

MOST IMMEDIATE

OFFICE OF THE DIR (Plg.)
MPR/TC, D.D.A. N. DELHI-2
Dy.No. 1957
Dated. 30/3/12



No. K-12011/4/2011-DD.IB
भारत सरकार / Government of India

शहरी विकास मंत्रालय / Ministry of Urban Development

निर्माण भवन / Nirman Bhavan

नई दिल्ली / New Delhi

Commr. (Plg.) - II
Dairy No. I-229
Date 29.3.12

Dated, the 27th March, 2012

To

1. The Vice Chairman,
Delhi Development Authority,
Vikas Sadan, INA, New Delhi.
2. The Director
National Institute of Urban Affairs
I & II floor, Core 4-B India Habitat Centre,
Lodhi Road, New Delhi-110003

बनावस्था कार्यालय
आपसी सं. 886-B
दि. 28/3/2012

LD & Vikas Manar N. Delhi
Dy. No. 1537
Dt. 9-4-12

Subject:- Review of Master Plan of Delhi-2021:

Sir,

I am directed to forward herewith a copy of representation dated 19.3.2012 received from The Federation of Hotel & Restaurant Associations of India on the subject cited above.

It is requested that the issue raised therein may please be looked into an appropriate reply may be furnished the Association under intimation to this Ministry.

Yours faithfully,

Sunil Kumar
(Sunil Kumar)

Under Secretary (DDIB)
Tel.No.23061681

Encl. as above:

1298/050/108
30/3/12

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28/3

Com (Plg) - II

Pr. hand
for file

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OSD (Plg)

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1632/D/S
19/8/12

The Federation of Hotel & Restaurant Associations of India

President : Kamlesh Barot
Hony. Secretary : Vivek Nair
Hony. Treasurer : Suresh Kumar
Jt. Hony. Secretary : Deepak Puri
Jt. Hony. Secretary : D.S. Advani

Member of Honour : Dr Ajit B Kerkar
Vice President : K. Syama Raju
Vice President : Ratan Marothia
Vice President : S.M. Shervani
Secretary General : M.D. Kapoor

March 19, 2012

The Secretary
Ministry of Urban Development
Government of India
Nirman Bhavan
New Delhi-110011

Kind attention: Mr. Sudhir Krishna

Subject: Review of Master Plan for Delhi-2021

Dear Sir,

This is with reference to your Public Notice which appeared in the local papers on 18.2.2012, inviting suggestions for the Review of the Master Plan for Delhi 2021 and further to our letter dated 19.1.2012 submitted to the Commissioner-cum-Secretary, Delhi Development Authority (DDA) in response to a similar Public Notice issued by DDA on 4.10.2011. A copy of our letter to DDA was also sent to your goodself and another copy of it is again enclosed for ease of reference (Annexure "A"). As will kindly be seen from our aforesaid letter, the Federation of Hotel & Restaurant Associations of India (FHRAI) has made the following suggestions in connection with the review of Master Plan for Delhi 2021:

- (i) **The FAR for hotels in the Capital may be enhanced from the existing 225 to 300;**
- (ii) **The charges for grant of additional FAR may be recovered at 25% of the rate arrived at on the basis of the Circle Rates published by the Government of NCT of Delhi for that particular plot and not at 50% of the Zonal Average Auction Rates(ZAAR) which is calculated on the basis of rates received in the auctions held during the year and if no auction is held during the year the previous year's ZAAR is up-dated by adding 12.5% thereof for the next year; and**
- (iii) **Hotel specific services viz. Laundry, Cold Storage, Cold Room for storing Food articles, Linen store, Gas tank, Garbage room, provisions/housekeeping store and Cold Storage may be permitted in the basement(s) without counting in FAR as was included in DDA's own letter No.F.10(1)/96-MP/993 dated 31.8.1998 (copy attached - Annexure 'B').**

Pl. call
2) Take no
A.S. Advani 19/3

20/3

DDA with copy to FHRAI
to the association
DDA with copy to FHRAI
to the association
DDA with copy to FHRAI
to the association

-2-

Sir, in respect of our suggestion at Sl.No.(i) above that the FAR for hotels in the Capital may be enhanced from the existing 225 to 300, we would like to submit that during the presentation made to the Hon'ble Minister of Urban Development, Mr. Kamal Nath on 21st February, 2011, the Hon'ble Minister was highly appreciative of the FHRAI's suggestion that in view of the paucity of hotel plots in the NCT of Delhi, the only feasible way of increasing the number of hotel rooms in the Capital was to utilize additional FAR that can be granted to them.

However, further detailed deliberations with the concerned Hotels have revealed the near impracticability of existing hotels being able to avail of the said additional FAR. This is because due to the space constraints almost all of them would find it nearly impossible to provide the required additional parking space as per the existing parking norms, for hotels which are 3 Equivalent Car Parking Space (ECS) for 100 sqms of floor area.

Sir, we would like to list below the parking norms for some of the main activities as per MPD 2021 and the previous MPD 2001:

	<u>As per MPD 2021</u>	<u>As per MPD 2001</u>
	ECS/100 sqm.of floor area	ECS/100 sqm.of floor area
1. District Centres/ commercial areas	3	1.67
2. Wholesale markets	3	2.50
3. Hotels	3	1.67
4. Hospitals (501 & above beds)	2	1.33

In this connection, we may further submit that to bracket hotels with district centres/commercial areas and wholesale markets for purposes of norms of parking space to be provided by them would be unfair. This is because district centres, other commercial areas and wholesale markets are public places and there is continuous flow of customers/visitors to these centres/public places throughout the day and naturally these commercial centres need far more parking space not only for the parking requirements of customers/visitors but for the day long use by shopkeepers for their own vehicles. It will be appreciated that the case of hotels is completely different. If at all, hotels are closer to hospitals than commercial centres, etc. although in actual effect, the requirement of parking space for hotels is again far less than that of hospitals. As we all know, in the case of hospitals there is a stream of relatives/friends who visit hospitals to enquire about their patients and they need space to park their vehicles. Also, most hotel guests are picked up from the Airports/Railway Stations by Hotel cars/coaches or by taxis. We, therefore, submit that the parking norms for hotels should be less than even those for hospitals. We would, therefore, suggest that the parking norms for hotels may kindly be retained at 1.67 as was the case all these years upto in MPD 2001(August 1990 to February 2007).

-3-

Even otherwise, the parking norms for hotels in the Capital are already far higher than those in other metropolitan cities. A chart showing these norms along with ECS requirements for hotels in some of these cities is enclosed (Annexure 'C'). It will kindly be seen from this chart that, as compared to NCT of Delhi, a 260 rooms hotel in other cities would be required to provide ECS as follows due to the less restrictive norm for parking requirements for Hotels:

	<u>ECS requirement</u>
1. Delhi	820
2. Mumbai	455
3. Hyderabad	375
4. Pune	281
5. Bangalore	256
6. Chennai	216
7. Kolkatta	189

In the context of the above position, the FHRAI's suggestion to keep the parking norms for hotels in the Capital as 1.67 would seem fully justified. Accordingly, it is respectfully submitted that this suggestion may kindly be given a sympathetic and favourable consideration and suitable amendment made in the MPD 2021, as otherwise, hardly any existing hotel in the Capital would be able to avail of the benefit of any enhancement of FAR for hotels in the Capital from 225 to 300 as suggested by us to DDA vide our letter dated 19.1.2012 and already with the existing FAR of 225 Hotels were struggling to provide additional basements for these parking spaces. In fact, some Hotels have had to go in for 4 basements to conform to the Parking norms, at a very high capital costs, and almost all the time the parking spaces so provided are unutilized.

Thanking you,

Yours faithfully,

For Federation of Hotel & Restaurant Associations of India


M.D. Kapoor

Secretary General

Encl:

- | | |
|--|----------------|
| 1. True copy of our letter dated 19.1.2012 | - Annexure 'A' |
| 2. Copy of DDA's letter dated 31.8.1998 | - Annexure 'B' |
| 3. Chart showing a comparative parking norms | - Annexure 'C' |

cc: Vice-Chairman, Delhi Development Authority, Vikas Sadan, New Delhi-110003



DELHI DEVELOPMENT AUTHORITY
VIKAS BHAWAN
INDRAPRASTHA ESTATE

NO.F.10(L)96-MP

1993

FROM: R.K. JAIN
JOINT DIRECTOR (MP)

NEW DELHI-2

31 AUG 1998

TO:

The Director (DD)
Ministry of Urban Affairs & Employment
Nirman Bhawan, New Delhi.

SUB: Development controls/building bye laws applicable for construction of Motels in Delhi - representation from the Federation of Hotels & Restaurant Association of India.

Madam,

This is with reference to your D.O. No.K-14011/3/97-DDA dated 19.1.98 vide which a report on follow up of the issues discussed in the meeting held on 8.7.97 under the chairmanship of Secretary (Tourism) was desired. Further subsequent representations were received from the Federation of Hotel and Restaurant Association of India and the matter was discussed in the meeting of the Tech. Committee held on 3.3.98 (copy enclosed) vide which the following decision was taken:

Technical Committee after detailed discussion re-commended that the activities for maintenance of services and hotel infrastructure allowed in the basement under the terms of lease executed by the DDA with the lessee may be allowed without counting in FAR subject to the following:

- i) Minimum 60% of the basement area shall be used for parking.
- ii) That these conform to MPD-2001 norms.

As mentioned in the agenda of Tech. Committee with the approval of VC, DDA, the following services and infrastructure activities are allowed in the basement without counting in FAR.

Air conditioning plant and equipment, water storage boiler, Electric sub station, H.T. and L.T. Pannel Rooms, Transformer Compartment, Control Room, Pump House, Generator Room and other mechanical services and equipment required for the maintenance of the building.

Laundry, Cold Room for storing food articles Linen, Gas tank, Carbage room provisions/housekeeping store and Cold Storage.

The enhancement of the FAR for the existing hotel would be considered as part of the review of the Master Plan for

I am directed to request that the permissibility of the services in the basement without counting in FAR may be adopted uniformly by local bodies, L&DO & Other land owning govt. agencies.

Thanking you,

Yours faithfully,

(R.K. JAIN)
JOINT DIRECTOR (MP)
28.8.98

Copy to:

1. Chief Architect, NDMC
2. Town planner, MCD
3. Land & Development Officer, MOUA&E
4. Commissioner (LD)DDA
5. Chief Architect, DDA
6. ~~Hony.~~ Secy. Hotel Federation.

R.K. Jain
28/8/98
JOINT DIRECTOR (MP)

Sl. No.	Category	Population / Unit (approx.)	Plot Area
4	Hospital D (Upto 100 beds)	1.00 lakh	0.25 ha to 0.5 ha
5	Other Health Facilities	1 per 50000	1000 sqm to 2000 sqm
	a. i) Maternity Home	1 per 50000	1000 sqm to 2000 sqm
	ii) Nursing Home/ Polyclinic	1 per 10000	800 sqm to 1200 sqm
	iii) Dispensary		
	b. i) Family Welfare Centre	1 each per 50000	500 sqm to 800 sqm each
	ii) Pediatric Centre		
	iii) Geriatric Centre		
	iv) Diagnostic Centre.		
6	a. Veterinary Hospital for pet animals and birds	1 per 5.0 lakh	2000 sq m. (Subject to availability of land)
	b. Dispensary for pet animals and birds	1 per 1.0 lakh	300 sq m.
7	a. Medical College	1 per 10 lakh	As per norms of Medical Council of India/Regulatory Body (subject to availability of land)
	b. Nursing and Paramedic Institute	1 per 10 lakh	2000 sqm (Subject to Nursing Council of India/ Ministry of Health norms).
	c. Veterinary Institute	As per requirement	As per the Veterinary Council of India / Ministry norms (subject to availabi- lity of land)

Table 13.2: Development Controls for Health Facilities

Sl. No.	Category	Maximum			Other Controls
		Ground Coverage	FAR	Height	
1	Hospital A (501 & above)	30% + additional 5% for multi level parking (not to be included in FAR)	200	37m.	1. Upto 15% of max. FAR can be utilized for residential use of essential staff. 2. Upto 10% of max. FAR to be kept for dormitory/ hostel for attendants of the patients, Crèche etc. 3. Parking standard @ 2.0 ECS/100 sq m of floor area.
2	Hospital B (201 to 500)				
3	Hospital C (101 to 200)				
4	Hospital D (Upto 100)				
5	Other Health Facilities	30%	150	26m	Parking Standard @ 2.0 ECS/ 100 sqm of floor area.
	a. i) Maternity Home				
	ii) Nursing Home/ Polyclinic/ Dispensary				
	b. i) Family Welfare Centre				
	ii) Pediatric Centre				
	iii) Geriatric Centre				
	iv) Diagnostic Centre.				

Sl.No.	Category	Maximum			Other Controls
		Ground Coverage	FAR	Height	
6	a. Veterinary Hospital for pet animals and birds	30%	150	26m	Parking standard @ 1.33 ECS/ 100 sq m of floor area.
	b. Dispensary for pet animals and birds	35%	100	26m	Parking standard @ 1.33 ECS/ 100 sq m of floor area.
7.	a. Medical College	As per norms of Medical Council of India/Regulatory Body			
	b. Nursing and Paramedic Institute	30%	150	26m	Parking standard @ 2 ECS/100 sqm. of floor area.
	c. Veterinary Institute	As per the Veterinary Council of India / Ministry norms			

Notes:

- Plot area for all hospitals would be worked out @ 100 sqm of gross floor area per bed. However, for other health facilities like Maternity/ Nursing homes, family Welfare and other centres, the plot area would be worked out @ 60 sqm of gross floor area per bed.
- Max. upto 300 sqm of floor area shall be allowed to be used for community space/ religious shrine/ crèche/ chemist shop/bank counter on Hospital sites and also Medical College/ Nursing and Paramedic Institutes sites.

Other controls:

- In case of super specialty medical facilities/ hospitals duly certified as such by the competent authority, the gross area shall be worked out @ upto 125 sqm per bed.
- In case of existing premises / sites, the enhanced FAR shall be permitted, subject to payment of charges as may be prescribed by the Authority/ land owning agency and other clearances.
- In case of hospitals, service floor is exempted from FAR calculation. Basement if utilized for Hospital purpose shall be counted in FAR.
- Other controls related to basements etc. are given in the Development Code chapter.

13.2 EDUCATION

The literacy rate in Delhi has increased from 75.3% in the year 1991 to 81.82% in the year 2001. In overall terms Delhi has a fairly elaborate network of educational institutions from the pre-primary/ primary to the higher education and professional education levels. At present there are 2416 primary schools, 755 middle schools, and 1576 secondary/senior secondary schools. At the higher/ professional education levels, there are 114 colleges for general education, 8 engineering colleges, 4 universities, 7 deemed universities and one Open University.

However, there is a deficiency in few planning zones, particularly in the field of school education. Further, keeping in view the fast changing national and global economic scenario, the employment and educational requirements are also undergoing a rapid change involving the development of new professional and vocational avenues for specialised education. A number of coaching centres, computer training institutes and language / training classes are opening up. However, these are mainly operated by the private sector. Suitable provision for such centres in commercial areas is desirable with a view to enhancing the financial resources of the concerned land owning agency.

With the consequent potential for availability of financial resources for this purpose, involvement of the private sector in the development of educational facilities is growing.

Keeping the need for expansion and diversification as brought out above, the availability of land could become a major constraining factor. It has, therefore, become necessary to develop policies and norms, which would enable optimal utilisation of land and available educational infrastructure. As far as school education is concerned, the policy should be geared to encourage integrated schools from the pre-primary to the higher secondary level, rather than allocating space separately for Nursery Schools, Primary Schools and Middle Schools. Primary Schools may specifically be set up by the Delhi Government or the Local Civic Bodies.

Following planning policy parameters are proposed:

- Differential norms and standards for various educational institutes/ institutions shall be applicable in the light of the norms of the concerned controlling authorities e.g. University Grants Commission (UGC) / All India Council for Technical Education (AICTE) / Directorate of Education, GNCTD / Central Board of Secondary Education (CBSE) etc.
- Coaching centres/vocational training centres would be permissible in school classes after school hours with (a) prior approval of Competent Authority in the case of schools run by GNCTD or local body and (b) with prior intimation to lessor and payment of fee to be prescribed in the case of schools run privately on leased land. Structured courses leading directly to degree / diploma shall however not be permitted.

CHART SHOWING COMPARATIVE REQUIREMENT OF ECS IN A 260 ROOM HOTEL IN DIFFERENT CITIES.

	DELHI	CHENNAI	MUMBAI	BANGALORE	HYDERABAD	KOLKATA	PUNE
Parking Requirement for Hotel	It is defined in terms of PERMISSIBLE EQUIVALENT SPACES (ECS) per 100 Sq.Mts. of floor Area corridors, lift lobbies, lounges which is quantified as etc. 3.0 for Hotel Projects.	1 Car Parking per 4 Guest Rooms. 1 Car Park per 100 Sq.Mts. Of Built Up Area of Common Areas to include Sq.Mts. of floor Area corridors, lift lobbies, lounges which is quantified as etc. 3.0 for Hotel Projects.	1 Car park per 60 Sq.Mts. Of total floor area.	1 Car Parking per 2 Guest Rooms. 10% VISITORS CR PKING. 10% additional for every 5 guest rooms.	40% of Built Up Area + 10% additional for every 5 guest rooms.	1 Car parking space for every 5 guest rooms.	3 Cars, 6 Two wheelers, 4 Cycles for every 5 Guest Rooms. 2 cars, 8 Two wheelers, 4 cycles for every 50 Sq. M. for restaurants and other spaces.
No. of Car parks for Guest rooms is	819.45	65	-	143	-	52	156
No. of Car parks for common area	-	26	-	-	-	-	-
No. of Car parks for other Areas like Restaurants & Other spaces. No special mention of Banquets.	-	-	455	113	341	137	125
Banqueting & Restaurant Spaces For Staff	-	125	-	-	-	-	-
Retail	-	-	-	-	-	-	-
Visitors Car	-	-	-	-	34	-	-
Parking Summary of Car Parks/ Area	820	216	455	256	376	189	281
considering Delhi Hotel in resp. cities.							



