

# **Chapter IV**

## **Land pricing and allotment**



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*Policy of fixation / revision of land rates was not appropriate. Systemic delays in implementation of revised land rates were observed leading to loss to MIDC.*

*MIDC made direct allotment of plots to ineligible allottees contrary to the laid down policies (e-bidding, waiting list, priority and expansion). Further, allottees were issued offer letters for allotment of land despite non-availability of carved out plots in violation of MIDC Regulations.*

#### 4.1 Land pricing

MIDC allots plot of land on lease basis for a period of 95 years on recovery of upfront lease premium at rates fixed from time to time. Recovery of transfer fee, sub-letting charges, time limit extension charges, conversion charges, compounding charges *etc.* are also based on the land rates fixed by MIDC. It was, thus, essential to ensure proper pricing policies and periodic revision of land rates to protect financial interests of MIDC.

##### *Deficient policy of fixation/revision of land rates*

**4.1.1** After fixation of industrial rates; commercial and residential rates in an IA were fixed. As per MIDC policy (March/June 1995), residential and commercial rates should be 1.5 times/2 times and 2.5 times of prevailing industrial rate respectively. Audit, however, observed that residential and commercial rates varied from 1.22 to 4.35 times (102 IAs) and 1.43 to 3.62 times (153 IAs) of the prevailing industrial rates respectively. The IA wise basis/rationale for adoption of applying such multiplying factors was neither available on record nor furnished to audit.

MIDC in reply (August 2022) stated that the rate fixation was as per June 1995 policy and variations in rates were observed in certain locations due to urbanization, transportation facilities *etc.* Reply is not tenable as rate fixation was in deviation of laid down policy in several IAs as stated above.

**4.1.2** MIDC issued (September 2016) a circular implementing policy of e-bidding for allotment of plot where more than 80 *per cent* plots/plottable land had been allotted). As of September 2016, there were 187 IAs where more than 80 *per cent* plots/plottable land had already been allotted.

MIDC, subsequently, issued (August 2018) two circulars for revision of land rates. Out of 187 IAs, prevailing land rates were revised by a uniform rate of 10 *per cent* in 135 IAs while rates were uniformly increased to ₹ 100 per sqm in 52 IAs (where prevailing land rates were less than ₹ 100 per sqm).

Audit observed that MIDC had not devised any methodology/weightage formula for revision of land rates and rates were revised uniformly in all the IAs on an *ad hoc* basis without any cost analysis/justification on record. The relevant factors like rates received in e-biddings, Annual Statement Rate (ASR)/Ready Reckoner Rates of the GoM, fair transaction value based on registered sale deed, demand-supply position *etc.* could have been considered before fixation/revision of land rate in such 187 IAs.

In fact, the Management had submitted (April 2018) a proposal to the Board for increasing land rates by 20 *per cent* in 30 IAs on the basis of details of average rates received in previous e-biddings, which ranged between 27 *per cent* and 888 *per cent* above the prevailing land rates (fixed in January 2016). This was, however, not considered by the Board for reasons not on record and approval was granted (April 2018) for uniform revision of land rates by 10 *per cent* in all the IAs. Thus, the prevailing land pricing policy of uniform revision of land rates by 10 *per cent* was not appropriate.

MIDC stated (August 2022) that a suitable revision in the policy will be put in place.

**4.1.3** Audit further observed that MIDC, without any cost analysis/justification, had increased land rates to ₹ 100 per sqm in 52 IAs where prevailing land rates were less than ₹ 100 per sqm (ranging between ₹ 20 and ₹ 95 per sqm). Reply of MIDC did not offer justification for fixation of rate in these IAs. In this regard, a case is discussed below;

**Case Study 4.1:**

MIDC issued (November 2014) offer letters to 33 applicants for allotment of industrial plot in Mhaswad IA in District Kolhapur at applicable rate of ₹ 40 per sqm. The applicants paid (November 2014 and September 2015) Earnest Money Deposit (EMD) (25 *per cent*) amounting to ₹ 13.64 lakh. After issue of offer letters to the applicants, Executive Engineer, Kolhapur informed (October 2015) the concerned RO that the allotment rate was very less and should be fixed at ₹ 550 per sqm considering the estimated cost of providing infrastructure in the IA. The matter regarding fixation of rate was pending separately at MIDC Head Office. Due to pending decision on land rate, the RO did not issue allotment order to these applicants till date (August 2022) despite lapse of nearly seven years since issue of offer letter. MIDC, revised rates to ₹ 50 per sqm (January 2016) and ₹ 100 per sqm (August 2018) on *ad hoc* basis.

