2010-11.

Bhaba Augmentation Power House (4.5MW)

7.17 The 3 MW proposal comprising of 2 units of 1.5MW each as the installed capacity proposed a surface power house located in district Kinnaur on Bhaba Khad. The work had almost been completed. However, a massive landslide on 11th May, 2002 smashed the Power House and was rendered non-retrievable. A revised proposal was prepared for 4.5 MW capacity and revised cost estimate of the project for Rs. 3560.28 lakh was sanctioned by HPSEB on 14.03.2003. The project on completion will generate 26.63 MU in 75% dependable year. This would generate a revenue of Rs. 6.65 crore annually. The project

is scheduled for completion during 2006-07.

Holi Hydro Electric Project (3 MW)

7.18 In addition , a surface type power house of Holi Hydro-electric Project of 3MW capacity on Holi nala near village Holi of district Chamba has also been constructed. Anticipated annual revenue would be Rs. 4.80 crore. The project started generation w.e.f. November, 2004.

Private sector participation

7.19 Due to limited resources available with the Centre and State Governments, the Government of India has approved the participation of the private sector in the generation, supply and distribution of electricity in the country in order to overcome the anticipated power shortage. As a result, the Himachal Pradesh Government had given six hydroelectric projects in private sector for implementation. The status of these projects is as given below:-

- 1. Baspa Hydro Electric Project (300MW):-** Himachal Pradesh Govt. signed an implementation agreement with M/s Jai Prakash Industries Ltd., in Oct.1992 for execution of the project in private sector. The work on the project is completed. The Power Purchase Agreement was signed with the company in June, 1997 and supplementary PPA on 28.2.2003. The units I, II & III of

the project have started generating power.

- 2. Dhamwari Sunda Hydro Electric Project (70 MW):-** The Implementation agreement was signed with M/S Dhamwari Power Company Pvt. Ltd. in Oct., 1996. The Implementation Agreement with the company has been terminated by the Govt. on 22.12.2004 due to failure of the company to sign Power Purchase Agreement, achieve financial closure and start construction work on the project site without the extended time limit granted by the Govt.
- 3. Karcham Wangtoo Hydro Electric Project (1000 MW):-** Government signed the MoU with M/S Jai Prakash Industries Ltd. on 28.8.93. The techno-economic clearance was given by CEA on 31.3.2003 for an estimated cost of Rs. 5910 crore. On the request of the company, the Govt. accorded extension to start the work on the project by 18.11.2004 and has also extended the validity of TEC upto 31.3.2005. The project is scheduled to be commissioned in 2010-11.
- 4. Neogal Hydro Electric Project (15 MW):-** MoU was signed with M/S Om Power Corporation in Aug.1993. Implementation Agreement was signed in July, 1998. The Implementation Agreement signed with the

company stands terminated on 27.11.2004 due to failure of the company to achieve the financial closure and start construction work within the time limit extended by the Govt.

- 5. Allian Duhangan Hydro Electric Project (192 MW):-** MoU was signed with M/S Rajasthan Spinning and Weaving Mills Ltd, in Aug., 1993. The Company has already obtained Forest and Environment clearance. The company was required to take up the construction work of the project by 22.2.2004 as per the Implementation Agreement. However, the Govt. has allowed extension of few months. The project is scheduled for commissioning in 2009-10.
- 6. Mallana Hydro Electric Project (86 MW):-** Implementation Agreement for the project was signed with M/S Mallana Power Company Ltd. in March, 1997 and company started work in Sept.,1998. The project is commissioned and generating electricity w.e.f. July, 2001.

7.20 In addition to these projects, 11 more projects totalling 395.00 MW have also been given to the private sector during 2000 and 2002. During the year 2004 MOU's for Tidong-I (100 MW) and Sorang (60 MW) in District Kinnaur and Budhil (70 MW) in District Chamba were also signed with different companies.

HIMURJA

Development of Non-conventional and New & Renewable Sources of Energy

7.21 With the growth in the economy, the demand for energy increases tremendously due to rapid industrialisation, better standard of living and increased infrastructural network. As the conventional sources of energy are limited, there is an immediate need to explore new and alternative sources of energy, encourage the use of proven technologies such as solar water heating system and other efficient energy devices.

7.22 Solar energy utilisation forms an important part of the new and renewable sources of energy. HIMURJA has made concerted efforts to popularise renewable energy through the Integrated Rural Energy Planning Programme (IREP), which has been taken up as full-fledged programme in the Pradesh with the financial support of Ministry of Non-conventional Energy Sources (MNES), Govt. of India. Efforts are also being made to propagate fuel efficient devices and non-conventional energy devices like solar cookers, solar water heating systems, improved chullahs, improved water mills, and photovoltaic lights etc. The achievements made during the year 2004-05 upto December, 2004 are:-

Solar Thermal Extension Programme

7.23 During the year 2004-05, 390 solar cookers have been provided to potential beneficiaries' and 83 solar water heating system of different capacity have been installed/booked in different parts of the State upto December, 04. Efforts are being made to install the Solar Water Heating Systems in Govt. functional buildings.

7.24 During the year 2004-05, upto December, 04 HIMURJA distributed 413 Solar PV Domestic Lights at subsidised rates in different blocks in the Pradesh. 436 Solar Photovoltaic Street Lighting Systems have also been installed for community use.

Mini / Micro Projects

7.25 Under the UNDP-GEF scheme HIMURJA has executed 5 projects at Lingti (400 KW), Kothi (200 KW), Juthed (100 KW), Purthi (100 KW), and Sural (100 KW). All these Micro Hydel projects have been commissioned and are under trial run. Lingti Micro Hydel Project will be upgraded to 800 KW. Three more projects viz. Solang (1000 KW), Raskat (800 KW) and Titang (900 KW) being executed by private investors have also been commissioned. These projects are located in remote and tribal areas of the State. Other projects namely Gharola (100 KW), Bara Bhangal (40 KW) and Sach (900KW) are also being executed by HIMURJA. Gharola and Bara Bhangal Projects have been commissioned and are

under trial run. The civil works on Sach Project are in progress. Some new projects viz. Kunnu Charang (200 KW), Sissu (800 KW), Billing (400 KW), Shansha (400 KW), Chattru (50 KW), Saichu (200 kW) and Bagrod Sidhata (1100 kW) are being taken in the hand by HIMURJA under State/ MNES scheme. D.P.R. for all these Micro Hydel Projects have been prepared and sent to MNES for funding.

Portable Micro Hydel Generator Sets

7.26 Fifteen Portable Micro Hydel Generator sets have been commissioned in the State. Out of which, 12 are in Pangi sub division of Chamba district, 2 in Dodra Kwar and 1 demonstration unit at Sarahan in Shimla district which was damaged in flash floods during July,2003, and is being rehabilitated.

Micro Hydel Projects

7.27 The State Govt. has entrusted the implementation part of small hydro potential upto 5 MW through private investment to HIMURJA under the administrative control of Non Conventional Energy Sources Department. During the current year implementation agreement for 11 projects with total capacity of 37.60 MW have been signed.

7.28 An amount of Rs. 328.36 lakh will be spent under Plan and Non-Plan for the financial year 2004-05, under IREP & NCES and a provision of 597.00 lakh has been proposed for the year 2005-06.

8. TRANSPORT AND COMMUNICATION

Roads and Bridges (State Sector)

8.1 In the absence of any other suitable and viable modes of communication like railways and waterways, roads play a vital role in boosting the economy of the hilly state like Himachal Pradesh. Starting almost from a scratch the state Government has constructed 28,588 Kms. of motorable roads inclusive of jeepable track till December, 2004. Government has been attaching a very high priority to road sector. For the year 2004-05, there was an outlay of Rs. 22,672.97 lakh. The target fixed for 2004-05 and achievements made upto December, 2004 are given as under:-

Table-8.1

Item	Unit	Target for 2004-05	Achievement upto Dec.,04
1.Motorable	Kms	1000	504
2.Cross-drainage	”	1005	500
3.Metalling & tarring	”	750	605
4.Jeepable	”	20	35
5.Bridges	No.	60	10
6.Villages connectivity	”	50	30

National Highways (Central Sector)

8.2 The process of improvement of National Highways in the state having total length of 1,234.15 Kms, which include urban links and bye-passes, continued during the year also. Upto the end of December, 2004, 160.72 Km. long portion had been provided with metalling and tarring.

8.3 The total road length was 28,588 Kms. in the State as on 31.12.2004 and 8,109 villages as detailed below in table 8.2 were connected with roads:-

Table-8.2

Villages connected with road	As on 31 st March				As on 31 st Dec., 2004
	2001	2002	2003	2004	
Villages with population More than 1500					
1000-1500	185	186	186	186	186
500-1000	224	224	224	244	247
200-500	847	849	854	870	874
Below 200	2575	2588	2612	2621	2628
Total	4036	4063	4096	4156	4174
	7867	7910	7972	8077	8109

Railways

8.4 There are only two narrow gauge railway lines connecting Shimla with Kalka (96 Kms.) and Jogindernagar with Pathankot (113 Kms.) and one 16 Kms. broad gauge railway line from Nangaldam to Una.

Road Transport

8.5 Road Transport is the main stay of economic activity in the Pradesh as other means of transport namely Railways, Airways, Taxis, Auto-Rickshaw etc. are negligible. As such the 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 1,717 buses (as on November, 2004). During 2004-05 the revenue of H.R.T.C. increased by Rs. 5.72 crore during April, 2004 to December, 2004.

