CHAPTER II

I. INDUSTRIAL ESTATES - A PREVIEW

The concept of industrial estate is almost a century old. The idea originated from Britain and over the course of years the concept has grown in dimension and scope. Earlier the estates were neither financed nor controlled by the Government. They were popularly known as trading estates. It is from the example and experience of the Trafford Park estates limited and Slough Trading estate limited that Government caught the idea of developing Government financed industrial estates. The first estate was developed in 1896 in the U.K. and this helped bring business to Manchester ship canal. The second estate was established in 1920 and this was meant to dispose of surplus war stores. In Trafford Park estate only small factories were built but in Slough Trading estate, construction of factory sheds for large units on a fairly organised scale took root. Renting out the sheds to entrepreneurs was the main function of these two original estates and it was due to the success of these original estates that the industrial estates became instrumental

in attracting the attention of entrepreneurs who hinted at Government taking a lead in starting such sponsored and aided estates in areas affected by severe unemployment (depressed areas) and industrially backward. The U.K. Government passed the Special Areas Act in 1934. Government under this act was empowered to acquire land and transfer it to bodies who proposed the proper utilisation of the facilities for the improvement of special areas. After the Act of 1934, the famous Team Valley Estate came to exist. The above act was amended in 1937 to grant incentives to the industrial units in the estate. After many improvements and amendments in 1960 Local Employment Act was passed to promote employment opportunities in localities in England, Scotland and Wales. These areas were affected by high rate of unemployment. The act gave power to Board of Trade in England to:

(i) Acquire land — even compulsorily if economic policy necessitated such move;

(ii) To construct buildings which were let out on rental basis to deserving traders and businessmen who could provide gainful employment;

(iii) To lease out the land to entrepreneurs who had the interest in creating own constructions to run the business;
(iv) To construct Government buildings even on private land on certain agreed terms and conditions providing for the repayment of construction cost to the Government by instalments.

This is how industrial estates originated and established in Britain and Industrial Estates Corporations were set up in England, Scotland and Wales. Thus, the concept of industrial estates grown over a period of over 90 years led to improvement of towns and reduction of over-crowding in certain areas as well as the development of depressed and economically backward areas of Wales and Scotland.

**Industrial Estates in Various Countries of the World:**

From the famous Trafford Park Estate Ltd. established in 1896, the movement spread to other parts of the world. In 1899 Clearing Industrial District was established in the U.S.A., but in United States the initiative came from the private entrepreneurs unlike Britain. Further, there was wholesale adoption of the concept of industrial estates due to tremendous upsurge of new units and branches during and since the period of Second World War (1939 to 1944). There was rapid development of industrial zones similar to
industrial estates of Britain in Germany, Austria, the Netherlands and the Scandinavian countries. The progress of these industrial zones was faster than the movement in England and the United States. Industrial zones have taken the name of industrial tracts in America. That these are areas which have been reserved or set aside for industrial use only, wherein the municipal bodies were to provide the infra-structure and industrial services to make the areas the breeding ground for industrial activities specially suited for small entrepreneurs. The real success of industrial estates were seen only after 1950 in the United States of America.

Success in Britain influenced some commonwealth countries, particularly India and Pakistan. The other prominent country using industrial sub-divisions on a large scale is Puerto Rico. In this country, in the "Operation Bootstrap" program the industrial estates were the part of the combined incentive designed to attract industrial units from outside. This is a country faced with growing population and limited resources. By 1958 there were as many as 500 industrial units established in various parts of Puerto Rico.

In Canada, in 1952 Ajax Industrial Estate with 100 acres of land near Toronto and another one at Annacis
Estate with 1200 acres land were established. Later on, many estates emerged. In some cases, there were private agencies or syndicates acquiring land and developing factories and plots providing industrial facilities. It is interesting to note that more than 22 municipal bodies in Canada are actively engaged in planning in the development of industrial traits.

