

CHAPTER–III

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YEIDA acquires land through three modes *viz.*, acquisition under the provisions of Land Acquisition Act, 1894 (LAA, 1894), resumption of government land and direct purchase from the landowners.

YEIDA forwarded 25 proposals to the land acquisition authorities for acquisition of land by invoking urgency clause using a customary and standard justification which did not provide an acceptable justification for such invocation depriving the landowners their right to being heard under the provisions of LAA, 1894. Further, even after invoking urgency clause there were inordinate delays at various stages of the acquisition proceedings resulting in excess expenditure. Besides, unwarranted invocation of urgency clause resulted in lapse of 36 proposals and consequential loss of ₹ 188.64 crore to YEIDA.

Government land was resumed by YEIDA at higher rates resulting in excess payment of ₹ 128.02 crore on resumption of 453.6972 hectare land in 25 cases.

YEIDA purchased land beyond requirement without any roadmap for its utilisation resulting in blockade of funds. Further, YEIDA suffered a loss of ₹ 4.92 crore due to withdrawal of proposals for acquisition of 82.4424 hectare land in three villages not covered in the planned area of YEIDA.

In four cases, YEIDA had purchased/acquired land which it had already acquired/purchased. In test checked 149 cases of direct purchase, YEIDA had not got the purchased land mutated in its favour which was fraught with the risk of illegal transfer to other persons. Further, periodical reconciliation of amount deposited by YEIDA with district authorities for acquisition of land was not done and no efforts were made by YEIDA to obtain refund of ₹ 178.79 crore lying with ADM (LA).

Introduction

3.1 YEIDA acquires land through three processes, *i.e.*, acquisition, resumption and direct purchase.

Acquisition

3.1.1 Land is acquired and compensation is paid under the provisions of Land Acquisition Act, 1894 (LAA, 1894) read with the Uttar Pradesh Land Acquisition (Determination of Compensation and Declaration of Award by Agreement) Rules, 1997 (*Karar Niyamawali*, 1997).

The Government of India (GoI) enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LAA, 2013) which came into force from 1 January 2014, to replace the LAA, 1894.

Out of 13,463.1554 hectare land acquired by YEIDA during the period 2005-06 to 2020-21, 77 *per cent* (10,344.2671 hectare) of the land was acquired under the provisions of the LAA, 1894¹. The procedure for acquisition of land

¹ No land was acquired by YEIDA under the provisions of LAA, 2013 during the period January 2014 to March 2021.

under LAA, 1894 which was the principal mode for acquisition of land by YEIDA is depicted in **Chart 3.1** below:

Chart 3.1: Process for acquisition of land under LAA, 1894

<p>Section 4</p> <ul style="list-style-type: none"> •Publication of preliminary notification in the Official Gazette by the appropriate Government for land acquisition for public purposes.
<p>Section 5A</p> <ul style="list-style-type: none"> •Hearing of objections of the landowners by the Collector.
<p>Section 6</p> <ul style="list-style-type: none"> •Declaration by the appropriate Government in the Official Gazette to the effect that particular land is required for public purpose, after considering the report made under Section 5A.
<p>Section 7</p> <ul style="list-style-type: none"> •After declaration, Collector to take order from the appropriate Government for acquisition of the land.
<p>Section 11</p> <ul style="list-style-type: none"> •Sub-section (1): Enquiry and award by Collector for true area of the land and compensation which in his opinion should be allowed subject to approval of the appropriate Government. •Sub-section (2): In cases where persons interested in the land have agreed in writing on the matters to be included in the award, Collector may, without making further enquiry, make an award according to the terms of such agreement.
<p>Section 16</p> <ul style="list-style-type: none"> •Collector has to take possession of the land free from all encumbrances.
<p>Section 17</p> <ul style="list-style-type: none"> •Sub-section (1): In cases of urgency whenever the appropriate Government, so directs, the Collector, though no such award has been made, may, on the expiration of fifteen days from the publication of the notice mentioned in Section 9, sub-section (1) take possession of any land needed for a public purpose. Such land shall thereupon vest absolutely in the Government, free from all encumbrances. •Sub-section (4): In the case of any land to which the provisions of sub-section (1) or sub-section (2) of Section 17 are applicable, the appropriate Government may direct that the provisions of Section 5A shall not apply, and, if it does so direct, a declaration may be made under Section 6 at any time after the date of the publication of the notification under Section 4 (1).

