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- 3 OCT 2011

ALL INDIA CONGRESS COMMITTEE

ANIL K. SHASTRI
Special Invitee
Congress Working Committee

OFFICE OF UDM

24, AKBAR ROAD
NEW DELHI-110011

September 30, 2011

Dy. No. 3488

Date 04/10/2011

Respected Shri Kamal Nath ji,

You would recall that I had met you with a copy of my letter dated July 26, 2011 regarding recommendation of the DDA on allotment of additional FAR.

As you are aware, DDA has recommended to the Ministry of Urban Development to the effect that additional FAR under the MPD-2021 shall be given free of cost to those Educational Societies/Trusts which are exempt from Income Tax.

I wish to bring to your kind notice that there is no progress made in this regard as yet. I would therefore once again request you to kindly consider the recommendation of DDA favourably and expedite the same.

Warm regards,

Yours sincerely,

(Anil K. Shastri)

Shri Kamal Nath
Minister of Urban Development
Govt. of India
Nirman Bhawan
New Delhi



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July 26, 2011

Dear Kamal Nath ji,

I understand that Delhi Development Authority has recommended to the Ministry of Urban Development that additional FAR under the MPD-2021 shall be given free of cost to those Societies/Trusts who are having Income Tax exemption. This recommendation was made by the DDA to the Ministry almost a year ago but unfortunately no decision has been taken on the recommendation.

I am enclosing a note giving facts of the case with regard to revision of additional FAR rates by DDA as per new Master Plan 2021.

In view of this, I would request you to kindly accept the recommendation of the DDA to the effect that additional FAR under the MPD-2021 shall be given free of cost to those Educational Societies/Trusts which are exempt from Income Tax. This will facilitate creation of additional institutions in Delhi.

Looking forward to early action in the matter.

Warm regards,

Yours sincerely,

(Anil K. Shastri)

Shri Kamal Nath
Minister for Urban Development
Room No. 105, C Wing
Nirman Bhawan
New Delhi 110011

Facts of the case with regard to revision of additional FAR rates
by DDA as per new Master Plan 2021

Land in Delhi, by and large, is owned and controlled by the Delhi Development Authority (DDA). It has been a long practice to allot land to educational institutions on concessional rate basis. This is because educational institutions are established by the trusts / societies with service motive and not a profit motive. Moreover, the fees and the pay structures of the faculty and administrative staff are regulated by the Govt. / Universities. Besides, the Government also has been encouraging setting up of educational institutions.

Additional FAR charges used to be levied at the rate as per notification by the govt. of India vide notification dated 23.07.1998. This rate was Rs. 450/- per sq.mt. Where additional construction is already been carried out over an above the sanctioned plan but within the norms, the construction was regularized on a payment of Rs. 25/- per sq.mt. of the covered areas constructed unauthorizedly.

However, in the new MPD 2021, the DDA has revised the price of FAR exponentially; the DDA vide notification dated 23rd December 2008 has raised the rate for additional FAR - South Delhi and Dwarka. From Rs. 450/- per sq.m. to Rs. 29,525/- sq.m. Secondly, penalty for construction over and above the sanctioned plan but within the norms, has been raised from Rs. 25/- to Rs. 8,858/- per sq.mt. i.e. 30% of the additional FAR cost.

The Committee in its Minutes of the meeting of the Delhi Development Authority held on 14.05.2010 at Raj Niwas, took a decision that the exorbitant increase in the additional FAR charges needs immediate review if education is to be promoted in Delhi. Moreover, land being a scarce commodity in Delhi, the future growth and development in Delhi would be vertical and not horizontal and thus, the Committee under the Chairmanship of LG took a decision that additional FAR under the MPD-2021 shall be given free of cost to those Educational Societies/Trusts who are exempt from Income Tax. Accordingly DDA has already sent its recommendation to the Ministry which is pending with them.

Ministry of Urban Development may please take a decision on the recommendation of the DDA made by them in a meeting held under the Chairmanship of LG on 14.05.2010.