8.6 For the benefit of people the following schemes remained in operation during the year:-

- (i) **Smart Card Scheme:-** Smart Card is obtainable on payment of Rs. 60 and is valid upto one year. Passengers get a discount of 10 per cent and senior citizens (65 years and above) get discount of 20% if the journey is undertaken beyond 10 Kms.

- (ii) **Yellow Card Scheme:-** With a view to give stiff competition to Private operators on local routes, Corporation has introduced Yellow Card Scheme, giving concession of 20% on the fare upto 40 kms journey on payment of Rs. 25.
- (iii) **Group Discount Scheme:-** A group of more than 9 persons are allowed 10% discount in fare.
- (iv) **Courier Service:-** H.R.T.C. has introduced courier service through its buses from all district headquarters (booking office to booking office).
- (v) **Super-fast Non-stop Bus Services:-** Super fast bus services remained under operation on the following routes:-
1. Shimla – Nahan
 2. Shimla – Dharmshala
 3. Shimla – Hamirpur
 4. Shimla – Mandi
 5. Hateshwari-Chamunda
 6. Shimla -- Rampur
 7. Shimla – Kullu
 8. Shimla – Una
 9. Nerwa -- Chamunda
 10. Shimla -- Chamba
 11. Shimla-Solan-Chandigarh
- (vi) **Volvo Luxury A.C. Buses:-** On persistent demand of Tourists and general public, two luxury A.C. Buses have been introduced on Shimla-Delhi route to provide comfortable transport service to the tourists. These services

have generated additional revenue to the Corporation.

- (vii) **Fabrication of other STU's Buses:-** Corporation has entered into an agreement with the Uttaranchal State to fabricate their buses. More than 80 bodies on their buses have been fabricated and earned over Rs. 3.00 crore from this work.
- (viii) **Wet-Leasing Scheme:-** With a view to reduce the capital cost and cut losses, the corporation introduced the Wet-Leasing Scheme, which has yielded good results. Till December, 2004, an agreement to attach 64 buses has been executed. The parties have already provided 41 buses, which are operational in the Corporation. This has resulted in bringing down the capital requirement of corporation which will also reduce the further liabilities of interest repayments.

- (ix) **Bus Stands:-** After the formation of H.P. Bus Stand Management and Development Authority, it has constructed the bus stands of Reckong-Peo, Solan, Nagrota Bagwan and Jogindernagar and shopping complex at Palampur with a total outlay of Rs. 5.57 crore whereas the bus stand at Chintpurni was at completion stage. Besides these the construction works of modern bus stand at I.S.B.T. Tuti Kandi (Shimla) has been started by M/s Khan Construction Company, New Delhi on BOT basis. The company will complete construction within two years. The estimated cost of this project is around Rs. 16.00 crore. The bus stand will be made operational by the end of 2006. The Corporation has also earned a revenue of about Rs. 27.00 lakh by allowing its divisional/regional workshop to carry out the jobs of private parties and other Govt. departments.

9. TOURISM AND CIVIL AVIATION

9.1 **T**ourism in Himachal Pradesh has been recognised as one of the most important sectors of the economy as it is being realised as a major engine of growth for future. Himachal Pradesh is endowed with all the basic resources necessary for thriving tourism activity like geographical and cultural diversity, clean, peaceful and beautiful streams, sacred shrines, historic monuments and the friendly and hospitable people.

9.2 **T**ourism Industry in Himachal Pradesh has been given very high priority and the Government has developed an appropriate infrastructure for its development which includes provision of public utility services, roads, communication network, airports, transport facilities, water supply and civic amenities etc. Huge investment is being done to develop the infrastructure for the development of tourism. For the year 2004-05, there is an allotment of Rs. 502.43 lakh for the development of Tourism and Rs. 69.48 lakh for the Civil Aviation. The department of Tourism is trying to promote the tourism by undertaking various activities. With the announcement of incentives to various Tourism Projects, 29 Project cases with the investment of Rs. 15.97 crore have been cleared during 2004. At present 1,643 hotels having bed capacity of 36,389 are registered with the department. With a view to promote Tourism in the State, HPTDC is going to set up/ expand its

complexes at Fagu, Chail, Naggur Castle, Kullu, recreation centre at Mcleoadganj. Aerosports complex at Bir (Kangra), Tourist complex at Keylong have been commissioned. In addition to these a sum of Rs. 7.23 crore has been sanctioned by Govt. of India for the development of Kullu-Manali-Lahaul & Spiti-Leh Monastic circuit and the work of this circuit is in progress. During Confederation of Indian Industry conclave in December, 2004, 12 Govt. Projects and 106 Private Projects have been offered in Private Sector. Similarly, the department has identified fourteen potential places for setting up of Aerial Ropeways in the state. Ropeways at Jabli to Kasauli has started commercial operation w.e.f. 31.12.99 and work on Ropeway from Chamba Ghat to Karol Tibba is in progress. For the installation of Neugal Ropeway project, M.O.U. has been signed between a private company and the Govt. In a major initiative, the Govt. has approved construction of Aerial Ropeways-cum-Skiing Project at Solang Nallah near Manali and M.O.U. has also been signed between the party and Govt. Special attention is being paid to provide quality services to the pilgrims at various religious places of the state.

9.3 **I**n order to promote tourism, dissemination of tourist information plays significant role. Department of Tourism prepares brochures of tourist information and participates in fairs and festivals within and outside the State. The

department participated in TTF Kolkata, Hyderabad, Lavi Fair Rampur, Infra-Tourism in Pragati Maidan New Delhi. In addition, the Department also organized Pakistani Food Festival at Shimla from 17th to 25th July, 2004. A publicity campaign was carried out by way of advertisements in the leading news papers and magazines to popularize the facilities and services available for the Tourists in the public and private sectors.

9.4 The department is regularly imparting training in River Rafting, HRD, EDPs, Skiing and Trekking etc. to the youth of the state. During the year 2004, 3rd Paragliding Pre-World Cup, from 6th to 9th November, 2004, was organised at Bir Billing Valley in district Kangra, in which 75 pilots participated, out of which 55 were foreigner. For the first time in the State National River Rafting Championship was organised in the River Satej from 14th to 21st November, 2004, in association with Indian Rafting Foundation, in which 11 teams participated. In addition Lahore-Shimla Goodwill Golf Tournament w.e.f. 3.7.2004 to 6.7.2004 was also organized at Naldehra (Shimla).

Civil aviation

9.5 At present there are only three Airports namely Shimla at Jubbar Hatti, Kangra at Gaggal and Kullu at Bhuntar and 56 operational

helipads in the state. The airports are being upgraded with the grant of the 10th Finance Commission which had sanctioned Rs. 30.00 crore as detailed below:-

- (a) **Shimla Airport:** An amount of Rs. 8.74 crore out of 9.00 crore was spent so far on the expansion of runway and improvement of road from Taradevi to Jubbar Hatti, which is also a part of expansion work.
- (b) **Kangra Airport:** The expansion work and construction of new building, Taxiway, Apron, Sub-station etc. have been completed. However, land acquisition for diversion of Sanaura Dharamshala road is under process. A sum of Rs. 8.88 crore out of Rs. 10.00 crore was spent on extension so far.
- (c) **Kullu Airport:** An amount of Rs. 4.58 crore out of 7.50 crore was spent on acquisition of land and improvement of airport. Airport Authority of India is constructing a terminal building for the capacity of 100 passengers.

Apart from this, civil enclave at Pathankot-Airfield is also being constructed by the Airport Authority of India for civilian use.

10. SOCIAL AND ECONOMIC SERVICES

EDUCATION

10.1 According to 2001 census Himachal Pradesh has a literacy rate of 76.5 per cent. Male/female literacy rate differs considerably in the state as against 85.3 per cent literacy rate for males it is 67.4 per cent for females. All out efforts are afoot to bridge this gap.

Primary Education

10.2 At present there are 10,652 notified Primary Schools in the state out of which 10,623 are functional (as on December, 2004). To encourage enrolment, reduce the drop out rate and enhance the retention rate of the children in these schools, various scholarships and other incentives namely Poverty stipend scholarship, Girls attendance scholarship, scholarship for children of Army personnel, IRDP scholarship for the students belonging to BPL families, Pre-matric scholarship, Lahaul & Spiti pattern scholarship and scholarship for the children of Army Personnel who are serving at the border areas are being provided to the students of Primary schools in the State. In addition to above Free Text Books are also being provided to all girls students of all category under Sarv Shiksha Abhiyan to enhance female literacy in the state. Mid-day meal scheme is being implemented in all the Govt./ Govt. aided Primary Schools in the state. Under this scheme each student is being provided with hot cooked meal

on each day of the school w.e.f. 1st September, 2004.

10.3 In order to train Para Teachers (Vidya Upasaks) to handle the classes efficiently, Teachers Training Course is being provided to them by Teacher Training Cell of Sarv Shiksha Abhiyan in different DIETs of the Districts during summer/winter vacations every year on the latest teaching techniques.

10.4 To overcome the shortage of trained teachers in the state and to fill large number of vacancies in remote, difficult and inaccessible areas of the state, the Government has approved Primary Assistant Teachers (PAT) scheme, 2003. Under this scheme, 439 Para Teachers have been appointed during the year, 2004 in zero/single teacher schools. Under this scheme the process for the recruitment of 300 more Para Teachers (PAT) and 76 JBTs' is being started.

10.5 Sarv Shiksha Abhiyan launched by the Government of India for achieving the goal of Universal Elementary Education in the country has also been adopted by the state Government. Its objective is to provide elementary education to all children upto the age of 6-14 years by 2010. Govt. of India has approved Annual Plan in respect of SSA.