In Jamaica, one big industrial estate with 170 acres was established in 1958 near the Port City of Kingston by the Industrial Development Corporation and there is provision for expansion with another 300 acres. Factory sheds are constructed by the Corporation and are given to entrepreneurs for outright purchase or five year lease. Rental is fixed at 10% of the cost of land and building exclusive of insurance, water rates, repairs, utilities. Streets are built according to plan and the estates are well served by major high ways and rail road with a small airport operating as well.

In Mexico, the industrial estate was initiated in 1957 and one of the basic objectives was to reduce pressure of population in cities. Liberal incentives were granted by the Government to entrepreneurs including 25 year tax exemption.
In Brazil, in 1952 a private firm developed one square kilometer of land in Lapa Suburb of Sao Panto into an 'Industrial Nucleus'. Power, light, drainage, telephone are provided. Over forty units started functioning in 1952.

In Western Europe - the Netherlands, following the Second World War which felt a strong need for reconstruction of the war ravaged economy undertook massive programme of industrial estates by the Government. Big Dutch cities started developing industrial zones with all the utilities provided for the growth of industries. Now the Dutch Government has taken special interest in sponsoring the project of industrial estates in friendly countries in need of assistance in the growth of small units. Industrial areas are also developed by Dutch City Corporation. In addition to local efforts the Central Government is also assisting the development of industries by encouraging the establishment of estates.

Denmark:

Industrial Estates were established in Denmark in 1952. They were mainly meant for the growth of artisans and small scale industrial units for location, research services, improvement in productivity, information on
processes, products, markets, patents, financing, advertising etc. so that the units could have increased export earnings.

In Finland there are industrial zones. In 1950 Associations of Industries took up the programme of erecting factory buildings and towns. The buildings are mainly owned by joint stock companies.

In Sweden industrial area is created and long term plans are drawn to erect factory sheds and to allot them to small units. Manufacturers’ associations in Sweden have shown great interest in the development and growth of small industry in industrial area.

In Switzerland industrial traits are located and the idea of spreading industrialisation to non-industrialised towns was taken up by the Government in 1951. The industrial estates are given land at subsidised rate by the municipal bodies.

In Belgium Municipal Council of Hassell adopted special measures to create industrial employment opportunities and the industrialists were given financial benefits to start an industrial estate similar to those in the United Kingdom.
Idea of industrial estate spread to Italy after Second World War and two estates were started in 1957.

In West Germany, industrial zones were preferred and sites are reserved for industrial purposes.

In Africa it is in Nigeria that the Department of Commerce and Industries developed a small industrial estate at Lagos as a pilot project. The Yaba industrial estate was established in 1957. All infra-structure and utilities are provided by the Government.

Asian Experiment:

It is India which has effectively used the industrial estates programme for the growth of small units and the regional growth of industrially backward areas. India launched this massive programme by the end of first plan (in 1955).

In Pakistan greater importance is given to development of industrial areas and the priority is for big units rather than the small units. The Sind Industrial Trading Estates Limited, a Government Corporation was established in 1947 and this Corporation has established two industrial estates
at Hyderabad and at Mangopir which is located on the outskirts of Karachi. The latter estate has been very successful in bringing up a large industrial complex despite the limited services offered.

II. MEANING OF INDUSTRIAL ESTATES

Though originated from Britain it was Dr. William Bredo who gave the description of industrial estates as "a tract of land which is subdivided and developed according to a comprehensive plan for the use of the community of industrial enterprises". 2

The comprehensive plan must make detailed provision for streets, internal roads, public utilities and provide for the erection of factory sheds or buildings in advance of sale or lease to occupants. It includes the size and shape of the building and special facilities and services.

Later in 1961-62 Dr. P.C. Alexander made a pioneering study on the industrial estates in India. Dr. P.C. Alexander was a development commissioner for small scale industry, in the Ministry of Commerce and Industry, Government of India. With the in-depth study of the working of industrial estates in Britain as well as other countries Dr. Alexander came

out with his own description of industrial estates. He widened the scope of the industrial estates by including all those activities that are involved from the stage of acquiring and developing land and plots for housing small industrial units to the providence and maintenance of infra-structure and industrial services as a regular course and not merely as a time bound but a continuous programme.

