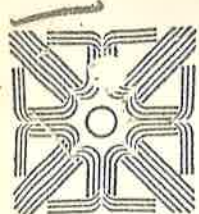


**National Capital Region Planning Board
(Planning Committee)**

**6th Meeting
10 June 1986**

MC(6) 1986
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Agenda & Minutes



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राष्ट्रीय राजधानी क्षेत्र योजना बोर्ड
NATIONAL CAPITAL REGION
PLANNING BOARD

1st Floor, 'C' Wing,
Nirman Bhavan,
शहरी विकास मंत्रालय
(Ministry of Urban Development)
नई दिल्ली, तारीख


No.K.14011/27/86-NCRPB

Dated, New Delhi, the
June 4, 1986.

Subject: ^{Sixth} Meeting of the Planning Committee of the National Capital Region Planning Board to be held on 10th June, 1986 in Committee Room E, Vigyan Bhavan, New Delhi.

In continuation of Board's letter of even No. dated 29th May, 1986 forwarding the Minutes of the meeting of the Planning Committee held on 21st May, 1986, a copy of the Summary of Policies (which formed part of the draft interim plan) modified on the basis of discussions at the meeting is sent herewith for your information and record.

2. A paper on tax structure prepared by the Haryana Government, which will be discussed at the meeting, is also sent herewith.


(Mrs V.R. Sundaram)
Deputy Director
Tele: 3018743.

To

1. Member Secretary, NCR Planning Board, New Delhi.
2. Shri R.L. Pardeep, Joint Secretary (UD), Ministry of Urban Development, New Delhi.
3. Shri Prem Kumar, Vice Chairman, Delhi Development Authority, Vikas Minar, New Delhi-2.
4. Shri J.K. Duggal, Secretary, Town and Country Planning, Department, Government of Haryana, Chandigarh.
5. Shri R. Ramakrishna, Secretary, Local Self Government, Government of Rajasthan, Jaipur.

6. Shri A.P.Singh, Secretary, Housing and Urban Development, Government of Uttar Pradesh, 2nd floor, Vikas Bhavan, Janpath, Lucknow-2.
7. Shri Ganga Das, Secretary(L&B), Delhi Administration, I.P.Estate, New Delhi-2.
8. Shri G.Madhavan, Director, Town and Country Planning Department, Government of Haryana, Chandigarh.
9. Shri H.S.Mathur, Chief Town Planner, Government of Rajasthan, Jaipur.
10. Shri N.S.Johri, Chief Town Planner, Government of Uttar Pradesh, Lucknow.
11. Shri E.F.N.Ribeiro, Chief Planner, Town and Country Planning Department, Vikas Bhavan, I.P.Estate, New Delhi-2.
12. Shri V.A.Valiaparambil, Joint Adviser(T), Planning Commission, Yojana Bhavan, New Delhi.
13. Shri A.S.Wakhle, Deputy Director General(TP), Ministry of Telecommunications, Sanchar Bhavan, New Delhi-1.
14. Shri D.P.Gupta, Chief Engineer(P), Ministry of Shipping and Transport, Transport Bhavan, New Delhi-1.
15. Shri R.M.Raina, Director(P), Ministry of Railways, Rail Bhavan, New Delhi.
16. Shri Y.P.Gambhir, Director(P), Department of Power, Ministry of Energy, New Delhi-1..
17. Shri S.K.Sharma, Chairman-cum-Managing Director Housing and Urban Development Corporation, HUDCO House, Lodhi Road, New Delhi-3.
- ✓ 18. Shri J.C.Gambhir, Director(PPW), Delhi Development Authority, Vikas Minar, New Delhi-2.

Supplementary Agenda

Subject: Co-option of the Chief Regional Planner as a member of the Planning Committee. ✓

Shri B.N.Singh has joined the Board as Chief Regional Planner on 3rd June 1986. He will be heading the Planning Wing of the Board. His experience, expert advice and assistance could be a valuable addition to the deliberations in the Planning Committee. It is therefore proposed to co-opt Shri B.N.Singh, Chief Regional Planner as a member of the Planning Committee. Under Section 5 of the National Capital Region Planning Board Act, the Planning Committee is empowered to co-opt members. It is also proposed that he may also function as the Convenor of the Planning Committee.

2. Planning Committee may approve the co-option of Shri B.N.Singh, Chief Regional Planner as a member of the Planning Committee and also as Convenor of the Planning Committee.

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SUMMARY OF POLICIES SUGGESTED
FOR ADOPTION IN THE INTERIM PLAN FOR
THE DEVELOPMENT OF NATIONAL CAPITAL REGION

INTRODUCTION

The population of Delhi has been growing at a very high rate since it became the national capital. While in comparison with the other towns of the country in terms of rate of growth it is one among the three cities which has been recording an average annual growth of more than 50% since 1951, among the four metropolitan cities, Delhi, which started at the bottom, is now third and if the trend continues as in the past, it will outstrip both Bombay and Calcutta and may rank as the first in terms of population by the 21st Century. While there is a need for containing the growth of the metropolitan cities in general, Delhi needs specialised attention, it being the national capital. On the one hand it is necessary to maintain - where it is satisfactory at present - and improve - where it is necessary - the amenities and environment of the city since it is an international city and it ought to demonstrate the image of the country. On the other hand being the national capital it is a sensitive city and any breakdown in the law and order situation resulting from the breakdown of any of the services would have serious repercussions. Thus, the raison-d'etre of the region is Delhi and any planning of the region has to start from Delhi outwards.

There is a felt need for containing the growth of population in Delhi. Thus, in suggesting a plan for the region measures have to be suggested which will curb the growth of population in Delhi. However, while suggesting these curbs it has to be ensured that the over-all quality of life in the city is not affected. In fact the objective is to enhance it. Similarly, while suggesting the plan for development of the region it has, at the same time, to be ensured that the measures suggested do not result in the region and the core area Delhi both growing at a faster rate than they have experienced in the past. Thus, the policies that have been suggested have taken into consideration the above aspects and while keeping the growth of population in the region as a whole to remain as projected by the various experts, a re-distribution

has been suggested so as to take the pressure off Delhi and provide for a planned and viable growth of the region.

PERSPECTIVE

The plan has been prepared with 2001 as the perspective. Even though with the fixing of 2001 A.D. as the horizon - the period of the plan gets reduced to 15 years or less, it has been felt necessary to stick to 2001 primarily on account of the fact that the Master Plan for Delhi is being prepared with the year 2001. It would be worth considering whether it will be feasible to have a longer perspective for the comprehensive plan.

OBJECTIVE

With the regional population remaining at the projected 325 lakhs of which 234 lakhs will be urban and 91 lakhs rural in the year 2001, the main objective of the regional plan is to restrict the share of Delhi sub-region to 112 lakhs as against the projected 132 lakhs (or a 148.5 lakhs as projected by the Perspective Planning Wing of the Delhi Development Authority). While restricting the growth of Delhi it is necessary to ensure that the difference in the growth is contained within the region in a planned manner. It is also necessary that the resultant extra growth in the region outside Delhi is of such a nature that it will have an over-all effect in the entire region stimulating its regulated and orderly growth in and around the poles selected for development.

Merely restriction of population by itself will not be sufficient to improve the quality of life in Delhi. It is necessary that the green areas are preserved and the environment is conducive to a healthy growth. The present sprawl of urbanisation around Delhi is least conducive to promoting the above. It has, therefore, been felt necessary that in addition to restricting the population of Delhi it would also be necessary to contain the growth of urbanisation in the immediate environs of Delhi and hence certain restrictions are proposed for the area which is termed as the Delhi Metropolitan Area. Again, while containing the future growth of this area it is necessary that the existing situation is improved so that better integration with the core area is brought about so that without being points of attractions for the people from outside they become attractive for voluntary shifting of population from

the core area to these places.

If the growth of Delhi is to be restrained while keeping the regional growth as projected, it is necessary to stimulate induced development of some areas of the region. Various alternative strategies were discussed and it was decided that considering the financial, administrative, managerial and other constraints it would be advisable to restrict the induced growth to a small number of towns which have exhibited strong characteristics of growth in the past and which have the potential to absorb the increase in population given the necessary inputs. Accordingly, the towns of Meerut, Hapur, Bulandshahr-Khurja, Palwal, Alwar, Rewari-Bhiwadi-Dharuhera, Rohtak and Panipat have been identified as the towns or complexes that could be developed so as to absorb the increased population.

In the past the development of towns to stimulate induced growth of population has been synonymous with schemes of land acquisition and development. There had been a facile assumption that if serviced land requirements for the additional population is met the towns would automatically grow. This assumption has been proved to be in-correct and considering that the growth of cities is more on account of job-seeking in-migrants rather than an employed person seeking a house or serviced land, it is necessary to provide an economic base for the growth of the towns. Similarly, in trying to curb the growth of population in Delhi the economic factors which govern such growth have to be carefully identified and steps suggested so as to contain this growth. The success of the entire proposals contained in the plan will depend on the economic measures rather than the other measures suggested. The other measures suggested are only to support, strengthen or to take care of the requirements of such economic growth.

Transport is essentially looked upon as a service. However, it has also its economic by-products and a sound transport policy will not only service the population but also prove to be a catalyst for the growth of the identified areas and also channelise the direction of growth. The main objective of the transport plan for the region is to provide good connections to the central core area while discouraging the transit of goods and passengers through

the core area by providing alternative routes that will by-pass the core area. The by-passes will add an economic base for the development of these areas.

