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Najafgarh Road Factories Association (Regd.)

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OFFICE OF UDM

Dy. No. 3522

Date 11/8/12

July 27, 2012

Dear Sir,

MPD 2021: SUGGESTIONS

MFD 2021 Renew
PS to UDM 31/7

We had written a letter on 17th Nov 2011 to the DDA in respect to some issues which needed clarification for redressal to our association members and other factory owners in Delhi wherein the issues highlighted were discussed on an invitation which the Management action group "Common Platform for Building Approval" was made to over representative in which the undersigned was present in a meeting held on 31st January 2012 under the chairmanship of Engg. Member, DDA at Vikas Sadan New Delhi, where all our suggestions were discussed & reviewed.

In the minutes of the 2nd meeting of the Management action group "Common Platform for Building Approval" with various DDA officials where various representations taken. The issues were and are being highlighted here again for your perusal.

1). Conversion Charges: Proposed

The proposed rates seem to be very high, arbitrary and un-justifiable DDA has taken following commercial and Industrial rates to arrive at the amount to be charged as conversion charges.

Commercial Rates : Auction Price 2007 @ Rs 1,09,650/- M2

Industrial Rates: Average rate 1997 @ Rs. 28,682/- M2.

Secretary UD

Land rates for calculation purpose should be taken for only one and same base year for both categories of plots instead of taking different base year's basis as mentioned above. The proposed conversion charges (10% of difference of price between Industrial & commercial plots). If these norms are followed the conversion charges will be substantially far below and far less.

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MCD is asking the payment as annual charges instead of the MPD defining it as a one time payment where payments are to be made in 5 equal annual installments. Kindly have this clearly defined to avoid uncertainty amongst traders. It is submitted that it is incorrect for DDA to take different bases and different base years for calculating the land rates for industrial and Commercial Plots.

View of DDA *decision pending.*

This suggestion has been forwarded to the Chief Town Planner MCD & Director (Land Costing) DDA.

2.) Regularization of Additional FAR

Notices have been issued to Industries for bringing the FAR of the plots into the Norms laid down by law. In this context, we would like to point out that post independence under Mahatma Gandhi's model of economic self reliance our First PM Late Sh. Jawahar Lal Nehru encouraged SSI's to be set all over the country and stated "Small Scale Industries provide immediate large scale employment offer a method of ensuring a more equitable distribution of national income and facilitate effect mobilization of resources capital and skill which might otherwise remain unutilized". Gradually SS became the back bone of the Indian Economy with Delhi leading the growth and expansion in the sector.

This growth eventually leads to the need for more space. Our Delhi Govt. somehow lack initiative in building more industrial Areas and also due to high land cost the industrialists forced to make use of the "Open Area" in their plots. Now today it will be a great hardship for any Factory Owner to break down any such structure, it has become part of his process/requirement and if he does so them his entire factory needs shut down and he will be ruined along with rendering thousands of workers jobless. Moreover will be national wastage and MCD will lose revenue which is being collected as property tax. It is important that the excess FAR constructed by most of the factories may be regularized on payment of a minimal fee. We shall request that the charges levied on the additional FAR are very high for the dying industry in Delhi. Current rates are Rs 9,500, 15,000, & 21,000 which should be 1/3rd of these rates.

View of DDA decision pending.

Forwarded to MoUD for appropriate consideration. A committee has been constituted by MOUD, GOI, to look in to all issues related to additional FAR. The action has to be taken by Director (Planning)MP, DDA.

3) Exemption of conversion charges to commercial activities pre MPD 62 in Industrial Units.

Commercial activities prior to 1962 were not just in residential areas but also in other parts of Delhi. Even in MPD 2021 the reason for allowing commercial activities in residential areas of Delhi was due to the fact that in the absence of any Master Plan in years prior to 1962, no land use was defined by the Govt. on any land in Delhi, and as such activity of any kind was permissible and this specially applied to freehold areas of land used for Industrial purposes or even when someone was performing a non residential activity in that plotted area, which was not marked for any specific land use or was allowed to be continued as in 1962. An amendment is required in the MPD 2021 in Para 5.1 which currently reads as under;

Para 5.1: "Pre 1962/MPD 1962 Commercial Areas" :

Residential areas and streets / stretches earlier declared as commercial areas/ streets or where commercial use was allowed in MPD 1962 shall continue such use at least to the extent as permissible in MPD 1962. 'Commercial activities existing from prior to 1962 in residential areas are also permitted subject to documentary proof'.

Since there is no specific mention of the permissibility of commercial use in industrial premises, and also DDA has mentioned that it is worth considering and making the following amends in the MPD 2021 requested and proposed that this paragraph should be amended and read as;

Residential or Industrial areas which may be in any streets / stretches of NCT of Delhi, which earlier was declared as commercial areas / streets or where commercial use was allowed in or prior to MPD 1962 shall continue to be of the same or similar nature and use as permissible in MPD 1962. In 1962 there were only two planned industrial districts in Delhi. One was alongside Najafgarh Road. (Our industrial Area) which was developed by the erstwhile Delhi Improvement Trust for units like DCM, Hindustan Breakfast Foods and many of our members etc. and the other area of was at Okhla which was developed by Government of India.

MPD 1990 was an extension of earlier MPD and in MPD 2021 this clause was reinstated as is in Clause 5.1 which needs correction and amendments. In many cases the industrial units in the above areas prior to 1962 were having commercial activities along with industrial activities and are having documentary evidence to prove the same and the activities are defined as 'manufacturing, wholesale and retail distribution ' which is commercial activity. Pre 1962 Areas As in pre 1962 there were various markets and Industrial areas which were having commercial activities. Kindly list them in the MPD 2021 and exempt them from the payment of the conversion charges, who provide proof of existence.

IMPORTANT

As per the view of DDA they have not agreed to allow the industrial area exemption of payment of conversion charges in industrial areas as is allowed in residential areas Pre 1962 is unfair and contrary to the principal of MPD 2021 declare earlier. It was only a suggestion to add the word industrial area which were having commercial activities Pre 1962 .

View of DDA decision pending.

This suggestion has been forwarded to the Chief Town Planner MCD & DPCC.

MPD-2021, Para 5.1 provides permissibility of Pre 1962/ MPD – 62 commercial activity in residential areas. The policy for permissibility of commercial activity in industrial plots is given in table 7.3 note 6 of MPD-2021. The conversion charges are essential to upgrade the industrial area in terms of infrastructure due to enhancement of FAR. Conversion of use etc. the MAG therefore did not agreed to the suggestion.

We shall request you to kindly look in to these aspects favorably as what is the ground reality needs to be seen.

Regards;


Naren Bhiku Ram Jain

The Minister UD, GOI, New Delhi

Copy to VC DDA New Delhi