Industrial Development of Gurgaon District of Haryana in the National Capital Region, India

Krishan SINGH*

CONTENTS

I. Introduction
II. Facilities in Gurgaon
III. Reasons for Gurgaon’s Industrial Development
IV. Industrial Infrastructure in Gurgaon
V. Haryana — the Ultimate Destination for Industrialists

I. Introduction

Haryana is on the threshold of development as regard the township development is concerned. As always, Haryana stood for Green revolution, now it translates rapidly to commercialized and industrialized hub-Center of urbanized population. Today, ‘Gurgaon’ stands as a ‘role model’ of any city development. Gurgaon-originally Guru-Gram¹, named after Duru Dronacharya² in Mahabharata³ time during the last decade, it has gone through major changes and has now developed into an ideal modern township. The district is surrounded by Delhi and Rajasthan.

The present Gurgaon district comprises nine blocks, viz. Taru, Nuh, Pataudi, Nagina, Punhana, Firozpur Jhirka, Sohna, Gurgaon and Farrukhnagar was created on 15th August 1979. Gurgaon is the southern most district of Haryana. Total population of the district according to 2001 census is 1,657,669 persons. The decennial growth rate of population of the district as a whole in relation to the state between the period 1981–1991 and 1991–2001 is as below:

<table>
<thead>
<tr>
<th>Table 1 Population of Gurgaon District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 2001</td>
</tr>
<tr>
<td>1,657,669</td>
</tr>
</tbody>
</table>

Source: Census of India 2001

*Graduate student, Jawaharlal Nehru University
Figure 1  GURGAON DISTRICT (HARYANA)
Note: This map was drawn by J. Saito
The district lies between 27° 39’ and 28° 32’ 25” N, and 76° 39’ 30” and 77° 20’ 45” E. On its north, it is bounded by the district of Rohtak and the Union Territory of Delhi. Faridabad district lies to its east. On its south, the district shares boundaries with states of Uttar Pradesh and Rajasthan. To its west lies the district of Rewari and the state of Rajasthan (Figure 1).

Gurgaon is the home of the renowned Maruti Suzuki, India’s first small passenger car of international quality. Gurgaon’s proximity to Delhi helped in its rapid development. And it is in this district that the latest International Industrial Model Township has come into being with assistance and guidance from the Japanese. The 600 hectare stretch selected for this purpose is adjacent to village Manesar and is situated on the National Highway No.8, which connects New Delhi to Jaipur and Bombay. It is an ideal location that it is far from the madding crowd, yet not too far away from the hub of all-important activities. Strategically located and having a common border with Delhi, Gurgaon is just a happy minute’s drive away from the Indira Gandhi International Airport, 35 Minutes away from Connaught Place, the main shopping center of Delhi and less then an hour from the two-railway station of the national Capital.

II. Facilities in Gurgaon

1. Communication Facilities

Modern telecommunication facilities linking Gurgaon to all parts of the globe is a reality. It is linked with Delhi on the local exchange. Haryana has a statewide network of efficient telecommunication facilities. A mobile telecommunication network is already under implementation and it is expected that in the next two years the entire state will be covered. Important areas around Delhi are already part of Local Delhi Mobile Telecommunication System. This network system would easily cover major towns like Faridabad, Gurgaon, Bahadurgarh and Kundli.

2. Manpower

Gurgaon’s proximity to Delhi enables the easy recruitment of skilled and edu-
cated manpower. With a wide network of engineering colleges, medical colleges, management institutions, polytechnics and industrial training institutes within the state, Haryana provides a vast pool of professionals. Haryana has a rich reservoir of trained and skilled manpower. There are 7 reputed institutes of Engineering and Technology, which run Degree/Diploma courses in various disciplines. 26 Polytechnics impart training and offer diploma courses in various specialized areas. There are 185 Industrial Training Institutes in the state providing technical training in engineering and non-engineering trades. In addition, a network of training-cum-production centers conducts courses in special crafts. Every year about 30,000 students pass out from these institutions adding to Haryana’s rich blue and white collar potential. This is apart from the unskilled labour existing in the state.