10.6 In order to provide additional boost to the education of girls at elementary level a new scheme "National Programme for

Education of Girls at Elementary Level” (NPEGEL) for the year 2004-05 amounting to Rs. 12,156.45 lakh with 75% as Centre share and 25% as State share, has been taken up under SSA, with the following components/scheme:

- (i) To develop a model girl child friendly school at cluster level for which one time grant to a maximum of Rs. 2.00 lakh will be provided.
- (ii) A recurring grant of Rs. 20,000 per annum will be provided for maintenance of building and engagement of part time instructors for vocational training to the girls for three months in a year.
- (iii) Additional incentives such as stationery, slates, workbooks, uniforms and other locally felt need within the existing ceiling for Rs. 150/- per child per annum will also be provided.
- (iv) Besides these, additional interventions like awards to schools, teachers, students evaluation, remedial teaching, bridge courses, alternative schools, learning through open schools, teacher training and child care centres at cluster level within a ceiling of Rs. 60,000/- per annum will also be provided. Further

mobilization and community monitoring with a ceiling of Rs. 95,000/- per cluster over a five years period, will also be provided under NPEGEL scheme.

10.7 Kasturba Gandhi Balika Vidyalaya (KGBV) scheme for setting up of 750 residential schools with boarding facilities at elementary level for girls predominantly SC/ST/OBC, has also been approved by Govt. of India.

10.8 **Sports Activities:** In the year 2004-05 for carrying out the sports activities of children of Primary Schools at Centre, Block, District and State levels a budgetary provision of Rs. 30.00 lakh was made.

High/Senior Secondary Education

10.9 During the year 2004-05, upto December, 2004, there were 2,193 notified Middle Schools in the Pradesh under the State Govt. management.

10.10 During the year 2004-05, upto December, 2004 there were 1,645 notified High/Senior Secondary Schools in the Pradesh, under the State Govt. management.

University and Higher Education

10.11 There were 41 Degree Colleges in the state upto December, 2004, which includes SCERT Solan.

Integrated Education of Handicapped Children

10.12 The students having more than 40% disability are being provided free education upto University level.

Scholarships

10.13 To improve the educational status of the deprived sections of the society, various types of scholarships/stipends are being provided by the state/central Govts. at various stages. The scholarship schemes are:-

(i) **Swami Vivekanand Merit Scholarship Scheme:** Under this scheme 4000 meritorious students of general categories who got 77% marks or more in 10th and +1 class from the HP Board of School Education are being given scholarship @ Rs. 10,000/- per student per annum.

(ii) **Thakur Sen Negi Merit Scholarship Scheme:** Under this scheme, 200, boys & 200 girls students of ST category who got 72% marks or more in 10th and +1 class annual examination from HP Board of School Education are provided

scholarship @ Rs. 11000/- per student per annum.

(iii) **Maharishi Balmiki Scholarship Scheme:** The girl students belonging to Balmiki families whose parents are engaged in unclean occupation are being given scholarship under this scheme @ Rs. 9000/- per student per annum beyond matric level upto college level and for professional courses of equivalent level.

(iv) **Dr. Ambedkar Merit Scholarship Scheme:** Under this scheme 2000 students of SC and 2000 students of OBC categories, who got 72% marks or more in 10th and +1 class are being provided a scholarship of Rs.10,000/- per student per annum.

Teachers Training

10.14 To acquaint the in-service teachers with the latest techniques/ teaching methods, seminar/ re-orientation courses are organized in S.C.E.R.T., Solan.

National and State Awards to Teachers

10.15 Four teachers for their excellent services were awarded National Awards on 5th September, 2004. In addition seven teachers were also given state awards.

10.16 **Yashwant Gurukul Awas Yojana:** In order to provide suitable residential accommodation to the teachers posted in High/Sr. Sec.

Schools of Tribal and hard areas, this scheme is being implemented in 61 identified schools of the state. A sum of Rs. 15.00 lakh is being spent on each school for this purpose.

10.17 Free Text Books: The state Government is providing free text books to the students belonging to SC/ST/OBC/IRDP families. An expenditure of Rs. 6.84 crore was incurred during the year.

10.18 Vocational Education: Vocational Education Programme is presently going on in 25 Sr. Secondary Schools of the state.

10.19 Improvement in Science Education: With the aim of bringing quality improvement in the science subject a Centrally Sponsored Scheme viz; "Improvement of Science Education" is in operation in the state.

10.20 Information Technology Education: Information Technology education for 9th to 12th classes has been started in all the Senior Secondary Schools in the State.

Technical Education

10.21 One National Institute of Technology (NIT, Hamirpur), 3 privately managed engineering colleges, 6 Govt. Polytechnics, 34 Co-educational Industrial Training Institutes including one Institute for physically handicapped and 16 Industrial Training Institutes for women and one Motor Driving Training School and 21 Computer Centres (H.P-STEP) are functioning

in the Pradesh . In addition to this, 11 ITCs (Pvt.), 15 Para Medical Training Centres, 2 Food Craft Training Centres and one Vocational Training Centre are also functioning in the state. The polytechnics conduct 3 and 2 years courses in 10 different engineering and non-engineering disciplines. The annual intake in the existing six Polytechnics of the State was increased from 570 to 880 from the acadmic session July/August, 2004. In I.T.Is', training in 25 engineering and 12 non-engineering trades under Craftsman Training Scheme is being imparted. The vocational training under the aegis of SCVT is also being imparted enabling the trainees to earn their livelihood through self-employment or wages in industrial units. It is the first and foremost priority of the department to bring out qualitative improvement in existing courses. CISCO training is being started at Govt. Polytechnic College for women, Kandaghat and this college has the priviledge of being the ISO-9001 certified Polytechnic/College of North India. Govt. Polytechnic colleges Sundernagar, Hamirpur and Kandaghat (women) have recently been selected under World Bank Aided project named Technical Education Quality Improvement Programme (TEQIP), which will prove a boon to bring these institutions at par with the leading polytechnic colleges of the country. It is a matter of great honour for the state that Govt. Polytechnic College, Kangra has been adjudged as a best polytechnic of this region in 2004. Govt. has given approval in principle to upgrade Govt. Polytechnic Sunder

Nagar to Engineering College and Govt. Polytechnic Rohroo to Pharmacy College from the next session 2005-06.

HEALTH AND FAMILY WELFARE

10.22 In Himachal Pradesh, Health and Family Welfare department is providing services which includes curative, preventive, promotive and rehabilitative services through a net work of 50 civil hospitals, 66 community health centres, 439 primary health centres, 22 civil/ESI dispensaries and 2067 sub-centres. To provide better health services to the people, the government is strengthening the existing infrastructure by providing modern equipments, specialised services, increasing the strength of the medical and paramedical staff in the medical institutions and upgrading the status of the existing medical institutions.

10.23 A brief description of various health and family welfare activities carried out in the state during 2004-05 is given below:-

(i) **Rural Health Scheme:-** Under this scheme, health guides are providing better health care to the people of the state. They are also significantly contributing towards civil registration, malaria surveillance, family welfare and immunisation activities.

(ii) **National Vector Borne Disease Control Programme:-**

Under this programme, 276 fever treatment depots, 2,062 drug distribution centres, 190 malaria clinics are functioning in the State. During the year 2004, (upto November, 2004), 4,63,262 blood slides were collected and 4,61,961 examined out of which 122 slides were found positive and during this period 117 cases were given radical treatment and no death due to malaria was reported.

(iii) **National Leprosy Control Programme:-**

Under National Leprosy Control Programme the prevalence rate, which was 26 per thousand in 1955, has been reduced to 0.38 per ten thousand as on 31.12.2004. The National Leprosy Control Programme was converted into Leprosy Elimination Programme in 1994-95 by the Govt. of India and with the assistance of World Bank, Leprosy Societies were formulated in the districts. Under this programme during 2004-05, upto December, 2004 193 new cases were detected and 224 cases were deleted.

(iv) **S.T.D. Control Programme:-**

Under this programme, 71 S.T.D. institutions for the diagnosis and treatment of S.T.D. cases are functioning in the state. During 2004 upto November, 2004, 34,565 blood S.T.S. samples were

tested out of which 250 were found positive. Besides this, 8,617 STD patients were detected and treated in various STD institutions.

(v) National T.B. Control Programme:-

Under this programme, 2 T.B. sanatorium, 12 district T.B. centres/clinics, 41 T.B. units and 164 microscopic centres having a provision of 651 beds were functioning in the state. During the year 2004, 7,085 cases were detected having positive symptoms of this disease and sputum tests of 55,131 persons were carried out. Himachal Pradesh is one of the states where all the districts have been covered under this project.

(vi) National Programme for Control of Blindness:-

Under this programme, 537 bilateral cataract cases were operated and 8,004 IOL were implanted to the cataract cases during the year 2004-05 upto December, 2004. School eye screening and refraction services were provided to school children and during 2004-05, upto December, 2004, 1,04,451 students were examined under this programme against a target of 1,48,500. During 2004-05, 10,655 cataract operations

have been done upto December, 2004, against the target of 16,000.

(vii) National Family Welfare Programme:-

The family welfare programme is being carried out in the state as a part of Reproductive and Child Health Programme on the basis of community needs assessment approach. Under this approach, grassroot level workers like multipurpose health workers give an estimate of the various family welfare activities required in the area/ population covered by them. Under this programme, 13,577 sterilisations and 22,951 I.U.D. insertions were done during 2004-05 upto December, 2004.

