

CHAPTER–V (6)

Allotment of Farm Houses Plots

CHAPTER-V

Allotment of Properties

V (6) Allotment of Farm Houses Plots

Introduction

5.6.1 Zoning regulations of Master Plan 2021 of GNIDA provides for 'agriculture use zone' outside the urbanisable area which can be used *inter alia* for developing farm houses. GNIDA rolled out two schemes for allotment of plots for farm houses, viz., Institutional Farm Houses scheme and Krishi Farm Houses scheme. The Institutional Farm Houses scheme was launched in January 2011 with the objective for planned development in the agriculture use zone to prevent unauthorised development/construction and to maintain this area as an open and green area. Subsequently, in May 2015, GNIDA launched agriculture based Krishi Farm Houses scheme for allotment of plots on draw basis to farmers whose land was acquired by GNIDA for planned development.

Under Institutional Farm Houses scheme, large plots (above 75 acre) were allotted on bid¹ basis to the developers, who were required to develop the area and were allowed to sub-lease it by further plotting in smaller plots for individual use as farm houses. The activities permitted in Institutional Farm Houses plots included construction of one dwelling unit, staff/servant quarter, guard room, swimming pool, dairy farming, poultry farming, orchard parks and playground, parking facility and plant nursery within a maximum Floor Area Ratio (FAR) of 15 *per cent*.

Under Krishi Farm Houses scheme, small size plots (4,000-10,000 sqm) were allotted on draw of lots basis to individual applicant farmers whose land was acquired by GNIDA for planned development. The scheme allowed dairy farming, farming of aromatic, medicinal plants, exotic and organic fruits/vegetables, horticulture and floriculture. It allowed construction of boundary wall on the plot, whereas other constructions was to be of temporary nature.

Status of allotment of Farm Houses Plots in GNIDA

5.6.2 GNIDA allotted (April 2011) three Institutional Farm Houses plots (measuring area 13,47,982 sqm) to three developers at premium of ₹ 371.64 crore along with annual lease rent at the rate of 2.5 *per cent* of the premium. As per the terms and conditions of the scheme brochure, the lessee/sub-lessee shall commence the construction within 18 months from the date of possession and shall complete the construction and obtain occupancy certificate from the Planning Division of GNIDA in maximum seven phases within a period of eight years.

Under Krishi Farm Houses scheme, 12 plots of 10,000 sqm each in village Haibatpur and 46 plots of 4,000-8,000 sqm in villages Nanau ka Rajpur and Amarpur were offered by GNIDA for allotment. A draw was organised (August 2015) by GNIDA and out of 15 eligible applicants (14 for Haibatpur plots and one for Nanau ka Rajpur and Amarpur plot), nine applicants were

¹ Two bid system, viz., technical and financial bids.

allotted (September 2015) nine Krishi Farm Houses plots² measuring area 84,047 sqm at premium of ₹ 42.11 crore along with annual lease rent at the rate of one *per cent* of the premium. The terms and conditions of the scheme required the allottees to complete the temporary construction within two years from the date of execution of lease deed.

As per information furnished by GNIDA, overdue against land premium (principal), lease rent and interest against 12 farm house plots allotted during April 2011 to September 2015 was ₹ 645.83 crore as on April 2021, as detailed in **Table 5.6.1**.

Table 5.6.1: Overdue against Farm House allottees

Category of Farm Houses Plots	Total number of allotments	Number of allotments against which dues were outstanding	Overdue against defaulting allottees upto April 2021 (₹ in crore)			
			Principal amount	Interest on principal	Lease rent including interest	Total
Institutional Farm Houses Plots	3	3	158.47	316.92	122.21	597.60
Krishi Farm Houses Plots	9	9	26.45	21.78	-	48.23
Total	12	12	184.92	338.70	122.21	645.83

Source: Information furnished by GNIDA

The age-wise analysis of above overdue is detailed in **Table 5.6.2**.