To put in Alexander's words industrial estate "is a group of factories constructed on an economic scale in suitable sites with facilities of water, transport, electricity, steam, bank, post offices, canteen, watch and ward, first aid and provided with special arrangements for technical guidance and common service facilities".  

The scheme of industrial estates here includes financial assistance as well technical and managerial guidance ensuring planned growth of small units housed in the factory sheds constructed according to pre-determined designs and sizes. Layout and the administration should be such that an industrial environment is created in these estates.

We can also call such an industrial estate an instrumentality specially designed to step up the pace of industrial activities through the network of sufficiently large cluster of factory sheds constructed in advance of allotment to small entrepreneurs, located little away from the busy urban industrial centres so as to bring up an industrial complex self contained to provide necessary infra-structure and industrial facilities to enterprises in keeping with regional growth and industrialisation of semi-urban and rural areas by the State agency.

Industrial estates according to this meaning expresses a very wide scope of the programme in India. But, it excludes the estates sponsored by other than Government agency, such as private estates, private industrial areas, co-operative estates, industrial parks, tracts, etc. sponsored by Chambers of Commerce or Manufacturers' Associations. The activities of these non-government estates are in tune with the general objectives of the estates. Industrial park or organised industrial districts also connote the possibility of providing the building or factory sheds for industrial activities but in a different context and on different administrative footing.
Industrial Estates and Industrial Zones Distinguished:

Industrial zones are the areas reserved specially for industrial activities, whereas the industrial estates are necessarily the industrial zones wherein sheds are constructed to house small units. Industrial zones are generally created in accordance with principles of urban and community planning by the municipal authorities and are older in point of time than industrial estates. These zones are common in developed countries.

Classification of Industrial Estates:

Based on the functionaries, improvements and industrial facilities provided to units operating we can have a grouping of the industrial estates into the following classes:

(i) **Industrial tract:** This means and includes developed tract of land making provisions for streets and internal roads and utilities, but not providing for any building for industrial purpose;

(ii) **Industrial Sub-division:** This is also a developed tract of land providing constructed factory sheds specially designed for small group of enterprises;
Industrial estates proper: This is a very well developed land sufficiently large in size providing constructed sheds and developed plots in various sizes according to standard pattern and designs, inclusive of full-fledged infra-structure, utilities and industrial services - sufficient enough to create an economic environment for the rapid growth of small scale units.

While planning the estates the special needs of the industrial units will have to be considered. The viability of industrial estates has been an admitted fact all over the world and with this tool large number of ancilliary and functional estates have emerged. So as a tool of rapid growth of industrialisation industrial estates have proved indispensable in modern world and they definitely hold a bright future, may be in varied forms, for many more years to come.

The provision of technical guidance, common service facilities assumed considerable importance in the development of industrial estates.

The United Nations Industrial Development Organisation in its publication entitled Policies and Programmes defined
an industrial estate as "a planned clustering of industrial enterprises offering standard factory buildings erected in advance of demand and a variety of services and facilities to the occupants".

This description brings out the main features of an industrial estate as:

1. Group character of industrial units in a very well planned pattern of layout;
2. Sheds are built in advance and then the prospective entrepreneurs are called upon to occupy the sheds according to the set terms of the agencies responsible for the creation of the estate;
3. Factory sheds are of uniform size and shape according to the adopted types suited to small units which is justified also on the grounds of economies in construction cost;
4. Providing of variety of industrial and infra-structural facilities to the occupants who cannot afford to have these facilities on their own.

United Nations Centre on Industrial Development (on types of Industrial Estates Geneva 1966) defined industrial
estates as "a planned clustering of industrial enterprises with built up factory accommodation and services". This definition does not speak about the construction of sheds in advance and standard patterns and sizes of sheds.

Therefore, the definition of United Nations Publication on industrial estate seems to be more comprehensive in describing the industrial estate as a tool of rapid industrialisation.

But, there again clear expression to dispersal of industries, specific mention of small industries and agrarian and rural backwardness is not to be seen.