(viii) Child Survival and Safe Motherhood Programme:-

This programme is being implemented in the state as a part of RCH programme. The programme aims at reducing the morbidity and mortality among mothers, children and infants. The preventable vaccine for diseases viz; Tuberculosis, Diphtheria, Pertussis, Neo-natal Tetanus, Poliomyelitis and Measles have shown remarkable reduction over the last years.

The targets for the year 2004-05 and achievements, are given in table 10.1.

Table- 10.1

Sr. Item No.	2004-05	
	Targets	Achievements upto Dec., 04
1	2	3
1. T.T.(PW)	1,47,380	1,03,222
2. D.P.T.	1,26,750	98,170
3. Polio	1,26,750	98,162
4. D.P.T. Booster	1,33,980	85,673
5. Polio Booster	1,33,980	85,670
6. B.C.G.	1,26,750	1,01,023
7. Measles	1,26,750	98,534
8. D.T. (5-6 years)	1,27,600	1,12,369
9. T.T. (10 years)	1,27,600	1,12,381
10. T.T. (16 years)	1,08,460	87,255
11. I.F.A. to mothers	1,47,380	1,46,337
12. Vit. A 1 st dose	1,26,750	98,000
13. Vit. A 2 nd dose	1,33,980	85,129

Under this programme, like previous years Pulse Polio Immunization campaign is being again launched in the state. First round was completed on 10.10.2004 and second round completed on 21.11.2004. In the first round 7,22,438 and in the second round 7,31,855 children in the age group of 0-5 years were given additional doses of polio drops. Hepatitis-B Vaccination have been launched in the two districts Solan and Hamirpur of the state as a pilot project scheme.

(ix) National Iodine Deficiency Disorders Control Programme:-

The main objective of this programme is to create awareness among the people about the disorder being caused due to iodine deficiency and to make people aware of the preventive measures to be taken to eradicate the problem. Under the programme 58,210 salt samples were tested during the year 2004 upto November, 2004. Out of these samples 91 with nil iodine 4,337 with less than 15 PPM iodine and 53,782 with more than 15 PPM iodine were found.

(x) National AIDS Control Programme:-

This programme is being implemented in the state since 1992 as a centrally sponsored scheme. Upto December, 2004, out of 49,288 persons screened 1,131 HIV positive cases were detected which includes 251 AIDS cases. At the state level H.P State AIDS Control Society has been constituted to plan and implement various activities under the programme. District AIDS Programme Officers have been notified in each district.

Medical Education & Research

10.24 The Directorate of Medical Education and Research was established during the year 1996-97 with a view to coordinate the activities of all the systems of

medicines so that the benefits could reach to the people of state. At present the state has two Medical Colleges i.e. Indira Gandhi Medical College, Shimla and Dr. Rajendra Prasad Medical College Tanda and one Govt. Dental College, Shimla.

(a) **IGMC, Shimla:-** This being the premier institute, is providing 65 Graduates in Medicine besides 57 Post-graduate(Degree/ Diploma) every year to the state. This college provides post-graduate courses in 18 specialities and diploma in 8 specialities. In addition to this, B.Sc. (MLT) courses have been started with intake capacity of 30 students ten each in Anaesthesia, Radiology and Medical Laboratory during this year. Indira Gandhi Hospital, Shimla and Kamla Nehru Hospital, Shimla are associated with it for teaching and training purposes. I.G.M.C. Shimla is one of the few colleges in India to have Fiber Optic Endoscope, C.T. Scan and Close Heart Surgery including Pace Maker Insertion. In addition Cath Lab Angiography services to the heart patients and Radiotherapy services to cancer patients are also available.

(b) **Dr. R.P. Govt. Medical College, Tanda (Kangra):-** Tanda Medical College of the state was started in 1996 with an intake capacity of 50 students and now 1st Batch of 50 MBBS students has passed

out from this college. With tremendous efforts of the Govt., the Medical College is developing as one of the very best in the country. A 500 bedded Hospital is being constructed at Tanda with an estimated cost of Rs. 49.49 crore and will be completed by the end of December, 2005.

(c) **Dental College and Hospital Shimla:-** First Dental college and Hospital in the state was established in the year 1994-95. The intake capacity of college is 40 students. The Govt. has given permission to start postgraduate classes in the Dental College. Seventeen students will be admitted to these courses from the year 2005-06. The objective of the opening of Dental College and Hospital was to meet the ever increasing demand of Dental Surgeons and Dental Para-Medical staff with a view to provide basic dental care to the people of the state.

AYURVEDA

10.25 In Himachal Pradesh, treatment by Indian System of Medicine and Homoeopathy is being provided to the general public through 2 regional ayurvedic hospitals, 2 circle ayurvedic hospitals, 3 tribal hospitals, 8 district ayurvedic hospitals, 1 nature cure hospital, 1,118 ayurvedic health centres, 9 ten/twenty bedded hospitals, 3 unani health centres, 14 homoeopathic health Centres and 4 amchi clinics (out of which 1 is

functional). There are 3 Ayurvedic Pharmacies at Jogindernagar (District Mandi), Majra (District Sirmour) and Paprola (District Kangra). These pharmacies are manufacturing medicines, which are supplied to the Ayurvedic health institutions of the department. Rajeev Gandhi Government P.G. Ayurvedic College, with an annual intake capacity of 50 students for B.A.M.S. degree, is functioning at Paprola in Kangra district for providing ayurvedic education in the Pradesh. Besides this, the Post Graduate Classes in Kaya Chikitsa, Shalakaya Tantra and Shalya Tantra are also there in the college. The department of Indian System of Medicine remained associated with National Health Programmes like malaria, family welfare, AIDS, immunisation and pulse polio etc.

Development of Herbal Resources

10.26 The state has abundant medicinal flora. Some of the species are at the brink of extinction due to unscientific exploitation. With a view to preserve and safeguard valuable flora, the department has established 3 herbal gardens at Joginder Nagar (Mandi), Neri (Hamirpur), Dumreda (Shimla). The National Medicinal Plants Board, Govt. of India has sanctioned two projects worth Rs. 15.00 lakh for propagation of QPM and seed production and production of QPM High Valued Medicinal Plants of High altitude for promoting contract farming in the state. Beside this, one Project costing Rs. 11.01 lakh has been sanctioned under centrally

sponsored scheme on Integrity of Holticulture in the state against which Govt. of India has released funds amounting to Rs. 4.40 lakh to the department.

10.27 To make Rajeev Gandhi Govt. Post Graduate Ayurvedic College, Paprola as model college, Govt. of India has released funds to the tune of Rs. 56.90 lakh during the year 2004-05. Besides this, three new PG subjects namely Prasuti Tantra, Basic Principal and Ras Shashtra have been started from the session 2004-05 having capacity of 10 students. Thereby raising the strength of PG students to 24.

10.28 To modernize three departmental pharmacies at Jogindernagar, Majra and Paprola Govt., of India has sanctioned Rs. 2.76 crore in different years. Besides this, Rs. 15.00 lakh has been released by Govt. of India during the year 2004-05.

10.29 The Govt. of India has sanctioned funds to the tune of Rs. 8.06 lakh for strengthening of Enforcement Mechanism in State Quality Control for drugs contract of AYUSH Drugs during the year 2004-05.

10.30 To strengthen drug testing laborarty Govt. of India has sanctioned Rs. 75.79 lakh in different years and Rs. 8.00 lakh has been released during the year 2003-04 for the Project "Development of Standarded Operating Procedures".

SOCIAL WELFARE & WELFARE OF BACKWARD CLASSES

10.31 The Social Justice and Empowerment Department of the state is engaged in socio-economic and educational uplift of scheduled castes, scheduled tribes, other backward classes, infirms, handicapped, orphans, children, widows, destitutes, poor children and women etc.. The following schemes are being implemented under social welfare programme:-

Social Welfare

10.32 Under this scheme old age pension @ Rs. 200 per month is provided to those persons who are 60 years old or above and having annual income below Rs.6000. Similarly the disability relief allowance @ Rs. 200 per month is being provided to those persons having at least 40% of disability and whose annual income does not exceed Rs. 6000. Widow pension @ Rs. 200 per month to those widows/ deserted women irrespective of their age whose annual income also does not exceed Rs. 6000. The annual income of earning sons in respect of old age and disabled persons and widow/ deserted women should also not exceed Rs. 11000. During 2004-05, there was a budget provision of Rs. 3,560.18 lakh for old age, national old age pension and disabled persons out of which 2,427.92 lakh were spent upto December, 2004. Under Deserted/ Widow Pension Scheme there was a budget provision of Rs. 1,583.82

lakh for the year 2004-05 against which Rs. 1,005.83 lakh were spent upto December, 2004.

Child Welfare

10.33 With a view to look after the orphans, semi-orphans and destitute children, the department is providing grant-in-aid for running and maintenance of Bal /Balika Ashrams at Sarahan, Suni, Rockwood (Shimla), Kullu, Tissa, Bharmaur, Dhalli, Kalpa, Shilli (Solan) Bharnal, Dehar (Mandi) and Chamba being run by the voluntary organizations. The Welfare Department is running Balika Ashrams at Pragpur (Kangra) and Mashobra (Shimla) and Bal Ashrams at Sujampur (Hamirpur), and Tutikandi (Shimla). In addition, Bal/Balika Ashrams have also been started at Rohru (Shimla) and Kilar (Chamba). In these ashrams the inmates are provided free boarding and lodging facilities and education upto 10+2 standard. After leaving the Ashram they are being given financial assistance of Rs. 6,000 for self employment and rehabilitation. Assistance is also provided to them for higher education after 10+2. One Juvenile Home established under Juvenile Act, at Sundernagar for destitute and neglected children continued functioning. Besides, a special school-cum-observation home has been functioning at Haroli in Una district for the delinquent children. Education is provided to the mentally retarded children on Govt. expenses at Prem Ashram Una. At present 981 children are studying in these Ashrams.