Table 5.6.2: 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	7	40.66
Three to five years	2	338.20
Below three years	3	266.97
Total	12	645.83

Audit however noticed that the Board of GNIDA had decided (November 2019) to cancel the allotment of Krishi Farm Houses plots due to encroachment and refund the amount deposited (along with four *per cent* interest) to allottees, as detailed in **Paragraph 5.6.7**. Accordingly, refunds have been made (January 2020 to March 2021) to eight allottees. Refund of one case is under process (July 2022) without any reason on record.

The allottee wise details of accumulated dues against Institutional Farm Houses plots was as detailed in **Table 5.6.3**.

² Out of 12 plots in Haibatpur village, eight plots were for general category applicants and four plots were for reserved category applicants. Since no application was received for reserve category plots, only eight plots were allotted in Haibatpur.

Table 5.6.3: Detail of accumulation of dues against Institutional Farm Houses plots as on April 2021

Sl. No.	Name of Allottees	Date of allotment	Plot No.	Area of Plot as per lease deed (in sqm.)	Overdue of Principal, lease rent and interest (₹ in crore)
1	Consortium of five ³ members with lead member SDS Infratech Private Limited	25 April 2011	FH-01	3,77,000 ⁴	332.27
2	Gaursons India Limited	25 April 2011	FH-02	4,04,879	90.94
3	Gaursons Hi-tech Infrastructure Limited	20 April 2011	FH-03	5,66,103	174.39
Total				13,47,982	597.60

Source: Information furnished by GNIDA

Due to unpaid premium and interest thereon, GNIDA had cancelled (August 2017) the allotment of plot FH-01, however, the matter of cancelling the plot is sub-judice. While lease deed was executed for the total area allotted in FH-2 plot, the allotted area (5,83,671 sqm) in FH-03 plot was reduced by 17,568.15 sqm as it was not in possession of GNIDA (March 2022). However, GNIDA did not cancel the plots of remaining two defaulting allottees for violation of the terms and conditions⁵ of the allotment.

In its reply, GNIDA stated (November 2020) that the area of FH 03 plot had been reduced by 17,568.17 sqm which was not in possession of GNIDA and consequently, recalculation was being done by GNIDA for actual dues.

Audit Coverage

5.6.3 Audit examined the process of planning and allotment of farm houses. Out of 12 allotments, nine allotments (all three under Institutional Farm Houses scheme and six under Krishi Farm Houses scheme) were selected on the basis of stratified random sampling through IDEA software for detailed examination during the Performance Audit. Besides, joint physical verification of six Krishi Farm Houses were also undertaken along with the representatives of GNIDA.

Audit findings

The audit findings brought out in succeeding paragraphs have been grouped as under:

- Deficiencies in Planning (*Paragraphs 5.6.4 to 5.6.4.2*);
- Irregularities in allotments and violation of terms and conditions of scheme brochures (*Paragraphs 5.6.5 to 5.6.5.2*); and
- Outcome of allotments of Farm Houses plots. (*Paragraph 5.6.7*)

³ SDS Infratech Private Limited, Meriton Infotech Private Limited, Deepak Bansal, Anshul Bansal and Dashmesh Promoters and Developers Private Limited.

⁴ Area as per allotment letter since lease deed not executed.

⁵ Allotments were liable to be cancelled in case of default on the part of the applicant/allottee/lessee for breach/violation of terms and conditions of registration/allotment/ lease and/or non-deposit of allotment money.

Deficiencies in Planning

5.6.4 The deficiencies noticed in planning and scheme formulation of Farm Houses plots are discussed in the succeeding paragraphs.

Launching of Krishi Farm Houses scheme in the flood plain area of river Hindon

5.6.4.1 Regional Plan (RP) 2021 *inter alia* classified river Hindon as ‘Natural Conservation Zone’ in which only certain activities were allowed, viz., agriculture and horticulture, pisciculture, social forestry/plantations including afforestation and regional recreational activities with no construction exceeding 0.5 per cent of the area. Further, RP 2021 prohibits any construction or habitation activities in the flood prone areas/river beds/banks.

