

**CHAPTER–V (4)**  
**Allotment of Sports City**  
**and Recreational Entertainment Park**



## CHAPTER-V

### Allotment of Properties

#### V(4) Allotment of Sports City and Recreational Entertainment Park

##### Introduction

**5.4.1** GNIDA decided (February 2011) to develop Sports City as an integrated mini township with all modern and world class sports and other related facilities by adopting development plan similar to that of NOIDA. It was envisaged that the Sports City would provide a strong and clearly identifiable image to Greater Noida and where large sports events would catalyse other activities such as tourism, community meetings, exhibitions, conventions and festivals.

GNIDA, in its Master Plan 2021 (MP-2021), made provision of 2,016 hectare for Recreational Green. In the Recreational Green area, 24 types of activities were permitted including development of amusement and entertainment park, sports complex/centre and Sports City. The allotment of the plots for Sports City and Recreational Entertainment Park (REP) were to be made through bidding.

Commercial Division of GNIDA deals with allotment of plots for Sports City and REP, and follows-up the post allotment compliances. Planning Division of GNIDA is responsible for monitoring the development of Sports City and REP and their completion.

##### Status of allotments of Sports City and REP plots

**5.4.2** GNIDA had allotted four plots for Sports City and REP as detailed in **Table 5.4.1**.

**Table 5.4.1: Allotments under the schemes of Sports City and REP**

| Particulars  | Plots of Sports City                           |                                | Plots of Recreational Entertainment Park |   |
|--|--|--------------------------------|--|---|
|  | Sports City-01,<br>Sector Techzone IV          | Sports City-02,<br>Sector-27   | REP-01,<br>Sector-27                     | REP-02,<br>Sector-27                          |
| <b>Scheme Code</b>                                 | SC-01/<br>2010-11                              | SC-02/<br>2014-15              | REP-01/<br>2014-15                       | REP-01/<br>2014-15                            |
| <b>Scheme Duration</b>                             | 1 March 2011 to<br>23 March 2011               | 10 June 2014 to<br>1 July 2014 | 10 June 2014 to<br>1 July 2014           | 10 June 2014 to<br>1 July 2014                |
| <b>Date of allotment</b>                           | 30 March 2011                                  | 21 July 2014                   | 17 July 2014                             | 17 July 2014                                  |
| <b>Proposed area for allotment (sqm)/(acre)</b>    | 5,26,540<br>(130.11)                           | 7,08,500<br>(175.08)           | 4,04,700<br>(100.00)                     | 5,26,110<br>(130.00)                          |
| <b>Actual leased (allotted) area (sqm)</b>         | 5,26,512<br>(130.10)                           | 7,02,544<br>(173.60)           | 4,03,575<br>(99.73)                      | 4,65,635<br>(115.06)                          |
| <b>Reserve Price per sqm</b>                       | ₹ 6,400.00                                     | ₹ 12,690.00                    | ₹ 7,725.00                               | ₹ 7,725.00                                    |
| <b>Allotment Rate per sqm</b>                      | ₹ 6,715.00                                     | ₹ 12,852.00                    | ₹ 8,100.00                               | ₹ 8,200.00                                    |
| <b>Total premium of allotted area (₹ in crore)</b> | ₹ 353.55 crore                                 | ₹ 902.91 crore                 | ₹ 326.90 crore                           | ₹ 381.82 crore                                |
| <b>Lead Member in Allottee Consortium</b>          | MMR Construction<br>Company Private<br>Limited | Supertech<br>Limited           | RBA Buildtech<br>Private<br>Limited      | Ultra Home<br>Construction<br>Private Limited |
| <b>Land uses (percentage)</b>                      |  |                                |  |   |
| <b>Recreational and sports</b>                     | Not less than<br>70 per cent                   | Not less than<br>70 per cent   | Not less than<br>75 per cent             | Not less than<br>75 per cent                  |
| <b>Residential/Group Housing</b>                   | 28 per cent                                    | 28 per cent                    | 25 per cent                              | 25 per cent                                   |
| <b>Commercial</b>                                  | Not more than<br>2 per cent                    | Not more than<br>2 per cent    |  |   |

| Particulars  | Plots of Sports City  |   | Plots of Recreational Entertainment Park  |   |
|--|---|---|---|---|
|  | Sports City-01, Sector Techzone IV  | Sports City-02, Sector-27   | REP-01, Sector-27   | REP-02, Sector-27   |
| Obligation of the developer allottee for development of sports, institutional and other facilities | Golf Course (9 Holes), Multi-purpose playfield, Tennis Centre, Swimming Centre, Indoor multipurpose Sports Hall, Cricket Academy. | Golf Course (9 Holes), Multi-purpose playfield, Tennis Centre, Swimming Centre, Indoor multipurpose Sports Hall, Cricket Academy. | Golf Course, Multi-purpose playfield, Tennis Centre, Swimming Centre, Amusement Park, Sports Complex, Specialised Park/Theme Park, Gardens and Zoo. | Golf Course, Multi-purpose playfield, Tennis Centre, Swimming Centre, Amusement Park, Sports Complex, Specialised Park/Theme Park, Gardens and Zoo. |

*Source: Information provided by GNIDA.*

Thus, GNIDA allotted two plots under Sports City and two plots under REP schemes, with aggregate leased area of 20,98,266 sqm., to four different consortiums of companies. These plots were further sub-divided into 20 plots by consortium allottees with independent liability of the respective allottees for payment of premium and lease rent for each sub-divided plot in proportion to its size.

As on April 2021, total overdue against the land premium (principal), lease rent and interest was ₹ 2,329.42 crore against 19 allottees (95 per cent) out of 20 allotments (including sub-divided plots) under Sports City and REP schemes made during March 2011 to July 2014, as detailed in **Table 5.4.2**.

**Table 5.4.2: Overdue against allottees of Sports City and REP plots as on April 2021**

| Name of Scheme | Total number of sub-divided plots | Number of defaulting allottees | Overdue against defaulting allottees up to April 2021 (₹ in crore) |                       |                               |                |
|----------------|-----------------------------------|--------------------------------|--|-----------------------|-------------------------------|----------------|
|                |                                   |                                | Principal amount   | Interest on principal | Lease rent including interest | Total          |
| Sports City-01 | 13                                | 12                             | 149.64   | 235.87                | 12.65                         | 398.16         |
| Sports City-02 | 4                                 | 4                              | 494.96   | 817.40                | 81.93                         | 1394.29        |
| REP-01         | 3                                 | 3                              | 213.55   | 282.54                | 40.88                         | 536.97         |
| <b>Total</b>   | <b>20</b>                         | <b>19</b>                      | <b>858.15</b>  | <b>1335.81</b>        | <b>135.46</b>                 | <b>2329.42</b> |

*Source: Information furnished by GNIDA.*

The age-wise analysis of above overdue is detailed in **Table 5.4.3**.

**Table 5.4.3: Age-wise analysis of overdue as of April 2021**

| Period of overdue   | No. of defaulting allottees | Overdue against defaulting allottees up to April 2021 (₹ in crore) |
|---------------------|-----------------------------|--|
| Above 10 years      | 0                           | 0  |
| Five to 10 years    | 2                           | 703.28   |
| Three to five years | 6                           | 277.97   |
| Below three years   | 11                          | 1348.17  |
| <b>Total</b>        | <b>19</b>                   | <b>2329.42</b>   |



It may be seen from the above table that an amount of ₹ 981.25 crore was overdue from eight allottees for more than three years, however, GNIDA did not cancel the plots of defaulting allottees in accordance with the terms and conditions<sup>1</sup> of the allotment, except in five cases, viz., Aura Buildwell Private Limited (cancelled in November 2019), Seikom Infracom Private Limited (cancelled in November 2019), Amtek Buildtech India Private Limited (cancelled in July 2022), Mistique Construction Private Limited (cancelled in January 2023), Pine Propbuild Private Limited (cancelled in January 2023).

#### **Audit Coverage**

**5.4.3** Audit analysed the Sports City and REP schemes brought out by GNIDA and allotments made thereunder. Out of 20 sub-divided plots, 17 sub-divided plots (10 plots of Sports City-01, four plots of Sports City-02 and three plots of REP of aggregate area of 20,63,266 sqm), i.e., 85 per cent were selected on the basis of stratified random sampling for detailed examination in Performance Audit.

Audit examined the allotment files of all the sampled 17 sub-divided plots, besides conducting a joint physical verification with the Management of GNIDA of one sub-divided plot<sup>2</sup> of the sites.

However, the compliances required on the part of the Planning Division could not be examined in the Performance Audit, since Planning Division did not provide files relating to building completion and map approvals in case of any of the sampled Sports City/REP plots.

#### **Audit findings**

Audit findings are grouped as under:

- Deficiencies in planning and formulation of scheme (*Paragraphs 5.4.4 to 5.4.4.6*);
- Flaws in conditions for allotment of land to consortiums (*Paragraphs 5.4.5 to 5.4.5.5*);
- Brochure's terms and conditions not complied with (*Paragraphs 5.4.6 to 5.4.6.4*);
- Site planning and layout related deficiencies (*Paragraphs 5.4.7 to 5.4.7.2*); and,
- Envisaged vs. actual status of development of Sports City and REP (*Paragraphs 5.4.8 to 5.4.8.6*).

#### **Deficiencies in planning and formulation of scheme**

**5.4.4** GNIDA has the primary mandate for the development of an industrial township. Although development of sports facilities is not included in any of the functions mandated to GNIDA under the UPIAD Act, 1976, nonetheless the Board of GNIDA envisioned the concept of Sports City in February 2011

<sup>1</sup> Allotments were liable to be cancelled in case of default on the part of the tender/allottee/sub-lessee(s) or any breach/violation of the terms and conditions of the tender, allotment, lease and/or non-deposit of the allotment amount, installments or any other dues.

<sup>2</sup> Plot number SC-01 under Sports City-01 scheme.

and allotments of plots under the Sports City scheme were made in March 2011 and April 2014.

The deficiencies noticed in planning and scheme formulation are discussed in the succeeding paragraphs.

***Scheme launched without approvals***

**5.4.4.1** GoUP issued (September 1997) order to NOIDA and GNIDA that as these Authorities were working in the ambit of the NCR, the regulations applicable to the NCR are also applicable on the Authorities and therefore, land use may not be changed without prior approval of the Government. If any change in the zoning regulation is required, the same may be done only with the prior approval of NCRPB.

**In violation of the order of GoUP, GNIDA launched Sports City (SC-01) for a new land use in the area earmarked for Recreational Green without obtaining prior approval either from GoUP or from NCRPB.**

Paragraph 17.5.1 of the Regional Plan (RP) 2021 provides a separate land use for recreational purposes within the urbanisable area along with separate categories for Residential and Commercial uses. GNIDA had initially incorporated a land use category of Recreational Green in MP-2021. Later on, it incorporated (February 2011) a provision in MP-2021 for development of Sports City under the Recreational Green land use. Sports City was a new land use category allowing integration of Residential and Commercial land uses with the existing land use of Recreational Green. The scheme of Sports City required land use changes as it involved a mixed land use of recreational, residential and commercial categories, but GNIDA launched the first scheme of Sports City (SC-01) and allotted Sports City plot to a consortium in March 2011, without obtaining any approval either from GoUP or from NCRPB.

Audit noticed that in April 2011, subsequent to its launch, GNIDA sought approval from GoUP for change in land use to incorporate Sports City in MP-2021. Accordingly, GoUP notified amendment in GNIDA Building Regulations in May 2011 to incorporate development of Sports City in Recreational Green area of GNIDA. GoUP also forwarded (May 2011) a proposal to the Chief-Coordinator Planner, National Capital Region for inclusion of Sports City in MP-2021 of GNIDA which was approved by NCRPB in August 2012.

Thus, there was no approval, of GoUP and NCRPB in place, when GNIDA launched the Sports City scheme (SC-01) and allotted plot under it in March 2011.

In its reply, GNIDA stated (October 2020) that the scheme of Sports City was launched after its approval (29 March 2011) by Board in its 88<sup>th</sup> meeting.

The reply is factually incorrect as the scheme of Sports City-01 was launched on 1 March 2011 before *ex-post facto* approval of the Board (29 March 2011). Further, the Board had directed in its 88<sup>th</sup> meeting that GNIDA may proceed as per rules. However, without obtaining approval of GoUP for changes in land uses for development of Sports City in Recreational Green area, GNIDA allotted Sports City (SC-01) plot to a consortium, which was irregular.

***Directions of GoUP to compensate Recreational Green not complied with***

**5.4.4.2** GNIDA proposed (April 2011) for a new land use 'Sports City' (122.90 hectare) in the area earmarked for Recreational Green in draft MP 2021. It further proposed to make provision of an equivalent area for

**GNIDA did not compensate for reduction of 86.03 hectare recreational green area due to launch of Sports City, despite GoUP order.**

Recreational Green in other sectors<sup>3</sup> to compensate for reduction in Recreational Green due to permissible residential and commercial uses in 30 *per cent* land of Sports City. However, Department of Town and Country Planning of GoUP observed (April 2011) that the proposal of GNIDA was not rational as Sports City was a new land use whereas GNIDA's proposal provided for only partial compensation (30 *per cent*) for reduction in Recreational Green area. Accordingly, in its approval (May 2011), GoUP directed GNIDA to ensure *cent per cent* compensation for reduction in Recreational Green area in other alternate site(s).