For the proper development of the region it is necessary to ensure the availability of the urban infrastructure of a quality and standard not very much inferior or different from that obtaining in Delhi. Accordingly, policies have been suggested for the provision of physical infrastructure and also for the development of power.

With the above objectives and suggested strategies in view, a package of policy directives to be adopted are enumerated below under the various headings :

[A] POPULATION POLICY

P.P. 1 To control the growth of population of Delhi to 112 lakhs by the year 2001.

P.P. 2 To control the growth of population in the towns in the Delhi Metropolitan Area so as to restrict it to a total of 37 lakhs by 2001, with the individual towns having the growth restricted to accommodate the populations as mentioned below

Ghaziabad including Loni	11 lakhs
NOIDA	5.5 lakhs
Faridabad	10 lakhs
Gurgaon	7 lakhs
Bahadurgarh	2 lakhs
Kundli	1.5 lakhs
Rural	1 lakh

P.P. 3 The region is to be planned for a total population of 325 lakhs with an urban component of 234 lakhs.

[B] SETTLEMENT PATTERN

S.P. 1 To counter-act the pull factors exerted by Delhi and also to absorb the difference in the projected growth and the assigned population of both Delhi and the Delhi Metropolitan Area, the following towns in the region are to be developed for the populations noted against each :

Meerut	13 lakhs
Hapur	6 lakhs

Bulandshahr-Khurja	10 lakhs
Palwal	3 lakhs
Alwar	5 lakhs
Rewari-Bhiwadi-Dharuhera	3 lakhs
Rohtak	5 lakhs
Panipat	5 lakhs

Based on the above urban centres a four tier system of settlements has to be evolved to include regional centres, sub-regional centres, service centres and basic villages. The functional character of these centres are to be identified in terms of the available infra-structural and social services. The remaining 34 lakhs of urban population and 91 lakhs rural population will be accommodated in a hierarchichal pattern consisting of intermediate towns, growth centres and villages.

(C) POLICY REGARDING ECONOMIC ACTIVITIES

Both in order to curb the growth of population in Delhi and to induce growth of population in selected towns the following three major employment generators have been identified for dispersal.

1. Location of Industries.
2. Location of Central Government and Public Sector Offices.
3. Location of Wholesale and Distributive Trade and Commerce.

E.P. 1 LOCATIONAL POLICY FOR INDUSTRIES.

(a) Strict Control within Union territory of Delhi

(i) While continuing the present policy of not promoting location of medium and large scale industries within Delhi, location of even small scale industries are to be restricted to those which employ 20 or less and are required either for providing or servicing the consumer needs of Delhi's population. All applications should be referred to a Special Group constituted by the Board for checking such industries.

(ii) All non-conforming industries which have been identified in the revised Delhi Master Plan should be shifted outside Delhi. A Committee should be set up for selecting an alternative site for shifting these industries within the region.

(b) Control outside Delhi but within the DMA

No large scale or medium scale industries should be permitted to be set up in the DMA. Only small scale

units should be permitted.

- (c) Incentive for industries outside the DMA but within the National Capital Region

The towns selected for priority development in the plan should have a strong industrial content and incentives should be given for the location of large, medium and small scale industries by developing industrial estates and offering other incentives in these towns. In addition to these towns, there should be no restrictions on the growth of industries in the Region except in the areas reserved for conservation.

E.P. 2 LOCATIONAL POLICY FOR CENTRAL GOVERNMENT AND PUBLIC SECTOR OFFICES

- (a) Strict control within the Union Territory of Delhi

With regard to Government offices, the present policy and mechanism for screening the location of new government offices and expansion of existing government offices should be continued. The main criteria for location of offices in the capital should be that they perform the Ministerial functions, protocol function or liaison function which by their nature cannot be performed anywhere else except in the national capital. The existing offices which do not perform any of the above functions should be shifted from Delhi. The jurisdiction of the Committee which already exists in Government for scrutinising and screening of opening of new government offices and expansion of government offices in Delhi should be enlarged to include the public sector offices. The Committee should further identify those public sector offices or parts of their offices whose location in Delhi is not justified on the above three criteria.

- (b) Control outside Delhi but within the D.M.A.

(i) A similar control on the opening of new central government and public sector offices in the DMA towns should be exercised. Relocation or expansion of government offices which have ministerial, protocol or liaison functions which make it incumbent upon them to be located in Delhi should be encouraged to be shifted or opened in the DMA towns.

(ii) In so far as public sector undertakings are concerned

the restrictions on their opening new offices or expanding the existing ones should apply equally to the DMA area. However, relocation of those offices whose existence or continuance in Delhi are justified may be encouraged.

E.P. 3 LOCATIONAL POLICY FOR WHOLE-SALE
AND DISTRIBUTIVE TRADE AND COMMERCE

(i) Disincentives within Delhi

An approach of disincentives to the wholesale trade which are not directly consumed in Delhi should be adopted. Only those wholesale trades, atleast 60% of which are directly used and consumed in Delhi and are not hazardous in nature and do not require extensive space, should be allowed to continue and developed in Delhi.

(ii) Controlled development outside Delhi but within D.M.A.

The policy of checks and disincentives is also to be followed in case of DMA towns but with some relaxations. The whole-sale trades which are directly used and consumed in Delhi and DMA towns ^{should} only be allowed. There are certain whole-sale trades in Delhi which are hazardous because of their location in congested areas and due to bulk handling activities such as plastic and PVC goods, chemicals, timber, food grains, iron and steel and other building materials. These whole-sale trades should be encouraged to develop in DMA towns.

(iii) Outside D.M.A. but within NCR

It is proposed that as a matter of policy, incentives, concessions and infrastructure should be made available in the regional towns to encourage and accelerate the growth of trade. New trade functions with high growth potential should be identified and located outside Delhi and DMA to cater to the specified roles assigned to the selected towns.

[D] POLICY REGARDING LAND USE

L.P. 1 POLICY FOR AGRICULTURAL LAND

Agriculture forms an important part of the economy of the NCR. Roughly 80% of the total area of the region is used for agriculture and its allied activities and more than 50% of the total workers

are engaged in primary sector activity. Therefore, it is imperative to design policies for agricultural development.

L.P. 2 The new employment opportunities are proposed in the non-agricultural sector and consequent concentration of population in the selected priority settlements would need expansion and the expansion would have to be met mostly from the existing agricultural land. This necessitates a rational policy of utilisation of less valuable land for urban expansion and as far as possible un-productive or barren land for location of urban/industrial centres.

L.P. 3 The reduction of agricultural land may be caused by the creation of lakes, reservoirs, flood protection works, urban water supply schemes and irrigation works. This also calls for an intensive utilisation of available agricultural land for production purposes.

L.P. 4 Intensive food production units which are subject to planning control will be permitted in the ^{urban and} rural areas where they do not conflict with policies for conservation or environmental protection. The improvement for reclamation of land for agricultural use will normally be permitted where this would not seriously conflict with landscape, archeological or nature conservation policies. Development will not normally be permitted where it would result in the permanent loss of forest land.

L.P. 5 The land reclaimed by flood protection have to be reserved for agriculture.

L.P. 6 POLICY FOR FOREST DEVELOPMENT

L.P. 7 The policy for development of forests should aim at preservation, improvement of existing forest areas in the Alwar tehsil and along the Ganga river in the U.P. Sub-region.

L.P. 8 Tree plantation should be carried on the cultivable wastes, barren lands and public lands.

L.P. 9 In each settlement tree plantation programme like social forestry should be speeded up for the amelioration of local, physical and economic condition and for the production of fuel wood for local consumption.

L.P. 10 Restriction on conversion of forest lands for agricultural purpose.

L.P. 11 POLICY FOR LAND FOR URBAN DEVELOPMENT

The projected urban population of 234 lakhs in the region means an addition of 143 lakhs to the urban population existing in 1981. For this additional population to be accommodated nearly 2.8 lakh hectares of land would be required on existing overall average density of the towns in the region. However, it is necessary to conserve agricultural and other lands and minimise the area of land getting urbanised. If properly planned, most of the existing towns, especially the DMA towns and priority towns can accommodate additional population by re-densification thus reducing the need for additional land. It has been estimated that in Delhi urban area the proposed addition of 30 lakh population could be accommodated in 17000 hectares. Similarly, in the DMA towns the additional 29.5 lakhs can be accommodated in 10000 hectares. In the 8 towns and complexes selected for priority development, land of the order of 20000 hectares could be sufficient. Thus, it would be seen that for accommodating nearly 120 lakhs a total additional area of 47000 hectares may be adequate. The State Governments will prepare Master Plans for the towns keeping in view the policies indicated.

L.P. 12 POLICY FOR REGIONAL RECREATIONAL AREAS

L.P. 13 Area of general level amenities as regional parks in the proximity of the metropolis could be developed.

L.P. 14 River front as recreational areas by developing them and making them more accessible for such use.

L.P. 15 Historical monument, natural and areas of scenic beauty, both existing and potential, and forest land, should be preserved.

L.P. 16 Parks in rural areas noted for their landscape and scenic beauty which could be used as picnic spots.