In violation of the directions (March 2010) of GoUP and RP 2021 prohibiting any kind of construction inside the flood affected area, GNIDA launched Krishi Farm Houses scheme in flood affected area of Hindon river.

Government of Uttar Pradesh (GoUP) had directed (March 2010) all Industrial Development Authorities for clear depiction of flood plain zones along rivers as flood affected areas in the Master Plans. In order to prevent any construction in the flood affected areas, GoUP also directed that these areas should be reserved as Green zone. It was to be ensured to ban all kinds of constructions in flood plain zones under the Zoning Regulations of the concerned cities. GoUP further directed that no NOC would be granted under the Uttar Pradesh Industrial Area Development Act, 1976 (UPIAD Act, 1976) to any kind of construction inside the flood plain zone and nor would the lay-out plans of such constructions be approved.

The construction upon flood plain area not only affects the natural flow of the river but also causes environment problems besides raising risk to human life and property. In the case of Akash Vashishtha and Anr. vs. Union of India and Others relating to prevention of new farm houses and concrete constructions in the flood plain area of Yamuna and Hindon, National Green Tribunal (NGT) ordered (July 2013) *ad interim* injunction restraining any illegal and unauthorised construction, be it temporary or permanent, on the flood plain zone of river Yamuna and Hindon in the National Capital Territory of Delhi, State of Haryana and State of Uttar Pradesh⁶.

In violation of the directions (March 2010) of GoUP, GNIDA did not delineate flood plain zone along river Hindon.

Audit noticed that in MP 2021⁷, GNIDA did not delineate flood plain zones along river Hindon. This was in violation of GoUP’s March 2010 directions. The area alongside river Hindon was indicated for agriculture use in land use map of MP 2021.

In its 96th meeting (November 2013), the Board of GNIDA approved a proposal to launch agriculture based Krishi Farm Houses scheme for the local farmers whose land was acquired by GNIDA. The reason for launching this scheme was cited as encroachment and illegal construction on the land area between Hindon river and its dam which was reserved for agricultural use. Farming of aromatic and medicinal plants, exotic and organic fruits/vegetables, horticulture and floriculture were allowed on these farm house plots. Allottee could construct boundary wall of 2.1 metre height on the

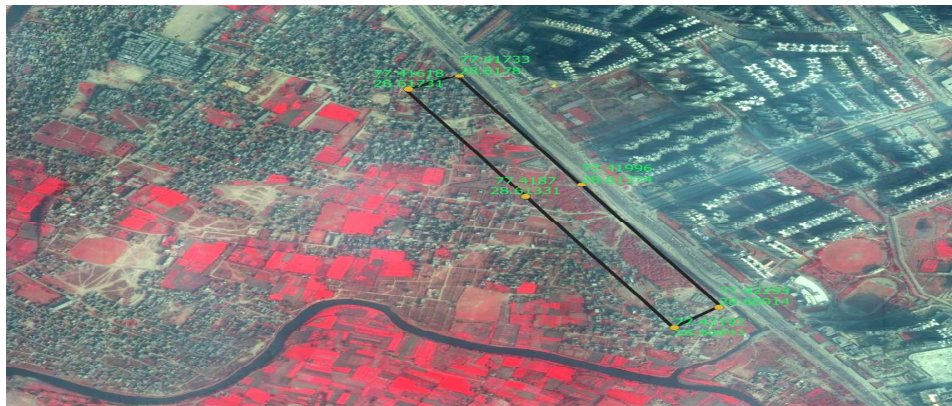
⁶ The Original Application No. 89 of 2013 was disposed of (10 February 2017) by the NGT without any order as Ministry of Water Resources, River Development and Ganga Rejuvenation has issued notification (7 October 2016) which *inter alia* provides that ‘no person shall construct any structure, whether permanent or temporary, in the River Ganga, bank of River Ganga or its tributaries or active flood plain area of River Ganga or its tributaries’.

