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OFFICE OF UDM

Dy. No. 1230

Date 29/3/12

MID 2021 Review
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For consideration of Shri Kamal Nath
Hon'ble Minister of Commerce & Industry
Government of India
(On behalf of PHD Chamber of Commerce and Industry)

Suggestion for consideration in the Midterm Review of Master Plan - Delhi 2021
(On behalf of PHD Chamber of Commerce and Industry)

REVIEW/AMENDMENT OF REGULATIONS GOVERNING "HOUSEHOLD INDUSTRIES"-
MASTER PLAN 2021

Altogether 121 Industries have been classified as "Household Industries" under Group A and A1 of Master Plan 2021 and allowed to function in Residential Areas as they are non nuisance, non hazardous and non polluting in nature. However the regulations governing the operation of such Industries are neither pragmatic nor realistic as a consequence of which most of these Industries which have been operating in Delhi since time immemorial as well as new high tech Industries included in this list to encourage development of the same can only do so by violating the unrealistic norms prescribed in Master Plan 2021. A detailed note elaborating the above situation is submitted herewith, Marked Enclosure-A.

The above suggestion had already been submitted by the PHD Chamber to DDA in response to Public Notice dated 4.10.2011 and considered at the Second Meeting of the Management Action Group "Enforcement & Monitoring" held on 28.12.2011. After a presentation by Mr.D.K.Kapur representing the PHD Chamber it was agreed that the limits in respect of number of workers and maximum power load be reviewed by DSIIDC. However apart from the issue of the number of workers and maximum power allowed, the procedural hassles/ number of permissions prescribed also need to be eliminated such as having to register with the Govt of NCTD, obtaining of Municipal License as well as obtaining a separate Industrial power connection and thus eliminate unnecessary Prosecutions/Inspector Raj for such Micro Household Industrial Units which have flourished in Delhi for centuries.

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MPPR/TC, D.D.A. N. DELHI-2
Dy.No. 2057
Dated. 20-4-12

A also control date
all such papers
B
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July 2012

DIR (Pig.)
Pl. fwd to MHA & MUA.
Pl. put up the details for review.
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ENCLOSURE-ASuggestion for consideration in the Midterm Review of Master Plan - Delhi 2021
(On behalf of PHD Chamber of Commerce and Industry)REVIEW/AMENDMENT OF REGULATIONS GOVERNING "HOUSEHOLD INDUSTRIES"-
MASTER PLAN 2021

Under Group A , 112 Industries and under Group A-1 a further 9 Industries have been included under the head "Household Industries" in Master Plan-2021. Most of these have been included since the First Master Plan and some Hi Tech Industries have been added such as "Computer Repairing and Cyber Information Centre", "Computer Software", "Data Processing", "Desktop Publishing" etc. All the Industries included are of a non nuisance, non hazardous and non polluting category and have thus been categorized as "Household Industries" and allowed to operate in all residential areas.

A large number of Units, listed below, falling within the "Household Industries" Category are small units consisting normally of 10-20 workers are supporting units for the Apparel/ Readymade Garments and Leather Industries with a very high concentration in NCT of Delhi which exports perhaps almost 25% of the total Exports of R.M Garments from India and this also constitutes a very high percentage of India's total Exports. In fact it is the skills of the artisans working in such units which still provide an edge to India in its Apparel Exports as compared to China etc.

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|---------|---|
| 13 | Batik Works |
| 16 | Button making, fixing of button and hooks |
| 32 | Cotton/silk printing (by hand) |
| 41 | Embroidery |
| 46 | Hosiery products(without dyeing and bleaching) |
| 47 | Hats, caps,turbans including embroideries |
| 50 | Interlocking and buttoning |
| 54 | Knitting works |
| 55 | Lace products |
| 56 | Leather footwear |
| 57 | Leather belts and assembly of buckles(by hand) |
| 58 | Leather and Rexine made ups |
| 63(vii) | Lace work |
| 84 | Readymade Garments (without washing) |
| 96 | Shoe laces |
| 99 | Tailoring |
| 100 | Thread balls and cotton fillings |
| 102 | Ties |
| 106 | Velvet embroidered shoes/shawls |
| 111 | Wool knitting (with machine) |
| 112 | Zari Zardozi |

