

(p) The exemption limit for gift tax on the occasion of marriage of a dependent relative raised from Rs. 30,000 to Rs. 100,000.

### **2.2.3 Changes in EXIM Policy**

The Commerce Minister, Mr. Pranab Mukherjee, has announced further liberalization of the Export-Import policy (1992-97) to give a boost to exports.

The EXIM Policy, announced in March 1993, was aimed at promoting export of agricultural and agro products. This amendment simplified the import procedures and reduced the negative import list by extending import permission for exports. Exports are expected to rise more than 20% as recorded in the last year. The following are the highlights of the important changes made in the Export-Import Policy (1992-97).

- (1) Negative list pruned further. Some components required by the electronics industry taken off the list.
- (2) For import and export of items not covered by the negative list, the restriction of value addition has been removed.
- (3) Items relating to computerized braille printing presses, text-reading system for visually handicapped, spherical lenses of magnification like spectacle magnifier, handhold magnifier and table magnifier can be imported freely.
- (4) Artificial limbs for physically handicapped and frequency modulated hearing aid systems for the hearing impaired can also be imported freely. Regional offices can permit imports up to Rs. 2.5 million under EPCG license.
- (5) Secondhand capital goods can be imported by actual users at normal duty without license if the goods have a minimum residual life of five years. No need for chartered engineer's certificate.
- (6) Manufacturers of items reserved for SSI units can increase their capacity by investing beyond Rs. 7.5 million, if they undertake a minimum export obligation of 75 per cent of their annual production.
- (7) Areas of activity in EPZs have been broadened to include training, re-export after repackaging, labeling, repairs, reconditioning and re-engineering.
- (8) The requirement of prior approval of EPZ development commissioners for inter unit transfer has been dispensed with.
- (9) Debonding modalities liberalized and procedures for third party exports by EOUs and EPZ units further simplified.

(10) A new category of Super Star Trading Houses created. Exporters with turnover of Rs. 7.5 billion average FOB during the preceding three licensing years, or Rs. 10 billion during the preceding year are eligible to become Super Star Trading Houses, and enjoy special privileges.

(11) Special import licenses at the rate of 5 per cent of Freight-on-Board (FOB) value of supply will be granted to deemed exporters who do not avail from the duty exemption scheme.

(12) Duty exemption scheme further simplified. Input-Output norms finalized for 3,383 items.

(13) List of imports under the special import licenses expanded.

(14) Duty-free license holders will be allowed to source goods locally, instead of importing and get deemed export benefits.

(15) Extra 20% flexibility permissible on sensitive list items on value based licensing permitted on advance release order.

(16) Minimum value addition under the advance customs clearances permit reduced from 15 per cent to 10 per cent. Third party exports under the scheme permitted.

(17) Legal undertaking further rationalized. Legal undertaking limit (LUT) granted to export houses, trading houses, star trading houses to be five times last year's exports.

(18) Exporters under advance license scheme can give bank guarantee in two parts, in case of licenses of Rs. 10 million and above.

(19) Regional licensing authorities to issue repeat licenses till norms are fixed. They can permit licenses up to Rs. 10 million where norms have been fixed.

(20) All valid special import licenses eligible for import of items on payment of normal customs duty. Gold, and silver importable against special import licenses on payment of concessional customs duty in forex as applicable to incoming passengers.

## 2.3 Trends in Foreign Investment and Main Issues

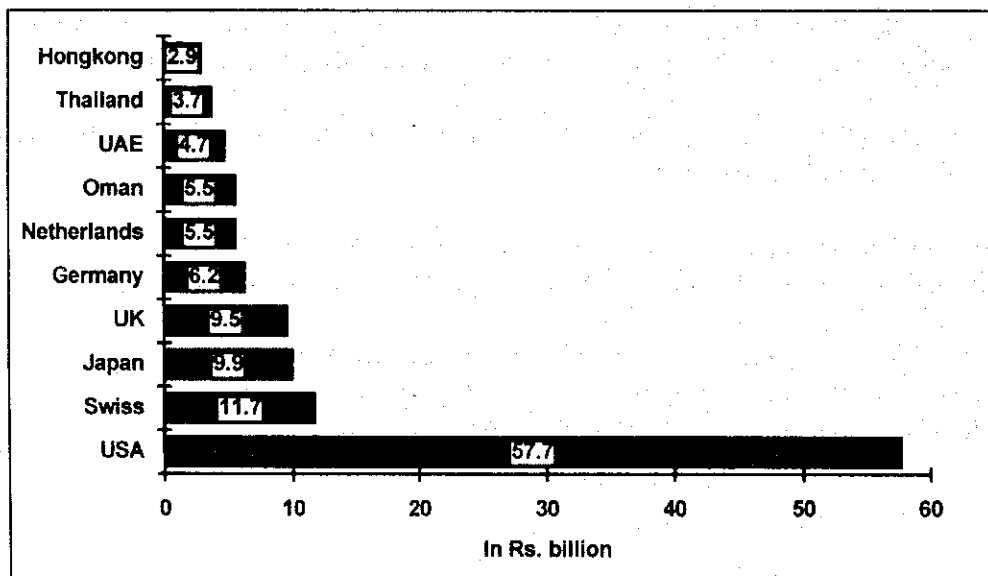
As discussed in the Master Plan Study, the direct foreign investment in India has increased rapidly after the New Industrial Policy (NIP- 91) announced in 1991. Some of the characteristics of the direct foreign investment after the NIP - 91 are described below.

### 2.3.1 Changes after the NIP - 91

#### (1) Trends in Foreign Investment (by country of origin)

The trends in the foreign investment in India (after 1991) is shown in Fig. 2.3.1 and Table 2.3.1. The total amount of foreign investment approved during the past three and half years (from 1991 to June 1994) was Rs. 157.3 billion. The largest amount of foreign investment in India came from the USA, which accounted for about two-fifths of the total foreign investment. The top ten countries by their amount of approved investment in India in the last three and half years is shown in Fig. 2.3.1. These top ten countries accounted for about 75% of the total foreign investment in India.

Investment by Non-Resident Indians (NRI) is increasing rapidly and in 1993 they were the second largest source (after USA) of foreign investment in India. The investment from Oman and UAE is also increasing rapidly.



Source : Indian Investment Center

**Fig. 2.3.1 : Direct Foreign Investment from Major Countries  
(Approvals between 1991 to June 1994)**

Table 2.3.1 : Direct Foreign Investment from Major Countries

(in Rs. million)

Country	1991		1992		1993		1994*	
	Total	Share	Total	Share	Total	Share	Total	Share
1) USA	1,858.5	35%	11,382.6	30%	34,729.8	39%	9,756.2	40%
2) Swiss	355.0	7%	6,897.6	18%	4,268.1	5%	195.1	1%
3) Japan	527.1	10%	6,102.3	16%	2,574.3	3%	679.8	3%
4) UK	321.0	6%	1,176.7	3%	6,227.2	7%	1,726.5	7%
5) Germany	418.0	8%	964.9	3%	1,754.4	2%	3,175.2	13%
6) Netherlands	n.a.		968.0	3%	3,216.5	4%	714.5	3%
7) Oman	n.a.		n.a.		5,429.8	6%	15.8	
8) UAE	22.0		64.5		4,044.9	5%	479.5	2%
9) Thailand	n.a.		25.2		3,684.2	4%	29.4	
10) Hongkong	211.7	4%	570.8	15%	879.5	1%	1,195.8	5%
NRI**	197.0	4%	4,391.7	12%	10,325.1	12%	1,565.1	6%
Others	1,430.8	27%	5,471.1	14%	11,484.2	13%	5,014.2	20%
<b>TOTAL</b>	<b>5,341.1</b>	<b>100%</b>	<b>38,015.4</b>	<b>100%</b>	<b>88,618.0</b>	<b>100%</b>	<b>24,547.1</b>	<b>100%</b>

Note : \* From Jan. 1994 to June 1994 (six months period)

NRI : \*\* Non-Resident Indian

n.a. : Not Available

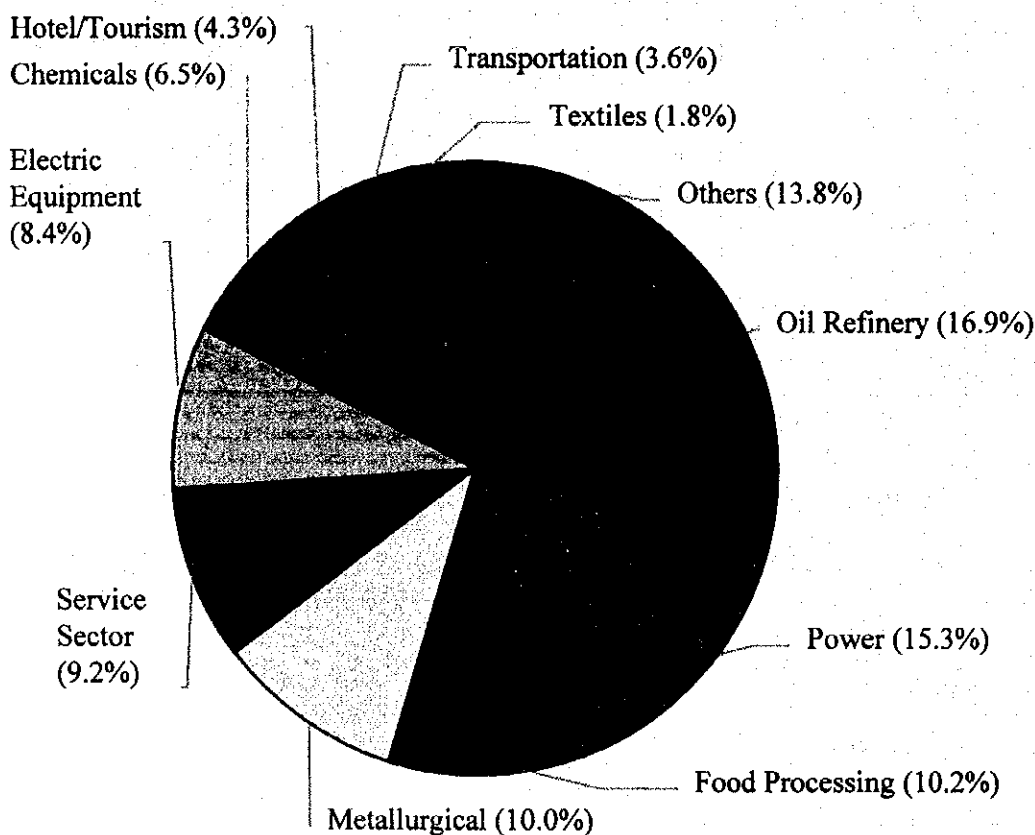
Source : Indian Investment Center

(2) Characteristics of Foreign Investment (by type of industry)

The main industries which attracted the majority of foreign investment in the past three years (Aug. 1991 to Dec. 1993) are shown in Fig. 2.3.2. The main industries were metallurgy, power, oil refinery, electrical equipment, transportation, chemicals (other than fertilizers), textiles, food processing, service sector and hotel & tourism. The total investment approved in these industries accounted for about 90% of the total foreign investment in India.

The NRI investment is said to be mainly in the industries utilizing local resources such as the textile industry.

**Total Approved Investment = 131.6 billion (Aug. 1991 - Dec. 1993)**



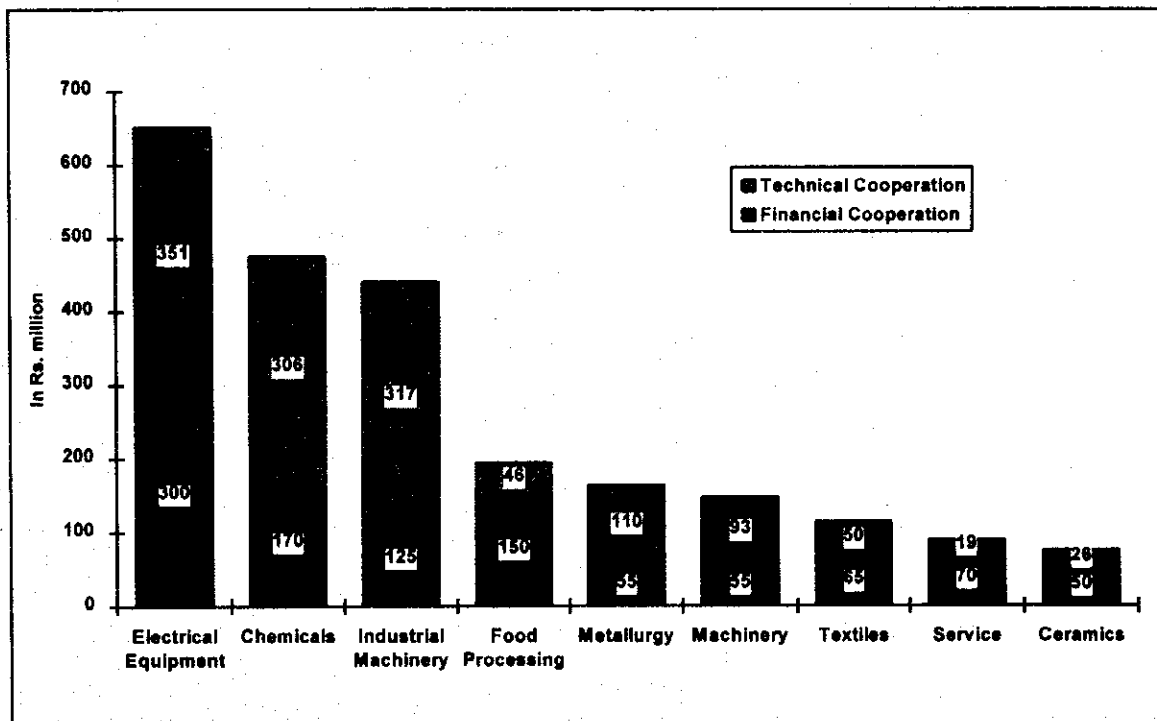
(Source : SIA Newsletter)

**Fig. 2.3.2 : Foreign Investment by type of Industry**

### (3) Characteristics of Foreign Investment (by method of participation)

The method and nature of participation by the foreign investors in India is analysed for the past three years (Aug. 1991 to Dec. 1993) as shown in Fig. 2.3.3. The total number of approvals for foreign investment were 3,630 out of which 1,951 (54%) were technical cooperation and the rest 1,679 (46%) were financial cooperation, e.g. in the form of equity participation. Electrical equipment, industrial machinery, chemical (other than fertilizers), food processing and metallurgical industries accounted for about 50% of the total joint ventures.

Although the number of approvals is small for power and oil refinery industries, the total amount of investment is large because of the large amount of investment required per industrial unit in these industries. The nature of participation in these industries is financial cooperation.



Source : SIA Newsletter

Fig. 2.3.3 : Foreign Investment by type of Industry and method of participation

(4) Foreign Investment in Various States in India

The total amount of foreign investment approved in the various states of India is shown in Fig. 2.3.4. Maharashtra state had the largest number of foreign investment approvals and also largest the total amount of foreign investment. Haryana state, where the candidate site for the IMT is located, have the fifth largest number of approvals and the eighth largest amount of approved foreign investment.