⁷ Proposed for implementation by GNIDA upto the year 2021.

plot, whereas other construction on the plot was to be of temporary nature as per requirement of the project.

Though MP 2021 of GNIDA did not indicate the area of Natural Conservation Zone/flood plain zone along Hindon river, GNIDA's records⁸ specified that the Krishi Farm Houses scheme at village Haibatpur was launched in the flood affected area of Hindon river. Audit further noticed that Krishi Farm Houses of Haibatpur village are situated only at a distance of 129.92 metre to 552.28 metre from the banks of river Hindon as depicted (black rectangular) in **Photograph 5.6.1**.

Photograph 5.6.1: Krishi Farm Houses in village Haibatpur and Hindon river



Note: Rectangular area in black covers Krishi Farm Houses plots.

Source: ISRO Satellite Image (February 2020)

Thus, the planning and launch of Krishi Farm Houses at village Haibatpur was in violation of the directions (March 2010) of GoUP and RP 2021 prohibiting any kind of construction inside the flood plain zone.

During the Exit Conference (January 2021), the State Government accepted Audit observation and stated that the Farm Houses scheme would be reviewed by the Government.

Violation of green buffer norms in launching of Institutional Farm Houses Scheme

In violation of the norms fixed for development of green buffer in RP 2021 as well as MP 2021, GNIDA launched institutional farm houses schemes in the area envisaged by NCRPB as green buffer and allowed the activities which were not permitted in green buffer. Further, the approved lay out provided for development of 91 farm houses which will change the very complexion of land use which was to be maintained as green buffer zone.

5.6.4.2 Para 17.4.1 of RP 2021 states that in green buffers area, no activities other than those permitted in the Zoning Regulations of RP 2021 can be carried out. The permitted activities were agriculture and horticulture, social forestry/plantation including afforestation, approach/service roads and fuel stations with amenities like toilets, STD booths, small repair shop, small tea/soft drink and snack bar (with no cooking facility) and toll plaza, bus queue shelters, police booth, first aid centres and telephone booth.

The Planning Committee of NCRPB in its 54th meeting (September 2006) advised GNIDA to keep green buffer of about two kilometre width between the urbanisable areas of NOIDA and Greater Noida area along river Hindon. In compliance with this observation, GNIDA assured (February 2007) NCRPB that 'a green buffer of about two km width has been kept between the urbanisable areas of NOIDA and Greater NOIDA along the Hindon river in the newly planned area.'

⁸ Agenda note number 7 for 116th meeting (November 2019) of Board of GNIDA.

Audit noticed that GNIDA launched (January 2011) Institutional Farm Houses scheme in the area which was to be kept as green buffer in view of advice (September 2006) of NCRPB and subsequent assurance (February 2007) by GNIDA. This area was indicated for agriculture use in land use map of MP 2021. The activities permitted under agriculture use land in MP 2021 are farm house, gas godown, milk chilling centres, motel, oil depot, open air theater, orchard, park, parking, petrol pump/fuel station, plant nursery, public utilities and services/facilities, rural centre, specialised parks/theme park and garden, storage, godowns and warehousing and cold storage, burial/cremation ground/cemeteries and dairy farming/poultry farms.

Audit noticed that in the scheme brochures for Institutional Farm Houses, Lessee/Sub lessees of Institutional Farm Houses were permitted to build one dwelling unit, swimming pool and playground in each farm house. These activities were not permitted under either green buffer area in the Zoning Regulations of RP 2021 or agriculture use land in MP 2021. Thus, the Institutional Farm Houses scheme of GNIDA violated the norms fixed for development of green buffer in RP 2021 as well as MP 2021.