Integrated Child Development Services

10.34 Under "Integrated Child Development Services" (ICDS) programme, which is 100% Centrally Sponsored Scheme/Programme, for the overall development of children between the age of 0-6 years, expectant and nursing mothers, the department is providing supplementary nutrition, pre-school education and health check-up. 72 projects are operational in the State and the services are being provided through 7,354 Anganwari centres spread all over the State. During the financial year 2004-05, about 3,00,000 children are being benefited under this scheme.

Balika Samridhi Yojna

10.35 Main objective of the scheme is to change the negative attitude towards the girl child and mother at the time of birth in case of the girl child. Under this scheme, there is a provision to give post grant birth of Rs. 500 which is deposited in Banks/Post Offices in favour of first two girl children taking birth in the BPL family and they can draw the amount after attaining the age of 18 years. Besides, scholarship ranging from Rs. 300 to Rs. 1,000 per girl student per annum upto 10th standard is also given to these girls who took/are taking birth on or after 15.08.1997. During the current year upto December, 2004, post birth grant of Rs. 18.92 lakh were deposited in favour of 3,784 girl children and a scholarship of Rs. 2.66 lakh has been provided to 887

girls. During the year 2004-05, there is a provision of Rs. 20.00 lakh.

Kishore Shakti Yojna

10.36 This is 100% Centrally Sponsored Scheme and is being implemented in the 15 selected ICDS blocks of Mandi, Hamirpur, Una, Kinnaur and Lahaul & Spiti districts of the State. In these blocks, 60,000 adolescent girls between the age group of 11-18 years have been identified and every year, out of ICDS budget, Rs. 16.50 lakh @ Rs. 1.10 lakh per block are spent on Nutrition and Skill Training to be given to the identified adolescent girls.

Women Welfare

10.37 Various schemes are being implemented for the welfare of women in the Pradesh. The major schemes are as under:-

- (a) **State Homes:-** For destitute women and wayward girls/women State Homes at Chamba, Mandi, and Mashobra (Shimla) are being run by the department. Besides, one State Home at Nahan is being run by the Indian Council of Child Welfare (ICCW). The inmates of these homes are provided free boarding and lodging facilities and training in craft, tailoring and embroidery etc. For the rehabilitation of such women after leaving State Homes financial assistance upto Rs.6,000 per women is also provided. A budget provision of

Rs.37.17 lakh was kept under this scheme during 2004-05 against which Rs. 22.76 lakh were spent on these homes upto December, 2004.

(b) **Working Women Hostels:-**

With a view to provide residential accommodation to the working women in urban areas, the department has constructed 13 working women hostels. These hostels were constructed by the voluntary organisations with the help of grant-in-aid @ 75 per cent from the Govt. of India and @ 25 per cent from the State Govt. One hostel at Palampur is under construction. During the year 2004-05, budget provisions of Rs. 30.00 lakh has been kept under this scheme.

(c) **Marriage Grant to Destitute Girls:-**

Under this programme marriage grant increased to Rs. 5,100 from Rs. 2,500 w.e.f. 16.9.2004. this grant is being given to the parents/guardians of the girl or to the girl herself provided their annual income does not exceed Rs. 7,500. During 2004-05, a budget provision of Rs.26.25 lakh was kept for this purpose out of which an amount of Rs. 15.77 lakh was spent and 474 beneficiaries were covered upto December, 2004.

(d) **Self Employment Scheme for Women:-**

Under this scheme Rs. 2500 are provided to the women having annual income less than Rs. 7500 for carrying

income generating activities. During the year 2004-05 a budget provision of Rs. 3.00 lakh was made against which Rs. 1.70 lakh have been spent and benefiting 68 women upto December, 2004.

(e) **Widow Re-marriage Scheme:-**

From the year 2004-05, the State Govt. has started widow re-marriage scheme. The main objective of the scheme is to help in rehabilitation of widow after re-marriage. Under this scheme an amount of Rs. 25,000, as grant, is provided to the couple. During the year upto December, 2004, an amount of Rs. 50,000 was given to two such couples.

(f) **Swaymsidh Scheme:-**

For the economic and social empowerment of women a Centrally Sponsored Scheme 'Swayamsidha' is being implemented in eight blocks viz. Rohru, Baijnath, Chamba, Solan, Pachhad, Jhanduta, Lambagaon and Karsog by the Department. During the year 2004-05, upto December, 2004 about Rs. 7.00 lakh have been spent under this scheme. In addition, self help groups of women have also been formed in the remaining blocks by involving ICDS infrastructure at grassroot level. During the year upto December, 2004 1,231 self help groups were formed. Thus in the state there are 14,340 such self help groups so far.

Welfare of Handicapped

10.38 For the welfare of handicapped the following schemes are run by the department:-

- (a) **Artificial Limbs to Handicapped:-** During 2004-05, a sum of Rs. 5.39 lakh was kept for this purpose. For those persons whose monthly income is less than Rs. 1,200 full assistance is being provided for artificial limbs and half assistance is provided to those whose monthly income is between Rs. 1,201 to Rs. 2,500. During the year 2004-05 upto December, 2004, an amount of Rs. 0.63 lakh was spent benefiting 17 persons.
- (b) **Handicapped Scholarship:-** The main purpose of this scheme is to encourage handicapped children for education. Scholarships are given to these children under this scheme. During 2004-05, Rs.26.75 lakh were kept for this scheme and Rs. 18.94 lakh were spent upto December, 2004 benefiting 905 handicapped children.
- (c) **Marriage Grant for Handicapped:-** Marriage grant @ Rs. 5,000 is given to those who marry handicapped girl or boy. During the year 2004-05, an amount of Rs. 21.25 lakh had been kept for this purpose and an amount of Rs. 14.00 lakh was spent benefiting 276 persons upto December, 2004.

- (d) **Self Employment Scheme for Handicapped:-** Under this scheme, Rs. 2500 are provided to the disabled persons whose disability is 40% or more and annual income is less than Rs.7500. There was a budget provision of Rs. 0.30 lakh for the year 2004-05 under this scheme.

Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes

10.39 Under this programme, the important schemes implemented during 2004-05 are as under:-

- (a) **Award for Inter-caste Marriage:-** Under this scheme, an amount of Rs. 25000/- per couple is given as incentive money. For inter-caste marriages during 2004-05, a budget provision of Rs. 61.00 lakh was kept for the purpose and 172 couples were benefited with an amount of Rs. 42.80 lakh upto December, 2004.
- (b) **Housing Subsidy:-** Under this scheme w.e.f. 14.10.2004, the members of scheduled castes and scheduled tribes are given subsidy of Rs. 22,000 per family for house construction purposes and Rs. 10,000 per family for repair of houses. For the year 2004-05, an amount of Rs. 174.56 lakh was kept and 2,506 persons were benefited with an amount of Rs. 143.66 lakh upto December, 2004.

- (c) **Environmental Improvement of Harijan Basties:-** Under this programme, small drinking water supply schemes are undertaken by constructing wells/bowaries etc. in the villages with concentration of scheduled castes population and not covered by the schemes of Public Health Department. During the year 2004-05, an amount of Rs. 218.00 lakh was provided and 524 harijan basties were benefited with an amount of Rs.151.56 lakh upto December, 2004.
- (d) **Proficiency in Typing and Shorthand:-** Under this scheme, trained persons of scheduled castes and schedules tribes are posted in various offices to enable them to maintain their proficiency in shorthand and typing. During 2004-05, a budget provision of Rs. 5.18 lakh was made and 51 trainees were benefited under this scheme with an amount of Rs. 2.06 lakh upto December, 2004.
- (e) **Follow up Programme:-** Under this scheme, implements and tools costing Rs. 800, are given to scheduled castes, scheduled tribes and other backward classes. For the year 2004-05, a budget provision of Rs. 29.94 lakh was made under this scheme out of which an amount of Rs. 22.41 lakh was spent benefiting 2,801 persons upto December, 2004.
- (f) **Special Component Plan:-** During the year 2004-05, an amount of Rs. 11,597.00 lakh as state share and Rs. 470.00 lakh as central share under Special Component Plan was kept for the socio-economic development of Scheduled Castes community in the state. During the year 2004-05 under 20 Point Programme a target assisting 45,000 scheduled cast families has been kept.
- (g) **Compensation to Victims of Atrocities on Scheduled Castes Families:-** Under this scheme monetary relief is granted to those scheduled castes families who become victims of atrocities committed by the member of other communities due to caste consideration. During the year 2004-05 against the budget provision of Rs. 15.00 lakh an amount of Rs. 1.59 lakh was incurred upto December, 2004 under this scheme.
- (h) **H.P. Minorities Finance Development Corporation:-** During the financial year 2004-05, 108 loan cases for setting up self employment ventures for minority communities were sanctioned investing Rs. 117.00 lakh. Besides, 56 handicapped were sanctioned loan of Rs. 61.97 lakh.
- (i) **H.P Scheduled Castes and Scheduled Tribes Development Corporation:-** During the financial year 2004-05, upto December, 2004 this corporation provided financial

assistance of Rs.1,036.44 lakh to 2,813 families/ persons under various schemes/ programmes. Besides this Corporation provided vocational training to 171 SC/ST youths under Vocational Training Programme. Training under different trades was also provided to 242 Sweepers and Scavengers under National Scheme for Liberation and Re-habilitation of scavengers.

