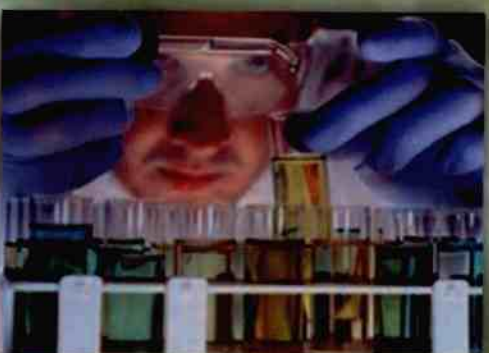


Industrial Policy for Delhi



2010-2021



Department of Industries
Government of National Capital Territory of Delhi



SHEILA DIKSHIT
CHIEF MINISTER



GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI-110113

MESSAGE

I congratulate the Industries Department for its concerted efforts in bringing out the long awaited Industrial Policy for 2010-2021 for the NCT of Delhi.

Delhi is predominantly a metropolitan urban area without much hinterland and the needs of an ever-growing population have to be balanced with the responsibility of keeping the national capital a clean, modern city with a healthy environment and a proper ecological balance.

The endeavour of the Government of NCT of Delhi is to make Delhi a hub of pollution free, high-technology and knowledge based industrial activities. This will ease pressure on infrastructure namely power, water, space and civic infrastructure.

The Industrial Policy also envisages Operation & Maintenance of existing industrial areas and development of new industrial areas on Public Private Partnership basis.

Business Facilitation Council to facilitate entrepreneurs in obtaining clearances from various departments / agencies has already been established. This Council will also act as a handholding agency to guide existing units into becoming technologically more advanced and facilitate business through procedural simplifications and e-governance measures.

The Industrial Policy for the NCT of Delhi will enable different departments and organizations, dealing with industrial development in taking quicker decisions and to have greater coordination among themselves.

Review at periodic intervals would ensure effective implementation of the Industrial Policy. I would, therefore, urge upon the Officers of Industries Department and other concerned Departments to ensure that the Industrial Policy is implemented in right perspective and in a time bound manner.

(SHEILA DIKSHIT)



HAROON YUSUF
MINISTER (FOOD & SUPPLIES AND INDUSTRIES)



GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI-110113

MESSAGE

I would like to congratulate the Secretary and Commissioner of Industries and his team for their efforts to bring out Industrial Policy 2010-2021 for the National Capital Territory of Delhi.

Despite limitation of local resources, especially of land, Delhi has emerged as an important centre of small scale industries. These industries manufacture a wide range of sophisticated electronic, electrical, light engineering, plastic and textile products.

The Industrial Policy 2010-2021 addresses the need to channel the development of industry in keeping with the ambient necessities and expectations of a modern, cosmopolitan metropolis. This policy, therefore, envisages development of non-polluting, hi tech industries in the IT, ITES, knowledge-based and service sectors.

Development of special economic zones and activation of Business Facilitation Council will help promote IT and gem and jewellery sectors as well as e-governance.

I expect the Industries Department to leave no stone unturned to implement Industrial Policy 2010-2021 in right earnest.

(HAROON YUSUF)



RAKESH MEHTA, IAS
CHIEF SECRETARY



GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI-110113

MESSAGE

It is a matter of great pleasure for the Government of National Capital Territory of Delhi to publish the Industrial Policy - 2010-2021 for the NCT of Delhi. It was long overdue since it was last published in 1982.

The previous Industrial Policy, published in 1982, was focused on encouraging manufacturing sector in Delhi and creating employment with minimum strain on Delhi's scarce resources. Globalization of economics, preference for outsourcing to low-cost destinations have led to emergence of India as a major IT, ITeS and outsourcing destination. While growth of IT/ITeS led the service sector growth in India, Delhi's service sector continues to be dominated by trade and retail. Neighbouring States taking advantage of proximity to Delhi, have developed into IT and electronic hubs. This new policy recognizes the present dynamics of economic activity.

The Industrial Policy has been discussed with all the concerned departments / agencies in the Government of NCT of Delhi and industry associations and organizations such as Confederation of Indian Industries, PHD Chamber of Commerce and Industry, Apex Chamber of Commerce and Industry Delhi, FICCI etc.

Review at periodic intervals will ensure effective implementation of the policy.

(RAKESH MEHTA)



CHETAN B. SANGHI, IAS
Secretary-cum-Commissioner (Industries)



GOVT. OF NATIONAL CAPITAL TERRITORY OF DELHI
DELHI SECRETARIAT, I.P. ESTATE, NEW DELHI-110113

FOREWORD

The first and only Industrial Policy in Delhi was published in 1982. Though, this was a comprehensive document which covered all aspects of industrial development in Delhi but it was not fully equipped to handle the present economic scenario where services and technological advancement have become the corner stones of economic development. Services and Information Technology sectors were not discussed in industrial policy formulated in 1982 because developments in these sectors were seen much later. The present document envisages development of Hi-tech, sophisticated, knowledge based, service sector and IT and ITES type of industries in Delhi.

The objectives of the Industrial Policy are to (i) promote non-polluting and clean industries; (ii) promote high-technology and skilled industries in Delhi, to keep in-migration of unskilled labour to a minimum; (iii) develop World-class infrastructure within planned industrial estates and regularized industrial clusters; (iv) promote cluster approach and walk to work concepts, wherever possible; (v) facilitate business through procedural simplifications and e-governance measures; and (vi) promote transparent and business friendly environment.

The vision is to make Delhi a hub of clean, high-technology & skilled economic activities by 2021 by policy shift essentially to change industrial profile from low-skilled to high-tech and high-skilled by adopting the following strategy :-

- Infrastructure Development through better O&M of industrial assets
- Facilitating business by simplification & e-enabling measures.
- Support skill development & other promotional measures like allowing Knowledge-based Industries in industrial area among others.
- Decongesting industrial areas through redevelopment schemes.
- Promoting cluster development of high-technology and skilled industries in new industrial areas through public private partnerships.
- Discourage polluting industries through higher infrastructure development fee.

Business Facilitation Council (BFC) comprising members from industrial associations, Industries Department, DSIIDC, DDA, MCD, etc. to facilitate entrepreneurs in obtaining clearances from various departments / agencies for setting up of industrial enterprises in the

NCT of Delhi has been set up. This would aid in resolving the problem of multiplicity of organizations to a great extent. Further, the Council will also act as a handholding agency to guide existing units into becoming technologically more advanced, less polluting and moving to knowledge-based or high-technology activity.

The Government of NCT of Delhi has notified SEZ Policy to promote Gem & Jewellery and IT Sector by establishment of Special Economic Zones (SEZs) in the NCT of Delhi. Two sectors specific SEZs are slated to come up at Village Baprola, Delhi by DSIIDC. The SEZs will also promote walk to work concept thereby reducing pollution. In December, 2009, Ministry of Commerce, Government of India has formally approved the setting up of these two SEZs by DSIIDC.

The Industrial Policy also envisages Operation & Maintenance of existing industrial areas and development of new industrial areas on Public Private Partnership basis. To empower DSIIDC and to make special provision for securing the orderly establishment of industrial areas / estates and their management, operation and maintenance in the NCT of Delhi by enacting a Law, a Draft Bill has been approved by the Council of Ministers and the same has been referred to the Government of India, Ministry of Home Affairs for approval.

The Policy provides for skill upgradation of the existing work force to equip them to work in high-tech industries. The existing resources e.g. 'Delhi Knowledge Development Foundation', 'National Skill Development Mission', the proposed 'Delhi Skill Development Mission' and other training institutes like Delhi Institute of Tool Engineering, ITIs, Society for Self-Employment etc. may be fully exploited to achieve the skill development goals.

With the constitution of an "Industrial Land Management Advisory Committee" in the Industries Department, disposal of all the matters pertaining to lease/land management, including conversion of industrial properties from leasehold to freehold, are now very close to being one step process. At the time of consideration of the matter by the Committee, the applicant and a representative of the respective area association are also heard.

The Policy envisages redevelopment of the planned industrial areas and the unplanned industrial clusters as well. The Government of Delhi will support for guidelines on redevelopment of industrial areas through land amalgamation and link it to Transfer of Development Rights (TDRs).

Traditional industries like Khadi and Village Industries, Handloom and Handicrafts will continue to be promoted by creating linkages with fashion design industry and provision of institutional and marketing support.