Further, under the scheme, the allottee had the option to sub lease portion of land earmarked for Farm Houses subject to minimum size of each farm houses as per prevailing building byelaws of GNIDA. As per the approved layout plan for the development of FH-02 and FH-03 plots, 91 farm houses were to be developed on these two Institutional Farm Houses plots. Thus, effectively these areas will shape into multiple farm houses with private utilities consisting of construction on 1,45,647 sqm out of allotted area of 9,70,982 sqm (at FAR of 15 *per cent*) and thereby, it will change the very complexion of land use which was to be maintained as green buffer area.

During the Exit Conference (January 2021), the State Government accepted Audit observation and stated that this point would be reviewed in the present and future schemes.

Irregularities in allotments and violation of terms and conditions of scheme brochures

5.6.5 Audit noticed irregularities in allotments of plots of Farm Houses and violation of terms and conditions of the schemes brochures as discussed below:

Allotment made without intactness of plot

5.6.5.1 For the allotment of land, the proposed land should be in the possession of GNIDA and should be free from all encumbrances. However, the plots for Institutional Farm Houses scheme were allotted by GNIDA in April 2011 without ensuring its intactness and free from encumbrances as detailed below:

- In case of plot no. FH-01 allotted in April 2011, an area of 6,831 sqm out of lease plan for 3,77,383 sqm⁹ was not available for handing over to the allottee as development work was in progress as on May 2015. Subsequently, plot no. FH-01 was cancelled (August 2017) due to unpaid premium and interest thereon of ₹ 204.07 crore and the matter of cancellation was sub judice (March 2022).

⁹ Allotment was made for 3,77,000 sqm.

- In case of plot no. FH-02, the lease deed was executed in two parts: in November 2012 (original lease deed) and December 2015 (supplementary lease deed). Audit noticed that the supplementary lease deed was executed after three years of original lease deed due to unavailability of a part of land parcel measuring 3,168.59 sqm in the allotted plot out of total area of 4,04,879 sqm under lease plan.
- Similarly, lease deed of FH-03 plot was executed in two parts. In the first lease deed (November 2012), GNIDA mentioned that out of total area of 5,83,671 sqm under lease plan, 17,568.15 sqm of land was unacquired and 4,374.90 sqm would be handed later on. The supplementary lease deed was executed (December 2015) for the area of 4,374.90 sqm. However, GNIDA could not provide possession of some portion of plot FH-03 to the allottee due to encroachment and on the request of the allottee, CEO formed (January 2019) a five members Committee for physical survey of site of the plot to resolve the issue but the issue remained unresolved (November 2019). Further development on the issue was awaited (March 2022).
- The lease plan of the plot FH-02 and FH-03 was issued subject to decision of pending court cases (Writ Petitions 12300/2010, 12303/2010 and 32438/2012).

Thus, GNIDA allotted all three plots under Institutional Farm Houses scheme without ensuring their intactness, indicating lack of due diligence by the Planning Division.

In its reply, GNIDA stated (November 2020) that it did not allot any such plot which was partially acquired or encroached. After the allotments, various litigations were filed by the farmers raising their demands and encroachment was done by them on the plots due to not fulfilling the demand of farmers, failure in payment of compensation and other reasons. The allottee was responsible for the plot after lease deed and handing over of possession. GNIDA further stated that in case of plot FH-03, the Board had directed to recalculate the dues against allottee after reducing the allotted area by 17,568.17 sqm which was not acquired.

The reply of GNIDA is not acceptable, as the scheme for Institutional Farm Houses was launched in the year 2011 while concerned plots were under litigation since the year 2010. Further, in case of plot FH-03, an area of 17,568.15 sqm was not even acquired and therefore, the lease deed was executed by GNIDA for the reduced area.