(j) **H.P Backward Class Finance and Development Corporation:-**

This corporation also provided loan to the other backward classes for setting up self employment ventures. During the year 2004-05, upto December, 2004, 116 loan cases were sanctioned amounting to Rs. 94.83 lakh.

(k) **H.P Women Development Corporation:-**

During the year 2004-05, upto December, 2004 an assistance of Rs. 149.36 lakh was provided by this Corporation to 396 women for self employment and study etc. Besides this, interest subsidy of Rs. 14.22 lakh was also provided.

DRINKING WATER

10.40 All the villages in the state have been provided with drinking water facilities by March,1994. As per the latest updated/ validated survey of drinking water supply schemes in Himachal Pradesh, there are 45,367 habitations in the state out of which 37,567 were “Fully Covered” and

7,800 were “Partially Covered” category as on 1.4.2004. The government has accorded top priority for coverage of partially covered habitations. During the year 2004-05, against the target of covering 500 habitations under state sector and 1,250 habitations under central sector with an outlay of Rs.3,545.85 lakh and Rs. 5,438.20 lakh respectively, 383 habitations up to December, 2004, with an expenditure of Rs. 1,785.04 lakh under State Sector and 779 habitations up to December,2004, with an expenditure of Rs. 1,590.94 lakh under Central Sector were covered. During the year 2004-05, 367 handpumps were installed upto December, 2004 by incurring an expenditure of Rs. 135.15 lakh. Drinking water supply schemes are in existence in all the towns of the Pradesh, but these are quite old and as such require augmentation. During the year 2004-05, a budget provision of Rs. 3,190.00 lakh was kept for augmentation of water supply scheme, against which an expenditure of Rs. 342.27 lakh has been incurred upto November, 2004.

SEWERAGE

10.41 Against total outlay of Rs. 2,396.33 lakh during the year 2004-05 for sewerage schemes,an amount of Rs. 499.77 lakh has been spent upto November, 2004. There is a target to complete one sewerage scheme namely Jawalamukhi during the year.

11. URBAN DEVELOPMENT

11.1 Consequent upon the 74th Constitutional Amendment, the rights, powers and activities of the urban local bodies have increased manifold. According to the census-2001 there are 57 towns in the state. To provide civic amenities to general people, these areas are placed under the different local bodies. There are 49 urban local bodies (nagar parishad/ nagar panchayats) including Shimla Municipal Corp. besides 7 cantonment boards and 1 census town, functioning in the state. Due to limited sources of urban local bodies, a sum of Rs. 2631.38 lakh has been proposed to be provided to these local bodies during 2004-05.

11.2 On the recommendations of 2nd State Finance Commission, a sum of Rs. 2115.04 lakh is proposed to be provided to these urban local bodies during 2004-05, out of which a sum of Rs. 1041.93 lakh has been released upto December, 2004. This amount includes developmental grant, gap filling amount between income and expenditure. On the recommendations of 11th Finance Commission a sum of Rs. 80.98 lakh has been proposed for all the urban local bodies for providing/ monitoring civic services in urban areas during the year 2004-05 out of which a sum of Rs. 61.68 lakh has been released upto December, 2004.

11.3 Under the Environment Improvement of Urban Slums and National Slum Development Scheme, Rs. 224.00 lakh has been

provided to all the urban local bodies for benefiting 5,600 families. A sum of Rs. 168.00 lakh has been released upto December, 2004. The funds under the scheme were provided to the ULBs for providing basic amenities such as community bath, latrines and night shelters to avoid further environmental degradation of the towns. In addition Rs. 24.70 lakh has been provided to Municipal Corporation, Shimla for the purchase of land for setting up new Solid Waste Management Project.

11.4 Two centrally sponsored schemes are being implemented in the urban local bodies viz. Swaran Jayanti Shahri Rozgar Yojana (SJSRY) and Integrated Development of Small and Medium Towns (IDSMT). Under Swaran Jayanti Shahri Rozgar Yojana identified urban poor families are being helped for self employment ventures or by providing wage employment to unemployed or under employed under the scheme. For this purpose, a sum of Rs. 15.00 lakh as State Share and Rs. 44.75 lakh as Central Share has been kept during 2004-05 to benefit the identified urban poor families.

11.5 Under Integrated Development of Small and Medium Town (IDSMT) 21 towns namely Una, Nahan, Mandi, Hamirpur, Rampur, Dharamshala, Chamba, Solan, Theog, Kullu, Palampur, Nalagarh, Paonta, Bilaspur, Jwalamukhi, Sundernagar, Baddi,

Manali, Kotkhai, Nurpur and Narkanda have been covered so far. Under this scheme, a sum of Rs.171.66 lakh as State Share has been kept for the year 2004-05. There is a target of covering 2 towns under this scheme during the financial year, subject to approval of govt. of India.

11.6 With a view to manage and regulate the increasing trend in urbanization in a planned and scientific manner and to check the un-authorized construction, the H.P. Town & Country Planning Act, 1977 has been made applicable to all the major towns of the state. For ensuring planned and regulated development in the urban areas of Himachal Pradesh, Government has constituted 21 Planning Areas and 33 Special Areas. For ensuring planned development 7 Special Area Development Authorities have been constituted for the development of Tribal Areas for which Grant-in-Aid are released to these SADAS every year. The Development Plans for 13 Planning Areas and Interim Development Plans for 2 Planning Areas have been approved by the Government. The Development Plan for Dalhousie and Dharamshala Planning Areas have been prepared which are under consideration of the Govt. for approval. The revised Development Plan prepared for

Shimla, Dalhousie, Chama and Rampur Planning Areas have been published for inviting objections and suggestions from the public. The Development Plans in respect of Rohroo and Theog Planning Areas will be published by 31.3.2005 for inviting suggestions and objections of the public. The Department is also proposing to prepare Sector Plans for 9 Planning Areas.

11.7 A Heritage Conservation Advisory Committee has been constituted by the Govt. The Town and Country Planning Department has proposed to prepare status Report on Heritage of Mandi, Rampur, Solan, Kasauli, Nalagarh, Nahan, Sundernagar, Sujanpur, Una, Kullu, Dharamshala and Dalhousie towns.

11.8 To decongest the existing towns, a policy for development of New Townships has been approved by the Govt. and sites for the same have been identified at Vaknaghat, Sarahan and Ghagus in Solan, Sirmaur and Bilaspur districts respectively. The H.P. Housing Board, which has been designated as H.P. Housing and Urban Development Authority, has been entrusted with the work for establishment and development of New Townships at Vaknaghat.

12. RURAL DEVELOPMENT AND PANCHAYATI RAJ

RURAL DEVELOPMENT

12.1 The main objectives of the rural development programme are poverty alleviation, employment generation, area development and the implementation of other developmental programmes in the rural areas. The following state and centrally sponsored developmental schemes and programmes are being implemented in the state:-

1. Swaranjayanti Gram Swarozgar Yojana

12.2 Swaranjayanti Gram Swarozgar Yojana was launched from the year 1999-2000. This Yojana is a holistic package covering all aspects of self employment such as organisation of poor into self help groups, training, credit, technology, infrastructure and marketing. The beneficiaries under this scheme are called as "Swarozgaris". This scheme is a credit-cum-subsidy programme. Subsidy under SGSY is uniform at 30 percent of the project cost subject to a maximum limit of Rs. 7,500. In respect of SCs/STs and disabled persons, however, these will be 50 per cent and Rs.10,000 respectively. For groups of swarozgaris (SHGs), the subsidy is 50 per cent of the project cost, subject to per capita subsidy of Rs.10,000 or Rs. 1.25 lakh whichever is less. SGSY will particularly focus on the vulnerable

groups among the rural poor. Accordingly, the SCs/STs will account for the 50 per cent of swarozgaris, women for 40 per cent and the disabled for 3 percent. This scheme is being implemented by Central and State Governments on 75:25 cost sharing basis.

12.3 Since inception of this scheme 5,686 Self Help Groups have been formed. During the year 2004-05, upto December, 2004, 235 Self Help Groups have been formed and 519 groups consisting of 4554 BPL members have taken up economic activities. These groups were given Rs. 305.77 lakh as subsidy and Rs. 1,054.52 lakh as credit. Besides, 1,621 individual swarozgaris were assisted under SGSY and Rs. 109.33 lakh were given as subsidy and Rs. 512.10 lakh as credit. Against credit mobilisation target of Rs. 2244.90 lakh, credit to the tune of Rs. 1,566.62 lakh has been disbursed to 6,175 swarozgaries.

SGSY Special Projects

Installation of Hydrams

12.4 A project for installation of 400 hydrams under SGSY Special Project Component has been approved by Government of India with a total project cost of Rs.1,047.20 lakh, which includes subsidy of Rs.770.48 lakh,

Rs.161.40 lakh as loan and Rs.115.32 lakh as beneficiaries share. The subsidy component will be shared by Centre and State Governments on 75:25 sharing basis. Upto December, 2004, 121 sites have been selected and 133 hydrams have been procured out of which 111 hydrams have been installed. Rs. 248.79 lakh have been spent on the installation of hydrams.