L.P. 17 National Park/wild life/Bird sanctuary vicinity of the region could be developed for tourist attraction.

L.P. 18 POLICY FOR NATURE CONSERVATION

To achieve the overall development of the NCR without destruction of its natural environment all economic activities need to be well planned. Special attention should be given to check the damage to the environment by man's interference for development purpose.

L.P. 19 Development which is likely to affect adversely sites of special scenic beauty or national or local nature reserves will not be permitted.

L.P. 20 Full account will be taken of feature of importance to nature conservation when considering major development proposals.

L.P. 21 Special attention will also be given to protection of special landscape areas and areas sensitive to development pressures.

L.P. 22 POLICY FOR GREEN BUFFER

The NCR plan aims to improve the physical environment of the whole region. This would be achieved by ensuring both existing uses within the region and the development which are contemplated by the proposals. The green buffer will support the promotion of the priority settlements/areas by controlling the growth of their built up areas. Besides, the green buffer will prevent neighbouring settlements from merging and help to preserve their special character. The detailed demarcation of the buffer zone would be from the part of sub-regional plan.

L.P. 23 The character of the buffer zone will be retained, protected and enhanced wherever possible by safeguarding areas of mainly open rural areas to take account of the interest and needs of agriculture and provide a source of recreation.

L.P. 24 The green buffer zone policies are designed to restrain the encroachment of urban activities into the open rural areas. The buffer zone could be used for the purposes of agriculture, horticulture, forestry and other uses appropriate to the character and function of the buffer zone.

L.P. 25 The establishment of outdoor sport, recreation or leisure facilities to meet the needs of community could be directed to the suitable parts of the buffer zone.

L.P. 26 Mining activities and brick kilns could be permitted in the buffer zone, subject to their conforming to the restrictions to be imposed in the nature of minimum distances from roads, schools, public places and habitation etc., and further to strict atmospheric pollution restrictions.

L.P. 27 The ridge which extends as a spur from Delhi right upto Alwar and beyond and the forst areas adjacent to it need to be preserved carefully. No urbanisation proposals are to be entertained in areas falling in this ridge.

(E) TRANSPORT AND TELECOMMUNICATION POLICIES

OBJECTIVE

The Regional Transport strategy for the National Capital Region should promote and support the economic development of the region and relieve the Capital of traffic congestion. As such it requires:

- (i) to inter-connect among each other the regional urban centres lying in the outer areas of National Capital Region.
- (ii) to connect them with the capital by fast mode of transport which would require better road and rail connections.
- (iii) to integrate road and rail services in the intra-urban area of Delhi and also in DMA.
- (iv) to develop new loading and un-loading facilities outside Delhi Union territory for goods coming from outside the region for distribution in Haryana and Uttar Pradesh so as to avoid unwanted load of goods traffic on the roads of Delhi Urban Area.

Regional Transport Policy

ROADS

T.P. 1 Development of the stretches of NH-1(Delhi-Panipat), NH-2(Delhi-Palwal), NH-10(Delhi-Rohtak), NH-24(Delhi-Ghaziabad) and existing State Highway between Ghaziabad-Meerut to four lane divided C/W to be known as M-I Motorway with acquisition of r/w of 100 metres, within NCR including development of service roads in the built up area.

T.P. 2 Development of an inner and outer grid system of roads of the order of M-II Motorways with certain common stretches which would be of two lane C/W initially with acquisition of full r/w of (60 metres within Seventh and Eight Plan period) and to four lane c/w finally by 2001 AD. The inner grid is to follow the alignment of Sonapat-Baghatpat-Meerut-Hapur-Bulandshahr-Sikandrabad-Faridabad-Rohtak-Gurgaon-Jhajjar-Gohana-Sonapat. The outer grid would connect Panipat-Hapur-Muzaffarnagar-Meerut-Bulandshahr-Khurja-Palwal-Rewari-Jhajjar-Gohana-Rohtak-Panipat.

T.P.3 Development of M-II Motorway between Rewari and Alwar which would be of two lane c/w initially with acquisition of full r/w of 60 metres for an ultimate four lane c/w when traffic requirements justify.

T.P. 4 In consonance with the policy of developing a four tier system of settlements, road structure in the region would be evolved accordingly. Efforts would be to inter-connect the same order centres directly and the lower order centres to their nearest higher order centres. A system of feeder roads of higher standard would be evolved to connect the work centres/industrial estates with the nearest regional or sub-regional settlements.

RAIL

T.P. 5 Development of regional rail by-pass. This would pass through Meerut-Hapur-Bulandshahr-Khurja-Palwal-Sohna-Rewari-Jhajjar-Rohtak.

T.P.6 Conversion from existing low capacity Meter Gauge railway system into high capacity system between Delhi-Alwar to be taken up.

T.P. 7 Identification and location decision on another rail terminal to decongest and solve the traffic problems faced by the existing terminals.

T.P. 8 Completion of electrification along the radial corridors, viz., Delhi-Panipat, Delhi-Meerut beyond Ghaziabad, Delhi-Rohtak beyond Shakurbasti.

<u>Stretch</u>	<u>Details of work</u>
a) Delhi-Panipat(88 Kms)	i. Electrification and raising of platforms, FOB, etc. ii. Automatic colour lighting, signalling on subzi-mandi, Sonapat, Panipat. iii. Terminal facilities at Panipat including information system, etc. iv. Staff Quarters.
b) Delhi-Meerut beyond Ghaziabad	Doubling from Muradnagar to Meerut and electrification and raising of platforms, FOBs and signalling installation etc.
c) Delhi-Rohtak beyond Shakurbasti.	Electrification, raising of platforms, FOBs, including signalling installation.

T.P. 9 Operation of EMU services on the corridors of T.P.8 on the desired frequency.

T.P. 10 Operation of EMU Services on the ring with required frequency, initially with a lead time of 25 minutes in peak period/direction alongwith extension of EMU services on three selected corridors(radially) viz. i) Delhi-Ghaziabad, (ii) New Delhi-Palwal, (iii) Delhi-Shakurbasti which are already electrified, replacing all the shuttle services to Shakurbasti, Ghaziabad and Palwal.

T.P. 11 Development of infrastructural inputs required for the operation of EMU services in selected corridors. This would involve some additional stations to be opened and certain other inputs besides raising of platforms to suit EMU coach operation. The corridors and actions needed in respective corridors are:

	<u>Corridor</u>	<u>Station to be opened</u>	<u>inputs required</u>
1. A.	Delhi-Shahdara-Ghaziabad	GandhinagarShyam-Lal College	Creation of new halt station and removal of the infringements to suit EMU.
	i.	Stations inside Gaiani border Delhi UT	
	ii.	Stations outside Mohan Nagar	
B.	New Delhi-Ghaziabad	Shakurpur BEL	Creation of crossing & halt stations
2.	New Delhi-Palwal	Junction Cabin	Creation of halt stations.
3.	New Delhi-Shakurbasti	Rampura Cabin	Creation of halt station
4.	Accessibility facilities of Eight stations.		
5.	Lengthening of platforms for 25 Bogies at Delhi and New Delhi stations.		

6. Provision of independent double line between Delhi-New Delhi-Kishanganj-Delhi and Subzi Mandi.
7. Doubling and electrification of Dayabasti-Azadpur Section.
8. A. Two more lines between Ghaziabad and Maripet car shed.
B. One more additional line(4th line)between Sahibabad and Ghaziabad.
9. Extension of 4th line from junction cabin to Palwal.
10. A. Automatic signalling between Tughlakabad and Palwal.
B. Staff quarters and office building.

T.P. 12 Evaluation of introduction of new rapid high capacity mass transport system such as Light Rail Transit(LRT) etc. Reorganisation of Delhi Transport Corporation's fleet services to provide feeder service to EMU service as well as any other high capacity mass transport system conceived for smooth intra-urban travel and improve the efficiency of ring and radial rail service.

T.P. 13 Feasibility evaluation/Techno-economic studies for the development of existing/new corridors and extension of existing corridors in the lines:

- | | | |
|------|-------------------|--|
| i) | Ghaziabad-Khurja | For EMU services. |
| ii) | Ghaziabad-Hapur | For electrification and EMU services. |
| iii) | Dayabasti-Azadpur | New electrified line and EMU services. |

T.P. 14 To enable the ring rail to play a meaningful role in serving inter-city and intra-urban commuters it is necessary to increase the frequency in the ring in stages to reach the ultimate desired frequency level for the envisaged population and to extend the same to Ghaziabad on the east, Palwal on the south, Indira Gandhi Airport and Rohtak on the south-west and west respectively and towards Panipat in the north.

T.P. 15 Development of new integrated metropolitan terminals specially to serve the outer areas of UT of Delhi and Delhi Metropolitan Area in the areas of (a) Trans-Yamuna (b) Okhla (c) Bharthal and (d) in North Delhi. Locational and other techno-economic studies for these terminals may be taken up immediately.

T.P. 16 While financing any development the following main criteria would be taken into consideration besides the cost component:

The needs of priority areas and new development and extension areas.

The extent to which such proposals would aid the objective of decongesting Delhi and would help in taking away-to or generating activities-in the outer areas of the region.

Benefits such proposals would accrue for the existing industry and commerce for their expansion and employment generation.

T.P. 17 In selecting locations for new loading and unloading facility centres priority and preference would be for locations that have greater potential/capacity to drain and diverge out maximum traffic.

