



R.G. GUPTA
POLICY/CITY PLANNER
(M) 98110-18374

POLICY ON INDUSTRIAL DEVELOPMENT (IN AND AROUND DELHI)

R. G. Gupta (M: 09811018374) City / Policy Planner
email : ram_gopal_gupta@yahoo.co.in
web : www.rgplan.org ; blog. www.ramgopalgupta.blog.com

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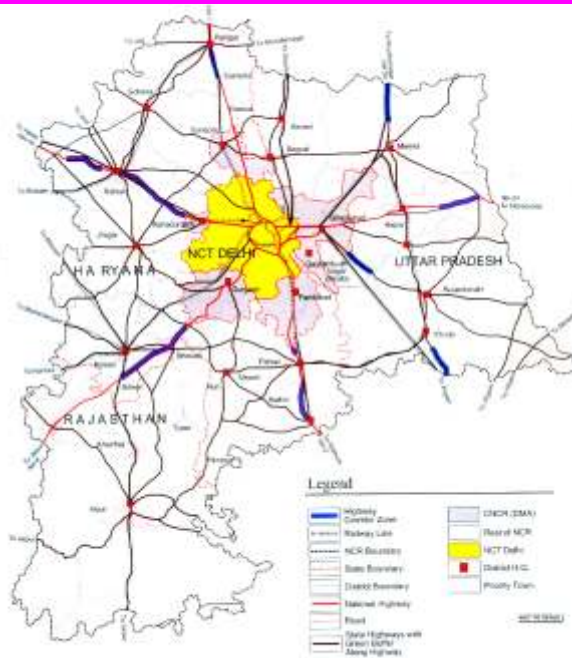
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NATIONAL CAPITAL REGION



2 SOME STATISTICS OF NCR

2.1 NCT-DELHI (in Lakhs)

Year	NCR Total	Population	% to total
1	2	3	4
2001	371.00	371.00	37.33
2021	641.38	225.00	35.08

Source - Page no. 32 taken from NCR Plan 2021 AD.

2.2 Haryana (in Lakhs)

Year	Population	% to total
1	2	3
2001	86.87	23.42
2021	163.50	25.49

Source - Page no. 32 taken from NCR Plan 2021 AD.

2.3 Rajasthan (in Lakhs)

Year	Population	% to total
1	2	3
2001	29.92	8.06
2021	49.38	7.70

Source - Page no. 32 taken from NCR Plan 2021 AD.

2.4 Uttar Pradesh (in Lakhs)

Year	Population	% to total
1	2	3
2001	115.70	31.19
2021	203.50	31.73

Source - Page no. 32 taken from NCR Plan 2021 AD.

3 IMPORTANT SECTIONS OF NCR ACT

3.1 Section 7 of NCR Act

The functions of the board shall be –

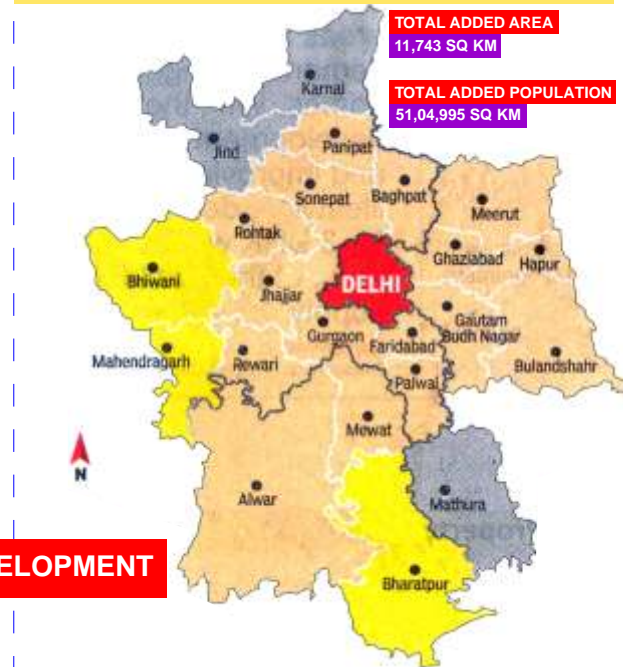
- (a) to prepare the REGIONAL PLAN and the Functional Plans;
- (b) to arrange for the preparation of SUB-REGIONAL PLANS AND PROJECT PLAN by each of the participating States and the Union territory;
- (c) TO CO-ORDINATE THE ENFORCEMENT AND IMPLEMENTATION of the Regional Plan, Functional Plans, Sub-Regional Plans and Project Plans through the participating States and the Union territory;
- (d) TO ENSURE PROPER AND SYSTEMATIC PROGRAMMING by the participating States and the Union territory in regard to project formulation, determination of priorities in the National Capital Region or sub-regions and phasing of development of the National Capital Region in accordance with stages indicated in the Regional Plan;
- (e) TO ARRANGE FOR, AND OVERSEE, THE FINANCING OF SELECTED development projects in the National Capital Region through Central and State Plan funds and sources of revenue.