(CHETAN B. SANGHI)

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I VISION- INDUSTRIAL POLICY FOR DELHI (2010-2021)

“Make Delhi a hub of clean, high-technology and skilled economic activities by 2021 by adhering to

following basic principles:

Infrastructure Development

Decongestion

Promoting ‘Walk to Work’

Simplifying Business

Industry Consultation in Decision Making &

Sustainability”

II INTRODUCTION

Industrial Policy for Delhi (2010-2021) *Salient Features*

- ❖ *Policy Shift essential to change industrial profile from low-skilled to high tech and high-skilled. The Policy asserts Six-Pronged strategy:*
 - *Infrastructure Development through better O&M of industrial assets.*
 - *Facilitating business by simplification & e-enabling measures.*
 - *Support skill development & other promotional measures like allowing Knowledge-Based Industries in industrial area among others.*
 - *Decongesting industrial areas through redevelopment schemes.*
 - *Promoting cluster development of high-technology and skilled industries in new industrial areas through public-private partnerships.*
 - *Discourage polluting industries through higher infrastructure development fee.*
- ❖ *Government's role will be to provide good infrastructure, investor friendly environment with a responsive feedback and consultation mechanism.*

1. CURRENT STATUS

- 1.1 Delhi has close to 1 lakh manufacturing units employing nearly 6 lakh people, with majority of units operating in the unorganised sector. The 62nd round of NSSO survey for 2005 estimated 97,636 manufacturing units in the unorganised sector employing 4.5 lakh workers. The manufacturing units in organised sector in 2005, as per the Annual Survey of Industries add up to just 3,312, employing ~1.2 lakh people.
- 1.2 Delhi has a large presence of garment and furniture manufacturers followed by electrical machinery production and repair services. Manufacturing in Delhi is small scale and low-skilled which has made it attractive to the migrants from neighbouring areas, putting strain on the state's resources and infrastructure. On the other hand, skilled people residing in Delhi are travelling everyday to work in other cities like Gurgaon and Noida. Further, being small scale in nature, the units in Delhi are not investing enough in upgrading technology and installing pollution control equipment.
- 1.3 Delhi has 28 planned industrial estates spread over an area of 4,647 acres. In addition, it has four flatted complexes, which are developed and maintained by the Industries Department and DSIIDC. Of the 32 industrial estates and flatted complexes, nearly 21 industrial estates under DDA, and consequently a major chunk of existing industrial assets in Delhi, are maintained by Municipal Corporation Delhi (MCD). Rest are under DSIIDC and Industries Department, variously maintained by DSIIDC, MCD and PWD. It can be seen that Delhi suffers from the problem of multiplicity of organisation.
- 1.4 The planned industrial areas, however, house only a fraction of units (about 25,000) operating in the state. Delhi has been grappling with the problems of manufacturing units functioning in non-conforming areas and pollution caused by industrial units.
- 1.5 In 1996, it was Supreme Court which gave directions for resolving both the problems. It ordered shutting down of hazardous, noxious, heavy and large industries operating in Delhi. It also directed closing down of Hot-Mix plants and Brick Kilns in Delhi. The Court asked Delhi to relocate manufacturing units in residential areas not conforming to Master Plan of Delhi 2001 (MPD-2021).
- 1.6 Consequently, Delhi government framed an industrial relocation scheme in October 2006, where 27,905 units were declared eligible for allotment of industrial plots or flats in Bawana, Jhilmil, Narela, Badli, Patparganj and various flatted factories. By July 2009, nearly 17,801 units made full payment and completed all the legal formalities, and 16,667 have taken physical possession. However, only about 5,000 of the units have started actual construction work on the site.
- 1.7 Further, the MPD-2021 notified 20 non-conforming clusters with industrial concentration of more than 70% for regularisation, subject to redevelopment. The household industries can continue to operate in residential areas.

2. NEED FOR A NEW POLICY

- 2.1 The previous industrial policy for NCT of Delhi was framed as early as 1982. The policy was rooted in Industrial Policy resolution of 1956 and subsequent policy statements of 1977 and 1980. The 1982 policy was focussed on encouraging manufacturing sector in Delhi and creating employment with minimum strain on Delhi's scarce resources. The result was that the share of secondary sector in State income went up from 25% in 1982 to nearly 80% in 1999-2000.
- 2.2 Post 2000, however, the trend reversed, with the share of secondary sector diminishing to 20% and tertiary sector taking over, with a share of 80%.
- 2.3 This trend mirrored the transition of India to a service-sector dominated economy due to leaps taken in technology sector. Globalisation of economies, preference for outsourcing to low-cost destinations and India's pool of educated and English-speaking workforce led to emergence of India as a major IT, ITeS and outsourcing destination. Over a period of time, outsourcing has become a trend not only in software but also in sectors like engineering, design, consulting and financial services.
- 2.4 While growth of IT/ITeS and financial services sector led the service sector growth in India, Delhi's service sector continues to be dominated by trade and retail. Neighbouring states like Haryana and UP, taking advantage of proximity to Delhi, have developed into an IT, electronics and engineering hub.
- 2.5 It is evident that the 1982 policy is not fully equipped to handle the changing economic scenario, where services and technological advancement have become the cornerstones of economic development. Further, globalisation and liberalisation have thrown up new challenges and opportunities, which require a more holistic approach towards industrial development. A new policy which recognises the changing dynamics of economic activity while accounting for the limitations of Delhi in terms of space and resource constraint is hence, a necessity.

3. ADVANTAGE DELHI

- 3.1 Delhi has a large skill base. An NCAER study—"India Science Report-2005" points out that 30% of Delhi's workforce has educational qualification (degree/diploma) to pursue occupations in engineering, medicine, law, accounting, consultancy etc. In fact, among all the States, Delhi has the largest share of workforce so skilled, indicating that the State is ideal for knowledge-based economic activities like IT/ITeS services, financial and business services, designing, R&D etc.
- 3.2 Delhi has an excellent infrastructure in terms of wide roads, mass rapid transport in the form of metro and better power situation than neighbouring States of UP and Haryana. These strengths of Delhi will be instrumental in attracting high-technology industries.
- 3.3 Delhi has more than 100% telecom penetration, in league with cities such as Singapore, London and Tokyo. According to the Dataquest-IDC survey in 2007, Delhi has the highest internet penetration of 84 per thousand. It can be seen that Delhi is an attractive location for e-commerce and other IT and ITeS industries.
- 3.4 In terms of ease of doing business, Delhi is one of the top ten cities in India. According to the Doing Business in India-2009 study by World Bank, Delhi ranks 6th among 17 cities surveyed. In fact, the survey ranks Delhi at the top for the

parameter “Starting Business” indicating that companies wanting to set up business in Delhi require least number of days and procedures to do so.

- 3.5 Delhi is the capital city of India and seat of power, which makes it a focal point for all business visitors and ideal location for networking.

4. CONSTRAINTS & ISSUES IN DELHI

- 4.1 Land is the biggest constraint in Delhi. With the existing urban areas, Delhi will have the capacity to accommodate 153 lakh people by 2021. However, the projected population for Delhi by 2021 is 230 lakh. The MPD-2021 plans to accommodate the balance 77 lakh people in urban extensions. About 4%-5% of the urban extensions will be earmarked for industrial use, as per the MPD-2021.
- 4.2 In-migration is a major cause of population increase in Delhi, causing strain on the available infrastructure in Delhi. According to Economic Survey of Delhi 2007-08, the share of in-migration in total population has gone up from 47.6% in 2005 to 50.9% in 2006. The Regional Plan of NCR 2021 points out that 68% of the migrants to Delhi belong to the neighbouring States of UP, Haryana and Rajasthan with UP alone accounts for half the migrants in Delhi. The MPD-2021 aims at limiting the share of in-migration in population growth to 50%. Given this goal, the industrial policy for Delhi, proposes to keep the migration from neighbouring cities to the minimum.
- 4.3 Majority of industries in Delhi are of low-skilled nature, which attract the unskilled migrants from neighbouring cities. If Delhi wants to transform into a world-class city befitting the stature of being the capital city of one the promising emerging economies of the world, it is important that high-technology and high-skilled industries are promoted in the State.
- 4.4 Upholding the spirit of the 1996 Supreme Court judgement, the industrial policy for Delhi encourages clean industries.
- 4.5 Delhi has excellent overall infrastructure but the state of infrastructure and facilities available within the industrial estates is poor. The industrial estates suffer from bad quality roads, poor drainage, encroachments and lack of parking facilities.

5. OBJECTIVES

- 5.1 The Industrial Policy for Delhi (2010-2021) aims to:
- 5.1.1 Promote non-polluting and clean industries.
 - 5.1.2 Promote high-technology and skilled industries in Delhi, to keep in-migration of unskilled labour to minimum.
 - 5.1.3 Develop world-class infrastructure within planned industrial estates and regularised industrial clusters.
 - 5.1.4 Promote cluster approach and walk to work concepts, wherever possible.
 - 5.1.5 Facilitate business through procedural simplifications and e-governance measures.
 - 5.1.6 Promote transparent and business friendly environment.

III PROMOTIONAL MEASURES

Summary

- ❖ *Classify IT and IT enabled services, Educational Services, Business and Financial Services, Media, R&D, Design and Biotechnology as "Knowledge Based Industry" or KBI and allowing them in both industrial and commercial areas.*
- ❖ *Promote traditional industries like Khadi, Handloom and Handicrafts by creating linkages with fashion design industry and provision of institutional and marketing support.*
- ❖ *Promote skill development to aid existing units to graduate to high-technology and knowledge-based industries.*
- ❖ *Map existing training & institutional resources for purpose of National Skill Development Mission & proposed Delhi Skill Development Mission.*
- ❖ *Set up 'Centre of Excellence' to promote innovation and entrepreneurship in high-technology and knowledge based sectors.*
- ❖ *Bring Commerce under Department of Industries; with the new nomenclature being Department of Industries and Commerce. This would help in bringing about balance between the commercial and industrial aspects of economic activities in Delhi.*

6. CLASSIFICATION

6.1 Delhi needs to leverage its position as the capital of India and its pool of skilled and educated workforce to transform into a knowledge-based economy. Consequently, activities such as IT and IT enabled services, Educational Services, Business and Financial Services, Media, R&D, Design and Biotechnology are classified as “Knowledge Based Industry” or KBI. A detailed classification is given in Annexure-I.