Source: LAA, 1894

Compensation for acquisition of land is disbursed by Additional District Magistrate (Land Acquisition) [ADM (LA)] to the landowners. YEIDA deposits the requisite amount towards compensation payable to landowners with the ADM (LA) in a phase-wise manner as detailed in **Table 3.1** below:

Table 3.1: Details of stage-wise amount deposited by YEIDA with ADM (LA)

Stage	Amount
Before issue of notification under Section 4 of the LAA, 1894	10 <i>per cent</i> of the amount of compensation and entire amount of land acquisition charges ²
After issue of notification under Section 4 but before issue of declaration under Section 6 of the LAA, 1894	70 <i>per cent</i> of amount of compensation
After issue of declaration under Section 6 of LAA, 1894 as demanded by ADM (LA) from time to time	20 <i>per cent</i> of amount of compensation

Source: Concerned land acquisition files of YEIDA

Resumption

3.1.2 In accordance with the Uttar Pradesh Zamindari Abolition and Land Reforms Act, 1950, the land of *Gram Sabha* is Government's land left at the disposal of the *Gram Sabha* for various purposes. The State Government may at any time, by general or special order, amend or cancel any declaration, and resume such land. YEIDA sends proposals to the District Collector for resumption of *Gram Sabha* land based on which the Divisional Commissioner/GoUP issues notification for resumption of land in favour of YEIDA. The possession of land is, thereafter, handed over to YEIDA after payment of the amount mentioned in the notification.

Direct Purchase

3.1.3 Land is acquired by YEIDA by purchasing the land directly from the landowners based on the rate of compensation approved by the Board of YEIDA and payment is made directly to the landowners. Sale deeds are executed between the landowners and YEIDA.

Finalisation of land acquisition rates

3.1.4 For award under Section 11(1) of LAA, 1894, the basic rate for acquisition of land is decided by the Collector after considering executed sale deeds, as found appropriate, during the last three years prior to the date of final publication of notification under Section 4 of LAA, 1894. In addition to the basic rate, solatium at the rate of 30 *per cent* on the basic rate along with interest at the rate of 12 *per cent* per annum on the basic rate for the period from the date of publication of notification under Section 4 of LAA, 1894 to the date of award or the date of taking possession of the land, whichever is earlier, is also payable to the landowner.

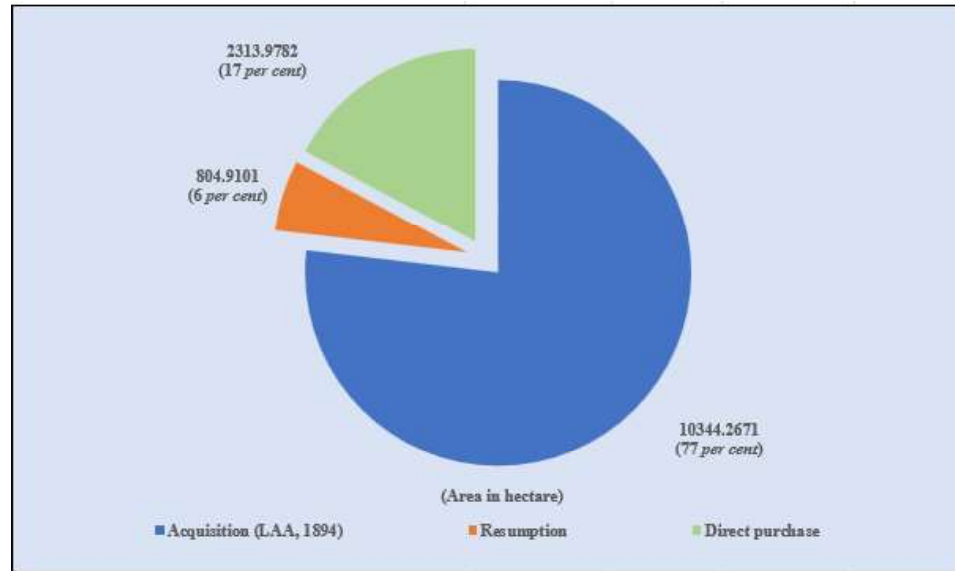
Further, award under Section 11(2) of the LAA, 1894 is made by the Collector at rates agreed to by YEIDA and the landowners. For this, the rate payable to the landowners is decided by the Board of YEIDA under the provisions of *Karar Niyamavali*, 1997. These rates are also made applicable for acquisition of land through direct purchase.