3.2 Section 8 of NCR ACT

The powers of the Board shall include the powers to-

- (a) CALL FOR REPORTS AND INFORMATION FROM THE PARTICIPATING STATES AND THE UNION TERRITORY WITH REGARD TO PREPARATION, ENFORCEMENT AND IMPLEMENTATION OF FUNCTIONAL PLANS AND SUB-REGIONAL PLANS;
- (b) Ensure that the preparation, enforcement and implementation of Functional Plan or Sub-Regional Plan, as the case may be is in conformity with the Regional Plan;

For planning purpose various settlements are



- (c) Indicate the stages for the implementation of the Regional Plan;
- (d) Review the implementation of the Regional Plan, Functional Plan, Sub-Regional Plan and Project Plan;
- (e) Select and approve comprehensive projects, call for priority development and provide such assistance for the implementation of those projects as the Board may deem fit;
- (f) Select in consultation with the State Government concerned, any urban areas, outside the National Capital Region having regard to its location, population and potential for growth, which may be developed in order to achieve the objectives of the Regional Plan ; and

(g) Entrust to the Committee such other functions as it may consider necessary to carry out of the provisions of this Act.

Section 27; TO HAVE OVERRIDING EFFECT.

The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of any law other than this Act; or in any decree or order of any court, tribunal or other authority.

Section 28 ;POWER OF THE CENTRAL GOVERNMENT TO GIVE DIRECTIONS.

The Central Government may, from time to time, give such directions to the Board as it may think fit for the efficient administration of this Act and when any such direction is given, the Board shall carry out such directions.

4 HUMAN RESOURCES, ITS COMPOSITION AND SETTLEMENTS WITH INDUSTRIAL DEVELOPMENT

4.1 : SUB-REGION WISE DISTRIBUTION OF POPULATION IN NCR

Sub-region/Year	POPULATION (PERSON)			Decadal Growth Rate (%)		Share of Population (%)		
	1981	1991	2001	1981-1991	1991-2001	1981	1991	2001
1	2	3	4	5	6	7	8	9
NCR-Delhi	62,20,406	94,20,644	1,38,50,507	51.45	47.02	31.28	34.43	37.33
Haryana	49,38,541	66,43,604	86,87,050	34.53	30.76	24.84	24.28	23.42
Rajasthan	17,55,575	22,96,580	29,92,592	30.82	30.31	8.83	8.39	8.06
Uttar Pradesh	69,68,646	90,01,704	1,15,70,117	29.17	28.53	35.05	32.90	31.19
NCR	1,98,83,168	2,73,62,532	3,71,00,266	37.62	35.62	100.00	100.00	100.00

Source - Page No. 22 taken from NCR Plan 2021 AD.