T.P. 18 Formation of a single Unified Metropolitan Transport Authority which may, besides other things, formulate and gain actions regarding fare structure of different modes, their gradation and combination.

POLICY FOR TELECOMMUNICATION FACILITIES IN THE NCR

T.C.P. 1 The foremost need of the region is the adequate and effective telecommunication network which would provide impetus to the dispersal and development of economic activities away from Delhi to out-lying areas. The National Capital Region advocates a three tier system for the development of economic activities in the region as a broad policy and has also recommended development of eight towns and complexes in the region on priority basis. Provision of reliable and adequate telecommunication facilities in the Delhi Metropolitan Area and in these selected towns as input has been considered necessary for preparing a realistic plan.

The following objectives are necessary for provision of telecommunication facilities in the selected towns and the towns falling in Delhi Metropolitan Area.

- Full automatisisation of telephone services
- Replacement of all life expired exchanges and other equipments.
- Provision of telephone and telex connection practically on demand.
- Provision of subscribers dialling facilities between Delhi and the priority towns and Delhi Metropolitan Area towns.
- Connection of priority towns and DMA town with Delhi by reliable cable and radio media.
- Provision of reliable trunk services either by direct dialling facilities or through demand service among the priority towns and DMA towns.
- Provision of telegraph offices as justified.

An integrated telecommunication system adopted on the above lines, in a way, is also likely to supplement the transportation network in the region thereby reducing the pressure on the transportation arteries proposed in the Plan.

(F) POLICY FOR PHYSICAL INFRASTRUCTURE

I.P. 1 Integrated Master Plans for providing water supply, power, sewerage and storm water drainage facilities in the DMA towns and selected towns should be prepared both for the existing areas proposed for development so as to offset the existing deficiencies as also to meet the estimated demands from these towns.

I.P. 2 The power supply should be uninterrupted and available in adequate quantity throughout the region. Without a satisfactory power supply throughout the region, the basic objective of National Capital Region cannot be achieved.

I.P. 3 All the 'under-construction' schemes falling in the region, especially the Narora atomic plant, need to be given top priority and completed in time.

I.P. 4 At present, the electricity tariff is not uniform throughout the region. It may not be possible to have complete uniformity in tariff rates throughout the region. However, electricity rates for industrial and commercial uses in the region need to be revised in such a way that Delhi becomes a 'less-preferred' area for industrial activities.

I.P. 5 The States(Haryana, Rajasthan and Uttar Pradesh) have demanded a sum of Rs.684 crores to improve the quality of power supply in their sub-regions. This includes a sum of Rs.420 crores for generation. With regard to laying of transmission and distribution lines and construction of sub-stations, it is suggested that in the Seventh Plan, only those lines and sub-stations should be taken up which are required to improve the quality of power supply in 'priority towns'. In order to ensure that these towns get a satisfactory power supply, power should be supplied to these towns on preferential basis.

I.P. 6 As far as domestic supply is concerned, a 24 hour supply should be ensured in urban as well as rural areas. All the villages falling in the region should be electrified on priority areas.

VF

RATIONALISATION OF RATES OF SALES TAX IN N.C.R.

Uttar Pradesh & Haryana have to maintain check-posts to prevent smuggling of taxable goods into their respective States as is evident from the enclosed comparative statement of the Sales-tax rates prevalent in Haryana, Delhi and Uttar Pradesh.

2. The best example of difference in rates of tax is, however, peculiar in the case of foodgrains. Uttar Pradesh and Haryana charge 4% sales tax while foodgrains are exempt from taxation in Delhi. Haryana and Uttar Pradesh are mainly producing States, Delhi is a mere consuming State. Thus Delhi has become trade centre in Northern India where foodgrains are collected in large quantities. The natural distribution centres might have been Punjab, Haryana or Western U.P. for they contribute a large share of the foodgrains production. The economic argument in support of such an action is rather least convincing. Distribution centre of foodgrains in the National Capital is not congenial to the other activities expected of a capital. It is an additional burden on the already congested traffic system and scarce space in the Capital. The Capital has to find an economic activity to support its existence and to achieve that end we must look elsewhere.

3. The facts stated in respect of foodgrains, are true in regard to a number of other items as well. Sales Tax on Kerosene in Delhi is 3% and in U.P. it is 8%. Readymade garments are taxed @ 2% in Delhi and @ 6% in U.P. Hosiery is taxed @ 1% in Delhi and 4% in U.P.

4. U.P. might negotiate a common rate list with Haryana but Delhi's case is much different. Delhi rates are too low and any decision would be possible only after Delhi decides to raise rates of tax. U.P. and Haryana may hardly lower their rates to the level of Delhi as it will take away a large chunk of the revenue income of the States. Delhi might afford to keep lower rates of tax as it is possible for it to draw its resources from the Consolidated Fund of India while this is not practicable in the case of U.P. or Haryana.

5. Both the tax rates and the tax system itself are different U.P. which has adopted taxability on M or L. Haryana has also done in many items. Delhi is, however, carrying on with last point taxat in a number of cases which opens up very easy channels of evasion. U is handicapped by Delhi's low rates of taxes. A large number of items are sold for practically no tax because tax administration is comparatively less strict in Delhi. In order, therefore, to safeguard the revenue interest of U.P., strict vigil over large number of evaders and smugglers, has to be kept. It is thus imperative that Delhi revises its tax system and enforces its tax rules strictly in order that a meaningful commonality may be achieved between the three States.

State of Haryana

M- Sale by manufacturer.
S- Sale to consumer.
I- Sale by Importer.
P- Purchase Tax.

Comparative Chart of Sales Tax Rates in Different States.

MP - Multiple Point of Tax.
E - Exempt

Commodity	Delhi	Haryana	U.P.
1	2	3	4
1. Arms and Ammunitions	10		14 MI
2. Atta Malda, Sujl.	E	10	4 MI
3. Article made of Gold & Silver.	7	4	6 S
4. Aviation Spirit.	10	2	E
5. Aluminium wares extrusions.	7	7	8 MI
6. Air Conditioner, its plant & Equipments.	10	10	12 MI
7. Asbestos, Cement, Corrugated Sheet etc.	7		8 MI
8. Belting of all kinds.	7		8 MI
9. Bhang, Ganja and Gunas.	7		E
10. Bicycles, Tricycles.	7		8 MI
11. Binoculars Telescope	10	12	12 MI
12. Bricks, Fire bricks.	7		8 MI
13. Brass wares and Utensils of Brass	7		10 MI
14. Bullion and Spices	$\frac{1}{2}$	$\frac{1}{4}$	2 p

Commodity	Delhi	Haryana	U.P.
	1	2	3
15. Butter Cream Cheese	5		6 MI
16. Bread	E	7	5 S
17. Biscuits (1) Hande made	7	7	5 S
(2) Other	7	7	5 S
18. Betel leaves	E	E	E
19. Clocks Time Pieces	10	12	12 MI
20. Card Board Straw Board	7		10 MI
21. Caustic Soda and Soda Ash.	7	7	8 MI
22. Carpets Namdas	10		10 MI
23. Cement (All kinds)	7	12	10 MI
24. Chemicals	7	7	8 MI
25. Cigarettes cases and Lighter	10	12	12 MI
26. Cinematographic goods	10	12	12 MI
27. Coffee, Coca Chicory	7	8	8 MI
28. Crockery Cutlery	10	10	10 MI
29. China-ware Stones glazed ware porcelain ware.	10	10	10 MI
30. Chemical Fertilizers	E	E	5 MI
31. Corks	7	7	

(3)

Commodity	Delhi	Baryada	U.P.
1	2	3	4
32. Container made of tin, Iron Steel.	7	7	4 MI
33. Cotton Carpets, pile, durries	10	12	6 MI
34. Cotton rugs rezais lihaf etc.	5	7	5 MI
35. Cotton waste.	5	4	4 MI
36. Cereals	E	4	4 P
37. Country Spirit	7	E	E
38. Cane goods other than furniture	7	7	E
39. Coal	3	4	4 S
40. Cotton	4	4	4 S
41. Cotton Yarn.	1	2	2 MI
42. Crude Oil	4		4 MI
43. Cosmetics and toilet preparations.	10	12	12 MI
44. Chileaies	7		3
45. Candle	7	3	3 MI
46. Chasis of heavy vehicles.	10		10 M
47. Cooking gas	5		8 MI
48. Copper-wire		7	4
49. Cooking food.	E		5 S
			4

Commodity.	1	Delhi	Haryana	U.P.
		2	3	4
50. Camphor	5			8
51. Cotton Yarn Waste.	7			8
52. Candiamom	7			10
53. Chashenut	7		7	8 MI
54. Dyes and Colours	7		7	10MI
55. Dry fruits.	10		10	12MI
56. Electrical goods	E		E	6 MI
57. Exercise books	7			8
58. Electroplated nickel-silver goods	E(7.5)		10	12 MI
59. Electric Motors.	10			12 MI
60. Exhaust Fan Air Circulators	10			12 MI
61. Fire Work arranged matches	10			8 MI
62. Fountain Pen etc.	5			12 MI
63. Furniture (Wooden)	10		10	12 MI
63. Furniture 2- (see Others)	10		12	12 MI
64. Fur and Article made thereof	E		8	4
65. Fire wood	5		8	8 S
66. Footwear of all kinds.	7		8	8 MI
67. Furnace Oil				

U.P.

