

**REPORT
OF THE WORKING
GROUP ON FINANCING OF
INDUSTRIAL
ESTATES**



**RESERVE BANK OF INDIA
BOMBAY
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INTRODUCTION

The setting up of industrial estates has been accepted as an important item in the programme for industrial development, particularly in the small-scale sector. Although the establishment of industrial estates has made fairly good progress during the last two decades, experience has brought to light certain deficiencies in their functioning. Further, the growing role of financial institutions and banks in financing small-scale industries naturally focussed attention on the extent of assistance the State Financial Corporations and banks could offer in financing industrial estates. An expert study of the working of the industrial estates in India was, thus, called for. The Reserve Bank of India, therefore, set up, in October 1970, a Working Group under the Chairmanship of Shri K. N. R. Ramanujam, the then Chief Officer of the Industrial Finance Department. The Group, on the basis of its study of the latest available data as well as the details compiled through field surveys has made a careful examination of the working of the estates and made several recommendations on, among other things, the future policy in regard to setting up of the estates, the agencies to be entrusted with the programme, the pattern of their organisation and the role of Life Insurance Corporation of India, banks and State Financial Corporations in financing the estates. The Report submitted by the Working Group in April 1972 is being published in the hope that it will facilitate a wider appreciation of the role of industrial estates in the development of industries in general and small industries in particular and the co-ordinated action required to be taken by banks and the various financial agencies to make the programme successful.

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