The Federation of Hotel & Restaurant Associations of India

President : Kamlesh Barot
Hony. Secretary : Vivek Nair
Hony. Treasurer : Suresh Kumar
Jt. Hony. Secretary : Deepak Puri

Member of Honour : Dr Ajit B Kerkar
Vice President : K. Syama Raju
Vice President : Rajindera Kumar
Vice President : Ratan Marothia
Secretary General : M. D. Kapoor

January 19, 2012

The Commissioner-cum-Secretary
Delhi Development Authority
Vikas Sadan
New Delhi-110023

TRUE COPY

Kind attention: Mr. D. Sarkar

Subject: Advertisement inviting public suggestions for mid-term review of Master Plan for Delhi -2021

Dear Sir,

This is with reference to your advertisement in the local newspapers of 4th October, 2011 inviting public suggestions for mid-term review of Master Plan for Delhi 2021.

In this connection, it is stated that the representatives of the Federation of Hotel & Restaurant Associations of India (FHRAI) had called upon the Hon'ble Minister for Urban Development, Mr. Kamal Nath on 21st February, 2011 and given a presentation on the huge gap between the hotel accommodation of international standards presently available in the NCT of Delhi and the hotel accommodation actually required and the issues which were proving a serious deterrent to the hotel capacity expansion in the Capital. The Secretary and Joint Secretary, Ministry of Urban Development, Government of India and senior officers of the DDA were also present at this meeting. In the detailed presentation the Hon'ble Minister's attention was particularly drawn to the highly restrictive FAR of 225 allowed under the Master Plan of Delhi 2021 in comparison to the very high FAR granted in other cities for hotels, as given in the following chart:

Sl.No.	City	FAR	Remarks
1.	Delhi	225	Increased from 150 in 2008
2.	Mumbai (South)	500	Increased from 133
3.	Hyderabad	UNLIMITED FAR (Provided height is within the limit granted by Airports Authority of India.)	

As will be seen from the above chart, especially in the case of South Mumbai, where all these decades no extra FAR was allowed, the Government of Maharashtra realizing the urgent need for more hotel accommodation, has increased the FAR from 133 to 500. In the case of Hyderabad, there is no limit on the FAR as long as the height approved by Airports Authority of India is followed.

-2-

It was further submitted that the charges for the grant of additional FAR were also too high. It was, therefore, suggested that on the pattern of Government of Maharashtra and the Municipal Corporation of Greater Mumbai, the charges for the additional FAR granted for hotels in the Capital may be recovered at 25% of the rate arrived at on the basis of the Circle Rates published by the Government of NCT of Delhi for that particular plot and not at 50% of the ZAAR.

In the matter of higher FAR, the following suggestion was made:

"The FAR for hotels in the NCT of Delhi which was increased from 150 to 225 vide Ministry of Urban Development, Government of India, Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India."

It was highly gratifying that the Hon'ble Minister appreciated this suggestion and said that he would have the same looked into by the Ministry of Urban Development/DDA. In this connection, we also submitted a letter dated 22.2.2011 to the Hon'ble Minister. This was followed vide our letter dated 7.6.2011 to the Hon'ble Minister of Urban Development and letter dated 26.7.2011 to the Secretary, Ministry of Urban Development. Copies of these letters are enclosed.

Otherwise also, his strong views that, given the scarcity of land in the Capital, the future development of the NCT of Delhi lies in vertical expansion, are well known. At the Workshop organized by the National Capital Region Planning Board (NCRPB) on 27th December, 2011 he told the Press that "we still have very antique FAR laws" implying thereby that the need of the hour was to increase the FAR not only for hotels but for all other buildings also i.e. residential and commercial.

Also, in the Ministry of Tourism, Government of India's Report of the Working Group on Tourism for 12th Five Year Plan (2012-17), it is envisaged that Foreign Tourist Arrivals (FTAs) would increase from the present level of 5.58 Million to 11.24 Million in the year 2016 for which an estimated 180,000 guest rooms are to be constructed in the country. This is in addition to the present level of accommodation of 120,000 guest rooms in the classified sectors. One of the strong recommendations of the Report of the Working Group on Tourism which is now being seriously considered by the Planning Commission is the requirement of additional FAR to be given to Hotels over and above the normal FAR given in the respective Master Plans. This recommendation is specified in Chapter 4 – Development of Tourism Infrastructure, connectivity and destination management – page 60 (item: xxxi) of the Report of the Working Group on Tourism, copy attached herewith for your reference.

We hope that the said presentation has been forwarded to the DDA for necessary action in the matter and that this suggestion of the FHRAI is already receiving attention of DDA for the review of the Master Plan for Delhi 2021. Nevertheless, a copy of our letter dated 22nd

-3-

February, 2011 addressed to the Hon'ble Minister of Urban Development, along with the presentation is enclosed herewith with the request that as suggested therein, the FAR for hotels in the NCT of Delhi may be enhanced from the existing 225 to 300.

We also take this opportunity to reiterate our long standing request for the implementation of DDA's own decision to permit the following hotel-specific services in the basement(s) without counting in the FAR which DDA itself had vide letter No.F-10(1)/96-M.P./993 dated 31.8.1998(copy enclosed) recommended to the then Ministry of Urban Affairs and Employment (now Ministry of Urban Development) for uniform adoption by all land owning Government agencies.

- (i) Air conditioning plant and equipment, water storage boiler, electric sub-station, H.T. and L.T. Panel Rooms, Transformer Compartment, Control Room, Pump House, Generator Room and other mechanical services and equipment required for the maintenance of the building.
- (ii) Laundry, Cold Room for storing Food articles, Linen store, Gas tank, Garbage room, provisions/housekeeping store and Cold Storage.

This decision was brought to the notice of DDA at the time of formulation of the MPD-2021 also and while part (i) above has been incorporated in it, part (ii) has been left out. It need not be emphasized that these are the most essential hotel-specific services and thus constitute the backbone of hotel operation. It will be seen from the said DDA letter dated 31.8.1998 that the decision to allow these services in the basement(s) without counting in FAR was taken after detailed discussion by its Technical Committee and approval of the Vice Chairman, DDA.

In view of the aforesaid, we shall be extremely grateful for the incorporation of the following suggestions in the Review of the Master Plan for Delhi 2021:-

- (i) **The FAR for hotels in the Capital may be enhanced from the existing 225 to 300;**
- (ii) **The charges for grant of additional FAR may be recovered at 25% of the rate arrived at on the basis of the Circle Rates published by the Government of NCT of Delhi for that particular plot and not at 50% of the ZAAR; and**
- (iii) **Hotel specific services viz. Laundry, Cold Room for storing Food articles, Linen store, Gas tank, Garbage room, provisions/housekeeping store and Cold Storage may be permitted in the basement(s) without counting in FAR.**

-4-

In case, any further information/clarification is required we shall be glad to furnish the same and also make another presentation before the DDA as was done at the time of the formulation of the MPD-2021.

Thanking you,

Yours faithfully,

For Federation of Hotel & Restaurant Associations of India



Secretary General

cc: 1. The Secretary, Ministry of Urban Development, Government of India, Nirman Bhavan, New Delhi-110011.

2. The Secretary, Ministry of Tourism, Government of India, Transport Bhavan, New Delhi-110001

Encl:

- | | |
|--|---------------|
| (1) True copy of the letter dated 22.2.2011 | Annexure I |
| (2) Copy of the presentation | Annexure II |
| (3) True copy of the letter dated 7.6.2011 | Annexure III |
| (4) True copy of the letter dated 26.7.2011 | Annexure IV |
| (5) Photocopy of DDA's letter dated 31.8.1998 | Annexure V |
| (6) Copy of the Govt. of India, Ministry of Urban Development Notification No.K-12011/5/2007-DDIB dated 12.8.2008 granting additional FAR to starred hotels. | Annexure VI |
| (7) Copy of DDA Notification No.S.O.567(E) dated 27.2.2009 specifying the charges for additional FAR to be recovered | Annexure VII |
| (8) Copy of Chapter 4 of the Report of Working Group on Tourism page 60 – item (xxi) | Annexure VIII |



The Federation of Hotel & Restaurant Associations of India

President : Ratan Marothia
Vice President : Vivek Nair
Vice President : Sushil Gupta
Vice President : Kamlesh Barot

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain

February 22, 2011

The Hon'ble Minister for Urban Development
Government of India
Nirman Bhavan
New Delhi 110011

Kind attention: Mr. Kamal Nath

- Subject: 1. Request that the enhancement of FAR for hotels in the NCT of Delhi which was done from 150 to 225 vide Notification No. K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
2. Request that the charges for additional FAR may not be recovered on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi as is followed by the Government of Maharashtra.

Respected Sir,

We invite your kind attention to our letter dated 3rd February, 2011 requesting for:

- (i) Enhancement of FAR for hotels in the NCT of Delhi from 225 to 300; and
- (ii) the charges for the additional FAR may be recovered not on the basis of the Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Government of the NCT of Delhi as is followed by the Government of Maharashtra.

A copy of this letter is again enclosed.

Sir, we take this opportunity to convey our sincerest gratitude to your goodswell for meeting the representatives of the Federation of Hotel & Restaurant Associations of India (FHRAI) and for allowing us to make a presentation yesterday, the 21st February, 2011 to personally place before you the problems which are proving serious deterrents to hotel capacity expansion in the NCT of Delhi. A copy of the presentation is enclosed.

-2-

We shall be extremely grateful for your kind intervention to ensure implementation of the following suggestions made in our said letter and the presentation as these will greatly help in accelerating the growth of hotel room capacity in the NCT of Delhi to cater to the increasing number of foreign tourists as well as the fast expanding domestic tourist traffic:

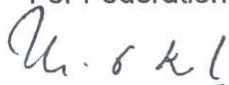
- (1) The FAR for hotels in the NCT of Delhi which was increased from 150 to 225 vide Ministry of Urban Development, Government of India, Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
- (2) The charges for additional FAR may be recovered not on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Government of NCT of Delhi as is followed by the Government of Maharashtra.
- (3) The charges for the additional FAR may be recovered at 25% of the Circle Rates issued by the Government of NCT of Delhi instead of 50% of ZAAR from 31st August, 2010 onwards i.e. the date upto which the DDA notification dated 27th February, 2009 allows the concessional rate of 25%.

Sir, it need not be emphasized that today tourism is recognized as one of the major engine for economic growth. The augmentation of hotel room capacity as visualized above is expected to provide employment to about 100,000 persons directly and far more indirectly.

Thanking you,

Yours faithfully,

For Federation of Hotel & Restaurant Associations of India



M.D.Kapoor
Secretary General

- Encl: 1. Copy of the letter dated 3rd February, 2011 — 'A'
2. Copy of the Presentation made on 21st February, 2011 — 'B'



The Federation of Hotel & Restaurant Associations of India

President : Ratan Marothia
Vice President : Vivek Nair
Vice President : Sushil Gupta
Vice President : Kamlesh Barot

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain

February 3, 2011

The Hon'ble Minister for Urban Development
Government of India
Nirman Bhavan
New Delhi 110011

Kind attention: Mr. Kamal Nath

- Subject: 1. Request that the enhancement of FAR for hotels in the NCT of Delhi which was done from 150 to 225 vide Notification No. K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
2. Request that the charges for additional FAR may not be recovered on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi as is followed by the Government of Maharashtra.

Respected Sir,

Our Federation, The Federation of Hotel & Restaurant Associations of India (FHRAI), founded in the year 1955 by the late Shri Rai Bahadur Oberoi, is the Apex body of the Hospitality Industry in India and represents about 3570 Members with 2214 Hotels (with nearly 1,40,000 rooms) and 1196 Restaurants.

At the outset, the Federation of Hotel & Restaurant Associations of India (FHRAI) welcomes you as the Union Minister of Urban Development and now looks forward to your support and encouragement in its efforts to create more hotel rooms in the Capital in order to alleviate the acute shortage of hotel guestrooms felt in the nation's capital.

For your information, Sir, of the 5.11 million foreign tourists who visited India during 2009, the Capital received 1.96 million tourists i.e. 36.35%, the highest for any destination in the country. At present, Delhi has about 11,000 hotel rooms classified by the Ministry of Tourism, Government of India, whereas the actual requirement is estimated at 30,000 hotel rooms.

Keeping in view the overall demand-supply position of hotel accommodation in the Capital as also the requirement for the Commonwealth Games 2010, the Ministry of Urban Development, Government of India, increased the FAR for hotels in the Capital from 150 to 225 vide Notification No. K-12011/5/2007-DDIB

-2-

dated 12th August, 2008 (**Annexure 1**). The idea behind this enhancement of FAR was that existing hotels as well as new hotels being constructed would be able to add more rooms.

With a view to rapidly add hotel capacity in the Capital, not only to meet the hotel rooms required for the Commonwealth Games 2010 but also to alleviate the acute shortage of hotel rooms in the NCT of Delhi, 34 hotel plots were auctioned in the Capital for the construction of hotels, 33 by the DDA and 1 by the L&DO, Ministry of Urban Development, Government of India. As per our information, till now, only 6/7 hotels with about 2000 rooms have been completed.

Here, we would like to bring to your kind attention the policy regarding recovery of charges for the additional FAR followed by the Government of Maharashtra and the Municipal Corporation of Greater Mumbai for the last 3 decades when the additional FAR was allowed to hotel projects of 3-star and above category. **The Government of Maharashtra has vide its Order dated 14th May, 2009 permitted hotels to avail of the additional FAR upto 500 by paying premium for the additional FAR at 25% of Circle Rates as per Ready Reckoner (Circle Rates) of the plot on which the hotel is proposed to be constructed. Annexure 2** The Circle Rates of the entire city of Mumbai are published by the Government based on Stamp Duty in that area.

On the pattern of Government of Maharashtra and the Municipal Corporation of Greater Mumbai, we have been requesting for enhancement of the FAR from existing 225 to 300 and for the recovery of charges for the additional FAR granted for hotels in the Capital, at 25% of the rate arrived at and not 50% on the basis of the Circle Rates published by the Government of NCT of Delhi and nor on the basis of ZAAR (**Annexure 3**). The ZAAR were the bid amounts when the Real Estate rates were at the peak of the "bubble". These rates were basically artificially inflated and now they have come down by at least 30% to 40%. In fact, for the auctions held by the DDA in 2008-09 for hotel plots there were no takers at all for the plots. To say the least, charging for the additional FAR on the basis of the ZAAR is totally unrealistic. This enhancement is subject to an extremely harsh condition that a hotel has to pay charges for the grant of additional FAR as high as 50% of the Zonal Average Auction Rate (ZAAR). A special incentive for payment at 25% of ZAAR was provided for hotels which availed of the additional FAR before the Commonwealth Games i.e. they were completed by 31.8.2010 and classified by the Ministry of Tourism by 30.9.2010 but such exorbitant charges proved a serious deterrent for new as well as existing hotels to avail of the additional FAR.

Further, apart from the 34 hotel plots which have been auctioned it is doubtful whether with its geographical limitations, many more vacant plots would be available for hotel purposes as hotels are not permitted to be constructed in the Lutyens' Bungalow Zone. In the circumstances, the quickest way to add hotel rooms with the least additional cost is to increase the FAR so that additional hotel blocks or hotel floors could be added. This is specially so since the ground coverage has been increased in Ministry of Urban Development's Notification dated 12.8.2008 from 30% to 40%.

-3-

Sir, as a result of special emphasis being laid by the Government of India to rapidly develop and promote tourism in the country, the number of foreign tourists visiting India has considerably gone up. During the year 2010, 5.58 million foreign tourists have visited India as against 5.11 million foreign tourists in 2009, an increase of 9.3% in an year. However, the creation of new hotel rooms in the country is not keeping pace with the increase in the number of foreign tourists. This has resulted in India missing the opportunity to exploit the employment generating and foreign exchange earning potential of tourism. As per the Planning Commission, an investment of Rs.10.00 lakhs creates 78 jobs in the Tourism sector and just 48 jobs in the Agriculture sector and 18 jobs in the Manufacturing sector. Currently, tourism is the single largest employment generator providing employment to about 49 million people throughout the country. The foreign exchange earnings through tourism were Rs.53,550 crores during the year 2009. In fact, tourism is the major driver of India's economic growth with a contribution of 6% of the total GDP. Therefore, the need of the hour is to rapidly increase the number of hotel rooms in the country.

Pertinently, the increase in FAR to 225 in Delhi is still far less, in comparison, to the very high FAR granted in other cities for Hotels, as given in the following chart:-

Sl.No.	City	FAR	Remarks
1.	Delhi	225	Increased from 150 in 2008
2.	Mumbai (South)	500	Increased from 133
3.	Hyderabad	UNLIMITED FAR (Provided height is within the limit granted by Airports Authority of India.)	

As will be seen from the above chart, especially in the case of South Mumbai, where all these decades no extra FAR was allowed, the Government of Maharashtra realizing the urgent need for more hotel accommodation, has increased the FAR from 133 to 500. In the case of Hyderabad, there is no limit on the FAR as long as the height approved by Airports Authority of India is followed.

In the case of New Delhi, the Ministry of Urban Development has ensured vide its Notification dated 12th August, 2008 that the Lutyen's Bungalow Zone as well as the heritage hotel buildings are excluded from the purview of the additional FAR. Therefore, an increase of FAR from 225 to 300 would not have any effect on the sanctity of the Lutyen's Bungalow Zone but at the same time will lead to about 7000 more hotel rooms being added in the NCT of Delhi. Sir, it would be pertinent to mention here that in the peak season in Delhi, due to the acute shortage of hotel rooms, the average daily room rates go upto Rs.20,000/- and even higher in luxury hotels with occupancies in the 90 percentage range. Also, during Exhibitions and Conferences at Vigyan Bhavan and at the time of visits of Heads of State and Government, no rooms are available anywhere in Delhi.

The Ministry of Tourism, Government of India, in a concerted effort to correct the shortage of hotel rooms not only in Delhi but throughout the country had asked the Ministry of Finance, Government of India, for financial incentives such as tax benefits for new hotels constructed in the country and the Finance Minister had promptly responded by giving hotels a priority status due to its huge employment potential and has extended the benefit of Section 35 AD to new hotels of 2-star and above category which open after 1st April, 2010.

-4-

To top it all, as per DDA's present stand, if in a year no auction is held, the previous year's AAR is to be updated by adding 12.5% for the next year (Annexure 4). This indeed is a huge set-back because the ZAAR will be compounded at such a high percentage year after year from the DDA's ZAAR for that year. In fact, in 2011, the ZAAR rates for the year 2008 have increased by 42.50% over and above the already high ZAAR rates for that year.