Gold Mines Project

12.5 The Government of India has approved a project titled 'Gold Mines' in Bilaspur district under SGSY Special Project Component with a total project cost of Rs.840.35 lakh, which includes subsidy of Rs.327.76 lakh and Rs.512.59 lakh as loan component. The subsidy component will be shared by Centre and State Govts'. on 75:25 basis. The activities covered under the project are Floriculture, Sericulture and Mushroom cultivation. Upto December, 2004, Rs.184.01 lakh have been spent in the development of these activities. 366 beneficiaries have been benefited under this project.

Marketing of Rural Goods

12.6 The project approved by Govt. of India with a total cost of Rs.914.52 lakh includes subsidy of Rs. 769.52 lakh and Rs.145.00 lakh as loan component. Centre and State Governments will share subsidy component on 75:25 sharing basis. Under this project, 50 Himachal Gramin Bhandars and 1

Central Gramin Bhandar will be constructed in the state. Upto December, 2004, construction work of 6 Gramin Bhandars has been completed, 5 Gramin Bhandars are near completion and construction work at 10 sites is in progress. So far expenditure to the tune of Rs. 183.46 lakh has been incurred.

Milch Live-Stock Improvement

12.7 The project duly approved by the Government of India for Solan district with a total project cost of Rs.886.95 lakh includes subsidy of Rs.715.15 lakh and Rs.171.80 lakh as loan component. The subsidy component will be shared by the Centre and State Governments on 75:25 sharing basis. The development of dairy farming will be undertaken under this project. DRDA Solan has so far been provided Rs. 286.05 lakh for the implementation of this project and Rs. 123.62 lakh have been spent upto December, 2004.

Rural Development Through Diversification in Agriculture

12.8 The Govt. of India has approved this project under SGSY Special Project Component with a total project cost of Rs. 1385.32 lakh, which includes 1,086.25 lakh as subsidy and 299.07 lakh as loan components. Centre and State Governments will share the subsidy component on 75:25 share basis. Under this project the activities like

Cultivation of Medicinal Plants, Aromatic Plants, Flowers and Orchids, Sericulture and Innovative Practices in Animal Husbandry have been taken. So far Rs. 481.60 lakh have been provided to DRDA Mandi for the implementation of this project out of which Rs. 398.45 lakh have been spent upto December, 2004.

Self Reliance through Sericulture and Dairy Development

12.9 This project with a total cost of Rs. 1,499.98 lakh which includes Rs. 993.37 lakh as subsidy and Rs. 506.61 lakh as loan component have been approved by Govt. of India for Hamirpur district for the development of Sericulture and Dairy Development. The subsidy component will be shared by the Centre and State Governments on 75:25 sharing basis. So far Rs. 294.43 lakh have been provided to DRDA Hamirpur for this project out of which an expenditure of Rs. 205.01 lakh has been incurred upto December, 2004.

Green Gold

12.10 For the cultivation of Medicinal plants, Aromatic plants, Flowers and Orchids, Off-season Vegetables, Mushroom and improved Dairy Management, this project with a cost of Rs. 1488.73 lakh which includes Rs. 1361.23 lakh as subsidy and Rs. 127.50 lakh as loan component and beneficiaries share has been approved by Govt. of India for district Chamba. Centre and

State Governments will share the subsidy component on 75:25 share basis. So far Rs. 408.37 lakh have been provided to DRDA Chamba for this purpose out of which Rs. 113.28 lakh have been spent upto December, 2004.

Intensive Dairy Development Project

12.11 Govt. of India has approved this project for Kangra district with a cost of Rs. 1301.25 lakh which includes Rs. 1,151.40 lakh as subsidy and Rs. 149.85 lakh as loan component and beneficiaries share. The subsidy component will be shared by the Centre and State Governments on 75:25 share basis. Rs. 345.42 lakh have so far been provided to DRDA Kangra for the intensive development under this project, out of which Rs. 127.95 lakh have been spent upto December, 2004.

2. Sampoorna Gramin Rojgar Yojana

12.12 This programme has been launched with the objective to provide additional and supplementary wage employment and food security in rural areas, alongwith the creation of durable community, social and economic assets and infrastructure development in these areas. Priority is directed towards provision of wage employment to the poorest among poor, women, SCs/STs and parents of child labour withdrawn from hazardous occupations. Earlier the

scheme was being implemented in two streams. From 1.4.2004 the SGRY is being implemented as integrated scheme. The funds under this scheme are distributed among the Zila Parishad, Panchayat Samities and Gram Panchayats in the ratio of 20:30:50. Upto December, 2004 27.77 lakh mandays have been generated and an amount of Rs. 2,381.27 lakh has been spent. Besides this, 17847.64 Mts foodgrains has been utilized.

3. Indira Awas Yojana

12.13 Indira Awas Yojana is a centrally sponsored scheme. Under this scheme, an assistance of Rs. 27,500 per beneficiary is being given to BPL families for the construction of new houses. The selection of beneficiaries is being done by Gram Sabha. The Central and State Governments are financing this scheme on 75:25 sharing basis. Besides, a financial assistance of Rs. 12,500 per beneficiary is provided for the conversion/ upgradation of kutcha houses into semi pucca/ pucca houses to the BPL families. During the year 2004-05, upto December, 2004, against a target of construction of 2,998 new houses and 1,650 houses for conversion/upgradation of kutcha houses into semi pucca/ pucca houses, 1,959 new houses have been constructed and 1,968 houses are in progress. Under upgradation of kutcha houses component, 1,127 houses have been upgraded and 745 houses are under upgradation. So far Rs. 763.98 lakh have been spent under this scheme.

4. Installation of Hydrams under Wastelands Development

12.14 The Govt. of India has approved a project for installation of 200 hydrams under wastelands and marginal lands with a total cost of Rs. 564.94 lakh in Kullu and Shimla districts. It is a 100% Centrally sponsored project. Upto December, 2004 all the hydrams have been installed.

5. National Family Benefit Scheme

12.15 In case of death of a bread earner of a family living below the poverty line, financial assistance of Rs. 10,000 is provided to bereaved family. Upto December, 2004, 70 such families were provided Rs. 7.00 lakh as financial assistance under this scheme.

6. Watershed Development Projects in Himachal Pradesh

(i) Drought Prone Area Programme

12.16 During the year 2004-05, 40 micro watersheds have been sanctioned under this programme for districts Bilaspur, Una, Dharmpur and Kunihar blocks of Solan district. An amount of Rs. 357.21 lakh was released during the year for the new watersheds as well as ongoing projects to the concerned DRDAs. An amount of Rs. 260.19 lakh has been

spent and 4,411.86 hectare of land has been treated during the year upto September, 2004. Under this programme, 318 micro watersheds are taken up for treatment in these districts.

(ii) The Desert Development Programme

12.17 Under this programme, during the year 2004-05, 38 micro watersheds have been sanctioned for district Lahaul-Spiti and Pooch block of district Kinnaur. An amount of Rs. 212.02 lakh has been released to both the districts for the new watersheds as well as ongoing projects to the concerned DRDAs upto December, 2004. An amount of Rs. 425.00 lakh has been spent and 2,690.48 hectare of land has been treated upto September, 2004. Under this programme, 458 micro watersheds are under implementation in these districts.

(iii) Integrated Watersheds Development Programme (IWDP)

12.18 This programme is being implemented in all the districts of the state except Bilaspur, Una and Lahaul-Spiti districts. During the year 2004-05, Rs. 838.52 lakh has been released to the concerned districts. Under this programme an amount of Rs. 818.65 lakh has been spent and 15,320.27 hectare of land has been treated upto 31.12.2004.

7. Rajeev Gandhi Awaas Yojana

12.19 The scheme is being implemented on the patron of Indira

Awas Yojana. Upto December, 2004, against the target of construction of 4,000 new houses, 2,553 houses have been constructed and 3,144 houses are in progress. An amount of Rs. 655.06 lakh has been spent under this scheme.

8. Total Sanitation Campaign Project

12.20 With a view to ensure total sanitation in the rural areas the department is implementing this scheme in 10 districts except in Mandi and Lahaul-Spiti. For Mandi district TSC project has already been submitted to Govt. of India for approval. As regards Lahaul-Spiti district, the Centre Govt. has already released Rs. 10.00 lakh for baseline survey and preparation of Project implementation.

9. National Food for Work Programme

12.21 The Govt. of India, Ministry of Rural Development has launched a new scheme "National Food for Work Programme" during the current financial year in 150 most backward districts in the country with a view to need for substantial additional investment to convert the surplus labour into required capital for solving livelihood issues. District Chamba has been selected under this scheme. The programme is open for all rural poor. This programme is being implemented as a 100% Centrally sponsored scheme. The wages under this shall normally be paid partly in foodgrains

and partly in cash. Foodgrains is being provided 5 kg. per mandays.

PANCHAYATI RAJ

12.22 At present there are 12 Zila Parishads, 75 Panchayat Samitis and 3037 Gram Panchayats constituted/ established in the state. As per the provisions of the constitution, the Panchayati Raj Institutions have been assigned functions, powers and responsibilities as specified in the Panchayati Raj Act, 1994 of the state. Gram Panchayats have been given powers to execute works upto Rs. 50,000 without any external sanction. Developmental works costing upto Rs. 5.00 lakh will be executed by Gram Panchayats. Gram Panchayats have been empowered to appoint Takniki Sahayaks, Panchayat Sahayaks, Tailoring Techers, Panchayat Chowkidars, and Part Time Water Carriers. Panchayat Samities have been empowered to appoint junior Engineers and Kanisht Lekhapal against vacant posts of Junior Engineers and Accountant respectively and Zila Parishads have been empowered to appoint Assistant Engineers on contract basis against the vacancy of Assistant Engineers in DRDA.