No. of Approvals	Name of State	Total Amount of Equity (In Rs. 10 million)
136	Maharashtra	1,660.88
95	Delhi	957.94
12	Orissa	779.69
89	Tamil Nadu	650.93
19	Madhya Pradesh	585.99
40	Gujarat	396.16
38	Andhra Pradesh	219.19
48	<b>Haryana</b>	<b>143.62</b>
55	Karnataka	96.76
24	Uttar Pradesh	81.09
25	Rajasthan	75.80
4	Bihar	51.97
24	West Bengal	48.94
12	Goa	36.74
11	Kerala	25.89
215	Others	1,657.98

Source : The Times of India, New Delhi, August 19, 1994

Fig 2.3.4 : Foreign Investment in Various States in India (1993-94)

### **2.3.2 Regulatory Environment for Direct Foreign Investment**

The necessary procedures for receiving approval for direct foreign investment and other related major regulations for production activities in India are introduced in the following:

#### **(1) Approval for Industrial License**

All proposals involving direct foreign investment and technology transfer require approvals. Two routes are available for foreign investors in obtaining such approvals.

##### **(a) Automatic Approval**

One route covers automatic approval cases, where foreign equity up to 51% is allowed in 35 specified industries (Appendix-II Annex II) and up to 50% in the Mining Sector, provided certain parameters are met:

- (i) Foreign equity covers the foreign exchange requirement for the import of capital goods which are new and not second hand.
- (ii) For proposals with a technical collaboration agreement, the payment of know-how fees and royalties conform to specified parameters. In such cases approval is given by the RBI.

##### **(b) Non-automatic Approval**

The second route covers all other cases where the parameters for automatic approval are not met, for example, where foreign equity does not cover the foreign exchange requirement for import of capital goods, or where it is beyond 51%, or where it involves activities/items other than in the list of 35 specified industries. Such cases are cleared by the FIPB. Applications may be made either to the FIPB or to the Secretariat for Industrial Approvals (SIA) or Indian Embassies and Consulates abroad.

##### **(Notes) Foreign Technology Agreements**

RBI accords automatic approval to foreign technology agreements in all industries within prescribed monetary limits:

- Lumpsum payments up to Rs. 10 million
- Royalty payments up to 5% of domestic sales and 8% of exports over a 10 year period from the date of the agreement or over a 7 year period from commencement of production
- These payments are subject to an overall ceiling of 8% of total sales over a period of 10 years from the date of agreement or over a 7 year period from the date of commencement of commercial production.

#### **(2) Registration of Company**

Once a foreign investor has obtained approvals for investing in India and a company has been incorporated in India, with or without a local partner, the project follows the same regulations in implementation as a project by a domestic inventor.



### **(a) Incorporating a Company in India**

Companies incorporated in India and branches of foreign corporations are regulated by the Companies Act, 1956. The name of the company can be registered and the company incorporated as a private or a public limited company with the Registrar of Companies (ROC). A certificate of commencement of business is obtained from the ROC on fulfillment of certain conditions.

### **(b) Raising Finances in India**

Investors can raise a substantial portion of funds in India through debt and equity instruments. Applications for long term loans can be made to State financial corporations when the project is small - generally less than Rs. 50 million - or to national level financial institutions when the project is large. Institutions expect concrete project and market reports with reasonably firm costs and implementation plans. Other long term financing options include leasing, hire purchase, deferred payment guarantee, etc.

Capital markets are increasingly the preferred route for raising finances in India, through equity shares, debentures and hybrids. Investors can freely access the capital market and in most cases freely price the issue. India's capital market is large and growing rapidly. Investors with both small and large fund requirements can mobilise funds from the market. Private placement with institutional investors is possible. Indian companies also have the option of raising funds from international capital markets.

Short term finances for working capital requirements are available from commercial banks and through instruments such as fixed deposits, intercorporate deposits and commercial paper.

### **(c) Setting up Industrial Units**

There are various approvals necessary from different authorities for setting up industrial units.

#### **(i) Environmental clearance**

For some polluting industries, environmental clearance is provided by the Federal government and for others, by the State government. The concerned agencies at the central level are the Ministry of Environment and the Central Pollution Control Board. The State level agencies are Secretary (Environment) and the State pollution control board. Usually the district authority where the project is located is involved at the initial level of clearance. For large projects, the government generally asks for an environmental impact assessment study and an environment rehabilitation plan.

#### **(ii) Buildings**

Factory building designs need to be cleared from the angle of municipal construction specifications by the local municipal authorities, and by the Inspectorate of Factories under the Factories Act due to safety and the working environment. The local fire authorities inspect the fire protection measures installed.

The cost of construction in India is relatively low and excellent architects and construction companies are available in most states.

Office space in cities and commercial centers is readily available. Investors can advertise in local papers or seek the help of real estate agents in locating office space.

(iii) Import of plant & machinery

Capital goods, barring a few items on the negative list, can be freely imported into India without license, but subject to payment of relevant duty.

(iv) Hiring staff and workers

A comprehensive legislation has been enacted to provide a good working environment for labour and the protection of interests.

The Government continuously reviews various labour laws in the with changing circumstances. The following are the key labour laws:

- Industrial relations are regulated by the Industrial Disputes Act, which provides for just and equitable settlement of disputes through negotiations, conciliation, arbitration or adjudication.
- The Factories Act, 1948, regulates working conditions in factories. The Act prescribes minimum standards for working conditions and facilities related to manufacturing processes, handling and storage of materials, discharge of effluents, fire precautions, working hours and health facilities, etc.
- The Minimum Wages Act, 1948, empowers the appropriate Governments to fix and revise the minimum wages and allowances payable to workers and also to regulate the conditions of work such as hours of work, overtime, etc, for workers in the notified employment under their respective jurisdiction.
- The Payment of Bonus Act, 1965, requires payment of bonus to certain categories of workers whose wages do not exceed Rs 2,500 per month. The Act ensures payment of minimum bonus of 8.33 per cent per year, with maximum bonus not to exceed 20 per cent of salary or wage earned during the accounting year.
- The Payment of Gratuity Act requires the employer to pay gratuity to certain categories of workers on termination of service. This Act applies to all workers without any wage limit.
- The Employees' Provident Fund Act applies to workers whose wages do not exceed Rs 3,500 per month in some industries and establishments. The employer and the employee are required to make matching contributions of 8.33 per cent to 10 per cent of the employee's salary to the fund.

- The Employees' State Insurance Act covers sickness, maternity and employment related injuries. The Act applies to workers whose wages do not exceed Rs 3,000 per month.
- In addition to the above Acts, several States have enacted Shops and Establishment Acts which regulate working hours, prescribe minimum standards of working conditions and provide for overtime and leave salary payments to workers in certain categories of shops and other establishments.

### **(3) Foreign Exchange Controls and Remittances**

In addition to the above, foreign exchange control and remittances are also of importance to foreign investors. These present regimes are described under:

#### **(a) Foreign Exchange Controls**

India's foreign exchange control regime is governed by the Foreign Exchange Regulation Act (FERA), a legislation enacted in 1973. Comprehensive amendments to FERA, especially with respect to foreign investment, have been undertaken in order to give effect to the liberalization's announced in the economic policies. FERA provisions that imposed restrictions on companies holding foreign equity in excess of 40 per cent (known as "FERA companies") have been removed. Such companies are now permitted to operate in India without any special restrictions and are subject to the same regulations applicable to Indian companies without any foreign equity.

#### **(b) Repatriation and Foreign Remittances**

##### **(i) Repatriation of capital**

Foreign capital invested in India is allowed to be repatriated, alongwith capital appreciation, if any, after the payment of due taxes. The disinvestment is permitted in accordance with the terms of the letters of approval granted at the time of approving the foreign collaboration. The RBI permits disinvestment near automatically through the stock exchanges for listed shares at market prices. In the case of unlisted shares, the sale price is required to be approved by the RBI prior to disinvestment.

##### **(ii) Repatriation of sale proceeds**

RBI approval is required for repatriation of sale proceeds of assets held in India. Repatriation in foreign exchange is permitted with prior RBI approval subject to payment of applicable taxes.

##### **(iii) Royalties and technical know-how fees**

Indian companies that enter into technology transfer agreements with foreign companies are permitted to remit payments towards know-how and royalty in terms of the foreign collaboration agreement approved.

(iv) Technical service fees

Companies can hire the services of foreign technicians and make remittances for technical service fees, subject to the terms approved by the RBI.

(v) Interest

Remittances towards interest on Government securities, bank deposits in India and dividends on units of the Unit Trust of India to individuals permanently resident outside India are possible on automatic basis provided certain conditions are satisfied, and with RBI approval when they are not.

(vi) Dividends

Profits and dividends earned in India are repatriable after the payment of taxes due on them. No permission from the RBI is necessary for the remittance. Authorised dealers have been delegated the powers to remit dividends.

In a limited list of 22 consumer goods industries (Appendix-II, Annex VI), repatriation of dividends is subject to a requirement of dividend balancing against export earnings for a period of seven years from commencement of production. Balancing is not required beyond this period.

(vii) Other remittances

Remittances of profits by branches of companies incorporated outside India to their Head Offices outside India are permissible with prior RBI approval.

Similarly, remittances of winding-up proceeds of representative offices in India is permitted with prior RBI approval, after winding-up procedures are completed and the net remittable surplus has been established.

In addition, sundry remittances are allowed for items like gifts, repair charges for imported machinery, maintenance, legal expenses, etc.

### 2.3.3 Main Issues in Foreign Investment

During the discussion with the Japanese companies based in India, it was found that the number of companies gathering information regarding investment opportunities in India is increasing and the number of companies interested in investing in India is also increasing. The policy and regulations regarding foreign investment in India is also improving.

Some of the companies pointed out the following impediments for investment in India.

(1) Lack of attractive investment incentives

For projects targeted at the domestic market, the incentives are not attractive as compared to some other countries.

(2) Complicated approval system

For the implementation of projects, the project submission and approval system is complicated at the Central and State government levels. Single Window Service and simplified procedures are necessary.

(3) Regulation for raising financial resources

If a company has a loan from other countries with guarantee of parent company, a loan will be approved only for payment in foreign currency, not in local currency. A Company must obtain a loan from governmental financial institutions, which have a higher rate of interest than other countries. This makes the project unprofitable.

(4) Inflexibility of financial system

The Opening of a bank account in foreign currency is approved only for settlement of account for import of capital goods. It should be used for settlement of accounts such as license and engineering fees. Also, the terms of banking account do not match the implementation schedule of the project.

(5) High tax rates and duties

The corporate and import tax duties are very high and should be reduced.

(6) Restrictions on industrial approvals

- Requirement of industrial licenses for 15 types of industries
- Restrictions for 34 high-priority industries
- Non-liberalization of royalty for foreign technical cooperation

## **Chapter 3**

# **Investment Climate In and Around Haryana State**



## Chapter 3 Investment Climate In and Around Haryana State

### 3.1 Socio-Economic Characteristics of Haryana

#### 3.1.1 Social Characteristics

Haryana was formed as a separate state on November 1, 1966. Over the years, it has made considerable progress and has implemented various developmental programmes. It is one of the leading state of India in providing roads, drinking water and electricity to all the villages in the state.

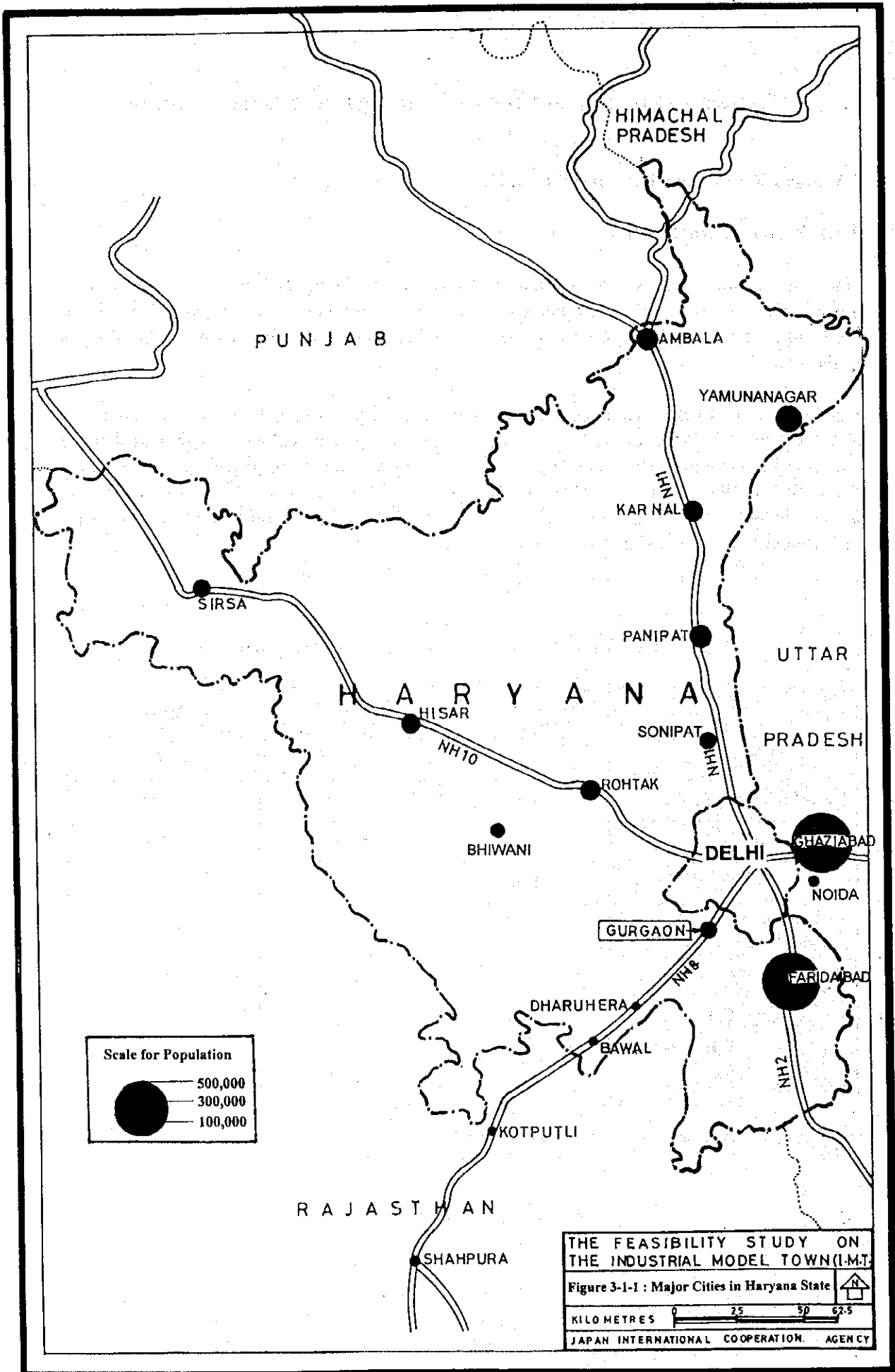
Haryana is a relatively small state of India. In terms of population and area, it represents only about 2% and 1.35% respectively, of the whole India. It is situated close to Delhi and shares a common border with Delhi (refer Fig 3.1.1). The annual population growth rate of Haryana from 1981 to 1991 is about 2.74% compared to the national rate of 2.38%. Its literacy rate at 55.85% is higher than the national average at 52.2%. Some of the demographic characteristics of Haryana state are listed in Table 3.1.1.

Table 3.1.1 : Demographic Characteristics of Haryana State

Item	1971	1981	1991
Area (Sq. Km.)	44,222	44,212	44,212
Population (in million)	10.04	12.92	16.46
Males	5.38	6.91	8.83
Females	4.66	6.01	7.64
Urban population (% of total population)	17.7	21.9	24.6
Rural population (% of total population)	82.3	78.1	75.4
Working population (% of total population)	26.4	28.4	28.7
Literacy rate (%)	26.9	43.85	55.85

Source : Population census of India, 1971, 1981 and 1991.