4.2 : PROPOSED OCCUPATIONAL STRUCTURE IN METRO AND REGIONAL CENTRES WITHIN CENTRAL NCR (2021)

Town/Complex	Participation Ratio	PROPORTION OF WORKERS (%)					
		Primary Sector	Industry	Construction	Trade and Commerce	Transport Storage and Communication	Services
Ghaziabad Loni	35	0.5	38.0	6.0	15.0	10.0	30.0
Noida	35	2.0	40.0	6.0	20.6	12.0	20.0
Meerut	32	2.0	29.0	4.0	20.0	9.0	36.0
Hapur-Pilkhua	30	6.0	28.0	4.0	22.0	13.0	27.0
Bulandshahr	30	4.0	40.0	4.0	20.0	12.0	20.0
Khurja	30	4.0	40.0	4.0	20.0	12.0	20.0
Greater-Noida	35	2.0	40.0	6.0	20.0	12.0	20.0
Baghpat-Baraut	30	4.0	40.0	4.0	20.0	12.0	20.0

Source - Page No. 44 taken from NCR Plan 2021 AD.

4.3 INDUSTRIAL DEVELOPMENT THROUGH NCRPB ASSISTANCE

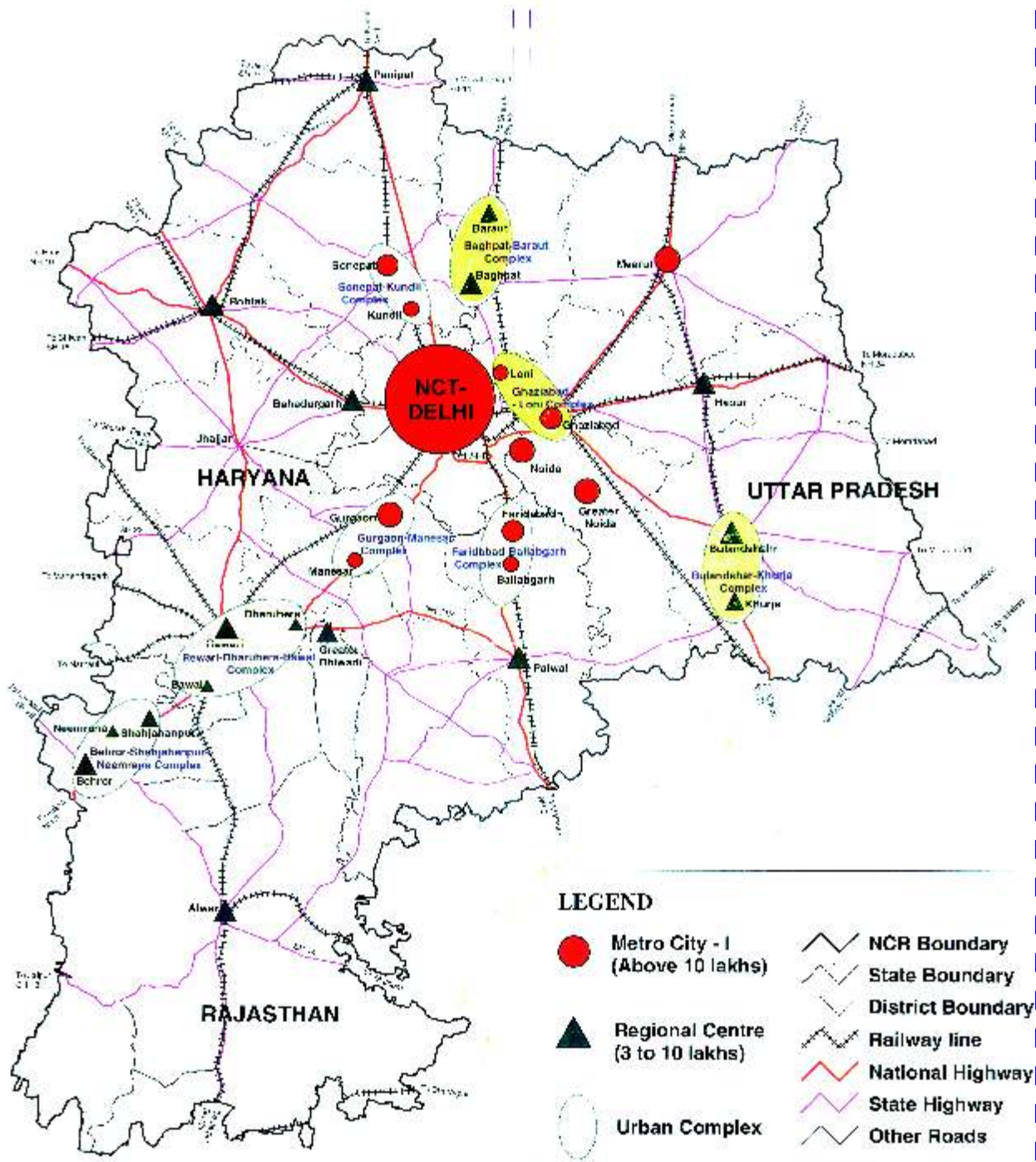


4.4. POTENTIAL LOCATIONS FOR INDUSTRIAL DEVELOPMENT IN NATIONAL CAPITAL REGION



Source - Page No. 55 taken from Fact Sheet 1999

4.5 PROPOSED SETTLEMENT PATTERN 2021



- (i) Poverty Alleviation and other concerned Ministries/Departments. Ministry of Urban Development and Poverty Alleviation will develop an exclusive cell to deal with such cases.
 - (ii) The core business of the Company seeking to make investment should be integrated township development with a record of successful execution of such projects elsewhere.
 - (iii) The minimum area to be developed by such a Company should be 100 acres for which norms and standards are to be followed as per local bye-laws/rules. In the absence of such bye-laws/rules, a minimum of two thousands dwelling units for about ten thousand population will need to be developed by the investor.
 - (iv) The investing Foreign Company should achieve clear milestones once its proposal has been approved.
 - (a) The minimum capitalization norm shall be US\$ 10 million for a wholly owned subsidiary and US\$ million for joint ventures with Indian partner/s. The funds would have to be brought in upfront.
 - (b) A minimum lock-in period of three years from completion of minimum capitalization shall apply before repatriation of original investment is permitted.
 - (c) A minimum of 50% of the integrated project development must be completed within a period of five years from the date of possession of the first piece of land.
- However, if the investor intends to exit earlier due to reasons beyond his control, it shall be decided by FIPB on a case-to-case basis.