Haryana

(5)

Commodity.	U.P.			
	Delhi	Haryana		
1	2	3	4	
68. Goods and ware made of glass.	10		12 MI	
69. Glass Bangles.	5	10	10 MI	
70. Gas lanterns, Petromax	5	10	8 MI	
71. Games for indoor or outdoor games.	7		6 MI	
72. Gota Lachha Salma Sitara Embroidery	7	7	8	
73. Ghee	5	8	6P	
74. Gur Gursakker Rab.	7	8	8P	
75. Ground nut oil	5		4 MI	
76. Goat Hair.	7	7	8	
77. Generators and transformers etc.	10		12	
78. Hides & Skins.	4	4	4S	
79. Hard Board.	10	10	10MI	
80. Hoses made of rollers plastic and Cement.	7		8 MI	
81. Hosiery (1) Cotton (2) Others.	1/5 1/5	2	4 MI 8 MI	
82. High Speed Diesel Oil	10		8	
83. Iron & Steel.	4	4	4 MI	
84. Ivory goods.	7	7	8 MI	

Commodity	Delhi	Haryana	U.P.
1	2	3	4
85. Instruments Boxes & Maps.	5		5
86. Ice	5	7	8MI
87. Jute	4	4	4P
88. Jute & hemp goods.	5		6MI
88. Jute of all kinds.			5
89. Kerosene Oil (Inferior)	3	7	8MI
90. Kerosene Oil (Superior)	3	7	8MI
91. Knitting Yarn(All)	5	7	6MI
92. Khandasari Sugar.	5		4P
93. Leather Board.	10	10	10MI
94. Lubricants.	9	7	8MI
95. Locks Parts & Keys.	7	7	8MI
96. Leather goods (1) Ladies hand bag variety purses.	10	10	8MI
(2) Other goods	10	10	8MI
97. Light Diesel Oil	10		5
98. Linoleum	7		
99. Lacc & Sellaak	7	7	5
100. Lifts operated by power.	10	10	12 MI
101. Machinery Spare Parts.	7	7	6 MI

Commodity.	Delhi.	Haryana	U.P.
1	2	3	4
102. Matches.	4	8	6 MI
103. Mill stores and Hardwares.	7	7	8 MI
104. Molasses	5		12 MI
105. Motor Vehicles etc.& Parts (1) Motor cars & Light Commercial Vehicles.	10	12	10 MI
(2) Motor Parts.	10	12	10 MI
106. Medicine & Pharm. Preparations.	5	8	6 MI
107. Milk powder, Condensed Milk.	5	8	6 MI
108. Meat Fish	2	2	2
109. Motor Spirit as defined in U.P. Motor Spirit & Diesel Oil & Alcohol taxation Act.	10		2
110. Musical Instruments.	7	7	8 MI
111. Marble & its products.	7	7	8 MI
112. Mico.	7	7	4 MI
113. Magnesia	7	7	4 MI
114. Margarine	5	8	12 MI
115. Non-ferrous metals sheets & ignots circles alloy etc.	7		2 MI
116. Office machinery such as tabu- lating Calculating Machines duplicating machines etc.	10	12	12 MI

Commodity	Delhi	Madras	U.P.
1	2	3	4
117. Oil of all kinds other than those covered by any other Notification.	5	3	5 MI
118. Oil seeds.			
119. Ornaments made of gold & silver.	3	4	4 P 4 S
120. Opium.			
121. Paints & Varnish	7		20 P
122. Pearls.	7	7	12 MI 10 MI
123. Photographic goods.	10		12 MI
124. Plastic goods.	5	10	8 MI
125. Playing-Cards.	7	7	9 MI
126. Polishes of all kinds.	5	12	8 MI
127. Packing Material.			
(1). Empty tin Empty Brandy	7		4 MI
(2). Wooden boxes & Cartons	7		6 MI
(3). Empty Bottles	7		4 MI
(4). Polythene & Alkaline	7	10	8 MI
128. Plywood.	10	10	10 MI
129. Paper of all kinds.	5	8	6 MI
130. Pulses	8		4 P

Commodity.	Delhi	Haryana	U.P.
1	2	3	4
131. Pesticides & Insecticides	5	2	6 MI
132. Potash Explosive	7	7	8 MI
133. Paper	7		8 MI
134. Pressure Cooker	7		8
135. Pure Silk cloth other than handloom	3		8
136. Rubber etc.	7		8
137. Refined Coconut oil	5	8	10 MI
138. Refrigerator, Plants Equipment	10	10	12 MI
139. Raw wool.	2	2	4-8
140. Readymade Garments.			
(1)-Woolen	2/5	8	6 MI
(2) others.	2/5		
141. Sheets Cushion Pillows Mattresses etc.	10	7	12 MI
142. Sanitary Goods	10		12 MI
143. Soents Perfumes.	10		
144. Spirits & Spirituous Liquors of all kinds.	10	20	26 MI

Commodity.	U.P.			
	Delhi	Barryana		
1	2	3	4	
145. Sodawater, Soft Beverages, Syrups, Squashes, Lemon Soda etc.	7	9		12 MI
146. Sun glass-Sungogales, Spectales.	7			8 MI
147. Saw dust charcoal cake briquettes.	5			4 MI
148. Sewing or Embroidery thread.	3	2		2 MI
149. Spices and Condiments.	7	8		8 MI
150. Sinfense attache cases	7	10		8 MI
151. Stoves	7	7		8 MI
152. Sewing Machines	7	7		8 MI
153. Storches.	7	7		8 MI
154. Stationary.	7			8 MI
155. Staple Yarn of all kinds.	5			2 MI
156. Soap	5			8
157. Saving Sets Safety Razors etc.	5			8
158. Taps				4
159. Tractors and Parts.	5			2

Commodity.	Delhi		Haryana		U.P.	
	1	2	3	4	5	6
160. Tea	7		8		8 MI	
161. Kendu (Kendu) Leaves.	7		7		8 MI	
162. Tiles of all kinds.	10		12		12 MI	
163. Porch Cells Dry Cells Batteries.	5		7		12 MI	
164. Pipes & Tubes	7		-		8 MI	
165. Timber (Wood)	7		7		12 MI	
166. Tooth Paste Tooth Powder	5		-		8	
167. Tooth Brushes Etc.	5		-		8	
168. Vacuum flashs (All)	10		12		12 MI	
169. Vataspati	5		8		10 MI	
170. Umbrella	5		8		8	
171. Washing soap & other material	5		12		6 MI	
172. Wireless transmission and reception equipment	10		12		12 MI	
Kit (II) Sound recording equipment	10		12		12 MI	
(III) Sound transmitters equipment & other audio video electric equipment.	12		12		12 MI	
173. Wood (timber)	7		7		12 MI	

-12-

Commodity	Delhi		Haryana		U.P.	
	1	2	3	4		
174. Ware made of stainless Steel.						
175. Welding electrode & Rods	7		10		8	
176. Weighing machine etc.	7		-		8	
177. Yarn of all kinds (Except those notified)	7		-		8	
178. X-Ray apparatus & Films.	2		-		2	
	10		-		8 MI	
179. General rate of tax.	7		-		8 MI	

