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**Federation of All India Trade's Associations
&**

Najafgarh Road Factories Association (Regd.)

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Secretary UD

OFFICE OF UDM

22 Nov 2011

Respected Kamal Nath Ji,

Dy. No. 4257
Date 30.11.11

MPD 2021: SHOW CAUSE NOTICES ISSUED BY MCD

Namaskar,

It was heartening to see you on TV wherein you as the Minister of UD had made some comments about revision of MPD 2021 wherein you mentioned that the MPD 2021 should be a truth to "ground reality" which has and which were appreciated by the people of Delhi and particularly by our Trading Community who are suffering the most due to ambiguity and confusion due to which the MCD officials are making hay while the sun is shining on the proposed draconian MPD 2021.

Various issues are required to be discussed and addressed in detail which needs your intervention, appreciation and appraisal for redressal to the citizens, our members and other factory owners in Delhi. Some of the hot and current issues are highlighted below which needs your views;

SSI units and Traders of Delhi are pained and are in great distress towards the strict attitude of the MCD who are arbitrarily defining the definition of MPD 2021 where corruption is rampant. The reason of writing you this letter is to appraise you of the hardship industries and traders of Delhi are facing due to the anomalies in implementation of MPD 2021. The various issues which need your intervention and attention for redressal to the Delhi trade are;

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.

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.

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.

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.

2.) Sub Division of Industrial Plots

The foremost aspect of this is that during the hearing of this issue by the Hon. High Court it was stated that the status QUO be maintained and has been referred to a 3 Bench Court in view of dissenting/different judgments. Hence in the present circumstances it will be inappropriate for the Govt. to initiate any further action in the matter. Later MPD-2021 was released and it clearly stated that "Guidelines for redevelopment of existing Industrial Areas shall be framed within 2 years by DDA in consultation with GNCTD and the local body. Till such time, the existing Sub Divisions may continue".

It is submitted that the concerned bodies should get together and decide on the issue which affects most of the Industries in Delhi and MCD should take action in this regard and keep this matter in abeyance till the same is decided finally.

Further it is submitted that all the subdivisions carried out in Industrial Plots till date be regularized keeping in view the fact that large Industries are not now allowed in Delhi as per MPD-2021 and owners having Bigger Plots (which run into acres) can only utilize them by dividing them into smaller areas for running factories by small scale industries which is also as per the Delhi Govt. Industrial Policy.

The matter regarding sub-division of plots is already pending with Government of NCR of Delhi Government and MCD as per Master Plan Delhi 2021. Hence the calculation of conversion charges is not possible unless this matter is finalized for these units which are under the issue of sub division.

We understand that the Delhi Government has approved this issue and the UDM has to decide the proposal. We need a quick and easy policy to be framed to facilitate the Industrial units of Delhi.

3.) 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 then 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.

DDA has informed that some guidelines are under finalization which for redevelopment have to be notified which may please be expedited to avoid a sudden axe on the industry and trade.

4). Industrial Shed not to be counted as FAR in Industrial Units.

SSI units have more or less covered the set backs in their respective units as to store their produce which cannot be kept in open or in sheds. It is requested that since the FAR is in covered in single story, be allowed irrespective of their coverage in any set backs without counting the shed as a part of the FAR, being kutcha portion of the building to facilitate their factory activities. Industrial units are already suffering due to lack of power, roads, labor and other infrastructure facilities.

It is suggested that an amnesty scheme be carved and provided to the industry of Delhi as 98% of these industries in Delhi have made addition coverage in their premises and have covered their set backs which should be counted as their permissible FAR irrespective of their coverage in one floor or more floors and excluding the kutcha shed as coverage in FAR.

5) 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.

6.) Clarification of Definition of Industry in Ind. Areas as in Village & household areas;

MPD 2021 defines a list of activities which are industrial in nature in the Village Abadi and household areas & MCD wants a clarification in cases where some industries as classified above in MPD 2021 covering activities like cover Stone Engraving, Screen Printing, Handicraft, Wood Carving & Decorative Wood Wares, Clay & Modeling of POP, Cotton/ Silk Printing by Hand, Framing of Pictures, Canvas Bags & hold all makings to be acceptable as a definition of industry in the regularized industrial areas of Delhi.

Weather making and selling of the above activities as handmade hand crafted paintings and artifacts as classified as household and village (Abadi) industrial activities are also possible to be acceptable as a industry in the regularized industrial areas of NCT of Delhi.

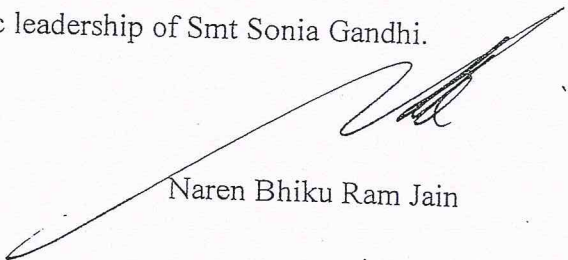
DDA has defined that any commercial activity happening as per MPD 2021 as per list in household or village abadi areas shall be considered as industry if " a premises for industrial activity having up to 50 workers with non-hazardous, non-polluting performance ". Since there are similar industries in proper defined industrial areas of NCT who are having activities as in list of household or village abadi areas be allowed as an industrial activity. It is requested that a clear definition be drawn on this to avoid any confusion for the MCD to charge conversion charges.

7. **Special areas of Chandni Chowk, Sadar Bazar, Karol Bagh etc**

We shall request you to kindly give us a patient hearing and also give about 10-20 Presidents of the Trade Associations and SSI units an opportunity to meet you at a given date and time where you could have an a discussions to understand the issues which are a matter of pain to the Citizens of Delhi. This meeting would make the Delhi SSI & Trading Community come more closer to the gerela attitude of "Aam Aadmi" of yours and also charismatic leadership of Smt Sonia Gandhi.

Regards;

Sh Kamal Nath Ji
Minister of UD, New Delhi


Naren Bhiku Ram Jain