Status of land acquisition

3.2 YEIDA acquired 13,757.8254 hectare land since its inception (April 2001) to 2020-21. Out of above, 13,463.1554 hectare land was acquired during the audit period 2005-06 to 2020-21. The details of land acquired by YEIDA through various modes, *viz.*, acquisition under the provisions of LAA, 1894, resumption and direct purchase is depicted in **Chart 3.2** below:

² 10 *per cent* of the amount of compensation.

Chart 3.2: Details of land acquired by YEIDA through various modes

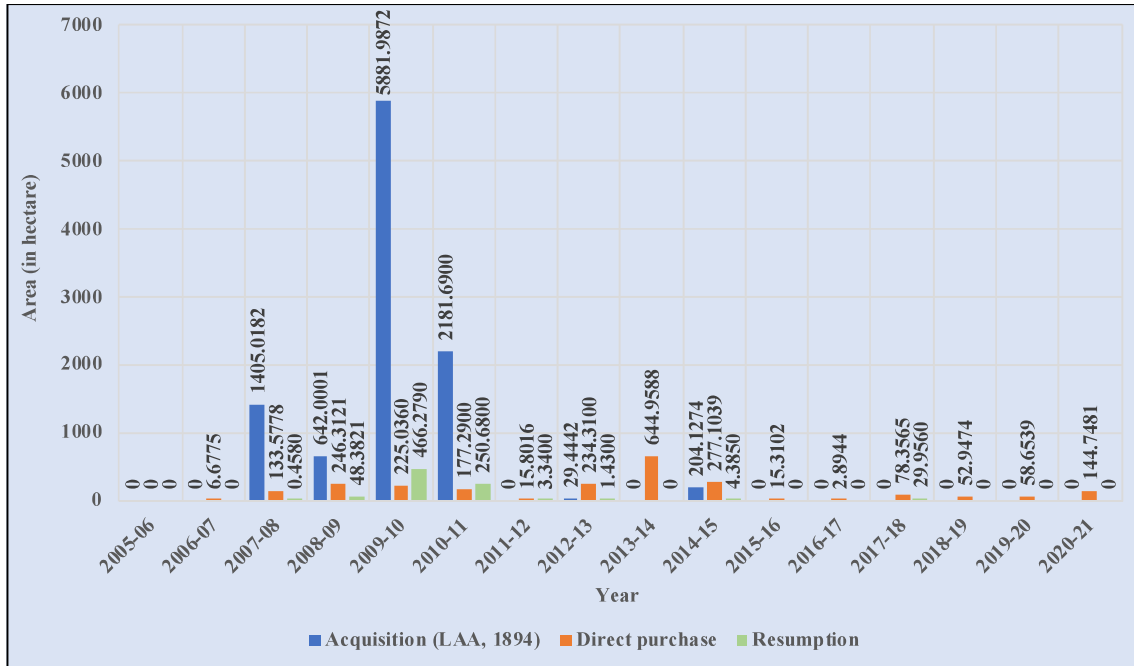


Source: Financial Statements of YEIDA for the period 2005-06 to 2020-21

From the above chart it would be seen that, during the period 2005-06 to 2020-21, YEIDA acquired 77 per cent (10,344.2671 hectare) of the land through acquisition under the provisions of LAA, 1894, 17 per cent (2,313.9782 hectare) through direct purchase and six per cent (804.9101 hectare) through resumption.