Therefore, we have been requesting that, like in Mumbai, the charges for the additional FAR granted to hotels in the Capital should not be as per the ZAAR as stipulated now by DDA but should be at 25% of the Circle Rates issued by the Stamp Office of the Government of NCT of Delhi as a State Policy without any time limitations i.e. shall be applicable from 31.8.2010 for Hotels which are completed and classified ever after.

Sir, it need not be emphasized that the capital cost of setting up a hotel has increased exponentially ranging from Rs.40 lakhs per room for 3-star hotels to as high as Rs.6 crores per room for 5-star deluxe hotels depending of the cost of land and it has made hotels economically unviable or has caused them to breakeven over a very long period of time. There is a need to encourage several hotels in Delhi which would like to put up additional guestrooms with the additional FAR they are eligible to utilize. However, they are unable to do so unless the punitive charges for the additional FAR as prescribed at present based on the ZAAR rates of 2007-08 plus 42.50% over and above are rationalized.

The following Hotels have written to the Ministry of Tourism, Government of India expressing their desire to put up more guestrooms but pointing out their inability to do so due to the limited FAR of 225 and the prohibitive charges presently prescribed in addition to the yearly increase totaling to 42.50% for the grant of additional FAR based on ZAAR rates as stipulated in the Notification dated 12th August, 2208 (Annexure 5):

1. Hyatt Regency, R.K. Puram, New Delhi (additional guestrooms to be added)
2. The Grand, Vasant Kunj, New Delhi (additional guestrooms to be added)
3. The Hotel project at Jasola of EMAAR MGF
4. The Hotel project of DLF at IGI Airport.

In view of the above position, the Federation of Hotel & Restaurant Associations of India sincerely requests you Sir, that the aforesaid DDA Notification may kindly be amended to incorporate the following:

- (i) Enhancement of FAR from 225 to 300; and
- (ii) Charges for the additional FAR may be recovered at 25% of the Circle Rates published by the Stamp Office of the Government of NCT of Delhi instead of 50% of ZAAR from 30th September, 2010 onwards since till that date Hotels were permitted to avail of additional FAR at the rate of 25% of their ZAAR rate.

-5-

The hotel industry would be ever grateful to you for your kind intervention on the above 2 issues as it would lead to an increase of at least 2000 guestrooms which will go a long way to alleviate the shortage of hotel guestrooms felt in New Delhi.

Thanking you,

Yours faithfully,
For Federation of Hotel & Restaurant Associations of India

M. D. Kapoor

M.D. Kapoor
Secretary General

- Encl: 1. Notification dated 12th August, 2008 – Annexure 1
2. Order of Government of Maharashtra dated 14th May, 2009 – Annexure 2
3. True copy of the FHRAI's letter dated 12th January, 2011, addressed to the then Hon'ble Minister of Urban Development, Mr. S. Jaipal Reddy – Annexure 3
4. DDA letter No.F.5(1)/2009/AO/CCRTI/143 dated 6.12.2010 – Annexure 4
5. Copies of the letters written by Hyatt Regency, The Grand, EMAAR-MGF and DLF – Annexure 5
6. Copies of letters written by the then Hon'ble Minister of Tourism, Mrs. Ambika Soni to Shri S. Jaipal Reddy and Shri Tejendra Khanna, LG of NCT of Delhi – Annexure 6



**Floor Area Ratio (FAR) Restriction to 225 and the
unaffordable charges for additional FAR levied
by DDA vide notifications dated 12 August 2008
& 27 February 2009**

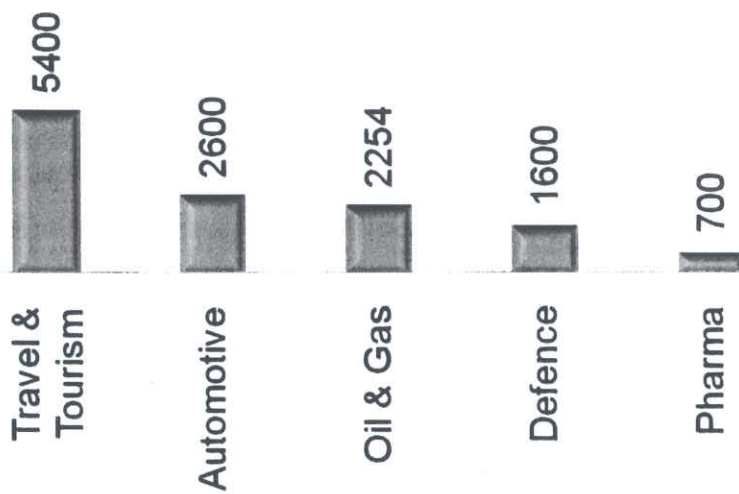
**- Deterrents to Hotel Capacity Expansion in
The National Capital Territory of Delhi**





Travel and Tourism is one of the largest industries globally in terms of Size and Employment

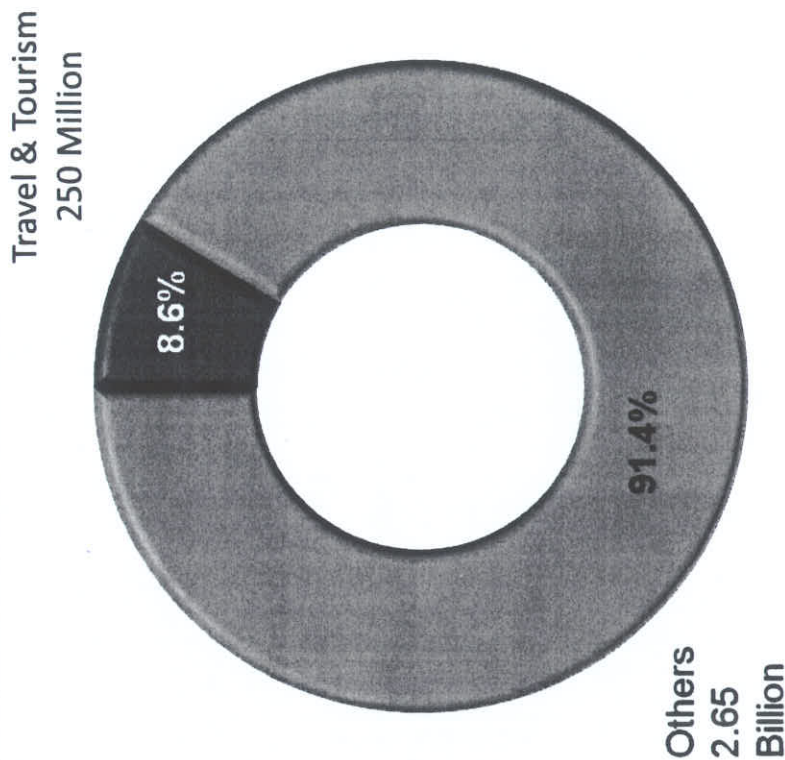
Key Global Industry Sizes- in Bn USD, 2009



*GDP at current prices

Source: WTTC

Global Employment in Travel & Tourism**, 2009

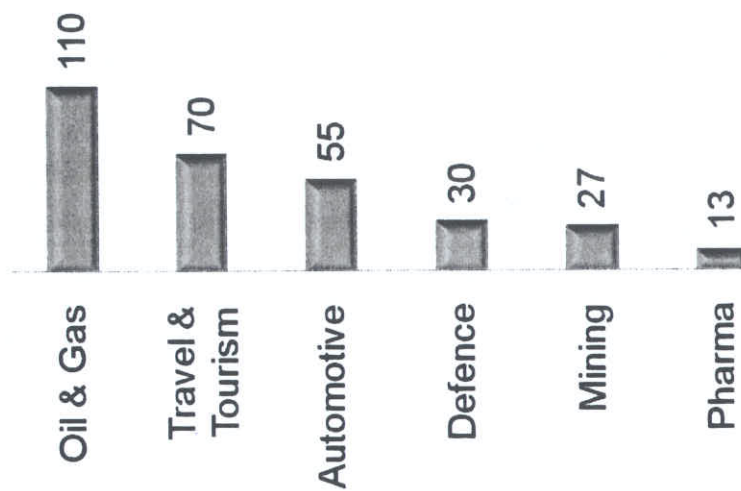


** Includes indirect employment

In India Travel & Tourism accounts for around 5.9% of the GDP and 9.2% of employment - one of the largest employers

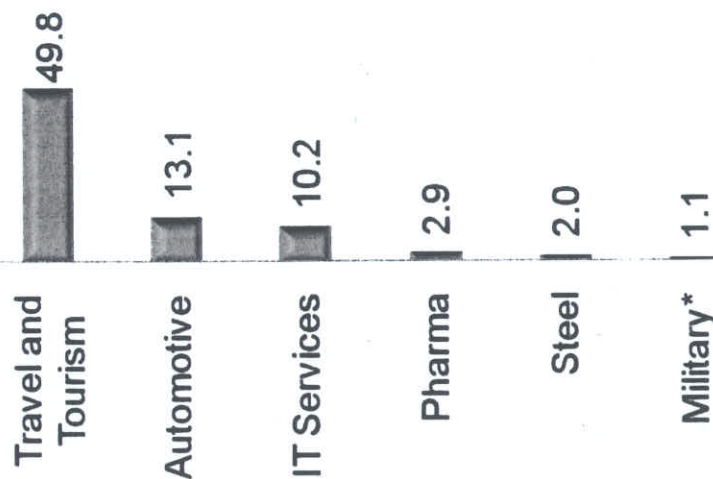
**Key Industry Sizes in India (2009) -
in Bn USD**

**GDP at 2009 prices*



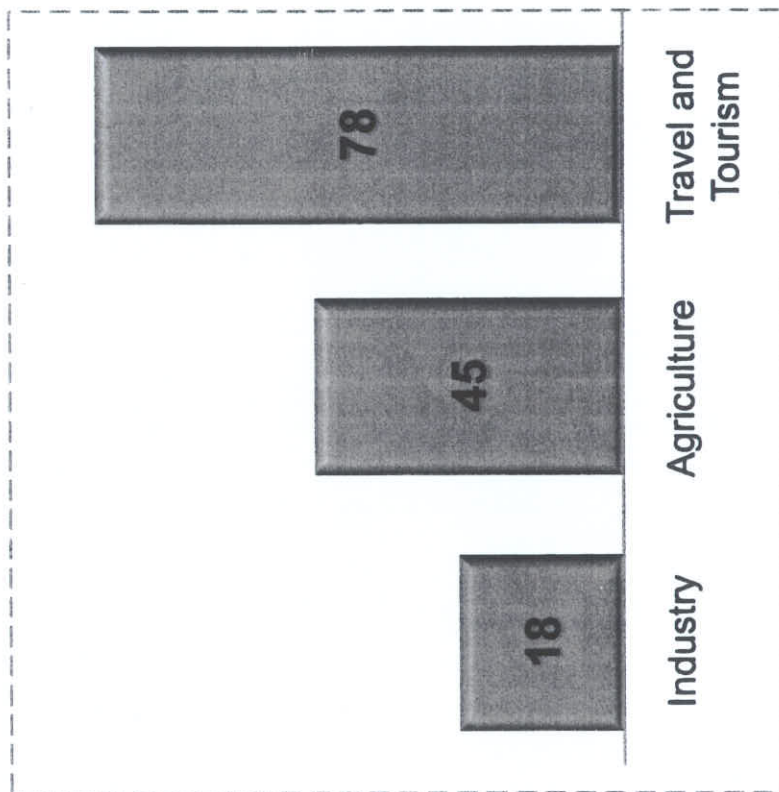
**Employment* in Key Industries in India
(2009) in Mn**

**Military includes only direct employment*



Travel and Tourism industry creates more jobs per capita investment

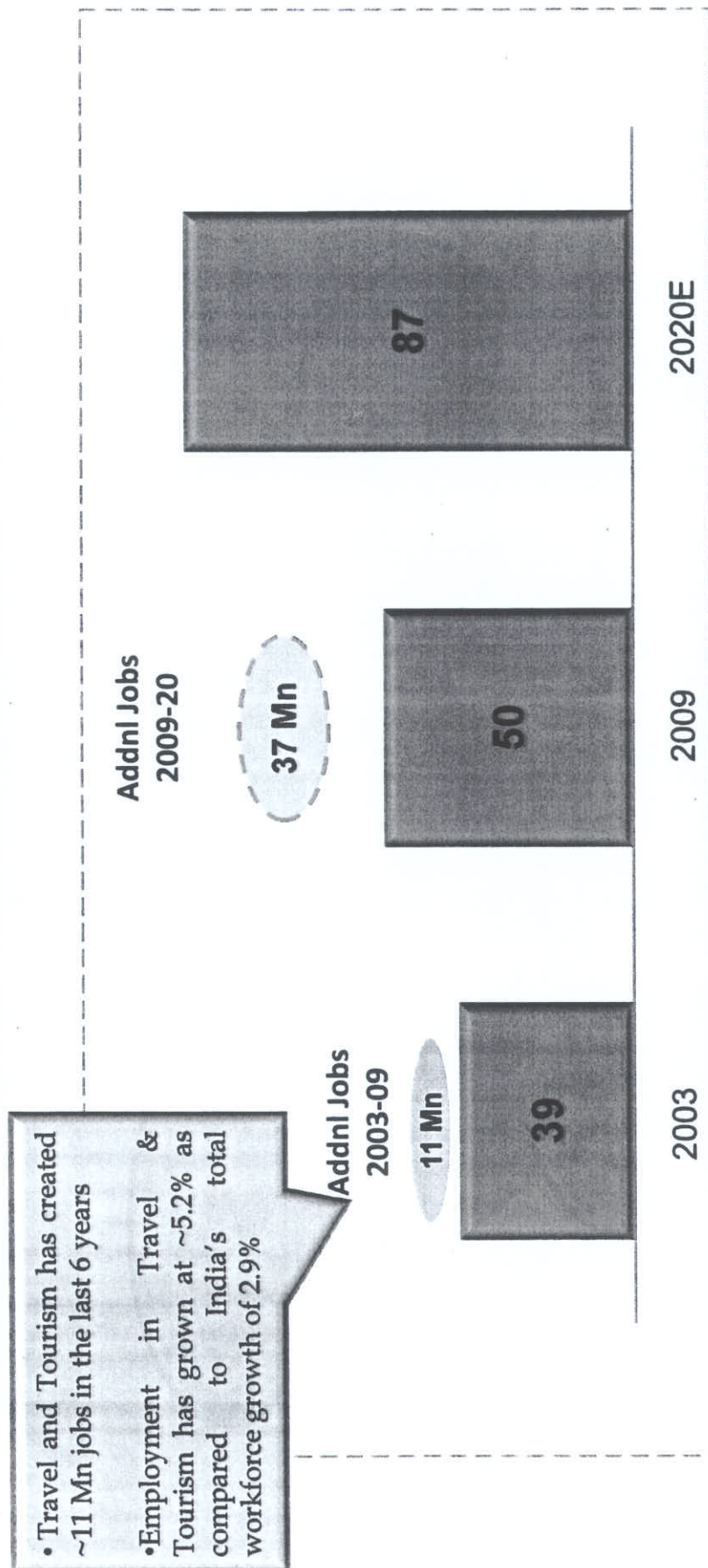
No. of jobs created for every Rs. 1 Million of Investment



Source: Planning Commission Report

Travel & Tourism can create additional 37 Mn jobs out of the 120 Mn jobs* needed in the next ten years

Travel & Tourism Industry Employment Projections*, Mn

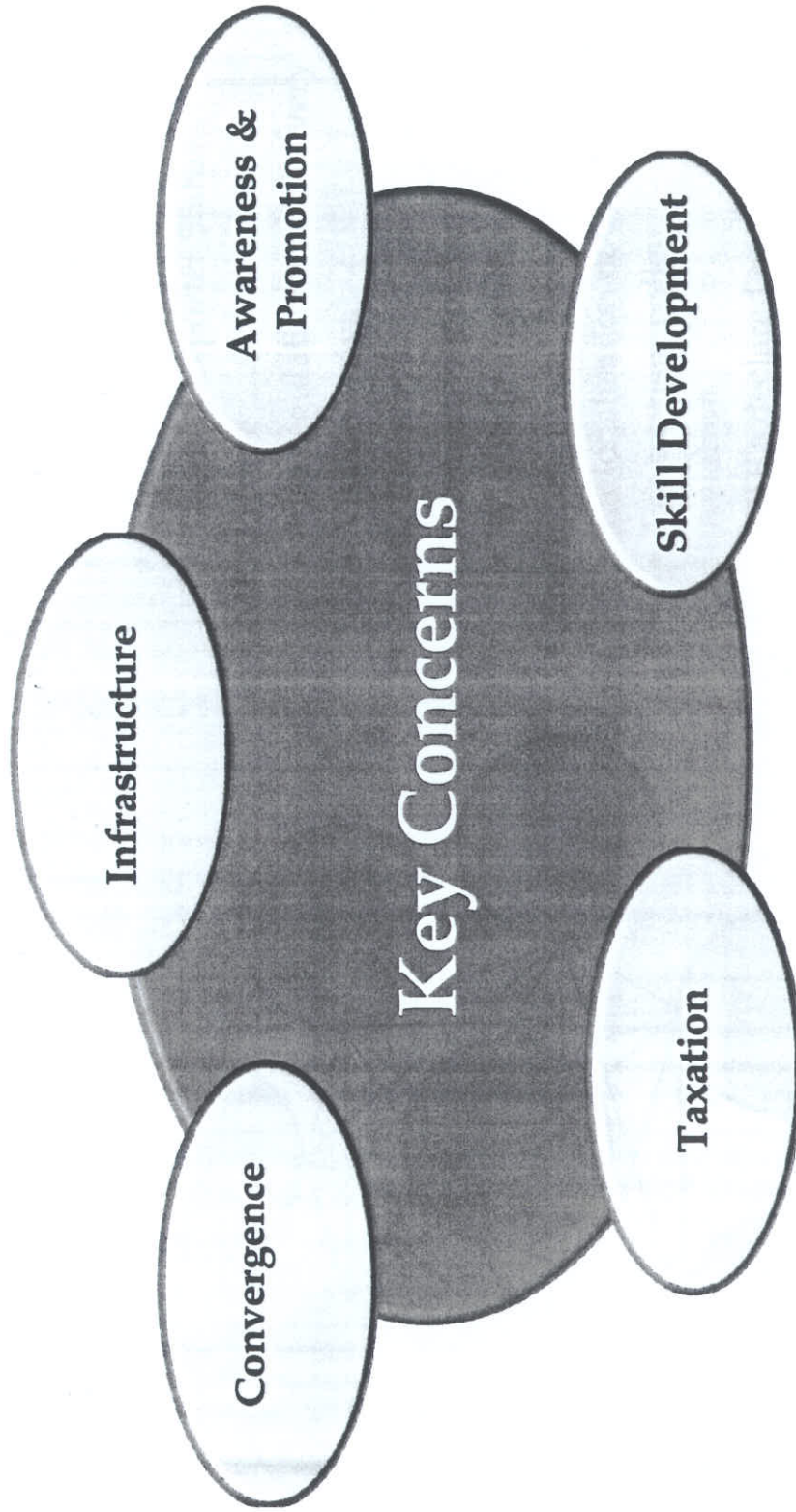


According to RBI, India will add ~120 Mn to its working population by 2020 which will make India's working population 28 percent of the global force