6.1.1 These activities are cleaner and much less infrastructure intensive than manufacturing activities.

6.1.2 In terms of land-intensity, knowledge based industries can accommodate nearly twice the number of people per unit area of land compared to manufacturing.

6.1.3 The Knowledge Based industry is a skilled industry requiring 80-90% of its workforce to be skilled as compared to 40%-60% share for high-technology manufacturing like electronics and auto-components. Sectors such as ready-made garments, assembled products, printing etc require just 10%-30% of their workforce to be skilled.

6.2 As per MPD-2021, IT and ITeS sector is identified as industry and is also allowed in commercial areas.

6.3 For sake of uniformity all the activities under KBI which also include IT/ITeS, may be allowed to operate in industrial and commercial areas.

6.4 The Industries Department may add more sectors to the Knowledge-Based Industry classification, after due discussions with all stakeholders, provided the sectors included are clean and require skilled workforce.

7. HANDICRAFTS, HANDLOOMS, KHADI

7.1 Handlooms, Handicrafts and Khadi are traditional sectors of Delhi. While there is a need to preserve ancient crafts, it is also important to infuse modern techniques of design and production.

7.2 Government, both at Central and State level, have large number of programmes to support this industry. These include reservation of certain types of fabrics for manufacture by handlooms, awards for master craftsmen and financial support through various schemes executed by cooperative banks, nationalised banks and Delhi Financial Corporation from time to time. There are as many as 22 central & one central-state shared scheme present in the Handicrafts, Handloom & Khadi sector at all India level providing subsidy, financial aid (loan), material and other benefits.

7.3 Apart from financial support, Delhi's existing strengths in handloom, khadi and handicrafts sector need to be leveraged for use in fashion and interior design industry. For this purpose, it is important to create linkages with the fashion design industry and devise more aggressive marketing strategies. Linkages with fashion design industry can also be created by setting up facilities for this sector in the Fashion Technology and Design Park proposed in Section 15.7.2.

7.4 Agencies like DKVIB and DSIIDC provide institutional and marketing support by:

7.4.1 Tying up with players in fashion design industry such as NIFT, NID etc for skill development and scholarships to selected artisans.

- 7.4.2 Negotiating with fashion industry bodies such as Fashion Design Council of India (FDCI) and Fashion Design Promotion Council (FDPC) for marketing and showcasing of handicraft, handloom and khadi products in various fashion shows.
- 7.4.3 Creating a brand plays an important role in promoting any industry. For instance, “Khadi” is an established brand in itself and is finding many takers in the fashion design industry now. Similar efforts may be directed at promoting traditional handlooms and handicrafts. Thus, discussions between entrepreneurs and various players in fashion design and interior design may be facilitated to explore co-branding options with various design labels.

8. SKILL DEVELOPMENT

- 8.1 In order to meet the vision of encouraging highly skilled and knowledge based industries in Delhi, it is desirable that the existing units engaged in low-skilled activities graduate to knowledge-based industries. For this, it is important to develop such skills in the existing industrial workforce, which would equip them to meet the requirements of knowledge-based industries. In addition, sectors such as ready-made garments—the traditional strength of Delhi—now require skilled workforce capable of meeting the changing demands of the industry due to technological advancements. It is important that specific skill development and bridge courses be developed to enable the existing workforce to become equipped to handle superior technology.
- 8.2 Department of Training and Technical Education (DTTE) will be the nodal body for promoting skill development in Delhi. As a first step it is important that DTTE may map all the existing resources such as Delhi Knowledge Development Foundation (DKDF), the proposed Delhi Skill Mission Society (DSMS) and other training institutes like Delhi Institute of Tool Engineering, ITIs, Society for Self Employment etc. and fully exploit them to achieve the skill development goals of the State and also meet the objectives of the National Skill Development Mission and the proposed Delhi Skill Development Mission.
 - 8.2.1 DKDF is a foundation responsible for providing trained technical manpower for the technological upgrade of industrial production, and services.
 - 8.2.2 DSMS is proposed to be set up to execute the Delhi Skill Mission focusing on upgrading the skills of youth (drop out of school), informal sector workers and other weaker sections of the Delhi's Society. The mission will encourage partnerships with a range of institutions in the public and private sectors. Public Private Partnership (PPP) and encouraging private players to start skill development facilities will form an integral part of the skills mission.
- 8.3 The proposed Delhi Skills Mission may also target upgrading the skill of employees and workers in the existing industrial units to equip them to work in knowledge-based and high-technology industries.
- 8.4 For encouraging the existing units to upgrade skills for graduating to sophisticated production methods and knowledge based industry, DKDF may

hold workshops and seminars with the industry associations of the industrial areas, representation from Technical Education Department, Industries Department and DSIIDC and the proposed DSMS to assess the skill gap.

8.4.1 Interactions with leading companies in high-technology and knowledge industries may also be held for the purpose.

8.4.2 The Edusat technology may also be employed to conduct seminars and interactions for a country-wide consultation.

8.4.3 DKDF may come up with a detailed report on the skill gap.

8.5 Based on the report, DTTE may collaborate with technical educational institutes and established R&D institutes to devise training modules tailored to bridge the skill gap targeted at various groups of people employed in existing industrial units—executive level, semi-skilled and unskilled.

9. PROMOTE INDUSTRY ACADEMIA LINKAGES, INNOVATION & ENTREPRENEURSHIP

9.1 Delhi has a large educational and research infrastructure in terms of institutes such as AIIMS, IIT and DCE along with a number of colleges in its north and south campuses. The city also has a large number of research institutes like CSIR, Indian Council of Medical Research, National Institute of Immunology and Indian Council of Agricultural Research. These strengths need to be exploited. This is because many upcoming sectors, such as biotechnology, nanotechnology etc., are dependent on strong research infrastructure.

9.2 It is hence proposed that DTTE with the Department of Industries involve industry associations to organize conferences and seminars between the academia and industry to explore opportunities for co-operation, especially for joint research with corporate sponsorship of projects with educational institutes.

9.3 The Government may institute awards & recognition for the most innovative joint research and development project.

9.4 Promoting innovation and entrepreneurship in high-technology and knowledge-based sector is highly desirable to nurture new and high-quality ideas and talent to jettison Delhi into a city of future. For this purpose:

9.4.1 A Centre of Excellence will be established which will also guide existing and upcoming units on quality control and set standards for output and service levels for both government agencies and private entrepreneurs.

10. TRADE AND COMMERCE

10.1 Trade, Commerce and Industry are interlinked sectors. A policy direction for industries will impact on trade and commerce and vice-versa. For instance, any policy regarding SEZs would impact industries wanting to invest in Delhi and hence the State's industrial development. Further, any industrial area would require commercial establishments and facilities to support industrial activities, especially those relating to KBI in Delhi. The Union Government recognizes these inter-linkages, as a result of which, all the three sectors come under Union Ministry of Commerce and Industry.

- 10.2 In Delhi, for trade, there exists the Department for Trade and Taxes. But it is also important that the Department of Industries plays a role in trade promotion by ensuring creation of infrastructure for businesses and industries geared towards export.
- 10.3 Industries Department already plays a role in export promotion. It has an Export Cell, which looks after all the export schemes which Delhi Government comes up with from time to time. Further, there is a State Level Export Promotion Committee chaired by Chief Secretary, Delhi with Commissioner of Industries as Member. The mandate of the Committee is to oversee implementation of Assistance to States for Developing Export Infrastructure and Allied Activities (ASIDE) scheme and look at all issues concerning export matters.
- 10.4 However, the department may also play a role in ensuring creation of adequate infrastructure for sectors geared towards exports. Exports play a significant role in furthering the business of Knowledge Based Industries that are to be promoted in Delhi. Outsourcing now has also become a trend in high-technology manufacturing sectors like electronics. In electronics sector, under contract manufacturing, electronic products are manufactured by an electronic manufacturing service provider under the brand name of original equipment manufacturer. Hence, it is essential that Industries Department ensures that adequate infrastructure, such as Inland Container Depots (ICDs) and other logistics support is provided for export-oriented sectors such as electronics.
- 10.5 Commercial activities in Delhi are mainly regulated by its Master Plan provisions. However, given its status as a metro city with good infrastructure, Delhi is fast turning into a commercial hub. But there has not been a focussed approach towards resolving issues relating to commercial enterprises.
- 10.5.1 Further, activities like organized retail are becoming more significant, leading to challenges regarding creation of adequate infrastructure for organized retail in terms of modern warehousing and cold-chain facilities.
- 10.5.2 Hence, there is a need for a specific department to look at challenges posed by increasing number of commercial enterprises coming up in Delhi.
- 10.6 Commerce to be brought under Industries Department with the new nomenclature being Department of Commerce and Industry. This would help in bringing about balance between the commercial and industrial aspects of economic activities in Delhi. In its new capacity, the department may also look at options of utilizing existing warehouses in industrial spaces to meet the needs of expanding organized retail sector, apart from assisting investors in accessing various Central/State Government programmes for encouraging modern warehousing and cold-chains, wherever applicable.