Further, the year-wise status of acquisition of land during the period 2005-06 to 2020-21 is depicted in Chart 3.3 below:

Chart 3.3: Year-wise status of land acquired by YEIDA through various modes



Source: Financial Statements of YEIDA for the period 2005-06 to 2020-21

From the above chart, it would be seen that out of total 13,463.1554 hectare land acquired during 2005-06 to 2020-21, YEIDA had acquired 11,658.7105 hectare (87 per cent) of the land during the four years’ period 2007-08 to

2010-11 of which 10,110.6955 hectare (87 *per cent*) land was acquired under the provisions of LAA, 1894. Further, out of acquisition of 1,797.7674 hectare land during 2011-12 to 2020-21, 1,525.0848 hectare (85 *per cent*) land was purchased directly from landowners.

Audit Coverage

3.3 Out of total acquisition of 13,463.1554 hectare land in 5,512 cases, Audit had selected, on the basis of stratified random sampling, 583 cases for acquisition of 6,045.8394 hectare land for detailed examination. This included 34 cases³ (5,162.4999 hectare) of acquisition under the provisions of LAA, 1894, 525 cases of direct purchase (521.5065 hectare) and 24 cases (361.8330 hectare) of resumption.

Audit findings

3.4 The audit findings which emerged as a result of examination of cases selected for detailed examination are discussed in succeeding paragraphs. These audit findings have been organised as under:

- Deficiencies in acquisition of land under LAA, 1894 (*Paragraphs 3.5 to 3.5.4*);
- Deficiencies in resumption of Government land (*Paragraphs 3.6 to 3.6.2*);
- Acquisition of land beyond immediate requirement (*Paragraphs 3.7 to 3.7.2*);
- Ineffective control and follow-up mechanism (*Paragraphs 3.8 to 3.8.3*).

Deficiencies in acquisition under LAA, 1894

3.5 Audit noticed various discrepancies in acquisition of land under the provisions of LAA, 1894 which are discussed in the succeeding paragraphs.

Acquisition invariably under urgency clause

3.5.1 Section 17(1) of the LAA, 1894 provides that in cases of urgency, whenever the appropriate Government so directs, the Collector, though no such award has been made, may, on the expiration of fifteen days from the publication of the notice mentioned in Section 9, sub-section (1), take possession of any land needed for public purposes. Such land shall thereupon vest absolutely with the Government, free from all encumbrances. Further, Section 17(4) of the Act provides that in the case of any land to which, in the opinion of the appropriate Government, the provisions of sub-section (1) are applicable, the appropriate Government may direct that the provisions of Section 5A⁴ shall not apply, and, if it does so direct, a declaration may be made under Section 6 in respect of the land at any time after the publication of the notification under Section 4, sub-section (1).

Thus, sub-section (1) of Section 17 empowered the Collector, with the approval of the appropriate Government, to take possession of land in cases of urgency without declaration of award. Further, sub-section (4) of Section 17 enabled the Government to dispense with hearing of objections required under Section 5A.

³ Under 33 proposals.

⁴ Hearing of objections of landowners by the Collector.

In 25 out of 26 proposals for land acquisition, YEIDA invoked urgency clause using a customary and standard justification.