MIDC while reiterating (August 2022) the facts of the case, stated that rates were not decided on *ad hoc* basis and allotment was not done as per old rates. The reply is not tenable as MIDC themselves had realized that land rates were not appropriate and hence allotment was pending till date (August 2022).

***Incorrect fixation of land rate at Adali, Sindhudurg***

**4.1.4** MIDC issued (February 2019) a policy circular for fixation of land rates in newly acquired IAs. The circular laid down detailed methodology and various elements to be considered before working out land rates in an IA. In this regard, discrepancies noticed in Adali, Sindhudurg are discussed below.

**Case Study 4.2:**

MIDC fixed (June 2019) land rates (for industrial plot) in Adali IA at ₹ 1,170 per sqm. The land rate fixed by MIDC was lower by ₹ 170 per sqm on account of the following:

- As per methodology, price escalation on infrastructure development cost is to be worked out at 10 *per cent* where period required for development was two years or more. However, in this case, price escalation was incorrectly worked out at 5 *per cent* though period of infrastructure development was more than two years.
- Goods and Service Tax (GST) at the rate of 18 *per cent* was not considered on total infrastructure development cost (including escalation and contingencies).

MIDC stated (August 2022) that there was no incorrect fixation of land rate. Reply is not tenable as the land rates were incorrectly fixed on the lower side as stated above.

***Delay in implementation of revised land rate***

**4.1.5** Revision in land rate was a revenue sensitive decision, which should have been implemented immediately from the date of decision without any delay. Systemic delays in implementation of land rate revised were detrimental to financial interests of MIDC. During the audit period, the Board approved revision of land rate on two occasions *i.e.* on 30 November 2015 and 2 April 2018. MIDC, however, issued circulars for implementing revised rates on 7 January 2016 and 27 August 2018, after a delay of 38 and 146 days respectively from the date of Board decision. MIDC during the intervening period issued offer letters for allotment of 109 plots at pre-revised rates. The revenue foregone on this account worked out to ₹ 15.74 crore.

MIDC stated (December 2021/August 2022) that the issue has been noted and instructions would be issued to make the rates effective immediately along with mentioning the same in the offer letters.

***Recommendation No. 8: MIDC may ensure that revised land rates are implemented immediately after approval of Board and a suitable clause regarding recovery of lease premium at revised rates may be incorporated in the offer letters.***

***Deficient fixation of compounding charges***

**4.1.6** As per prevailing MIDC policy, unauthorised construction carried out by an allottee was regularised on recovery of applicable compounding charges. MIDC uniformly fixed (September 2013) compounding charges for residential and commercial buildings in all the IAs at 1.5 and 2 times of prevailing industrial rates stating that land rate for residential and commercial plot was 1.5 and 2 times of prevailing industrial rates. Audit observed that residential rates were more than 1.5 times in 35 IAs (ranged between 1.52 to 4.35 times) while commercial rates were more than 2 times in 40 IAs (ranged between 2.09 to 3.62 times). Fixing of compounding charges without taking into account

the actual rates for residential and commercial properties in the IAs revealed the deficiencies in the process of determining the compounding charges.

MIDC stated (December 2021/August 2022) that audit observation has been noted and a suitable proposal for rectification in the policy would be submitted before Board for taking suitable decision.

## 4.2 Land allotment

Prior to September 2016, MIDC allotted plot on direct application basis to allottees<sup>13</sup>. As per revised policy (September 2016), plot for industrial purpose is to be allotted through e-bidding in IAs, where more than 80 per cent of plots/plottable land is already allotted; whereas in remaining IAs direct allotment of land is made by inviting online applications. Further, direct allotment of land is also permissible under priority category (mega projects, foreign direct investment, Defence, PSUs etc.) and expansion projects in all the IAs. Land for residential and commercial purpose is to be allotted through auction/e-bidding in all the IAs. In this connection, audit observed the following;

### *Allotment in violation of policy of tender/e-bidding*

**4.2.1** The Board approved (September 2015 to April 2021) allotment of plots admeasuring 0.78 lakh sqm to 66 parties in 10 IAs on direct allotment basis. As per prevailing policy, plots should have been allotted to these 66 parties through auction/e-bidding as they were not eligible for direct allotment under priority categories (**Annexure 1**).