Grant of permission to allottee to mortgage plot without clearance of dues

5.6.5.2 Clause S of the Institutional Farm Houses scheme brochure provides that the mortgage permission shall be granted in favour of a scheduled bank/Government organisation/financial institution approved by the Reserve Bank of India for the purpose of raising resources, for construction on the allotted plot. The allottee will submit the clearance of dues of the plot premium and lease rent as on date of application of mortgage permission.

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 Manager (Institutional), GNIDA accorded permission to mortgage the plots without clearance of up-to-date dues as detailed in **Table 5.6.4**.

In violation of terms and conditions of the brochure, GNIDA granted mortgage permissions in two allotments without clearance of up-to-date dues by allottees.

Table 5.6.4: Details of outstanding dues at the time of mortgage permission

Plot number	Date of permission to Mortgage	Outstanding premium and lease rent (₹ in crore)
FH-02	28 March 2018	107.21
FH-03	26 March 2014	27.45

Source: Data/Information provided by GNIDA

As evident from **Table 5.6.4**, GNIDA granted mortgage permission to allottees of plots FH-02 and FH-03 despite outstanding premium and lease rent. In case of FH-02 plot, the letter for permission to mortgage provided a condition that the Financial Institution shall pay directly to GNIDA the defaulted amount (₹ 107.21 crore) to activate the mortgage permission. However, GNIDA had not received any amount from the Financial Institutions.

The issue of mortgage permissions in case FH-02 and FH-03 plots without clearance of dues were irregular, as there was no provision in the scheme brochure for providing permission/conditional permission for mortgage without clearance of up-to-date dues.

Similar lapses have been also viewed gravely by the Hon’ble Supreme Court, in the case of Amrapali Builders¹⁰ wherein it observed “*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 agreed with the Audit observation and assured that action would be taken against the concerned officials after examining the violation of terms and conditions. Further, the Government also assured to review the mechanism and terms and conditions of permission to mortgage the plots by constituting a Committee.

Outcome of allotments of Farm Houses plots

Out of three Institutional Farm Houses allotted in April 2011, GNIDA cancelled allotment of one Institutional Farm House plot due to failure in payment of dues. The other two Plots, whose layout was approved for developing 91 farm houses, were yet to be completed and had not been cancelled as on April 2021 even after dues of ₹ 265.33 crore.

5.6.7 Institutional Farm Houses were to be developed by allottee developers who may sub-lease further plotting in smaller plots for farm houses. As per the terms and conditions of the scheme brochure of Institutional Farm Houses (launched in 2010-11), lessee/sub-lessee shall commence the construction within 18 months from the date of possession and shall complete the construction and obtain occupancy certificate from the Planning Department of GNIDA in maximum seven phases within a period of eight years from the date of execution of lease deed.

Out of three Institutional Farm House allotted in April 2011, GNIDA cancelled (August 2017) allotment of one Institutional Farm House plot (FH 01) due to failure in payment of dues amounting to ₹ 204.07 crore. The cancellation order was sub-judice.

In case of FH-02 and FH-03 plots, GNIDA had approved (December 2012) layout plan for development of 37 farm houses in FH-02 plot and 54 farm houses in FH-03 plot. Area of these 91 farm houses ranged from 10,001 sqm to 20,051 sqm. However, these farm houses were yet to be

¹⁰ In case of Bikram Chatterji and others vs. Union of India (Writ Petition (C) No. 940 of 2017).