* Future growth assumed to be 5.2% i.e. same as past
Source: NSSO, Ministry of Tourism Data

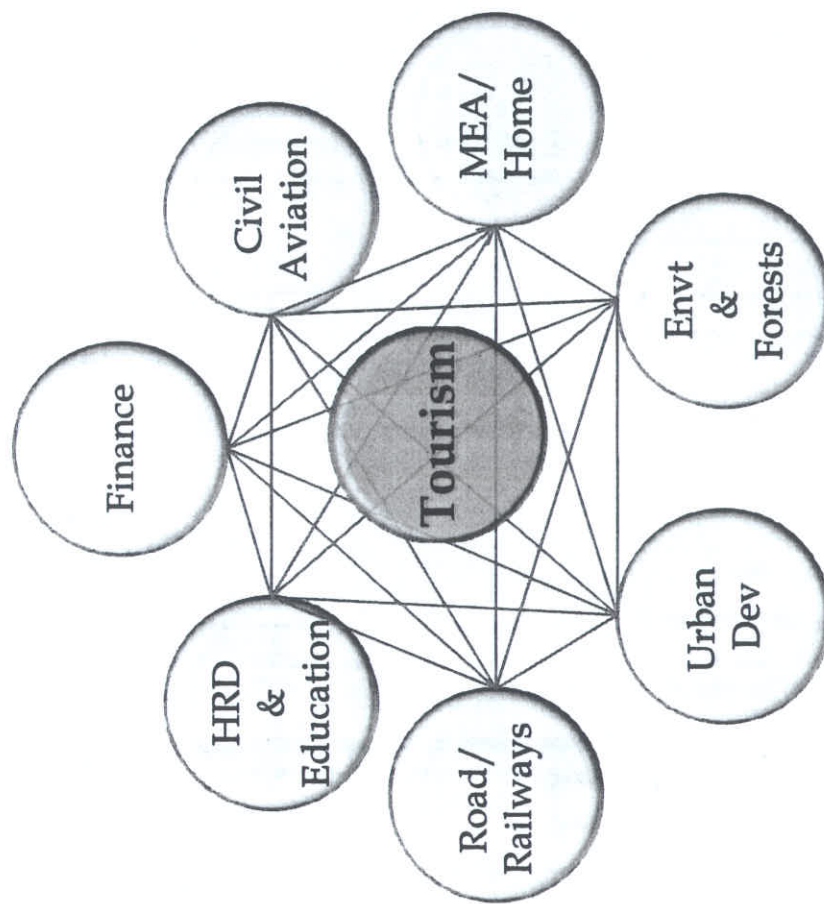


Key Areas Of Concern



Convergence at Centre

Current State of Coordination

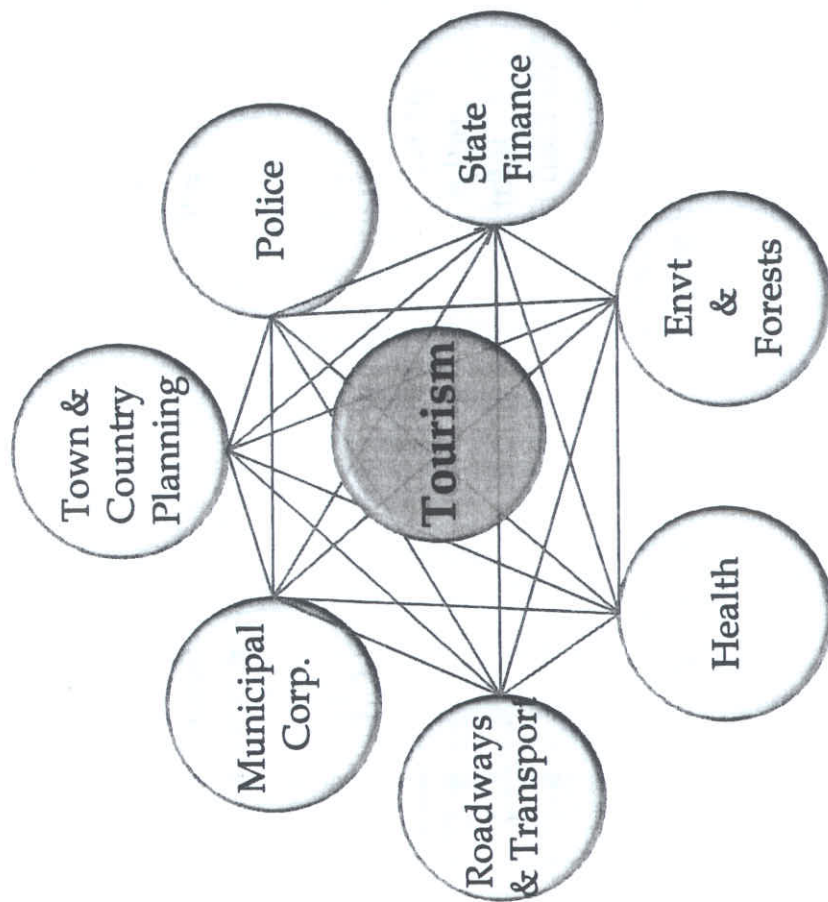


Some Examples

- **Finance**
 - Infrastructure Status
 - Multiplicity of taxes
 - Deemed Exporter Status
- **MEA/Home**
 - Visa regulations and delivery
 - Visa on arrival
- **Roads/Railways**
 - Connectivity of tourist destinations
 - Way Side amenities/ facilities
- **Environment and Forest**
 - Rationalisation of CRZ rules
 - Eco tourism policy
- **Civil Aviation**
 - ATF a declared good
 - Conducive aviation policy
- **Urban Development**
 - Urban design and civic management

Convergence at State and Urban Local Bodies (ULBs)

Current State of Coordination



Some Examples

- Town and Country Planning
 - Building Codes
 - Land Use Policies
- Municipal Corporations
 - Sanitation & Cleanliness
 - Waste Management
- Police
 - Safety and Security
- State Finance
 - Multiple Taxes
 - Resource Allocation
- Environment & Forests
 - Management of eco sensitive sites
- Roadways & Transport
 - Seamless travel
 - Road Taxes
 - Bus network
 - Highway Amenities

GAP ANALYSIS IN THE HOTEL SECTOR

•Supply:

Shortage of 100,000 guest rooms short in the country. This is expected to keep ARR's high for the next few years

Trained Manpower for additional jobs

•Barriers to entry:

High capital costs, poor infrastructure facilities and scarcity of land especially in the metros

•Policy:

In FY09, Rs 5.2 bn for development of tourism infrastructure was allocated. This figure is higher by Rs 970 m as compared what was allocated in the previous year. However, it is only 1% of the total government spending. RBI has allowed ECB upto US\$ 100 m in January 2009, which would help in raising funds. The Centre and States are also working out a PPP (Public-Private-Partnership) model to increase hotel capacity.



Existing and Proposed Branded Hotels in Major Indian Cities (2008-09)				
City	Existing Supply	Proposed Supply	Increase over 5 years	% of proposed supply being developed
Bangalore	3,889	10,784	277%	58%
Chennai	3,307	4,945	150%	67%
Delhi(NCR)	8,625	16,560	192%	53%
Goa	2,795	2,178	78%	31%
Hyderabad	2,761	5,884	213%	73%
Kolkata	1,373	4,025	293%	62%
Mumbai	7,948	13,386	168%	73%
Other Cities	17,777	36,353	204%	58%
All India	48,475	94,115	194%	60%

Source: HVS Hospitality Services

- 5.11 million foreign tourists visited India during 2009 - the Capital, New Delhi received 1.96 million tourists (36.35%) - the highest for any destination in the country
- Delhi has about 11,000 hotel rooms as classified by the Ministry of Tourism, Government of India, and about 1500 rooms are under implementation on plots auctioned by DDA which were to come up and be operational before CWG2010. As per the estimate made by the Ministry of Tourism and Ministry of Urban Development, Government of India in 2008 the shortage of Hotel Rooms is about 30,000. This would increase every year by 8-10 % due to increased tourist arrivals.
- In view of this acute shortage of Hotel Accommodation in the Capital as also to meet the requirement of visitors to the Common Wealth Games 2010 the Ministry of Urban Development on the recommendation by the Ministry of Tourism and the Empowered Group of Ministers for CWG2010 increased the FAR for hotels in the Capital from 150 to 225 vide Notification No. K-12011/5/2007-DDIB dated 12th August, 2008
- Thus 34 hotel plots, were auctioned in the Capital for the construction of hotels, 33 by the DDA and 1 by the L&DO, Ministry of Urban Development, Government of India to meet the acute shortage of Hotel Rooms as well as keeping room requirements of CWG 2010 in mind. However only 6-7 hotels with about 2000 rooms have been actually completed out of the 34 sites allotted and about further 6-7 hotels with about 1500 rooms are expected to be commissioned in the next 12 -18 months. The remaining plots are either being utilized for construction of hotels or the successful bidders have not paid the bid amount to the DDA and hence these plots would have to be re-auctioned. It is to be noted that in 2009, about 7/8 plots which were put to auction by DDA resulted in no successful bids being received and are still with the DDA. The main reason for the poor response for the auctions has been the requirement of DDA to bring the entire bid amount upfront
- The intention of the enhancement of FAR was that both existing hotels and new hotels being constructed could add more rooms as long as they are located outside the Luytens Bungalow Zone and Heritage Buildings
- Currently only 6 or 7 hotels with about 2000 rooms have been completed

BACKGROUND OF THE FIXATION OF CHARGES FOR ADDITIONAL FAR GRANTED BY DDA 1/3:



Initially the charges for the additional FAR were fixed at 100% vide DDA notification 10 October 2008 in spite of the request for fixing the rate for additional charges at 25% of the Circle Rates announced by the NCT of Delhi. This was specifically requested to be kept at 25% of the Circle Rates as this has been the practice in the city of Mumbai while granting additional FAR for the last 30 years.

Subsequent to the representation made by the FRRAI to Smt Ambika Soni, former Union Minister of Tourism and Shri Arjun Singh, former Chairman, GOM of the CWG 2010 a recommendation was made to the Minister, Urban Development, Govt of India and the LG, Delhi to reduce the charges for FAR to 25%.

However the final notification of the DDA dated allowed 25% of the ZAAR rates to be charged for the additional FAR being sought for if the hotels under construction would be completed by 31 August 2010 and classified by 30 September 2010. This decision was taken by the Committee of Secretaries headed by the Cabinet Secretary, Govt of India at the meeting held on 12 September 2008.

BACKGROUND OF THE FIXATION OF CHARGES FOR ADDITIONAL FAR GRANTED BY DDA 2/3:



The Levy of 50% of the ZAAR rate is itself a very high amount as fixed by the DDA notification 27 February 2009 which reflects the auction rates for hotels which were put to bid in 2007-08 also due to the following factors Hotels are unable to avail of the scheme of obtaining additional FAR to enhance their present Hotel capacity:

The grant of enhanced FAR is subject to payment of charges to additional FAR granted to a Hotel at 50% of the Zonal Average Auction Rate (ZAAR)

- As per DDA's present stand, if in a year if no auction is held the previous year's AAR is to be updated by adding 12.5% for the next year - a huge set-back because the ZAAR will be compounded at such a high % year after year from the DDA's ZAAR for that year.
- Thus in 2011, the ZAAR rates for the year 2008 have increased by 42.50% over and above the already high ZAAR rates for that year.
- The ZAAR bid amounts when the Real Estate rates were at the peak were artificially inflated and have come down by at least 30% to 40%.
- The auctions held by the DDA in 2008-09 for hotel plots saw no takers at all for the plots - charging for the additional FAR on as high as 50% of the Zonal Average Auction Rate (ZAAR) is unrealistic
- The capital cost of setting up a hotel has increased exponentially ranging from Rs.40 lakhs per room for 3-star hotels to as high as Rs.6 crores per room for 5-star deluxe hotels depending of the cost of land and it has made hotels economically unviable or has caused them to breakeven over a very long period of time.

far GRANTED BY DDA 3/3

- Special incentive for payment at 25% of ZAAR provided to hotels which availed of the additional FAR before the CWG 2010 i.e. they were completed by 31.8.2010 and classified by the Ministry of Tourism by 30.9.2010.

- However the exorbitant charges proved a serious deterrent for new as well as existing hotels to avail of the additional FAR.

The increase in FAR to 225 in Delhi is still far less, in comparison, to the very high FAR granted in other cities for Hotels, as given in the following chart:

City	FAR	Remarks
Delhi	225	Increased from 150 in 2008
Mumbai (South)	500	Increased from 133
Hyderabad	UNLIMITED FAR (Provided height is within the limit granted by Airports Authority of India.)	

- Government of Maharashtra realizing the urgent need for more hotel rooms in South Mumbai, has increased the FAR from 133 to 500

- The Government of Maharashtra and the Municipal Corporation Greater Mumbai vide Order dated 14th May, 2009 permitted hotels to avail of the additional FAR upto 500 by paying premium for the additional FAR at 25% of Circle Rates as per Ready Reckoner (Circle Rates) of the plot on which the hotel is proposed to be constructed. The Circle Rates of the entire city of Mumbai are published by the Government based on Stamp Duty in that area.

- Hyderabad, there is no limit on the FAR as long as the height approved by Airports Authority of India is followed.

STEPS TAKEN SO FAR:

- To address the acute shortage of Hotel Rooms the Hon'ble Finance Minister had given hotels a priority status extended the benefit of Section 35 AD to new hotels of 2-star and above category which open after 1st April, 2010 in Union Budget 2010-11 anywhere in the country
- The Ministry of Urban Development vide its Notification dated 12th August, 2008 ensured that in New Delhi Lutyen's Bungalow Zone as well as the heritage hotel buildings are excluded from the purview of the additional FAR.
- Geographical restraints of available Hotel Plots in the National Capital Territory— the Ministry of Urban Development has ensured vide its Notification dated 12th August, 2008 that the Lutyen's Bungalow Zone as well as the heritage hotel buildings are excluded from the purview of the additional FAR
- The best and quickest way to address hotel capacity, keeping costs in check would be to increase the FAR - ground coverage has been increased in Ministry of Urban Development's Notification dated 12.8.2008 from 30% to 40%.

The following Hotels have the desire to put up more guestrooms but cannot do so due to the limited FAR of 225 and the prohibitive charges presently prescribed:

- Hyatt Regency, R.K. Puram, New Delhi (additional guestrooms to be added)
- The Grand, Vasant Kunj, New Delhi (additional guestrooms to be added)
- The Leela Kempinski, New Delhi
- The Hotel project at Jasola of EMAAR MGF
- The Hotel project of DLF at IGI Airport.



THE HOSPITALITY INDUSTRY SEEKS INTERVENTION OF THE HON'BLE MINISTER FOR URBAN DEVELOPMENT IN:

1. Enhancement of FAR for hotels in the NCT of Delhi which was done from 150 to 225 vide Notification No. K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
2. The charges for additional FAR may not be recovered on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi as is followed by the Government of Maharashtra
3. The charges for the additional FAR may be recovered at 25% of the circle rates published by the Government of NCT of Delhi instead of 50% of ZAAR from 31 August 2010 onwards i.e. the date upto which the DDA notification dated 27 February 2009 allows the concessional rate of 25%

THANK YOU



Regd. Office: B-82, 8th Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi - 110001
Phones: (011) 40780780. Fax: (011) 40780777. E-Mail: fhrai@vsnl.com • Website: www.fhrai.com



Federation of Hotel & Restaurant Associations of India

tan Marothia
t: Vivek Nair
t: Sushil Gupta
t: Kamlesh Barot
une 7, 2011

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain
Secretary General : M. D. Kapoor

the Hon'ble Minister for Urban Development
Government of India
Lilman Bhavan
New Delhi 110011

TRUE COPY

Kind attention: Mr. Kamal Nath

- Subject: 1. Request that the enhancement of FAR for hotels in the NCT of Delhi which was done from 150 to 225 vide Notification No. K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
2. Request that the charges for additional FAR may not be recovered on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi as is followed by the Government of Maharashtra.

Respected Sir,

We invite your kind attention to our letter dated 22nd February, 2011 on the above subject. A copy of this letter which followed the presentation made to your goodself by the representatives of the Federation of Hotel & Restaurant Associations of India, the day before on 21st February, 2011, is enclosed for ease of reference.

Further, in our said letter we have requested for your kind intervention to ensure implementation of the following suggestions which will greatly help in accelerating the growth of hotel room capacity in the NCT of Delhi to cater to the increasing number of foreign tourists as well as the fast expanding domestic tourist traffic:

- (1) The FAR for hotels in the NCT of Delhi which was increased from 150 to 225 vide Ministry of Urban Development, Government of India, Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.
- (2) The charges for additional FAR may be recovered not on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle Rates issued by the Government of NCT of Delhi as is followed by the Government of Maharashtra.

-2-

- (3) The charges for the additional FAR may be recovered at 25% of the Circle Rates issued by the Government of NCT of Delhi instead of 50% of ZAAR from 31st August, 2010 onwards i.e. the date upto which the DDA notification dated 27th February, 2009 allows the concessional rate of 25%.

We earnestly hope that these suggestions are under active consideration of the Ministry of Urban Development and we now take this opportunity to request your goodself that the necessary action in the matter may kindly be expedited.