3. Power

Gurgaon is no-power-cut zone. Work is in hand for further increasing the power generation capacity as also to strengthen the power distribution network. Progressive, future power plans include the setting up of a gas based power generation plant using natural gas from the Mathura-Jalandhar pipeline. Haryana State has always given high priority to the expansion of electricity infrastructure, as it is one of the most important inputs for the development of the state. Haryana was the first state in the country to achieve 100% rural electrification in 1970.

Haryana Power Sector has recently been restructured by establishing two separate government owned corporation: Haryana Vidyut Prasaran Nigam Limited (TRANSCO) and Haryana Power Generation Corporation Limited (GENCO). Earlier the power sector was being managed by the state owned Haryana State Electricity Board (HSEB). The two new corporations were established on 14th August 1998 under the provisions of Haryana Electricity Reforms Act. 1997.

GENCO is responsible for operation and maintenance and expansion of existing Panipat and Faridabad thermal power stations and western yamuna canal hydroelectric project.

TRANSCO is to handle the purchase of power and wheel it for bulk distribution in the state. For retail distribution of power, two states owned distribution companies are being established, which will be converted into joint venture companies with
Haryana Government has constituted an independent Haryana Electricity Regulatory Commission (HERC) under the Haryana Electricity Reforms Act 1997 to aid and advise the State Government on the development of power sector and take appropriate steps to balance the interest of consumers, power entities and generation companies. A massive investment of over US $ 1.4 billion has been planned towards rehabilitation and expansion of the power transmission and distribution over the next 8-10 years. This would include emphasis on demand side management and efficiency improvement measures.

4. Transport

Road: Haryana is a trend-setter in the field of passenger transport. It has a total length of 23,684 kilometers. The remotest parts of the state are linked with metalled roads. Its modern bus fleet of 3,864 buses covers a distance of 1.15 million kilometers per day.

Rail: Haryana is well connected on the rail network. Under the NCR there is already a proposal to provide rail corridor connecting towns around Delhi linking the major satellite towns like Faridabad, Gurgaon, Bahadurgarh, Kundli etc. Similarly, there is also a proposal to provide rapid mass transportation system between Delhi and these satellite towns.

5. Water

Underground water is being used at present but a canal based water scheme has brought water from the western Yamuna Canal to Gurgaon. The Gurgaon canal is 70 kms long, having a capacity of 135 cusecs. Haryana has tapped its ground water resources to the maximum. Lift irrigation schemes, pump sets, and water channels supply adequate amount of water to the fields and industries. The state has already launched an ambitious programme of bricklaying the watercourses. The Sutlej-Haryana link canal will further add to Haryana’s prosperity.

6. Law and Order Situation

Law and order situation in Gurgaon is excellent. This paved the way for the in-
7. Industrial Relations

Harmonious labour-management relations prevail in all industrial townships of Haryana and Gurgaon with no exception. The foreign collaborative ventures have further transformed the local industrial climate. The work ethos at these organizations is influencing the local work culture, which is acquiring a distinct character.

8. Social Infrastructure

Gurgaon’s industrial infrastructure is supported by fully developed residential townships. The educational institutions and medical facilities available are at par with those of a metropolitan city. Constructed by the Haryana Urban Development Authority as well as by private developers, ample provisions have been made to meet the housing needs. It is one of the most well planned and fast growing towns of the country.

9. Other Attractions

a. Vanijya Nikunj

A futuristic commercial complex on the outskirts of Gurgaon, conveniently located on the National Highway No.8, close to the Indira Gandhi International Airport, set amidst a green clean environment, where doing business would be a pleasure by itself. Energy-efficient, functionally intelligent yet aesthetic buildings underline the concept behind the creation of this complex. Spread over 17 acres, Vanijya Nikunj offers about 70,000 square meters of covered space.

b. Udyog Vihar

Spread out over 1000 acres and comprising of six phases, Udyog Vihar and its adjoining industrial areas are pollution-free industrial complex. There are more than 1000 units in operation with big names such as AKG Acoustics Limited, Atlas Tubes, Bharti Telecom Limited, Bry Air, DCM data Products limited, Hindustan computers Limited, Modi Alcatel, GE Plastics, Maruti Suzuki, IDPL, Munjal Shova
and others who have commenced full fledged production. Mention must also be made of specially developed industrial areas such as Electronics City, Electronics Hardware Technology Park, Software Technology Park, Pace city and Textile Valley.