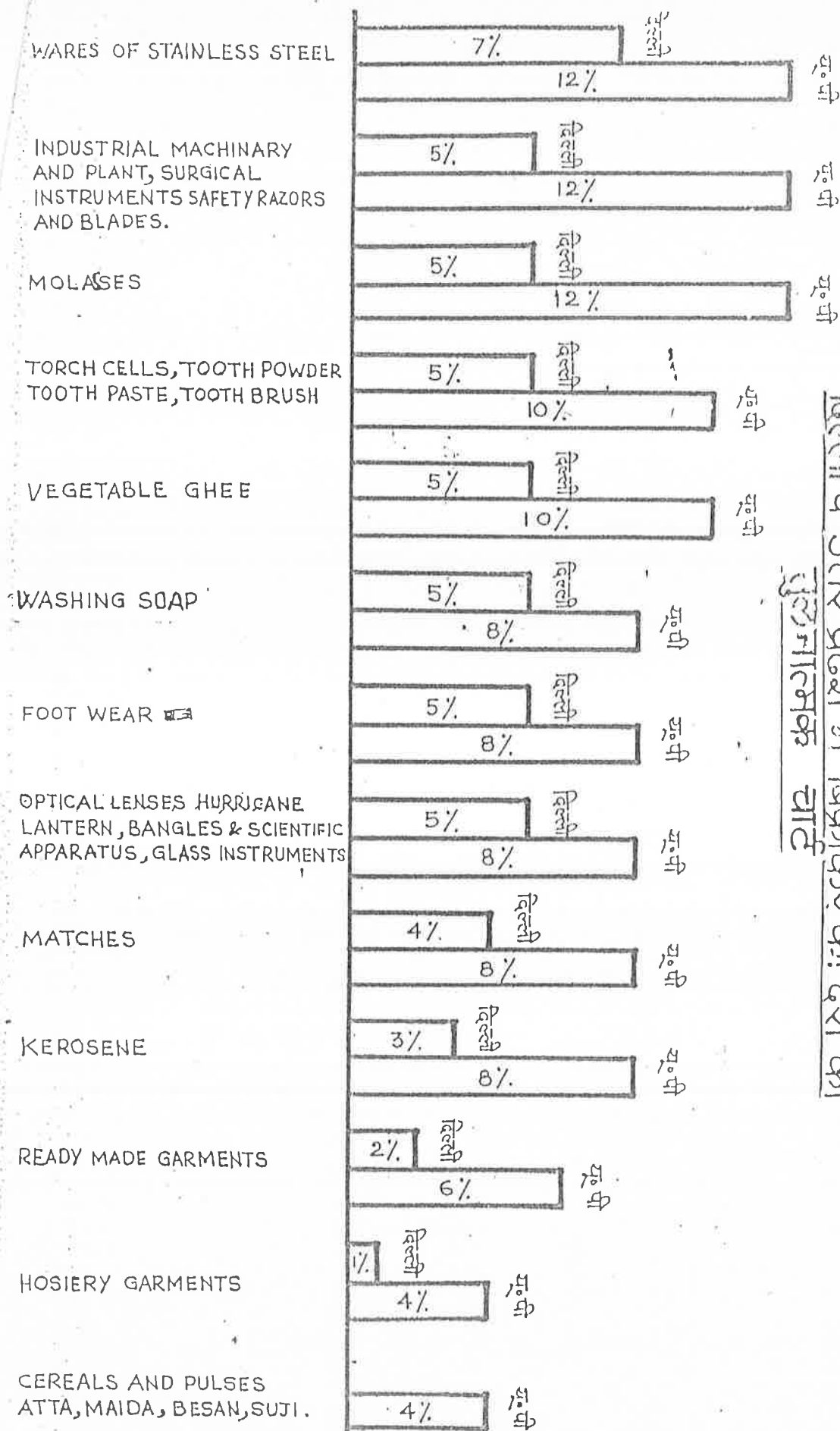
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NOTE FROM HARYANA GOVERNMENT ON VARIOUS FISCAL INCENTIVES AND DISINCENTIVES THAT CAN BE BROUGHT INTO BEING IN THE CONTEXT OF LOCATIONAL POLICY OF WHOLESALE AND DISTRIBUTIVE TRADE AND COMMERCE - TO BE PRESENTED BEFORE THE PLANNING COMMITTEE OF THE NATIONAL CAPITAL REGION PLANNING BOARD.

Realising the urgency and imperativeness of the need for rationalisation of taxation and rate-structure in Delhi and the National Capital Region States, it was decided at the 5th meeting of the Planning Committee of the N.C.R. Planning Board, Delhi on the 21st May 1986, it was desired by the Chairman that the Government of Haryana should present a status paper on the taxation structure in the said context.

The major recommendation concerning the Department of Excise and Taxation is regarding the locational policy for the whole-sale and distributive trade and commerce which has been engaging the attention of the authorities for quite sometime by now. Fiscal tools, as such, have never been known to be the sole determinants of growth of industry, trade or commerce and are meant to cover a limited area of operation of the economic activities, by their very nature. Efficacy of fiscal measures is largely conditioned by the concerned States or Union Territories on the follow-up. Broadly speaking, any fiscal policy in this regard should encompass the following areas:-

- (i) Fiscal disincentives within Delhi
- (ii) Controlling development outside Delhi but within D.M.A.
- (iii) Controlling of development outside D.M.A. but within N.C.R.

Number (ii) and (iii) can be taken care of by a system of fiscal incentives in the concerned areas in contrast with the position prevailing in Delhi in addition

to making available the requisite infra-structure to stimulate the accelerated growth of trade and commerce.

According to the Constitution of India, the power to levy taxes on the sales or purchases of goods other than Newspapers is vested in the States provided such sales and purchases do not take place in the course of inter-state trade. In the latter case, the power to levy tax vests in the Union Government while the tax proceeds are assigned to the States where such sales originate. To note another exception, in respect of Textiles, Tobacco and Sugar and States have since 1957 abdicated their powers to levy tax in favour of the Government of India which levies an additional excise duty on them under the additional Duties of Excise (Goods of special Importance) Act, 1957 in lieu of sales tax formerly levied by the States and the net proceeds thereof are wholly assigned to the States in accordance with the recommendations of the Finance Commissions set up from time to time. As a result of this division of power, sales of goods in the National Capital Region States, as in others, are governed by two sets of tax laws. On the one hand, there is local sales tax law in each State which is applicable to the local dealings and on the other, there is the Central Sales Tax governed by the provisions of the Central Act 1956.

Sales Tax in Haryana is governed by the Haryana General Sales Tax Act 1973, whereas in Delhi it is governed by the Delhi Sales Tax Act 1975. The schemes of taxation under the Haryana Sales Tax Act 1973, and under the Delhi Sales Tax Act 1975, in their essential features, are similar to each other. Under both the Taxation Acts, there is no taxable turnover limit for importers or exporters. In relation to ordinary dealers the taxable

quantum in both the States is fixed at Rs. 1 lakh. However, in respect of manufacturers, the taxable quantum in Haryana has since been enhanced to Rs. 1 lakh while in Delhi it is fixed at Rs. 30,000/- only. The scheme of classification of goods is more or less in line with three Schedules appended to each Act viz. (1) Luxury goods, (2) Goods of Special Importance and (3) exemptions. The registered dealers are authorised to purchase goods for purposes of resale or for use in the manufacture of taxable goods for specific purposes, free of tax on the authority of local registration certificates. For use or disposal of goods so purchased, for the purposes, other than those for which these are purchased, there is a provision for levy of tax on the purchase value of such goods. State Government is authorised to levy tax at the first stage of sale or the last stage of goods. In exercise of these powers selected goods have been subjected to levy at the first stage of their sale inside the State. There is also a provision in the Sales Tax Act of the State of Haryana to levy surcharge besides sales tax.

The afore-mentioned similarities apart, there are large areas which are conspicuous by the differentials and disparities. The differentials are more marked in respect of rate-structure of the two states which leads to diversion of trade resulting in loss of revenue to one state and also distortion of its pattern of trade and commerce pattern. In this respect, it is pertinent to point out that in Delhi, foodgrains and pulses are exempt from levy of tax whereas in Haryana and other neighbouring states these attract taxation @ 4%. Kerosene, matches and handmade paper and other several commodities of general

nature are taxable at the rates varying from 3% to 5% in Delhi whereas, these commodities in Haryana and other neighbouring states attract taxation at higher rates of 7% or 8%. These disparities and differentials have therefore, paved way for diversion of trade from neighbouring states to the state of Delhi which has ultimately resulted in concentration of trade resulting in escalation of congestion generating activities in Delhi.

In this view of the matter mere restoration of uniformity of rate-structure may not be effected to enable us to achieve the desired results; the rate of tax in Delhi have to be fixed at a level high enough to demotivate the continued existence of trade and commerce in Delhi.

It is also worth-while to point out here that in Delhi on the re-export of goods which are received in that state, a lower rate of 2% is levied whereas in Haryana and other neighbouring states such re-exports of goods are taxed at the normal rate of 4%. This concessional rate of 2% has again resulted in large scale diversion of trade to the state of Delhi. With the objective of shifting the trade from Delhi to the places in the N.C.R. in view, there is, therefore, a pressing need to take back the concessional rate of tax of 2% in force in Delhi also.

Fruit and vegetables are mainly supplied to Delhi from the states of J. & K., H.P., U.P. and Haryana. Therefore, it is necessary to shift the present subzi-mandi in Delhi to the nearby places in the states of Haryana and U.P. In Haryana such a Mandi can easily be developed at Kundli.

The whole-sale trade in foodgrains, pulses and oil-seeds has also created considerable congestion in Delhi. To remove this congestion foodgrains, pulses and oil-seeds Mandis need to be developed on the periphery of Delhi in Towns like Kundli, Faridabad, Gurgaon, Bahadurgarh and Ghaziabad. For accelerating the development of new mandis at these places, it would be desirable that the whole-sale business of foodgrains, pulses and oil-seeds within the existing limits of Delhi be made prohibitive.

In Delhi Mandis, no market fee is leviable on the transactions of agricultural commodities. It would be necessary to impose such a fee/tax in Delhi Markets as well so that the trade of foodgrains and pulses and oil-seeds shifts from Delhi to the nearby mandis in Haryana, U.P. and Rajasthan.