Audit noticed that GNIDA did not comply with these directions of GoUP and compensated for only 30 *per cent* (36.87 hectare) reduction in Recreational Green area. As a result, Recreational Green area provided in MP-2021 was reduced by 86.03 hectare (*i.e.*, 70 *per cent* of area assigned for Sports City).

In reply, GNIDA accepted (October 2020) that Sports City is a different land use in addition to Recreational Green. During the Exit Conference (January 2021), the State Government stated that in case Board of GNIDA was in deviation of the conditions imposed by GoUP, it should have sought approval of GoUP again. State Government further stated that the matter would also be referred to Chief Town and Country Planner, GoUP.

Thus, while GNIDA did not compensate reduction of Recreational Green area by 86.03 hectare, it had not fixed any responsibility for not complying the directives of GoUP.

#### ***Contradictory provisions in Master Plan regarding commercial activity in Sports City***

**5.4.4.3** Paragraph 10.3 of the MP-2021 related to the 'Use zones and use premises designated' did not permit construction of commercial premises in Sports City. However, Paragraph 10.10 of MP 2021 provided for development of key sports facilities and their related recreational and institutional facilities, residential and commercial facilities under Sports City. Thus, there were clear contradictions in the permissible activities under Sports City as indicated in Paragraph 10.3 and Paragraph 10.10 of MP-2021.

Audit noticed that in the terms and conditions of the brochures of the Sports City, not more than two *per cent* land for commercial purpose was permitted with the approval (28 February 2011) of the CEO of GNIDA. The *ex-post facto* approval of scheme brochures by the Board was obtained in its 88<sup>th</sup> meeting held (29 March 2011) and in 99<sup>th</sup> meeting (12 August 2014) for Sports City-01 and Sports City-02 schemes, respectively. Thus, the contradiction of MP-2021 in regard to commercial land use led to violation of permissible land uses as provided in the Paragraph 10.3 of MP-2021.

In its reply, GNIDA stated (October 2020) that Paragraph 10.10 of MP 2021 provides that GNIDA will determine the land use pattern, permissible activities, planning norms and other regulations as required from time to time for development of each of the Sports City.

The fact remains that there were contradictory provisions in MP 2021 regarding commercial use in Sports City and GNIDA has not amended 'Use

---

<sup>3</sup> Sector W 5, Knowledge Park-V and Sector 23.

zones and use premises designated' which forbids commercial activities in Sports City.

***Absence of technical criteria regarding sports infrastructure***

No technical criteria regarding experience of developing sports infrastructure was included in the brochures which resulted in allotment of plots to entities not having necessary experience in sports related infrastructure.

**5.4.4.4** The technical eligibility criteria specified in the brochures of the schemes of Sports City and REP provide that the bidder should have executed real estate development and construction activities of minimum five lakh sqft in aggregate during the last five years. However, GNIDA did not include any condition requiring the bidders to possess prior experience in developing sports related infrastructure and facilities as technical criteria. Further, there was no condition in the bid document for submission of a Detailed Project Report (DPR) for undertaking a project of such magnitude.

As a result, in absence of such critical eligibility conditions in brochures, the bidders having experience in development of real estate only turned up for obtaining allotment and the selected allottees lacked necessary experience in developing required sports related infrastructure. Consequently, the sports facilities planned by allottees did not meet the standards of sports infrastructure envisioned in MP 2021 as discussed in **Paragraph 5.4.8.2**. Not even one Sports City could be completed (April 2021) even after 10 years/six years of allotments of Sports City-01 and Sports City-02 plots.

During the Exit Conference (January 2021), the State Government assured a review the Sports City schemes in the light of Audit observation and issue new guidelines.

***Technical and financial eligibility criteria not commensurate with size of plots***

**5.4.4.5** The technical and financial eligibility criterion fixed by GNIDA for allotment of the plots of Sports City and REP under respective schemes were as depicted in **Table 5.4.4**.

**Table 5.4.4: Eligibility criteria under Sports City and REP schemes**

| Sl. No. | Particulars   | SC-01  | SC-02    | REP-01   | REP-02   |
|---------|---|--|----------|----------|----------|
| 1.      | Plot size (sqm)   | 5,26,540   | 7,08,500 | 4,04,700 | 5,26,110 |
| 2.      | Premium based on Reserve Price (₹ in crore)   | 336.99   | 899.09   | 312.63   | 406.42   |
| 3.      | Technical eligibility (Construction)  | Minimum experience of construction in five lakh sqft |          |          |          |
| 4.      | Minimum Net Worth (₹ in crore)  | 50   | 150      | 100      | 100      |
| 5.      | Minimum Solvency (₹ in crore)   | 7.5  | 10       | 10       | 10       |
| 6.      | Minimum Total Turnover from real estate activities for the last three accounting years (₹ in crore) | 200  | 200      | 200      | 200      |

**Source: Information furnished by GNIDA.**

The financial eligibility criteria in the brochures of Sports City and REP schemes did not vary with the value of plots.

As is evident from **Table 5.4.4**, the technical eligibility criteria required the bidders to have experience of construction of minimum five lakh sqft uniformly irrespective of the plots sizes. The magnitude of the technical experience was fixed and did not vary with the size of plot which varied from 4,04,700 sqm to 5,26,540 sqm. Similarly, in respect of the financial eligibility criteria, the minimum net worth (in case of REP plots), solvency and minimum turnover, by and large were same and did not vary with the value of plots.

In its reply, GNIDA confirmed the facts and accepted (October 2020) the Audit observation.

***Planning of world class infrastructure without any specifications or accreditations***

**No Sports Authority or organisation was consulted to decide specifications of sports infrastructure. Also the brochures of the schemes did not include any technical specifications in respect of proposed sports facilities.**

**5.4.4.6** Though concept of Sports City was conceived in MP-2021 which was to provide world class sports infrastructures, neither the Sports Authority of India nor the respective Sports Administration bodies (like, Board of Control for Cricket in India (BCCI), Table Tennis Federation of India (TTFI), etc.) were consulted by GNIDA for deciding the requirements related to creation of sports infrastructure, or of developing the planned sports facilities, prior to launching the scheme. As a result, the schemes did not lay down any specification for the level of intended sports infrastructure, except mentioning area to be utilised for sports infrastructure in case of SC-01 scheme. In absence of laid down specifications, it was left for the allottees to decide the quality of infrastructure they proposed to provide.

In its reply, GNIDA stated (October 2020) that the schemes were launched by the Commercial Division on the basis of requirements obtained from the Marketing Division of GNIDA. Since BCCI and TTFI are institutions of international level, it is difficult to obtain consultation from them. Therefore, GNIDA develops infrastructure facilities at its own level in consultation with other specialised agencies of the sports sector.

The reply confirms that no consultation was made with any reputed Sports Authority/body to develop the scheme. Further, there was neither any clause in the brochures mandating the developer to consult any specialised agency nor any documents of consultation by GNIDA was found in records furnished to Audit. Thus, in essence, the Sports City scheme was taken up as any other commercial or real estate venture without having any vision or plan to meet minimum requirements of specialised nature.

**Flaws in conditions for allotment of land to consortiums**

**5.4.5** Sports City/REP plots were allotted through bidding to Consortiums of companies. The Brochures for these schemes provided for sub division of plots. It facilitated allotment of plots to individual consortium members, who were not eligible for allotment of Sports City plots on their own. Thus, the Consortium allottees, which were original allottees, did not remain responsible for development of Sports City/REP jointly but it was left to individual sub divided allottees who were making payments directly to GNIDA. Resultantly, not only the purpose of creation of integrated sports facilities was lost but also the outstanding dues of the sub divided plots of Sports City and REP accumulated to ₹ 2,329.42 crore.

The audit findings on the flaw in the terms and conditions of the brochures of the schemes of Sports City and REP and its resultant impact are brought out in the following paragraphs.

***Failure to bind all members of the consortium till completion of the project in violation of brochure condition in Sports City-01***

**5.4.5.1** As per Condition 7 in the Brochure of the Sports City (SC)-01 scheme, in case the tenderers have formed a consortium and plot is allotted to them, the members shall form Special Purpose Company (SPC) for execution of the project. It provides further that the Lead Member and/or Relevant Members



and/or SPCs will have to construct at their own a minimum of 30 *per cent* of the total admissible FAR of the allotted area. The allottee (lessee/sub-lessee for the sub-divided plot) shall be allowed to transfer its shareholding subject to the condition that the Lead Member shall continue to hold at least 30 *per cent* shareholding in the SPCs till the completion of at least one phase of the project. The scheme brochure further provided that the Lead Member and the Relevant Members shall be jointly considered for technical eligibility of the bid, *i.e.*, minimum requirement of net worth, solvency, turnover and experience. The terms and condition of Brochure was approved *ex-post facto* (29 March 2011) by the Board of GNIDA, *i.e.*, after launch of the scheme.

The plot SC-01 was allotted (March 2011) to a consortium, MMR NKG ADVANCE JV, through bidding for development of Sports City-01. The technical and financial eligibility of the consortium members were as detailed in **Table 5.4.5**.

**Table 5.4.5: Technical and financial eligibility of consortium members of Plot SC-01**

| Sl. No. | Name of the consortium members   | Technical Eligibility              |                                   | Financial Eligibility (₹ in crore)              |  |                               |
|---------|--|------------------------------------|-----------------------------------|---|--|-------------------------------|
|         |  | Name of the work                   | Floor area completed (lakh sq ft) | Minimum Net worth as on 31.03.2010 (₹ in crore) | Minimum Turnover for the last three years (₹ in crore) | Minimum Solvency (₹ in crore) |
|         | Eligibility required as per brochure   | construction of 5 lakh square feet |                                   | 50  | 200  | 7.50                          |
| 1.      | MMR Construction Company Private Limited<br>(Lead Member: 80 <i>per cent</i> shareholding)         | Nil                                | Nil                               | 4.78  | 10.35 <sup>4</sup>                                     | 16.00                         |
| 2.      | Advance Construction Company Private Limited<br>(Relevant Member: 10 <i>per cent</i> shareholding) | IT Park, Mumbai                    | 10.00                             | 26.53   | 65.68  | Not submitted                 |
|         |  | Akruti Orchid Park, Pune           | 0.92                              |   |  |                               |
|         |  | Sub-Total                          | 10.92                             |   |  |                               |
| 3.      | NKG Infrastructure Limited<br>(Relevant Member: 10 <i>per cent</i> shareholding)                   | World Bank Project, Mathura        | 26.93                             | 231.21  | 1954.43  | Not submitted                 |
|         |  | Circle PWD, Mathura                | 18.70                             |   |  |                               |
|         |  | Sub-Total                          | 45.63                             |   |  |                               |
| Total   |  |                                    | 56.55                             | 262.52  | 2030.46  | 16.00                         |

**Source: Information provided by GNIDA.**

As can be seen from **Table 5.4.5**, the Lead Member of the consortium (MMR Construction Company Private Limited), having 80 *per cent* share, had meagre financial credentials and no work experience. The Consortium was allotted Sports City plot due to credential of NKG Infrastructure Limited (Relevant Member) whose technical and financial credentials facilitated the allotment even though it had only 10 *per cent* share in the consortium. Audit noticed that the allottee consortium of Sports City-01 subsequently formed 13 Special Purpose Companies<sup>5</sup> (SPCs) for execution of the project by 13 sub-division of the plot. However, NKG Infrastructure Limited was not part of 12 out of 13 SPCs and it exited from the SPC (Euphoria Sports City Private Limited) even before

<sup>4</sup> Since the Company was incorporated on 4 August 2008, the turnover for the year 2008-09 and 2009-10 have been considered in the Table.

<sup>5</sup> Special Purpose Company or SPC means the company to be set up by the Developers for the purposes of implementing the project incorporated under Indian Companies Act, 2013.

**Sports City-01 plot was allotted to a Consortium on the technical and financial credential of NKG Infrastructure Limited (Relevant Member) who exited from the project once the allotment was finalised, leaving the project to companies who by themselves were incapable of qualifying the bids.**

execution of lease deed. Further, in one SPC<sup>6</sup>, MMR Construction Company Private Limited (Lead Member) also left the SPC in 2016-17 prior to the completion of first phase of the project in contravention of the terms and conditions of the brochure.

Thus, the member of Consortium (NKG Infrastructure Limited), whose credentials contributed most in fulfilling the allotment qualification, exited the project once the allotment was finalised leaving the land/project to companies who by themselves were incapable of qualifying the bids. This situation arose due to flawed condition of brochure which did not provide any binding condition on the Consortium members and stipulations regarding tenure, role and responsibility of consortium members were slack. As a result, NKG Infrastructure Limited joined the consortium only for facilitating allotment by lending its credential and thereafter exited the project.