IV INDUSTRIAL ASSET MANAGEMENT & DEVELOPMENT

Summary

- ❖ *Create Land Bank, which will act as an asset to be kept for future industrial development of Delhi.*
- ❖ *Three instruments to mobilise funds for industrial development and O&M:*
 - *Annual Infrastructure Development Fee (AIDF) for all units in existing estates & redeveloped industrial areas.*
 - *Maintenance Fund—Surcharge at allotment in new industrial areas. Interest from this fund may be used for O&M. Time period be specified after which the areas will switch to AIDF.*
 - *Industrial Development and O&M Fund comprising proceeds from conversions from leasehold to freehold, rent on sheds & plots, sale of land or any other industrial property by DSIIDC or any other source specified.*
- ❖ *The Industries Department will execute O&M of industrial assets through public-private partnerships and special purpose vehicles, if financially feasible.*
- ❖ *Delhi Government may push for linking of land amalgamation and redevelopment guidelines with Transfer of Development Right (TDR) rules. While the final decision regarding redevelopment and TDR rules will be taken by DDA & Union Ministry of Urban Development, this policy aims to provide broad framework to interlink TDR rules with redevelopment.*
- ❖ *Cluster Development, through creation of dedicated Industrial Parks on public-private partnership basis is suggested for new industrial areas.*
- ❖ *With respect to Relocation, given the past disappointing experience, there may not be another relocation scheme, either for non-conforming areas or commercial areas.*

11. LAND BANK

- 11.1 Creating Land Bank is significant to plan for infrastructure and industrial asset development in a balanced manner. It will help in having a bird's eye view of Delhi's potential for development of industrial and other assets and judiciously distribute land for competing uses in future.
- 11.2 Delhi may create a Land Bank which will comprise land acquired by Delhi Government or its nominated agency for industrial and economic development of Delhi. Land Bank will basically have following components:
 - 11.2.1 Land acquired in Urban Extensions (MPD-2021 states that 4-5% of the urban extensions to be earmarked for industrial use.)
 - 11.2.2 Vacant plots available to the government for auction or any other use in existing urban areas.
 - 11.2.3 Land acquired in existing urban areas for redevelopment or any public facility.

12. INFRASTRUCTURE DEVELOPMENT IN INDUSTRIAL AREAS

- 12.1 Delhi has 32 planned industrial properties (estates plus the flatted complexes) along with another 22 areas which have been notified for regularisation. Annexure-II gives a detailed list of planned estates, flatted complexes and regularised industrial areas.
- 12.2 The planned industrial estates have poor infrastructure and suffer from water logging, bad quality roads and encroachments. The industrial areas notified for regularisation, are erstwhile residential areas, where the non-conforming manufacturing and commercial activities proliferated unchecked. These industrial areas are in even worse conditions—they are highly congested with very narrow roads, negligible open spaces and other facilities. The state of the industrial properties underlines the need for urgent action towards effective operation and maintenance of existing infrastructure and redevelopment.
- 12.3 The foremost constraint faced while planning for infrastructure and industrial development is funding. There is, hence, a need to create dedicated and sustainable channels for funding. For mobilising funds, following alternatives are proposed to be implemented:
 - 12.3.1 To finance industrial development, it is proposed that an **Industrial Development, O&M Fund (IDOF)** be created comprising:
 - a. Proceeds from conversion of leasehold to freehold. At present, the proceeds go to Delhi Government (for industrial estates under Department of Industries and DSIIDC) and to DDA (for the industrial estates under the authority).
 - b. Ground rent collected from plots/sheds by DDA under Delhi Development Act, DSIIDC and Industries Department of the Government.
 - c. All amount received by DSIIDC on disposal of land, buildings and other properties moveable and immoveable, as may be prescribed
 - d. Any other source specified
 - 12.3.2 The IDOF can be a handy tool for the Department of Industries to fund its industrial development activities such as O&M of industrial estates, funding infrastructure creation, cluster development and

- redevelopment. The Industries Department may lay down the specific uses for which the fund may be utilised.
- 12.3.3 It is proposed that all units in existing industrial estates and regularised industrial estates pay an **Annual Infrastructure Development Fee (AIDF)** to fund the operation and maintenance. The fee may be higher for Orange Category industries (industries with higher pollution index) as they would be using pollution control and treatment infrastructure like CETPs more intensively. This fee may be regulated by the Department of Industries.
- 12.3.4 For operation and maintenance of new industrial areas, a **Maintenance Fund (MF)** may be set up by levying a surcharge for O&M purpose at time of allotment in new industrial areas/parks. The interest earned from this fund may be used to meet the O&M needs of these areas. However, it is possible that the interest earnings from this Maintenance Fund may not be sufficient to fund the needs of the operating and maintaining the new industrial areas forever. Thus, a time period may be specified, after which the new industrial areas/parks may also switch to AIDF.
- 12.4 Apart from funding O&M through means mentioned above, the O&M of existing planned industrial estates may be done on public-private partnership basis through special purpose vehicles, wherever financially feasible. The private O&M contractor will also be responsible for maintaining the Common Effluent Treatment Plants (CETPs).
- 12.4.1 The private O&M contractor may charge AIDF, where the Orange Category units may pay a higher fee.
- 12.5 Private O&M, however, will be a temporary solution for the planned industrial estates, if one considers the changing nature of activities in the industrial areas.
- 12.5.1 While the policy proposes to promote knowledge based industries within Delhi aggressively, the MPD-2021 has also allowed conversion of industrial use land to commercial use, subject to certain conditions. Hence, the existing estates, which were developed in 1970s mainly for manufacturing units, may need a complete re-haul to meet the demand of new-age economic activities. Knowledge-based industries require clean areas, with commercial facilities like hotels, restaurants, convention centres and ample parking space to operate in. In fact, MPD-2021 does allow for redevelopment of these estates, subject to guidelines to be issued by DDA.
- 12.5.2 Thus, planned industrial estates may be redeveloped to create world-class industrial spaces in Delhi, as per the MPD-2021 provisions and guidelines of Delhi Development Authority (DDA).
- 12.6 As far as the industrial clusters notified for regularisation are concerned, better industrial infrastructure can only be created through redevelopment, given the fact that these areas were not originally planned for industrial purpose. These areas lack basic infrastructure like roads of adequate width, effluent management systems and adequate drainage. These areas should be redeveloped as per the guidelines of DDA. MPD-2021 has directed that industrial clusters notified for regularisation be redeveloped within a period specified by DDA or concerned local bodies, failing which the units operating in those areas will have to relocate to conforming areas. The DSIIDC along with local bodies may keep a strict tab on the redevelopment activities in these

areas and the industry licenses for the units continuing to operate in non-conforming areas after the specified time would not be renewed.

- 12.7 In the dedicated industrial parks/SEZs (as proposed in Section 15.5) and the redeveloped industrial areas being built on PPP basis, while the basic infrastructure like the roads, connectivity and drainage will be provided by the Government, the rest of the infrastructure such as Common Effluent Treatment Plant (CETP), warehouses, parking, etc will be provided by the private developer. In addition, the private developer will also be responsible for providing facilities like 100% power back-up and access to internet connectivity, wherever required. The private developer will also be responsible for O&M during the concession/license period.

13. REDEVELOPMENT

- 13.1 Redevelopment of an industrial area, as the name suggests, may require certain changes in development control norms and amendments in some provisions of the MPD-2021. But, Delhi finds itself in a unique position compared to other States in the country when it comes to amending the planning norms to accommodate changing structure of economic activity in the city. Other States have various Town Planning Acts, governing regulations, which can be amended at the state level. However, in Delhi, land planning and all regulation related to land are governed by DDA, which is a Central Government body under the Ministry of Urban Development, Government of India. Thus, any changes related to the Master Plan in terms of development control norms, are not under the purview of the State Government.
- 13.2 However, redevelopment of industrial areas in Delhi is instrumental for creating world-class industrial spaces and meeting the vision of attracting high-technology, skilled and knowledge based industries to Delhi. It is hence, important that this policy touches upon the broad guidelines for redevelopment.
- 13.3 Transfer of Development Rights (TDRs) are now being used extensively in urban areas to expedite land acquisition process and redevelopment. TDRs, also known as floating Floor Space Index, refer to rights available for additional built up area, in lieu of land surrendered by the landowner. These rights can also be transferred to another party for agreed sum of money. In some cases, such as redevelopment of already occupied areas, even developers qualify for TDRs. In Mumbai, for instance, under the slum redevelopment model, TDRs are offered to developers for building low-cost housing for the slum dwellers and also to the land-owners for ceding land for specified public purpose such as roads and open spaces. The MPD-2021 provides for use of TDRs but only for redevelopment for slum areas like JJ Clusters etc.
- 13.4 The Delhi Government to push for guidelines on redevelopment of industrial areas through land amalgamation and link it to Transfer of Development Rights (TDR) mechanism. The three sets of guidelines for—land amalgamation, redevelopment and transfer of development rights—should be framed in tandem to avoid planning complications later.
- 13.5 Delhi's existing industrial areas, like slums in Mumbai, also have similar issues of redeveloping already occupied place, along with ensuring adequate road width and open spaces in congested areas.

