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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Date of decision: 26th February, 2026

+ W.P.(C) 7069/2015

SHAHDARA CHOTTA BAZAR VYAPAR SANGTHAN (REGD.)
& ORS.Petitioners

Through: Mr. Ravish Kumar Goyal, Mr. Aashray Singh, Mr. Vinit Kumar, Mr. Muneeb Ahmed and Mr. Nayan, Advocates.

versus

EAST DELHI MUNICIPAL CORPORATION & ANR.

.....Respondents

Through: Mr. Vikas Chopra, standing counsel for MCD with Mr. Neeraj Kumar and Ms. Khushi, Advocates for R-1/MCD. MR. Sanjay Katyal, standing counsel for DDA with Ms. Chand Chopra, Mr. Piyush Vyas and Mr. Nitish Kumar Danda, Advocates for R-2/DDA.

CORAM:

HON'BLE MR. JUSTICE AMIT BANSAL

AMIT BANSAL, J. (Oral)

1. The present writ petition has been filed seeking a declaration that 'Chotta Bazar', 'Bara Bazar', 'Anaj Mandi', 'Farsh Bazar' (hereinafter 'Bazars'), part of Shahdara town, fall within the commercial category in Master Plan for Delhi, 1962 (hereinafter 'MPD, 1962') and hence, the shop owners therein are not liable to pay conversion charges.
2. The brief facts necessary for deciding the present petition are as



follows:

2.1. The petitioners carry on commercial activities from shops located in *Bazars*, which form part of Shahdara Town, Delhi. The petitioner no.1 is the association of the traders who operate in '*Chotta Bazar*', Shahdara, whereas the petitioners no.2 and 3 are individual shopkeepers in '*Bara Bazar*', Shahdara.

2.2. The shops in the *Bazars* are being run much prior to 1962 for complete commercial use. However, before 1962 there was no master plan for Delhi, therefore, there was no use (commercial/residential) prescribed by the respondents for different areas in Delhi.

2.3. In 1962, the respondent no.2/Delhi Development Authority (DDA) made the MPD 1962. As per the MPD, 1962, under Chapter II – Zoning Regulations, at Serial No. IV (Commercial and Retail), a list of “already built-up commercial areas” was provided. At serial number 19 of the said list, “Shahdara Town” is expressly included.

2.4. The respondent no.1/MCD issued notices dated 5th November 2014 and 10th November 2014 to the petitioners no.2 and 3 respectively, demanding conversion charges for their respective shops on the premise that the premises were being used for commercial purposes.

2.5. The demand of conversion charges by the respondent no.1/MCD from the traders of the said *Bazars*, was duly objected by the petitioners as being unlawful and unjustified, as conversion charges can only be demanded from the premises that are put to a different use than prescribed by the Master Plan. However, the same was rejected by the respondent no.1/MCD.

2.6. Aggrieved by the aforesaid, the petitioners filed the present writ petition.



3. Earlier, the present writ petition was disposed of *vide* order dated 20th July 2016 with directions to the petitioners to approach the respondent no.1 individually and plead their case before the concerned respondents along with their requisite documents.

4. Subsequently, the petitioners filed an application, being C.M. 43040/2016, for recall of the aforesaid order. The said application was disposed of *vide* order dated 21st November, 2016 on the basis of the interpretation of para 5.1 of the MPD, 1962 as has been advocated by the respondents. The operative part of the said judgment is set out below:

“The submission of the learned counsel for petitioners on this score is that the documentary proof has to be sought for from a party only if the first two contingencies i.e. if it is not established that the shop/residential area was not commercial prior to 1962; that it was not in a residential area, only if these two categories are not met with; the third contingency shall be resorted to i.e. the asking of documentary proof from a party.