It was noticed that GNIDA could have followed Manual for Commercial Property Management (MCPM), which was applicable for commercial property allotments on bid basis, and provided that in case of a consortium, members of the consortium will have to specify one Lead Member and the technical qualification of only the Lead Member shall be considered for technical eligibility. Further, it was important to have mandatory tenure for lead member for success of the project and to prevent manipulation by individual/parties which were not serious, not capable and entering only for pecuniary gains.

Pertinently, in none of the 13 sub-divided plots completion of the projects was reported (March 2022) despite lapse of five to eight years from the date of lease deed (6 February 2014 to 8 June 2016). Even, first phase completion (15 *per cent* of total area of sports and institutional) as required to be completed within three years from the date of lease deed was not reported to GNIDA.

In its reply, GNIDA stated (October 2020) that Manual approved by the Board of Authority is a guide for execution of works which did not prohibit change in the Manual in view of the necessity. It was further stated that in the 20<sup>th</sup> Board meeting (26 March 1996), full powers were delegated by the Board to CEO in respect of sale of assets of the Authority. MMR Construction Company Private Limited, being the highest bidder, was allotted the plot on the recommendation of the Committee duly approved by CEO. The plot was sub-divided as per terms and conditions of the brochure. It was further stated that the SPC Euphoria Sports City Private Limited consisted of all three members and lease deed was executed in favour of all three members.

The reply is not acceptable, as NKG Infrastructure Private Limited was not in SPC (Euphoria Sports City Private Limited) but replaced by a new member, Rise Projects Private Limited at the time of execution of lease deed (24 May 2016). Further, CEO, who was delegated powers by the Board, did not exercise due diligence in approving the conditions of technical eligibility resulting in the technical eligibility criteria becoming irrelevant since the consortium member whose credential was used by the consortium exited the project after allotment. Hence, the brochure was not only deficient to this extent, it also enabled manipulation by frivolous bidders, compromising both success and transparency of the exercise. The matter needs to be investigated

---

<sup>6</sup> Floral Realcon Private Limited.

from the vigilance angle, as the condition in brochure enabled extending of undue favour to bidders who were not eligible.

During the Exit Conference (January 2021), the State Government accepted the Audit observation and stated that the State Government would require authorities to have a lock-in period incorporated for the members of consortium till completion of projects to ensure their commitment.

**Sub division of plot to ineligible members of the consortium/SPCs in Sports City-02 and REP-01 schemes**

GNIDA sub-divided plots of Sports City-02 and REP-01 in favour of Relevant Members who were not eligible for allotment of Sports City/REP plots on their own credential.

**5.4.5.2** The terms and conditions of Brochures of Sports City-02 (SC-02) and REP-01 schemes, allowed the consortiums to develop the projects by dividing the allotted plots among the Lead Member/Relevant Members/SPCs. In both schemes, GNIDA did not include terms and conditions of Sports City-01 scheme providing for a condition of lock-in for the continuance of lead member with 30 *per cent* share in SPC till completion of at least one phase of the project. Thus, the brochure condition of SC-01 scheme was diluted in case of SC-02 and REP-01 schemes. There was no approval, even *ex-post facto*, of SC-02 and REP-01 brochures by the Board of GNIDA. These brochures were submitted to the Board in 99<sup>th</sup> meeting (12 August 2014) in which Board only perused these scheme brochures without according specific approval. Thus, CEO had exceeded its power by altering terms and conditions from previous scheme brochure (Sports City-01 plot) approved by the Board. Removing the condition of lock-in made the bidding even more opaque and subject to manipulation and encouraged participation of frivolous bidders.

**(i) Sports City-02:** The plot SC-02 measuring 7,08,500 sqm was allotted (July 2014) to the consortium of five members and lease deed was executed for actual area of 7,02,544 sqm. The technical and financial eligibility of the consortium members are given in **Table 5.4.6**.

**Table 5.4.6: Details of Technical and Financial Eligibility of the consortium members of Sports City-02**

| Sl. No.      | Particulars  | Percentage holding in the consortium | Technical Eligibility (construction of built up area in lakh sqft) | Financial Eligibility (₹ in crore) |   |                  |
|--------------|--|--------------------------------------|--|------------------------------------|---|------------------|
|              |  |                                      |  | Minimum Net worth as on 31.03.2014 | Minimum Turnover from real estate activity for the last three years | Minimum Solvency |
| A.           | Eligibility required as per brochure                     |                                      | 5  | 150                                | 200   | 10               |
| B.           | Eligibility of the members                               |                                      |  |                                    |   |                  |
| 1.           | Supertech Limited (Lead Member)                          | 35                                   | 21.35  | 638.10                             | 5638.78   | 25.00            |
| 2.           | Ajnara India Limited (Relevant Member)                   | 20                                   | 5.44   | 157.22                             | 880.31  | 15.00            |
| 3.           | Ametek Buildtech India Private Limited (Relevant Member) | 15                                   | Not submitted  | Not submitted                      | Nil   | Not submitted    |
| 4.           | Aura Buildwell Private Limited (Relevant Member)         | 15                                   | Not submitted  | Not submitted                      | Nil   | Not submitted    |
| 5.           | AG Realtech Private Limited (Relevant Member)            | 15                                   | Not submitted  | 0.04                               | Nil   | Not submitted    |
| <b>Total</b> |  | <b>100</b>                           | <b>26.79</b>   | <b>795.36</b>                      | <b>6519.09</b>  | <b>40.00</b>     |

Source: Information provided by GNIDA.



As seen from **Table 5.4.6**, the plot was allotted on the credential of technical and financial eligibility of two members of the consortium, viz., Supertech Limited and Ajnara India Limited. However, the plot was sub-divided into four parts and its two parts were allotted in favour of Supertech Limited and Ajnara India Limited while other two parts were allotted to two ineligible members (who were not eligible for allotment of Sports City plots on their own) as can be seen in **Table 5.4.7**.

**Table 5.4.7: Sub-division of plots to ineligible members of consortium of SC-02**

| Sl. No.      | Plot No.  | Member of consortium                   | Area of sub-divided plot (in sqm) |
|--------------|-----------|--|-----------------------------------|
| 1.           | SC-02 (A) | Ametek Buildtech India Private Limited | 101175                            |
| 2.           | SC-02 (B) | Aura Buildwell Private Limited         | 96117                             |
| <b>Total</b> |           |  | <b>197292</b>                     |

*Source: Information provided by GNIDA.*

Further, the terms and conditions of the brochures of SC-02 scheme provided that the area of sub divided plot should not be less than 25 acre. However, as evident from the **Table 5.4.7**, Aura Buildwell Private Limited was allotted a sub-divided plot, SC-2B, of area 96,117 sqm, which was less than the prescribed area of 25 acre, i.e., 1,01,171 sqm. However, GNIDA executed (July 2015) lease deed of this sub divided plot despite the fact that sub division of plot with less than 25 acre was in violation of terms and conditions of scheme.

Both the above allottees failed to complete the construction of sports facilities despite lapse of more than six years as on March 2022 against the prescribed period of five years in the scheme brochure. Even the first phase of these projects was not completed which was required to be completed by July 2018.

**(ii) Recreational Entertainment Park-02:** The plot REP-02 measuring 5,26,110 sqm was allotted (17 July 2014) to the consortium of five members for REP-02 and lease deed was executed for actual area of 4,65,635 sqm. The technical and financial eligibility of the consortium members are given in **Table 5.4.8**.

**Table 5.4.8: Technical and Financial eligibility of the consortium members of REP-02**

| Sl. No.      | Particulars   | Percentage holding in the consortium | Technical eligibility (construction of built up area in lakh sqft) | Financial Eligibility (₹ in crore) |                  |                  |
|--------------|---|--------------------------------------|--|------------------------------------|------------------|------------------|
|              |   |                                      |  | Net worth                          | Minimum Turnover | Minimum Solvency |
| <b>A.</b>    | <b>Eligibility required as per Brochure</b>                         |                                      | <b>5</b>   | <b>100</b>                         | <b>200</b>       | <b>10</b>        |
| <b>B.</b>    | <b>Eligibility of the members</b>                                   |                                      |  |                                    |                  |                  |
| 1.           | Ultra Home Construction Private Limited (Lead Member)               | 30                                   | 16.86  | 260.60                             | 853.09           | 1000             |
| 2.           | Sunrise Structures and Developers Private Limited (Relevant Member) | 20                                   | Not submitted  | 0.004                              | NIL              | Not submitted    |
| 3.           | Khusi Building Solution Private Limited (Relevant Member)           | 15                                   | Not submitted  | 0.008                              | NIL              | Not submitted    |
| 4.           | Cross World Real Estate Private Limited (Relevant Member)           | 15                                   | Not submitted  | 0.008                              | NIL              | Not submitted    |
| 5.           | Cozy Habitat Builders Private Limited (Relevant Member)             | 20                                   | Not submitted  | 0.70                               | 2.22             | Not submitted    |
| <b>Total</b> |   | <b>100</b>                           | <b>1685745</b>   | <b>261.32</b>                      | <b>855.29</b>    | <b>1000</b>      |

*Source: Information provided by GNIDA.*

As evident from **Table 5.4.8**, the plot was allotted on the basis of technical and financial eligibility of only one member of the consortium, viz., Ultra Home Construction Private Limited and other four members of consortium had net worth each less than ₹ one crore and were without any experience in construction. The plot was sub-divided (December 2014) in favour of ineligible relevant member, viz., Sunrise Structures and Developers Private Limited to whom 1,01,350 sqm was allocated. The allottee failed to complete the construction of sports facilities despite lapse of more than seven years as on March 2022 against the prescribed period of five years in the scheme brochure. Even the first phase of these projects was not completed which was required to be completed by December 2017.

Thus, the policy of sub-division of plots in favour of individually ineligible members without prescribing technical and financial parameters for each member was not in order and resulted in windfall profit to ineligible allottee. The projects of both the Sports City and REP were incomplete (March 2022) as discussed in succeeding **Paragraph 5.4.8.1**.

In its reply, GNIDA confirmed the facts and figures and stated (October 2020) that the brochure conditions were determined by Allotment Committee formed at the GNIDA level and accordingly allotments were made.

The reply of GNIDA is not acceptable as lack of due diligence by CEO in allowing the projects to be sub-divided without determining and evaluating the technical and financial eligibility of the concerned member, enabled extending undue favour to the ineligible allottees.

***Failure to safeguard interest of ultimate buyers as well as GNIDA in the absence of Escrow Account as directed by GoUP***

**Despite the order of GoUP and GNIDA's own instructions, GNIDA did not ensure opening of Escrow Accounts with 10 allottees of Sports City and REP to safeguard its own interest for payment of dues and execution of projects by allottees.**

**5.4.5.3** In order to safeguard the interest of GNIDA as regard to the payment of dues by the developer and also ensuring the application of funds collected by the developer from the ultimate buyers/dwellers on the concerned projects, the provision of Escrow Account with the developer is a reliable mechanism and is used by most of the financial institutions. In the absence of the Escrow Account, it could not be ensured whether the allotment premiums received from the ultimate allottees of apartments/villas and membership fees received on account of recreational activities were actually utilised in construction of the projects, payment of dues of GNIDA and repayment of bank loans and diversion of funds remain a strong probability.

In December 2016, GoUP introduced a Project Settlement Policy (PSP) for re-schedulement of dues against allottees who had defaulted in payment. While re-scheduling the outstanding dues, an Escrow Account of Builder and GNIDA was to be opened to deposit entire collection of a particular project to ensure completion of the project and recovery of dues of the GNIDA. Finance Division of GNIDA also directed (March 2019) Property Divisions to execute Escrow Agreement immediately with the defaulter allottees (except in case of allottees of residential property).

Audit noticed that out of 20 allottees of the sub-divided plots of Sports City and REP schemes, five allotments were cancelled as of March 2023 and escrow accounts were opened in case of five other allottees. However, GNIDA could not ensure opening of Escrow Accounts with the remaining 10 allottees, though notices were issued to these allottees for opening of escrow accounts.

Out of these, three<sup>7</sup> cases were approved for re-schedulement of dues after issuance of the order (December 2016) of the GoUP. Thus, GNIDA violated the order of GoUP for PSP as well as its own instructions for opening of Escrow Account with developers of Sports City and REP.

As on April 2021, 19 allottees had defaulted their payments to GNIDA. The overdue against the land premium (principal), lease rent and interest against the Sports City and REP plots accumulated to ₹ 2,329.42 crore. Audit further noticed that various complaints were received in the Authority from buyers who complained about diversion of funds by the developers to different projects and stopped the work in Sports City-01 due to lack of funds. Checks and balances could have been automatically exercised in eliminating the accumulation of dues with Escrow Account.

In its reply, GNIDA confirmed the facts and figures and stated (October 2020) that there was no provision for opening of Escrow Account at the time of launch of the schemes which was later made mandatory for the builders at the time of request for re-schedulement of premium. GNIDA further stated that in upcoming schemes of the Authority, the condition of opening an Account was being incorporated in the brochure.