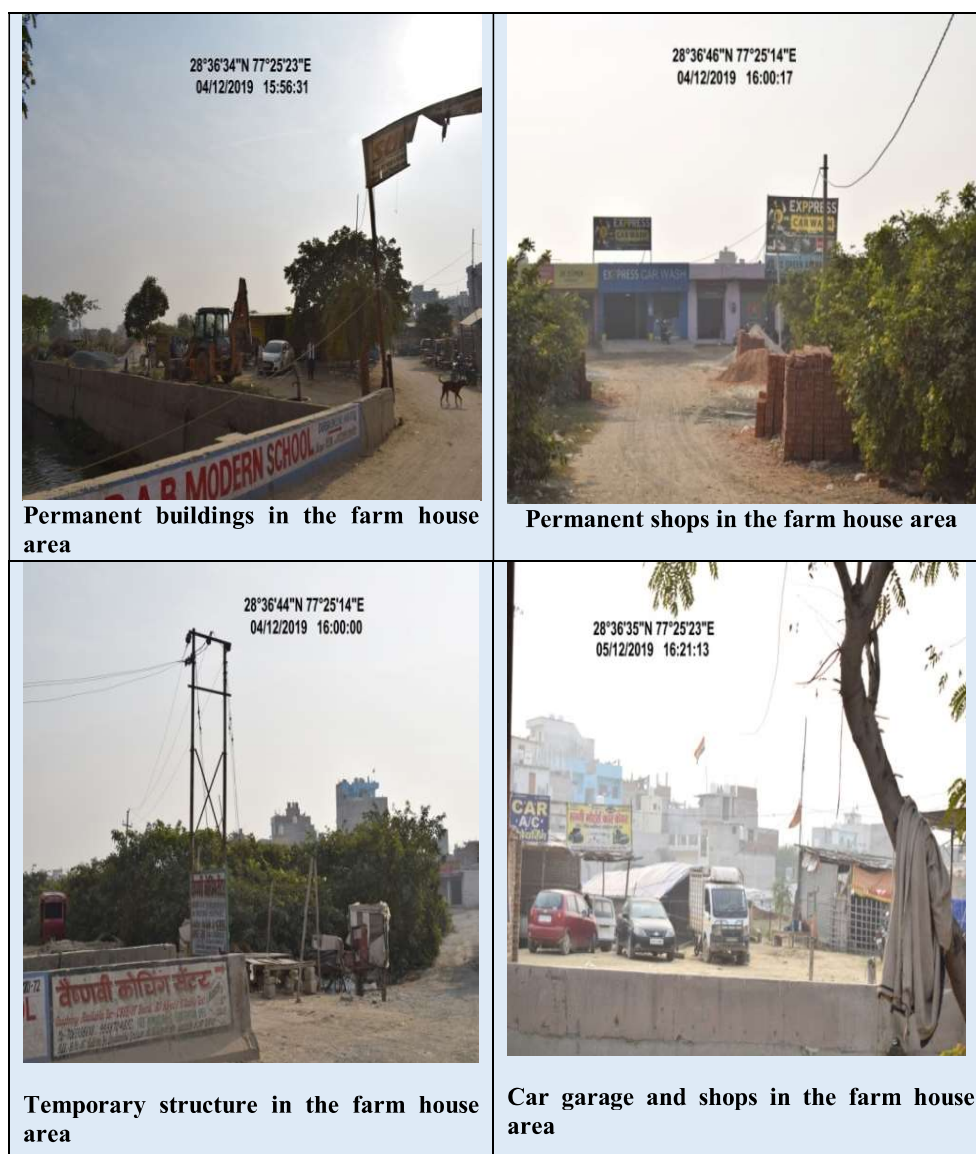
GNIDA cancelled the allotment of nine Krishi Farm Houses due to encroachment.

completed (April 2021). GNIDA had not cancelled these allotments even after dues of ₹ 265.33 crore as on April 2021.

Further, in allotment of nine Krishi Farm Houses, all allottees complained to GNIDA regarding heavy encroachment on the plots and requested for removal of the same. The status of encroachment was examined by GNIDA and it was found (December 2015 and June 2016) that plots were encroached. However, no effective action was taken to evacuate the land from encroachment. Pertinently, these farm house plots are in the flood plain zone of Hindon river.