Thanking you,

Yours faithfully,

For Federation of Hotel & Restaurant Associations of India



Vice President

Encl:



The Federation of Hotel & Restaurant Associations of India

President : Ratan Marothia
Vice President : Vivek Nair
Vice President : Sushil Gupta
Vice President : Kamlesh Barot

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain
Secretary General : M. D. Kapoor

July 26, 2011

The Secretary
Ministry of Urban Development
Government of India
Nirman Bhavan
New Delhi 110011

Kind attention: Mr. Navin Kumar

- Subject: 1. Enhancement of FAR for hotels in the NCT of Delhi from 225 to 300.
- 2 The charges for additional FAR @25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi instead of on the basis of the Zonal Average Auction Rate (ZAAR).
3. Extension of the completion date for eligibility to the concessional charges at 25% of the ZAAR for the additional FAR granted to hotels from 31.8.2010 to 30.9.2010

Respected Sir,

We invite your kind attention to our letters dated 7th June, 2011, 22nd February, 2011 and 3rd February, 2011 addressed to the Hon'ble Minister of Urban Development, Government of India on the above subject. Copies of these letters, together with enclosures are attached for ready reference. A presentation was also made to the Hon'ble Minister of Urban Development by the representatives of the Federation of Hotel & Restaurant Associations of India, on 21st February, 2011, a copy of which is also attached.

Sir, in our said letters we have requested for the implementation of the following suggestions which will greatly help in accelerating the growth of hotel room capacity in the NCT of Delhi to cater to the increasing number of foreign tourists as well as the fast expanding domestic tourist traffic:

(1) The FAR for hotels in the NCT of Delhi which was increased from 150 to 225 vide Ministry of Urban Development, Government of India, Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 be further enhanced to 300 as was originally requested and recommended by the Ministry of Tourism, Government of India.

(2) The charges for additional FAR may be recovered not on the basis of Zonal Average Auction Rate (ZAAR) as now stipulated by the DDA but should be recovered @25% of the Circle

Rates issued by the Government of NCT of Delhi as is followed by the Government of Maharashtra. The charges for the additional FAR may be recovered at 25% of the Circle Rates issued by the Government of NCT of Delhi instead of 50% of ZAAR from 31st August, 2010 onwards i.e. the date upto which the DDA notification dated 27th February, 2009 allows the concessional rate of 25%.

The FHRAI, in its letters dated 25.8.2010 to the Hon'ble Minister for Urban Development and the Hon'ble Minister of Tourism requested that for a hotel to be eligible for the concessional rate of 25% of ZAAR for the additional FAR granted to Commonwealth Games related projects, there should be only one date i.e. 30.9.2010 by which it should be completed, rated and classified (copies attached "X"). This request was recommended by the Ministry of Tourism to the Ministry of Urban Development vide its letter No.8-TH.I(7)/2010 dated 27.9.2010 (copy enclosed - "Y"). We understand that this request had been submitted to the Committee of Secretaries for an appropriate recommendation and a decision would be taken by the Government after the receipt of the recommendation. It is understood that the Cabinet Secretariat has returned the proposal to the Ministry of Urban Development leaving the decision in the matter to the Ministry. FHRAI have again requested the Hon'ble Minister of Urban Development vide its letter dated 6th June, 2011 (copy enclosed for ready reference - "Z").

We earnestly hope that these requests are under active consideration of the Ministry of Urban Development and we now take this opportunity to request your goodself that the necessary action in the matter may kindly be expedited.

Thanking you,

Yours faithfully,
For Federation of Hotel & Restaurant Associations of India

sdl/-

Vice President

Encl:



5 SEP 1998

DELI DEVELOPMENT AUTHORITY
VIRAS MINAR
INDRAPRASTHA ESTATE

NO.F.10(1)56-MP

1993

FROM: R.K. JAIN
JOINT DIRECTOR (MP)

45 FEB-2

NEW DELHI 31 AUG 1998

TO:

The Director (DD)
Ministry of Urban Affairs & Employment
Nirman Bhawan, New Delhi.

SUB: Development controls/building bye laws applicable for construction of Motels in Delhi - representation from the Federation of Hotels & Restaurant Association of India.

Madam,

This is with reference to your D.O. No.K-14011/3/97-DDIN dated 19.1.98 vide which a report on follow up of the issues discussed in the meeting held on 8.7.97 under the chairmanship of Secretary (Tourism) was desired. Further subsequent representations was received from the Federation of Hotel and Restaurant Association of India and the matter was discussed in the meeting of the Tech. Committee held on 3.3.98 (copy enclosed) vide which the following decision was taken:

Technical Committee after detailed discussion re-commended that the activities for maintenance of services and hotel infrastructure allowed in the basement under the terms of lease executed by the DDA with the lessee may be allowed without counting in FAR subject to the following:

- i) Minimum 60% of the basement area shall be used for parking.
- ii) That these conform to MPD-2001 norms.

As mentioned in the agenda of Tech. Committee with the approval of VC, DDA, the following services and infrastructure activities are allowed in the basement without counting in FAR.

Air conditioning plant and equipment, water storage boiler, Electric sub station, H.T. and L.T. Pannel Rooms, Transformer Compartment, Control Room, Pump House, Generator Room and other mechanical services and equipment required for the maintenance of the building.

Laundry, Cold Room for storing Food articles Linen store, Gas tank, Garbage room provisions/housekeeping store and Cold Storage.

2. The enhancement of the FAR for the existing hotel would be considered as part of the review of the Master Plan for Delhi-2001/MPD-2021.

I am directed to request that the permissibility of the services in the basement without counting in FAR may be adopted uniformly by local bodies, L&DO & Other land owning govt. agencies.

Thanking you,

Yours faithfully,

(R.K. JAIN)
JOINT DIRECTOR (MP)
28.8.98

Copy to:

1. Chief Architect, NDMC
2. Town planner, MCD
3. Land & Development Officer, MOUA&E
4. Commissioner (LD)DDA
5. Chief Architect, DDA
6. Hony. Secy. Hotel Federation.

R.K. Jain
28/8/98
JOINT DIRECTOR (MP)

Sl. No.	Category	Population / Unit (approx.)	Plot Area
4	Hospital D (Upto 100 beds)	1.00 lakh	0.25 ha to 0.5 ha
5	Other Health Facilities	1 per 50000	1000 sqm to 2000 sqm
	a. i) Maternity Home	1 per 50000	1000 sqm to 2000 sqm
	ii) Nursing Home/ Polyclinic	1 per 10000	800 sqm to 1200 sqm
	iii) Dispensary		
	b. i) Family Welfare Centre	1 each per 50000	500 sqm to 800 sqm each
	ii) Pediatric Centre		
	iii) Geriatric Centre		
	iv) Diagnostic Centre.		
6	a. Veterinary Hospital for pet animals and birds	1 per 5.0 lakh	2000 sq m. (Subject to availability of land)
	b. Dispensary for pet animals and birds	1 per 1.0 lakh	300 sq m.
7	a. Medical College	1 per 10 lakh	As per norms of Medical Council of India/Regulatory Body (subject to availability of land)
	b. Nursing and Paramedic Institute	1 per 10 lakh	2000 sqm (Subject to Nursing Council of India/ Ministry of Health norms).
	c. Veterinary Institute	As per requirement	As per the Veterinary Council of India / Ministry norms (subject to availability of land)

Table 13.2: Development Controls for Health Facilities

Sl. No.	Category	Maximum			Other Controls
		Ground Coverage	FAR	Height	
1	Hospital A (501 & above)	30% + additional 5% for multi level parking (not to be included in FAR)	200	37m.	1. Upto 15% of max. FAR can be utilized for residential use of essential staff. 2. Upto 10% of max. FAR to be kept for dormitory/ hostel for attendants of the patients, Crèche etc. 3. Parking standard @ 2.0 ECS/100 sq m of floor area.
2	Hospital B (201 to 500)				
3	Hospital C (101 to 200)				
4	Hospital D (Upto 100)				
5	Other Health Facilities	30%	150	26m	Parking Standard @ 2.0 ECS/ 100 sqm of floor area.
	a. i) Maternity Home				
	ii) Nursing Home/ Polyclinic/ Dispensary				
	b. i) Family Welfare Centre				
	ii) Pediatric Centre				
	iii) Geriatric Centre				
	iv) Diagnostic Centre.				

Sl.No.	Category	Maximum			Other Controls
		Ground Coverage	FAR	Height	
6	a. Veterinary Hospital for pet animals and birds	30%	150	26m	Parking standard @ 1.33 ECS/ 100 sq m of floor area.
	b. Dispensary for pet animals and birds	35%	100	26m	Parking standard @ 1.33 ECS / 100 sq m of floor area.
7.	a. Medical College	As per norms of Medical Council of India/Regulatory Body			
	b. Nursing and Paramedic Institute	30%	150	26m	Parking standard @ 2 ECS/100 sqm. of floor area.
	c. Veterinary Institute	As per the Veterinary Council of India / Ministry norms			

Notes:

- Plot area for all hospitals would be worked out @ 100 sqm of gross floor area per bed. However, for other health facilities like Maternity/ Nursing homes, family Welfare and other centres, the plot area would be worked out @ 60 sqm of gross floor area per bed.
- Max. upto 300 sqm of floor area shall be allowed to be used for community space/ religious shrine/ crèche/ chemist shop/bank counter on Hospital sites and also Medical College/ Nursing and Paramedic Institutes sites.

Other controls:

- In case of super specialty medical facilities/ hospitals duly certified as such by the competent authority, the gross area shall be worked out @ upto 125 sqm per bed.
- In case of existing premises / sites, the enhanced FAR shall be permitted, subject to payment of charges as may be prescribed by the Authority/ land owning agency and other clearances.
- In case of hospitals, service floor is exempted from FAR calculation. Basement if utilized for Hospital purpose shall be counted in FAR.
- Other controls related to basements etc. are given in the Development Code chapter.

13.2 EDUCATION

The literacy rate in Delhi has increased from 75.3% in the year 1991 to 81.82% in the year 2001. In overall terms Delhi has a fairly elaborate network of educational institutions from the pre-primary/ primary to the higher education and professional education levels. At present there are 2416 primary schools, 755 middle schools, and 1576 secondary/senior secondary schools. At the higher/ professional education levels, there are 114 colleges for general education, 8 engineering colleges, 4 universities, 7 deemed universities and one Open University.

However, there is a deficiency in few planning zones, particularly in the field of school education. Further, keeping in view the fast changing national and global economic scenario, the employment and educational requirements are also undergoing a rapid change involving the development of new professional and vocational avenues for specialised education. A number of coaching centres, computer training institutes and language / training classes are opening up. However, these are mainly operated by the private sector. Suitable provision for such centres in commercial areas is desirable with a view to enhancing the financial resources of the concerned land owning agency.

With the consequent potential for availability of financial resources for this purpose, involvement of the private sector in the development of educational facilities is growing.

Keeping the need for expansion and diversification as brought out above, the availability of land could become a major constraining factor. It has, therefore, become necessary to develop policies and norms, which would enable optimal utilisation of land and available educational infrastructure. As far as school education is concerned, the policy should be geared to encourage integrated schools from the pre-primary to the higher secondary level, rather than allocating space separately for Nursery Schools, Primary Schools and Middle Schools. Primary Schools may specifically be set up by the Delhi Government or the Local Civic Bodies.

Following planning policy parameters are proposed:

- Differential norms and standards for various educational institutes/ institutions shall be applicable in the light of the norms of the concerned controlling authorities e.g. University Grants Commission (UGC) / All India Council for Technical Education (AICTE) / Directorate of Education, GNCTD / Central Board of Secondary Education (CBSE) etc.
- Coaching centres/vocational training centres would be permissible in school classes after school hours with (a) prior approval of Competent Authority in the case of schools run by GNCTD or local body and (b) with prior intimation to lessor and payment of fee to be prescribed in the case of schools run privately on leased land. Structured courses leading directly to degree / diploma shall however not be permitted.

MINISTRY OF URBAN DEVELOPMENT

(DELHI DIVISION)

NOTIFICATION

New Delhi, the 12th August, 2008

S.O. 2034(E).—Whereas certain modifications which the Central Government proposed to make in the Master Plan for Delhi-2021 as mentioned hereunder were published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii) as Public Notices vide No. S.O. 1049(E), dated 30-4-2008, 1142(E), dated 15-5-2008, 1172(E), dated 19-5-2008, 1396(E), dated 9-6-2008 and 1397(E) dated 9-6-2008 by the Delhi Development Authority in accordance with the provisions of Section 44 of the Delhi Development Act, 1957 (61 of 1957) inviting objections/suggestions as required by sub-section (3) of Section 11-A of the said Act, within thirty days from the date of the said notice.

2. Whereas objections/suggestions with regard to the proposed modifications have been considered by a Board of Enquiry and Hearing, set up by the Delhi Development Authority and also by the Delhi Development Authority; and

3. Whereas the Central Government has, after carefully considering all aspects of the matter, decided to modify the Master Plan for Delhi, 2021.

4. Now, therefore, in exercise of the powers conferred by sub-section (2) of Section 11-A of the said Act, the Central Government hereby makes the modifications in the said Master Plan for Delhi, 2021 as per Annexure A and B with effect from the date of publication of this Notification in the Gazette of India.

✓ last page.

[No. K-12011/5/2007-DDIB]

Sl. No.	Page No.	Para/ Clause No. of MPD-2021	Modifications
1.	27	Condition (xvii) under sub-para 4.4.3	<p>This condition shall be substituted by the following:-</p> <p>"(xvii) Encroachment on public land shall not be regularized and shall be removed before the local body grants sanction for regularization of additional construction or height except the following:-</p> <p>(a) Projections/chajjas/ covered chajjas built up portion which existed before 7.2.2007 upto 1m above 3m height from the ground level shall be regularized for plot size upto 175 sqm on roads below 24m ROW in pre-1962 colonies (except for A & B category), in unplanned areas (including special area, village abadi and unauthorized-regularized colonies) and re-settlement colonies. The owners/occupiers shall have to obtain structural safety certificate and fire clearance within a reasonable period of time as notified by the Government. Such projections/built up portion thereon shall be counted in FAR and in case of excess FAR over and above permissible FAR, such FAR in excess shall be regularized subject to payment of appropriate charges as approved by the Government.</p> <p>(b) The local body concerned shall carry out a survey within a period of two months from the date of notification of all such projections eligible to be regularized and put such list in public domain for objections from the occupiers/owners and any person of the public against inclusion/exclusion of such projection in the list and the list thereafter will be finalized within a period of one month after considering such objections received in writing."</p>

2.	35-36	Table 5.4-4(c) Hotels	The Development Control Norms of (c) notes shall be substituted as per Annexure 'B'.
3.	46	Note (v) below Table 7.3	This Note shall be substituted by the following: "v. Banquet hall shall be permissible in Industrial premises subject to specifications/ regulations as may be prescribed, along with conversion charges as prescribed by the Government from time to time."
4.	46	Note (vi) below Table 7.3	This note shall be substituted by the following:- "vi. Industrial units/ plots abutting roads of 24m ROW and above shall be eligible for conversion to commercial use within the existing development control norms, subject to payment of conversion charges as prescribed by the Government from time to time, and cost of parking as decided by Government from the time to time. The activities permissible in local shopping centres will be permitted in such plots. In addition, multilevel parking shall be permissible activity. However, this shall not be permitted on non-conforming/regularized industrial cluster. The above provision shall not affect the Supreme Court orders in any way."
5.	78	Clause (vii) below sub-para 12.12.2	This clause shall be substituted by the following:- "vii. Maximum 10 FAR permissible for non-inflammable, non-hazardous commercial activities subject to payment of conversion charges/levies, as prescribed by the Government from time to time."
6.	97	Sl.No.14 under Table 13.21	In this Sl.No. under the Heading 'Activity permitted', after Indoor Games Hall, "Swimming Pool" shall be added.
7.	97	Table 13.21,	Below this table, the following foot note shall be added:- "Note 1: Physical training with equipment is permitted activity in the Indoor Games Halls".

3.	113	Clarification on 'Other activity' under sub-para 15.3.2(1)	This clarification shall be substituted by the following: " 'Other Activity' restricted to guest houses, nursing homes and pre-primary schools, as defined in para 15.7.1, subject to conditions contained in para 15.7, in plots abutting roads of minimum 18m ROW in regular plotted development, since these activities are in the nature of 'Public and Semi Public' facilities. New banks, fitness centres, wellness centres and NGOs will not be permissible. Banks which existed as on 7.9.2006, fitness centres, wellness centres and NGOs which existed as on 7.2.2007, (as defined in para 15.7.1), in accordance with notifications issued in this regard from time to time, and are on plots abutting roads of minimum 18m ROW, on the date of notification, shall however, continue."
9.	114	Clarification (4) below sub para 15.3.2 (Group Housing in all categories of colonies)	This shall be substituted by the following:- "Only professional activity, small shops in terms of para 15.6.3 and tuition centres for school children only shall be permissible. Retail shops specifically provided for in the lay out plan of group housing and activities permitted in group housing under para 15.4(ii) would be permissible."
10.	114	Clause (i) under Sub-para 15.3.3	This Clause shall be modified to read as under:- "(i) Where more than 50% of the plots in a stretch/street, are having shops/ offices and other activities permitted in Local Shopping Centres on ground floor, such streets/ stretches shall be eligible for notification as mixed use street".
11.	114	Clause (iv) under Sub Para 15.3.3	After this clause, the following note shall be added:- "Note-1 The local body shall carry out a survey in those streets/roads in urban villages and regularized-unauthorized colonies not surveyed pursuant to the provisions of MPD-2021 notified on 7.2.2007, within a period of three months of this Notification."