The fact remains that GNIDA failed to open Escrow Accounts in 10 allottees of the sub-divided plots of the Sports Cities and REPs to safeguard the funds meant for the projects. No responsibility has been fixed for not complying with the orders of GoUP (December 2016) and GNIDA (March 2019).

#### ***Reduction of reservation and allotment money***

**GNIDA reduced rate of allotment money from 30 to 10 per cent in the scheme of Sports City-01 without any justification, which gave a long rope to the builders to defer their commitment to GNIDA.**

**5.4.5.4** To counter the economic slowdown, the Board of GNIDA in its 78<sup>th</sup> meeting decided (May 2009) to reduce the amount of reservation and allotment money from 30 per cent to 10 per cent of the premium for category of allotment of Industrial, Institutional, Information Technology, Group Housing and Commercial Builder plots. The balance premium was payable in 16 half-yearly instalments along with interest.

Audit noticed that GNIDA adopted the same reduced rate of allotment money at the rate of 10 per cent in the scheme of Sports City-01 (launched in March 2011), which was subsequently enhanced to 20 per cent in Sports City-02 and REP-01 Schemes (both launched in June 2014). Pertinently, scheme launched in the year 2013 in Industrial category (scheme code IND 2100 (2013)-02) provided for payment of reservation and allotment money at the rate of 30 per cent of land premium.

There was absence of any justification for reduction of reservation and allotment money. This has resulted in less down payment by the allottees at the time of allotment as detailed in **Table 5.4.9**.

<sup>7</sup> Devsai Construction Private Limited, Mapple Realcon Private Limited and Palm Developers Private Limited.

Table 5.4.9: Less down payment at the time of Allotment of Plots

(Amount ₹ in crore)

| Name of Scheme | Area as per lease deed (in sqm) | Amount of Allotment Premium | Allotment money at the rate of 30 per cent | Allotment money actually fixed for Sports City/REP plots |               | Less down payment |
|----------------|---------------------------------|-----------------------------|--|--|---------------|-------------------|
|                |                                 |                             |  | In per cent of premium                                   | Amount        |                   |
| (1)            | (2)                             | (3)                         | (4)  | (5)  | (6)           | (7) = (4) – (6)   |
| Sports City-01 | 526512                          | 353.55                      | 106.07                                     | 10   | 35.36         | 70.71             |
| Sports City-02 | 702544                          | 902.91                      | 270.87                                     | 20   | 180.58        | 90.29             |
| REP-01         | 403575                          | 326.90                      | 98.07                                      | 20   | 65.38         | 32.69             |
| REP-02         | 465635                          | 381.82                      | 114.55                                     | 20   | 76.36         | 38.19             |
| <b>Total</b>   |                                 |                             | <b>589.56</b>                              | <b>-</b>   | <b>357.68</b> | <b>231.88</b>     |

The fixation of less reservation and allotment money from builders had adversely impacted the revenue of GNIDA due to deferring of 10 to 20 per cent revenue (i.e., less down payment) for eight years, besides undue benefit to the allottees. Hon'ble Supreme Court has also commented<sup>8</sup> (23 July 2019) on similar lapses as detailed below:

*“The scheme of the Government is to promote the real estate for which land had been acquired, even poor farmers have not been paid the compensation. The land allotted at throw away prices of 10 per cent, the allotment premium has not been paid and in an illegal manner plots have been allotted on huge amount by builders is another fraud in collusion with Authorities.”*

In its reply, GNIDA stated (October 2020) that in view of the global economic slowdown, GoUP directed (October 2009) that the allottees who had not started the payment of premium according to the payment schedule were required to pay ten per cent of the premium within sixty days of issue of demand letter. Accordingly, the reservation and allotment money was reduced to ten per cent in the brochures.

The reply is not acceptable as the GoUP order was related to the existing defaulter allottees who did not commence their payment of premium till the date of order and not fresh allotment cases. Hence, the contention of GNIDA for reduction of allotment money for the allottees of future schemes, viz., Sports City and REP is not correct. Responsibility needs to be fixed for misinterpretation of GoUP order leading to deferment of revenue to GNIDA and undue benefit to the builders.

#### ***Short recovery of lease rent due to not complying with Board's order***

**5.4.5.5** The GoUP order (25 October 2009), to counter the challenges of the economic recession, *inter alia* provided relief to allottees of commercial properties by reducing the lease rent to one per cent per annum from 2.5 per cent, of premium in respect of properties allotted up to 31 March 2010 (further increased up to 31 March 2011) and authorised the Board of GNIDA to take further decision in this regard. This was adopted (6 November 2009) by GNIDA in the 81<sup>st</sup> Board meeting. Further, the lease rent for Group Housing plots was one per cent of premium per annum during the year 2010-11 and no lease rent was specifically prescribed for recreational land use plots.

<sup>8</sup> In case of Bikram Chatterjee and Ors. vs. Union of India and Ors. (Writ petition (C) No. 940/2017).

GNIDA launched the scheme for Sports City-01 in March 2011 which was to be developed as a mix of recreational (not less than 70 *per cent*), commercial (not more than two *per cent*) and residential/Group Housing (not more than 28 *per cent*). The brochure of the scheme provides for payment of annual lease rent in the following manner:

- At the rate of ₹ one per sqm per year for the first three years from the date of execution of the lease deed;
- Thereafter, at the rate of one *per cent* of the total premium of the plot for next seven years of first ten years;
- After ten years, lease rent may be increased at the rate of 50 *per cent* which will be applicable for next ten years and this process will continue in future.

Audit noticed that the CEO of GNIDA approved the lease rent of ₹ one per sqm for the first three years reportedly with a view to attract the investors. This lease rent of Sports City-01 plot was the lowest in all category plots, except Commercial category plots which was also fixed in contravention of the Board's decision of adopting the order of the GoUP for commercial plots as discussed in **Paragraph 5.3.5.2** in Chapter V (3) 'Allotment of Commercial Properties'.

In the context of allotment, the scheme brochure is an important document which governs the process of bidding, allotment and execution of the project. The brochure specifies the terms and conditions of allotment and the allottee are expected to bid as per the brochure terms and conditions. Therefore, this document can be equated to invitation to offer which becomes the basis of agreement<sup>9</sup> between the allottee and GNIDA for execution of the project in future. In view of the underlying importance, the brochure of the schemes should have been approved by the Board before the launch of the scheme, which was not got done by GNIDA in case of Sports City-01 scheme brochure.

Thus, the CEO of GNIDA exceeded his authority and approved less lease rent for publication in the Brochures of the schemes violating the Board's decision (6 November 2009) which led to the loss of revenue to the extent of ₹ 10.45 crore due to reduction of lease rent for the first three years from one *per cent* of premium per annum to ₹ one per sqm per year.

In its reply, GNIDA stated (October 2020) that the lease rent was realised at the rate of ₹ one per sqm per year for the first three years as provided in the brochure of Sports City. *Ex-post facto* approval of terms and conditions of Sports City brochure was obtained from the Board of Authority in 88<sup>th</sup> Board meeting. GNIDA further stated that the Board of GNIDA had decided in 109<sup>th</sup> Board meeting dated 20 September 2017 that lease rent would be charged at the rate of 2.5 *per cent* per annum in upcoming schemes of commercial properties as applicable in case of IT, Institution and Industrial plots.

---

<sup>9</sup> The State Consumer Disputes Redressal Commission, UT Chandigarh in the case of Neha Ahluwalia vs. M/s Omaxe Chandigarh Extension held (25 November 2019) that it is a settled law that brochure is a part of contract. The National Consumer Disputes Redressal Commission in the case of Brig. (Retd.) Kamal Sood vs. M/s DLF Universal Limited also observed (20 April 2007) that it is a settled law that brochure is part of the promise on which the contract is based.



GNIDA accepted (October 2020) that the lease rent was realised at the rate of ₹ one per sqm per year for the first three years as provided in the brochure but remained silent on its irregular approval in the brochure in contravention of the GoUP order (25 October 2009). Further, the contention of GNIDA that it had obtained *ex-post facto* approval of the conditions of brochure from the Board, is not a sufficient remedial action for charging of less lease rent and violation of GoUP order causing loss of revenue to GNIDA.

**Brochure's terms and conditions not complied with**

**5.4.6** Irregularities noticed in screening of applications and not complying with brochures' conditions are brought out below:

***Acceptance of deficient Memorandum of Agreement***

**GNIDA extended undue favour to allottees of Sports City/REP plots by accepting deficient MoAs amongst consortium members without specifying their roles and responsibilities in contravention of brochures' terms and conditions.**

**5.4.6.1** The condition 7(c) of the brochures of the scheme for development of Sports City and Recreational Entertainment Park provides that, in case of an allottee being a consortium, the members of the consortium shall submit a Memorandum of Agreement (MoA), conveying their intent to jointly apply for the scheme, at the time of submission of bids. The MoA shall clearly specify the role and responsibilities of each member in the consortium, particularly with regard to arranging debts and equity for the project and its implementation. The MoA shall be submitted in original duly registered/notarised with the appropriate authority.

Further, the condition 7(d) of the brochures further provides that the Lead Member and/or the Relevant Member and/or SPC(s) incorporated by them, put together, will have to construct on their own a minimum of 30 *per cent* of the total permissible FAR on allotted area. The responsibility of construction of this 30 *per cent* of the total permissible FAR shall be clearly specified in the MoA submitted by the consortium along with bid document.

Plot no. Sports City-01 measuring 130 acre was allotted (30 March 2011) to the consortium of MMR Construction Company Private Limited (consortium of three companies) for development of Sports City. Similarly, plots no. REP-02 measuring 130 acre was allotted (17 July 2014) to Ultra Home Construction Private Limited (consortium of five companies) for development of Recreational Entertainment Park. The notarised MoA submitted by the allottees with the application in both cases did not contain either description of specific role and responsibility of each member of the consortium or the responsibility for construction of 30 *per cent* of the total permissible FAR.

In the case of plot no. Sports City-02 allotted on 30 March 2011 to Supretech Limited (consortium of five members) and REP-01 allotted on 17 July 2014 to RBA Buildtech Private Limited (consortium of four members), the brochure condition 7 (c) about MoA relating to assigning roles and responsibilities was complied with. However, the responsibility for construction of 30 *per cent* of the total permissible FAR was not mentioned in the respective MoAs.

Audit noticed that the Bid Evaluation Committee of the scheme did not examine this deficiency in the MoAs while recommending allotment for these plots. The acceptance of such a deficient MoA by the Bid Evaluation Committee and approval of the allotment by GNIDA was in contravention of the brochure's terms and conditions, which tantamount to extending undue favour of the allottees.

Audit further noticed from the records obtained from Registrar of Companies that in case of SC-01 and REP-02, shareholdings of Relevant Member/SPCs were changed up to eight *per cent* to 100 *per cent* as discussed in the succeeding **Paragraph 5.4.6.2**. This implied that the consortium members diluted their stakes by way of sale of shares prior to completion of 30 *per cent* of the total permissible FAR. This was made possible in the absence of specific mentions of binding conditions 7 (d) in MoA and the Bid Evaluation Committee<sup>10</sup> was accountable for acceptance of deficient MoA.

In its reply, GNIDA confirmed the facts and stated (October 2020) that clause 7 (e) of terms and conditions of the brochure provides for sub-division of the plots and execution of lease deeds in favour of Lead Member and/or Relevant Member and/or SPCs constituted by the consortium members. Allotments were made in accordance with condition 7(c) of the scheme brochure.

The reply is not acceptable as it does not address the issue raised by Audit regarding the acceptance of deficient MoAs<sup>11</sup> leading to dilution of their stakes by key members and leaving projects mid way.

***Charges for Change in Constitution (CIC) not levied***

Misinterpreting GoUP order, GNIDA removed the requirement of taking approval for change in shareholding.

**5.4.6.2** Clause-N of the Manual for Commercial Property Management, 2008 (MCPM) of GNIDA provides for levy of charges for Change in Constitution (CIC) of a company in proportion of shares transferred. The CIC charges payable as above shall be equivalent to the transfer charges. The transfer charges shall be at the rate of 10 *per cent* of the total premium of the plot.

Board of GNIDA decided, in its 86<sup>th</sup> meeting held on 26 October 2010, that registration of CIC deed for Change in Shareholders (CIS) under the Registration Act, 1906 was not required. This was decided based on misinterpreted GoUP order (11 October 2010) which provided that registration of CIC deed for Change in Shareholders (CIS) under the Registration Act, 1906 was not required. Using this as basis, GNIDA issued an office order (3 November 2010) through which it removed the requirement of taking approval for change in shareholding.

The brochure of Sports City-01 scheme (2010-11) provided under Clause (9) that in compliance of GoUP order (11 October 2010), the change in the name of shareholders as a result of transfer of share in companies is not mandatory to be registered and no transfer charges shall be leviable on the transfer of shares in the Companies and no prior approval of GNIDA shall be required for transferring the shares. The Brochure of REP-01 scheme (2014-15) did not include any clause on CIS charges.