Out of 33 proposals for acquisition of land under the provisions of LAA, 1894 test checked in audit, 26 proposals⁵ were for acquisition of land for development of YEIDA township and for development of land by the Concessionaire⁶ of Yamuna Expressway project. Audit noticed that in 25⁷ out of the aforesaid 26 cases, YEIDA had forwarded (April 2008 to October 2010) its proposals to ADM (LA) by invoking provisions of Section 17(1) and Section 17(4) of LAA, 1894 using a customary and standard justification as follows:

'The project is an important project of prime priority to the Government/YEIDA. There shall be delay in execution of the aforesaid project of public interest as there is a possibility of taking excessive time in disposal of objections under Section 5A of the Land Acquisition Act, 1894. Hence, in order to get possession of land at the earliest it is necessary to invoke provisions of Section 17 in addition to provisions of Section 4 and 6 of the Land Acquisition Act.'

Planned development of the acquired land is a long and arduous procedure which takes a long time. Therefore, the above customary and standard justification mentioned by YEIDA for invocation of provisions of Section 17(1) and 17(4) does not provide acceptable ground for exercise of powers by the State Government under Section 17(1) and Section 17(4) of LAA, 1894.

It is worth mentioning here that usually a period of three to four years is allowed by YEIDA to allottees for completion of construction on the allotted plots after execution of lease deed. Besides, the maximum time which could be taken for finalising proceedings under Section 5A was only one year because as per the provisions of LAA, 1894 declaration under Section 6 was to be made within one year from the date of notification under Section 4. Hence, the time for filing of objections under sub-section (1) of Section 5A and the time spent by Collector in making inquiry under sub-section (2) of Section 5A would not have in any way hampered the object of acquisition.

Besides, the Hon'ble Supreme Court in a similar case⁸ had held (15 April 2011) that *"In our view, the above noted factors do not furnish legally acceptable justification for the exercise of power by the State Government under Section 17(1) because the acquisition is primarily meant to cater private interest in the name of industrial development of the district... Even if planned industrial development of the district is treated as public purpose within the meaning of Section 4, there was no urgency which could justify the exercise of power by the State Government under Section 17(1) and 17(4)... Usually, the State Government and its agencies/ instrumentalities would give them two to three years' to put up their factories, establishments, etc. Therefore, time required for ensuring compliance of the provisions contained in Section 5-A cannot, by any stretch of imagination, be portrayed as delay which will frustrate the purpose of acquisition."*

⁵ The remaining seven proposals were for acquisition of land for construction of Yamuna Expressway. Urgency clause was invoked in all the seven proposals which has been considered as justified by Audit in view of importance of the project in public interest.

⁶ Land leased to the Concessionaire of Yamuna Expressway project for commercial, amusement, industrial, institutional and residential use.

⁷ Except one proposal for acquisition of 70.0479 hectare land in Village-Bhaipur Brahmanan, District-Gautam Buddha Nagar.

⁸ Civil Appeal No. 3261 of 2011 arising out of Special Leave Petition (Civil) No. 601 of 2009, Radhy Shyam (Dead) through legal representatives and others versus State of Uttar Pradesh and others, relating to acquisition of land by GNIDA in Makora village.

In its reply, YEIDA stated (November 2022) that provisions of Section 17 were invoked in view of urgency of projects on same grounds as was done by NOIDA and GNIDA.

The reply is not acceptable as invoking urgency clause by YEIDA was not justified in view of the timelines of three to four years for making the projects functional which can be further extended on payment of applicable charges. Thus, given the processes and timelines set out, invoking of urgency clause and dispensing with hearing of objections of the landowners was not justified.

Delays in acquisition despite invoking urgency clause

3.5.2 As discussed in **Paragraph 3.5.1**, YEIDA had forwarded its proposals to ADM (LA) for acquisition of land for development of YEIDA township and for development of land by the Concessionaire of Yamuna Expressway project by invoking provisions of Section 17(1) and 17(4) of LAA, 1894 in 25 out of 26 proposals test checked in audit. An analysis of these 25 proposals revealed that though YEIDA claimed urgency in acquisition of land there were inordinate administrative delays at every stage of the acquisition process. Details of time taken at various stages of the acquisition process is detailed in **Table 3.2** below:

Table 3.2: Details of time taken at various stages of the acquisition process

Sl. No.	Stage of acquisition	Time taken (in days)	
		Minimum	Maximum
1.	From the date of sending initial proposal to ADM (LA) to the date of notification under Section 4	27	370
2.	From the date of notification under Section 4 to the date of declaration under Section 6	38	365
3.	From the date of declaration under Section 6 to the date of possession	17	1,176
4.	Total time taken from the date of sending initial proposal to ADM (LA) to the date of possession	137	1,373

Source: Concerned acquisition files of YEIDA

From the above table it would be seen that it took 137 to 1373 days after sending of initial proposal by YEIDA to ADM (LA) for possession of land to be handed over to YEIDA. Possession of 5,562.7594 hectare land was handed over to YEIDA under the above 25 proposals through 52 possession letters. The details of time taken for obtaining possession since sending of initial proposal to ADM (LA) is detailed in **Table 3.3** below:

Table 3.3: Details of time taken for obtaining possession

Time taken for possession	No. of cases	Area (in hectare)
Up to 300 days	18	2,722.2459
301 to 600 days	21	2,455.5859
601 to 900 days	7	350.9462
Above 900 days	5	27.4162
Total	51⁹	5,556.1942

Source: Concerned acquisition files of YEIDA

From above it would be seen that even after invoking urgency clause YEIDA could obtain possession of 2,833.9483 hectare land only after more than 300 days of sending the initial proposal to ADM (LA). The main reasons for

⁹ In one case of possession of 6.5652 hectare land in Village-Jaganpur Afjalpur the date of possession was not available on record.

delays as analysed by Audit were revision in acquisition proposals by YEIDA, corrections required to be carried out in acquisition proposals forwarded by YEIDA, delays in deposit of amount demanded by ADM (LA) and procedural delays at YEIDA and GoUP level.

In its reply, YEIDA stated (November 2022) that there were delays in acquisition proceedings due to farmers' agitation. It further stated that proceedings relating to acquisition of land are done by ADM (LA) and YEIDA has no role in it.

The reply is not acceptable as there were various delays on the part of YEIDA such as revision in acquisition proposals, forwarding of incorrect proposals which later required corrections, delays in deposit of amount demanded by ADM (LA), etc., which led to delays in handing over possession of the acquired land.

Extra expenditure due to delay in acquisition proceedings

3.5.3 Award under Section 11(2) of LAA, 1894 is made by the Collector at rates agreed to by YEIDA and landowners at the time of taking possession. Such rates are decided by the Board of YEIDA under the provisions of *Karar Niyamavali*, 1997 from time to time. In case there are delays in acquisition proceedings and the rate payable to landowners increases in the meantime, such delays further lead to extra expenditure as well.

Delays in deposit of amount demanded by ADM (LA) led to extra expenditure of ₹ 95.43 crore due to revision of rates.

Audit noticed that in eight proposals for acquisition of 1,782.6124 hectare of land, YEIDA had deposited the amount demanded by ADM (LA) towards cost of land¹⁰ with delays of 81 to 281 days¹¹ from the date of such demand. The aforesaid delays in deposit of amount demanded by ADM (LA) further led to delays in handing over possession of the acquired land. Since, in the meantime the rates were revised, the aforesaid delays in deposit of amount demanded by ADM (LA) led to extra expenditure of ₹ 95.43 crore (**Appendix-3.1**). No reason for delays in deposit of amount was found in records furnished to Audit.

In its reply, YEIDA stated (November 2022) that the amount demanded by ADM (LA) was deposited timely as per rules. There was delay in acquisition proceedings due to farmers' agitation. It further stated that proceedings relating to acquisition of land is done by ADM (LA) and YEIDA has no role in it.

The reply is not acceptable as in the aforesaid eight proposals there was delay in deposit of amount of compensation by YEIDA for acquisition of land. Resultantly there were delays in getting possession of the acquired land which led to extra expenditure due to change in land rates.