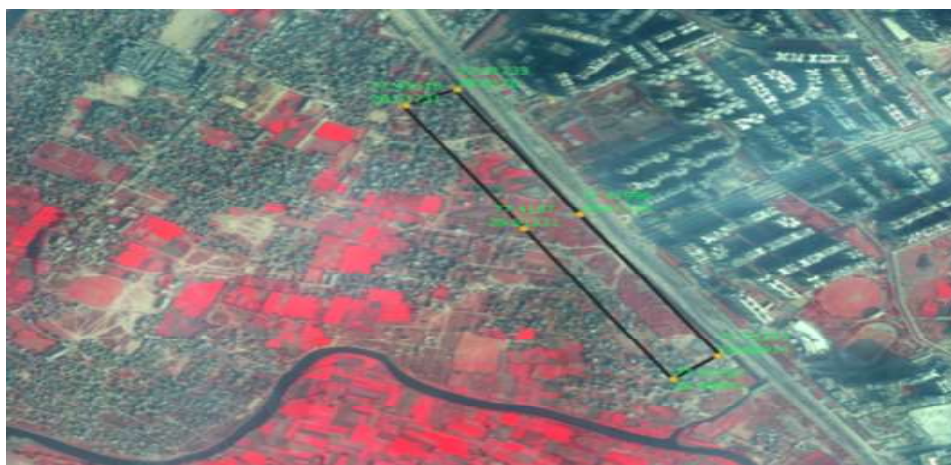
A joint physical verification of the plots of Krishi Farm Houses by Audit Team and Management of GNIDA was carried out (4 and 5 December 2019) to verify the status of encroachment. In the joint physical verification, it was found that the area was heavily encroached, as depicted in **Photograph 5.6.2**.

Photograph 5.6.2: Encroachment of land on Krishi Farm Houses plots



Audit also obtained satellite images (**Photograph 5.6.3**) from National Remote Sensing Centre (ISRO Centre at Hyderabad) which shows dense encroachment on the site of Krishi Farm Houses plots.

Photograph 5.6.3: ISRO Satellite Image (February 2020)



Note: Rectangular area in black represents Krishi Farm Houses plots and encroachment is depicted in light green.

The above photographs confirm encroachments with constructions such as temporary kiosks, permanent residential and commercial structures, garage, etc. Audit further noticed that in view of encroachment, the Board of GNIDA had decided in 116th meeting (November 2019) to refund the deposits (along with four *per cent* interest) to the allottees of Krishi Farm Houses Scheme. Accordingly, refunds have been made (January 2020 to March 2021) to eight allottees. Refund of one case is under process (July 2022).

Thus, GNIDA failed to remove encroachment from land parcel allotted under Krishi Farm Houses scheme, despite being aware of it. The inaction of GNIDA was also in violation of GoUP's order (March 2010) to various State Government Departments/CEOs of all Industrial Development Authorities for effective action under UPIAD Act, 1976 for stopping illegal construction in flood plain zone of river.

5.6.8 Conclusion

Institutional Farm Houses scheme, which was launched in area proposed as green buffer, allowed activities which were not permitted in the green buffer area. Further, in violation of terms and conditions of brochures, GNIDA granted permissions to allottees to mortgage plots without clearance of dues.

Krishi Farm Houses scheme was launched in the flood plain of Hindon river, which was in violation of the provisions of Regional Plan 2021 and State Government's direction prohibiting any construction in the flood plain area of rivers. GNIDA also failed to remove encroachment from flood plain area of Hindon river, which has environmental consequences.

5.6.9 Recommendations

Recommendation Number	Recommendation
32.	The Government should review the entire scheme of allotment of Farm Houses and take a considered decision on dealing with allotments already made and recover the dues from the defaulting allottees. The State Government has accepted the recommendation.
33.	The State Government may direct the concerned Departments including GNIDA to maintain the ecological balance of the flood plain of River Hindon by removing encroachments and develop green buffer area as per directions and orders of National Green Tribunal, Government of India, Government of Uttar Pradesh and National Capital Region Planning Board. The State Government has accepted the recommendation.