10. Other Big Industrial Houses in Gurgaon

Although the Japanese presence is most strongly felt, other countries have not lagged behind in setting up collaborative ventures at Gurgaon. Alcatel of France, General Electric of USA, Servis of U.K., Ribon S.P.A. of Italy, X-Rad of Canada, whose names are known all over the world have already established a strong base in Gurgaon.

III. Reasons for Gurgaon’s Industrial Development

Gurgaon is one of the fastest developing cities in Northern India. Its proximity to New Delhi helps the development. Initially considered a satellite city to Metro New Delhi, the habitation begun living in Ansal’s in Palam Vihar, having regular inferior-rated basic infrastructure of access roads, power and water, which has been developed later. Earlier established, Maruti Udyog gave Gurgaon planners a feel to consider the town development, a prelude for making it an industrial hub-centre. Keeping the pace with time, it undertook considerable development work to ensure that the industries coming up in Gurgaon have a smooth sailing run.

In Gurgaon, Real Estate is looming with new buildings coming up faster, adding up featuristic and quality development. The capital (New Delhi) based-offices as being relocated from congested and contaminated down-town area of Connaught Place, Nehru Place or Bhikaji Cama Place. DLF, UNITECH, Ansal Essel are active amongst participating real estate developers. Omaxe is also creating world-class neighbourhood in Gurgaon, along with other Omaxe’s commitments (in Uttar Pradesh, Maharashtra & Punjab). Now Gurgaon has become one of the most significant corporate and industrial town with excelling in the IT Industry and Software development.

In the meanwhile, Haryana Urban Development Authority (HUDA) made all the provision available for a new modern town with seed of its conceptualization set
in nature. Gurgaon city layout, which is ready in thought, is modern and the ambience is natural. Maruti Industries taking as an anchor lead to industrial development of Gurgaon which has given schematic development of all kind industries spreading beyond its geographic end upto Mansear or Rajasthan’s and Bhiwani.

Gurgaon’s planners have also been conceptualized as a catalyst for promoting the pace of industrialization here. Promotion of large and medium sector projects has been among one of its prime objects. Keeping the growth and understanding the need the developer (DLF, Unitech, Ansal and Others) made Gurgaon transforming into a destination of their offices of all corporate and MNC’s from the crowded and expensive Connaught Place or other New Delhi commercial complexes. In this context DLF’s Corporate Park Gateway Tower, Unitech’s Signature Tower, Millennium Tower, Global Business Park, Unitech Business Park are a few to name which have provided the clients with all international standards amenities and facilities. Now many other players are also in the trade, i.e. MGF Tower, Sahara Mall, JMD’s Royal Court, Vatika’s First Indian Place, and Vipul Orchid Tower etc. The Gurgaon portion of Mehrauli-Gurgaon Road is going to be a glittering stretch with best of architectured commercial complexes.

Most of the corporate offices are shifting from down-town New Delhi to Gurgaon into these commercially built-up complexes. MNCs are also opting in these complexes, as they find adequate housing facilities with international standard & availability of choices in Gurgaon. If Chennai’s Tidal Park is pioneering for feeding maximum to the event of success as cyber city, Gurgaon goes for multiple development of DLF’s, Unitech’s and other’s cyber Parks. This would facilitate the client’s needs to maximize the all-fold concentration in this region for housing cyber activities IT industries and software development.