12.23 Gram Sabhas have been empowered to select beneficiaries under oldage pension, BPL and IAY schemes. The ownership of all primary school buildings has been transferred to Gram Panchayats. Gram Panchayats have been authorised to collect land revenue from land

owners/ right holders and are also empowered to use this land revenue at their own level. Panchayats at all the three levels have been empowered to raise loans for creation of income generating assets without prior sanction of the Govt. if the project is assessed by the financial institutions as economically/financially viable. However the Gram Panchayats shall be required to obtain prior approval of the Gram Sabha for raising a loan. The Gram Panchayats have also been empowered to protect public property such as sign boards, mile stones, paths, irrigation and water supply schemes, public taps, public wells, hand pumps, community centres, mahila mandal bhawans, school buildings and health institution buildings.

12.24 The functionaries of the Panchayati Raj Institutions have to discharge various administrative, judicial and financial functions. In order to make them aware about their functions, powers and responsibilities, training has to be imparted to them. There are two Panchayati Raj Training Institutes of the department at Baijnath and Mashobra for imparting training. Besides this, the H.P Institute of Public Administration (HIPA) has also been declared as the state Institute of Rural Development. These institutes impart training to the elected representatives of PRIs as well as to the officials of the departments of Panchayati Raj and Rural Development. The training to office bearers of Zila Parishads and Chairpersons/ Vice Chairpersons of Panchayat Samitis is being provided

at these training institutes. Training is provided to 12,607 representatives out of the total 26,532 elected representatives.

12.25 The second State Finance Commission has submitted its report for the period 2002-03 to 2006-07 to the state Govt. and

recommended Rs. 18,327.40 lakh out of which Rs. 11,322.73 lakh are for revenue receipts and Rs. 7,004.67 lakh for Gap filling grants. An amount of Rs.1,241.41 lakh has been released as Grant-in-aid under the award of 11th Finance Commission.

13. INFORMATION TECHNOLOGY & BIO TECHNOLOGY

INFORMATION TECHNOLOGY (IT)

13.1 The Govt. of H.P. has declared that all Information Technology related units including software and service units as well as training institutions in Information Technology will be deemed to be an industry for purpose of incentives, concessions and facilities to industrial units in H.P.

13.2 Through department of Information Technology Govt. is taking all possible steps and initiatives for the promotion of Information Technology in the State for providing better services to the citizens and promotion of IT industry as well. The main activities are listed below:

1. **HIMSWAN:** The first phase of this project has been completed. Under this project (HIMSWAN-I) a Local Area Network has been established in H.P. Secretariat with the provision of 600 nodes with an ultimate target criterion of at least 1 PC for 3 officials. For this purpose 256 PCs alongwith networking equipments have been established. Rs. 1.55 crore have been spent during the completion of first phase. The network has successfully started functioning and

Referencing Monitoring System has been implemented on this network. This network has also been connected to internet. This network will be useful in saving lots of energy and resources. IT department is working on the preparation of project report for HIMSWAN-II in which HP Secretariat, Departments, District, Sub-divisional and Tehsil offices will be linked with one another for immediate availability of data for queries and reports. The Project proposal will be sent to Ministry of Communication and Information Technology, Govt. of India for funding. This state of the art network in H.P. Secretariat will be useful for all the officials for sharing the resources and data. Scanners, printers, CD writers etc. also can be shared across the network. Big documents will be stored on the PC instead of taking print outs of even relatively useless pages. This Local Area Network of the Secretariat will be expanded to become a Wide Area Network for the entire State in the phase-II. The Government of India is providing financial assistance for terminal equipment at least at one location at every place down to the Block level. The

State Government has recently taken a decision that the Telecom Infrastructure Providers shall provide bandwidth ranging from 2 mbps to 16 mbps free of cost in lieu of right of way. This will also supplement the implementation of State Wide Area Network.

- 2. Implementation of Reference Monitoring System:** For keeping track of the references Reference Monitoring System has been implemented in H.P. Secretariat. The separate modules for Chief Minister and Chief Secretary Office have been developed. For successful implementation of this system training to about 600 officers and officials has been provided including secretaries and ministerial staff. Reference Monitoring Software is the right step to alleviate the problem of repetitive record keeping and typing to a large extent. The employees can fruitfully utilize the time saved by this software in better examination of the papers under consideration. Since a citizen can come to know about the current status of his application through the information kiosk or through internet, there would be no need for him to make endless rounds of the Secretariat or other offices just to find where his paper is lying. REFNIC will also have a provision of

sending automatic reminders by email as the postal copy may take some time in getting delivered. In order to make REFNIC software foolproof and comprehensive, the feedback provided by the users is being incorporated into the software by the development team.

- 3. Information Kiosk:** IT Department has installed an information kiosk at the reception counter of HP Secretariat. This information kiosk will be accessible to the general public during the office hours. General public may have access to official website of the HP State Government and various citizen centric online services.
- 4. Integrated Community Services Centres (i-CoSC):** Integrated Community Services Centres are proposed to be launched in Shimla, Mandi and Kangra districts in the first instance. In this regard, IT Department prepared a project proposal and sent it to NISG Hyderabad for approval of funding. NISG (UNDP) has selected the project proposed by IT Department for funding under the ICTD Project. For this Integrated Community Service Centres (i-CoSC) project the approved fund is Rs. 1.5 crore and the State Government will spend rest of the amount. The project is to develop Integrated Community Service

Centres (i-CoSC) which aims at setting up one-stop shop information resource and service centre for the people in the State.

5. Core Infrastructure at IT park at Wagnaghat (Phase-I):

NASSCOM had projected that there is a potential of Rs. 20,000 crores by the year 2009-10 as far as software and services are concerned. While that figure seems to be exaggerated considering the low population of the State, we can hope to achieve Rs. 5,000 crores or so by the year 2010. In order to create adequate infrastructure for this purpose, the State Government also intends to set up an information Technology Park in the private sector for which an expression of interest is being invited for a location near Wagnaghat. Biotechnology & Information Technology sectors have tremendous employment potential. This IT Park will be a turning point in this regard.

6. Computerization of Land Records (HIMBHOOI) in HP State:

The system is being implemented in all the District HQs in which data of land records will be entered into computers for future access. The system for 37 tehsils have been purchased and supplied for this purpose. Data entry work has been outsourced after executing open tenders. Data entry is under progress in

all the 3 divisions viz. Shimla, Mandi and Kangra. At least one Tehsil has been targeted to become online in every district latest by December, 31, 2004. Similarly 3 tehsils in every district will start issuing computerized Jamabandi latest by 31.03.2005.

BIOTECHNOLOGY

13.3 Through Department of Biotechnology, Government is trying to achieve the objectives as detailed in the Biotechnology Policy of the state i.e. development of BT-HR, Infrastructure and biobusiness for entrepreneurship and employment generation. Besides strengthening the R&D Infrastructure in the State Institutes/ Universities and departments, the department has taken a good lead in promoting biotechnology based business activities. Few technology promotion projects have been got sanctioned through the funding agencies including the wasteland development, women biovillage and Biotechnology Incubator while few others are in the process of funding through other agencies.

13.4 The initiatives and achievements of the department are given below:

- 1. Biotechnology Awareness and Sensitization:** The sensitization and awareness campaign of Policy Makers/Scientists/NGOs and farmers has been completed.

2. **Biodiversity Database:** The first Phase on Plants including Medicinal and Aromatic Plants and micro-organisms has been completed with financial expenditure of Rs. 1.72 crore. The efforts are being made to replicate the activities in the remaining areas of the State.
3. **Technology Extention and Promotion:** A grant of Rs. 1.28 crore was got sanctioned through Department of Land Resources (DoLR), Ministry of Rural Development, Govt. of India and the work is in progress. The University of Horticulture & Forestry (UHF) and HPKV, Palampur are executing these activities in their Universities/ field stations by involving farmers. Another Technology Extension and Promotion project with financial outlay of Rs. 1.20 crore was submitted to Department of Land Resources (DoLR), Ministry of Rural Development, Govt. of India and the project is being resubmitted to the ministry after satisfying the queries.
4. **Women Biovillage Project:** A Women Biovillage Project was got sanctioned from DBT-Gol with total financial outlay of Rs. 62.18 lakhs. The project is being executed by HPKV, Palampur.
5. **Biotechnology Park:** department of Biotechnology, Govt. of India has recommended financial support of Rs. 9.00 crore for first phase of the Proposed Biotechnology Park to be established at Kotla-Barog near University of Horticulture & Forestry on 132.64 acres of land. Govt. of Himachal Pradesh has released Rs. 30.00 lakh as the 1st installment of its share towards the BT Park.
6. **BT included in Industrial Policy:** As a result of the efforts by the department, Biotechnology has been included under the list of priority industry in the New Industrial Policy of the State so as to promote BT based ventures in the state. Besides this, efforts were also made to give maximum benefits to the investors interested in BT ventures.

FOREWORD

Economic Survey is one of the budget documents, which indicates the important economic activities and achievements of the Government through its departments. The salient features of the State's economy during 2004-05 are presented in Part-I, and statistical tables on various subjects are given in Part-II.

I am thankful to all the departments and public undertakings for their co-operation in making available the material included in the Survey. The burden of collection and updating the huge and voluminous data and its presentation in a concise and inter-related form was borne by the Economics & Statistics Department. I appreciate and commend the work done by the officers and officials of this department.

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Additional Chief Secretary
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**ECONOMIC SURVEY
OF
HIMACHAL PRADESH

2004-05**

Economics & Statistics Department

Part-I
ECONOMIC SURVEY-2004-05