- 13.6 The land amalgamation and TDR model of redevelopment may be based on following principles:
- 13.6.1 Identifying the area to be redeveloped.
 - 13.6.2 Developer entity which can be a single developer or a group of landowners, amalgamate or pool land in the industrial area, as per the land amalgamation guidelines laid down by DDA. The developer entity can be from private or the Government sector.
 - 13.6.3 The developer, who gets the development license for a specified period, will build the available area as per the norms laid down by the Master Plan and the regulations of DDA. Adequate provisions for roads, CETP infrastructure, warehouses, parking etc will have to be made.
 - 13.6.4 The existing units, which have ceded land for redevelopment, may be given an option of getting space of same floor area but with better facilities in the redeveloped area in exchange (replacement unit). Only that space which was being used in consonance with the Master Plan provisions will qualify for such exchange.
 - 13.6.5 The existing unit which is ceding land for specified 'public facility' may be given TDRs in proportion to land surrendered in form of development right certificates.
 - 13.6.6 The developing entity may be granted TDRs or development right certificates for developing the replacement units.
 - 13.6.7 The TDRs originating from planned industrial areas may be allowed to be used on-site for specific uses limited by a FAR ceiling. The TDRs above this FAR ceiling can be used in the specified offsite.
 - 13.6.8 The TDRs in regularised industrial areas may be used in specified offsite, as these clusters are already highly congested.
 - 13.6.9 The developing entity may be granted the TDRs only when the 'replacement units' are handed over to the rightful claimants.
 - 13.6.10 The specified offsite, which can be New Industrial Areas, may have higher than the existing FAR to enable the use of TDRs.
 - 13.6.11 To prevent hoarding of and speculation in TDRs, a time limit may be set for which the development right certificates are valid. Such precedence can be seen in cities such as Bangalore where the development right certificates are valid for 5 years and on extension lapse after 10 years.
- 13.7 This model of land amalgamation and TDR mechanism can also be used to redevelop community work centres in Delhi. Delhi has as many as 54 Community Work Centres (CWCs) which are being managed by DSIIDC. A flow chart explaining the TDR mechanism is given in Annexure-III.

14. CLUSTER DEVELOPMENT

- 14.1 Delhi started with cluster approach in its industrial estates, with the land being allotted to ensure that units from particular sector would be located together. Hence, land was allotted in clusters for garments, electronics etc. However, over the period of time, Delhi has allowed mixed-trade use in the industrial estates.
- 14.2 But cluster development has many advantages and needs to be encouraged in Delhi. Cluster development, where units from similar sectors congregate together, help firms to exploit economies of scale; access specialised infrastructure and raw materials as well as pool of similar-skilled labour and keep track of technological development and productivity improvements in

competing firms. Further, it also helps the planning agencies and utilities to create infrastructure and facilities tailor-made for specific sectors. For instance, while an Electronic cluster will require good logistics support and pollution control infrastructure; an IT/ITeS cluster would require ample space for parking and good internet connectivity.

- 14.3 It is proposed that a "Cluster Approach" may be followed in new industrial areas. This may be done through creating dedicated industrial parks offering superior infrastructure and facilities for identified sectors in the new industrial areas. The MPD-2021 has stated that around 4% of urban extensions will be allocated for industrial use. The zonal development plan of DDA will give a more detailed location of these industrial areas.
- 14.4 "Walk to Work" concept to be promoted while planning for such parks, as this would reduce the strain on transport infrastructure and control emissions from travelling long distances. This can be done by planning for industrial parks near residential areas, the way Bawana Industrial Area has been developed; or creating SEZs wherever financially feasible.
- 14.5 Private participation to be promoted for developing specialised industrial parks or special economic zones, a model which has been highly successful in states like Haryana and Tamil Nadu. It is proposed that in Delhi, the new clusters be developed in the form of specialised industrial parks or SEZ on public-private partnership basis, with the Government as co-partner.
- 14.6 The role of the Government will be limited to allotment of land, providing basic infrastructure like road and metro connectivity and speedy clearances. The private player will be responsible for creating good quality industrial spaces with requisite infrastructure like 100% power back-up, internet connectivity, warehousing facilities, effluent treatment plant and built-up industrial spaces, as per the need.
- 14.7 The sectors, for which clusters may be developed, would be ones which are relatively clean, high-technology, require skilled workforce and complement existing or desired economic activities in Delhi. Some proposals are as follows:
 - 14.7.1 Electronic and Light Engineering Park/SEZ: Electronics and Light Engineering (auto-components, medical equipment and machine tools) sector is a rapidly growing and high-value and high-technology sector in India. The annual income generated per employee by Electronics Sector can be as high as INR 40 lakh¹. Both Electronics and Light Engineering sectors are similar in their requirement for efficient logistics. Moreover, electronics industry can provide components for light engineering sector. Further, Electronics sector complements IT/ITeS industry with the latter providing a market for electronic equipment. In fact, it is an accepted practice to promote hardware and IT sectors together across the world.
 - a. The strategy to be followed while developing this park is to attract large anchor player in 'Original Equipment Manufacturing' segment (such as Samsung, LG, Sony, Wipro etc) to create adequate market for component manufacturers, equipment manufacture service companies, design and R&D companies. This large anchor company can also be the private co-partner. A similar strategy was successful for Nokia SEZ in Chennai, where setting up of a Nokia plant led to

¹ Derived from data of 35 major electronics companies listed in Projects Today

sectors such as pharma, electronics, engineering), research institutes etc.

14.7.4 Gems & Jewellery SEZ: Delhi has good infrastructure, training institutes, sources of raw materials for this sector. Delhi also has an integrated air freight complex coming up in Dwarka near the Delhi airport, which is important for an export-oriented sector like Gems and Jewellery. The industry also will have strong linkages with the Fashion Technology and Design Park being suggested for Delhi. Setting up this SEZ would provide employment to the students from as many as four training institutes located in Delhi, who currently have to look for jobs in other states. Moreover, this industry is clean and does not result in environmental pollution.

- a. Gems and Jewellery and Information Technology sectors are export oriented sectors and DSIIDC is setting up two sectors specific SEZs at Baprola in Delhi. Ministry of Commerce, Government of India has formally approved these projects on 15th December, 2009.

15. RELOCATION & PHASING OUT OF POLLUTING UNITS

15.1 In pursuance to the Supreme Court order in 1996, Delhi Government came up with a relocation scheme in April 1996, for relocating units operating in non-conforming areas. DSIIDC is responsible for implementing the scheme. The relocation scheme was framed whereby 27,905 units were declared eligible for plots/flats in Bawana, Jhilmil, Narela, Badli and Patparganj. Supreme Court also ordered shutting down of polluting industries in Delhi.

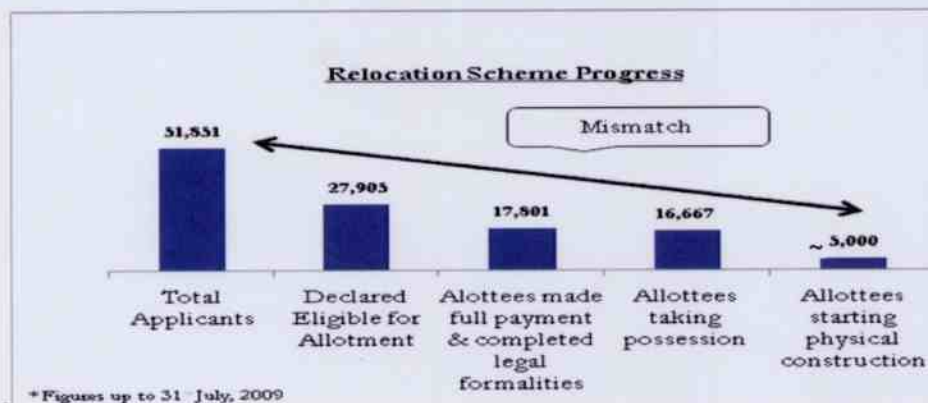
15.2 The Government would take a strict stance for units in non-conforming areas and negative list units by simply cancelling their licenses.

15.3 The Government may not go for another relocation scheme for non-conforming areas or commercial areas. Any unit wanting to relocate to conforming areas should be ready to pay market rates for the land.

This is because:

15.3.1 The units in non-conforming areas had a fair chance to apply for alternative plots under the Relocation Scheme of October 1996.

15.3.2 Previous experience of the Relocation Scheme has not been very encouraging, and it is evident that the scheme did not really serve the purpose of freeing Delhi from units operating in non-conforming areas. Only about a third of allottees who have taken possession of land have started actual construction work. Following figure gives a fair idea of how the Relocation Scheme did not have the intended results.



15.3.3 Another scheme will incentivise units to keep breaking the law in hope of another amnesty scheme—a classic case of “moral hazard”. Such a situation would be avoided under all circumstances.

16. INDUSTRIAL WASTE MANAGEMENT

- 16.1 Effective operation and maintenance of Common Effluent Treatment Plant and safe waste disposal is crucial to create clean industrial areas. However, there is a shortage of areas demarcated for disposal and also issues relating to design and operations of CETPs.
- 16.2 The Industries Department recognises the problems being faced in operation of CETPs and has:
 - 16.2.1 Instituted a study to be conducted by the Sriram Institute for Industrial research to prepare a study on the way CETPs may be optimally planned, designed and operated in Delhi.
 - 16.2.2 Is also in process of identifying land and seeking clearance from DPCC for disposal of industrial waste.
- 16.3 After technical assessment, the Delhi Government will take steps to ensure effective functioning of CETPs and facilitate waste disposal in accordance to the statutory provisions.
- 16.4 In order to save water, the option of installing dual piping system where waste-water can be recycled in industrial areas (future and existing) may be explored.