12.	115	In Group Housing under Sub-Para 15.4(ii)	<p>After the sentence " Only ----permissible", the following shall be added:-</p> <p>"However, the entire ground floor of DDA flats on mixed use/ commercial use area/ stretches/ roads is allowed for mixed use/ commercial use. No amalgamation of two or more DDA flats shall be allowed."</p>
13.	115	15.6	The Heading of this sub para shall be modified to read as "Retail Shops and Offices".
14.	115	Clause (i) & (ii) under sub-para 15.6.1	<p>These clauses shall be modified to read as under:</p> <p>"(i) Retail shops and Offices shall be permitted on plots abutting streets notified for mixed use only on the ground floor upto the maximum permissible ground floor coverage.</p> <p>(ii) Mixed use from basement on such streets may be allowed, subject to relevant provisions of building bye-laws, structural safety and fire safety clearance. However, if such use of basement leads to exceeding the permissible FAR on the plot, such FAR in excess shall be used, subject to payment of appropriate charges prescribed with the approval of Government. Paras 15.3.2.1, 15.3.2.2, 15.3.2.3, 15.3.3(i) and 15.4 and any other relevant provisions shall be read alongwith the above provisions."</p>
15.	116	Sub Para 15.6.3	<p>The opening phrase of this sub para shall be modified to read as under:-</p> <p>"Small shops of maximum 20 sqm area each, restricted to maximum permissible number of DUs in the plot or four numbers, whichever is less, trading in or dealing with the following specified 24 items/activities are allowed on ground floor only in residential plot, excluding A & B category of colonies. However, small shops of maximum 20 sqm area each, restricted to maximum permissible number of dwelling units in the plot or four in number, whichever is less, trading in or dealing with specified items/</p>

			activities existing as on 7.2.2007 may continue on ground floor only in a residential plot in A & B category of colonies but in future only one small shop of 20 sqm area shall be allowed on ground floor in a residential plot in A & B category of colonies."
16.	117	Clause b(ii) of sub-para 15.7.1	After this Clause, the following shall be added:- "iii. Wellness Centers including Day Spas/ Weight Loss Centres/ Ayurvedic Centres offering Ayurvedic treatment/ Salons offering fitness & aesthetic medical services and operating as on 7.2.2007."
17.	117	Clause (e) of Sub-para 15.7.1	At the end of this Clause, the following shall be added:- "as existed on 7.2.2007."
18.	117	Clause (f) of Sub-para 15.7.1	After this Clause, the following shall be added:- "(g) Non-profit making Non-Governmental Organizations (NGOs) existing as on 7.2.2007 and registered as such under Section 12A read with Section 12AA(1)(b) of the Income Tax Act, 1961."
19.	117	Sub Para 15.7.2	At the end of this sub para, the following note shall be added:- "Note: Coaching centres/tuition centres shall also be allowed to operate on a minimum ROW of 9m unless lesser ROW is specified, in all colonies planned and developed prior to 1962 including A and B category colonies."
20.	117	Notes below Sub-para 15.7.2	In the Note with * mark, the words 'and fitness centers' shall be deleted.
21.	117	Sub Para 15.7.3	The opening phrase of this sub-para shall be modified as under:- "The above mentioned public and semi-

			public activities shall be subject to the following overriding conditions on the general conditions prescribed in preceding paras:-
22.	117	Clause (ii) of sub-para 15.7.3	This Clause shall be substituted by the following:- "ii. Banks shall be permissible on maximum 2/3 rd of FAR subject to 600 sqm while guest house, nursing homes, Wellness Centers including Day Spas/ Weight Loss Centres/ Ayurvedic Centres offering Ayurvedic treatment/ Salons offering fitness & aesthetic medical services will be permissible upto 3/4 th of the floor area."
23.	117	Clause (iii) of sub-para 15.7.3	In this Clause, between the words "clinics" and "and", the following shall be inserted:- ",Wellness Centers including Day Spas/ Weight Loss Centres/ Ayurvedic Centres offering Ayurvedic treatment/ Salons offering fitness & aesthetic medical services".
24.	117	Clause (iv) of sub-para 15.7.3	In this Clause, between the words "Nursing Homes" and "operating", the following shall be inserted:- "Wellness Centers including Day Spas/ Weight Loss Centres/ Ayurvedic Centres offering Ayurvedic treatment/ Salons offering fitness & aesthetic medical services."
25.	117	Clause (vi) of Sub-para 15.7.3	This clause shall be substituted by the following: "Pre-primary school (other than those on plots abutting commercial streets) shall be restricted only to the ground floor upto the permissible ground coverage. Fitness Centre (including Gymnasium, Yoga/Meditation Centre), (other than those on plots abutting commercial streets) is permitted on all floors. It is also permitted in the basement subject to relevant provisions of Building Bye Laws.

clearance. In case the use of basement leads to exceeding the permissible FAR on the plot, such FAR in excess shall be used subject to payment of appropriate charges prescribed with the approval of Government".

26.	117	Clause (vii) of Sub Para 15.7.3	<p>This clause shall be modified to read as under:-</p> <p>"Coaching centres and tuition centres referred to in para 15.7.1 (f) including computer coaching and language coaching centres shall be permissible up to 2/3rd of the maximum permissible FAR of the plot size subject to a maximum of 500 sqm built area and basement. There shall be no restriction on the size of the plot. Use of basement shall be subject to clearance from the fire authorities and other statutory bodies as per the relevant provisions of MPD 2021 and Unified Building Bye-Laws, 1983, amended from time to time. In case the use of basement for coaching centres and tuition centres including computer coaching and language coaching activity leads to exceeding the permissible FAR on the plot, such FAR in excess shall be used subject to payment of appropriate charges prescribed with the approval of Government. Other existing coaching/tuition centres may be allowed to continue till end of May, 2008 and shift to conforming locations by then.</p> <p>The tuition centres for school children only, shall also be permissible in the ground floor dwelling of any group housing on a maximum floor area of 100 sqm or 50% of the floor area of the flat, whichever is less."</p>
27.	118	Clause (ix) of Sub-para 15.7.3	<p>After this Clause, the following Clause shall be added:-</p> <p>"(x) NGOs as referred to in Clause (g) of Sub-para 15.7.1, if not registered as yet, should get themselves registered within one year from the date of Notification.</p>

			continue only from that part of the premises which was in use as on 7.2.2007 without permitting any further increase subject to the condition that it is less than $3/4^{\text{th}}$ of the floor area."
28.	118	Sub Para 15.8 (iv)	<p>This sub para shall be modified to read as under:-</p> <p>"Professional activity in basements is permissible in plotted development, subject to relevant provisions of Building Bye-Laws, structural safety norms and fire safety clearance. In case, the use of basement for professional activity leads to exceeding the permissible FAR on the plot, such FAR in excess shall be used subject to payment of appropriate charges prescribed with the approval of Government."</p>
29.	118	Clause (ii) under sub-para 15.9	<p>At the end of this Clause, the following shall be added :-</p> <p>"For mixed use for the year 2006-07 and 2007-08, the property owner/allottee shall be allowed to pay one time registration charges and annual conversion charges without payment of any penalty under Clause 15.9 (v) for mixed use on or before 30.6.2009."</p>
30.	118	Clause (v) under sub-para 15.9	<p>After this clause, the following clauses shall be added :</p> <p>"(vi) In respect of residential premises already under mixed use on 7.2.2007 in Special area, the owner/allottee/occupier of the plotted development shall be required to declare such mixed use by filling up a form in this respect and depositing it with local body concerned and pay one time registration charges and conversion charges without penalty on or before 30.6.2009 at the rate to be notified with the approval of the Government from time to time."</p>

31.	119	Clause (c) under Sub-para 15.12.1	<p>This Clause shall be modified to read as under:-</p> <p>"(c) In E, F & G category colonies, where 80% of residential plots are under mixed use, or if there are 150 shops, within a contiguous area of 1 hectare, the Local Body shall carry out a survey in such areas within a period of three months from the date of this Notification."</p>
32.	119	Sub-para 15.12.2	<p>At the end of this sub-para, the following note shall be added:-</p> <p>"Note 1: The local body shall carry out a survey in those areas/ streets/roads in urban villages and regularized-unauthorized colonies not surveyed pursuant to the provisions of MPD-2021 notified on 7.2.2007, within a period of three months of this notification."</p>
33.	120	Condition (iv) to sub-para 15.12.3	<p>This condition shall be modified to read as under:</p> <p>"iv. On notification of a commercial street/ area under this clause, such streets/ areas shall be considered as local shopping centres as mentioned in Chapter 5 of this Plan. The plot owners/ allottees on these commercial streets/ areas shall have to pay conversion charges as prescribed by the Government from time to time, in respect of the built up area which shall not exceed the residential development control norms applicable to the plot. This is a one-time facility for plot allottees/ owners in such commercial areas/ streets and shall not be construed as relaxation of the development control norms in future."</p>
34.	120	Condition (vii) to sub-para 15.12.3	<p>This condition shall be modified to read as under:</p> <p>"vii. Commercial activity in basement on such streets shall be permitted, subject to relevant provisions of building bye laws, structural safety and fire safety clearance. However, if such use of basement leads to exceeding the permissible FAR on the plot,</p>

[भाग II—खण्ड 3(ii)]

			such FAR in excess shall be used subject to payment of appropriate charges prescribed with the approval of Government."
35.	122	Sub-para 16.2(3)	<p>This Sub-para shall be modified to read as under:</p> <p>"3. Special Area building Regulations shall be framed for special area, unauthorized regularized colonies and village abadis. Owners in special area, unauthorized regularized colonies and village abadi shall register themselves with the Local Body within the next six months. They will also submit a certificate of structural safety by qualified engineers. Owners/ occupiers of properties beyond 15 m height, may bring the structure within prescribed height by 30th June, 2009. Till such time, no punitive action would be taken against these structures beyond 15 m height. Subsequent to this date, subject to height restriction of 15 m, all buildings covered by such registration shall be exempted from punitive action till Special Area Building Regulations for these areas are notified or maximum three years, whichever is earlier."</p>
36.	123	Clause 2(10) under Chapter 17	<p>This Clause shall be modified to read as under:-</p> <p>"Conversion charges/other levies as prescribed by the Government from time to time shall be payable wherever land use conversion is enabled at premise level by the Master Plan/Zonal Plan, Mixed Use Regulation and other Regulations."</p>
37.	126	Sub Clause 8(2)(vi) under Chapter 17	<p>This sub-clause shall be modified to read as under:-</p> <p>"(v) Land use of village Abadi (Lal Dora/firni) located in any use zone is residential."</p>

ANNEXURE - B

Table 5.4: Development Control-Commercial Centers of (c) Hotels shall be modified to read as under:

Use/use premises	Maximum Coverage (%)	FAR	Height (mts.)	Parking Standards ECS/100 sqm of floor area	Other controls
(c) Hotels	40	225#	NR*	3@	<p>(i) Maximum 10% ground coverage shall be allowed for providing atrium. In case, the permissible additional ground coverage for atrium is utilized, 25% of the utilized ground coverage shall be counted towards FAR.</p> <p>(ii) Maximum 20% of the FAR can be used for the Commercial Offices, Retail & Service Shops.</p> <p>(iii) The enhanced FAR will be allowed subject to payment of charges to be prescribed/ notified by the Government.</p>

NR*-No Restriction, subject to clearance from AAI, Delhi Fire Service and other statutory bodies.

FAR#- In respect of all hotels except those located in LBZ area, Civil Lines Bungalow Area and Hotels existing on heritage structures.

@- In respect of hotels where the building plans stand sanctioned prior to 27.1.2006, parking standard of 3 ECS for 100 sqm of floor area shall be applicable only for the additional FAR which will be availed consequent upon amendment to MPD 2021. In respect of hotels where the building plans have been sanctioned on or after 27.1.2006, the parking standard of 3 ECS for 100 sqm of floor area shall be applicable to the entire plot.

**Maharashtra Regional and Town
Planning Act, 1966**

- Notification under section 37 (2) of the ...
- Modification to Regulation 33(4) of DCR for Gr. Mumbai.

GOVERNMENT OF MAHARASHTRA
Urban Development Department,
Mantralaya, Mumbai 400 032.
Dated 14th May, 2009.

NOTIFICATION

No. TPB 4307/815/CR-257/2003/UD-11:

Whereas the Development Control Regulations for Greater Mumbai, 1991 (hereinafter referred to as "the said Regulations") have been sanctioned by Government in Urban Development Department, under section 31(1) of the Maharashtra Regional and Town Planning Act, 1966 (hereinafter referred to as "the said Act") vide Notification No. DCR 1090/UD-11(RDP) dated 20th February, 1991 to come into force with effect from 25th March, 1991.

And whereas, the Regulation 33(4) of the said Regulations provides additional FSI for buildings of Starred Category Residential Hotels in the 'F' & 'G' Wards of Island City and the Wards of Suburbs and Extended Suburbs.

And whereas, Govt. has received representations from the organization/associations regarding that due to increase in the offices, commercial spaces for IT and Financial sector companies there is acute shortage of hotel rooms in the Mumbai City, the future demand is likely to grow on account of increased demand generated due to Mumbai being promoted as an International Financial Centre. In order to increase the hotel rooms in Mumbai there is necessity of increasing FSI for the Starred Category Hotels.

And whereas, in view of the facts and circumstances mentioned above and in exercise of the powers contained in sub-section (1AA) of section 37 of the said Act, Government had issued the notice of even no. dated 4/12/08 (hereinafter referred to as "the said Notice") regarding the said modification, for inviting suggestions/objections from any person with respect to the said modification.

And whereas, the said notice was published in the Government Gazette (Ordinary) dated 18/12/08 and in the news paper namely Business Standard (English) dated 1/1/09.

And whereas, as per the said notice Government had appointed Deputy Director of Town Planning Gr. Mumbai as an officer under section 162 of the said Act (hereinafter referred to as "the said officer") to scrutinize any suggestions/objections if any received and to grant hearing to the persons submitting suggestions/objections including say of the Municipal Corporation of Gr. Mumbai (hereinafter referred to as "the said Corporation") and to submit his report to the Government regarding the said modification.

And whereas, the said officer has submitted his report vide letter No. DDTP/Br.Mumbai/37(1AA)/DCR 33(4)/688 dated 7/3/09 to the Government (hereinafter referred to as "the said Report") and recommended to sanction the said modification.

And whereas, after consulting Director of Town Planning, Maharashtra State and considering the suggestions/objections received, Government is of the opinion that the said modification should be sanctioned with some changes.

Now therefore, in exercise of the powers vested under section 37(2) of the said Act, Government hereby sanctions the said modification with certain changes as mentioned below:-

MODIFICATION

(A) Regulation 33(4) of the said Regulation is deleted and following new provision is inserted.

Regulation 33(4):

33(4) - Buildings of Starred Category Residential Hotels - With the previous approval of the Government and subject to payment of premium fixed by the Government and paid (out of which 50% shall be payable to the Corporation) and subject to such other terms and conditions it may specify, the floor space index in the Table No.14 may be permitted to be exceeded in the case of buildings of all starred category residential hotels in independent plots and under one establishment as approved by the Department of Tourism, upto total FSI specified below and subject to following conditions:

Starred Category	Island City		Suburbs & Extended Suburbs.	
	Total FSI	Premium recovered at the rate of ready reckoner for additional FSI.	Total FSI	Premium recovered at the rate of ready reckoner for additional FSI.
1 to 3 Starred Category Hotels	3.00	25% or Rs.6000/- per sq.mt. whichever is more.	3.00 (+ 0.50 TDR)	25% or Rs.6000/- per sq.mt. whichever is more.
4 Starred Category Hotels	4.00	25% or Rs.6000/- per sq.mt. whichever is more.	3.00 (+ 0.50 TDR)	25% or Rs.6000/- per sq.mt. whichever is more.
5 Starred Category Hotels.	5.00	25% or Rs.6000/- per sq.mt. whichever is more.	3.00 (+ 0.50 TDR)	25% or Rs.6000/- per sq.mt. whichever is more.

Conditions:-

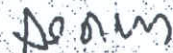
- (1) The additional FSI for residential starred categories hotels shall be permitted after considering the study of infrastructural facilities by the Corporation and due approval of Committee consisting under the Chairmanship of Municipal Commissioner, representative of Mumbai Metropolitan Region Development Authority, the representative of Police Commissioner (Traffic)

- (2) No condonation in parking and other requirements as in these Regulations shall be allowed except in the side and rear marginal open spaces, condonation upto 25% may be granted with the special permission of the Commissioner.
- (3) 5% of total rooms shall be reserved for total 30 days in a year for Govt. at free of cost (only room charges) & it may be monitored by the Maharashtra Tourism Development Corporation and Protocol Department.
- (4) Additional FSI of more than 100% is permissible for one to three star category hotels on the plot size of not less than 2500 sq.mt. and on roads of 18 mt. width or more.
- (5) Additional off-site infrastructure facilities if stipulated by the Corporation/Committee shall be provided by the proponent at their cost.

Note: The use of TDR will be permissible in case of starred category residential hotels in suburbs and extended suburbs only over and above additional FSI granted under these Regulations subject to following conditions:-

- (i) Additional floor area to the extent of 0.5 FSI by way of utilization of TDR (reservation TDR, road TDR or slum TDR) will be permitted over and above the additional FSI granted in this regulations, provided overall FSI does not exceed 3.5
 - (ii) Such additional FSI (in the form of TDR) will be permitted only if additional FSI is availed under these Regulations.
 - (iii) Loading of TDR will be governed by the prescriptions contained in these Regulations.
- (B) Fixes the date of coming into force as and when this notification will publish in the official gazette.
 - (C) Direct the said Corporation that, in the schedule of modifications appended to the notification sanctioning the said Development Plan after the last entry, the above entry (A) shall be added.

By order and in the name of the Governor of Maharashtra,



(Abhiraj Girkar)

Under Secretary to Government.



The Federation of Hotel & Restaurant Associations of India

President : Ratan Marothia
Vice President : Vivek Nair
Vice President : Sushil Gupta
Vice President : Kamlesh Barot

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain

January 12, 2011

The Hon'ble Minister for Urban Development
Government of India
Nirman Bhavan
New Delhi 110011

TRUE COPY

Kind attn: Shri S. Jaipal Reddy

Subject: Our request for increase in the FAR for Hotels in the National Capital Territory of Delhi from 225, granted in 2008 vide Ministry of Urban Development, Government of India Notification No.K-12011/5/2007-DDIB dated 12th August, to a FAR of 300.

Respected Sir,

We are grateful to you Sir, for increasing the FAR from 150 to 225 vide Ministry of Urban Development, Government of India Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 and hotels have benefitted from the same so that the necessary additional accommodation could be ready for the Commonwealth Games. However, out of the projected 30,000 guestrooms estimated by the Ministry of Tourism, Government of India to not only cater to the requirement of the Commonwealth Games, but also to alleviate the acute shortage of guestrooms in the NCT of Delhi. In fact only about 2000 guestrooms had actually been added in the NCT of Delhi and at present during the peak winter season all hotels are having full occupancy at high average room rates. Sir, as a result of the special emphasis being laid by the Government of India to rapidly develop and promote tourism in the country, the number of foreign tourists visiting India has considerably gone up. However, the creation of new hotel rooms in the country is not keeping pace with the increase in the number of foreign tourists. Therefore, the need of the hour is to devise ways and means of accelerating the number of hotel rooms in the country. Thus, the quickest way to add hotel guestrooms with the least additional cost is to increase the FAR so that additional hotel blocks or hotel floors could be added. This is specially so since the ground coverage has been increased in Ministry of Urban Development's Notification dated 12.8.2008 from 30% to 40%.