**Fig 3.1.1 : Major Cities in Haryana**

### 3.1.2 Economic Growth

The economy of Haryana state has made rapid recovery during 1992-93. The net state domestic product recorded an increase of 5.1% during 1992-93 as against 1.7% during 1991-92. The per capita income was estimated at Rs. 9609 in 1992 as compared to Rs. 8722 in the year 1991-92 at current prices. Table 3.1.2 shows the trends in the net state domestic product and per capita income.

The net state domestic product of Haryana grew at 5.1% in 1992-93, which is higher than the growth rate of the Gross Domestic Product of India at 4%. The net state domestic product per capita at Rs. 3540 is also higher than the GDP per capita of India at Rs. 2527 (at 1980-81 prices).

**Table 3.1.2 : Net State Domestic Product (Total and Per Capita) of Haryana**

Year	At Current Prices		At Constant Prices (1980-81)		% increase over previous year at constant prices	
	Total (Rs. 10 million)	Per Capita (Rs.)	Total (Rs. 10 million)	Per Capita (Rs.)	Total	Per capita
1980-81	3,032	2,370	3,032	2,370	--	--
1990-91	12,229	7,502	5,649	3,466	9.1	6.5
1991-92	14,551	8,722	5,748	3,445	1.7	-0.6
1992-93	16,392	9,609	6,039	3,540	5.1	2.8

Source : Economic Survey of Haryana 1993-94, Planning Department, Haryana

#### (1) Sectoral Programmes

As per the sectoral analysis given in the Economic Survey of Haryana, 1993-94, the State Domestic Product shows that the primary sector (which includes agriculture, livestock, forestry, fishing and mining) rose from Rs. 25.9 billion in 1991-92 to Rs. 26.9 billion in 1992-93, registering an increase of 4.5% (at constant 1980-81 prices). The secondary sector (which includes manufacturing, construction, electricity, gas, and water supply) recorded an increase of 4.5% and the tertiary sector (which includes trade, transport, banking and other services) recorded a significant increase of 7.0% over the corresponding period.

The share of primary sector in the state's net domestic product has declined from 54.6% in 1980-81 to 44.7% in 1992-93. On the other hand the share of secondary sector rose from 19% to 22.4% and tertiary sector from 26.4% to 32.9% during the corresponding years.

## (2) Agriculture

Agriculture is the most prominent sector in the state's economy and engages about 78% of the State's population. About 44% of the total income of the State comes from agriculture including livestock. Production of food grains was 9.1 million tonnes in 1991-92 which was 5% less than the previous year due to the lack of rainfall. The index of agricultural production increased from 246.14 in 1991-92 to 256.25 in 1992-93. Agriculture production of major crops in the State is given below in Table 3.1.3.

**Table 3.1.3 : Agricultural Production of Major Crops in Haryana**

Crop	Actual Production (in 1000 tonnes)		
	1990-91	1991-92	1992-93
1. Wheat	6,436	6,496	7,083
2. Rice	1,834	1,803	1,869
3. Pulses	542	273	344
4. Sugarcane	780	905	655
5. Oilseeds	638	758	523
6. Cotton (in 1000 bales*)	1,155	1,341	1,406

Note : \* One Bale = 170 Kgs.

Source : Director, Land Records, Haryana

## (3) Industries

There were 5422 registered working factories in the State in 1992 employing 316,030 persons. The number of large and medium industries were 545 and small scale industries were 113,104 in 1992-93. An outlay of Rs. 270 million has been approved for the promotion of industrial activities in the State in 1993-94. The index of industrial production (base 1970-71 = 100) rose from 478.05 in 1990-91 to 504.09 in 1991-92 giving an increase of 5.45%. The index of manufacturing industry showed an increase of 3.71%. The Haryana State Financial Corporation sanctioned loans amounting to Rs. 1,724.6 million to industrial units in 1992-93.

**Table 3.1.4 : Trends in Index of Industrial  
Production in Haryana**

(Base : 1970-71 = 100)

Year	Index
1980-81	236.76
1990-91	478.05
1991-92	504.09

Source : Economical & Statistical  
Organisation, Haryana

### **3.1.3 Eighth Five-Year Plan (1992-97) and Annual Plans**

The Eighth five-year plan of Haryana state has been formulated keeping in view the objectives laid down by the Planning Commission, Government of India. The state's Eighth five-year plan provides for an outlay of Rs. 57 billion for accelerating the economic development and providing better social and community services to the people of Haryana.

The total outlay of Rs. 9.2 billion has been approved for Annual Plan 1993-94 compared to Rs. 8.3 billion in 1992-93. Of the total outlay of Rs. 9.2 billion in 1993-94, 37% has been set apart for social services, followed by 24.1% for energy and 16.2% for irrigation & flood control. Compared to the share of the total allocation in the Eighth Five-Year Plan, the share of social services at 37% in the Annual Plan 1993-94 is slightly more than the share for energy is slightly less at 24.1%.

**Table 3.1.5 : Eighth Five-Year Plan (1992-97) and Annual Provisions of Haryana State**

(Rs. in 100,000)

Sector	Eighth Plan (1992-97)	Annual Plan (1992-93)		Annual Plan (1993-94)	
		Approved Outlay	Anticipated Outlay	Approved Outlay	% of Total
1. Agriculture and Allied Activities	40,549	7,226.82	7,068.79	7,583	8.2
2. Rural Development	11,930	1,770.30	1,753.15	1,917.3	2.1
3. Special Area Programme	2,000	350	350	350	0.4
4. Irrigation and Flood Control	67,889	11,544.5	14,140	14,894	16.2
5. Energy	170,199	21,000	21,000	22,175	24.1
6. Industries and Minerals	22,052	2,470	2,470	2,700	2.9
7. Transport	39,138	5,555	5,555	5,628	6.1
8. Science & Technology and Environment	2,247	299	299	339	0.4
9. Economic Services	1,101	163.75	181.65	314	0.4
10. Decentralized Planning	12,415	1500	1,500	1,500	1.6
11. Social services	197,180	30,560.28	30,356.07	34,007.3 0	37
12. General Services	3,300	560.35	560.35	592	0.6
<b>Total</b>	<b>570,000</b>	<b>83,000</b>	<b>85,234.01</b>	<b>92,000</b>	<b>100</b>

Source : Approved Annual Plan 1993-94, Planning Dept., Govt. of Haryana

## **3.2 Site Characteristics of Haryana State and Gurgaon District**

### **3.2.1 Characteristics of Industrial Structure**

The volume of industrial productions of major items in Haryana state are shown in Table 3.2.1.

The industrialisation in Haryana state has been rapid and at present it ranks 1st or 2nd in India, in the engineering and machinery industries such as automobiles, motorcycles, cycles, tractors etc. 60% of automobiles and motorcycles, 50% of tractors for domestic use, 60% of military equipments and weapons and 25% of medicines are produced in Haryana state.

### **3.2.2 Geographical Characteristics**

Haryana state and Uttar Pradesh state are close to the National Capital Delhi, and both the states are important for the decentralisation of the industrial activities in Delhi.

The industrial growth in Delhi has been relatively low till 1970-71 although it grew rapidly after 1976. There were only 26,000 factories in 1970-71 which grew to 62,000 in 1984-85 recording an annual growth of 9.9%. The employed population registered an annual growth of 11.4% from 215,000 employed persons in 1970-71 to 558,000 employed persons in 1984-85. The numbers of enterprises increased to 4,652 in 1985 from 2,984 in 1979. The numbers of day laborers in these enterprises increased to 185,000 in 1984-85 from 141,000 in 1979. The revised Master Plan of Delhi - 2001 has recognized the need for restricting the industrial growth of Delhi for achieving balanced regional development.

The industrial cities around Delhi are Ghaziabad (population 520,000) and Noida (population 170,000) in Uttar Pradesh, and Faridabad (population 610,000) and Gurgaon (population 230,000) in Haryana (refer to Fig. 3.2.1).

Since Ghaziabad and Faridabad are already developed industrial centers with high density of industries, therefore Noida and Gurgaon are expected to be new centers of industrial development.

Large scale industrial development is taking place in Noida which was also one of candidate sites for the IMT. The planned area for development in Noida is 3,700 ha out of which 985 ha is for industrial use and 1,100 ha for residential use. The forecast population for Noida in year 2001 is 550,000 and large scale development has already taken place.

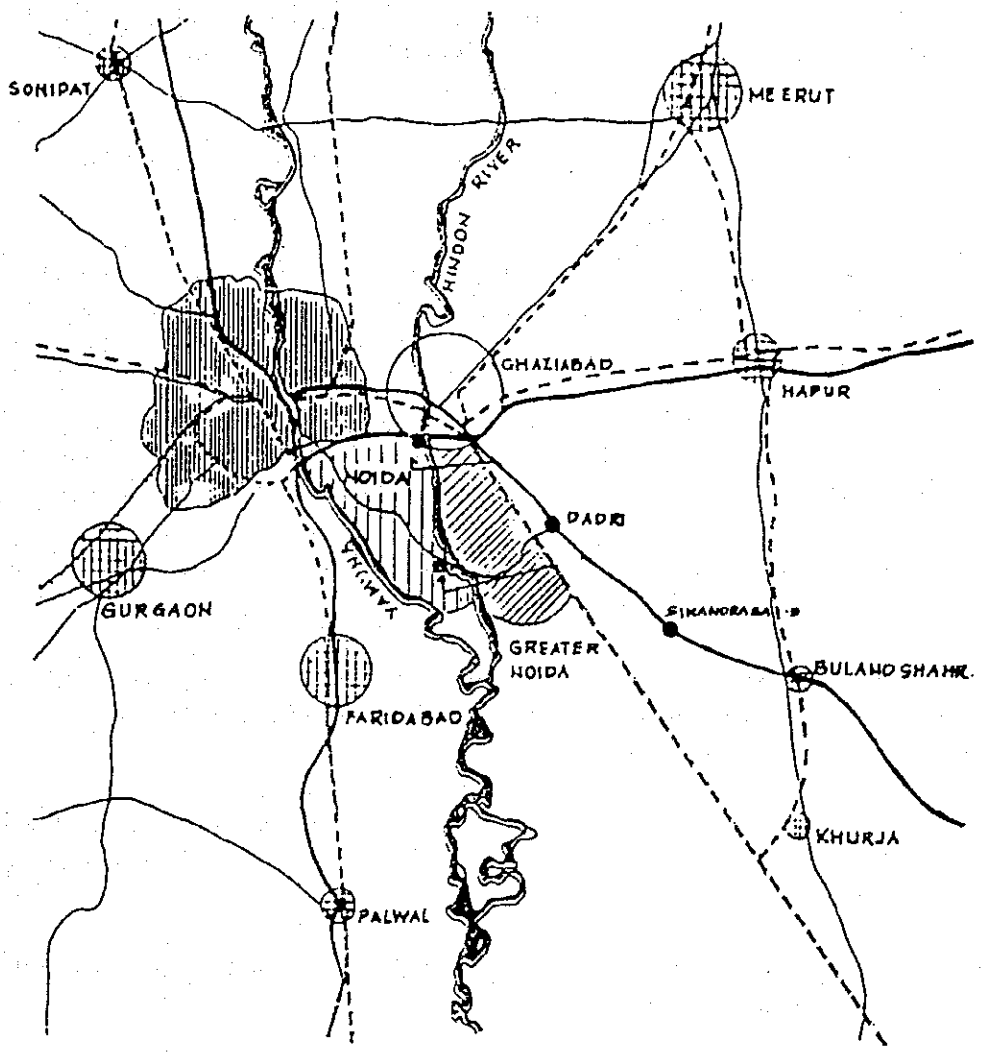
Like Noida, Gurgaon is also one of the nodal centers of development in the Delhi National Capital Region.

Table 3.2.1 : Volume of Industrial Production of Major Items in Haryana

Major Items	Unit	1966	1970	1975	1980	1985	1990	1991	1992
Paper	m.tons <sup>(1)</sup>	42,131	43,395	54,835	67,540	71,315	63,783	1,608,673	1,660,967
Textiles (Cotton)	Rs.lakh <sup>(2)</sup>	1,634	3,179	4,529	7,126	24,395	68,367	53,612	57,830
Cement	m.tons	519,076	499,387	446,664	349,000	700,000	652,110	698,632	767,741
Sugar	m.tons	59,586	83,459	106,961	200,497	138,782	668,290	1,175,276	1,284,425
Cycles	no.	377,093	468,349	581,333	946,208	1,484,673	1,443,836	1,690,973	1,500,540
Sewing Machines	no.	30,587		8,837	17,037	9,705	6,291		
Agricultural	Rs.lakh	481	1,277	1,634	7,294	541	865	703	908
Machine Tools	Rs.lakh							2763	2270
Steel Re-rolling	m.tons	14,901	23,576	92,801	275,270	144,388	202,603		
Steel Tubes	m.tons							10,632	11,132
Water Pipe Fittings	Rs.lakh	33	16	1,989	1,536	2,370	930		
Cycle Parts	Rs.lakh	141	109	138	543	458	1,327		
Scientific	Rs.lakh	136	504	387	1,564	704	1,426	1,659	1,686
Glass	Rs.lakh	180	403	3	9,235	3,153	3,395		
Hosiery	Rs.lakh	386	461	1,114	7,402	145	224		
Woolen Textiles	Rs.lakh	200	519	1,645	2,328	1,889	5,813	3,665	3,969
Powerloom Weaving	Rs.lakh	201	350	1,179	505	4,045	3,192	10,180	11,198
Handloom Weaving	sq.mtrs							2,932,600	3,180,350
Machine Embroidery	Rs.lakh	50	120	3	6	80	19		
Cotton Ginning	10 <sup>3</sup> bales <sup>(3)</sup>	263		303	678	13,179	4,423	860	1,024
Sports	Rs.lakh	58	5	3	11	154	25		
Motor cycle	no.							187,932	145,032
Automobiles	no.							121,167	133,263
Tractor	no.	2,227	11,425	19,246	28,886	51,645	75,629	74,686	74,686

Note : (1) Metric tons = 1000 kgs; (2) Lakh = 100,000; (3) Bale = 170 kg

Source : Statistical Abstract of Haryana (1992-93)



**Fig 3.2.1 : Industrial Cities around Delhi**



### 3.2.3 Characteristics of Industrial Location

Table 3.2.2 shows the number of operating industries in Haryana State by District and Type of Industry. There were a total of 5,422 industries in the Haryana State out of which the maximum number of industries were located in Faridabad District (1,605 industries), followed by Yamunanagar District at 836 industries. The Gurgaon District came at seventh position with 309 industries and accounted for about 5.7% of the total number of industries in the Haryana State.

The Gurgaon District has the following features when observed from Type of Industry perspective.

- Among the industries in the manufacturing sector, 50 industries were engaged in non-metallic mineral products followed by 35 industries in wood & wood products, 34 in metal products & parts and 30 in machinery & machine tools.
- Among the industries in the manufacturing sector, in terms of share, textiles products accounted for 13.4%, rubber, plastic & petroleum products for 12%, transport equipment & parts for 14.2 % and other manufactured goods for 12.8%.
- In the non-manufacturing sector, Gurgaon was the only district to have a water works and supply industry.

Table 3.2.3 shows the volume of industrial production in Haryana by District and Type of Industry for the year 1992. The following characteristics can be observed from this Table, for the Gurgaon District.