Audit also observed arbitrary application of rates for recovery of lease premium in these 66 cases as given in **Table 4.1**.

**Table 4.1: Land rates levied for allotment of plots**

Sl. No.	Land rates applied	No. of parties
1	Prevailing rate in IA plus 10 per cent additional charges thereon.	62
2	Upset price for tender/auction.	1
3	Highest rates received in previous auction.	2
4	Highest rates received in previous auction plus 10 per cent additional charges thereon.	1

(Source: Information furnished by MIDC)

Audit further observed that out of above, 53 applicants (in TTC IA) were allotted plots of 100 sqm each. This was contrary to the provisions of Regulation 21.1.2 of DCR, which stipulated that the minimum size of plot that could be carved out and allotted in any IA was 200 sqm.

MIDC stated (December 2021/August 2022) that in essence, Board was the MIDC having full authority under MID Act for allotment of property or undertaking any activity, which it deemed fit for fulfilling its duties as per the Act. Reply is not acceptable as such arbitrary allotments were contrary to the laid down policies in various cases as shown in **Annexure 1**.

<sup>13</sup> Except IAs at Pimpri Chinchwad and TTC where land was allotted on tender basis

***Allotment in violation of policy of waiting list***

**4.2.2** As per the prevailing land allotment policy (prior to September 2016), MIDC maintained a waiting list of applications received from industries and allotment was made based on seniority as per the waiting list. Audit observed that in accordance with the directions (August 2014/October 2015) of the Chairman, LC allotted (September 2014 to April 2017) land admeasuring 31,779 sqm to five parties (Talegaon IA: one<sup>14</sup> and Chakan-Phase II IA: four<sup>15</sup>) who were not in the waiting list. Audit further observed that there were 5,900 pending applications for allotment as per waiting list in Chakan IA and LAC decided (November 2014) to cancel applications of 5,764 parties while process of cancellation of remaining 136 applicants was in progress on the ground that plots were not available for allotment.

The CEO of MIDC, during processing of case in Chakan IA, had also submitted (October 2015) to Chairman, MIDC that applicant was not eligible for allotment under priority category as per MIDC policy. Thus, allotment of land to five parties without considering pending applications as per the waiting list and who were also not eligible for allotment under MIDC policy was irregular and lacked transparency.

MIDC stated (August 2022) that there was no waiting list in existence after approval (November 2014) in Chakan IA. It was further stated that application of the four parties were discussed on merit as per orders of Chairman, MIDC and allotment was done as per decision (November 2015) of LC. Reply in respect of allotment in Chakan IA was not factual as these applicants were allotted plots ignoring other 136 applications who were in the waiting list. In respect of applicant at Talegaon IA, MIDC stated (December 2021) that on the request of the applicant, Chairman, MIDC had ordered to make allotment.

***Violation of policy for Allotment under priority category***

**4.2.3** Audit observed that Board approved (August 2019/February 2021) allotment of land to two<sup>16</sup> parties under priority category<sup>17</sup> overruling the management proposal that they were not qualified under priority category and land in the IAs were to be allotted through e-bidding only as per prevailing policy.

MIDC stated (December 2021) that in respect of the allottee in Additional Ambernath IA, land demanded was on a hill and had no approach road, which could not be allotted to anyone because of lack of approach road. This plot was vacant for many decades and there was fear of encroachment on these plots. Further, the decision of allotment was not at concessional rate, hence there was no financial loss to the MIDC. It was further stated (August 2022) that in essence, the Board was MIDC having full authority under MID Act for allotment of property or undertaking any activity, which it deemed fit for

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<sup>14</sup> Nutri first Agro International Private Limited (19,279 sqm).

<sup>15</sup> Ganesh Fabrotech Private Limited (6,000 sqm), CAM Tool Industries Private Limited (4,800 sqm), Shree Industries (1,000 sqm) and EnSys Engineers (700 sqm).

<sup>16</sup> Dhoot Transmission Company Private Limited at Talegaon IA and SNP Project Private Limited at Additional Ambernath IA.

<sup>17</sup> Priority category included mega projects, foreign direct investment, defence, PSUs etc.

fulfilling its duties as per the Act and Board took conscious decision after due deliberation on merit. In respect of Talegaon IA, MIDC stated (December 2021) that the matter was deferred and allotment order was not issued as the applicant had communicated to MIDC that they were not pursuing the matter considering slowdown in market situations.