So, the programme of industrial estates as adopted in India has to be described with reference to what is expected of them in the context of a developing country.

In the normal course industrial estates in a developing country are expected to achieve the following:

(1) Creation of an economic environment and rapid transformation of rural poverty into rural prosperity;

(2) Industrialisation of industrially backward regions or areas;
(3) Planned dispersal of industries in keeping with balanced growth and defence strategy;

(4) Clearance of industrial slum, congestion and prevention of air and water pollution;

(5) Generation of new class of entrepreneurs especially from rural areas;

(6) Maximum utilisation of manpower and material resources;

(7) Recognising every district and block or taluka in the country as growth centre for industrialisation drive;

(8) Sustaining the strength of agricultural base—through Agro-industrial integration;

(9) To inculcate in workers the awareness of innovation as a strategy for individual and collective growth;

(10) Maximum utilisation of manpower resources in industrial sector so as to relieve the pressure of population on land.

We have to evolve a definition of industrial estate covering the above points. The conditions prevailing in advanced countries and the context in which industrial
estates were introduced are totally different from developing countries of the world. Therefore, the definition of industrial estate as a tool with common objective of rapid growth of small industries and regional growth can be accepted without any reservations.

The meaning of industrial estates, however, differs from place to place and from context to context. It refers to a tract of land developed and sub-divided according to comprehensive plan into plots or sheds of standard patterns and sizes with adequate provision for internal roads, transport, power and industrial facilities for the use of the community of entrepreneurs taking to industrial activities. In brief, they are designed to organise, house and service the small industrial units located at the estates. These estates are designed out of necessity in economically depressed or backward areas.

The Species of Industrial Estates:

The industrial estate is a generic term. It has very many species. In the U.K. they are known as "trading estates". In United States industrial parks or industrial districts are common species. 'Industrial zones' and 'Industrial nuclei' are the species in Germany and Italy.
In Canada species are called plaza and in U.S.S.R. they are called industrial regions and in Puerto Rico they are known as 'Industrial Sub-divisions'. They are named as Industrial City in Mexico. In other places - India, Pakistan, Ceylon, Denmark, France, Finland, Hongkong, Indonesia, Ireland, Israel, Jamaica, Japan, Nigeria, The Netherlands, Singapore, Spain, Switzerland, Sweden, Taiwan and Thailand and the like they are called 'industrial estates'. These differ in meaning as well as in content as they can be organised in many forms to provide variety of amenities and industrial services. It can be a landscaped park or an utilitarian tract of land offering improved sites for general purpose factories or specific industry, and it may provide basic infrastructure and utilities and common facilities.

In economically developed countries they take the speculative trading form and in developing countries they have more concrete and sophisticated form. Good many of these estates are related to the degree of the economic development of the region. For example, there can be fully planned industrial estate with custom-built-factories for selected industries or there can be combination of custom-built-factories and general purpose factories covering both selected and general purpose industrial units. Further a
general estate (often called conventional type of estate) can provide sheds of various sizes to industrial units. There are estates providing improved or developed sites to medium large plants. And finally there can be industrial estates providing only improved sites and nothing else. The general purpose of various size estates are useful for all those areas holding prospects for industrialisation. This is most common in India and we can safely call it as 'Indian type'. The last one is useful in attracting industrial undertakings near large urban centres and help the existing units to relocate their operation more efficaciously.

The Variants of Industrial Estates:

There are many variants of industrial estates. They are Functional industrial estates, Ancillary industrial estates, Incubators (Nursery or nest factory), Workshop or Service industry and Flatted factories. A functional estate is organised for small units in a particular industry (a functional estate for sports goods is located in Delhi near Okhla Industrial Estate). In ancillary estate, small units which are ancillary to a particular large industrial unit are housed. Best example is of Hindustan Machine Tools (HMT) - ancillary estate at
Bangalore. The Yaba Industrial Estate near Lagos in Nigeria is a good example of incubators which serve as a reception centre for displaced (refugee) small units. It is a base for formation of larger unit. Workshop type is meant for small artisans who do mainly repair work of simple nature. In India minitype worksheds are designed to house such units. They are also found in Europe and Scandinavian countries. Service-type estates are engaged in service and job work. They are found in Britain and more frequently in developing countries. Flatted factory is a British innovation. It is called an Urban-Industrial Park in the U.S.A. To overcome the problem of relocating the units producing consumer goods and services in the outskirts of the city which is not beneficial to these units, multi-storied buildings to house such units have emerged in cities like London, Birmingham, Copenhagen, Stockholm and New York. They are recommended and coming up in India in Delhi and other big cities like Bombay. But these flatted factories will have to be planned with utmost caution in view of the high cost and the difficulties of rehabilitation to other places. Bombay Municipal Corporation has constructed at Bapti Road a Flatted Estate with 124 factory sheds and all the sheds have been occupied by small scale units engaged in light engineering line,
III. INDUSTRIAL ESTATES IN INDIA

(i) Introduction of the Idea and Spread of the Idea during Subsequent Plans:

India is a homeland of cottage and small scale industries which constitute integral part of rural India. Our small industries suffered from many handicaps - chief among them being lack of funds, dearth of knowledge in modern machinery, methods of production marketing, poor management and an unfortunate urban bias in our economic activities. It was this urban bias that has been responsible for backwardness of rural India economically as well as socially. This pathetic situation of small industries and the rural backwardness forced Central Government within less than a year of Independence to come out with a New Industrial Policy Resolution dated April 6, 1948 - assigning a positive role to be played by small scale and cottage industries.

The Second Industrial Policy Resolution dated 30th April 1956 described the role of small industries as under:
"They provide immediate large scale employment, they offer a method of ensuring a more equitable distribution of the national income and they facilitate an effective mobilisation of resources of capital and skill which might otherwise remain unutilised. Some of the problems of that unplanned mechanisation tends to create will be avoided by the establishment of small centres of industrial production all over the country".  

So it was with an intention of achieving a balanced growth of all regions and integrated growth of industrial and agricultural economy in each region which alone can help the entire country to attain higher standards of living, that the industrial estates programme was launched in our country in the year 1955. The major inspiration was gained from British experience in the development of depressed areas. The programme was seriously taken up by the Central and State Governments with the help of Development Corporations and financial institutions and also due to the initiative taken by foreign Governments (Dutch-Aided Projects).

State Governments in their economic programmes have taken care of industrially backward districts, semi-urban town and rural areas and brought the backward areas within the programme of industrial estates.

Industrialisation in India has been lopsided and there was heavy concentration of industries in few big cities. Locational factors were mainly responsible for this kind of concentration of industries generating imbalance in the growth of the economy. Regional disparities are now sought to be removed through the launching of small industries drive, District industries centres and industrial estates programme as a means of rural industrialisation. It is at this juncture that industrial estates emerge as handy tools for the development of small scale and cottage and village industries in India.

Traditionally, India compares well with Japan, another Asian country so far as the existence of large number of small scale and cottage industries constituting integral part of rural India. But, in Japan they have been growing as integral part of the rural economy. Every house in rural Japan is a part-time industry. In cities, they take the form of ancillary and subsidiary role supporting and supported by big industries. This combination of
small and big industries in Japan gave it the top place of honour on the industrial map of the world. The small units account for considerable percentage of export earnings of Japan. But, in India large industries grew at the cost of small scale and cottage industries. So, the rural based small scale and cottage industries require reconstruction through the instrumentality of industrial estates. This fact has been acknowledged and the movement is gaining fast the firm ground in the economic growth of the country and the achievements through Five Year Plans render testimony to this trend.

**Why Industrial Estates are Necessary in a Developing Country?**

It is reported that 8% of the population live on land or depend on agriculture in the U.K. and in the U.S.A. 22% of the people derive income from agriculture. In India, more than 70% of the people subsist on the occupation of agriculture. Moreover, this dependence on agriculture has been on the increase in recent years.