- Among all the Districts in the Haryana State, Gurgaon District has the largest share in automobiles (100%), followed by steel tubes (72%) and powerloom weaving (59%).
- The Gurgaon District has a production of about 6300 ton of cement and 270,000 sq. m of handloom weaving.

Table 3.2.4 shows the number of employed workers in Haryana by District and Type of Industry for the year 1992. The following characteristics for Gurgaon District can be observed.

- The number of employed workers in Gurgaon District is about 23,000 which is about 7.2% of the total number of employed workers in Haryana State.
- The industries employing more than 1000 workers are cotton textile, textile products, rubber, plastic & petroleum products, chemical & chemical products non-metallic mineral products, metal products and parts, machinery and machine tools and other manufacturing industries.

Table 3.2.2 : Number of Operating Factories by Industry and District, 1992

Industry	Ambala	Yamuna nagar	Kuruk shetra	Kaithal	Karnal	Panipat	Sonapat	Rohitak	Farida bad	Gurgaon	Rewari	Mahend ragadh	Bhawan	Jind	Hisar	Sirsa	Total
Food Products	36	26	51	30	67	59	10	11	50	12	7	2	13	31	68	43	516
%	7.0	5.0	9.9	5.8	13.0	11.4	1.9	2.1	9.7	2.3	1.4	0.4	2.5	6.0	13.2	8.3	100.0
Beverages, Tobacco & Tobacco products	4	1	0	0	2	4	2	1	3	2	0	0	0	0	1	0	20
%	20.0	5.0	0.0	0.0	10.0	20.0	10.0	5.0	15.0	10.0	0.0	0.0	0.0	0.0	5.0	0.0	100.0
Cotton Textile	3	1	0	0	6	22	6	14	71	8	2	0	7	6	55	12	213
%	1.4	0.5	0.0	0.0	2.8	10.3	2.8	6.6	33.3	3.8	0.9	0.0	3.3	2.8	25.8	5.6	100.0
Wool, Silk & Synthetic fibre	0	0	1	0	27	94	2	2	20	2	2	1	2	0	2	0	155
%	0.0	0.0	0.6	0.0	17.4	60.6	1.3	1.3	12.9	1.3	1.3	0.6	1.3	0.0	1.3	0.0	100.0
Jute, Hemp & Mesta textile	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	1
%	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Textile products	1	1	1	0	9	43	2	1	22	13	2	0	0	1	1	0	97
%	1.0	1.0	1.0	0.0	9.3	44.3	2.1	1.0	22.7	13.4	2.1	0.0	0.0	1.0	1.0	0.0	100.0
Wood & Wood products	64	126	36	23	56	50	56	62	153	35	23	20	21	29	89	18	861
%	7.4	14.6	4.2	2.7	6.5	5.8	6.5	7.2	17.8	4.1	2.7	2.3	2.4	3.4	10.3	2.1	100.0
Paper & paper products	4	19	3	0	11	8	6	3	52	4	2	0	0	3	6	6	127
%	3.1	15.0	2.4	0.0	8.7	6.3	4.7	2.4	40.9	3.1	1.6	0.0	0.0	2.4	4.7	4.7	100.0
Leather & Leather products	2	0	0	0	6	5	7	0	18	3	2	2	0	2	0	0	47
%	4.3	0.0	0.0	0.0	12.8	10.6	14.9	0.0	38.3	6.4	4.3	4.3	0.0	4.3	0.0	0.0	100.0
Rubber, Plastic & Petroleum products	7	4	0	2	18	5	20	8	86	23	3	0	0	0	15	0	191
%	3.7	2.1	0.0	1.0	9.4	2.6	10.5	4.2	45.0	12.0	1.6	0.0	0.0	0.0	7.9	0.0	100.0
Chemical & Chemical products	9	9	3	8	13	15	37	15	102	24	5	2	4	1	19	0	266
%	3.4	3.4	1.1	3.0	4.9	5.6	13.9	5.6	38.3	9.0	1.9	0.8	1.5	0.4	7.1	0.0	100.0
Non-metallic mineral products	52	80	21	26	61	61	26	49	168	50	14	16	18	17	10	4	673
%	7.7	11.9	3.1	3.9	9.1	9.1	3.9	7.3	25.0	7.4	2.1	2.4	2.7	2.5	1.5	0.6	100.0
Basic metal & Alloys industries	40	87	2	2	14	19	23	32	176	20	10	2	4	3	40	0	474
%	8.4	18.4	0.4	0.4	3.0	4.0	4.9	6.8	37.1	4.2	2.1	0.4	0.8	0.6	8.4	0.0	100.0
Metal products & parts	104	404	1	4	16	20	21	10	141	34	3	0	3	1	5	2	769
%	13.5	52.5	0.1	0.5	2.1	2.6	2.7	1.3	18.3	4.4	0.4	0.0	0.4	0.1	0.7	0.3	100.0
Machinery & Machine Tools, etc.	28	50	0	1	12	36	34	22	270	30	2	1	1	0	12	0	499
%	5.6	10.0	0.0	0.2	2.4	7.2	6.8	4.4	54.1	6.0	0.4	0.2	0.2	0.0	2.4	0.0	100.0
Electrical Machinery apparatus	3	9	0	0	3	5	6	18	130	14	3	1	0	0	3	1	196
%	1.5	4.6	0.0	0.0	1.5	2.6	3.1	9.2	66.3	7.1	1.5	0.5	0.0	0.0	1.5	0.5	100.0

Industry	Ambala	Yamuna	Kuruk	Kathal	Karnal	Panipat	Sonapat	Rohatak	Paritad	Gurgaon	Revan	Mahend	Bharani	Jind	Hisar	Sirsa	Total
Transport equipment & parts	3	5	0	0	2	2	2	0	88	18	2	2	2	1	0	0	127
%	2.4	3.9	0.0	0.0	1.6	1.6	1.6	0.0	69.3	14.2	1.6	1.6	1.6	0.8	0.0	0.0	100.0
Other Manufacturing industries	12	28	0	0	2	4	3	3	21	11	0	0	0	0	2	0	86
%	14.0	32.6	0.0	0.0	2.3	4.7	3.5	3.5	24.4	12.8	0.0	0.0	0.0	0.0	2.3	0.0	100.0
Electricity	1	2	1	1	0	0	0	0	5	0	0	0	0	0	1	0	11
%	9.1	18.2	9.1	9.1	0.0	0.0	0.0	0.0	45.5	0.0	0.0	0.0	0.0	0.0	9.1	0.0	100.0
Gas & steam	0	1	0	0	1	1	1	1	10	1	0	0	0	0	1	0	17
%	0.0	5.9	0.0	0.0	5.9	5.9	5.9	5.9	58.8	5.9	0.0	0.0	0.0	0.0	5.9	0.0	100.0
Water works & supply	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	1
%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Construction	1	1	0	0	0	0	0	0	0	0	0	0	0	0	1	0	3
%	33.3	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	33.3	0.0	100.0
Wholesale & Retail trade	1	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	4
%	25.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	25.0	100.0
Wholesale trade in Wood & paper	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wholesale trade in Food, textile	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	1
%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Storage & warehousing	0	0	0	0	1	1	0	0	1	0	0	0	0	0	0	0	3
%	0.0	0.0	0.0	0.0	33.3	33.3	0.0	0.0	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Education Scientific & Research Services	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	3
%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Medical & Health Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Repair Services	6	8	1	1	3	7	0	2	14	3	1	1	1	3	9	1	61
%	9.8	13.1	1.6	1.6	4.9	11.5	0.0	3.3	23.0	4.9	1.6	1.6	1.6	4.9	14.8	1.6	100.0
<b>Total</b>	<b>381</b>	<b>863</b>	<b>121</b>	<b>98</b>	<b>330</b>	<b>461</b>	<b>265</b>	<b>254</b>	<b>1605</b>	<b>309</b>	<b>83</b>	<b>50</b>	<b>76</b>	<b>98</b>	<b>340</b>	<b>88</b>	<b>5432</b>
%	7.0	15.9	2.2	1.8	6.1	8.5	4.9	4.7	29.6	5.7	1.5	0.9	1.4	1.8	6.3	1.6	100.0

Source : Statistical Abstract of Haryana (1992-1993)

Table 3.2.3 : Volume of Industrial Production in Haryana by District and Industry for the Year 1992

Industry	Ambala	Yamun nagar	Kuruk shetra	Kaithal	Karnal	Panipat	Sonapat	Rohank i	Faridaba i	Gurgaon	Rewari	Mahend rabadh	Bhiwan i	Jind	Hisar	Sirsa	Total
Paper	m.tons	151,725	0.0	0.0	0.0	0.0	3,605	0.0	1,496,560	0.0	815	0.0	0.0	1,618	0.0	6,644	1,660,967
	%	9.1	0.0	0.0	0.0	0.0	0.2	0.0	90.1	0.0	0.0	0.0	0.0	0.1	0.0	0.4	100.0
Textiles (Cotton)	Rs. 10 <sup>6</sup>	0.0	0.0	0.0	0.0	5,311	16	68	215	51	0.0	0.0	0.0	0.0	0.0	122	5,783
	%	0.0	0.0	0.0	0.0	91.8	0.3	1.2	3.7	0.9	0.0	0.0	0.0	0.0	0.0	2.1	100.0
Cement	m.tons	545,000	9,541	0.0	0.0	0.0	0.0	0.0	0.0	6,308	3,000	3,892	200,000	0.0	0.0	0.0	767,741
	%	71.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.4	0.5	26.1	0.0	0.0	0.0	100.0
Sugar	m.tons	486,968	413,305	197,250	27,467	33,530	23,000	42,752	27,433	0.0	0.0	0.0	0.0	32,720	0.0	0.0	1,284,425
	%	0.0	37.9	15.4	2.1	2.6	1.8	3.3	2.1	0.0	0.0	0.0	0.0	2.5	0.0	0.0	100.0
Cycles	no.	0.0	0.0	0.0	0.0	0.0	1,500,540	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,500,540
	%	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Sewing Machines	no.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricul. Implements	Rs. 10 <sup>6</sup>	148	8	154	12	128	61	40	5	207	63	9	1	10	1	17	909
	%	16.3	0.9	16.9	1.3	14.1	6.7	4.4	0.6	22.8	6.9	1.0	0.1	1.1	0.1	1.9	100.0
Machine Tools	Rs. 10 <sup>6</sup>	1	0.4	0.0	0.0	0.0	33	131	58	4	0.0	0.0	0.0	0.4	0.0	0.0	228
	%	0.4	0.0	0.0	0.0	0.0	14.5	57.5	25.4	1.8	0.0	0.0	0.0	0.4	0.0	0.0	100.0
Steel Re-rolling	m.tons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Steel Tubes	m.tons	0.0	0.0	0.0	0.0	3,153	0.0	0.0	0.0	7,979	0.0	0.0	0.0	0.0	0.0	0.0	11,132
	%	0.0	0.0	0.0	0.0	28.3	0.0	0.0	0.0	71.7	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Water Pipe Fittings	Rs. 10 <sup>6</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cycle Parts	Rs. 10 <sup>6</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scientific Instruments	Rs. 10 <sup>6</sup>	1,650	0.0	0.0	0.0	0.0	0.0	0.0	30	0.0	0.0	0.0	0.0	6	0.0	0.0	1,686
	%	97.9	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0	0.0	0.0	0.0	0.4	0.0	0.0	100.0

Industry	Ambain	Yamun	Kuriks	Kasthal	Karnal	Panpat	Sonpat	Rehank	Fardaba	Curgeon	Revan	Mahend	Ind	Hisar	Sina	Total
	Rs. 10 <sup>6</sup>	Rs. 10 <sup>6</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>	Rs. 10 <sup>5</sup>
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.	no.
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Glass	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hosiery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Woollen Textiles	0.0	0.0	0.0	0.0	0.0	3,918	0.0	40	0.0	11	0.0	0.0	0.0	0.0	0.0	3,969
Powerloom Weaving	215	0.0	0.0	0.0	0.0	2,375	968	7	983	6,593	0.0	0.0	40	0.0	17	11,198
Handloom Weaving	77,000	1.9	0.0	0.0	0.0	21.2	8.6	0.1	8.8	58.9	0.0	0.0	0.4	0.0	0.2	100.0
Machine Embroidery	2.4	0.0	0.6	1.4	2.9	22.0	25.2	4.9	1.4	8.6	10.0	0.0	1.4	11.0	7.4	100.0
	-	-	18,000	44,000	92,000	700,000	800,000	156,000	43,000	273,000	318,950	45,000	350,000	29,400	234,000	3,180,350
Cotton Ginning	9	0.9	0.0	0.0	0.0	0.0	0.0	17.2	0.0	0.0	0.0	91	136	489	123	1,024
Sports	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Cycle	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	52,672	92,360	0.0	0.0	0.0	0.0	0.0	145,032
Automobiles	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.3	63.7	0.0	0.0	0.0	0.0	0.0	100.0
Tractor	16,000	21.4	0.0	0.0	0.0	0.0	0.0	0.0	58,686	133,263	0.0	0.0	0.0	0.0	0.0	133,263
	-	-	-	-	-	-	-	-	78.6	0.0	0.0	0.0	0.0	0.0	0.0	74,686

Note : (1) m.tons = 1000 kgs; (2) Lakh = 100,000; (3) Bale = 170 kg

Source : Statistical Abstract of Haryana (1992-93)

Table 3.2.4 : Estimated Number of Employed Workers in Haryana by District and Industry for the Year 1992