Reply of MIDC was incorrect in respect of allotment in Additional Ambernath IA. The management had submitted (February 2021) to the Board that the applicant was not eligible for priority allotment and land was to be allotted through e-bidding as per MIDC policy. The management also highlighted that highest rate of ₹ 15,000 per sqm was received in last e-tendering in March 2020 as against the prevailing MIDC land rate of ₹ 4,840 per sqm in this IA. Considering highest auction rate of ₹ 15,000 per sqm, undue benefit of ₹ 21.34 crore<sup>18</sup> was granted on account of direct allotment (March 2021) of 21,000 sqm to the ineligible private party.

#### ***Violation of Allotment policy for expansion category***

**4.2.4** As per prevailing policy (January 2013), land could be allotted for expansion of existing operational industrial units provided that FSI utilisation on the existing plot was minimum 40 *per cent*. Expansion plots were allotted on recovery of prevailing industrial rate plus 10 *per cent* additional charges. Further, there was no provision in prevailing policy for allotment to a sub-lettee.

Audit observed that Board approved (July 2014 to April 2021) allotment of land admeasuring 25,036 sqm to six parties<sup>19</sup> for expansion purpose in deviation of the prevailing policy. Although, only industrial allottees could be allotted plots for expansion under this policy, allotment in four cases was made for non-industrial purpose (hospitals and hotel). Further, one party was a sub-lettee, while in one case allotment of plot was made without ascertaining eligibility of the allottee as per laid down policy.

It was further observed that rates levied for allotment also varied in three cases of allotment of expansion plots to hospitals. While one allottee was granted land at commercial rate (VMFRC) other two were given at residential rates (AIMS) and residential plus 10 *per cent* additional charges (MHITC). All these cases revealed the arbitrary approach of the Board towards allotment of plots.

MIDC while citing various reasons<sup>20</sup> for allotment in these cases stated (December 2021/August 2022) that Board had taken conscious decisions and in essence, the Board was MIDC with full authority under MID Act for allotment

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<sup>18</sup> Area (21,000 sqm) x ₹ 10,160 per sqm (Auction rate of ₹ 15,000 per sqm less allotment rate of ₹ 4,840 per sqm).

<sup>19</sup> Non-industrial purpose (Vivekananda Medical Foundation and Research Centre (VMFRC) in Latur IA, Asian Institute of Medical Science (AIMS) in Dombivli IA, Mahajan Hospital and Industrial Trauma Center (MHITC) in TTC IA and Trishul Buildtech and Infrastructures Private Limited (TBIPL) in TTC IA. Sub-lettee (Polycab Wires Limited (PWL)) for industrial purpose and Yash Industries in Nashik (Ambad) IA.

<sup>20</sup> For providing medical facilities (Hospitals), for utilisation of FSI on existing plot (Hotel), expansion of existing business on plot on rental basis and proposed electronic/electrical manufacturing (Industrial).



of property or undertaking any activity which it deemed fit for fulfilling its duties.

Reply is not acceptable as such arbitrary allotments violated the laid down policy pertaining to allotment of plots.

#### Case Study 4.3:

An applicant (Yash Industries in Nashik (Ambad) IA) requested (May 2020) for allotment of land under Mega Project (MP) category. The Management submitted (February 2021) to the Board that the applicant was not eligible for land allotment under MP category while highlighting prevailing policy for e-bidding. The Board, however, directed (April 2021) Land Allotment Committee (LC) to consider under expansion category based on their February 2019 circular which stated that the LC was required to ascertain eligibility of the applicant by obtaining/scrutinising mandatory documents like last three years audited annual accounts, orders in hand for original plot, documents regarding existing industry in production (on original plot) *etc.* In the instant case, the LC approved (May 2021) allotment of 6,000 sqm land to applicant under expansion category without ensuring eligibility of the applicant as it had neither obtained nor scrutinised mandatory documents in violation of February 2019 circular.

MIDC stated (August 2022) that applicant investor has filed all the relevant papers, explained to the LC and allotment was made as per MIDC DLR. Reply is not tenable as the mandatory documents submitted by applicant, if any, were neither recorded by LC nor made available to audit.

#### *Allotment of land without carving out plots in layout of IAs*

**4.2.5** As per Regulation 3 of MIDC DLR; MIDC shall prepare a layout of the land transferred or placed at its disposal by the State Government for development as an IA. It was further provided in Regulation 4 that MIDC may dispose of plots of land for which layout was prepared by public auction or entertaining individual applications. Accordingly, MIDC implemented a policy (August 2012/ September 2016) directing the LC to allot available plot to applicant as per approved layout of that IA.