- (v) Conditions regarding the use of land for commercial purposes, development charges, external development charges and other charges as laid down in Master Plan/Bye-laws, preparation of layout and building plan, development of internal and peripheral development, development of other infrastructure facilities including the trunk services etc., will be the responsibility of the investor as per planning norms and standards on similar lines as those applicable to local investors. In the absence of such standards and norms, every State Government may decide their own conditions for which the Urban Development plan Formulation and Implementation guidelines circulated by the Ministry of Urban Development and Poverty Alleviation may service as a guiding principle.
- (vi) Land with assembled area for peripheral services such as police stations, milk booths will be handed over free of cost to the Government/local authority/agency as the case may be.

5 PROVISION OF INDUSTRIAL POLICY IN NCR

5.1 BOX 5.1

MAJOR CHANGES IN THE ECONOMIC POLICY

- (i) Reduction of the number of industries or activities reserved for the public sector.
- (ii) Abolition of industrial licensing except for selected industries.
- (iii) New policy on small-scale industry and permitting Foreign Equity Investment.
- (iv) Automatic approval to foreign direct investment (FDI) in selected high priority industries.
- (v) Foreign equity proposals need not be accompanied by foreign technology agreement.
- (vi) Formation of a Foreign Investment Promotions Board (FIPB).
- (vii) Simpler and easier procedure for foreign technology agreement.
- (viii) Introduction of convertibility
- (ix) Suitable and Foreign Exchange Regulation Act removing restriction imposed earlier on companies.
- (x) Lowering of customs duties, central excise duties and removal of blanket ban on imports

5.2 BOX 5.2

FDI Guidelines Salient Features

1. Government vide Press Note No. 4 (2001 series) permitted FDI up to 100% for development of integrated townships including housing, commercial premises, hotels, resorts, city and regional level urban infrastructure facilities such as roads and bridges, mass rapid transit systems and manufacture of building materials. Development of land and providing allied infrastructure will form an integrated part of township's development.
2. FDI in the development of integrated townships will be subject to the following

Guide lines :