Deduction of acquisition charges due to lapse of acquisition proceedings

3.5.4 Section 6 of LAA, 1894 provides that declaration under this section is required to be made within one year of notification under Section 4. Further, GoUP vide order dated 7 December 2005 provided that if due to any reasons acquisition proceedings are stopped/ended after issue of notification under Section 4, deduction at the rate of 35 *per cent* of acquisition charges¹² shall be made.

¹⁰ 70 *per cent* of total compensation demanded after issue of notification under Section 4 for issue of declaration under Section 6 of the LAA, 1894.

¹¹ After considering reasonable time of 15 days.

¹² In addition to compensation payable to landowners, ADM (LA) also recovers 10 *per cent* of such amount from YEIDA towards acquisition charges.

Unwarranted invocation of urgency clause resulted in lapse of 36 proposals of land acquisition and consequential loss of ₹ 188.64 crore.

In meeting held on 5 September 2011 under the chairmanship of Chief Secretary, GoUP it was directed that in order to respect judgements of Hon'ble Supreme Court and Hon'ble Allahabad High Court in various writ petitions/special leave petitions, provision of Section 17(4) may be withdrawn from proposals wherein notifications have been issued under Section 4 read with Section 17 of LAA, 1894 but declaration under Section 6 had not been issued and opportunity be granted to landowners for hearing under Section 5A of LAA, 1894. It was also directed that in case of proposals which would lapse in October 2011 due to completion of a period of one year from notification under Section 4 of LAA, 1894 the proposals may be denotified and fresh proposals for notification under Section 4(1) of LAA, 1894 may be forwarded.

Audit noticed that in view of the aforesaid directions, 36 proposals involving acquisition of 6,420.5889 hectare land in 36 villages, wherein notification under Section 4 had been issued by unwarranted invoking of urgency clause under Section 17(1) and 17(4) on same grounds as mentioned in **Paragraph 3.5.1**, lapsed as declarations under Section 6 could not be issued within the prescribed period of one year from the date of notification under Section 4. Consequently, an amount of ₹ 188.64 crore being 35 *per cent* of acquisition charges was deducted by ADM (LA).

The invocation of urgency clause in the aforesaid cases was unwarranted is further corroborated by the fact that even after more than nine years; YEIDA had acquired only 698.2681 hectare land (11 *per cent*) out of total 6420.5889 hectare land involved in above proposals till March 2021. Thus, unwarranted invocation of urgency clause resulted in loss of ₹ 188.64 crore to YEIDA.

In its reply, YEIDA stated (November 2022) that several writ petitions were filed against land acquisition proposals of NOIDA and GNIDA. The Hon'ble Allahabad High Court in majority of the cases had found invocation of urgency clause to be unjustified and quashed the notifications issued for acquisition of land. Since, urgency clause was invoked by YEIDA on similar grounds as that of NOIDA and GNIDA, GoUP found proceeding with issue of declaration under Section 6 to be unjustified in the cases where notifications under Section 4/17 had been issued. It further stated that it has requested GoUP to refund the amount of ₹ 188.64 crore deducted by ADM (LA).

The reply further corroborates the audit finding that unwarranted invocation of urgency clause by YEIDA has resulted in loss to YEIDA on account of deduction of land acquisition charges.

Recommendation No. 6

YEIDA needs to ensure abidance with the statutory provisions, as provided for under the Act and exercise due diligence in invoking urgency clause in carrying out land acquisitions.

Deficiencies in resumption of Government land

3.6 Audit noticed various discrepancies in resumption of Government land which are discussed in the succeeding paragraphs.

Resumption of Government land at higher rates

3.6.1 Government Order (GO) dated 9 May 1984 issued by GoUP provides that Government land vested with *Gram Sabha*/local authorities would be resumed in favour of commercial undertakings of GoUP at market rate.