MIDC prepares layout of IA considering provisions of DCR. Accordingly, in the initial phase, plots are carved out after reserving minimum of 10 *per cent* as open space and five *per cent* for amenities, besides keeping land for roads, drainages, HT corridors, Hill areas, water bodies *etc.* Subsequently, plots are carved out from the remaining allottable land (including from open space/amenities in excess of minimum prescribed percentage).

Audit, however, observed that even before carving out plots in respective IAs, MIDC<sup>21</sup> issued offer letters for allotment of land admeasuring 2.95 lakh sqm to

<sup>21</sup> Allotment approved on directions of Board: 28 cases, Chairman of MIDC: 01 case and LC: 74 cases.

103 parties<sup>22</sup> in eight IAs (**Annexure 2**). This was in violation of MIDC DLR and lacked transparency.

Audit observed that after issue of offer letters in 29 cases, plots were carved out from plottable land in respective IAs and allotment orders were issued. Out of these 29 parties, in 25 cases allotment orders were issued after a period ranging from 343 to 2,209 days from issue of offer letters. Meanwhile, land rates had increased in these IAs and lease premium at prevailing rates (on date of issue of allotment order) worked out to ₹ 19.93 crore as against ₹ 11.92 crore recovered (difference of ₹ 8.01 crore).

In respect of remaining 74 parties, Board had decided (October 2020) to allot land to 70 parties in Latur IA at rates prevailing (₹ 120 per sqm) on the date of issue of offer letter (December 2014 to February 2015). Accordingly, LC approved (December 2021) allotment of land admeasuring 1.87 lakh sqm to 70 allottees at old rates. Lease premium at prevailing rates (₹ 550 per sqm) worked out to ₹ 10.26 crore by Audit, as against ₹ 2.24 crore being levied as per Board directions (difference of ₹ 8.02 crore).

MIDC in respect of 29 allottees<sup>23</sup> stated (December 2021/August 2022) that though layout was under preparation (at the time of issuing offer letter), subsequently layout was prepared and plots were allotted as per policies, hence there was no financial loss to MIDC and no violation of DLR. In respect of 70 allottees in Latur IA, MIDC stated (August 2022) that Board has rectified the errors committed by Regional Office and approved the rates offered previously as per prevailing policy. In respect of remaining four allottees<sup>24</sup>, MIDC reply failed to address the issue of offer letters despite non availability of carved out plots.

Reply is not tenable as such discretionary allotments in selective cases were contrary to Regulation 4 of MIDC DLR and Board was not empowered to take decisions in deviation of express provisions of the Regulations which had been notified by GoM with approval of State Legislature.

#### ***Allotment of land which was not encumbrance free***

**4.2.6** MIDC was granted possession (1995 to 1997) of land for development of two IAs at Newasa (Paandhripul) and Achalpur (Amravati). The land was duly acquired by GoM as per provisions of the MID Act and applicable compensation was paid to landowners. Audit observed that MIDC allotted (1999 to 2015) 130 plots admeasuring 86.30 hectare in these two IAs to various allottees. The allotted land was, however, not encumbrance free as original landowners/farmers continued to occupy the allotted land, which MIDC could not clear till date (August 2022).

MIDC stated (December 2021/August 2022) that due to strong agitation of local farmers, physical possession of land could not be taken in Newasa IA and encroachments could not be cleared in both the IAs. It was further stated that all

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<sup>22</sup> Out of this, allotment order issued in 29 cases and remaining 74 cases were under process.

<sup>23</sup> Ambernath/Additional Ambernath, Pale and Kalyan Bhiwandi IAs

<sup>24</sup> Kagal Hathkanangle, Shendra and Nashik (Ambad) IAs

possible efforts were being undertaken to remove said encroachments. MIDC also stated (August 2022) that changes were proposed (in 2020) in the layout of Newasa IA as regards shifting of open space to the encroached land and conversion of freehold land under open spaces to plottable area.

#### ***Allotment of plot for truck terminus***

**4.2.7** MIDC issued (August 2019) a revised policy for allotment of land for truck terminus. As per the revised policy, MIDC would develop the land and hand over the same to private parties selected through tender for operation, repair and maintenance of truck terminus on lease rent basis for a period of five years, for which priority was to be given to Industrial Associations.

Audit observed that MIDC, on directions of the Board, granted (September 2019/February 2021) lease of land to two parties<sup>25</sup> for truck terminus on direct allotment basis instead of tendering/lease rent basis in violation of laid down policy.