Industry	Ambala	Yamuna nagar	Kuruk shetra	Kaithal	Karnal	Panipat	Sonapat	Rohtak	Faridab ad	Gurgaon	Rewari	Mahend ragarh	Bhiwani	Jind	Hisar	Sirsa	Total
Food Products	total	1,909	871	659	2,703	2,193	994	1,964	2,895	491	80	91	517	1,70	1,550	675	19,909
	%	9.6	4.4	3.3	13.6	11.0	5.0	9.9	14.5	2.5	0.4	0.5	2.6	8.6	7.8	3.4	100.0
Beverages, Tobacco & Tobacco Products	total	653	357	0	265	186	83	363	570	165	0	0	0	0	0	0	2,682
	%	24.3	13.3	0.0	9.9	6.9	3.1	13.5	21.3	6.2	0.0	0.0	0.0	0.0	1.5	0.0	100.0
Cotton Textile	total	38	60	0	419	597	1,889	873	4,700	1,279	732	0	5,844	361	3,648	3,460	24,300
	%	0.2	0.2	0.0	1.7	4.1	7.8	3.6	19.3	5.3	3.0	0.0	24.0	1.5	15.0	14.2	100.0
Wool, Silk & Syn- thetic fibre	total	0	0	95	2,015	2,738	151	179	2,597	120	501	790	495	0	73	0	9,754
	%	0.0	0.0	1.0	20.7	28.1	1.5	1.8	26.6	1.2	5.1	8.1	5.1	0.0	0.7	0.0	100.0
Jute, Hemp & Mesta	total	0	0	0	0	0	85	0	0	0	0	0	0	0	0	0	85
	%	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Textile products	total	40	58	28	385	782	62	18	3,748	1,845	92	0	0	26	50	0	7,134
	%	0.6	0.8	0.4	5.4	11.0	0.9	0.3	52.5	25.9	1.3	0.0	0.0	0.4	0.7	0.0	100.0
Wood & Wood products	total	720	1,645	176	379	361	353	756	1,844	466	179	145	125	82	396	104	7,796
	%	9.2	21.1	2.3	4.9	4.6	4.5	9.7	23.7	6.0	2.3	1.9	1.6	1.1	5.1	1.3	100.0
Paper & paper pro- ducts	total	568	2,688	165	695	419	225	138	6,093	185	1,134	0	0	95	286	155	12,846
	%	4.4	20.9	1.3	5.4	3.3	1.8	1.1	47.4	1.4	8.8	0.0	0.0	0.7	2.2	1.2	100.0
Leather & Leather products	total	75	0	0	945	306	548	0	1,725	140	58	55	0	220	0	0	4,072
	%	1.8	0.0	0.0	23.2	7.5	13.5	0.0	42.4	3.4	1.4	1.4	0.0	5.4	0.0	0.0	100.0
Rubber, Plastic & Petroleum products	total	142	68	0	451	184	1,310	253	7,882	1,050	38	0	0	0	245	0	11,728
	%	1.2	0.6	0.0	3.8	1.6	11.2	2.2	67.2	9.0	0.3	0.0	0.0	0.0	2.1	0.0	100.0
Chemical & Chemical products	total	88	757	250	1,983	2,203	1,086	486	5,365	2,992	393	19	248	80	274	0	16,892
	%	0.5	4.5	1.5	11.7	13.0	6.4	2.9	31.8	17.7	2.3	0.1	1.5	0.5	1.6	0.0	100.0
Non-metallic mineral products	total	2,967	2,242	625	2,148	1,305	306	4,489	8,281	2,905	1,057	344	1,481	375	480	205	29,715
	%	10.0	7.5	2.1	7.2	4.4	1.0	15.1	27.9	9.8	3.6	1.2	5.0	1.3	1.6	0.7	100.0
Basic metal & Alloys industries	total	1,421	2,269	50	1,960	2,126	1,508	2,179	14,311	885	806	1,556	975	420	1,914	0	32,437
	%	4.4	7.0	0.2	6.0	6.6	4.6	6.7	44.1	2.7	2.5	4.8	3.0	1.3	5.9	0.0	100.0
Metal products & parts	total	3,703	3,902	36	1,885	365	710	983	7,174	1,009	317	327	964	0	279	324	22,039
	%	16.8	17.7	0.2	8.6	1.7	3.2	4.5	32.6	4.6	1.4	1.5	4.4	0.0	1.3	1.5	100.0
Machinery & Machine Tools, etc.	total	4,890	3,998	0	2,865	1,485	255	692	28,491	1,865	286	0	258	0	801	0	45,886
	%	10.7	8.7	0.0	6.2	3.2	0.6	1.5	62.1	4.1	0.6	0.0	0.6	0.0	1.7	0.0	100.0

Industry	Ambala	Yamuna nagar	Kuruk shetra	Kaithal	Kumhar	Panipat	Sonapat	Rohatk	Faridab ad	Gurgaon	Howar	Maintand ragarh	Bhivani	Jind	Hisar	Sirsa	Total
Electrical Machinery	85	283	0	0	673	890	918	650	19,464	807	124	266	0	0	115	0	24,275
apparatus	0.4	1.2	0.0	0.0	2.8	3.7	3.8	2.7	80.2	3.3	0.5	1.1	0.0	0.0	0.5	0.0	100.0
Transport equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
&parts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Manufacturing	304	940	0	0	575	180	3,229	0	6,230	4,895	519	240	25	228	25	0	17,390
industries	1.7	5.4	0.0	0.0	3.3	1.0	18.6	0.0	35.8	28.1	3.0	1.4	0.1	1.3	0.1	0.0	100.0
Electricity	401	700	0	0	84	50	140	203	3,078	894	0	352	0	0	15	0	5,917
	6.8	11.8	0.0	0.0	1.4	0.8	2.4	3.4	52.0	15.1	0.0	5.9	0.0	0.0	0.3	0.0	100.0
Gas & steam	0	18	0	0	234	60	0	19	626	43	0	0	0	0	90	0	1,090
	0.0	1.7	0.0	0.0	21.5	5.5	0.0	1.7	57.4	3.9	0.0	0.0	0.0	0.0	8.3	0.0	100.0
Water works & supply	1	0	0	0	0	0	0	0	0	16	0	0	0	0	0	0	17
	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	94.1	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Construction	138	807	0	0	0	0	0	0	0	0	0	0	0	0	45	0	990
	13.9	81.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.5	0.0	100.0
Wholesale & Retail trade, Restrant	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	80	102
	21.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Wholesale trade in Wood & Paper	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale trade in Food, textile	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Storage & warehousing	0	0	0	0	44	25	0	0	25	0	0	0	0	0	0	0	94
	0.0	0.0	0.0	0.0	46.8	26.6	0.0	0.0	26.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Education Scientific & Research Services	0	0	0	0	0	0	0	0	418	0	0	0	0	0	0	0	418
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
Medical & Health Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repair Services	618	6,973	135	90	625	330	0	775	6,551	795	252	28	395	290	360	195	18,412
	3.4	37.9	0.7	0.5	3.4	1.8	0.0	4.2	35.6	4.3	1.4	0.2	2.1	1.6	2.0	1.1	100.0
<b>Total</b>	<b>18,783</b>	<b>28,636</b>	<b>2,719</b>	<b>2,169</b>	<b>21,393</b>	<b>17,183</b>	<b>15,892</b>	<b>15,028</b>	<b>132,118</b>	<b>22,847</b>	<b>6,368</b>	<b>4,104</b>	<b>10,976</b>	<b>4,325</b>	<b>10,886</b>	<b>5,198</b>	<b>316,090</b>
	5.9	9.1	0.7	0.7	6.8	5.4	4.4	4.8	41.8	7.3	2.1	1.3	3.5	1.3	3.4	1.6	100.0

Source : Statistical Abstract of Haryana (1992-93)

### **3.2.4 Present Situation of Industrial Estate Development**

As mentioned in the Master Plan Study, 63 industrial estates have been developed in the Haryana State by the year 1992. These industrial estates contained 9,834 industrial plots out of which 8,208 industrial plots have already been sold to the entrepreneurs. These industrial estates were developed by Haryana State Industrial Development Corporation (HSIDC), Haryana Urban development Authority (HUDA) and private developers.

As per the data published by HSIDC, the HSIDC has developed 33 industrial estates with a total area of about 675 hectare. The location of these industrial estates is shown in Fig 3.2.2

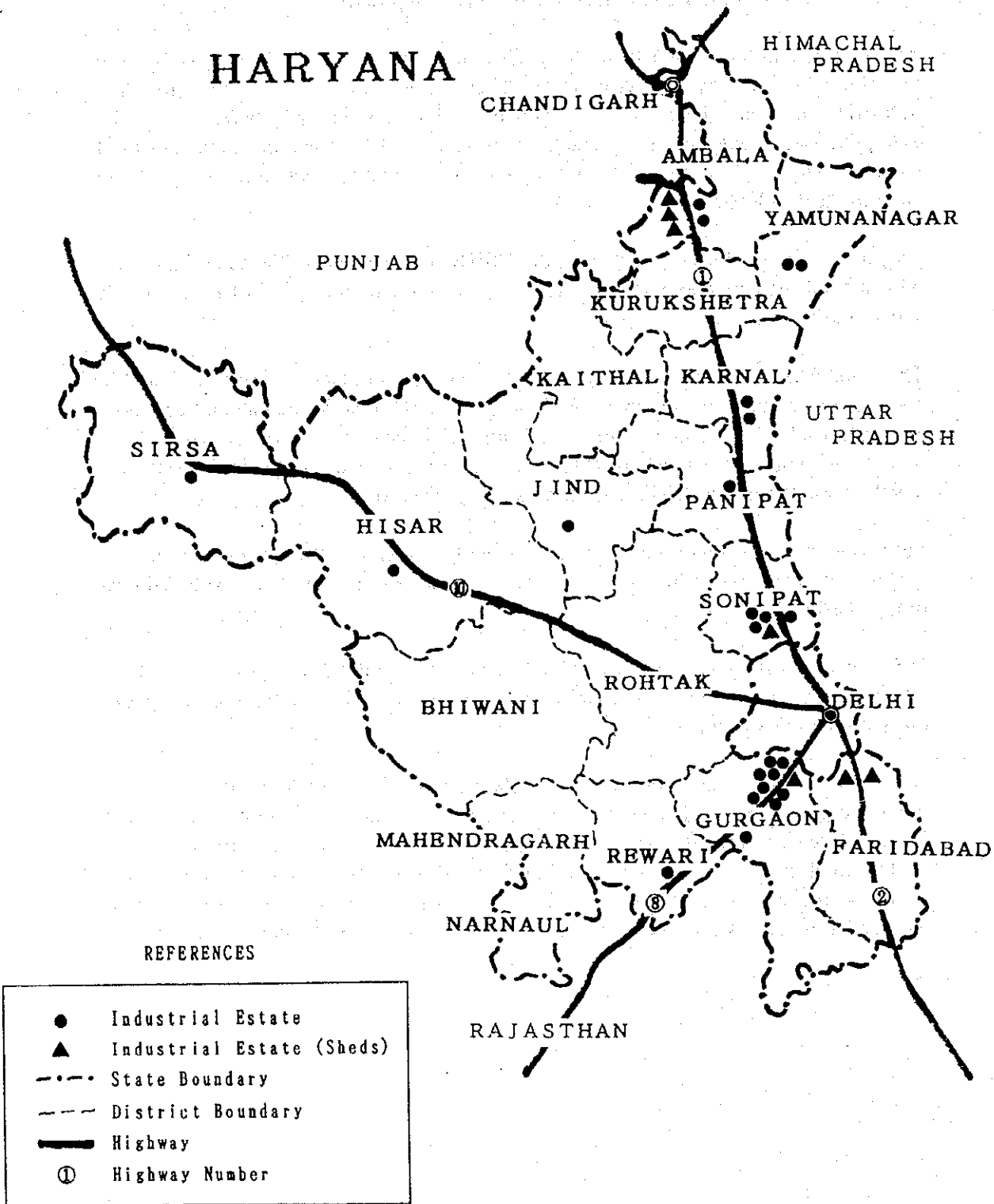
These industrial estates are mainly located along the National Highway 1, 2 and 8, and are concentrated in and around Ambala, Karnal, Sonipat, Faridabad and Gurgaon. The industrial estates also contain several industrial sheds which are offered on lease to entrepreneurs. As shown in Table 3.2.5 more than half of the industrial area developed in these industrial estates have already been sold.

Industrial estates in this region having a developed area of 40 hectares or more are considered to be large scale. There are several industrial estates with a developed area of about 16 to 25 hectares.

In Gurgaon District there are 10 industrial estates with a total developed area of about 326 hectares, out of which about 208 hectares have been sold which represents about 64% of the total developed area.

As shown in Table 3.2.6, there are about 100 large to medium scale industries located in the Gurgaon District. The number of employed workers in these industries and the Type of Industries are also shown. The engineering industries account for about 30% of the total industries and the combined number of employed workers in the engineering and automobile industries is about half the total employed workers in all the industries. The plastic and chemical industries also have a considerable share.





**Fig 3.2.2 : Location of Industrial Estates in Haryana**

**Table 3.2.5 : List of Industrial Estates and Sheds Developed in Haryana**

Name of Industrial Estate	Location	Developed Area (Acres)	Sold Area (Acres)	Unsold Area (Acres)	Share of Unsold Area(%)
1. Udyog Vihar Ph.-I	Gurgaon	181.50	131.80	49.70	27.4
2. Udyog Vihar Ph.-II		50.50	38.44	12.06	23.9
3. Udyog Vihar Ph.-III		74.59	54.34	20.25	27.1
4. Udyog Vihar Ph.-IV		185.00	106.82	78.12	42.3
5. Udyog Vihar Ph.-V Sheds		129.00	77.00	52.00	40.3
6. Commercial Complex, Udyog Vihar PH.-V		17.00	-	17.00	100.0
7. Udyog Vihar Ph.-VI		98.50	60.00	38.50	39.1
8. I.E. Gurgaon		55.99	40.00	15.99	28.6
9. Roz-Ka-Meo		6.50	6.50	0.00	0.0
10. Udyog Kunj, Alipur		2.00	0.40	1.60	80.0
11. Kundli, Ph.-I	Sonipat	75.00	44.92	30.08	40.1
12. Kundli, Ph.-II		31.00	21.00	10.00	32.3
13. Murthal		36.30	23.00	13.30	36.6
14. Sonipat		6.00	4.00	2.00	33.3
15. Murthal Sheds		10.00	10.00	0.00	0.0
16. Ambala Cantt.	Ambala	50.00	36.25	13.75	27.5
17. Kalka		12.50	5.23	7.27	58.2
18. Panchkula Sheds-I & II		12.56	12.56	0.00	0.0
19. Panchkula Sheds-III		-	-	-	-
20. Addl. Shed, Panchkula		-	-	-	-
21. Faridabad Sheds Sec.-31	Faridabad	12.50	4.50	8.00	64.0
22. Faridabad, Sec.-59 Sheds		35.50	35.00	0.00	0.0
23. Yamunanagar- I	Yamuna-	20.70	14.31	6.39	30.9
24. Yamunanagar- II	nagar	20.15	13.65	6.50	32.3
25. Karnal	Karnal	76.06	50.00	26.06	34.3
26. Udyog Kunj, Jatheri		3.60	0.50	3.10	86.1
27. Samalkha	Panipat	25.00	17.25	7.75	31.0
28. Jind	Jind	23.00	15.35	7.65	33.3
29. Tohana	Hisar	15.09	8.00	7.09	47.0
30. Growth Centre, Bawal	Rewari	300.00	-	300.00	100.0
31. I.E. Barwala	Sirsa	103.00	-	103.00	100.0
32. Advances for development work	-	-	-	-	-
33. HUDA & Other Agencies, Narela	-	-	-	-	-
<b>TOTAL</b>		<b>1,668.54</b>	<b>830.82</b>	<b>837.16</b>	<b>(50.2)</b>

Note : \* One Acre = 0.405 hectare

Source : HSIDC

**Table 3.2.6 : Number of large and medium scale industries and employed workers by Type of Industry in Gurgaon district**

Type of Industry	Number of Industries	Number of employed workers	
Engineering	34	4,605	(29.5%)
Electronics and electrical	20	2,058	(13.2%)
Automobiles	1	3,993	(25.6%)
Plastic and chemicals	17	1,019	(6.5%)
Leather	3	888	(5.7%)
Textile	2	916	(5.9%)
Agro-based	6	609	(3.9%)
Pharmaceutical	2	711	(4.6%)
Others	1	799	(5.1%)
<b>TOTAL</b>	<b>100</b>	<b>15,598</b>	<b>(100%)</b>

Source : HSIDC

Based on the above mentioned data, the basic industrial location units per industry for the Gurgaon district is estimated to be as follows.

- Employed workers            162 people
- Land area                      2.7 hectares
- Built-up area                 0.9 hectares
- Built-up rate                 33.3%

However, while estimating the basic industrial units given above, the industry with employed workers of 4000 and area of about 297 hectares was included. If this industry is excluded, the basic industrial location units per industry for the Gurgaon district changes as follows.

- Employed workers            124 people
- Land area                      1.4 hectares
- Built-up area                 0.8 hectares
- Built-up rate                 52.8%

About 1,100 industrial sheds, which are offered on lease to small entrepreneurs, are being developed in the Phase-I of the Udyog Vihar in Gurgaon. These industrial sheds are used to support the start-up of small entrepreneurs.

In the Gurgaon District, industrial estates containing small and medium scale industries producing similar type of goods and services are being planned as shown in Table 3.2.7.