Also, the increase in FAR to 225 in Delhi is still far less, in comparison, to the very high FAR granted in other cities for Hotels, as given in the following chart:-

Sl.No.	City	FAR	Remarks
1.	Delhi	225	Increased from 150 in 2008
2.	Mumbai (South)	500	Increased from 133
3.	Hyderabad	Unlimited FAR (Provided height is within the limit granted by A. A. I.)	

-2-

As will be seen from the above chart, especially in the case of South Mumbai, where all these decades no extra FAR was allowed, due to the urgent need for more hotel accommodation, the Government of Maharashtra has increased the FAR from the normal 133 to 500. In the case of Hyderabad, there is no limit on the FAR as long as the height approved by AAI is followed.

In the case of New Delhi, the Ministry of Urban Development has ensured vide its Notification dated 12th August, 2008 that the Lutyen's Bungalow Zone as well as the heritage hotel buildings are excluded from the purview of the additional FAR. Therefore, an increase of FAR from 225 to 300 would not have any effect on the sanctity of the Lutyen's Bungalow Zone but at the same time will lead to about 7000 more guestrooms being added to the NCT of Delhi. At present there are about 11,000 guestrooms classified by the Ministry of Tourism. This would be also in line with the Ministry of Tourism, Government of India's efforts to encourage the construction of more guestrooms to ease the acute shortage of hotel rooms in Delhi.

In the peak season in Delhi, due to the acute shortage, the average daily room rates go upto Rs.20,000/- and higher in luxury hotels with occupancies in the 90 percentage range. Also, during Exhibition and Conferences at Vigyan Bhawan and at the time of visits of Head of State and Government, no rooms are available anywhere in Delhi. The Ministry of Tourism, Government of India, in a concerted effort to correct the shortage of guestrooms in the country had asked the Ministry of Finance, Government of India, for financial incentives such as tax benefits for new hotels constructed in the country and the Finance Minister has responded by giving hotels a priority status due to its huge employment potential and had extended the benefit of Section 35 AD to new hotels of 2-star and above category which open after 1st April, 2010.

In view of the aforesaid position, the Federation of Hotel and Restaurant Association of India shall be extremely grateful to you for a favourable and sympathetic consideration of the request to increase the FAR for hotels in the NCT of Delhi from the present 225 to 300.

Thanking you,

Yours faithfully,

For Federation of Hotel & Restaurant Associations of India

Sd/-

M.D. Kapoor

Secretary General

Encl: as above



The Federation of Hotel & Restaurant Associations of India

President : Ratan Marothia
Vice President : Vivek Nair
Vice President : Sushil Gupta
Vice President : Kamlesh Barot

Member of Honour : Dr Ajit B Kerkar
Hony. Secretary : Vijai Pande
Hony. Treasurer : K. Syama Raju
Jt. Hony. Secretary : S.P. Jain

January 12, 2011

The Hon'ble Minister for Urban Development
Government of India
Nirman Bhavan
New Delhi 110011

TRUE COPY

Kind attn: Shri S. Jaipal Reddy

Subject 1. Request for continuation of concessional charges for grant of additional FAR @ 25% presently valid till 31.8.2010/30.9.2010, beyond that date.

2. Request that the charges for additional FAR may not be recovered on the Zonal Average Auction Rates as stipulated now by the DDA but should be 25% of the Circle Rates issued by the Stamp Office of the Government of the NCT of Delhi as is followed by the Government of Maharashtra.

Respected Sir,

We would like to point out to your kind goodself that the reason why many hotels are unable to come forward and avail of the increase in FAR from 150 to 225 granted vide Ministry of Urban Development, Government of India Notification No.K-12011/5/2007-DDIB dated 12th August, 2008 is the fact that the charges fixed for grant of additional FAR are very prohibitive as these are computed based on the Zonal Average Auction Rates (ZAAR) of Hotels calculated by the DDA, based on the auctions held in 2007-08 when the real estate market had a boom. Therefore, these rates were basically artificially inflated and now they have come down by at least 30% to 40%. In fact, for the auctions held by the DDA in 2008-09, there were no takers for various plots offered for Hotels.

Our Federation requests that, as in the case of the calculation of Property Tax by the NDMC/MCD, the auction rates/(Zonal Average Auction Rates) of the DDA, should not be taken into consideration while calculating the charges payable for additional FAR but the Circle Rates as published in the Ready Reckoner issued by the Government of NCT of Delhi should be taken into consideration. In the case of Mumbai, 25% of the Circle Rate published by the Government of Maharashtra is taken into consideration whilst fixing the charges for grant of additional F. A. R. (Copy of Gazette Notification dated 14th May 2009 is enclosed).

We also understand that the DDA charges Zonal Average Auction Rate (ZAAR) on the basis of rates received in the auctions held during the relevant year and if no auction is held during the year the previous year's ZAAR updated by adding @ 12.5% for next year. Sir, it will kindly be appreciated that this is the most unfair formula as it will amount to compounding by such high percentage.

-2-

Our Federation would, therefore, request that the concessional rate of 25% may kindly be extended for all time to come. Incidentally, the Department of Urban Development, Government of Maharashtra and the Municipal Corporation of Greater Mumbai charge premium for additional FSI granted to hotels only @ 25% of the Circle Rates as published by the Stamp Office of the Government of Maharashtra as a normal State policy which has been in force for more than 30 years.

In view of aforesaid position, the Federation of Hotel and Restaurant Association of India shall be extremely grateful to you for a favourable and sympathetic consideration of the requests as under :

- (i) The concessional charges for the additional F. A. R. @ 25% presently available upto 31.08.2010/30.9.2010 may be extended beyond that for all time to come.
- (ii) For the purpose of calculating charges for the grant of additional F. A. R. the auction rate/(Zonal Average Auction Rates) of the DDA, should not be taken into consideration but the Circle Rates as per the Ready Reckoner issued by the Government of NCT of Delhi should be taken into consideration. Moreover this would augment the hotel accommodation in the NCT of Delhi and ease the acute shortage felt in Delhi and bring the room tariffs down to reasonable levels.

The following Hotels also have separately made a similar request:

- | | |
|------------------------------------|--|
| 1. M/s Asian Hotels(North) Limited | Hotel Hyatt Regency,
Bhikaji Cama Place, New Delhi |
| 2. M/s Unison Hotels Limited | The Grand Hotel, Vasant Kunj,
New Delhi |
| 3. The EMAAR-MGF | Hotel projects in Jasola. |
| 4. DLF Limited | c.c. of their letter dated 22.6.2010 written
to Lt. Governor of Delhi |

Copies of their letters are enclosed herewith.

Thanking you,

Yours faithfully,
For Federation of Hotel & Restaurant Associations of India

Sd/-
M.D. Kapoor
Secretary General

Encl: as above

DELHI DEVELOPMENT AUTHORITY
OFFICE OF THE A.O.[C.L]

F-5(1)2009/AO/CLRI/143.
No.F13(27)86/CRC/DDA/

Dated: 6-12-10

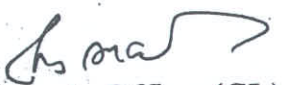
To,

✓ Sh. S. Rajaraman,
141/1, Pkt.D-6, Rohini,
New Delhi-110085.

Sub: Information under RTI Act-2005.

Sir,

This is with reference to RTI application I.D. No.6118/527 dated 8.11.10 forwarded to this office only on 1.12.01 by DD(CL) to provide the information about the Para No.9 regarding the basis on which Zonal Average Auction Rates is calculated. In this regard, it is intimated that AAR are calculated on the basis of Rates received in the Auctions held during the relevant year and if no auction is held during the year, the previous year AAR is updated by adding @ 12.5% for next year.


Accounts Officer(CL)
DDA

Copy to:-

Dy. Director(CL)/DDA w.r.t. his letter No.F100(02)10/CL/ RTI/ 6118/527/3459 dated 1.12.01 for information.

✓
Accounts Officer(CL)
DDA

REGISTERED OFFICE :
BHICAJI CAMA PLACE, M.C. MARG,
NEW DELHI - 110007
TELEPHONE : 26791234
FAX : 26791033



ASIAN HOTELS (NORTH) LIMITED

June 8, 2010

The Secretary
Ministry of Tourism
Government of India
Transport Bhavan
New Delhi - 110 001

- Sub. : 1. Due to inability to avail of the additional FAR to add more hotel rooms by paying charges on the basis of Zonal Average Auction Rate (ZAAR) fixed by the Ministry of Urban Development, Government of India and the Delhi Development Authority in February 2009, suggestion to fix charges instead @25% of the Circle Rates of the Government of NCT of Delhi
2. Suggestion to increase FAR for hotels in the NCT of Delhi from present 225 to 500 as recently granted by the Government of Maharashtra in Mumbai.

Respected Sir,

After the enhancement of FAR from 150 to 225 was granted in Delhi, our Company was keen to utilize the additional FAR by adding more guest rooms to our hotel, in time for the Commonwealth Games. However when the charges for the additional FAR were worked out by the building plans sanctioning authority and given to us, on the basis of the Zonal Average Auction Rate (ZAAR) as stipulated by DDA for the various Zones in its Notification dated 27.2.2009, we discovered to our great surprise that the charges for the additional FAR were too high amounting to approx Rs.110 Crores for the additional block of hotel rooms. Strangely there are no published Zones by which a hotelier can find out the Zone in which their plot is falling. It is only on the basis of some internal working of DDA that the charges for the additional FAR are communicated to the Hotel companies. This method being non-transparent it is not easy to determine the charges as they should be.



We would like to draw your kind attention to the Policy followed by the Government of Maharashtra and Municipal Corporation of Greater Mumbai, for the last 30 years, when the additional FAR was allowed to hotel projects of 3-star and above category. The Government of Maharashtra, vide its Government Order dated 14th May, 2009, has permitted hotels to avail of FAR of 500 with the premium payable for the additional FAR being 25% of Circle Rates as per the Ready Reckoner. It is also to be noted that for the past three decades for the additional FAR the Government of Maharashtra and the Municipal Corporation of Greater Mumbai are charging on the basis of the Circle Rates of the plot on which the hotel is proposed to be constructed. The Circle Rates of the entire city of Mumbai are published by the Government based on the Stamp Duty paid in that area.

Our suggestion, therefore, is that like-wise the FAR for hotels in the Capital may be increased from 225 to 500 and 25% of the rate arrived at on the basis of the Circle Rates published by Government of NCT of Delhi be taken as charges for the additional FAR and not on the basis of the ZAAR. The ZAAR was announced when the Real Estate was at its peak. We would, therefore, request you to kindly review the present position regarding grant of additional FAR in comparison with other tourist States like Karnataka, Rajasthan, Kerala, etc. With this move, we would be able to add the additional 30,000 guest rooms which were required for the Commonwealth Games but could not be created because of the economic meltdown and the terrorist attack in Mumbai. We are not the only one so affected; certainly there are a number of hoteliers who are unable to avail of the benefit of additional FAR because of the aforesaid reasons. We understand that the FHRAI has also taken up the matter with your goodself.

In view of the above position, we seek your kind and sympathetic consideration in the matter.

Thanking you,

Yours sincerely,


Shiv Jatia
Managing Director

Umesh Saraf
Managing Director

Unison Hotels Limited
Vasant Kunj - Phase II
Nelson Mandela Road
New Delhi - 110 070, India
Phone : (91) (11) 2670 5061
Fax : (91) (11) 2670 5062
E-mail : umesh.saraf@unisonhotels.com

10th June, 2010

Mr. Sujit Banerjee
The Secretary
Ministry of Tourism
Government of India
Transport Bhawan
New Delhi - 110001

- Subject: 1. Due to inability to avail of the additional FAR to add more hotel rooms by paying charges on the basis of Zonal Average Auction Rate (ZAAR) fixed by the Ministry of Urban Development Government of India and the Delhi Development Authority in February 2009, suggestion to fix charges instead @25% of the Circle Rates of the Government of NCT of Delhi.
2. Suggestion to increase FAR for hotels in the NCT of Delhi from present 225 to 500 as recently granted by the Government of Maharashtra in Mumbai.

Respected Sir

After the enhancement of FAR from 150 to 225 was granted in Delhi, our company was keen to utilize the additional FAR by adding more guest rooms to our hotel, in time for the Commonwealth Games. However, when the charges for the additional FAR were worked out by the building plans sanctioning authority and given to us, on the basis of the Zonal Average Auction Rate (ZAAR) as stipulated by DDA for the various Zones in its Notification dated 27.2.2009, we discovered to our great surprise that the charges for the additional FAR were too high amounting to approximately Rs. 200.00 crores for the additional block of hotel rooms. Strangely, there are no published Zones by which a hotelier can find out the Zone in which their plot is falling. It is only on the basis of some internal working of DDA that the charges for the additional FAR are communicated to the Hotel companies. This method being non transparent it is not easy to determine the charges as they should be.

As the highest bidder, our company bought a plot of land in 1993 in an open auction by DDA at Rs. 32.25 crores on which Hotel Grand Hyatt is located. Compared to the initial price for the allotment of land, the charges worked out for the additional FAR now granted were indeed

Umesh Saraf
Managing Director

Unison Hotels Limited
Vasant Kunj - Phase II
Nelson Mandela Road
New Delhi - 110 070, India
Phone : (91) (11) 2670 5061
Fax : (91) (11) 2670 5062
E-mail : umesh.saraf@unisonhotels.com

Shocking and subsequently on working out the future cash flow of the additional room it was discovered that, after paying the charges for the additional FAR the project would be unviable. It was, therefore, decided not to avail of the benefit of additional FAR thereby depriving the Capital of about 400 guest rooms.

Here, we would like to bring to your kind attention the policy followed by the Government of Maharashtra and Municipal Corporation of Greater Mumbai, for the last 30 years, when the additional FAR was allowed to Hotel projects of three star and above category. Recently, the Government of Maharashtra, vide its government order dated 14th May, 2009 have permitted hotels to avail of FAR of 500 with the premium payable for the additional FAR being 25% of Circle Rates as per the ready Reckoner. It is also to be noted that for the past three decades for the additional FAR the Government of Maharashtra and the Municipal Corporation of Greater Mumbai are charging on the basis of the Circle Rates of the plot on which the hotel is proposed to be constructed. The Circle Rates of the entire city of Mumbai are published by the Government based on the Stamp Duty paid in that area.

Our suggestion, therefore, is that like-wise the FAR for hotels in the Capital may be increases from 225 to 500 and 25% of the rate arrived at on the basis of the Circle Rates published by Government of NCT of Delhi be taken as charges for the additional FAR and not on the basis of the ZAAR. The ZAAR was announced when the Real Estate was at its peak. We, would therefore, request you kindly review the present position regarding grant of additional FAR in comparison with other tourist states like Karnataka, Rajasthan, Kerala etc. With this move, we would be able to add the additional 30, 000 guest rooms which were required for the Commonwealth Games but could not be created because of the economic meltdown and the terrorist attack in Mumbai. We are not the only one so affected; certainly there are a number of hoteliers who are unable to avail the benefit of additional FAR because of the aforesaid reasons. We understand that the FHRAI has also taken up the matter with your good-self.

In view of the above position, we seek your kind and sympathetic consideration in the matter.

With best regards


UMESH SARAF



2nd June 2010

The Secretary
Ministry of Tourism,
Government of India,
Transport Bhawan,
New Delhi-110 001.

- Sub : 1. Inability to avail the additional FAR to add more hotel rooms by paying charges on the basis of Zonal Average auction Rate (ZAAR) fixed by the Ministry of Urban Development and Delhi Development Authority in February 2009.
2. Suggestion to fix charges instead @ 25% of the Circle Rates of the Government of NCT of Delhi and increase FAR for hotels in the NCT of Delhi from present 225 to 500 as recently allowed by the Government of Maharashtra in Mumbai.

Respected Sir,

We would like to apprise you that after the enhancement of FAR from 150 to 225 was granted in Delhi, our company was keen to utilize the additional FAR by adding more guest rooms to our hotels in time for the ensuing Commonwealth Games. However, when the charges for the additional FAR were calculated on the basis of Zonal Average auction Rate (ZAAR) as stipulated by DDA for various zones in its Notification dated 27th February 2009, we were surprised to discover that the charges for the additional FAR were too high.

Secondly, there were no published Zones by which a hotelier can find out the Zone in which their plot is falling. It is only on the basis of internal working of DDA that the charges for the additional FAR are communicated to the Hotel companies. This method being non-transparent it is no easy to determine the charges as they should be.

Here, we like to bring to your kind attention the policy followed by the Government of Maharashtra & Municipal Corporation of Greater Mumbai, for the last 3 Decades, when the additional FAR was allowed to hotel projects of 3 star and above category. Recently, the Government of Maharashtra, vide its Government Order dated 14th May 2009, has permitted hotels to avail the FAR of 500 with the premium payable for the additional FAR being 25% of Circle Rates as per Ready Reckoner.

It is also to be noted that for the past 3 decades for the additional FAR the Government of Maharashtra & Municipal Corporation of Greater Mumbai are charging on the basis of the Circle Rates of the plot on which hotel is proposed to be constructed. The Circle Rates of the entire city of Mumbai are published by the Government based on Stamp Duty in that area.

Now our suggestion, therefore, is that like-wise FAR for hotels in the capital may be increased from existing 225 to 500 and 25% of the rate arrived at on the basis of Circle Rates published by Government of NCT of Delhi be taken as charges for the additional FAR and not on the basis of



ZAAR. The ZAAR was announced when the Real Estate was at its peak. We would, therefore, request you to kindly review the present position regarding grant of additional FAR in comparison with other tourist States like Karnataka, Rajasthan, Kerala etc. With this move we would have been able to add the additional 30,000 guest rooms which were required for the ensuing Commonwealth Games but could not be created because of the Global Economic meltdown and security issues. We are not only one so affected; certainly there were quite many hoteliers who were unable to avail of the benefit of additional FAR because of the aforesaid reasons. We understand that the FHRAI has also taken up the matter with your good self.

In view of the above facts and circumstances, we seek your kind and sympathetic consideration in the matter.

Thanking you,

Yours faithfully,

For Emaar MGF Land Ltd.

7c
MD
Mukesh Dham
Executive President
h/c

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04/6/10
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FROM-HotelLeela,DSO

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T-763 P.004/006 F-693

DLF Ltd.