Further, Indian agriculture has been a gamble in monsoon and on an average in five year period there are

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5. District Industrialisation Drive, by Sir M. Visveswaraya, All India Manufacturers Organisation, Bombay, 1943, p.2.
two good crops, three very bad crops hit by drought. This is our experience for all these years. Therefore, there has got to be a development from bottom theory - shaping industrialisation from the grass root level.

In a developing country though there are resources there is lack of application of superior planning premises for manpower resources as well as towards their productive utilisation. These countries have generally a big primary sector where the cultivation is not scientific and holdings are not economical. There is fragmentation and sub-divisions of agricultural holdings. Agriculture inputs are lacking in quantity and quality. Methods of cultivation are also traditional. There is surplus labour forcing on the land in rural side in the form of disguised unemployment. The per capita income in agricultural sector is very low compared to industrial centres. There is disparity in the income of city people and rural people. Industries tend to be concentrated at few places. These facts necessitate the dispersal of industries to achieve balanced growth of all regions of the country. Taking industries to rural areas would help transform the rural complexes into prosperous zones. Industries are the commanding heights of a developing economy and the stability of prices of agricultural and
industrial goods calls for the integrated growth of agriculture and industry. Further, developing country has a strong base in Agro-industries which can easily be started in estates. So also the forest based industries can be housed in the nearby industrial estate sponsored by the State or private or co-operative agency.

There are large number of young educated and willing entrepreneurs available, but are to be properly identified and encouraged to take to industries. Even from defence strategy point of view industries will have to be decentralised. These prominent factors make out a strong case for industrial estates programme for a developing country like India.

IV. GROWTH OF INDUSTRIAL ESTATES IN INDIA (PLANWISE).

It was in January 1955 that the Small Scale Industries Board at its meeting approved the adopting of the Industrial Estates as a tool of rapid industrialisation of small industries in India. Industrial estates programme in India is perhaps the biggest launched by any developing country in the world.
The history of industrial estates in India can be traced back to 1947, when the then Bombay State, now Maharashtra State, appointed a highly competent officer to recommend the centres in the State where industrial estates could be started. He recommended many centres but due to financial difficulties the scheme did not materialize. However, the idea was never given up. In 1952, the then Bombay State granted a loan to Poona Municipal Corporation for development of an industrial estate at Hadapsar. The lead given by the then Bombay State was followed by the then Saurashtra State (now Gujarat) which decided to set up an industrial estate near Bhaktinagar Railway Station in Rajkot in 1955 with an objective of consolidating the growth of small scale industries established during the Second World War period. Though these are isolated attempts they can be taken as the beginning of industrial estates in India.

We would like to clarify here that the main objective of the programme was among others to encourage and assist effectively the creation, the expansion and modernisation of small scale industries through the provision of factory sheds, infra-structure, common service facilities and assistance and servicing at all
stages of establishment and operation of small units and to developing sub-contracting activities. The programme was to achieve regional development through provision of built-in factory sheds at nominal rentals coupled with necessary facilities and industrial services in semi-urban, rural and industrially backward areas. Central Government lays down the policies and guidelines and the States are given the freedom of selection and location of estates, acquiring land and developing it for industrial purpose besides the construction of sheds and the determination of size and pattern, allotment of sheds to entrepreneurs and subsequent management of the estates.

State Governments in India have been providing number of facilities to the small entrepreneurs in the estate. The facilities generally provided in all the estates are sheds and workshops, common facilities, subsidy on rent for factory accommodation, allotment of sheds on hire purchase basis as well as the outright sale of sheds to the entrepreneurs. Supply of water, electricity at a reasonable rate, exemption on octroi duty on building materials, transport subsidy, exemption from sales tax for certain categories of industries for a stipulated period of time and even to units in private areas to
enable them to shift to estates. Besides, all those facilities that are available to small scale industries in general are also made available to units in the industrial estates. Introduction of modern techniques, collective purchase of raw materials and sale of finished goods are also on the list of benefits that the units enjoy in the estates.

Programme and Achievements (Planwise):

Even though this massive programme was launched during the end of first five year plan, success was registered only during each successive Plans.