V SIMPLIFYING BUSINESS

Summary

❖ *Procedural Simplifications to include*

- *Common Application Form to reduce paperwork.*
- *Self-Certification to be introduced for Knowledge Based Industries.*
- *Grant environmental clearance to Green Category industries, including Knowledge Based Industries for ten years.*
- *Grant MSME registration to units whose environmental clearance is under renewal, subject to certain conditions.*
- *Simplify conversion of leasehold to freehold by making it a one-step procedure.*
- *Create Business Facilitation Council (BFC) comprising members from industry associations, Industries Department, DSIIDC, DDA and MCD, with an authority to provide all clearances, within specified time frame. BFC will also act as a hand-holding agency to guide existing units towards high-technology and knowledge based activity.*

- #### ❖ *The Delhi Government would endeavour to bring all its e-governance projects aimed at industries and investors under the umbrella of "Business Facilitation Mission (BFM)". On efficient implementation, this mission will be able to resolve the issue of multiplicity to large extent with links to all clearances and payment gateways being available at one place.*

17. PROCEDURAL SIMPLIFICATIONS

- 17.1 The aim of any Government would be to simplify the investment process for businesses through various procedural simplifications. The emphasis would be on Government being a facilitator and providing handholding assistance for those wanting to start business in Delhi and resolve the issue of multiplicity—be it in terms of number of applications to be submitted, number of counters to approach and number of organisations to deal with.
- 17.2 For Knowledge Based Industry and “Green” category industries, environmental clearance may be given for 10 years.
- 17.3 The Department of Industries may consider units under Green Category, which have already obtained environmental clearance but have applied for its renewal, for issue of acknowledgement under Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act), provided:
- 17.3.1 There is no change in activity and premises.
- 17.3.2 The time period—after which the consent for renewal is deemed granted—has lapsed, as per the relevant environmental legislations; subject to:
- Satisfaction of the various statutory requirements to obtain deemed consent.
 - Furnishing specified documentary proof for the same.
- 17.4 That self certification may be allowed for Knowledge Based Industries. An indicative list of Acts under which self-certified compliances for KBI may be allowed is given below:
- Employment Exchange Act
 - Payment of Wages Act
 - Minimum Wages Act
 - Contract Labour (Regulation & Abolition) Act
 - Workmen Compensation Act
 - Shops & Establishment Act
 - Employees State Insurance Act
- 17.5 Common Application Form (CAF) is the simplest way of reducing paperwork, as many of the applications require similar information to be provided by a company. It is recommended that CAFs proposed to be devised may be compatible with electronic platforms being developed. The CAF could include following clearances:
- Allotment of land in industrial estate/park
 - Water Connection
 - Small Scale Registration / Acknowledgement under MSMED Act - 2006
 - Consent to Establish under Environment Laws
 - Power Connection
 - Building Plan Approval
 - Any other approval that may be required under State Acts
- 17.6 Simplification of land related provisions to make conversion of land from leasehold to freehold easy is important to attract companies which may want to

invest in land with a clear title. Conversion of land from leasehold to freehold to be made a one-step process, with Government specifying single conversion charge and allowing the conversion. This would help in increasing the volume of conversions, encouraging those units which have been staying away due to fear of long-winding processes.

- 17.7 Business Facilitation Council (BFC) comprising members from industrial associations, Industries Department, DSIIDC, DDA, MCD etc. to facilitate entrepreneur in obtaining clearances from various departments / agencies for setting up of industrial enterprises in the NCT of Delhi has been set up. This would aid in resolving the problem of multiplicity of organisations to a great extent. Further, the Council will also act as a handholding agency to guide existing units into becoming technologically more advanced, less polluting and moving to knowledge-based or high-technology activity.

18. BUSINESS FACILITATION MISSION

- 18.1 Ease of doing business in any state is instrumental in attracting large and multinational companies. According to the World Bank Report on "Doing Business in India-2009", Delhi is among the top ten cities in Ease of Doing Business, ranking 6th among 17 Indian cities. While Delhi has come up two notches from the previous year, it is still below cities such as Gurgaon and Hyderabad. One of the ways to make Delhi attractive to businesses looking to invest in it is through procedural simplifications and bypassing the need for approaching various departments for clearances and payments. This can be achieved through providing all services electronically under a single umbrella of the 'Business Facilitation Mission'.
- 18.2 E-governance will play a crucial role in not only simplifying procedures but also providing an efficient means of getting constructive feedback from industrial units.
- 18.3 The Union Ministry of Commerce and Industry, is implementing e-Biz project (Department of Industrial Policy and Promotion) which would provide an integrated electronic service to investors, industries and businesses to cover an entire gamut of Government to Business (G2B) services during pre-establishment, start-up of operations, expansion and closure. The platform aims at integrating services provided by Central, State and Local Governments. It is a 10 year project, implemented through Infosys and aims at introducing nearly 200 G2B services including value-added services on same platform.
- 18.3.1 In the pilot phase, Delhi Government will also be part of this project. Businesses setting up units in Delhi will have electronic access to 29 services including those at Central Government level such as issue of PAN, certificate for commencement of business, filing returns with CBDT, filing service tax returns and issue of industrial license. At State level, those setting up units in Delhi will have access to electronic issue of VAT registration certificate, issue of acknowledgement under MSMED Act, 2006 and registration under Shops and Establishment Act, among others. A detailed list of clearances available is given in Annexure-IV.
- 18.4 There are two more projects being implemented by Delhi Government. One is the grievance redressal platform—Citizen Relationship & Grievance Management System supported by call centre and being implemented on

public-private partnership basis by a company called Sparsh. The second project is "Jeevan", which will provide for one-stop payment gateway via a partner bank.

18.5 While Government of Delhi has taken initial steps towards making the State technology-savvy for investors, it is important that the momentum is maintained and projects are completed within the specified time-frame. It is also proposed that Government brings all the e-governance projects aimed at industries and investors under the umbrella of "Business Facilitation Mission (BFM)". Once implemented efficiently, it will also be able to resolve the issue of multiplicity to large extent with links to all clearances and payments being available at one place. The mission may aim at:

- a. Negotiating with the local bodies like MCD for bringing in local body clearances under the eBiz.
- b. Setting up BFM e-kiosks in all industrial estates and other strategic locations.
- c. Create a BFM website which will have following:
 - i. Access to digitised land records
 - ii. Access to E-stamping
 - iii. Access to all forms including Common Application Forms (proposed in Section 18.5).
 - iv. Access to Business Facilitation Council, showing status of projects
 - v. Expand CRGMS to include grievance redressal within specified period for business. Provide the link on BFM site.
 - vi. Expand Jeevan portal to include business to Government payments such as conversion charges etc and provide the link on BFM site.
 - vii. The eBiz portal link may also be made available on the BFM site.
 - viii. The site can also host promotional presentations, facts and other data about Delhi highlighting its strengths.

VI IMPLEMENTATION

Summary

- ❖ *To remove multiplicity of organizations, DSIIDC to manage and be held accountable for development and management of all industrial estates, regularised industrial areas, community work centres, new industrial areas and flatted factories complexes.*
- ❖ *The policy has outlined a detailed Strategic Action Plan (SAP)-2021, which gives timelines within which the activities suggested in the policy are to be completed and also fixes the implementation responsibility on the various Government Departments.*

19. INSTITUTIONAL MECHANISM

- 19.1 For implementing the policy, it is important to lay down a sound institutional framework. Institutional mechanism may be such that there is clear allocation of responsibility, facilitation of single window clearance and minimised multiplicity of organisations.
- 19.2 One of the major issues plaguing Delhi is multiplicity of organisations. Of the 32 planned industrial estates and flatted complexes, a majority are developed by DDA and maintained through MCD. As a result, it is difficult to achieve uniformity in management and maintenance of the estates. Moreover, this goes against the grain of single-window interface which has been developed. It is, hence proposed that DSIIDC manages and be held accountable for development and management of all industrial estates, regularised industrial areas, community work centres, new industrial areas and flatted complexes. DSIIDC may be the nodal body for developing industrial infrastructure under public-private partnerships through operation and maintenance contracts or redevelopment. It would also play a proactive role in infrastructure development. Annexure-V gives a detailed table of the ownership and O&M structure—existing and proposed—for various industrial assets. The table gives an idea of the extent of multiplicity that is aimed to be resolved by this one single suggestion.
- 19.3 DSIIDC will have three cells for the purpose of this policy. If such cells already exist, their functions may be expanded to meet the policy directions. These cells include:
- 19.3.1 Marketing Cell: DSIIDC already has marketing cell, which promotes sale of products of small scale units located in the state. The functions of the cell be expanded to include:
- a. Hold workshops with industries and other stakeholders to explain the concept of redevelopment and TDR
 - b. Assist in marketing of goods for Handicraft and Handloom industries via organising exhibitions. Co-ordinate with DKVIB for tying up with players in fashion design industry such as NIFT, NID and FDCI for skill development and marketing. The division will also look at facilitating discussions between entrepreneurs and various players in fashion design and interior design industry to explore co-branding options.
- 19.3.2 Policy Implementation Cell: This cell will execute following activities:
- a. Formation of SPVs for creating industrial parks/SEZ on PPP basis
 - b. Scouting for private partners for parks/SEZs, holding discussions with private companies for the same
 - c. Promotion of the industrial parks/SEZs to private investors along with the private co-partner
- 19.3.3 Redevelopment and Relocation Cell: DSIIDC already has a relocation cell. This cell to handle the additional responsibility of guiding the progress of redevelopment. The functions of this cell can be as follows:
- a. Monitoring the progress of the Redevelopment Schemes, especially in industrial areas notified for redevelopment. The Master Plan 2021 stipulates that these areas have to be redeveloped within specified time period, failing which the units will have to move to the conforming areas.

