

Preface

The Report has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

This Report of the Comptroller and Auditor General of India (CAG) contains significant observations arising out of ‘Performance Audit of Land Acquisition and Allotment of Properties in New Okhla Industrial Development Authority (NOIDA)’ during the period 2005-06 to 2017-18 of the Government of Uttar Pradesh (GoUP). The Report emanates from the scrutiny of files and documents pertaining to NOIDA and collection of data from other Government Departments and agencies viz. Registrar of Companies (RoC), Uttar Pradesh Real Estate Regulatory Authority (UPRERA), Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) etc., and its cross verification with the data of NOIDA. In July 2017 GoUP entrusted the audit of NOIDA, and three other Industrial Development Authorities (IDAs) to the CAG.

The audit of ‘Land Acquisition and Allotment of Properties in NOIDA’ has raised serious questions of propriety and pointed to governance failure at every level. In the course of acquisition of land, the rights of farmers were side-stepped through misuse of statutory provisions. The allotment of properties was replete with instances of lack of due diligence, contravention of rules and orders, misrepresentation and wilful concealment of facts. In numerous cases allotment has been made to entities who did not meet the essential criteria laid down in the brochures resulting in allotment to entities without financial capacity for executing such projects. This has caused severe distress to home buyers on account of incomplete projects and a huge amount of outstandings remaining overdue to NOIDA. The milieu created by NOIDA and in several instances endorsed by the Board with respect to selective changes in brochure conditions, under-pricing of certain categories of plots and allotment in categories at lower rates along with reduction of allotment money, mortgage, sub-division, permission to exit and transfer clearly suggest that officials in NOIDA had acted in clear breach of public trust and in complete disregard to the interest of NOIDA and the home buyers. The creation of third party rights in the allotted properties has put the interests of stakeholders in further peril. In spite of the clear evidence of breaches, the Authority failed to act against builders/allottees and take action against its own officials for their dereliction of duty and role in permitting/abetting the continuing infractions. These issues bring out serious lapses of probity, integrity and ethics in governance of the Authority.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