Table 3.2.7 : Industrial estates for specific Type of Industries in the Gurgaon Region

Name of Industrial Estate	Location	Area (acre)	No. of entrepreneurs
Textile Industrial Estate	Sona	150	179
Electro City	Udyog Vihar-19	45	36
Electro & Software Technology Park	Udyog Vihar-34	53	107

Source : HSIDC

### 3.2.5 Administration of Research and Development

In Haryana State, there are several types of government-owned technical training and research institutes. As per the Statistical Abstract of Haryana, these institutes are divided into the following three categories and are listed in Table 3.2.8.

1. Technical Institute
2. Industrial Training Institute (ITI)
3. Craftsman Training Scheme

In addition to the Central Government and State Government, the Technical Institutes are managed and operated under various administrative setups.

Table 3.2.8 : Technical Training Institutes in Haryana State

Type of Institute	Number of institutes	No. of students	Location
Technical Institutes	23	3,560	Special areas
Industrial Training Institutes	39	11,526	All districts
Craftsman Training Scheme	12	608	Special areas

Source : Statistical Abstract of Haryana (1992-93)

Table 3.2.9 shows the various technical training institutes in the Haryana State by District. In the Gurgaon District, there are five government-owned Industrial Training Institutes (ITI). In addition there is one advance-level of management institute (Management Development Institute), owned partially by the Government and partially by the private sector. There is also one District Industrial Center (D.I.C.) to support the small and medium scale industries.

Table 3.2.9 : Number of seats available in technical institutions in Haryana by District

Name of District	Industrial Training Institute	Other Technical Institutions
Ambala	932	420
Yamuna-nagar	760	110
Kurukshetra	156	756
Kaithal	380	0
Karnal	644	240
Panipat	412	0
Sonipat	984	610
Rohtak	1,156	615
Faridabad	764	225
<b>Gurgaon</b>	<b>1,656</b>	<b>0</b>
Rewari	200	0
Mahendragarh	752	0
Bhiwani	404	120
Jind	452	0
Hisar	1,312	210
Sirsa	564	335
<b>Total for Haryana</b>	<b>11,528</b>	<b>3,641</b>

The Study Team visited the below mentioned two institutes and had discussion with their staff. Some of the main information gathered during their discussion are as follows.

### **(1) Industrial Training Institute (ITI)**

The Industrial Training Institute at Gurgaon was established in the year 1948 on an area of about 3.2 hectares. The institute offers technical training courses in several fields for persons of age 14 years and above. In terms of duration of courses, there are two types of technical courses; two-year course and one year course. The two-year courses are given in machinery, electrical, mechanical, etc. in 13 different fields. The one-year course is given in painting, grinding, sewing, etc. in 14 fields. Every year 940 students take technical training at this institute. Groups of 14 to 15 students are given training under the guidance of 69 instructors. The ITI received applications from about 15,000 applicants for seats of about 940.

After the completion of the courses, the students work in different industries. In the year 1993, out of 429 students who completed their courses, 413 joined industries and the rest set up their own family business.

Since the ITI at Gurgaon was built 45 years ago, at present its buildings and facilities look quite old and seem to require renewal.

In addition to providing technical training, this institute is engaged in research activities, consulting and preparation of technical reports.

### **(2) Management Development Institute (MDI)**

The Management Development Institute (MDI) at Gurgaon was established in the year 1973 as an advanced institute for management studies. The MDI was formed as a non-profit institute by 1460 members from government and private companies. There are 10 types of short and long-term courses offered by this institute.

The long-term courses (2 years duration) are offered only to university graduates and are awarded the degree of Master in Business Administration (M.B.A.) upon the successful completion of the course. The short-term courses are open to all and there is no eligibility criteria. The institute takes about 30 students every year for its long and short-term courses. For the long-term courses, about 40 times more students apply than the seats available.

The graduates from this institute are employed in top-class companies. There are about 40 teachers who guide the students. The MDI has a magnificent campus and is spread over an area of 36 acres (about 15 hectares), and contains 6 buildings for educational and residential purposes. In addition to offering courses in management studies, this institute is also engaged in research and consulting services.

### **3.3 Industrial Policy and Incentives**

The State Government formulated a New Industrial Policy with a view to achieve a higher rate of economic growth through accelerated Industrialization which came into force with effect from 1st April, 1992. The financial and fiscal incentives provided under this Policy are as under :-

#### **3.3.1 Capital Investment Subsidy**

Subsidy is provided on the fixed capital investment to the industrial units coming up in the State on or after 1.4.1992. Industries have been divided broadly into four categories :-

##### **(1) Pioneer Industries**

A pioneer industrial unit having an investment of more than Rs. 10 crore is eligible for the grant of subsidy at the following scale throughout the State :-

- (i) A unit having investment of more than Rs. 10 crore and upto Rs. 50 crore is eligible for a subsidy of Rs. 10 lakh.
- (ii) A unit having investment of more than Rs. 50 crore and upto Rs. 100 crore is eligible for a subsidy of Rs. 15 lakh.
- (iii) A unit having investment of more than Rs. 100 crore is eligible for the subsidy of Rs. 50 lakh.

Such units located in the identified backward area of the State are eligible for the grant of 50% additional subsidy on the rates mentioned above subject to a minimum of Rs. 25 lakh.

##### **(2) Agro-based and Food Processing Industries**

Agro-based and food processing industries, a list of which is given below, are eligible for the grant of subsidy at the rate of 25% of fixed capital investment subject to a maximum of Rs. 30 lakh throughout the State :-

- (a) Vegetable and Fruit Processing Industries including freezing dehydration and preservation.
- (b) Agro based industries using rice, dal, barley or flour, maize, ginned pressed cotton and cotton yarn as raw materials.
- (c) Aerated/non-aerated drinks where minimum 20 per cent juice content is used.
- (d) Items manufactured from agricultural waste material including molasses- based industry excluding alcohol.

- (e) Processing of aromatics, herbal and medicinal plants and their oils.
- (f) Tissue Culture.
- (g) (i) Mechanized dressing plants for poultry.  
(ii) Units making egg paste and egg powder.  
(iii) Mechanical processing, preserving and packaging of fish and other marine products.
- (h) All 100% export oriented agro based and food processing units including mechanized floriculture.
- (i) Bio-Technology for evolving new seed variety and genetic material. (However, investment subsidy on land would not be allowed for such units.)

NOTE: \*) The industries listed above would be eligible for capital investment subsidy only if they have the potential of employing a minimum of 20 persons. However, this condition will not be applicable to 100 percent export-oriented, agro-based and food processing industries.

\*\*\*) The above list is subject to revision from time to time.

### (3) Electronic Industries

Electronic units are entitled to subsidy on the following scale :-

- (a) 15% of the fixed capital investment subject to a maximum of Rs. 15 lakh, if the unit is set up anywhere in the State.
- (b) 25% of the fixed capital investment subject to maximum of Rs. 30 lakh, if the unit is set up in any identified backward area.

### (4) General Industries

State Government provides 15% subsidy on the fixed capital investment upto a ceiling of Rs. 15 lakh to the industrial units except industries mentioned in the negative list, coming up in 'backward' blocks on or after 1.4.92. Thus, subsidy is available to the industrial units in almost two-third areas of the State.



### 3.3.2 Incentives for Different Regions

The State has been divided into three zones for the purpose of grant of exemption/deferment of Sales Tax and payment of Octroi as follows:-

#### **Zone 'A'**

Comprising Centrally and State Identified backward areas. Centrally notified backward areas are districts of Mahendragarh, Bhiwani, Hisar, Jind (except Rajound Block), Sirsa, Kaithal (only Kalayat Block) and Rewari (Except Nahar Block). The State identified backward areas include 76 blocks, ten industrial estates and two Growth Centers.

#### **Zone 'B'**

Areas other than those mentioned in Zone 'A' and Zone 'C'.

#### **Zone 'C'**

Faridabad and Ballabgarh Complex Administration area.

#### (1) Sales Tax Exemption/Deferment

All new industrial units and units going in for expansion/diversification have the option of seeking Sales Tax exemption or deferment as per the scale given below :-

#### New Industrial Units

	Small Scale	Medium Scale/ Large Scale	Time Limit
Zone A: Comprising Centrally and State identified backward areas	150% of fixed capital investment	125% of fixed capital investment	9 years
Zone B: Comprising areas other than zone A and C	125% of fixed capital investment	100% of fixed capital investment	7 years
Zone C: Comprising Faridabad, Ballabgarh Complex Administration area	100% of fixed capital investment	90% of fixed capital investment	5 years

### Units Undertaking Expansion/Diversification

	Small Scale	Medium Scale/ Large Scale	Time Limit
Zone A:	100% of additional fixed capital investment	90% of additional fixed capital investment	9 years
Zone B:	100% of additional fixed capital investment	90% of additional fixed capital investment	7 years
Zone C:	100% of additional fixed capital investment	90% of additional fixed capital investment	5 years

In the case of Electronic Industries the tax benefit is upto 500% of fixed capital investment spread over a maximum period of 7 years.

Benefits of sales tax exemption/deferment is available on all expansions and diversification provided there is an increase of 25% in the fixed capital investment as well as in the installed capacity and production of units.

#### (2) Interest-free loan in lieu of deferred tax

Industrial units opting for sales tax deferment can now avail of the benefit of conversion of the amount of deferred tax into interest-free loan and get relief under the Income Tax Act.

#### (3) Exemption from payment of Octroi

All new industrial units are exempted from the payment of Octroi on capital equipment, building materials and raw materials for a period of 9 years in Zone A, 7 years in Zone B and 5 years in Zone C.

#### (4) Exemption from payment of electricity duty

All new industrial units except those in the negative list of industries are exempted from the payment of electricity duty for a period of 5 years throughout the State.

### 3.3.3 Financial Assistance

#### (1) Term Loans

Industrial units requiring term loans upto Rs. 300 lakh can now be financed by the State financial institutions. This assistance can be provided under IDBI's Refinance Scheme by Haryana State Industrial Development Corporation (Rs. 150 lakh), Haryana Financial Corporation (Rs. 90 lakh), and any Scheduled Bank (Rs. 60 lakh). To be eligible for the loan, the capital cost of the project should not exceed Rs. 500 lakh. The loan is to be repaid normally in 7 to 9 years after the moratorium of one to two years depending upon the merit of each case. Term loans are also provided for setting up hospitals/nursing homes, tourism-related projects such as hotels/amusement parks/cultural centers and goods transport services.

Projects worth capital cost of Rs. 500 lakh and more are financed by the all India financial institutions like IFCI, ICICI, LIC/GIC. HSIDC has also received permission from the IDBI to participate in term lending in project costing more than Rs. 500 lakh and upto Rs. 1000 lakh.

#### (2) Equipment Finance

Companies with a very good track record, which have been in operation for atleast four years, earned profits and/or declared dividend on equity shares in preceding two financial years and are not in default to any institution/Bank can avail loans under this scheme upto Rs. 200 lakh (Rs. 150 lakh for one proposal). The assistance can be availed of for the purchase of identifiable items of plants and machinery for modernization/expansion, balancing, replacement or for any other purpose except for new projects. Quick appraisal, approval, documentation and disbursement are the salient features of this scheme. There is no limit on project cost or share capital under this scheme.

#### (3) Equity Under Joint/Assisted Sector

Haryana State Industrial Development Corporation, Haryana State Electronics Development Corporation and Haryana Agro Industries Corporation are the State Government agencies which individually and/or jointly play an entrepreneurial role in identifying and promoting good projects by participating in the equity of such projects.

For joint sector, the equity participation is 26% and above whereas in the assisted sector the equity participation is upto 15% of the total equity base of the project. Disinvestment is possible three years after the unit goes into production or five years after the incorporation of the company.

### **3.3.4 Incentives to NRIs**

Realizing the fact that Non-Resident Indians (NRI) can play a vital role in the development in Indian economy and boosting foreign exchange reserves, the Government of India and the Government of Haryana have offered a large number of incentives to them:-

(1) NRIs can now freely invest 100 per cent foreign equity in Indian concerns, with full repatriation rights. The policies and procedures relating to NRIs in the area of foreign exchange remittance, setting up industries and real estate business, foreign investment and collaboration, technology transfer, customs regulations and taxation laws have been simplified and substantially liberalized.

(2) Registration of units is done on the same day, the application is received in the office.

(3) Plots have been reserved for Non-residential Indians, Persons of Indian Origin, Companies having foreign equity participation or foreign technology agreements and 100% Export Oriented Units in all the industrial estates.

(4) In addition, NRIs and Persons of Indian Origin setting up an industrial project in the State will be provided fully built-up houses constructed by Haryana Housing Board or residential plots developed by Haryana Urban Development Authority on preferential basis.

In fact, Haryana Urban Development Authority is planning to develop an exclusive residential complex for Non-Resident Indians with all modern amenities in Gurgaon.

(5) A high-level committee under the Chairmanship of Chief Secretary has also been set up to take on the spot decisions in respect of projects involving direct foreign participation, NRI projects and 100% export-oriented units.

### **3.3.5 Simplified Procedures**

The Government has taken a series of steps to simplify procedures so that time bound clearances are given for expeditious implementation of projects.

(1) To provide one point contact service the State Government has constituted Industrial Assistance Group (IAG) which coordinates with various departments and expedites clearances.

(2) A Committee of Secretaries (COS) headed by the Chief Secretary has been constituted at the State level, to ensure time-bound clearance of projects. In addition, a Cabinet Committee of Industrial Approval (CCIL) headed by the Chief Minister has been set up to accord prompt approvals, wherever necessary.

(3) An Empowered Group on Administrative Reforms has started functioning to study the existing procedures relating to setting up of new industrial units and to suggest modifications and alterations in the same to eliminate delays and expedite clearances.

(4) The State Level Grievances Committee, headed by the Secretary Industries meets at regular intervals to look into the problems of the entrepreneur.

(5) District Advisory Committees have been set up under the Chairmanship of Deputy Commissioners for regular interaction between the entrepreneurs and Government departments/Agencies.

Working of Single Window Service has been streamlined with Additional Deputy Commissioner as their heads to ensure effective coordination of Government organizations at the district level. Overall responsibility for the promotion of industries has been given to the Deputy Commissioners in their districts.

### **3.4 Locational Characteristics of the IMT**

In the Master Plan Study critical comparison was conducted on the primary industrial policy factors which attract foreign investment such as the investment climate and the position of the state government in receiving industries.

The results of the review of Gurgaon in Haryana State in this study which was conducted from the same viewpoint are as follows.

#### **3.4.1 Investment Climate**

##### **(1) The position of Haryana State**

Although being one of the smaller states in India from the point of view of area and population, economically, it has a high growth rate, per capita income and other economic figures are considerably higher than the average for India. Furthermore, it borders the capital Delhi and thus has access to a large labor supply, consumer market and an international airport, giving it a favorable position.

##### **(2) Concentration of industries**

Compared to other states in India, Haryana state is relatively advanced in transportation related engineering industries with car, motorbike, bicycle and truck producing industries.

The proposed site for IMT, Gurgaon is currently not particularly advanced within Haryana State, however, as it has a concentration of automobile makers such as Suzuki-Maruti and it is close to Delhi it has a bright future in industrial advancement.

Also, recently Sony of Japan has decided to locate a facility with 100% foreign equity investment in the suburbs of Gurgaon.

Therefore, as industries locating in IMT will be able to strengthen ties with automobile, general machinery, electric and electronic industries, IMT is in an advantaged position.