Practically 100% of such units are operating and are concentrated in Residential Areas with Property Tax classification of C and below (as well as Lal Dora Areas) and they should not only be allowed to continue to operate from such residential areas, having been classified as "Household Industries", but actively encouraged by adopting pragmatic and realistic regulations. Regrettably the Regulations notified in Master Plan-2021, are neither pragmatic nor realistic, as will be seen from a perusal of the current Regulations therein, which are reproduced below :

Quote

7.4 HOUSEHOLD/SERVICE INDUSTRIES

- (i) Household industrial units with maximum 5 workers and 5 kilowatt power may be allowed to continue in residential areas and new industrial units of this type could be permitted in residential areas subject to the condition that no polluting industrial unit shall be permitted as household industry.
- (ii) The industrial units could be permitted only after provisional registration by the Govt.of NCTD.
- (iii) Household industrial units shall be allowed on any floor to the extent of 50% of permissible floor area of the dwelling unit.
- (iv) Further additions/alterations to the list of Household Industries could be made if considered appropriate and in public interest by the Central Government to do so.
- (v) No inflammable or hazardous substance is permitted to be stored.
- (vi) Separate industrial electric connection (single phase) and Municipal License would be necessary to set up a household industry.

Unquote

It is obvious from a perusal of the above norms that a maximum 5 workers and 5 kilowatts power is totally unrealistic for the kind of Industries that have been included in the Household Industrial/Service Sector, particularly taking into consideration the extremely important role they have played in the huge quantum of Textile and Leather Apparel /Footwear etc. being exported and ofcourse meeting the requirements of the domestic sector as well. They are also totally unrealistic in respect of the Hi Tech Industries which have been included in the List. As such the abovementioned norms should be reviewed, incorporating the following suggestions :

1. Number of Workers
Having quantified the maximum floor area of 50% the number of workers does not require to be quantified . No such quantitative restrictions have been placed on Industries in Plotted Developments / Industrial Sheds . Even in Flatted Industries(which could be considered equivalent) , 20 Workers have been allowed .Further no restriction on number of workers has been specified in respect of 20 Residential Colonies, which have unauthorisedly converted 70% of their residential area to Industrial Use and have been accepted as Industrial Areas under Master Plan 2021. Nevertheless, if at all a restriction on the number of Workers is considered necessary, the maximum limit should be increased to 20 i.e the same limit as for each floor in flatted factories.
2. Power
As regard power, whilst such units may be required to get separate electric connections, they should be allowed power on an "As per need" basis which has been allowed for all other Industrial Activity as per Master Plan 2021, including Flatted Industries as well as all the non confirming, unauthorized industrial activities in the abovementioned 20 residential colonies (now converted to industrial) .
3. Restriction for operating Household Industries in high Property Tax Categories
Adopting the differential approach advocated in the Tejinder Khanna Committee Report all such Household Industrial Units should be freely allowed to function in Property Tax Categories C and below (as well as Lal Dora Areas) .

4. Automatic/Simplified Registration with Government Authorities

A simplified scheme of Registration with MCD should be adopted allowing for automatic approval when applied for. Registration with Govt. of NCTD should not be required nor Pollution clearance since the Industries listed therein have already been accepted as non polluting. Minimum bureaucratic interference is essential.

It is ironic that 20 Areas which have unauthorisedly converted 70% of the residential area to Industrial Use have been accepted as Industrial Areas under the Master Plan-2021 even when perhaps almost 75% of these industries do not fall under the " Household Industries" Category nor have any of the restrictive clauses applicable to the Household Industrial Sector in terms of number of workers and power been applied to them or, as earlier stated to any other Sector in the Master Plan.

It also needs to be emphasized that most of those employed in such "Household Industries" are artisans using their traditional family skills coming from the lowest strata of Society and belong to the OBC /Scheduled Castes and underprivileged communities who need to be provided at least Equal Opportunity of working and earning a decent living wage in their traditional occupations.

It is requested that the above submissions for rationalization of norms for functioning of "Household Industries" should be adopted on a priority basis, so that, there is no wholesale disruption in the genuine "Household Industries" Sector and a Equality of Opportunity is accorded to the underprivileged artisans working in this unorganized Sector. In fact this would be totally in accord with the "Affirmative Action" which the present UPA Government and in fact all Political Parties are insisting upon for uplift of the underprivileged and providing them with gainful employment.