#### **Case Study 4.4**

MIDC issued (April 2016) an offer letter for allotment of land admeasuring 20,000 sqm to Lote Parshuram Industries Association (LPIA) for the purpose of truck terminus subject to payment of lease premium of ₹ 70.35 lakh considering prevailing industrial rates<sup>26</sup>. After receipt of EMD (May 2016) of ₹ 16.75 lakh, allotment order was issued (September 2017) demanding balance lease premium amount of ₹ 53.60 lakh. The allottee, however, requested (September 2017) for concession in lease premium, which was rejected by MIDC. As the allottee did not deposit balance lease premium within the stipulated period, allotment order should have been cancelled and EMD forfeited, which was not done. The Board, after a lapse of two years, approved (September 2019) re-allotment of plot with 50 *per cent* concession in lease premium. MIDC issued a corrigendum (September 2019) to the party for allotment of land for 95 years for lease premium of ₹ 35.17 lakh (50 *per cent* amount) at pre-revised rates.

Allotment of land on lease of 95 years and financial concessions granted in deviation from prevailing policies was irregular. It is also pertinent to note that in a similar case of land allotment for truck terminus, MIDC approved (February 2021) allotment of land to an allottee (Roha Manufacturers Association (RMA)) on recovery of lease premium at prevailing industrial rates without any concession, which indicated lack of uniformity in decision for allotments.

MIDC stated (January 2021) that comparing huge expenditure for development of truck terminus, it was more beneficial to get it developed by the Industries Association by granting 50 *per cent* concession in land premium in return. Thus, MIDC saved on the expenditure on development which was more than the concession in land premium. MIDC further stated (August 2022) that Board had powers to take decisions considering the overall merit in the proposal by overruling management's observations as per

<sup>25</sup> Lote Parshuram Industries Association (LPIA) and Roha Manufacturers Association (RMA).

<sup>26</sup> Considering industrial rate of ₹ 335 per sqm with five *per cent* road width charges.

MID Act. It was also stated that Board took conscious decision after due deliberation on merit and there was no financial loss to MIDC. Reply of MIDC is not tenable as financial concessions were granted in violation of established policy.

#### ***Allotment of land without obtaining mandatory forest clearance***

**4.2.8** MIDC, without obtaining mandatory forest clearance, advertised (August 2009) allotment of forest land admeasuring 41,480 sqm in Taloja IA. MIDC executed (March 2011) an agreement with a party for development of a truck terminus and possession of the plot was handed over (November 2011). The development work was, however, stopped after objections were raised (February/April 2012) by the Forest department, GoM. Audit observed that the party filed (October 2014) an arbitration petition and MIDC was directed (December 2017) to return lease premium along with interest (₹ 13.23 crore calculated at 9 per cent per annum) citing that the agreement was illegal, null and void since its inception as the land was forest land and no development activities could be carried out.

MIDC stated (August 2022) that it was not aware of change in status of the land (*i.e.* forest land) as the land was in possession of MIDC. Reply is not tenable as MIDC allotted land without obtaining mandatory forest clearance.

#### ***Allotment of excess land***

**4.2.9** As per prevailing policy (October 2010), Project Affected Persons (PAPs) in Chakan IA were eligible for allotment of land equivalent to 15 per cent of land acquired from them at acquisition rate (₹ 400/460 per sqm). Audit observed that MIDC, on directions of the Board, approved (June 2019) allotment of land to five PAPs<sup>27</sup>, in excess of their eligibility (15 per cent) to the extent of 20,469.60 sqm at acquisition rate. Considering prevailing land rate ₹ 4,770 per sqm for industrial plots in Chakan IA, MIDC incurred loss of ₹ 8.94 crore.

MIDC stated (December 2021) that land was sanctioned on priority basis at the land acquisition rate as these land owners had not given possession of the acquired land and continuously obstructed development of infrastructure work. MIDC further stated (August 2022) that Board had powers to take decisions considering the overall merit in the proposal by overruling management's observations as per MID Act. It was further stated that Board took the conscious decision after due deliberation on merit and there was no financial loss to MIDC.

Reply is not tenable as the decision to allot excess land to these PAPs was in violation of laid down policies and also led to financial loss of ₹ 8.94 crore.

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<sup>27</sup> Out of five PAPs, allotment orders issued to three PAPs. In respect of other two PAPs, offer letters issued and further action was in progress.