##### **(3) Industrial estate development**

Industrial Development is carried out by the Haryana State Industrial Development Corporation (HSIDC) which has developed many industrial estates in major cities despite its small size.

However, from an international perspective the existing facilities are somewhat lacking, thus the development of IMT is desired.

##### **(4) Research and development organizations**

Industries entering IMT will be able to make use of the existing Industrial Research and Development Facilities in Gurgaon.

Many foreign companies in the suburbs of Gurgaon require graduation from the Industrial Training Institute (ITI) as a condition for employment, and thus the number of students desiring entry to the institute is large. However, its facilities and materials are limited and therefore it is desirable for industries entering IMT to guarantee their own occupational training facilities.

### **3.4.2 Industrial Policy**

#### **(1) Incentives**

It is the policy not to provide special incentives on top of the various incentives which the Haryana State Government already provides.

However, the proposed IMT site will be given zone "B" status incentives.

#### **(2) Single window service**

The Haryana State Government is providing "Single Window Service" to accelerate and simplify paperwork for industries.

Improved service is necessary for attracting industries to IMT. A facility to conduct industrial promotion activities, approval procedures, and provide production assistance is required within IMT.

## **Chapter 4**

# **Social Climate In and Around the Candidate Site at Gurgaon**



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## Chapter 4 Social Climate In and Around the Candidate Site at Gurgaon

Gurgaon is located in the southern part of the Haryana State. It is located in the south-west direction from New Delhi at a distance of 45 km from the center of New Delhi. Gurgaon is one of the satellite towns of New Delhi and is well within commuting distance from New Delhi.

The site for the IMT is located along the National Highway No.8, near the village of Manesar in Gurgaon District (refer Fig 4.1.1). The land of the IMT site and the surrounding area is mainly agricultural, and there are 8 villages in the surroundings of the IMT site.

### 4.1 Population and Development Plan

#### 4.1.1 Population

##### (1) Total Population

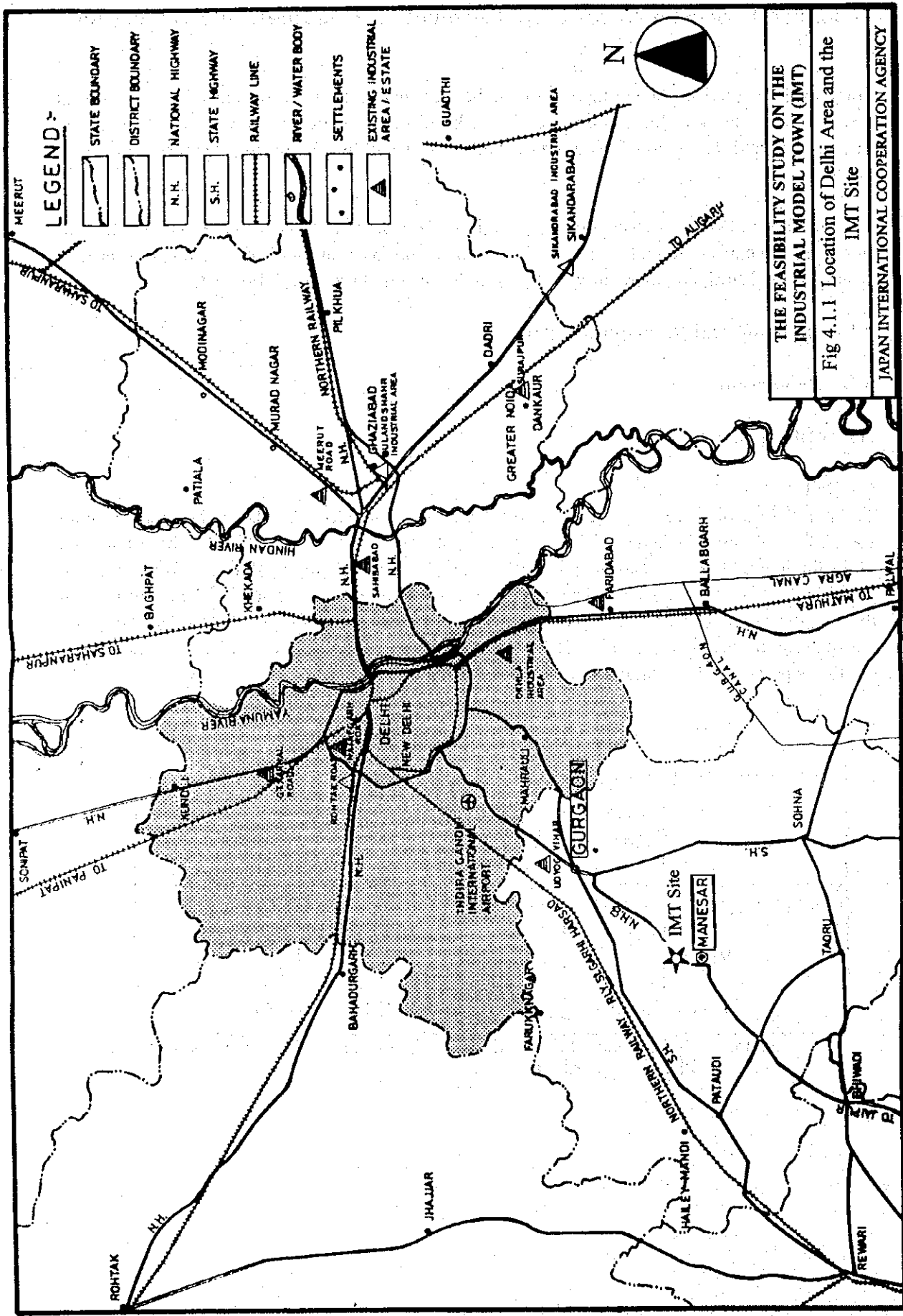
##### (a) Delhi

The population of Delhi was 9,250,000 in 1991. The population of the urban area of Delhi was 8,810,000, and the share of the urban population to the total was 95.2%. The urban area of Delhi has 6 districts, Bawana, Alipur, Pooth Khurd, Pehlampur Bangar, Bijwasan, and Delhi U.A. The central area of Delhi has most of the population. The population growth in the last 30 years (from 1951 to 1991) was over 4 % per year, and grew by 50% every 10 years, but the growth has been less after 1981. The population of the urban area has become larger, but the population of the rural area has become smaller.

**Table 4.1.1 : The Population of Delhi**

	Population (thousand persons)		Growth per a year (%)			
	(1981)	(1991)	1951 -1961	1961 -1971	1971 -1981	1981 -1991
Delhi U.T Urban	5,770	8,810				4.32
Rural	450	440				-0.22
Total	6,220	9,250	4.31	4.34	4.34	4.05

Source: Reginal Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec.1988



**Table 4.1.2 : The Population of the Urban District of Delhi**

Name of Area	Population (1981)	Area (sq. km)
Delhi U.A.	5,729,283	540.74
Bawana	12,637	17.00
Alipur	6,735	8.56
Pooth Khurd	7,145	10.00
Pehladpur Bangar	5,011	4.68
Bijwasan	7,389	10.90
(Total of Urban)	5,768,200	591.88

Source: Regional Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec.1988

**(b) Gurgaon**

As per the 1991 census, the population of Gurgaon was 135,884, and the population growth in the last 10 years (from 1981 to 1991) was about 35%. The average annual population growth was about 3,200 persons (or 5.0%) in 1961-1981, and 3,500 persons (or 3.0%) 1981-1991.

The site of the IMT adjoins the village of Manesar, and there are 8 villages in the surrounding area. The population of the village of Manesar was 5,649 in 1991, and the total population of the 8 villages was 21,848.

**Table 4.1.3 : The Population of Gurgaon**

	(Population)			(Growth per year)	
	1961	1981	1991	1961-1981 (%)	1981-1991 (%)
Gurgaon	37,868	100,877	135,884	5.0	3.0

Source: Statistical Abstract of Haryana 1992-93, Economic and Statistical Organization, Planning Development, Government of Haryana

(2) Workers

(a) Delhi

The working population in Delhi was 1,857,545 in 1981, and the share of the workers to the total population was 32.2%. The number and the share of the total in main industries is as follows.

Primary Sector	25,090 ( 1.4%)
Secondary Sector	665,541 (35.8%)
Tertiary Sector	1,166,550 (62.8%)

Industry can generally be classified as urban type, because the tertiary sector forms the largest share. In the secondary sector, industries other than household industry forms the largest proportion; indicating that comparatively large scale industry dominates the secondary sector. Delhi has a large scale population and services and commerce have the main share in the tertiary sector.

**Table 4.1.4 : Number and Share of Workers in Delhi**

Type of Industries	1971		1981	
	Number	%	Number	%
Primary Sector	8,779	0.8	25,090	1.4
Cultivators	5,176	0.5	7,227	0.4
Agricultural Laborers	3,603	0.3	4,772	0.3
Livestock, Forestry etc.	-	-	13,091	0.7
Secondary Sector	338,448	30.3	665,541	35.8
Mining & Quarrying	9,091	0.9	4,745	0.3
Manufacturing, Processing	267,840	24.0	542,097	29.2
Household Industry	25,107	2.2	31,349	1.7
Other than Household	242,733	21.7	510,748	27.5
Construction	61,517	5.5	118,699	6.4
Tertiary Sector	769,710	68.9	1,166,550	62.8
Trade & Commerce	239,719	21.6	413,430	22.3
Transport & Communications	107,324	9.6	168,457	9.1
Other Services	422,667	37.8	584,663	31.5
Total Workers	1,116,937	100.0	1,857,545	100.0
Population	3,647,023		5,678,200	
Participation Ratio	30.6		32.2	

Source: Reginal Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec.1988

(b) Gurgaon

In 1991, the number of main (permanent) workers in the Gurgaon District was 318,088, marginal (part-time) workers numbered 49,355 and the total number being 367,443. The share of workers to the total population is 32.1%, and the share of total main workers by main industries are as follows.

Agriculture	53.8%
Industry and Construction	12.5%
Tertiary Sector	32.3%

The share of workers to the total population in the Gurgaon District is slightly higher than the share in Haryana State. The share of the agricultural and industrial workers is lower, and the share of the tertiary sector is higher than the share in Haryana State, as shown in the following table.

**Table 4.1.5 : Number and Share of Workers in Haryana and Gurgaon by Type of Industry (1991)**

Type of Industry	Haryana State		Gurgaon District	
	Number	%	Number	%
<b>Primary Sector</b>	2,771,028	58.7		
Cultivators	1,829,530	38.8	127,705	40.1
Agricultural Laborers	896,782	19.0	43,656	13.7
Livestock, Forestry, Fishing, Hunting and Plantations	44,716	0.9	4,070	1.3
<b>Secondary Sector</b>	627,654	13.3		
Mining and Quarrying	5,845	0.1		
Household Industry	72,195	1.5	4,464	1.4
Other than Household Industry	426,138	9.0	26,214	8.2
Construction	123,476	2.6	9,365	2.9
<b>Tertiary Sector</b>	1,320,044	28.0	102,614	32.3
Trade and Commerce	407,010	8.6	27,451	8.6
Transport, Storage and Communications	153,459	3.3	13,732	4.3
Other Services/Other Workers	759,575	16.1	61,431	19.3
<b>Total Main Workers</b>	<b>4,718,726</b>	<b>100.0</b>	<b>318,088</b>	<b>100.0</b>
Marginal Worker	384,744		49,355	
Non-Workers	11,360,178		778,647	

Source: Statistical Abstract of Haryana 1992-93, Economic and Statistical Organization, Planning Development, Government of Haryana

## 4.1.2 Development Plan

### (1) Delhi

The planned development of Delhi is shown in the Regional Development Plan of the Delhi Metropolitan Area from the "Regional Plan 2001--National Capital Region", published by the National Capital Region Planning Board, December 1988.

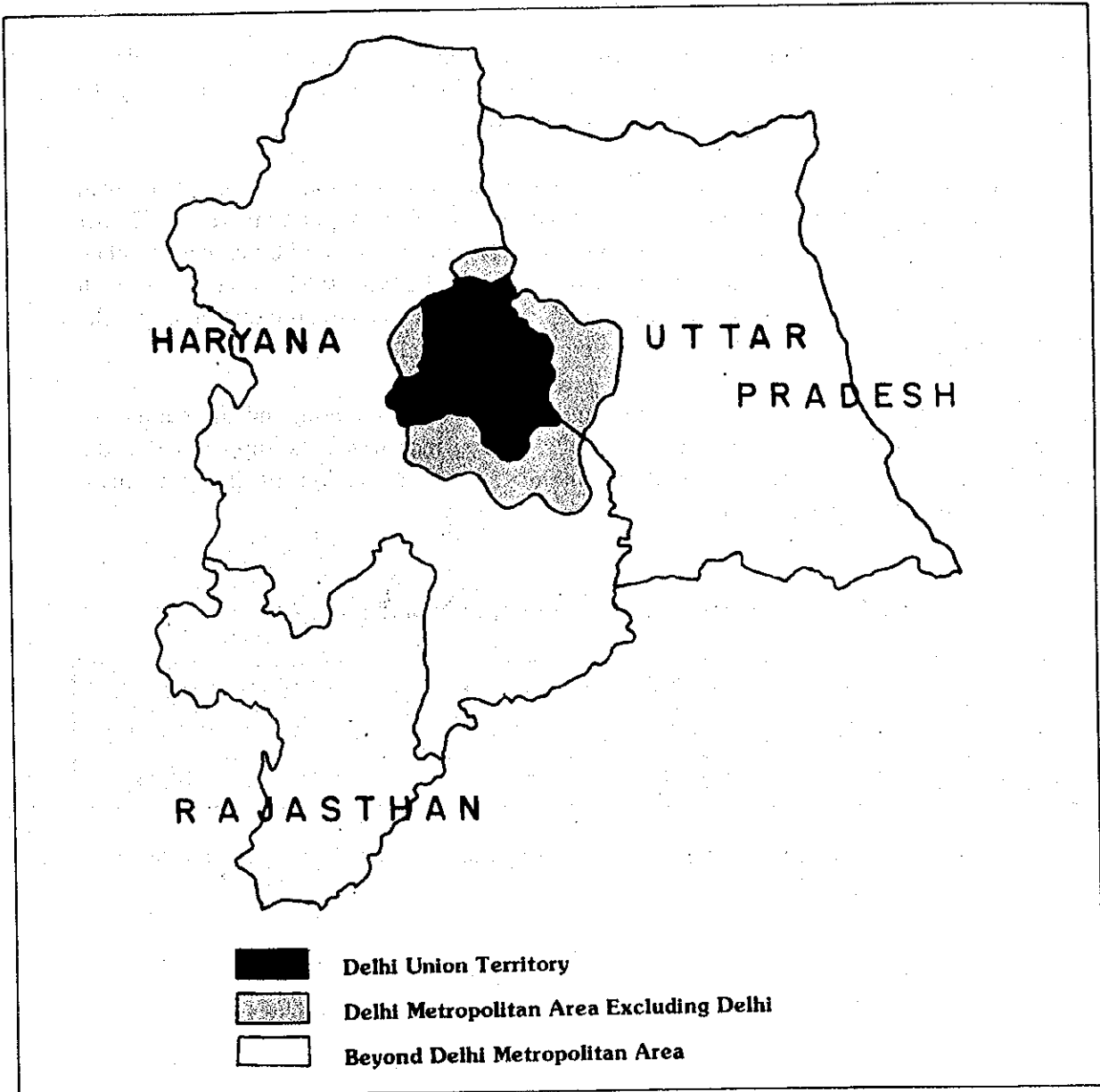
The population of Delhi is projected to be 12,900,000 in 2001 according to this plan which was based on the population in 1981. The estimated growth of the population is 3.6% per year from 1991 to 2001.