IV. Industrial Infrastructure in Gurgaon

I. Industrial Model Township (IMT) Manesar

a. Location

The site is ideally located on NH-8, about 45 km from Delhi and 17 km from Gurgaon and is situated within the highly developed Gurgaon-Rewari industrial corri-
b. Development Plan of IMT finalised with the following salient features:

- The township has been conceived to be developed as an integrated self-contained industrial park.
- About 900 acres land ear-marked for the industrial zone.
- Over 250 acres reserved for industrial housing for those who set up industrial units at the IMT.
- Land reserved for commercial/institutional purposes.
- Housing zone has been separated from the industrial zone by NH-8 and 50 mtrs. Green belt has been provided on both sides of the NH-8 to maintain a healthy environment.
- A fly-over on NH-8 to link the residential zone with the industrial zone.
- Wide roads ranging from 15 mtrs. to 60 mtrs. width has been proposed to develop a proper circulation system.
- A green park at the township level including the facilities of a club to be developed over 25 acres.
- Independent water works with storage, treatment and excellent internal distribution system.
- Efficient sewerage disposal system.
- Solid waste management and disposal system.
- High quality internal electrical distribution system with supply from a 220 Kv substation.
- Ultra modern telecom facilities.

c. Target segments

IMT Manesar is specifically planned to cater to a wide spectrum of target seg-
ments. There shall be separate zones having a distinct focus on various industry sectors such as:

○ High technology units
○ High precision units
○ Other non-polluting units

Each zone will be built around specific anchor tenants some of whom already exist in the vicinity of Manesar. The planned plot mix shall vary across small and large sizes within each zone. The plots will be designed for mother units, ancillary units and sub-ancillaries. A cluster approach is being planned.

d. Key locational benefits

○ Proximity to Delhi
○ Proximity to two large auto ‘mother units’ - Maruti Udyog Ltd. and Hero Honda
○ Proximity to international & domestic airports
○ Proximity to developed hinterland that can provide a better ‘quality of life’ to employees
○ Better image for industries and location derived status for operations

e. Fiscal Incentives

As per the industrial policy of Haryana announced in August 1997, following fiscal incentives would be available to the industrial units located in IMT.

○ Option of seeking sales tax exemption or deferment
○ Sales tax exemption upto 100% of FCI (125% for SSI units) for seven years.
○ Sales tax deferment upto 125% of FCI (150% for SSI units) for seven years.
○ Sales tax exemption/deferment upto 300% of FCI for seven years in case of electronic industry.
○ Exemption from payment of electricity duty for a period of five years.
○ Exemption from payment of octroi on capital equipment, building material & raw material for seven years.

f. Industrial Infrastructure in IMT

The IMT will be in every sense an ideal industrial environ of the future with
world class roads, buildings, water supply network, street lights, power distribution lines, underground multi-purpose ducts, waste water piping network, storm water drainage, gas pipe line, water purification plants, power stations, a telecommunication network, sewage and drainage, solid waste management network, common effluent treatment plants, interspersed with appropriately placed green belts. A multi carriage six-line fly-over is planned to carry the through traffic on National Highway so as to provide uninterrupted and free movement of traffic within the Industrial Model Town.

g. Incentives for Industries

Haryana offers an extremely attractive array of incentives all of which is applicable to IMT. As per the prevailing industrial policy there is deferment of 7 years for the payment of sales tax, which amounts to 100% fixed capital investment. All units coming up in IMT would qualify for exemption from payment of octroi on capital equipment, building materials and raw materials for a period of 9 years. No electricity duty needs to be paid for a period of 5 years. For investment proposals of US $ 1.56 million or more, the Haryana Government has constituted an Investment Promotion Board (IPB), which will have Investment Promotion Centres at Delhi and Chandigarh and will act us an executive arm of the IPB. The IPBs will provide one window service for the proposals okayed by the Investment Promotion Board. Headed by the Chief Minister, the board will have on its management senior officers from all the departments connected with industrial promotion of the state. The objective of the board is to attract foreign investment in the field of industry, financial services, and specialized hospital development.