DLF Centre, Sansad Marg, New Delhi-110 001, India
Tel.: (+91-11) 23719300, 42102030, 41502159(D), 41500595(D)
Fax: (+91-11) 23719344, 41503421
E-mail: talwar-rajeev@dlf.in



June 22, 2010

RAJEEV TALWAR
Group Executive Director

The Hon'ble Lt. Governor,
National Capital Territory of Delhi,
Raj Niwas, Delhi.

Sir,

Sub: (i) Reconsideration of charges fixed for grant of additional F.A.R. for Hotel Rooms and (ii) Suggestions to increase F.A.R. for Hotel from 225 to 500, following the example of Mumbai.

.....

Government of India (as well as DDA) were kind enough to enhance FAR from 150 to 225 for stand alone hotels, if the rooms were completed in time for the Commonwealth Games. However, the charges which were stipulated for grant of this enhanced FAR, as notified, were based on Zonal Average Auction Rates (ZAAR) for the peak years of 2006-2007. It is, therefore, not strange that there has been no report from any major hotel of having taken advantage of this enhanced FAR. In fact, most of the established five star chains have cited this reason as the main cause for not availing the enhanced FAR.

We would like to bring to your kind attention the policy followed by the Government of Maharashtra and Municipal Corporation of Greater Mumbai, for the last 30 years, when the additional FAR was allowed to Hotel projects of three star and above category. Recently, the Government of Maharashtra, vide its government order dated 14th May, 2009 have permitted hotels to avail of FAR of 500 with the premium payable for the additional FAR being 25% of Circle Rates as per the Ready Reckoner. It may also be noted that in the past three decades, for the grant of additional FAR, the Government of Maharashtra and the Municipal Corporation of Greater Mumbai charge on the basis of the Circle Rates of the plot on which the hotel is proposed to be constructed. Circle Rates for the entire city of Mumbai are published by the Government based on the Stamp Duty paid in that area.

%



Another suggestion is that like-wise the FAR for hotels in the Capital may also be increased from 225 to 500 and be given at 25% of the rate arrived at on the basis of the Circle Rates published by Government of NCT of Delhi as charges for the additional FAR and not on the basis of the ZAAR. ZAAR was announced when Real Estate prices were at their peak. We would, therefore, request you to kindly review the position regarding grant of additional FAR and the rates to be charged for the same.

We wish to bring to your kind notice that while auctioning various plots in any District / Commercial Centre, DDA recovers the full value of the land for the entire area of the District / Commercial Centre within the prescribed norms of the Master Plan. Individual plots within the District / Commercial Centre may seem to have a higher FAR / Development Control Norms than those normally permissible in the Master Plan. But this happens only because relevant FAR / FSI and density norms are allocated for the overall area of the District / Commercial Centre, taking into account open spaces, green spaces and movement areas within the centers. We also suggest that the benefit of 500 FAR, along with relevant increase in height and relaxation of architectural controls etc. should be extended to the hotel plots in District / Commercial Centres also.

We seek your kind and sympathetic consideration in the matter.

Thanking you,

Yours sincerely,

sl/-
(Rajeev Talwar)

23-06-2010 16:43

FROM-Hotel Leela, DSO

+9123352483


T-763 P.006/006 F-693

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DLFA
BUILDING INDIA

Cc to:

1. Dr. M. Ramachandran, IAS
Secretary,
Ministry of Urban Development,
Nirman Bhavan,
New Delhi.0
2. Mr. Sujit Banerjee, IAS,
Secretary,
Ministry of Tourism,
Parivahan Bhavan,
New Delhi.
3. Mr. A.K. Nigam, IAS,
Vice Chairman,
Delhi Development Authority,
Vikas Sadan, INA,
New Delhi.


(Rajeev Talwar)



अंबिका सोनी

Ambika Soni

पर्यटन एवं संस्कृति मंत्री

भारत सरकार

परिवहन भवन, नई दिल्ली 110001

MINISTER FOR TOURISM & CULTURE

GOVERNMENT OF INDIA

TRANSPORT BHAVAN, NEW DELHI 110001

July 28, 2008

Dear Jaipal ji,

I am enclosing a representation of President of the Federation of Hotels & Restaurants of India (FHRAI) who is seeking intervention for carrying out an amendment to the Delhi Master Plan with regard to enhancement of FAR for hotels proposed to be payable at the rate of 100%.

You are aware of the difficulties being faced by hoteliers for building hotels in the NCR region. There is wide spread concern that the acute shortage of accommodation at nearly 30,000 rooms in the NCR region cannot be overcome before the 2010 New Delhi Commonwealth Games if appropriate incentives were not provided now. I am given to understand that Delhi Development Authority (DDA) is proposing to suitably carry out an amendment in the master Plan 2021 regarding the FAR. However, the hoteliers contend that additional FAR charged at 100% is not a sufficient incentive as the land price in the NCR region is exorbitant. They are suggesting that if additional FAR was pegged at 25% for those hotels built before 30th September, 2010 and 50% for those hotels built thereafter, it would make an economic sense and incentivize them to proceed on their proposals. They have reasoned that if a metropolitan city like Mumbai enjoys an additional FAR rate of only 25% for a 5-star hotel, then in the capital city of Delhi, where there is greater demand for hotel accommodation, the FAR should be at least equal, if not less.

I am enclosing FHRAI's representation for your consideration.

With good wishes,

Yours sincerely,

[Ambika Soni]

Shri S. Jaipal Reddy,
Minister of Urban Development,
Nirman Bhawan,
New Delhi.



सत्यमेव जयते

अम्बिका सोनी
Ambika Soni

पर्यटन एवं संस्कृति मंत्री
भारत सरकार
परिवहन भवन, नई दिल्ली 110001
MINISTER OF TOURISM & CULTURE
GOVERNMENT OF INDIA
TRANSPORT BHAWAN, NEW DELHI 110001

July 29, 2008

Dear *Shri Khanna,*

I am enclosing a representation of President of the Federation of Hotels & Restaurants of India (FHRAI) who is seeking intervention for carrying out an amendment to the Delhi Master Plan with regard to enhancement of FAR for hotels proposed to be payable at the rate of 100%.

I am sure, you are fully familiar with the difficulties being faced by hoteliers for building hotels in the NCR region. There is wide spread concern that the acute shortage of accommodation at nearly 30,000 in the NCR region cannot be overcome before the 2010 New Delhi Commonwealth Games if appropriate incentives were not provided now. I am given to understand that Delhi Development Authority (DDA) is proposing to suitably carry out an amendment in the Master Plan 2021 regarding the FAR. However, the hoteliers contend that additional FAR charged at 100% is not a sufficient incentive as the land price in the NCR region is exorbitant. They are suggesting that if additional FAR was pegged at 25% for those hotels built before 30th September, 2010 and 50% for those hotels built thereafter, it would make an economic sense and incentivize them to proceed on their proposals. They reasoned that if a metropolitan city like Mumbai enjoys an additional FAR rate of only 25% for a 5-star hotel, then in the capital city of Delhi, where there is greater demand for hotel accommodation, the FAR should be equal, if not less.

I am confident that you will give due consideration to their request in the best interest of Delhi.

With good wishes,

Yours sincerely,

Ambika Soni
(Ambika Soni)

Shri Tejendra Khanna,
Lt. Governor of NCT of Delhi,
Raj Niwas, Delhi- 54.

DELHI DEVELOPMENT AUTHORITY
NOTIFICATION

New Delhi, the 27th February, 2009

Subject : Fixation of Charges for grant of enhanced FAR to hotels arising out of modification in MPD-2021.

S.O. 567(E).—In partial modification of No. SO 2431(E), dated 10 October, 2008 and in exercise of powers conferred by Section 57 of the Delhi Development Act, 1957 (61 of 1957) the Delhi Development Authority with the previous approval of the Central Government, hereby makes the following regulations for the purpose of recovery on account of grant of enhanced FAR to hotels arising out of modification in MPD 2021. Accordingly the rate structure shall be as under :—

Sl.No.	Item	Parameters	Rates																		
1.	Additional FAR Charges for Hotels	<p>(i) The charges for additional FAR for all hotels eligible for availing the enhanced FAR shall be recovered at 50% of the Zonal Average Auction Rate (ZAAR) for the respective zone instead of 100%.</p> <p>(ii) If the additional rooms are completed before 31-7-2010 and rated and classified before 31-8-2010, a concessional rate of 25% of the ZAAR shall be charged from those hotels, which are not eligible for the Income Tax concessions available to new hotels coming up during the Commonwealth Games, 2010.</p> <p>(iii) Ministry of Tourism will expedite the process of classification of hotels. In case the process is not completed within 10 working days after the rooms are complete in all respects, the concessional rate of 25% of ZAAR referred to in (ii) above may be allowed based on completion of the buildings, without insisting on classification.</p>	<p>(i) The charges for additional FAR for all hotels eligible for availing the enhanced FAR shall be recovered at 50% of the Zonal Average Auction Rate (ZAAR) for the respective zone. Accordingly, the zone-wise rates shall be as under :-</p> <table><tr><th>Zone</th><th>50% Rate per sq. mtr. (for 100 FAR) for 2007-08</th></tr><tr><td>Central</td><td>Rs. 1,67,765</td></tr><tr><td>South</td><td>Rs. 76,523</td></tr><tr><td>Dwarka</td><td>Rs. 76,523</td></tr><tr><td>North</td><td>Rs. 39,892</td></tr><tr><td>East</td><td>Rs. 40,587</td></tr><tr><td>West</td><td>Rs. 39,892</td></tr><tr><td>Rohini</td><td>Rs. 25,741</td></tr><tr><td>Narela</td><td>No hotel plot auctioned</td></tr></table>	Zone	50% Rate per sq. mtr. (for 100 FAR) for 2007-08	Central	Rs. 1,67,765	South	Rs. 76,523	Dwarka	Rs. 76,523	North	Rs. 39,892	East	Rs. 40,587	West	Rs. 39,892	Rohini	Rs. 25,741	Narela	No hotel plot auctioned
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West	Rs. 39,892																				
Rohini	Rs. 25,741																				
Narela	No hotel plot auctioned																				

2. These rates will remain in force till these are further modified and notified with the approval of Central Government.

[No. F.20(4) 05/MP/PL-1(A)]

V.M. BANSAL, Pr. Commissioner-cum-Secy.



**REPORT OF
THE WORKING GROUP
ON TOURISM**

**12th FIVE YEAR PLAN
(2012- 17)**

**MINISTRY OF TOURISM
GOVERNMENT OF INDIA**

Various Targets for Tourism Sector

- 3.6 As Tourism Sector is one of the major component of the service sector in India, its growth targets has to be linked to the targeted growth of service sector during the 12th Five Year Plan. Indian economy is expected to grow at the rate of 9%. To achieve this, services sector as well as the tourism sector has to grow at the rate of 12 % per annum. The current rate of growth in tourism sector is about 9 %. For improving the growth in tourism sector, persistent and concerted efforts have to be made during the 12th Plan.
- 3.7 To realize the above, following targets have been fixed for Foreign Tourist Arrivals (FTAs) and Domestic Tourism.
- a) Increase India's share of International Tourist arrivals to at least 1 % by end of 12th Plan - requiring an annual growth of 12.38% during 2011- 2016.
 - b) Provide adequate facilities for domestic tourism to sustain the growth of 12.16% (witnessed in recent years) during 12th Plan (2011 to 2016).

Implications of the targets

- 3.8 Following are the implications of the targets to be achieved in respect of FTAs and Domestic Tourism during 12th Plan.

(i) Foreign Tourist Arrivals

Number of FTAs in 2016 are estimated to be 11.24 million. Number of Foreign Tourist Visits (FTVs) in 2016 will be 35.96 million.

(ii) Domestic Tourism

Number of Domestic Tourist Visits (DTV) in 2016 are estimated to be 1451.46 million.

(iii) Additional Foreign Exchange Earnings from tourism

The Foreign Exchange Earnings from Tourism will increase from Rs. 64889 crore (US\$ 14.19 Billion) in 2010 to Rs. 134383 crore (US\$ 30.3 Billion) in 2016. Additional FEE from Tourism during 2010-16 are estimated to be Rs. 69494 crore (US\$ 15.7 Billion).

(iv) Employment Generation

Using the data on share of tourism in the total jobs in the country available from Tourism Satellite Accounts (TSA) for 2002-03 and estimated for years

till 2007-08, the total number of jobs (direct and indirect) in the tourism sector in 2016 are estimated to be 77.5 million as compared to 53 million in 2010.

Therefore, an additional employment of 24.5 million (direct and indirect) is likely to be created during in 2010 to 2016.

(v) Manpower Requirement in Hospitality Sector

As per the study commissioned by Ministry of Tourism, the total employment in Hospitality Sector (Hotels- classified and unclassified, eating outlets, Tour Operators, Travel Agents and Medical & Wellness units) in selected years are estimated to be as follows:-

Year	Employment (Lakhs)
2011-12	43.84
2012-13	47.26
2016-17	63.79

By taking into account the wastage (Retirement and Attrition to sectors other than Hospitality) and requirement of trainers, total requirement for manpower has been worked out. Similarly, by taking into account the attrition in the supply (passouts from Hospitality Education- both Government and Private, youths trained under various programmes of the Ministry of Tourism), total supply has been also assessed. The total requirement, supply and the gaps in selected years are given below:-

Year	Requirement (Lakhs)	Supply (Lakhs)	Gaps (Lakhs)
2011-12	5.83	0.52	5.32
2012-13	6.26	0.56	5.70
2016-17	8.29	0.75	7.54

(vi) Accommodation Units

The existing accommodation units may not be sufficient for the targeted number of FTAS and DTVs in 2016. The availability of number of rooms in 2010 and requirement of additional rooms in 2016 for the targeted growth of tourism during the 12th Five Year Plan are given below:

Availability of Hotel Rooms 2010	Classified	128771
	Unclassified	2583519
	Total	2712290
Requirement of Hotel Rooms 2016	Classified	310523
	Unclassified	4661807
	Total	4972330
Additional requirement in 2016	Classified	181752
	Unclassified	2078288
	Total	2260040

Initiatives to be taken to achieve the target

Skill Development

- 9 As mentioned in para 3.5 (v), there is likely to be a gap of 8.10 lakh manpower in the hospitality sector. To bridge this gap, a number of new initiatives have to be taken for skill development. A brief detail of the proposed initiatives is given below:

Strategy I

- Enhancing the Institutional Infrastructure of Hospitality Education by
 - Opening new Institutes of Hotel Management (IHM) and Food Crafts Institutes (FCI)
 - Augmenting the capacity of existing IHM/FCI
 - Facilitating private sector investments

Strategy II

- Hospitality Education to be broad based to cover
 - Universities / Colleges
 - Polytechnics
 - Industrial Training Institutes
 - Vocational Education at +2 level through CBSE and other State Level Boards

Strategy III

- Skill development through "Hunar Se Rozgar" through
- Above educational/ training institutions
- Classified Star category hotels

Strategy IV

- Skills of existing Service Providers to be certified through a stringent process to enhance their employability

CHAPTER – 4

DEVELOPMENT OF TOURISM INFRASTRUCTURE, CONNECTIVITY AND DESTINATION MANAGEMENT

Introduction

- 1.1 Availability of good infrastructure is one of the essential requirements for attracting more tourists, both international and domestic, to any tourist destination. In addition to creation of the infrastructure, its maintenance is equally important. As per the study conducted by Ministry of Tourism at selected tourist destinations, non-availability of quality infrastructure at those destinations is a major reason for dissatisfaction as expressed by domestic and international tourists.
- 1.2 The creation of tourism infrastructure has had its multiplier effect in terms of overall economic growth, employment generation vis-à-vis investment and the preservation of art, culture and heritage. Tourism projects in underdeveloped areas have helped in the creation of roads, telecommunication and medical facilities, among others.
- 1.3 As the backbone of any economy, the provision of infrastructure is a prerequisite towards attaining economic growth and also improving the country's tourism productive capacity. To add upon, the anticipated growth of the Indian economy is expected to exert more pressure on infrastructure support facilities. The Infrastructural bottlenecks need to be unleashed to enhance the visitor's experience manifold. There are two major objectives for developing the Tourism infrastructure sector:
 - (i) To provide adequate, convenient, fast and safe facilities which are competitively priced services to meet the primary needs of the Domestic and Foreign tourists, and
 - (ii) To provide the multi-dimensional requirement of Indian tourism industry with support facilities and act as a catalyst to economic development of the country.
- 4 Tourism sector projects that are capital intensive, such as destination development (roads, signages, relocation of commercial establishments, lighting, guest facilities, local transport links, landscaping, management office space, parking, etc.), remain commercially non-viable and require government funding. Other projects such as setting up of hotels, convention centres, golf courses, tourist trains, etc. normally

- g) Integrated Destination Development Projects with Hotel facilities and Golf Centres.
 - h) Rural Tourism Projects
 - i) Cruise Liners for Tourism operating in Indian Rivers and Oceans
 - j) Adventure/Nature Tourism Projects
 - k) River cruise projects
 - l) Air Taxi Services
- (xxvi) Master Plan of major cities should earmark commercial sites as hotel sites which should be allotted on long term lease. Annual lease rent to be calculated as a percentage on the value of the bids and be on a graded scale depending on the Star Category of the hotel property.
- (xxvii) Shortage of hotel accommodation is a deterrent to development of tourism in various States. Construction of hotels is primarily a private sector activity which is highly capital intensive in nature and also has a long gestation period. Due to the high cost and low availability of land, hotels are opting for a higher star category as the setting up of budget hotels is not commercially viable.
- (xxviii) In order to encourage the growth of budget accommodation, State Governments and the various Land Owning Agencies should create land banks, give land on long lease, allocate land on joint venture/ revenue sharing basis and also provide incentives and benefits to facilitate the growth of the accommodation sector in the country.
- (xxix) Master Plan of major cities should earmark sites for convention (and Exhibition) centers which can be executed as PPP ventures or leased to the private sector for implementation.
- (xxx) Evolve policies and programmes for synergizing partnerships between Archaeological Survey of India, State Archaeological Department and the private sector in the upkeep, management and marketing of monuments, forts, ancient temples and museums etc.
- (xxxi) **Allow higher Floor Space Index to existing hotel properties to expand their existing capacities.**
- (xxxii) Local Bodies and Self Help Group should be actively involved in the management of tourist destinations in their jurisdiction. They should play the vital role of keeping the approach road to the destination clean and adoption of hygiene practices by various vendors at the tourist destination.