Audit noticed that GoUP order of 11 October 2010 was relating to registration of CIC deed for Change in Shareholders (CIS) under the Registration Act, 1906. It did not provide that charges for CIS were not to be levied by any Authority. Further, Section 82 of the Companies Act, 1956 provides that shares are movable properties which are the proportionate interests of shareholders in the ownership of the company. Thus, CIS amounts to change

<sup>10</sup> The members of Bid Evaluation Committee were Additional Chief Executive Officer (Chairman), General Manager (Finance), General Manager (Planning), General Manager (Projects) and Senior Executive (Legal).

<sup>11</sup> as defined in Clause 7(c) and 7 (d) of Scheme Brochure

in ownership and the decision of the Board of GNIDA to remove the CIC charges was irregular. Pertinently, the above GoUP order was also withdrawn (4 February 2020) on the grounds of heavy tax evasion.

Audit noticed from the records provided by Registrar of Companies that in cases of Sports City-01 and REP-02 plots, shareholdings of relevant member/SPCs of allottee Consortiums were changed from eight *per cent* to 100 *per cent* (**Appendix 5.4.1**) and an amount of ₹ 37.40 crore on account of CIC charges which would have been leviable but for GNIDA's order was not levied on the allottees as detailed in **Table 5.4.10**.

**Table-5.4.10: Details of CIC charges not levied because of wrong order**

| Sl. No.      | Name of SPC/<br>Relevant Member                                     | Plot No. | Date of Allotment | Premium of Plot<br>(₹ in crore) | Shareholding change |            | Rate of CIC charges<br>(per cent) | Amount<br>(₹ in crore) |
|--------------|---|----------|-------------------|---------------------------------|---------------------|------------|-----------------------------------|------------------------|
|              |   |          |                   |                                 | Year                | Percentage |                                   |                        |
| 1.           | Sunrise Structures and Developers Private Limited (Relevant Member) | REP-2A   | 17.7.2014         | 83.11                           | 2014-15             | 98.78      | 9.88                              | 8.21                   |
| 2.           | Royal Golf Link City Projects Private Limited (SPC)                 | REP-02   | 17.7.2014         | 298.71                          | 2016-17             | 58.27      | 5.83                              | 17.41                  |
| 3.           | Floral Realcom Private Limited (SPC)                                | SC-01    | 30.3.2011         | 13.43                           | 2015-16             | 100        | 10                                | 1.34                   |
| 4.           | Euphoria Sports City Private Limited (SPC)                          | SC-01    | 30.3.2011         | 236.39                          | 2015-16             | 40         | 4                                 | 9.46                   |
| 5.           | Seikom Infracom Private Limited                                     | SC-01    | 30.3.2011         | 13.43                           | 2016-17             | 8          | 0.8                               | 0.11                   |
| 6.           | Sai Namo Namh Construction Private Limited                          | SC-01    | 30.3.2011         | 13.43                           | 2016-17             | 50         | 5                                 | 0.67                   |
| 7.           | Godavari Dwelling Private Limited                                   | SC-01    | 30.3.2011         | 10.04                           | 2016-17             | 20         | 2                                 | 0.20                   |
| <b>Total</b> |   |          |                   |                                 |                     |            |                                   | <b>37.40</b>           |

**Source:** Information provided by GNIDA and records provided by Registrar of Companies.

During the Exit Conference (January 2021), the State Government has accepted similar Audit observation in the Chapter-Allotment of Commercial Properties. Further, GNIDA stated that comprehensive orders in the year 2019 incorporating all best practices have been issued in respect to recovery of CIC charges.

Misinterpretation of GoUP order by GNIDA not only led to revenue loss of ₹ 37.40 crore in the above cases with undue benefit to allottees, it also weakened GNIDA's hold on compliance by shareholders by removing the requirement of taking its approval for change in shareholding. At the same time, it opened vast scope for back door entry of ineligible and other than original applicants.

#### ***Loss of interest due to change in payment terms***

**5.4.6.3** The terms and conditions regarding payment plan laid down in the brochures of the Sports City-01, which was approved by the Board of GNIDA on 29 March 2011, provide as under:

- The allottee will have to deposit 10 *per cent* of the tendered amount, after adjustment of earnest money, within 120 days from the date of issue of allotment letter.



- There shall be moratorium of 24 months from the date of allotment and only the interest at the rate of 15 *per cent* per annum compounded half yearly, accrued during the moratorium period, shall be payable in half yearly installments. After expiry of moratorium period, the balance 90 *per cent* premium of the plot along with interest will be paid in 16 half yearly installments along with interest.

Audit noticed that in the brochure for Sports City-02 and REP-01 schemes launched in June 2014, GNIDA changed the payment condition vide which the interest on balance premium (*i.e.*, after payment of allotment money) was to be calculated from the date of deposit of allotment money instead of from the date of allotment. The above condition was changed by the CEO of GNIDA in the brochure of Sports City-02, without recording any reason thereof and without taking prior approval of the Board. Since allottees were allowed 90 days in Sports City-02 and REP-01 scheme to deposit allotment money from the date of issue of allotment letter, interest on balance premium was not chargeable from the allottees for period of 90 days due to change in the condition.

**Injudicious change in the payment of interest from allotment date to date of deposit of allotment money resulted in loss of interest of ₹ 31.37 crore from allottees of Sports City-02 and REP-01 schemes. Further, GNIDA did not comply with this condition and computed the interest on installments from the due date instead of from the date of deposit of allotment money which resulted in short recovery of ₹ 2.01 crore from the allottees of REP-01 and REP-02 plots.**

Audit noticed that the allottee of Sports City-02 plot deposited allotment money on 22 October 2014, which was after 90 days from the date of allotment (21 July 2014). In case of REP-01 scheme allotted on 17 July 2014, allottee of REP-01 plot deposited allotment money on 24 September 2014 (on 69<sup>th</sup> day) and allottee of REP-02 plot deposited allotment money on 13 October 2014 (on 88<sup>th</sup> day). As worked out in audit, in the cases of allotment of Sports City-02, REP-01 and REP-02, GNIDA suffered loss of interest of ₹ 31.37 crore due to change in condition for chargeability of interest, after considering interest earned by GNIDA on receipt of additional 10 *per cent* allotment money<sup>12</sup>, as compared to earlier scheme Sports City-01.

Audit further noticed that GNIDA did not comply with the brochure condition for reckoning interest from the date of deposit of allotment money. In the cases of REP-01 and REP-02, allotment money was received before 90 days. However, instead of computing interest on instalment of allotment premium from the date of deposit, GNIDA computed the interest from the due date, *i.e.*, after allowing interest-free 90 days to the allottees. This resulted in short recovery of ₹ 2.01 crore from the allottee due to failure of GNIDA to adhere to brochure condition of the scheme.

Thus, GNIDA changed condition of payment to suit allottees and in some cases, incorrectly applied even the changed conditions of these brochures.

In its reply, GNIDA stated (October 2020) that in view of the global economic slowdown, the GoUP directed<sup>13</sup> (October 2009) that the allottees who had not started the payment of premium according to the payment schedule were required to pay ten *per cent* of the premium as reservation-cum-allotment money within sixty days of issue of demand letter which was complied with.

The reply of GNIDA is regarding terms and conditions of Sports City-01 and does not address the Audit observation on change in terms and condition in Sports City-02 and REP-01 schemes which resulted in financial loss to the

<sup>12</sup> In Sports City-01 scheme, allottee was required to deposit 10 *per cent* of premium as allotment money, whereas in Sports City-02 and REP-01 schemes, it was 20 *per cent* of premium.

<sup>13</sup> Letter no. 1470/77-4-09-142/08 dated 25 October 2009.

GNIDA due to charging of interest from due date of deposit of allotment money instead of date of allotment.

***Irregular issuance of mortgage permission to allottees***

**5.4.6.4** The condition X (Mortgage) of the brochure for Sports City-02 provides that the mortgage permission shall be granted to the allottee for raising finance from a Scheduled Bank/Government organisation/Financial Institutions approved by the Reserve Bank of India for the purpose of construction on the allotted plot subject to the condition that it should have cleared up to date dues of the premium and lease rent.

**In violation of the terms and conditions of scheme brochure, GNIDA extended undue favour to the allottee of Sports City-02 by issuing permission to mortgage the plots without clearance of dues of ₹ 141.85 crore. The overdue against the allottee increased to ₹ 575.59 crore (premium, lease rent and interest) as on March 2022.**

As discussed in **Paragraph 5.2.5.3**, the practice of issuing permission to mortgage in spite of outstanding overdue was prevalent in GNIDA since March 2006. Audit noticed that in contravention of the condition X of the brochure, GNIDA issued (September 2017) permission to Supertech Private Limited<sup>14</sup>, in spite of the overdue of ₹ 141.85 crore outstanding on the date of issue of the mortgage permission toward premium (₹ 134.89 crore) and lease rent (₹ 6.96 crore). In fact, the allottee had deposited ₹ 65.12 crore on account of allotment money only and defaulted continuously on payment of instalments for premium. Further, lease rent for the first year (from 30 June 2015 to 30 June 2016) only was deposited and thereafter the allottee, had been defaulting on payment of lease rent.

The mortgage permission was granted (26 September 2017) by Additional Chief Executive Officer (ACEO), GNIDA with the condition that the permission would be effective on making up-to-date payment of premium and lease rent outstanding against the plot. However, there was no mechanism in GNIDA to ensure fulfillment of this conditional mortgage permission. The overdue against the allottee increased to ₹ 575.59 crore (premium, lease rent and interest) as on March 2022.

Similar lapses have been viewed gravely by the Hon'ble Supreme Court<sup>15</sup>, in the case of Amrapali Builders wherein it observed (23 July 2019) that:

*“The mortgage deeds in favour of the banks were not permissible due to non-payment of dues of the Noida and Greater Noida Authorities. The Noida and Greater Noida Authorities issued conditional NOCs to create mortgages subject to payment of dues which were not paid. They issued such NOCs in collusion with builders”.*

During the Exit Conference (January 2021), the State Government assured to review the mechanism and terms and condition of permission to mortgage the plots by constituting a Committee at the level of State Government.

**Site planning and layout related deficiencies**

**5.4.7** Audit observations relating to violations of the provisions of Building Regulations are discussed below:

***Allotment of plots without ensuring its intactness***

**5.4.7.1** Scheme brochures of Sports City and REP schemes provided that the land would be given to allottee which is free from all encumbrances. Lease deed was to be executed between allottee and GNIDA within 60 days of issue

<sup>14</sup> Allottee of sub-divided plot SC-02 (D) of Sports City-02.

<sup>15</sup> Writ Petition (C) 940/2017 Bikram Chatterji and Others vs. Union of India.

of check list, which was to be issued by GNIDA immediately after receipt of allotment money. Further, the allottee was required to complete the construction of minimum 15 *per cent* of the permissible area for sports facilities within a period of three years from the date of execution of lease deed and entire project within a period of seven years. In view of above, as a matter of good practice, GNIDA should have ensured that plots to be allotted were free from all encumbrances and all infrastructure amenities were well developed to enable the allottee to establish their projects within the prescribed timelines.

Audit noticed that in cases of allotment of three plots (Sports City-01, Sports City-02 and REP-01), GNIDA allotted plots of which 10.40 *per cent* to 86.53 *per cent* area was under dispute/litigation or unacquired. This is summarised in Table 5.4.11.

Table 5.4.11: Encumbered area of REP-01, SC-01 and SC-02

| Plot No. | Date of allotment | Area as per allotment letter | Area as per lease deed | Encumbered area | Date of encumbrance free | (Area in sqm)                                 |
|----------|-------------------|------------------------------|------------------------|-----------------|--------------------------|---|
|          |                   |                              |                        |                 |                          | Percentage of encumbrance against leased area |
| REP-01   | 17 July 2014      | 4,04,700                     | 4,03,575               | 41,982          | 19 July 2016             | 10.40   |
| SC-01    | 30 March 2011     | 5,26,540                     | 5,26,512               | 4,21,512        | 15 Nov 2016              | 80.06   |
| SC-02    | 21 July 2014      | 7,08,500                     | 7,02,544               | 6,07,900        | 31 Dec 2015              | 86.53   |

Source: Records/information provided by GNIDA.

(i) **Sports City-01:** GNIDA allotted (30 March 2011) plot no. Sports City-01 measuring 5,26,540 sqm to MMR NKG ADVANCE JV. After allotment, it came to the notice that an area of 5,345 sqm of the plot was not even acquired by GNIDA. The allottee informed (12 July 2011) to GNIDA that *khasras* 39, 45, 47, 48 and 49 falling within the core area of the plot were under litigation, for which farmers had filed Writ Petition<sup>16</sup> in Hon'ble Allahabad High Court on 19 January 2010 and the judgement was awaited. The farmers were still carrying out farming on the plot. The allottee requested to GNIDA for clearance of such issues before payment of allotment money as the same had cast a cloud of uncertainty for the development on the allotted land.