- (i) The Foreign Company intending to invest, shall be registered as an Indian Company under Companies Act 1956 and will, henceforth, be allowed to take up land assembly and its development as a part of Integrated Township Development. All such cases would be processed by FIPB on the recommendation of Ministry of Urban Development and

- (vii) The Developer will retain the lands for community services such as (i) schools, (ii) shopping complex, (iii) community centres, (iv) ration shop and (v) hospital/dispensary. These services will be developed by developer himself and shall be made operational before the houses are occupied.
- (viii) The developer, after properly developing playgrounds, park, will make it available to the local authorities free of cost.
- (ix) The Developer will ensure the norms and standards as applicable under local laws/rules.
- (x) For companies investing in Special Economic Zones, Foreign Investment Promotion Board may accord exemption to any of the above mentioned conditions on a case-to-case basis. This will, however, be an interim measure till guidelines are evolved in due courses in a need based manner.

Source - Page no. 37 taken from NCR Plan 2021 AD.

5.3 BOX 5.3

Scope of Common Economic Zone

- (i) Rationalization of Tax Structure
- (ii) Extending Uniform Financial/Banking services throughout NCR-Sub Region
- (iii) Integrated Rail and Road Transport Network
- (iv) Removing the restrictions of Inter-State movement of taxis and auto-rickshaws between the NCR States
- (v) Providing Uniform Telecom Facilities throughout the NCR
- (vi) Uniform Power Supply
- (vii) Developing an Integrated Water Supply and Drainage System for NCR
- (viii) Integrated Education Policy
- (ix) Integrated Health Policy
- (x) Integrated approach for Pollution Control
- (xi) Integrated Law and Order Machinery
- (xii) Provision of adequate financial Resources in Sub-component Plans of participating States and concerned Central Ministries.

Source - Page no. 52 taken from NCR Plan 2021 AD.

5.4 BOX 5.4

Potential Growth Areas in HI-TECH

- (i) Computer hardware & software industry
- (ii) Interfaces of the computers and telecom facilities.
- (iii) Information needs of uses
- (iv) Electronic goods.
- (v) Service & repair of TV and other electronic items.
- (vi) Photo composing and Desk Top Publication.
- (vii) TV and Video programme production.
- (viii) Textile designing and Fabric Testing etc.
- (ix) Bio-technology
- (x) Telecommunications and IT enabling services
- (xi) Gems and Jewellery

Source - Page no. 54 taken from NCR Plan 2021 AD.

5.5 BOX 5.5

Special Economic Zones

Salient Features

Special Economic Zone (SEZ) is a specifically delineated duty free enclave and shall be deemed to be foreign territory for the purposes of trade operations and duties and tariffs.

Goods going into the SEZ area from Domestic Tariff Area (DTA) shall be treated as deemed exports and goods coming from the SEZ area into DTA shall be treated as if the goods are being imported.

SEZ units may be set up for manufacture of goods and rendering of services, production, processing, assembling, trading, repair, remaking, reconditioning, reengineering including making of gold/silver/platinum jewellery and articles thereof or in connection therewith.

SEZ units may export goods and services including agro-products, partly processed jewellery, sub-assemblies and components. It may also export by-products, and rejects waste scrap out of the production process.

SEZ unit may import without payment of duty all types of goods, including capital goods, as defined in the Policy, whether new or second hand, required by it for its activities or in connection therewith, provided they are not prohibited items of imports in the ITC (HS). The units shall also be permitted to import goods required for the approved activity, including capital goods, free of cost or on loan from clients.

SEZ units may procure goods required by it without payment of duty, from bonded warehouses in the DTA set up under the Policy.

SEZ units may import, without payment of duty, all types of goods for creating a central facility for software development. They can also be accessed by units in the DTA for export of software.

Gems & Jewellery and Jewellery units may also source gold/silver/platinum through the nominated agencies.

SEZ units may also import/procure from DTA specified goods without payment of duty and subject to such conditions, as may be notified by the Government, for setting up of units in the Zone.

Source - Page no. 55 taken from NCR Plan 2021 AD.

Source - Page no. 54 taken from NCR Plan 2021 AD.