The State Government of Haryana with a view to checking diversion of trade and industry to Delhi has in exercise of the powers conferred under section 8(5) of the Central Sales Tax Act 1956, fixed lower rates of Central sales Tax on inter-state sale of following goods:-

<u>Sl.No.</u>	<u>Name of commodity.</u>	<u>Rate of tax</u>
1.	Edible oil of Sarson, Toria, Til and taramira including Khal thereof when sold to Registered Dealers.	1%
	Non-ferrous metal sheets and circles commercial sheets and industrial sheets when sold to Registered dealers.	1%
	Gram Dal	2%
4.	Woolen Carpet Yarn and Katti when sold to Registered Dealers.	1%
5.	Ferrous and non-ferrous metal utensils to unregistered dealers.	4%

For attracting the new industries to be set up in the State of Haryana, the State Government with effect

from 6th May, 1986, has enforced the scheme of Deferment of payment of sales tax. This concession is available to all such industries which were and are set up in the State on or after 1.11.1983. According to this scheme, Pioneer and Prestigious Industrial Units and the new eligible Industrial Units are entitled to the benefit of deferment of tax due from them on or after the 6th May 1986, for five years to nine years and during the period and to the extent reproduced below:-

Sl. No.	Name of the Zone and the area comprised therein.	Extent upto which deferment is admissible.	Period during which deferment is admissible.
1.	Zone "A" comprising centrally and State notified backward areas.	Equivalent to 90% of fixed assets of the unit or Rs.5 crores whichever is lesser.	9 years from the grant of first entitlement Certificate.
2.	Zone "B" comprising area other than specified at Sl. Nos.1 & 3.	Equivalent to 60% of fixed assets of the unit or Rs.3 crores whichever is lesser.	7 years from the grant of first entitlement Certificate.
3.	Zone "C" comprising Faridabad and Ballabgarh Complex Administration areas.	Equivalent to 30% of fixed assets of the unit or Rs.1.5 crores whichever is lesser.	5 years from the grant of first entitlement Certificate.
4.	Pioneer or Prestigious units in Zones "A" and "B" of the State.	Equivalent to the fixed assets or Rs.5 crores whichever is lesser.	9 years from the grant of first entitlement Certificate.

The benefit of deferment of tax is available to the new units on their obtaining eligibility certificate from the Industries Department and the Entitlement Certificate from the District Officer-in-charge of the district offices of the Excise and Taxation Department.

While looking in retrospect at the genesis of congestion in Delhi one cannot refrain from observing that the concentration of wholesale distributive trade in Delhi is also the direct result of the approved practice of stock transfers and consignment despatches to Delhi from place outside Delhi. Most of the manufacturers and big traders have opened their sales offices and godowns in Delhi where they store the goods brought from outstations and effect sales thereof. This practice not only deprives the States from where the goods originate, from the tax revenue which would otherwise have accrued to them but has also created alarming locational problems of trade and commerce in Delhi.

The Law Commission of India after studying this problem of consignment despatches and stock transfers, besides other connected problems referred to it by Government of India made its recommendations through its 61st Report. Pursuant to the recommendations made by the Law Commission of India and to help the States curb the practice of avoidance of payment of sales tax on this account, the Government of India amended the Constitution of India through the 46th Constitutional Amendment Act, 1982 which inter-alia provide for levy of tax on inter-state Consignments or stock transfers through an enactment to be passed by the Parliament. The 46th Constitutional Amendment Act 1982 received the assent of the President of India on 2nd February 1983.

The matter about follow-up legislation has been discussed by the Government of India at various levels including the Chief Ministers' Conference held a number of times in the recent past. In the Conference held on 28th May, 1984, after detailed discussions, the

following resolution was adopted:-

"The Conference of Chief Ministers held on 28th May 1984, at New Delhi approve by Consensus the following course of action regarding levy of taxes on the consignment of goods taking place in the course of inter-state trade or commerce:

- (1) Endorse the recommendations made by the Group of Chief Ministers at the meeting held on 24th March, 1984 at New Delhi in respect of -
 - (a) Rate of tax;
 - (b) Machinery for collection of the proceeds of consignment tax and
 - (c) Valuation.
- (2) As regards assignment of proceeds of consignment tax, 50% is to be retained by the Collecting State and the remaining 50% to be placed in the divisible pool, the proceeds of which will be distributed amongst the States as per formula applicable for distribution of basic Excise Duties or such formula as may be devised in future for this purpose by a Finance Commission. Since the Union Territories have their budgets funded wholly by the Centre, this arrangement will not apply to the Union Territories.
- (3) In respect of exemptions, the power to grant exemptions can vest in the States, on the pattern applicable to Central Sales Tax. But the Union Government will formulate appropriate guidelines about the same after consultation with State Governments.

Further that legislation to implement the above be introduced at the earliest opportunity."

The recommendations of the Group of Chief Ministers about the rate of tax, machinery for collection of

the proceeds of consignment tax and valuation has been as under:-

- (a) The proposed consignment tax should be levied at the same rate as Central Sales Tax.
- (b) Machinery of assessment should be the same as the one existing in respect of the Central Sales Tax; and
- (c) Valuation of consignment transfers should be on the pattern adopted in respect of the levy of Central Excise Duty.

Since then, however, no follow up legislation has come forth from the Government of India to levy tax on inter-state Consignments. It has, however, been made to understand that the Bill to be introduced in this respect is under active consideration of Government of India. It is felt that non-levy of consignment tax is resulting in diversion of trade on account of cut-throat competition among the States is varying with each other to reduce the rate of tax. It, therefore, seems desirable to suggest that Government of India should take immediate steps for introducing this levy expeditiously because this taxation besides, removing aforesaid problems faced in Delhi is also bound to benefit the State Governments in mobilising their resources. In fact, un-ethically low rates of tax on high value commodities including most of luxury goods, fixed by certain States and Union Territories goes to hit the resources mobilisation at the National level as the gain of States or Union Territories are no-where near the revenue losses sustained by the manufacturing States.

MINUTES OF THE 6TH MEETING OF THE PLANNING
COMMITTEE HELD AT 10.00 AM ON TUESDAY THE
10TH JUNE, 1986.

A list of members and other officials who participated in the meeting is annexed.

2. The Chairman welcomed the new member Shri P.B. Mathur who has succeeded Shri R. Ramakrishna, Secretary, LSG and HUD in Rajasthan. He also introduced Shri T. Geroge Joseph, Commissioner Sales Tax, UP, Shri K.S. Yadav, Addl. Excise and Taxation Commissioner, Haryana and Shri V.N. Bhargava, Sales Tax Officer, Delhi, who have been specially invited to attend this meeting.

3. Shri B.N. Singh who has joined the Board as Chief Regional Planner was also introduced. The agenda items were taken up for discussion.

AGENDA ITEM NO.1

Cooption of Shri B.N. Singh as a member of the Committee.

The Committee approved the proposal to Coopt Shri B.N. Singh as a member and also Convenor of the Planning Committee.

AGENDA ITEM NO.2

Confirmation of the Minutes of the 5th meeting of the Planning Committee held on 21st May, 1986.

The comments of the members were invited. Shri J.C. Chopra pointed out that the views of the Haryana Government regarding disincentive approach for Delhi Metropolitan Area which were conveyed in the State Govt's letter (Director of Industries) have not been reflected in the minutes relating to policy regarding economic activities and locational policies for industries. The particular para in the minutes were read out. It was clarified by Chairman that the minutes only reflected the discussions at the meeting and that the view points of Haryana Government had been adequately covered in the minutes. The other members also agreed with the Chairman. It was decided that the minutes needed no modification and that they be taken as confirmed.

AGENDA ITEM NO. 3

Discussion of the summary of policies suggested for adoption in the interim plan for development of National Capital Region.

The Chairman pointed out that the policies had already been discussed at the last meeting and based on the views expressed at the meeting which are contained in the minutes of the meeting, the summary of policies have been revised wherever necessary and a copy of this had been circulated to the members for reference and record.

2. Shri Rastogi referred to policy TP-1 regarding development of stretches of NI 24 (Delhi-Ghaziabad) and referred to the minutes of the meeting which mentioned that the NI 24 will be developed as NI upto Hapur whereas the policy includes the suggestion only upto to Ghaziabad. There were discussion whether this point should be re-opened and discussed again. Shri A.P. Singh was of the view that since Hapur will be one of the identified towns for priority development in Uttar Pradesh the proposals to develop the NI 24 to NI standard upto Hapur, should stand the policy TP-1 should be modified to that effect. The Chairman pointed out since all other proposals cover the peripheral towns, this should be extended upto Hapur. This accepted by all the members. The members approved the summary of policies as amended on the basis of the discussion at the last meeting.

AGENDA ITEM NO. 4

Nationalisation of sales tax in the National Capital Region.

Shri Yadav presented the paper prepared by the Haryana Government regarding fiscal incentives and disincentives that can be brought into being in the context of locational policies of wholesale and distributive trade and commerce. He mentioned that fiscal policies in regard to economic activities within the region should ensure fiscal disincentives within Delhi. He pointed out that there are large areas which are conspicuous by the differentials and disparities. Differentials are more marked in respect of rate structure of two States which leads to diversion of trade resulting in loss of revenue to one State and also distortion of its pattern of trade and commerce. He narrated that in Delhi foodgrains and pulses

are exempted from levy of taxes, whereas in Haryana and other neighbouring States these attract taxation at 4%. Similarly, Kerosene, matches and hand made paper etc. are taxable at rates varying from 3% to 5% at Delhi whereas it is 7% or 8% in neighbouring States. He was of the view that these disparities were responsible for diversion of trade from neighbouring States to Delhi resulting in concentration of trade and congestion in Delhi. He strongly felt that mere restoration of uniformity of rate structure might not achieve the desired result but the rate in Delhi has to be fixed at a level high enough to demotivate the concentration of trade and commerce in Delhi. He also suggested that in order to achieve the objective of shifting trade from Delhi, concessional rate of 2% taxes on goods which are re-exported from Delhi should be raised to 4% as is prevalent in the Neighbouring States. He was also of the view that low rate of taxation, the concessions offered by Union territory of Delhi to industries and other better facilities offered by Delhi are responsible for economic activities like trade and commerce shifting from neighbouring States and concerning in Delhi.