- b. Keeping a record of TDRs issued in industrial areas, if TDR model is adopted.
 - c. Monitoring progress of and implementing the Relocation Scheme of 1996 and bring it to conclusion, after which the cell may be called the Redevelopment Cell.
- 19.4 The Department of Training and Technical Education (DTTE) will be responsible for Skill Development Initiatives.
- 19.5 The Department of IT will be responsible for Making Business Easy Mission.
- 19.6 There are a number of large-scale projects envisaged in this policy. These include SEZs, industrial parks and redevelopment of industrial areas on public-private-partnership basis. In addition, there is special emphasis to attract knowledge based industries. To ensure speedy implementation of such projects, there is a need for single-window facilitation authority that can grant all clearances. It has been proposed in Section 18.7 that a Business Facilitation Council be established. The committee will have the authority to provide requisite clearances within a specified time period and will ensure that the new projects coming up are in consonance with the vision of making Delhi a global hub of knowledge-based and high technology industries.
- 19.7 And finally, the Department of Industries will be responsible for overall implementation of the policy. The functions of the department will be:
- 19.7.1 Monitoring the progress by co-ordinating with various departments and agencies. The department will review the action taken by these departments periodically and make a note of problems and issues that need to be redressed and effect mid-course correction, wherever necessary after discussions with all stakeholders.
 - 19.7.2 Lay down rules pertaining to single-window clearances (for BFC, CAF, self certification for KBI and time period for clearances and grievance redressal), AIDF, Maintenance Fund and Industrial Development, O&M Fund.
 - 19.7.3 Partner with DSIIDC and DTTE for conducting various workshops as specified in Section 9.4 and Section 20.3.1.

20. PHASING & STRATEGIC ACTION PLAN-2021

- 20.1 The policy is divided into two phases. During Phase-I (2010-2015), most of the recommendations regarding procedural simplification, e-governance and promotional measures would be executed. Phase-II (2016-2021), will be basically the phase which will see the fruit of the activities done in the earlier one. The policy has been divided in phases spread over roughly equal periods, so that a comprehensive mid-term review is taken in 2015 by the department of industries, so as to chart a mid-term correction course.
- 20.2 A Strategic Action Plan-2021 has been outlined in Annexure-VI, which gives a detailed road-map for policy implementation.

ANNEXURE-I: Classification of Knowledge Based Industries

A detailed classification of Knowledge-Based Industry (KBI) is given below:

1. Software Industry

2. IT Service Industry

- a. Internet & Email Service Provider
- b. World wide web Service Provider E-commerce & content development
- c. Electronic Data Interchange (EDI) Services
- d. Video conferencing, V-SAT, ISDN services
- e. Electronic Data Centre activities

3. ITES Industry

- a. Customer interaction services, e.g., call/contact centres and email help desks
- b. Back office processing
- c. Finance and accounting (provided remotely)
- d. Insurance claims processing (provided remotely)
- e. HR services & Other Consulting (provided remotely)
- f. Web site development and maintenance services g. Remote education
- g. Business Process Outsourcing, Knowledge Process Outsourcing
- h. Software Extension development
- i. Electronic Design & Product Development
- j. Engineering Design & Product Development

4. Media

5. Biotechnology

- a. R&D and manufacture of products or processes, which use or are derived by using specific living systems (plants, animals and microbes or parts thereof) and or enzymes/ biocatalysts- derived there from
- b. Genetic Engineering & Contract Research & Clinical Trials

6. R&D and Design

- a. Electronics R&D—Design & Product Development
- b. Engineering R&D—Design and Product Development
- c. Biotechnology R&D
- d. Design-Garments Industry, Gems & Jewellery, Web Design etc
- e. Inter-Disciplinary R&D Services

7. Business Services (Provided Remotely)

- a. Legal services
- b. Accounting, auditing, book-keeping and Taxation services
- c. Architectural & Engineering Services
- d. Advertising Services
- e. Market Research and public opinion services
- f. Management Consulting Services
- g. Equity Research

8. Educational Services

- a. Technical Diploma Institutes
- h. Engineering Universities/Institutes
- i. Management Institutes/Universities
- j. Any other professional or technical institute

ANNEXURE-II: List of Industrial Areas & Flatted Complexes

List of Planned Industrial Estates & Flatted Complexes*

- | | |
|--|---|
| 1. G.T. Karnal Road Industrial Area | 16. Mohan Cooperative Industrial Estate |
| 2. Rajasthani Udyog Nagar Industrial Area | 17. Rani Jhansi Road |
| 3. S.M.A. Industrial Area | 18. Shahzada Bagh Industrial Area |
| 4. S.S.I. Industrial Area | 19. Jhilmil Industrial Area |
| 5. Wazirpur Industrial Area | 20. Friends Colony Industrial Area, Shahdara |
| 6. Lawrance Road Industrial Area | 21. Patpar Ganj Industrial Area |
| 7. Udyog Nagar Industrial Area | 22. Shahdara Industrial Area |
| 8. Mangol Puri Industrial Area (Both DDA & DSIDC) | 23. Naraina Industrial Area Ph-I & Ph-II |
| 9. Badli Industrial Area | 24. Mayapuri Industrial Area Ph-I & Ph-II |
| 10. Narela Industrial Area | 25. Tilak Nagar Industrial Area |
| 11. Bawana Industrial Area | 26. Kirti Nagar Industrial Area |
| 12. Okhla Industrial Area, Ph-I & Ph-II | 27. D.L.F. Industrial Area, Moti Nagar |
| 13. Okhla Industrial Estate, Phase-III | 28. Najafgarh Road Industrial Area |
| 14. Functional Industrial Estate for Electronics S-Block, Okhla Industrial Area, Phase II | 29. Flatted Factories Complex at Rani Jhansi Road |
| 15. Functional Industrial Estate for Electronics, A Block, Okhla Industrial Area, Phase II | 30. Flatted Factories Complex, Okhla |
| | 31. Flatted Factories for Leather Goods, Wazirpur Industrial Area |
| | 32. Flatted Factories Complex at Jhilmil Industrial Area |

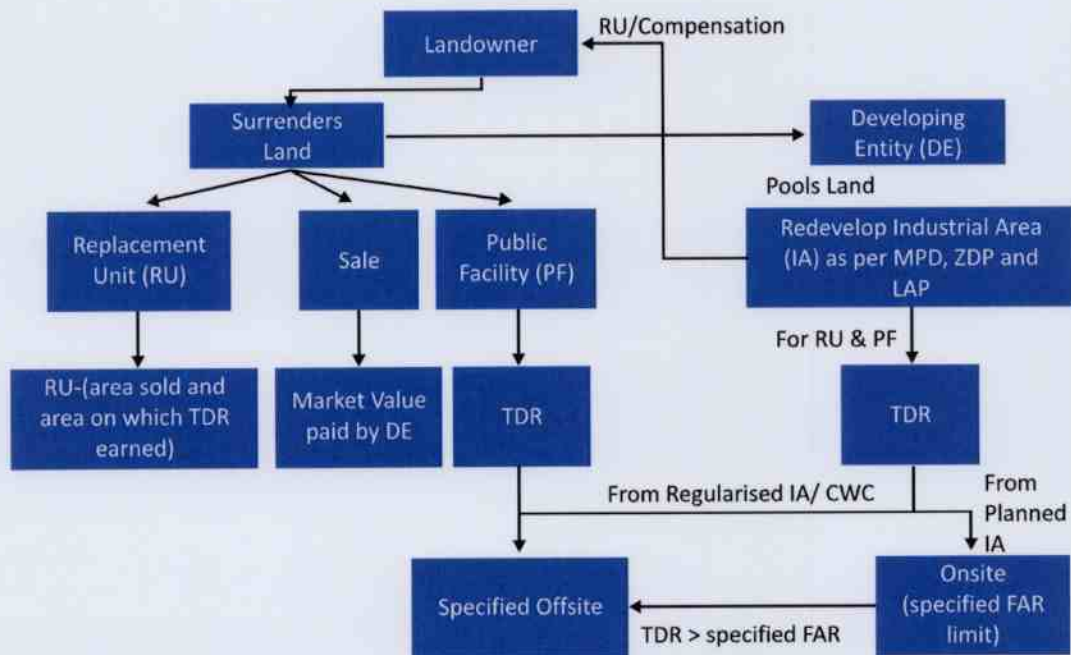
*In certain records, DSIDC Nangloi Sheds also included as industrial area