5.6 LIST OF PROPOSED POLICY BOXES

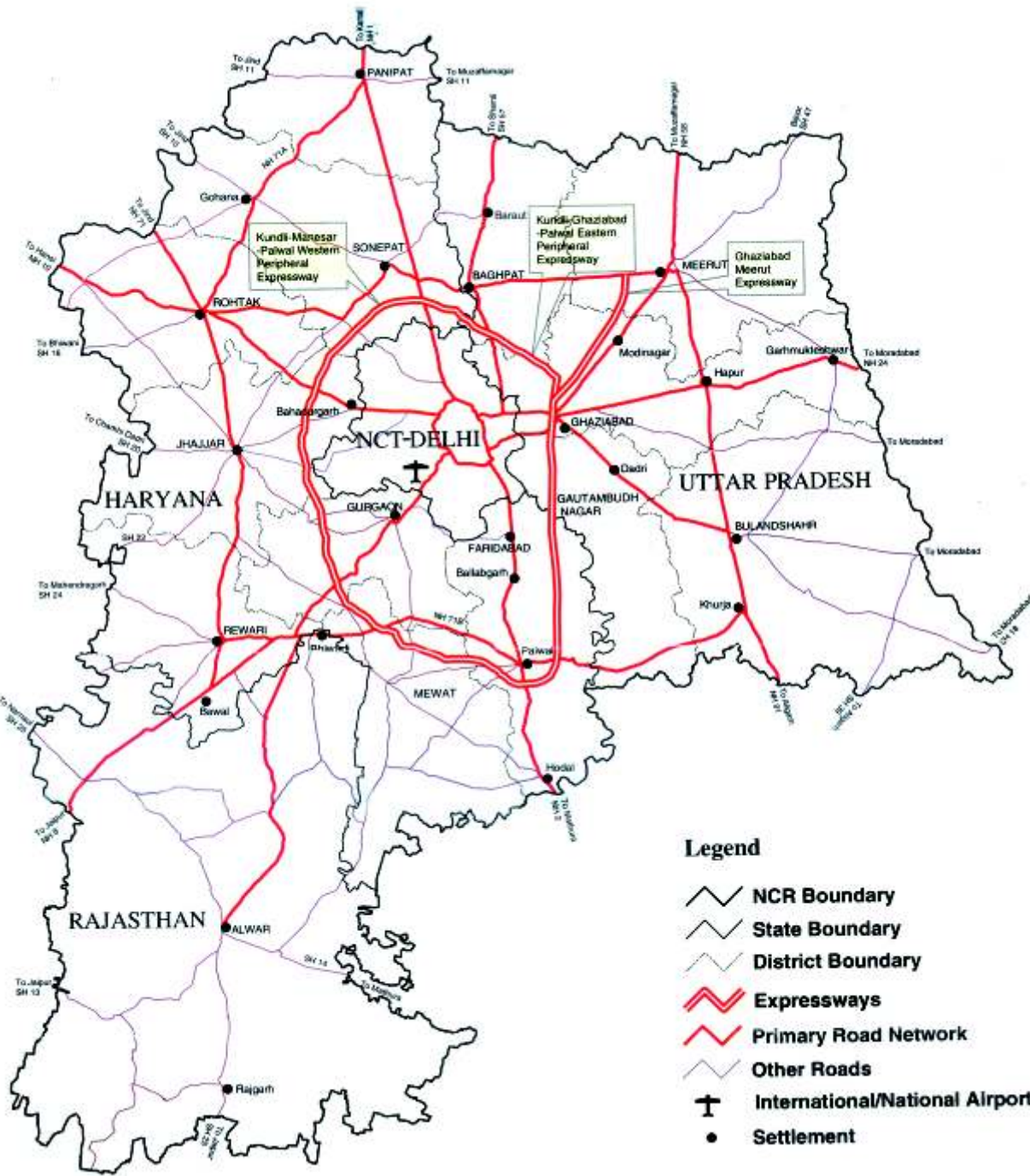
1. Public Private Partnership;
2. Transparency with the help of Websites and frequent discussions;
3. Higher FAR along High Traffic Intensity Corridors;
4. Provision of parking at various levels and also in parks and playgrounds including of the schools;
5. Street furniture so that directions are clear to the Public at Large;
6. Integrated ticket for (i) Bus; (ii) Metro; (iii) Mono rail and (iv) Ring Railway;
7. System of Fast Speed Trains from Delhi to Mega City & Metro Centres;
8. System of main circulation roads, (i) Eastern Expressway; Western