During the First Five Year Plan ten estates were sought to be sponsored by State Governments in Kerala, Tamil Nadu, U.P. and West Bengal to be located at Palghat, Trivandrum, Kottayam, Quilon and Trichur in Kerala, Guindy and Virudhunagar in Tamil Nadu, Kanpur and Agra in U.P. and Kalyani in West Bengal. Besides these two estates one at Okhla New Delhi and the other at Naini (U.P.) were taken up by the National Small Industries Corporation.

Second Five Year Plan:

During Second Plan 110 industrial estates were sanctioned all over the country and the expenditure incurred
was Rs.10.98 crores for the First and Second Five Year Plan put together. The development of small scale industries during the Second Plan created a big demand all over the country for factory sheds to be set up as small units. Usefulness of industrial estates as a tool of rapid development was recognised and greater allocation was recommended in subsequent Plans.

Third Five Year Plan:

The promotion of industries in rural areas and small towns was given priority amongst the objectives of industrial estates programme in the country. To suit the requirements of the backward areas factory sheds of smaller sizes were recommended and even the total area of the estate was also to be small as compared to their counterparts in developed areas. State governments, therefore, sponsored large number of small size worksheds and small size industrial estates. The programme witnessed a great spurt as there was uniform increase in demand for factory sheds in estates all over the country during Third Five Year Plan. Till the end of Third Plan, 458 industrial estates have been sponsored and the expenditure on the programme was of the order of Rs.28.52 crores including the annual plan from 1966-67 to 1968-69.
Fourth Plan:

Consolidation of the established industrial estates was the main objective during 4th Plan period. An expenditure of ₹15.43 crores was incurred up to the end of 4th Plan and the total estates sponsored in the country stood at 612.

Fifth Plan:

The outlay during this period was of the order of ₹24.97 crores for the programme. This provision of finance was mainly in the nature of 'seed' capital and 'Margin' money for State Corporations to enable them to obtain larger inflow of institutional finance for promoting industrial estates in the country. At Panchayat level setting up of mini type industrial estates was also emphasised during this plan.

During the short period of 1974-75 to 1978-79, 184 new industrial estates were sponsored by various State governments and Union territories. Total number of estates at the end of this plan stood at 796.

Out of the sponsored estates 80% were functioning, 11% were under construction and the remaining 9% were reported not functioning due to hardship except Union
Central Government help is indirect so far as the estates in states are concerned. There is budgetary provision for estates development. In addition, Government makes the loans available to development corporations, through commercial banks, financial corporation and through Life Insurance Corporation—a public sector monopoly institution.

Units in the estates produce variety of items and a large number of them are producing sophisticated items manufactured with the help of modern technology. Important items are: electrical transformers, air conditioning equipments, tape recorders, record players, television sets, razor blades, capacitors for fans and tube lights, air brakes, switches, switch gear boxes, house service meters, volume and tone controls, milling machine, auto-miniature bulbs, sealed beam, head lamps, compressed wood, wood wool, wood oil, optical lense, spring washers, biscuits, metal crafts, aluminium vessels and wires, mosaic tiles, agricultural implements, fertilizers, cement pipes, precision tools, plastic and tin products, etc.

With a view to disperse industries out of 705 estates completed, 316 estates have been set up in urban areas, 179 estates in semi-urban areas and 210 estates in rural areas.
with population below 5000. This holds testimony to the commitment of the Government towards dispersal of industries and development of backward regions.

During the Sixth Plan, State governments are advised to provide essential facilities and to set up coordination committee of the Department of Industry, Public Works Department, Electricity Boards, etc. for cutting down the delay and procedural rigidity. Incentives and inducements were increased to attract entrepreneurs to rural estates. It was further decided that the State governments should take up proper techno-economic survey before setting up any industrial estate in future.

The progress is periodically reviewed at the meetings of the advisory committees attached to the small industries service institutes. Annual plans of the State governments are discussed at the meetings with directors of industries to enable the issuance of suitable directives to the concerned estates for better functioning of the programme. Sixth Plan reveals both consolidation and massive expansion of the programme.