List of Industrial Areas Notified for Regularisation, as per MPD-2021

- | | |
|--------------------------|---------------------------------|
| 1. Anand Parbat | 11. Hastal Pocket-D |
| 2. Shahadra | 12. Shalamar Village |
| 3. Samai Pur Badli | 13. New Mandoli |
| 4. Jawahar Nagar | 14. Nawada |
| 5. Sultanpur Mazra | 15. Rithala |
| 6. Hastal Pocket-A | 16. Swarn Park Mundka |
| 7. Naresh Park Extension | 17. Haiderpur |
| 8. Libaspur | 18. Karawal Nagar |
| 9. Peeragarhi Village | 19. Dabri |
| 10. Khyala | 20. Basai Darapur |
| | 21. Mundka South of Rohtak Road |
| | 22. Pehaldpur Bangar. |

ANNEXURE-III: Redevelopment Model Via TDRs

Redevelopment through land amalgamation & transfer of development rights—Flow chart model



ANNEXURE-IV: Various Services Available Under eBiz & Jeevan

Various e-services proposed in already announced projects of central and state governments

List of Central Government Services to be made available under eBiz project in pilot run	List of State Services to be made available under eBiz project in pilot run
1. Issue of Name Availability Letter 2. Issue of DIN 3. Issue of Certificate for Corporation 4. Issue of Certificate for Commencement of Business 5. Issue of PAN 6. Filing of Returns by Companies (form I) 7. Tax Deduction Account No of Income Tax Dept. 8. Excise Tax Registration (Form R I) 9. Filing Monthly returns for production & removal of goods (Form ERI) 10. Service Tax Registration (Form ST I) 11. Filing Half Yearly Service Tax Return 12. Issue of Importer Exporter Code 13. Application of Environmental Clearances 14. Filing of FC-GPR 15. Filing of Employees State Insurance Corporation 16. Filing of Employees PF Organization 17. No Objection Certificate from Pollution Control Board	1. Issue of Industrial Entrepreneur Memoranda 2. Issue of Industrial License 3. Issue of Registration Certificate under Value Added Tax 4. Filing of Returns by Dealers 5. Registration of SSI unit under the Industries Development and Regulation Act, 1951 6. Registration under Shops and Establishment Act 7. Issue of license under Factories Act, 1948 8. Filing of Annual Returns under Factories Act, 1948 9. Payment of Property Tax 10. Application for power connection from DISCOM 11. Permission to Charge the Line 12. Registration for Profession Tax
List of Services proposed to be provided under the Jeevan Project	
1. Payment of Electricity Bills 2. Payment of Water Bills 3. Payment of VAT & CST 4. Payment of Telephone Bills 5. Payment of Excise/Entertainment/Luxury Tax 6. One time Road Tax Collection of Non-Transport vehicles and monthly/ quarterly Road Tax Collection of Transport vehicles 7. Payment of Property Tax 8. Licenses of MCD 9. Other private value added B2B and B2C services	

ANNEXURE-V: Multiple Land Owning and O&M Agencies—Existing & Proposed

Table Indicating Various Land owning and O&M agencies—Existing and Proposed

Industrial Assets	Land Owning Agency	O&M (Existing)	O&M (Proposed)
1. G.T. Karnal Road Industrial Area 2. Wazirpur Industrial Area 3. Lawrance Road Industrial Area 4. Udyog Nagar Industrial Area 5. Okhla Industrial Area, Ph-I & Ph-II 6. Rani Jhansi Road 7. Shahzeda Bagh Industrial Area 8. Jhilmil Industrial Area* 9. Friends Colony Industrial Area, Shahdara 10. Shahdara Industrial Area 11. Naraina Industrial Area Ph-I & II 12. Mayapuri Industrial Area Ph-I & II 13. Tilak Nagar Industrial Area 14. Kirti Nagar Industrial Area 15. D.L.F Industrial Area, Moti Nagar 16. Najafgarh Road Industrial Area	DDA	MCD	DSIIDC (can hand over O&M to private players/other agency)
17. Rajasthani Udyog Nagar Industrial Area 18. S.M.A. Industrial Area 19. S.S.I. Industrial Area 20. Mohan Cooperative Industrial Estate	DDA	Co-operative Societies (Handed to MCD)	DSIIDC (can hand over O&M to private players/other agency)
21. Badli Industrial Area* 22. Okhla Industrial Estate, Phase-III 23. Functional Industrial Estate for Electronics S-Block, Okhla Industrial Area 24. Functional Industrial Estate for Electronics, A Block, Okhla Industrial Area.	DI (Deptt. Of Industries)	MCD	DSIIDC (can hand over O&M to private players/other agency)
25. Mangol Puri Industrial Area	DSIIDC & DDA	MCD	DSIIDC (can hand over O&M to private players/agency)
26. Patpar Ganj Industrial Area*	DI	DSIIDC	DSIIDC (can hand over O&M to private players/other agency)
27. Narela Industrial Area 28. Bawana Industrial Area	DSIIDC	DSIIDC	DSIIDC (can hand over O&M to private players/other agency)
29. Flatted Factories Complex at Rani Jhansi Road 30. Flatted Factories Complex, Okhla Industrial Area 31. Flatted Factories for Leather Goods, Wazirpur Industrial Area	DI	DI (O&M handed to PWD)	DSIIDC (can hand over O&M to private players/other agency)
32. Flatted Factories Complex at Jhilmil Industrial Area	DSIIDC	DSIIDC	DSIIDC (can hand over O&M to private players/other agency)
33. Industrial Areas Notified for Regularisation (22 in number)	DDA	NONE	DSIIDC (can hand over O&M to private players/other agency)
34. CWC (54 in number)	DSIIDC	DSIIDC	DSIIDC (can hand over O&M to private players/other agency)
35. New Industrial Areas	DDA	NA	DSIIDC (can hand over O&M to private players/other agency)

*Relocation plots in these areas owned and managed by DSIIDC

ANNEXURE-VI: Strategic Action Plan—SAP-2021

SAP-2021			PHASE-I						PHASE-II					
Component	Activity	Institution	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Infrastructure Development	Feasibility studies for private O&M in industrial estates	DSI IDC	√	√	√	√	√							
	Setting up of Infrastructure Development, O&M Fund	Deptt of Industries	√											
	Hold workshops with units in regularised & planned industrial areas to explain concept of redevelopment	DSI IDC & Deptt. of Industries	√	√	√									
	Creation of Land Bank	Deptt. of Industries	√											
	Rules for fixing & regulating AIDF & MF	DSI IDC & Deptt. of Industries	√											
	Redevelopment of regularised industrial areas	DSI IDC		√	√	√	√	√	√	√	√	√	√	√
Cluster Development	Identify areas to locate various Parks	DSI IDC/ Local bodies	√	√	√									
	Operationalise Knowledge Park	DSI IDC	√	√										
	Operationalising Hi-Tech Park	DSI IDC + NSIT	√	√	√									
	Operationalising G&J SEZ	DSI IDC		√	√									
	Operationalising Education and R&D Hub	DSI IDC		√	√	√	√	√	√	√				

Industrial Policy for Delhi 2010-2021

SAP-2021			PHASE-I						PHASE-II					
Compo nent	Activity	Instituti on	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Promoti onal Measur es	Marketing & Institutional Measures for Handicraft, handloom & khadi sector through brand, skill development and marketing tie-ups	DSIIDC + DKVIB	√	√	√	√	√	√	√	√	√	√	√	√
	Setting up of the Centre for Excellence	Deptt. of Industries	√											
	Report on Skill Gap to help existing units to graduate to KBI & Hi-Tech industries	DKDF	√											
	Action on Report on Skill Gap	DSMS	√											
	Creating three Cells under DSIIIDC	DSIIDC	√											
	Rules for BFC and its establishment	Deptt of Industries + GNCTD	√											
	Rules for Time Frame for various clearances	Deptt of Industries	√											
	Rules for CAF and introduction of CAF	Deptt of Industries	√											
	Rules to Simplify Leasehold to Freehold conversions	Deptt of Industries	√											
	Expanded Jeevan & CRGMS	DIT	√											
Simplify ing Busines s	Setting up of BFM Portal	DIT	√											
	Self certification rules for KBI	Deptt of Industries +GNCT D	√											

LIST OF ABBREVIATIONS

AIDF	Annual Infrastructure Development Fee	ITeS	Information Technology Enabled Services
BFC	Business Facilitation Council	KBI	Knowledge Based Industries
BFM	Business Facilitation Mission	MPD	Master Plan for Delhi
CAF	Common Application Form	NCAER	National Council of Applied Economic Research
CETP	Common Effluent Treatment Plant	NCR	National Capital Region
CRGMS	Citizen Relationship & Grievance Management System	NCT	National Capital Territory
DDA	Delhi Development Authority	NID	National Institute of Design
DFC	Delhi Finance Corporation	NIFT	National Institute of Fashion Technology
DKDF	Delhi Knowledge Development Foundation	NSSO	National Sample Survey Organisation
DKVIB	Delhi Khadi & Village Industries Board	NSIT	Netaji Subhash Institute of Technology
DSIIDC	Delhi State Industrial & Infrastructure Development Corporation	O&M	Operation and Maintenance
DSMS	Delhi Skills Mission Society	SEZ	Special Economic Zone
DTTE	Department of Training and Technical Education	TDR	Transfer of Development Rights
FAR	Floor by Area Ratio		
FDCI	Fashion Design Council of India		
GNCTD	Government of National Capital Territory of Delhi		
ICD	Inland Container Depots		