Expressway and UER-1, UER-2, UER-3 to Decongest Delhi and various National Highways like NH-1, NH-2, NH-8, NH-10, NH-24, NH-59 and others;

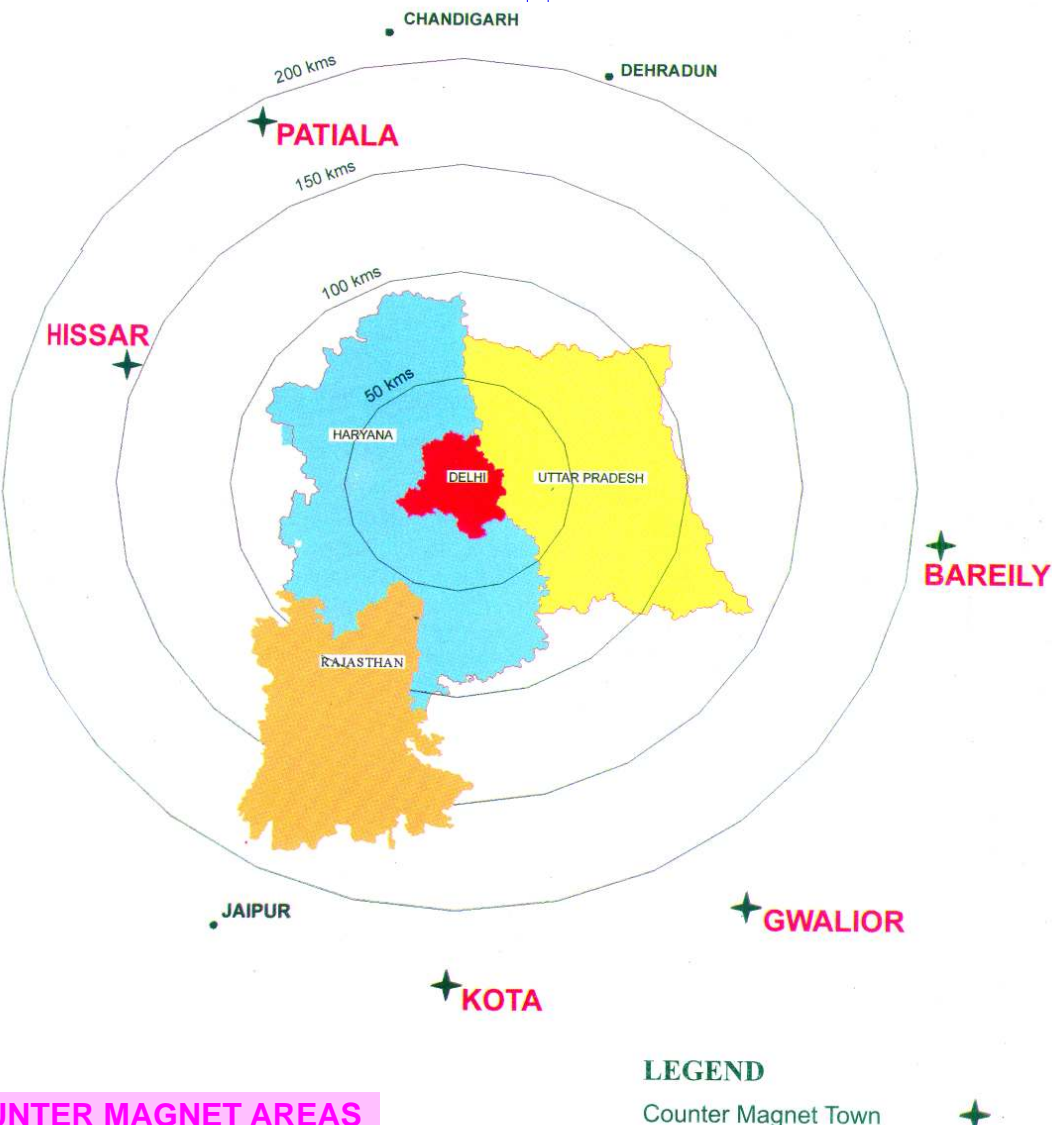
9. Cleaning of rivers namely – (i) River Yamuna, (ii) River Ganga including development of Garhmukteshwar by constructing a new Har Ki Paudi, (iii) Ganga Canal, (iv) River Hindon, (v) Kali Nadi, (vi) Lakes, (vii) large ponds and (viii) water bodies;
10. Concept of Planning (Physical, Financial, Time and Directions);
11. Use of TDR (Transfer of Development Rights);
12. Permission to develop the area or construct the building only after getting services at least of water, power, sewerage and drainage;
13. To deal with Physical Infrastructure – Water, Sewerage, Drainage, Power, SWM, Telecommunication etc.
14. To deal with Social Infrastructure – Health, Education, Security, Safety, Justice, Recreation and shelter;
15. To deal with Ecological Infrastructure – To stop & control water, air, noise and soil pollution;
16. To deal with Economic Infrastructure – Commercial Centres, Industrial Centres, different types of offices and other working places.
17. To deal with Circulation Infrastructure – Roads, Railway, Metro, Mono rails, Waterways and Airways
18. To deal with Emergency Infrastructure – Earthquake, Tsunami, Volcanoes and Floods