This Court is wholly in disagreement with this submission of the learned counsel for the petitioner. Clause 5.1 has to be read as a wholesome clause. The wholesome and holistic reading of this clause clearly establishes that the documentary proof is required even if the shop/commercial establishment was shown as a commercial area in MPD 1962; this is also to establish that the shop in question was in fact a commercial user. This application seeking a recall of the order dated 20.07.2016 is without merit. It is dismissed with costs quantified at Rs.5000/-.”

5. The aforesaid order was challenged by the petitioners by way of an LPA, being LPA 287/2017, which was allowed by the Division Bench on 29th August 2017. The impugned order dated 21st November, 2016 was set aside and the matter was remanded back. The relevant paragraphs from the order passed by the Division Bench are set out below:

“6. This Court is of the opinion that having regard to the possible conflicting interpretation on the plain meaning of clause- 5.1 of MPD- 2021, the learned



Single Judge should re-examine the matter in the light of the parties' contentions on this aspect, having regard to the rival position indicated in the affidavits and inter se responses of the EDMC and DDA.

7. In these circumstances, the impugned orders are hereby set aside. The matter is remitted for further consideration and decision on merits by learned Single Judge. The parties shall appear before the learned Single Judge on 12th September, 2017. The Interim order made on 16th May, 2017 shall hereby continue and bind the parties till the date of disposal of the writ petition. All rights and contentions of the parties are reserved."

6. It is the case of the petitioners that the area from where the petitioners operate is covered under the MPD, 1962 (Sr. no.19), providing for the list of already built-up commercial areas and hence the petitioners are not liable to pay conversion charges. He further submits that in terms of clause 5.1 of the MPD-2021, commercial use has been permitted in MPD-1962. Therefore, no conversion charges would be payable.

7. Attention of the Court has also been drawn to the DDA (Fixation of Charges for Mixed Use and Commercial Use of Premises) Regulations, 2006, wherein it is specifically provided that conversion charges would be payable only in respect of residential premises which are being used for non-residential activities.

8. The respondent no.2/DDA, in its counter affidavit, has admitted that the area of *Bazars* is part of the Shahdara Town and the same is listed in the MPD-1962 as an already built-up commercial area.

9. Counsel appearing on behalf of the respondent no.1/MCD and respondent no.2/DDA submit that the petitioner is misreading para 5.1 of MPD-2021. It is submitted that *de hors* the fact that the petitioners are operating from an area where commercial use was allowed in terms of MPD-1962, the petitioners would have to produce documentary proof to show that



they were doing commercial use prior to 1962.

10. I have heard the counsel for the parties.

11. In essence, the dispute revolves around the interpretation of para 5.1 of MPD-2021. For the sake of convenience, the same is set out below:

"5.1 PRE 1962/MPD-1962 COMMERCIAL AREAS

Residential areas and streets/stretches earlier declared as commercial areas/streets or where commercial use was allowed in MPD-1962 shall continue such use at least to the extent as permissible in MPD-1962. Commercial activity existing from prior to 1962 in residential areas are also permitted subject to documentary proof thereof."

12. On behalf of the petitioners, it is contended that there are three separate and disjunctive categories of commercial use which are permitted in terms of the said clause, namely:

- i. residential areas and streets that were declared as commercial areas/streets in MPD-1962.
- ii. residential areas and streets where commercial use was allowed in MPD 1962.
- iii. where commercial activity was existing prior to 1962 in which case the petitioners are required to produce documentary proof thereof.

13. *Per contra*, on behalf of the respondents, it is submitted that the aforesaid clause has to be read as a whole and even if the petitioners were declared as commercial areas or where the commercial use was permitted in the MPD-1962, the petitioners would have to produce documentary proof of commercial use prior to 1962.

14. It is an undisputed position that in terms of MPD-1962, 'Shahdara Town' is in the list of already built-up commercial areas at serial number 19. In this regard, reference may be made to paragraphs 4 and 5 of the counter



affidavit filed by the respondent no.2/DDA which are set out below:

“4. It is submitted that as per the available record the area of Chotta bazaar, Bada Bazaar, Anaj Mandi, Farsh Bazaar is part of the Shahdara area. As per serial no.19 of master plan of Delhi (MPD) 1962, Shahdara Town is listed as already build-up commercial area.