The Law Division of GNIDA informed (13 July 2011) the Property Division that litigations in respect of 5 *khasras* of village *Bisrakh Jalalpur* were pending in various courts. Hence, a remark, as suggested by the Law Division, was inserted in the lease plan of six<sup>17</sup> out of 13 sub divided plots that the lease was subject to the decision of court. As on January 2019, litigation in respect of four *khasras*<sup>18</sup> were pending. The lease deeds for 5,26,512 sqm were executed during the year 2014 (1,05,000 sqm) /2016 (4,21,512 sqm) with 13 Special Purpose Companies of the allottee for 13 sub-divided plots, *i.e.*, after lapse of three to five years from the date of allotment. However, physical possession of six plots (4,21,512 sqm) leased in May/June 2016 was given to builders in November 2016 after execution of lease deed.

<sup>16</sup> W.P. No. 3023/2010 and 12300/2010.

<sup>17</sup> Plot No. GH-4, GH-6, GH-10, H-1, C-1 and SC-01.

<sup>18</sup> Khasra Number 45 M, 48, 49, 89 M.

Thus, allotment (30 March 2011) of litigated and encroached plot was not a prudent decision of GNIDA, as it led to delay in handing over of plot to the allottee.

In its reply, GNIDA stated (October 2020) that an area of 5,345 sqm of the allotted plot was not acquired by it and letters for execution of correction deeds for the reduced area of sub-divided plots have been sent (May 2019) to the allottees.

Further information on execution of correction deeds was awaited (March 2022) from GNIDA.

**(ii) Sports City-02:** GNIDA allotted (21 July 2014) plot SC-02 measuring 7,08,500 sqm to a consortium (led by Supertech Limited). However, an area of 43,077 sqm was not acquired by GNIDA as farmers had not been rehabilitated and settlement of their compensation was pending. GNIDA executed (June/July 2015) lease deeds with the allottees of four sub divided plot with aggregate leased area of 7,02,544 sqm. Further, an area of 6,07,900 sqm was affected due to agitation of farmers on issue of compensation of land, encroachment and existence of pond on the land, *etc.* Thus, 87 per cent area of the plot was either disputed/encroached at the time of allotment.

The allottee requested (29 October 2015) for declaration of ‘zero period’<sup>19</sup> due to encroachment and unacquired land by GNIDA. The Committee formed (28 April 2015) by GNIDA to resolve the problem, accepted the encumbrances on the plot and recommended for providing zero period up to 31 December 2015 and re-schedulement of the dues accordingly. Thus, GNIDA had allotted SC-02 plot which was significantly encumbered.

In its reply, GNIDA stated (October 2020) that earlier it was prevalent that allotment of plots was made in anticipation of acquisition of land after planning it in the Master Plan. As per reply of GNIDA, a total of 11,747 sqm<sup>20</sup> was still disputed due to not acquiring of the land by GNIDA.

The reply is not acceptable, as GNIDA should have allottee encumbrance free plot to the allottee as per terms and conditions of the brochure.

**(iii) REP-01:** GNIDA allotted (July 2014) plot REP-01 measuring 4,04,700 sqm to RBA Buildtech Private Limited for development of recreational entertainment park. However, the lease deed was executed (November 2014) for area of 3,61,593 sqm, which stated that separate lease would be executed for remaining area subject to its possession by GNIDA. Subsequently, the allottee complained (March 2015) that there was a cremation ground on the plot which needs to be shifted but there was resistance of farmers. The allottee further mentioned that an area of 15 acres (*i.e.*, 60,705 sqm) of the plot was under litigation. Since the problem was not resolved, GNIDA had to grant (January 2016) zero period up to 30 December 2015.

Audit further noticed that GNIDA executed supplementary lease deed of 41,982 sqm in May 2015. The litigation on the plot was dismissed in February 2016 and then GNIDA permitted (July 2016) allottee for construction on the

---

<sup>19</sup> ‘Zero period’ is provided to allottees by GNIDA due to allotment of encumbered plot and the period of completion and making it functional were extended without any penalty.

<sup>20</sup> Total disputed land in plot no. 2C: 5375 sqm and in plot no. 2 D: 6372 sqm.

plot. Thus, allotment of litigated and encroached plot led to delay in development on REP plot.

In its reply, GNIDA accepted (October 2020) that at the time of allotment, a total of 48,077 sqm land was not in the possession of GNIDA.

***Undue benefit extended by conversion of Recreational Green land use to Residential land use***

**5.4.7.2** The GoUP issued (23 September 1997) order to NOIDA and GNIDA that as these Authorities were working in the ambit of the NCR, the regulations of the NCR were also applicable for the Authorities. Therefore, any land use change may not be done without prior approval of the Government and, if any change in the zoning regulation is required, the same may be done only with the prior approval of the NCRPB.

Further, the clause-24.6 of Chapter-III of the Greater Noida Industrial Development Area Building Regulation, 2010<sup>21</sup> (Building Regulations, 2010) stipulates provisions regarding land uses, maximum Ground Coverage (GC), maximum Floor Area Ratio (FAR), Height and Setbacks as given in **Table 5.4.12**.

**Table 5.4.12: Details of GC, FAR, Height and Setback as provided in GNIDA Building Regulation, 2010**

| Sl. No. | Land Uses   | Maximum GC (per cent) allowed on the plot | Maximum FAR allowed on the plot | Purchasable FAR | Maximum Height (metre) |
|---------|---|---|---------------------------------|-----------------|------------------------|
| 1.      | Sports and Amusement Complex, Stadium, Swimming Pool, Shooting Range, Recreational Green/Park, Complex with Sports facilities | 20  | 0.40                            | 0.20            | 24.0                   |
| 2.      | Low Density Sports and Amusement Complex, Recreational Club, Social Culture Centre  | 10  | 0.20                            | 0.10            | 24.0                   |

**Source: Compiled by Audit from the GNIDA Building Regulation, 2010.**

**In contravention to the provisions of MP-2021 and violating the Building Regulations, 2010, GNIDA allowed development of residential and commercial area on the Recreational Green area.**

Paragraph 10.3 of the Master Plan-2021 regarding use of activities permitted in the green areas provided that any type of residential development is not permitted in this area. However, in Amusement and Entertainment Park, MP 2021 provided that an additional 15 *per cent* of the admissible FAR of 0.4 is permitted for support facilities<sup>22</sup>. A Committee, comprising Assistant Law Officer, Manager (Marketing), General Manager (Planning), General Manager (Project), General Manager (Finance) and Additional Chief Executive Officer, prepared (June 2014) brochure for the Recreational Entertainment Park schemes (REP-01 and REP-02 plots). The CEO of GNIDA approved (5 June 2014) the brochure of the scheme. Thereafter, the scheme was launched (10 June 2014) without approval of the Board, even *ex-post facto* approval of the scheme was not explicitly granted as the Board had only perused scheme brochure in the 99<sup>th</sup> meeting held on 12 August 2014. In clause-A of the brochure, the permissible broad break-up of the total area of a

<sup>21</sup> Approved by the GoUP in December 2010 (Notification No. 2159/77-4-10-284bha/91 dated 20 December 2010).

<sup>22</sup> As per Master Plan-2021, support facilities broadly consist of crèche and day care centre, watch and ward staff upto 20.0 square meter, maintenance staff, canteen, park, parking, taxi and three wheeler stand, public conveniences, bank extension counter, post office counter.



plot under REP was stipulated to be not less than 75 *per cent* for Recreational Green and 25 *per cent* for support facilities (residential and commercial uses).

Under the scheme, GNIDA allotted the plots on bid basis and leased (17 July 2014) two plots, *i.e.*, REP-01 and REP-02 measuring 4,03,575 sqm and 4,65,635 sqm respectively to RBA Build-tech Private Limited consortium and Ultra Home Construction Private Limited consortium.

Audit noticed that despite prohibition of any type of residential development in the green area, as provided in Chapter-10.3 of the MP-2021 and Building Regulations, 2010, GNIDA deviated the condition and brought in a provision for development of residential and commercial area in 25 *per cent* area of the REP plots. This was in fact a case of conversion of Recreational Green area into a residential and commercial without approval of GoUP. It resulted in irregular conversion of 2,17,303 sqm (25 *per cent* of 8,69,210 sqm) Recreational Green into the residential use by violating the provisions of the Building Regulations, 2010. This also led to loss of ₹ 319.36 crore (**Table 5.4.13**) to GNIDA since the reserve price for these plots was fixed at ₹ 7,725 per sqm considering them as recreational category plots where the price was much lower as compared to group housing plots where the reserve price was ₹ 22,850 per sqm during 2014-15.

**Table-5.4.13: Computation of loss to GNIDA due to allowing Group Housing on REP plots**

| Sl. No.      | Name of SPC/Relevant Members of Sub-divided plots of REP            | Plot No. | Total area leased (sqm) | 25 <i>per cent</i> area of leased land | Bid price of allottee for REP (₹ per sqm) | Reserve price of GH plot (₹ per sqm) | Difference in allotment rate <i>w.r.t.</i> GH plots (₹ per sqm) | Amount foregone (₹ in crore) |
|--------------|---|----------|-------------------------|--|---|--------------------------------------|---|------------------------------|
| (1)          | (2)   | (3)      | (4)                     | (5)                                    | (6)                                       | (7)                                  | (8)=(7)-(6)   | (9)=(8)x(5)                  |
| 1.           | AR Land Craft Private Limited (SPC)                                 | REP-01   | 403575                  | 100894                                 | 8100                                      | 22,850                               | 14,750  | 148.82                       |
| 2.           | Royal Golf Link City Projects (SPC)                                 | REP-02   | 364285                  | 91071                                  | 8200                                      | 22,850                               | 14,650  | 133.42                       |
| 3.           | Sunrise Structures and Developers Private Limited (Relevant Member) | REP-02A  | 101350                  | 25338                                  | 8200                                      | 22,850                               | 14,650  | 37.12                        |
| <b>Total</b> |   |          | <b>869210</b>           | <b>217303</b>                          |   |                                      |   | <b>319.36</b>                |

*Source: Worked out by Audit on the basis of Reserve Prices and Bid Price*

Thus, GNIDA incurred loss of ₹ 319.36 crore due to incorrect fixation of the reserve price of REP plots. Further, the satellite image of National Remote Sensing Centre (ISRO Hyderabad) **Photograph 5.4.1** also confirms the Audit observation that Group Housing Projects have been constructed in Recreational Green area.

**Photograph 5.4.1: Group Housing Buildings in Recreational Green Area (REP-02)  
(ISRO Satellite Images on 3 January 2020)**



Note: The red rectangular area represents Recreational Green while the Group Housing Buildings constructed are in light green.

The joint physical verification of the site of plot REP-02 was carried out on 4 December 2019 by the Audit Team along with the representative of GNIDA and it was found that construction of the group housing was in progress, as can be seen in **Photograph 5.4.2**.

**Photograph 5.4.2: Construction of Group Housing Towers and Villas in Recreational Green (REP-02)**



Thus, allowing 25 per cent area for residential/Group Housing in the REPs was irregular as the same was in contravention of the GNIDA Building Regulations-2010 and MP-2021.

During the Exit Conference (January 2021), the State Government agreeing with the facts pointed out by Audit stated that the Government would get all the cases examined by the Chief Town and Country Planner (CTCP) in the light of the Audit observation. Further progress in the case is awaited (March 2022).

The loss to GNIDA and undue benefit to allottees to the tune of ₹ 319.36 crore due to allowing group housing plot/residential construction at the rate of REP needs to be investigated from vigilance angle and responsibility fixed for the lapse.

**Envisaged vs. actual status of development of Sports City and REP**

**5.4.8** In its concept as envisaged in Paragraph 10.10 of the MP-2021, the Sports City was envisioned to be one of its kind in the country with a clear focus on as integrated sports with world class facilities and support services for a range of sports.

As part of this vision, the following key sports and their related recreational and institutional facilities were proposed in the brochures of the schemes of the Sports City and REP, as detailed in **Table 5.4.14**.