5.7 MAJOR CHANGES IN THE ECONOMIC POLICY AS PER NCR PLAN

1. Reduction of the number of industries and concerned activities reserved for the public sector.
2. The abolition of industrial licensing except for selected industries.
3. The new policy on small-scale industries allowing access to overseas technology and permitting Foreign Equity Investment.
4. Automatic approval to Foreign Direct Investment (FDI) in selected high priority industries as per policy.
5. Declaration that foreign equity proposals need not necessarily be accompanied in future by foreign technology agreement.
6. The formation of a specially empowered Foreign Investment Promotion Board (FIPB) for the negotiation with large international firms and the approval of direct foreign investment proposals.
7. Simple and easy procedure for foreign technology agreement.
8. Introduction of convertibility.
9. Amendments in the Foreign Exchange Regulation Act removing restrictions imposed earlier on companies.
10. Lowering of customs duties and central excise duties, and removal of blanket ban on imports.



7 COUNTER-MAGNET TOWNS—NCR



COUNTER MAGNET AREAS

- (a) Strengthening of Economic Base Functions
- (b) Upgradation of Physical and Social Infrastructure
- (c) Strengthening of Regional Linkages

8.1 NCTD

- (i) Only those industries, which are required, either for marketing and market related activities and / or for providing consumer needs of Delhi's population may be allowed to continue in Delhi.
- (ii) The requirements on civic services viz., power, water etc. should not exceed the standards and norms permissible for the residential areas.
- (iii) The industries should meet the standards laid down by the local pollution control authorities.
- (iv) Only hi-tech industries should be allowed in Delhi.
- (v) In the existing industrial areas low-tech industries should be transformed into hi-tech and those which are unable to do so within a reasonable time should be phased out.
- (vi) No new industrial area to be created in NCT-Delhi.

Central NCR

- (i) Owing to the location of the Central NCR towns adjacent to Delhi, no hazardous, polluting industry should be allowed in the Central NCR.
- (ii) Hi-tech industries should be allowed to flourish in Central Delhi.
- (iii) The industries existing before 1986 should be made to conform to the Environment Protection Act, 1986.

Rest of NCR outside Central NCR

- (i) The towns selected for priority development should have a strong industrial content. The incentives should be given to all types of industries for creation of infrastructure such as power, water, sewage, drainage, CEPT etc.
- (ii) Modern industrial townships/estates should be developed in the area outside Central NCR.
- (iii) Specific areas should be earmarked in the region outside the Central NCR for relocation of polluting, hazardous, heavy and large and non-conforming industries