5. It is submitted that as per the provision at para-5. 1 of the MPD-202 1 the residential areas and streets/ stretches earlier declared as commercial areas/streets or where commercial use was allowed in MPD-1962 shall continue such use at least to the extent as permissible in MPD-1962. Commercial activity existing from prior to 1962 in residential areas is also permitted subject to documentary proof thereof”

15. Another Coordinate Bench of this court *vide* judgment dated 14th August, 2015 in W.P.(C) 7737/2015 titled ***Delhi Yarn Merchants Association v. North Delhi Municipal Corporation*** had taken a view that para 5.1 of MPD, 2021 provides for three categories of residential areas/streets where commercial use is permissible. The relevant extracts from the said judgment are set out below:

*“10. From page 43 of the paper book, being the extract of MPD-1962, it is not clear whether the subject area was declared as commercial or commercial use was allowed therein in MPD-1962, within the meaning of Clause 5.1 of MPD-2021. **It prima facie appears that Clause 5.1 provides for three categories of residential areas / streets firstly, residential areas /streets / stretches “earlier” declared as commercial, secondly, residential areas / streets / stretches where commercial activity was allowed in MPD-1962, which are permitted to continue without showing any documents and thirdly residential areas, which were neither declared commercial nor was commercial activity permitted therein in MPD-1962 but where commercial activity was nevertheless carried on from prior to 1962.** It is further prima facie appears that the MPD-2021 permits commercial activity to continue in the first two categories of residential areas but with respect to the third category permits commercial activity to continue only on documentary proof of commercial activity continuing since prior to 1962 being furnished.*



11. It follows, that if the subject area was declared commercial at any time or if commercial activity was permitted therein in MPD-1962, then commercial activity can be continued therein without paying any charges as claimed by respondent NrDMC. However if not, then, unless commercial use since prior to 1962 is established on basis of documents, to continue commercial activity, commercialisation charges will have to be paid.”

16. I am in complete agreement with the aforesaid interpretation of para 5.1 of the MPD, 2021. In my considered view, the three categories mentioned in para 5.1 are separate and disjunctive and cannot be read in a holistic manner as contended by the respondents. Documents evidencing prior use are required to be furnished only in respect of the third category, where the areas/streets have not been declared as commercial or where commercial activity was not allowed in the MPD 1962. Once the area/street has been declared ‘commercial’ or where the commercial activity was allowed in MPD, 1962, there cannot be any further requirement for a party to furnish documents to show commercial use prior to 1962.

17. This interpretation also finds favour from the DDA Regulations, 2006. Regulation 3 of the DDA Regulations, 2006 is set out below:

¹[3. Application

✓ These Regulations shall apply to residential premises being used for non-residential activity in accordance with the Mixed Use Regulations contained in the Master Plan of Delhi, with the perspective for the year 2021.]

18. It is clear from a reading of the aforesaid Regulation that conversion charges can only be demanded where residential premises are being used for non-residential activity in accordance with mixed-use regulations contained in the Master Plan of Delhi. In the present case, as is evident from MPD-1962, the area in question has been declared to be a commercial area and therefore, would not fall within the ambit of mixed use.



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19. In light of the aforesaid interpretation of para 5.1 of MPD, 2021, the present writ petition has to be allowed.

20. Accordingly, the respondents cannot demand any conversion charges from persons doing commercial activity in the '*Chotta Bazar*', '*Bara Bazar*', '*Anaj Mandi*', '*Farsh Bazar*', which are a part of Shahdara Town, in terms of MPD-1962. Hence, the demand for conversion charges raised by the respondent no.1/MCD on any of the shops which are part of the aforesaid *Bazars* is hereby quashed.

AMIT BANSAL, J

FEBRUARY 26, 2026

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