2. Haryana Urban Development Authority (HUDA)

In all these planned development, the role of Haryana Urban Development Authority (HUDA) is most significant. Gurgaon is a naturally planned town. HUDA have realized the potential of Gurgaon – as earlier small township, growing into a metro mega city and visualized it as a commercially and technically savy city to establish foundation for social commercial and industrial success, HUDA has realized that the success of town lies in the satisfaction of its people and believe in bringing them together. Keeping them in mind, HUDA has developed creche building,
schools, colleges, dispensary, hospital, community building, police station and fire station, milk booth, bus shelters, telephone exchanges, stadium, club, old age homes, golf course etc.

Considering water, inevitable source of life HUDA truly realizes the importance of water in all aspects of life. Consequently, a 70 km water channel from Sonepat to Gurgaon has been constructed, which is designed to supply 100 MGD treated water capable of serving upto 16 lacs of people. As for ‘sewerage - which is the hygiene of Life’ HUDA has also designed a 4 zone Sewerage system to ensure hygiene of community. The waste is carried through proper channels and disposed in an appropriate engineered manner. It also provides an efficient drainage system to stop the rainwater from collecting in the town.

As already known, Haryana as a state and Gurgaon in particular is a front-runner in the Green Revolution. Despite being a commercial township, it has not forgotten the importance of nature. Accordingly, several provisions have been made to develop parks, open spaces and green belts. A park has already been developed in Sector 29, which is fully decorated with water bodies i.e. foundation etc. For all round development of Gurgaon, HUDA has not ignored the rural population along with urban lot. The water supply, sewerage, storm water, roads, streets, bricks on edge of paving and electrification etc. are planned for the village: Jharsa, Khandsa, Sukhrali, Sarhole, Dundahera, Mulahera, Carterpuri, Gurgaon village, Kadipur, Kanhari, Basai, Islampur and Dhanwapur.

3. Haryana State Industrial Development Corporation

Haryana State Industrial Development Corporation (HSIDC) is the leading contributor to the well-being and progress of the state of Haryana. HSIDC has been instrumental in bringing about a major change in the lives of the people of Haryana over the years. The pioneering zeal of HSIDC has facilitated the transformation of Haryana from a primarily agrarian society to one of the most highly industrialized states of modern India.

Established in 1967, HSIDC is a public limited company wholly owned by the government of Haryana, set up as a catalyst for promoting and accelerating the pace of industrialization in the state. The corporation provides a wide spectrum of
financial services under one roof- the concept being “Total Financial Support” for its clientele. Being an intrinsically customer-oriented organization, HSIDC has often gone beyond the call of duty in helping to give concrete shape to the destiny and vision of thousands of entrepreneurs. It has generally taken on the role of a trusted friend and guide, providing crucial support and most important of all, creating an environment where nascent projects are able to attain their fruition and become vibrant industries.

Today, HSIDC is a well-knit team of highly experienced financial experts, engineers, professionals, administrators and technicians, HSIDC comprises of very dedicated personnel, all of whom thrive on teamwork and a cohesive work spirit.

a. Promotional Activities

The role and scope of HSIDC has widened and adapted it to suit the growing needs of industry. The services now being provided include:

- Infrastructural development
- Project promotion through equity participation
- Term lending
- Equipment finance
- Equipment leasing scheme/leasing syndication
- Merchant banking
- Underwriting of public/rights Issues
- Appraisal for the purpose of public/rights issues
- Seed capital scheme
- Bridge loans against state subsidy/working capital
- Term loan assistance outside refinance scheme of IDBI
- Working capital term loans
- Bill discounting
- Forex advisory services
- Investment banking
- Bought out deals
b. **Infrastructural Development**

Being an apex institution, HSIDC is developing industrial estates at strategic locations in Haryana. It has 4205 fully developed industrial plots for small and medium projects spread over 33 estates. Industrial estates assist in the process of expanding, strengthening and locating small and medium scale industries both in industrially advanced and backward areas. The basic infrastructure provided in these estates comprises internal roads, water, electricity, sewerage, drainage and essential civic amenities. A fully developed industrial plot or a built up shed helps in speedier execution of the project.