The predicted growth of the population is 3.89% per year in the urban area, but the growth in the rural area is -1.99%; therefore the population will become more concentrated in the urban area.

**Table 4.1.6 : Present and Future Population in Delhi**

	Population (thousand persons)			Growth per year(%)	
	1981	1991	2001	1981-1991	1981-2001
Delhi U.T Urban	5,770	8,810	12,900	4.32	3.89
Rural	450	440	360	-0.22	-1.99
Total	6,220	9,250	13,260	4.05	3.67

Source : Regional Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec.1988



**Fig 4.1.2 : Policy Zones of the National Capital Region**



## (2) Gurgaon

The development plan of Gurgaon is included in the Regional Development Plan of the Delhi Metropolitan Area from the "Regional Plan 2001--National Capital Region", published by the National Capital Region Planning Board, December 1988.

The population of Gurgaon is projected to be 700,000 in 2001 according to this plan which was based on the population in 1981. The predicted growth of the population was 10.2% per year from 1981 to 2001; therefore the population in 1991 would be 266,000 as per the plan, but the actual growth of the population was 3.0% per year from 1981-1991. At current growth rates the population will be 183,000 in 2001, which is much less than the population as per the plan, and it will not reach 700,000 until 2045 at the present trend.

However a large scale residential town is being constructed in Gurgaon, and the number of residents in the new town will be over 400,000 persons; therefore it is supposed that the population plan, 700,000 persons, will be attained after completion of the new town development in the early 21st century.

**Table 4.1.7 : Present and Future Population in Gurgaon**

	(Population)			(Growth per year)	
	1981	1991	2001	1981-1991	1981-2001
Gurgaon	100,877	135,884	700,000	3.0%	10.2%

Source: Regional Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec. 1988

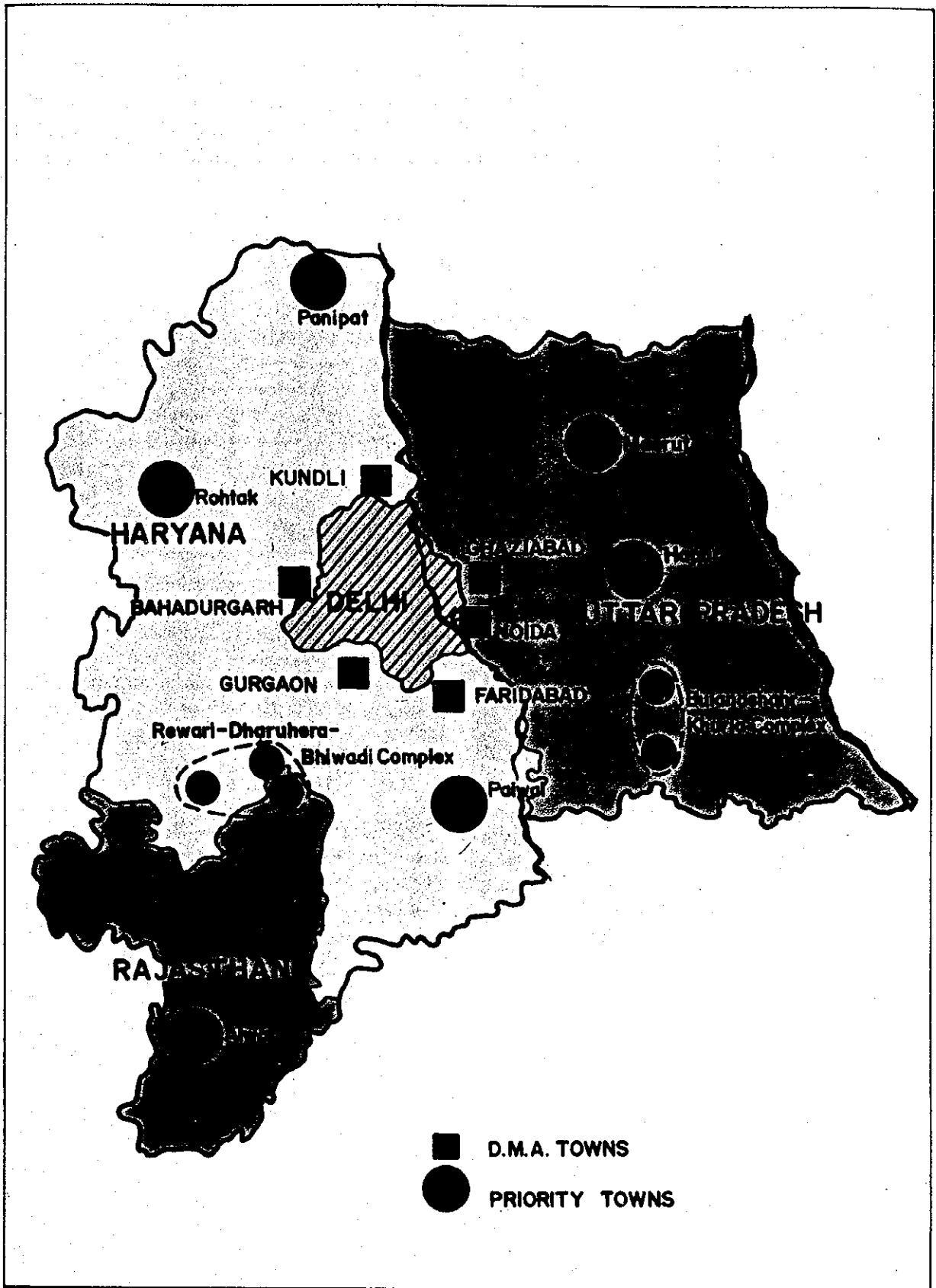


Fig. 4.1.3 : The Position of Gurgaon in the National Capital Region

## 4.2 Housing Facilities

The number of residential houses in NCR (excluding Delhi UT) was 2,086,857 in 1987. The growth of houses from 1971 to 1981 was 488,718, and the annual average growth was about 49,000. The annual average growth from 1981 to 1987 was about 10,000. The regional plan 2001 estimated at 2,173,200 additional housing units would be required between 1988 to 2001.

**Table 4.2.1 : The Number of Houses in NCR**

	Occupied Residential Houses			Additional House Units between
	1971	1981	1987	1988-2001
NCR (Excluding Delhi U.T.)	1,536,782	2,025,500	2,086,857	2,173,200

Source : Regional Plan 2001 - National Capital Region, National Capital Region Planning Board, Dec.1988

Several housing areas are being developed in Gurgaon as part of the urban development. The developers are both public and private companies. In the public sector, the developer is HUDA (Haryana Urban Development Authority), and private sector developers are DLF (Delhi Land and Finance Co.), Unitech, Ansal, Malibu and others.

The area of land being developed is over 55,000 ha. The number of houses already constructed is 12,651, and it has been decided to construct an additional 52,861 houses. It is assumed that the number of residents in the developing housing area will be 400,000 persons. Those houses are provided to upper and middle class people. The Housing Board Haryana has constructed 5,000 houses in Gurgaon, and has made them available to lower income people.

**Table 4.2.2 : Planned Housing Facilities in Gurgaon**

Name of Developer	Area Developed (ha)	Houses Constructed	Houses Planned
HUDA	54,323	5,600	25,500
DLF (Total)	398	3,300	13,595
(Phase 1)	128		
(Phase 2)	116		
(Phase 3)	100		
(Phase 4)	54		
Unitech	63	951	3,614
Ansal	253	2,800	10,152
(Total)	55,037	12,651	52,861

Note-1: Unitech has a plan to develop 1,182 flats in addition to 63 ha.

Note-2: Details of the development by Malibuis is not known.

Source: Interview Survey

The share ratio of independent houses for each developer is from 75% to 90% of the area, 10 - 25% being apartment houses. All houses have been constructed for sale, not rent.

### **4.3 Urban Facilities**

#### **4.3.1 Commercial Facilities**

There is large scale commerce in Delhi, and a large scale commercial zone in the central area. There are many large markets and commercial complexes in the area, but small shops dominate the commercial facilities. There are few large scale department stores or supermarkets.

Several commercial facilities are concentrated in and around Gurgaon with 5 large scale commercial complexes and 4,475 stores.

Commercial development has been in progress by developers in the urban development area of Gurgaon. A commercial complex has been constructed and 3 complexes are under construction. The HSIDC (Haryana State Industrial Development Corporation) is planning to construct a large scale commercial complex that has over 70,000m<sup>2</sup> floor area, near an industrial estate on the National Highway No.8. The total scale of the land area that is under construction or planned to be developed for commercial purposes is 300 ha.

**Table 4.3.1 : Area of Commercial Facilities being Developed or Planned**

(Developers)	Area (ha)
HUDA	257
DLF	26
Unitech	4
Ansal	13
<b>(Total)</b>	<b>300</b>

Source: Interview Survey

#### 4.3.2 Medical and Sanitary Facilities

There are several large general hospitals and numerous other medical facilities in Delhi. There are 11 main medical facilities in the Gurgaon District, and three of them are general hospitals. The largest general hospital is in Gurgaon. There are 9 sub health centers, 3 dispensaries, family planning and welfare centers, nursing homes and clinics in Gurgaon. The total number of beds is 229.

**Table 4.3.2 : Medical Facilities in Gurgaon**

	Number of Facilities	Number of Beds
General Hospital, Gurgaon	1	120
General Hospital, Sohna	1	25
General Hospital, Hailymandi	1	20
Primary Health Center	8	8 beds each
Nursing Home	32	
Clinic	728	

Source: Interview Survey

#### 4.3.3 Educational and Research Facilities

There are several primary schools for elementary education and middle/ high schools for secondary education. Some schools are managed by state/ central government, and others are private schools called "public schools". The public school has a 9 or 12 year course of elementary and secondary education.

There are many higher education schools, governmental elementary and secondary education schools and public schools in Delhi. There are other foreign schools for foreign residents, such as American, British, and Japanese schools.

There are 550 elementary educational facilities and 271 secondary educational facilities in the Gurgaon District, catering for a total number of 208,725 students.

There are 30 government elementary educational facilities, 29 government secondary educational facilities and a public school in Gurgaon. Also there are 2 colleges and 2 schools of higher education in Gurgaon.

The land area for schools which has been developed by urban developers in Gurgaon is 113 ha.

**Table 4.3.3 : Schools in Gurgaon**

Type of School	Number of Facilities	Number of Students
Primary School	550	66,039
Middle School	108	28,889
High School	125	80,352
Senior Secondary School	38	33,445

Source: Interview Survey

**Table 4.3.4 : Land area developed for Schools**

(Developers)	Area (ha)
HUDA	-
DLF	62
Unitech	13
Ansal	38
<b>(Total)</b>	<b>113</b>

Source: Interview Survey

There are 2 research facilities in Gurgaon; HIPA (Haryana Institute of Public Administration) and ERDC (Electronics Research Development and Facilities Centre). Both the facilities are owned and managed by the Haryana government. HIPA is a facility for training high-ranking officials of the state government, and some training courses are provided to staff of private companies. ERDC is a research institute of industrial technology and it has an EMMC (Electro Medical Maintenance Centre). EMMC is a research institute of electronics and medical technology, and it has training courses for engineers and factory workers of private companies in cooperation with other state organizations, such as IDDC (Instruments Design Development and Facilities Centre) and others.

#### 4.3.4 Urban Amenities

##### (1) Hotel and Resort facilities

There are many high-class hotels, other hotels, motels, and inns in Delhi.

There are no city hotels but only tourist complexes, managed by the Haryana Tourism (a state government organisation) in Gurgaon District. There is one tourist complex in Gurgaon and Sohna.

There are few resort areas such as the bird sanctuary and a lake side resort near the IMT site. There is a facility for Haryana Tourism in each area. A high class hotel is under construction in the adjoining area of the IMT site.

**Table 4.3.5 : Tourist Complex of the Haryana Tourism**

Tourist Complex	Bed Rooms	Guest House/Hut, Model	Other Facilities
Gurgaon	14	1	Restaurant, Bar, etc.
Sohna	10	3	Cafeteria, Splash Pool, etc.
Bird Sanctuary (Sultanpur)	2	5	Restaurant, Bar, Conference hall, etc.
Damdama Lake (Sohna)	9	5	Restaurant, Conference hall, etc.

##### (2) Sports Facilities

There are many sports facilities, sports stadium, golf clubs and others in Delhi, as well as high-class hotels with swimming pools, tennis courts and sports gyms.

The main sports facilities in Gurgaon consist of a stadium with 20,000 seats, tennis courts and clubs as follows:

Stadium	1(20,000 seats)
Tennis Courts	
Tennis Court (Developed by HUDA)	4 courts
Tennis Academy Sector-37 Court	4 courts
Club (Tennis, Badminton, Swimming pool etc.)	4

There are 5 golf courses within a 5-10 km area from the IMT site. Some of them are not only golf courses but also resort facilities for family use with hotels, swimming pools and other amenity facilities.

#### Golf Courses

- Golf Courses Silver Grade
- Country Club Golf Courses
- Golf Courses Golden Green
- Midow Golf Courses
- The Resort Country Club

#### 4.3.5 Other Public facilities

There are many administrative and public organizations and their facilities in Delhi, the capital of India and a large city. There are many amenity facilities, cultural facilities, emporiums and tourist offices of state governments.

There are some public facilities in Gurgaon, a post office, a fire station, 18 banks and others.

#### 4.4 Facilities Necessary in the IMT

IMT is not just an industrial estate, but it is an industrial town which includes housing and commercial facilities necessary to support urban life. As a result, for foreign industries, the housing facilities are also important besides the industrial facilities.

Discussions were held during the Master Plan study regarding the facilities necessary in IMT considering the current conditions in Gurgaon and the surrounding regions, and the outlook for the future.

##### 4.4.1 Position of Gurgaon

The regional development plan for the National Capital Region (NCR) which includes the proposed IMT site in Gurgaon has the year 2001 as its target year. This plan calls for controlling the growth of Delhi and shifting the growth to surrounding cities. Gurgaon being located in the outskirts of the Delhi Megalopolis is therefore, systematically expected to achieve an appropriate and healthy level of growth.



#### **4.4.2 Necessity for Construction of Facilities**

Large scale development including residential areas has already started in the suburbs of Gurgaon, however, the facilities necessary to guarantee a world class living suburban environment for IMT were considered and the results are as follows.

##### **(1) Housing**

There is a ready supply of housing from the large scale residential developments, including those by private developers, taking place in the outskirts of Gurgaon, and there is no need to build all the necessary housing units within the IMT compounds.

##### **(2) Commercial Facilities**

In Gurgaon there are very few commercial facilities that can be used by foreigners. Therefore it is necessary to provide these facilities in the IMT.

##### **(3) Medical Facilities**

The large size general hospital in Delhi can be used. However, a simple medical center for common treatments is needed.

##### **(4) Educational Facilities**

There are many schools in Gurgaon, however, considering the population of the IMT, it will be necessary to provide facilities at the elementary and junior high school level.

##### **(5) Urban Amenities**

There are no five star hotels as of present, however, there are hotels which can be used by foreigners. Also as there are existing plans for hotel development, there is no need to plan to develop new hotels or resorts. A sports facility which can be used by foreigners is necessary.

##### **(6) Other public facilities**

Post offices, fire stations and police stations needed to support a community must be built within the IMT.