**Table 5.4.14: Facilities proposed under Sports City/REP plots**

| Facility  | Sports City-01 | Sports City-02 | REP-01 | REP-02 |
|---|----------------|----------------|--------|--------|
| Golf Course   | ✓              | ✓              | ✓      | ✓      |
| Multipurpose Playfield  | ✓              | ✓              | ✓      | ✓      |
| Tennis Centre   | ✓              | ✓              | ✓      | ✓      |
| Swimming Centre   | ✓              | ✓              | ✓      | ✓      |
| Pro-shops/food and beverage   | ✓              | ✓              | ✓      | ✓      |
| IT centre/Administration/Media Centre   | ✓              | ✓              | ✓      | ✓      |
| Indoor multipurpose Sports Hall including-<br>- Gymnastics<br>- Badminton<br>- Table Tennis<br>- Squash<br>- Basketball<br>- Volley Ball<br>- Rock Climbing | ✓              | ✓              | X      | X      |
| Cricket Academy   | ✓              | ✓              | X      | X      |
| Internal Roads and parks  | ✓              | ✓              | ✓      | ✓      |
| Hospital/Senior Living/Medicine Centre  | ✓              | ✓              | X      | X      |
| Circulation Spaces, carpeting, Utilities, etc.  | ✓              | ✓              | ✓      | ✓      |
| Amusement Park  | X              | X              | ✓      | ✓      |
| Community Centre/Auditorium   | X              | X              | ✓      | ✓      |
| Drive-in Cinemas  | X              | X              | ✓      | ✓      |
| Open Air Theatre  | X              | X              | ✓      | ✓      |
| Public utilities and Service Facilities   | X              | X              | ✓      | ✓      |
| Recreational Club (Recreational Club, Swimming Pool, Guestrooms, Restaurant, Indoor and Outdoor games Facilities)   | X              | X              | ✓      | ✓      |
| Specialised Park/Theme Park and Gardens   | X              | X              | ✓      | ✓      |
| Sports Complex (Indoor and Outdoor)   | X              | X              | ✓      | ✓      |
| Orchard   | X              | X              | ✓      | ✓      |
| Zoo   | X              | X              | ✓      | ✓      |
| Fair Ground   | X              | X              | ✓      | ✓      |

It is apparent from **Table 5.4.14** that four golf courses, two cricket academies, two amusement parks along with other sports facilities like tennis centres, swimming centres, indoor multi-purpose sports hall, etc., were proposed in the scheme brochures of both Sports Cities and REPs with other sports facilities.

In Sports City-01, it was specified in the brochure that a nine hole golf course of 56.33 acre will be constructed. This was against standard 18 hole golf course. In the brochure of Sports City-02 also, a nine hole golf course was



envisaged but without specifying its area. However, in the brochure of REP-01 for allotment of REP-01 and REP-02 plots, specifications for golf courses and other sports facilities either in terms of number of holes or area were not provided. Further, the brochure of REP-01 had contradictory provision with regard to obligation of allottee developers. Clause (B) in the brochure delineated that the developer allottee had the obligation with respect to development of Sports, Institutional and Other facilities as per Annexure 2 of the scheme brochure. However, Annexure 2 of the brochure while describing these activities (**Table 5.4.14**) specified that these were the permitted activities. It did not state these activities as obligatory. Due to this lacuna, GNIDA could not enforce the developer allottee for development of zoo in REPs.

Audit examined the allotment file of the plot of Sports City and REP besides assessment of the sports facilities envisaged in the brochures and that actually created. As brought out in audit findings in succeeding paragraphs, no sporting infrastructure has been completed as of March 2022 and the land parcel for Sports City and REP plots have been utilised by allottees mainly for developing residential colony.

#### ***Timelines with respect to Sports Cities and REPs***

**GNIDA did not monitor the progress of the Sports City/REP projects. Even the first phase completion of the projects was not reported despite lapse of four to seven years from the date of execution of lease deeds.**

**5.4.8.1** As per terms and conditions of brochures of Sports City and REP, the allottees were required to complete the construction of minimum 15 *per cent* of the permissible area earmarked for sports, institutional and other facilities within a period of three years and complete the project in phases within five years, from the date of execution of lease deed. However, the residential and commercial development/construction were to be completed in phases within seven years. In case of Sports City-01, scheme brochure provided that extension in exceptional circumstances can be granted by GNIDA on payment of extension charges applicable as per prevailing policy at the time of granting extension. Similarly, in Sports City-02 and REP schemes, the extension of time for the completion of project, could be extended for a maximum period of another three years only with payment of penalty of four *per cent*, six *per cent* and eight *per cent* for first, second and third year respectively.

Audit gathered data from the IT System Division of GNIDA to assess the status of completion of building of the projects envisaged in the sub-divided plots, which indicated that even the first phase completion (15 *per cent* of total admissible area) of the projects was not completed in any of the 20 sub-divided plots, despite lapse of four to seven years from the date of execution of the lease deed, as depicted in **Table 5.4.15**.

**Table 5.4.15: Details of incomplete projects in 20 sub-divided plots of SCs and REPs as on April 2021**

| Sl. No.                                    | Name of allottees of sub-divided plots | Date of allotment | Date of lease deed | Due date of completion of first phase (15 <i>per cent</i> ) | Plot No. | Plot size (sqm) | Status of completion of project |
|--|--|-------------------|--------------------|---|----------|-----------------|---------------------------------|
| <b>Sub-divided plots of Sports City-01</b> |  |                   |                    |   |          |                 |                                 |
| 1.   | Euphoria Sports City Private Limited   | 30-03-2011        | 24/05/2016         | 23/05/2019  | SC-01    | 352036          | Not completed                   |
| 2.   | Maple Realcon Private Limited          | 30-03-2011        | 06/02/2014         | 05/02/2017  | GH-01    | 15000           | Not completed                   |

**Performance Audit Report on Land Acquisition and Allotment of Properties in GNIDA**

| Sl. No.   | Name of allottees of sub-divided plots            | Date of allotment | Date of lease deed | Due date of completion of first phase (15 per cent) | Plot No. | Plot size (sqm) | Status of completion of project |
|---|---|-------------------|--------------------|---|----------|-----------------|---------------------------------|
| 3.  | Devsai Construction Private Limited               | 30-03-2011        | 06/02/2014         | 05/02/2017  | GH-02    | 10000           | Not completed                   |
| 4.  | Floral Realcon Private Limited                    | 30-03-2011        | 06/02/2014         | 05/02/2017  | GH-03    | 20000           | Not completed                   |
| 5.  | Irish Infrastructure Private Limited              | 30-03-2011        | 26/05/2016         | 25/05/2019  | GH-04    | 10030           | Not completed                   |
| 6.  | Palm Developers Private Limited                   | 30-03-2011        | 04/03/2014         | 03/03/2017  | GH-05    | 10000           | Not completed                   |
| 7.  | Godavari Dwelling Private Limited                 | 30-03-2011        | 26/05/2016         | 25/05/2019  | GH-06    | 14954           | Not completed                   |
| 8.  | Seikom Infracom Private Limited                   | 30-03-2011        | 21/02/2014         | 20/02/2017  | GH-07    | 20000           | Not completed                   |
| 9.  | Clover Probuild Private Limited                   | 30-03-2011        | 28/02/2014         | 27/02/2017  | GH-08    | 10000           | Not completed                   |
| 10.   | Sai Namo Namah Construction Private Limited       | 30-03-2011        | 28/02/2014         | 27/02/2017  | GH-09    | 20000           | Not completed                   |
| 11.   | Pine Probuild Private Limited                     | 30-03-2011        | 26/05/2016         | 25/05/2019  | GH-10    | 14321           | Not completed                   |
| 12.   | Micra Infratech Private Limited                   | 30-03-2011        | 26/05/2016         | 25/05/2019  | C-01     | 12630           | Not completed                   |
| 13.   | Mistique Construction Private Limited             | 30-03-2011        | 08/06/2016         | 07/06/2019  | H-01     | 17541           | Not completed                   |
| <b>Sub-divided plots of Sports City-02</b>      |   |                   |                    |   |          |                 |                                 |
| 14.   | Supertech Limited                                 | 21-07-2014        | 30/06/2015         | 29/06/2018  | SC02D    | 253692          | Not completed                   |
| 15.   | Ametek Buildtech India (P) Limited                | 21-07-2014        | 08/07/2015         | 07/07/2018  | SC02A    | 101175          | Not completed                   |
| 16.   | Aura Buildwell (P) Limited                        | 21-07-2014        | 08/07/2015         | 07/07/2018  | SC02B    | 96117           | Not completed                   |
| 17.   | Ajnara India Limited                              | 21-07-2014        | 09/07/2015         | 08/07/2018  | SC02C    | 251560          | Not completed                   |
| <b>Recreational Entertainment Park (REP)-01</b> |   |                   |                    |   |          |                 |                                 |
| 18.   | AR Landcraft Private Limited                      | 17-07-2014        | 12/11/2014         | 11/11/2017  | REP-1    | 403575          | Not completed                   |
| <b>Recreational Entertainment Park (REP)-02</b> |   |                   |                    |   |          |                 |                                 |
| 19.   | Sunrise Structures and Developers Private Limited | 07-07-2014        | 04/12/2014         | 03/12/2017  | 2A       | 101350          | Not completed                   |
| 20.   | Royal Golf Link City Projects Private Ltd.        | 07-07-2014        | 09/12/2014         | 08/12/2017  | 2        | 364285          | Not completed                   |
| <b>Total</b>                                    |   |                   |                    |   |          | <b>2098266</b>  |                                 |

**Source: Information provided by GNIDA.**

As per scheme brochure, completion certificate will be issued by GNIDA on completion of the project or part thereof in phases and on the submission of the necessary documents required for certifying the completion of project or part thereof. However, as evident from **Table 5.4.15**, even the first phase completion (15 *per cent* of total admissible area) was not reported to GNIDA. Further, Planning Division had not prescribed or identified on map the constructions to be completed in first phase due to which it failed to monitor the status of first phase completion of the project.

In its reply, GNIDA accepted (October 2020) the Audit observation and stated that allottee of one<sup>23</sup> sub-divided plot (GH 03) of SC-01 had applied for obtaining completion certificate, however, completion certificate was not issued due to absence of any evidence of development of sports infrastructure by the allottee.

The fact remains that the progress with respect to development of sports and recreational facilities remained dismal. GNIDA also could not monitor the progress of the Sports City/REP projects due to absence of delineation in the approved map of the construction activities to be completed in the first phase.

***Sub-division of plots not suitable for golf course***

**5.4.8.2** The Sports City schemes provided for land use of minimum 70 *per cent* for recreation/sporting (sports, institutional/other facilities and open areas) use and the remaining was allowed as residential and commercial. In REPs, the scheme provided for land use of minimum 75 *per cent* for recreational use and rest was allowed as supporting facilities (residential and commercial). This translates into dedicating 373.68 acre of the leased area of 518.49 acre in the four Sports City/REP plots for the development of sports and recreational activities.

Audit noticed that GNIDA permitted 20 sub divisions of three Sports City/REP plots as detailed in **Table 5.4.16**.

**Table 5.4.16: Sub-division of plots of Sports City and REP Plots**

| Plot No./Sector       | Original allottee consortium                  | No. of sub-divisions approved | Leased area of the plots in sqm | Minimum area for recreational facilities |                |
|-----------------------|---|-------------------------------|---------------------------------|--|----------------|
|                       |   |                               |                                 | In <i>per cent</i> of leased area        | Area in Sqm    |
| SC-01/<br>Techzone-IV | MMR NKG<br>Advance JV                         | 13                            | 526512                          | 70                                       | 368558         |
| SC-02/<br>Sector 27   | Supertech<br>Limited                          | 4                             | 702544                          | 70                                       | 491780         |
| REP-01/<br>Sector 27  | RBA Buildtech                                 | No<br>sub-division            | 403575                          | 75                                       | 302681         |
| REP-02/<br>Sector 27  | Ultra Home<br>Construction<br>Private Limited | 2                             | 465635                          | 75                                       | 349226         |
| <b>Total</b>          |   |                               | <b>2098266</b>                  |  | <b>1510846</b> |

**Source: Information provided by GNIDA.**

Analysis of approved layout revealed that after 13 sub-divisions in Sports City-01, GNIDA allowed construction of golf villas in SC-01 plot (allotted to Euphoria Sports City Private Limited). Narrow stretches between two villas were shown as Recreational Green. Audit noticed that the approved layout of SC-01 plot did not provide for a 56.33 acre golf course, instead

<sup>23</sup> For plot GH-03 allotted to Floral Realcon Private Limited.

GNIDA approved nine putting holes (golf course) between rows of golf villas in SC-01 plot of Sports City-01 which were not linked with one another. Thus, a nine-hole golf course, as envisioned in scheme brochure, cannot be developed.

GNIDA had approved nine putting holes<sup>24</sup> (golf courses) between rows of golf villas. These nine separate putting one-hole golf courses were not linked with one another. Thus, a 56.33 acre nine-hole golf course cannot be developed. It was further noticed that such approval of golf villas reduced the intactness and congruity of area for recreational facilities, as evident from **Photograph 5.4.3**.

**Photograph 5.4.3: Model of nine-hole putting golf course in sub-divided plot SC-01**



Further, during joint physical verification of SC-01 plot, Audit noticed that one putting one-hole golf course and one six-hole golf course were developed by the allottee, Euphoria Sports City Private Limited. The area of the putting golf course was found 0.61 acre and of six-hole golf course was 1.57 acre. These mini/micro golf courses were constructed in the back space of two rows of golf villas. Narrow interlocking pavement for golf cart and pedestrian walk were provided along the sides of putting golf courses. These small, unconnected and scattered golf areas were definitely not what was envisioned as a nine-hole mini golf course on 56.33 acres of land. This can be seen in the **Photograph 5.4.4**.

**Photograph 5.4.4: One patch of 9-Hole putting golf course (sub-divided plot SC-01) found during joint physical verification**



In Sports City-02, 70 *per cent* recreational area measuring 121.52 acre was broken into four plots. Area to be utilised for golf course was provisioned in sub divided plots SC-2C and SC-2D, however, the area of nine-hole golf course was neither mentioned in the scheme brochure nor mentioned in the approved layout, hence the congruity and intactness of the nine-hole golf course was in doubt.