HSIDC has developed industrial complexes/ancillary estates at a number of locations. The corporation has setting up an ultra modern commercial complex ‘VANIJYA NIKUNJ’ with a capital cost of around Rs.70 crore\(^5\) at Udyog Vihar, Gurgaon. Apart from several commercial buildings, the complex will also house the ‘Udyog Minar’ from where all state agencies involved in industrial promotion shall work in close coordination with each other. In addition, mini-industrial estates (Udyog Kunj) at selected focal villages in the state are also being established to provide opportunities for self-employment to the unemployed rural youth. Allotment procedures have been simplified for faster implementation of industrial projects. The available infrastructure in the industrial estates has also been refurbished for smoother functioning.

4. **IT Industry in Gurgaon**

The development of information technology and its extensive use for modern management practices is a part of new Industrial Policy. Transaction automation and Information data bank are being created to bring transparency, accountability and efficiency in administration. Gurgaon has now embarked on a road to become an important destination in information technology and related fields.

Haryana Govt. through its enterprise namely Haryana State Electronics Development Corporation Limited (HARTRON) has been undertaking various schemes and activities for the development of electronics and information technology industry in a systematic and scientific manner in the state since its formation in January 1983. The emphasis has been on the development of the state-of-the-art technology and it
has been offering its expertise both in infrastructure as well as project promotion.

The World famous IT companies like Huges Software, Tata Consultancy Service, Alcatel, HCL, Siemens, GE Capital, Silicon Graphics etc. have their units located at Gurgaon. The Electronic-City in Gurgaon spread over an area of 40 acres for hi-tech & export-oriented electronics /IT industry. Software Technology Park (STP) over an area of 14000 sq. feet developed within the electronics city. It is allotted to software units. Here satellite communication link has been provided for the benefit of units located in the park. Information technology and telecommunication complex in the electronics city has been planned for computer/software export with world class facilities like Earth Station, teleconference, internet, E-mail service and other state-of-the-art communication services.

5. Haryana State Electronics Development Corporation Limited (HARTRON)

HARTRON, the nodal agency for IT development in the state, has built expertise in technologies such as software development, web technology, intelligent character recognition (ICR), multimedia etc. With strong technological base, the Corporation has earned recognition at the national level by achieving maximum accuracy in preparation of voter’s identity cards. The corporation has restructured itself to take on the challenge of achieving the objectives of E-Governance in the state. HARTRON provided training to unemployed youth to enable them to take up jobs in the growing electronics and computer fields. With this end in view, the computer training centres have been setup all over the state under a franchise system. In addition, free education in computer is being provided to women and weaker section of the society. The Research and Development Centre of HARTRON is located in Gurgaon near Dunda-hera Boarder.

V. Haryana — the Ultamate Destination for Industrialists

Haryana, bordering the capital from three sides, offers excellent location to start any industry. It has a rich industrial base and a sound infrastructure. One third of Haryana falls under the National Capital Region (NCR). The districts of Pani pat, Rohtak, Gurgaon, Faridabad and Sonepat have special potential for accelerated
socio-economic development. Haryana is in close contact with the cosmopolitan world, being close to Delhi. International and domestic airports, diplomatic and commercial complexes are just a stone’s throw away. Haryana has excellent law and order situation. The state has impressive infrastructure facilities in relation to road and rail network, well-developed industrial estates, good banking facilities, reliable communication network, modern technical institutes and developed commercial markets. Haryana has responsive administration and efficient delivery system. Its endeavor has always been to simplify procedures, eliminate red-tapism and willful delays and ensure transparency in decision-making. Special emphasis is laid on planned development of infrastructure and providing eco-friendly environment conducive to healthy growth of industry.

Notes

1) Village of the teacher.
2) Ancient teacher who expertise in archery and taught it to Abhimanyu (the great archer of ancient time).
3) The great Indian epic
4) One crore is equal to ten millions