2. The Chairman clarified that the NCR objective is not to ban any activity of trade or commerce in Delhi; the intention is to ensure only those activities are allowed in Delhi which serve the consumer needs of Delhi. If a particular item is traded in Delhi and 80% is consumed in Delhi then there should be no objection to the location of that activity in Delhi; only in cases where only 20% of the goods are consumed in Delhi such activity should be shifted from Delhi. Therefore, he desired that selective approach should be adopted and measures to achieve the objective have to be suggested. He also mentioned that because of the huge difference in taxation rate, some units manufactured certain goods outside Delhi and without even physically shifting them to Delhi the goods are shown as being sold at Delhi. The Chairman pointed out that generally there was no barrier between States in regard to movement of goods and that incentives should be provided for the trade to go out of Delhi and a package of measures have to be suggested to achieve these objectives.

3. Shri Joseph presented a paper prepared by U.P. Government. He mentioned the difference in rate of taxes was peculiar in the case of

food grains; while in U.P. and Haryana, the rate charged is 4% sales tax, food grains are exempted from taxation in Delhi; though Delhi is not a producing State (but only a consuming State) it has become a big trade Centre in Northern India. Distributive activity in the National Capital is an additional burden on the already congested traffic system. In this connection, he also referred to the taxation rates in regard to the readymade garments in Delhi and the neighbouring States. He pointed out that Delhi being a U.T., it was possible for it to draw its resources from the consolidated fund of India and there was no burden on the UT to depend on collection of taxation revenue and, therefore, Delhi could offer a lower rate of taxes. This was not the case in respect of the neighbouring States. Shri A.P. Singh stated that though this point has been discussed in the past at various forums, nothing could be achieved because the laws were not being implemented effectively, and that NCR objective would not work unless some disincentives are suggested or atleast incentives in Delhi are removed. Another view was expressed that the low rate of taxation in Delhi encouraged smuggling activities in the neighbouring States. Shri Joseph reiterated that the difference in the rates have resulted in a lot of trade in Delhi which should have normally taken place in U.P. He gave an example of electrical instruments/equipments. He pointed out that people even from far away places like Kerala preferred to buy electrical goods from Delhi. He also stated that Delhi was not free from evasion of taxes and suggested that Delhi should change this pattern. In this connection he referred to a study made by NIPFP which revealed the extent of evasion of taxes in Delhi. He emphasized the need for avoiding un-necessary commercial activity in Delhi and suggested that the system of taxation should be changed and the strict enforcement of taxation should be achieved.

4. Shri Bhargava, did not agree with the views expressed by the representatives of both Haryana and U.P. He pointed out that Delhi has been a traditional trade centre and it had a historical background; Delhi is a big consuming centre and that whatever goods come to Delhi, are consumed in Delhi and that a very few items are sent outside Delhi. He also pointed out that there were 3 or 4 lakhs of floating population in Delhi who carry goods outside Delhi which did not mean evasion of tax. He stated

that 42 items are taxed on first point. He also pointed out that with the introduction of taxation at first point on various item in Delhi, Delhi had witnessed a lot of agitation and hartals in the trade centres.

5. While agreeing with the view points expressed by Harayana, UP and Delhi Taxation authorities, Shri Pardeep stated that the problems of industry should not be mixed up with trade and commerce. The aim is to bring ways and means to contain the growth of population in Delhi. He was of the view that the natural growth could not be contained and for the sake of avoiding a few lakhs of population migrating to Delhi, the existing population in Delhi should not be punished by suggesting higher rate of taxation. He felt that it was necessary to examine item by item keeping in view the manufacturing point and the consuming points and to take a conscious decision in regard to each item. He referred to the Chief Ministers' Conference and suggested that their recommendations should be awaited in this regard. He also added that a matter of policy it has already been decided the location of medium and large scale industry should be discouraged in Delhi. It has to be examined as to what are the measures by which this could be achieved and if more industry or trade or commerce is to be encouraged in areas outside Delhi the concerned State Government should consider a lower level of taxation, and also offer incentives. He suggested that manufacturing industry in Delhi should be discouraged and godown facilities and transportation facilities should be improved in areas outside Delhi so that such activities do not take place in Delhi. There was reference to lower taxation not only in Delhi but also in other UTs like Pondicherry, Goa, Daman & Diu, etc., which resulted in loss of revenue to neighbouring States (Tamil Nadu, Maharashtra, Karnataka, etc.).

6. Summing up the discussion on this item, Chairman pointed out that from the NCR point of view only broad objectives could be laid down in general terms and it will not be possible for the NCR Board to recommend the exact details at present. Keeping the discussions in view, it was decided that to overcome the existing disparities in the tax structure, (1) Delhi UT should have a minimum floor level of taxation in order to achieve uniformity, to some extent, in Tax structure in the region. (2) In order to save diversion of trade from the neighbouring States to Delhi, the present

rate of taxation of 2% in Delhi levied on re-export of goods should be raised to 4% as is being levied in the neighbouring States. (3) It is felt that non-levy of consignment tax is resulting in diversion of trade from other States to Delhi. It is, therefore, considered necessary that the Govt. of India should take immediate steps as follow up action with regard to the 46th constitution Amendment Act, 1982, as per the recommendations of Conference of the group of Chief Ministers.

7. The tax structure of the UT of Delhi should be so adjusted that the tax on industrial raw materials and industrial machinery should be slightly higher than that in the rest of the region.

AGENDA ITEM NO.5
HUDCO GUIDELINES ON FINANCING OF
INFRASTRUCTUREAL SCHEMES.

Shri Mulkaraj explained in detail the schemes that could be financed by HUDCO in the National Capital Region and pointed out that a sum of Rs. 25 crores had been earmarked for this purpose during 1986-87. Some members pointed out that as there was delay in getting returns on infrastructural projects, HUDCO should consider a longer repayment schedule for such loans. After detailed discussion it was decided that Shri B.N. Singh and the Chief Town Planners of the Participating States will discuss the matter in detail with the HUDCO and select one town each (preferably the identified priority town) in the States of Haryana, UP and Rajasthan and explore the possibility of HUDCO financing certain schemes in these towns which would fit in the NCR scheme. On the basis of the discussions, HUDCO would prepare a project report for financing the scheme in one of the selected towns in each State.

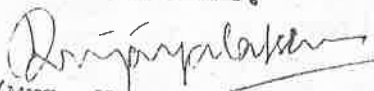
The meeting ended with a vote of thanks to the chair.

No.K-14011/27/86-NCRPB
NATIONAL CAPITAL REGION
PLANNING BOARD

....
C Wing, Nirman Bhavan
New Delhi-110011

New Delhi, dated 20th June, 1986.

Copy forwarded for information and appropriate action to all the Members of the Planning Committee.


(Mrs. V.R. Sundram)
Deputy Director

ANNEXURE

MEETING OF THE PLANNING COMMITTEE OF THE NATIONAL CAPITAL REGION
PLANNING BOARD HELD AT 10.00 AM ON TUESDAY THE 10TH JUNE 1986 IN
COMMITTEE ROOM 'E', VIGYAN BHAVAN, NEW DELHI.

PRESENT

1. Shri M. Shankar, Member Secretary, NCR Planning Board.
- CHAIRMAN.

MINISTRY OF URBAN DEVELOPMENT

2. Shri R.L. Pradeep, Joint Secretary (U).
GOVERNMENT OF HARYANA

3. Shri J.C. Chopra, Chief Town Planner.

4. Shri B.D. Gulati, Chief Coordinator (NCR), Gurgaon.

5. Shri K.S. Yadav, Addl. Excise & Taxation Commissioner.

6. Shri Yudhavir Singh, Dy. Excise & Taxation Commissioner,
Faridabad (E).

GOVERNMENT OF RAJASTHAN

7. Shri H.S. Mathur, Chief Town Planner.

8. Shri P.B. Mathur, Secretary, UDH & DLB Department.

GOVERNMENT OF UTTAR PRADESH

9. Shri A.P. Singh, Secretary, H & UD Department.

10. Shri N.S. Johri, Chief Town Planner.

11. Shri T. George Joseph, Commissioner (Sales Tax).

12. Shri Ram Sharan, Dy. Commissioner (Sales Tax).

PLANNING COMMISSION

13. Shri V.A. Valiamparampil, Joint Adviser.

DELHI UNION TERRITORY

14. Shri V.N. Bharghav, Sales Tax Officer (L & T).

15. Shri R.D. Gupta, Joint Director of Industries.

16. Shri J.K. Varshneya, Engineer Member, Delhi Development
Authority.

17. Shri Mulkh Raj, Chief, Housing and Urban Development
Corporation.

18. Shri B. Bahl, Chief, Housing and Urban Development Corpor-
ation.

19. Shri J. Premnath Singh, TCPO.

20. Shri S.P. Mital, Addl. Director General (TP-IV), Department of
Telecommunications.

NATIONAL CAPITAL REGION PLANNING BOARD

21. Shri B.N. Singh, Chief Regional Planner.

22. Shri T.K. Chatterjee, Regional Planner.

23. Shri R.K. Rastogi, Associate Planner.

24. Shri V.K. Thakore, Senior Research Officer.

25. Shri K.L. Sachar, Finance & Accounts Officer.

26. Smt. V.R. Sundaram, Deputy Director.