<sup>24</sup> A putting hole is a small area in golf course wherein play is carried out by putting the ball through the length of the holes. Putting hole areas are much smaller than regular course.

**Sports City and REP schemes were converted into residential colony in place of developing world class sporting infrastructure.**

As brought out, in scheme SC-01 which was launched in March 2011, the brochure was more specific with respect to infrastructure for golf as it envisaged creation of a 56.33 acre nine-hole golf course. The second launch of Sports City-02 in June 2014 diluted the requirement for the golf course as it only specified creation of a nine-hole golf course without indicating its area. The brochure of the REP scheme launched in June 2014 completely diluted the requirement by only stating that golf course shall be constructed without specifying either its acreage or number of holes. The turn of events indicates that the dilution in specifications overtime, making these vague and not specific, were deliberate to facilitate sub-divisions subsequently whereby in place of sporting infrastructure, group housing projects could come up. This needs to be investigated by Vigilance.

During the Exit Conference (January 2021), the State Government assured that the point raised by Audit would be addressed by issue of comprehensive guidelines in future. Responsibility needs to be fixed for allowing gross playing around with requirements causing loss of revenue and defeating the objective of the scheme besides undue benefit to developers.

#### ***Amalgamation of Recreational area for Group Housing in Sports City-01***

**5.4.8.3** The General Manager (Planning and Architect) approved (September 2016) the Zonal Plan of the entire plot of Sports City 01 for the area of 5,26,512 sqm, which included 10 sub-divided plots (GH-01 to GH-10) for Group Housing. The aggregate area of these GH was approved for 1,44,305 sqm, out of which 40 *per cent* area measuring 57,722 sqm was earmarked for Recreational use. In the Zonal Plan of these plots, 30 *per cent* Ground Coverage and 3.5 FAR were approved by computing on the total area GH plots including 40 *per cent* area measuring 57,722 sqm meant for Recreational use also. This facilitated the allottee to utilise the 40 *per cent* Recreational area in the green/open area within the Group Housings. As a result, earmarked Recreational area was converted into the Residential which reduced the Recreational area from proposed 70 *per cent* to 59 *per cent* and increased the residential area from proposed 28 *per cent* to 39 *per cent*.

In its reply, GNIDA stated (October 2020) that in compliance with the provision of the scheme brochure of Sports City, a copy of approved layout of Sports City was being sent to Audit.

The reply of GNIDA (October 2020) did not address the Audit observation.

#### ***Thrust on development of group housing rather than sports infrastructure***

**5.4.8.4** The brochure conditions of the Sports Cities envisaged an integrated development of project and developing residential and commercial component in the project in proportion to area earmarked for recreational use.

Audit observed that the Group Housing projects of the Sports City-01 were being executed without any reporting progress of creation of proportionate sports facilities as GNIDA had not prescribed or identified in map the construction to be completed in various phases in either scheme brochure or lease deed. As a result, joint physical verification conducted on 4 December 2019 by Audit with the Management of GNIDA brought out instances of development of group housing projects only without corresponding sports/recreational facilities as depicted in **Photograph 5.4.5**.



Photograph 5.4.5 : Group Housing Projects (GH-03) of Sports City-01



Despite the envisaged objective of developing world class sporting facilities, GNIDA failed to specify required technical specifications for such infrastructure and approved the layout as that of a normal residential/ group housing project.

It is thus evident that GNIDA approved layout in the Sports City as a group housing project and facilitated residential developments in whole of the Sports City plots without ensuring development of 'world class sporting infrastructure/facilities' as envisaged. Although spaces for some sports facilities like tennis court, swimming pool has been marked in the plots, these are in nature of similar facilities also being provided in any other residential/group housing projects. Further, in the absence of technical specifications for level of sports infrastructure envisioned, the facilities being created will at best only serve the respective group housing societies and their use for hosting public sports events does not seem to be feasible.

During the Exit Conference (January 2021), the State Government and GNIDA accepted the Audit observation.

#### ***Allowance of extra Floor Area Ratio and Ground Coverage***

GNIDA extended undue benefit of ₹ 470.12 crore to allottees in terms of allowance of extra FAR and GC.

**5.4.8.5** In order to incentivise the development of sports infrastructure by builder, the terms and conditions of the scheme brochure provided a particular feature of fungible<sup>25</sup> Floor Area Ratio (FAR) and Ground Coverage (GC), which allowed a total FAR of 1.5 and GC of 30 *per cent* on the whole area of plot. The FAR and GC in recreational land use was allowed as per prevailing building bye-laws, which was 0.40 under the applicable GNIDA Building Regulations (2010 and 2014). There was no restriction on utilising GC and FAR in residential including Group Housing and Commercial land use within the overall permissible limit of 30 *per cent* GC and 1.5 FAR on total allotted land. Thus, after utilising the FAR and GC on sports and recreational categories, the remaining FAR and GC was allowed to be used for group housing and commercial categories without any charge.

<sup>25</sup> Transferable.

The effective FAR and GC for different uses in a 100 sqm area is worked out in **Table 5.4.17**.

**Table-5.4.17: Statement showing calculation of sale price**

| Land use                      | Land use allowed as per Sports City brochure (in per cent) | FAR allowed (As per Building Regulation, 2010)                                | Covered area allowed (in per cent) | Effective FAR for respective category area | GC allowed (in per cent) (As per Building Regulation)                               | Land for GC (Sqm)   | Effective GC for respective category area (in per cent) |
|-------------------------------|--|---|------------------------------------|--|---|---------------------|---|
| 1                             | 2  | 3   | 4<br>(col.2 x col.3)               | 5<br>(col.4/col.2)                         | 6   | 7<br>(col.2x col.6) | 8<br>(col.7x 100/col.2)                                 |
| Recreational                  | 70   | 0.4   | 28                                 | 0.4  | 20  | 14                  | 20  |
| Commercial                    | 2  | 4   | 8                                  | 4  | 30  | 0.6                 | 30  |
| Group housing/<br>residential | 28   | Remaining FAR for Sports City after adjusting commercial and recreational FAR | 150 – (28+8) = 114                 | 4.07                                       | Remaining from 30 per cent after adjusting commercial and recreational covered area | 30- (14+0.6) = 15.4 | 55  |
| <b>Total</b>                  | <b>100</b>   | <b>1.5</b>  | <b>150</b>                         |  | <b>30</b>   | <b>30</b>           |   |

*Source: Information provided by GNIDA.*

Thus, due to shifting of the remaining FAR and GC for group housing/residential after utilising the FAR and GC allowed for the recreational and commercial categories, the effective FAR and GC for group housing/residential worked out to 4.07 and 55 per cent respectively. This was much higher than the permitted FAR of 2.75/3.5 and ground coverage 40 per cent as per prevailing Building Regulation for the group housing/residential properties. The permitted development norms for FAR and GC needs to be considered by GNIDA in the fixation of reserve price as higher FAR and GC allows the allottee to construct more covered area. Therefore, the allowance of higher FAR and GC should be linked with commensurate prices.

Audit noticed that the allowance of higher effective FAR and GC in the Sports City resulted in incentive of ₹ 470.12 crore to the allottees in Sports City-01 and Sports City-02 plots, as worked out in **Appendix-5.4.2**. After considering the development of group housing projects and the absence of corresponding development of sports infrastructure, the above incentive is tantamount to undue benefit of ₹ 470.12 crore in respect of the two Sports City plots.

In its reply, GNIDA confirmed the facts and figures and stated (October 2020) that the reserve price of plots is fixed every year after approval of the Board. During the Exit Conference (January 2021), the State Government agreed on this issue in the Chapter 'Pricing of Properties' and stated that higher FAR means more infrastructure and therefore should translate in higher prices.

#### ***Defeat of avowed objective of developing Sports City and REP***

**5.4.8.6** In *Noida Entrepreneurs Association vs. Noida & Others*<sup>26</sup>, the Hon'ble Supreme Court has observed (May 2011):

<sup>26</sup> Writ Petition (Civil) No. 150 of 1997.

*“The State or the public authority which holds the property for the public or which has been assigned the duty of grant of largesse, etc., acts as a trustee and, therefore, has to act fairly and reasonably. Every holder of a public office by virtue of which he acts on behalf of the State or public body is ultimately accountable to the people in whom the sovereignty vests. As such, all powers so vested in him are meant to be exercised for public good and promoting the public interest. Every holder of a public office is a trustee.”*

**The existing development is not intended for the sporting public at large. GNIDA and developers had converted a purely sports/recreational facilities into primarily residential colony.**

The world class sports infrastructure envisioned in the MP-2021 for GNIDA was to be created for public at large. It was to serve a public purpose and aid in overall development of GNIDA. However, as discussed in **Paragraph 5.4.8.2**, GNIDA had approved nine separate putting hole golf courses in Sports City-01. These were green stretches between rows of golf villas which can at best be utilised by the inhabitants of the Group Housing societies only, with effectively no public access. Similarly, in the case of Sports City-02, the land parcel provided for the development of the golf course has been divided into two sub-divided plots without mentioning the measurement of the area of the golf course in the approved layout. This in itself is a travesty of what was intended to be a nine-hole golf course spanning 56 acres as per the GNIDA’s own brochure of Sports City-01.

Audit concluded that the sports/recreational facilities intended in MP-2021 and scheme brochures of Sports City/REP plots have either not materialised at all or those created are in complete violation of the Master Plan’s vision. As of March 2022, no sporting infrastructure are completed and made functional. The existing development is not intended for the sporting public at large. GNIDA and developers had converted a purely sports/recreational area into primarily residential colony, and at the same time giving undue monetary and concessional benefits to many builders in the name of sports/recreational facilities.

In its reply, GNIDA stated (October 2020) that plot of Sports City-01 was sub-divided after approval of the competent authority and separate lease deeds were executed for each plot. Accordingly, separate map for each sub-divided plot was sanctioned by the Planning Division.

The reply does not address the issue of failure of GNIDA in ensuring the creation of ‘world class sports infrastructure’ envisioned in the Master Plan 2021 and the scheme brochures.

#### **5.4.9 Conclusion**

**GNIDA had the primary mandate for the development of an industrial township. Although development of sports was not included in any of the functions mandated to the Authority under the Act, it was included in Master Plan-2021. In addition to allotment of two Sports City plots, GNIDA also allotted two plots for Recreational Entertainment Parks without the requisite approvals of the Board and the Government of Uttar Pradesh for land use change. GNIDA allowed development of group housing in these Recreational Entertainment Parks, which was violation of Building Regulations notified by GoUP and Master Plan 2021.**

**The envisioned concept of development of ‘world class sports facilities’ was not implemented as GNIDA totally failed to delineate any specification for level of sports infrastructure (golf course, multipurpose**



playfield, tennis centre, swimming centre, *etc.*) due to adhocism in terms and condition in scheme brochure. No condition specifying prior experience in developing sporting infrastructure was prescribed in the scheme brochure. There was misuse of consortium clause which facilitated large scale sub-division of plots in Sports City-01, Sports City-02 and Recreational Entertainment Park-02 in favour of parties with grossly inadequate financial/executional capabilities. The sub-divisions have rendered the setting up of even nine-hole mini golf courses as envisaged in the brochure, an impossibility.

GNIDA also failed to prevail upon the allottee builders to honour their commitments. There was no mechanism for monitoring of progress of project or its functionality which resulted in delays in execution of project. No completion certificate has been issued so far (March 2022).

Allotment of Sports City/REP plots appeared to be an exercise aimed at developing residential real estate in the garb of developing sports and recreational related infrastructure. Allottees had developed Group Housing projects without reporting any progress of creation of sports infrastructure. GNIDA did not open Escrow Accounts with the allottees to protect interest of GNIDA as well as home buyers. Allottees were also extended undue benefit of ₹ 1,480.24 crore<sup>27</sup> due to reduced pricing, invalid permission for developing group housing in recreational green area and allowance of extra FAR and ground coverage. For the failure in meeting the stated objectives of creating a Sports City, huge losses caused to GNIDA and undue benefits given to builders, the State Government should fix responsibility against the delinquent officers.

#### 5.4.10 Recommendations

| Recommendation Number | Recommendation  |
|-----------------------|---|
| 26.                   | The State Government should, in the light of large scale departure and dilution from the originally planned sporting theme, review the structure and implementation of such a category. The State Government has accepted the recommendation. |
| 27.                   | The State Government should lay down clear and specific norms for development of sports cities and REP in consultation with experts. The State Government has accepted the recommendation.  |
| 28.                   | The State Government should fix responsibility against the delinquent officers for diverting from the stated objective of creating a Sports City and giving undue benefits to the builders under the garb of a Sports City/REP.               |

<sup>27</sup> Paragraph 4.4.2 (₹ 690.76 crore), Paragraph 5.4.7.2 (₹ 319.36 crore) and Paragraph 5.4.8.5 (₹ 470.12 crore)