YEIDA fixed rates for acquisition of land under the provisions of the LAA, 1894 read with *Karar Niyamawali*, 1997 and for direct purchase of land from landowners. These rates were composite flat rates which in addition to the market price of the land also included amount of Solatium¹³, interest¹⁴, no litigation incentive/bonus¹⁵, etc. Thus, the rates fixed by YEIDA were higher than market rates and were not applicable for resumption of Government land.

Audit noticed that the district authorities demanded and YEIDA made payments for resumption of land at rates fixed by it for acquisition of land under the provisions of the LAA, 1894 read with *Karar Niyamawali*, 1997 and for direct purchase of land from landowners instead of at market rates. Due to resumption of land at rates fixed by YEIDA instead of at market rates, YEIDA made excess payments of ₹ 128.02 crore¹⁶ on resumption of 453.6972 hectare land in 25 cases during 2009-10 to 2015-16 as detailed in **Appendix-3.2**.

Further, in case of resumption of 23.3661 hectare Government land in three villages¹⁷ of Gautam Buddha Nagar, the district authorities demanded and YEIDA made payments at the rate of ₹ 850 per sqm. The rate demanded by the district authorities and paid by YEIDA was even higher than the rate (₹ 800 per sqm) fixed by YEIDA resulting in excess payment of ₹ 1.17 crore.

In its reply, YEIDA stated (November 2022) that paragraph 3(9) of GO dated 16 June 1981 provided for recovery of cost of land at prevalent market rate. Accordingly, YEIDA has made payments to the District Magistrate at rates fixed by it for direct purchase of land from landowners. It further stated that payments were made as per demands raised by the District Magistrate.

The reply is not acceptable as Government land was to be resumed in favour of YEIDA at market rates and not at rates fixed by YEIDA for direct purchase of land from landowners which were higher than the market rates due to inclusion of other components such as solatium, interest, no litigation incentive, etc., in addition to market rates. Consequently, YEIDA put additional burden on the end users/allottees. Further, the issue regarding demand raised by the District Magistrate at higher rates than the market rates should have been pursued with the DM in light of provisions of the GO.

Delay in resumption of land

3.6.2 As discussed in **Paragraph 3.1.2**, YEIDA sends proposals to the District Collector for resumption of *Gram Sabha* land based on which the Divisional Commissioner/GoUP issues notification for resumption of land in favour of YEIDA. The possession of land is, thereafter, handed over to YEIDA after payment of the amount mentioned in the notification.

Audit noticed that regular correspondence/ follow-up with district authorities/ GoUP was not done by YEIDA resulting in inordinate delays in issue of notification, handing over possession, refund of excess amount etc., as detailed in **Table 3.4** below:

¹³ An amount equal to 30 per cent of the compensation.

¹⁴ From the date of notification under Section 4 to the date of award or date of taking possession, whichever is earlier.

¹⁵ No litigation incentive/ bonus is paid to landowners to encourage them to sell their land to YEIDA.

¹⁶ Applicable circle rates have been considered as market rates for the purpose of calculation of excess payments.

¹⁷ Aurangpur, Gunpura and Jaganpur Afjalpur.

Table 3.4: Details of inordinate delays in resumption of land

Sl. No.	Particulars	Delay up to September 2022
1.	YEIDA sent (September 2008 to December 2013) 11 proposals for resumption of 82.1590 hectare land in four villages, but notification for the same was not published till date (September 2022).	8 to 14 years
2.	Notification for resumption of 1.5150 hectare land in village Veerampur was published on 3 March 2014 and an amount of ₹ 1.80 crore was deposited (26 June 2014) by YEIDA. Possession of the aforesaid land was however, not handed over to YEIDA till date (September 2022).	8 years
3.	Notification for resumption of 0.5580 hectare land in village Veerampur was published on 3 March 2015. Possession of the aforesaid land was however, not handed over to YEIDA till date (September 2022).	7 years
4.	Notification for resumption of 2.9844 hectare land in village Jaganpur Afjalpur was published on 31 August 2009 and an amount of ₹ 2.54 crore was deposited (October 2009) by YEIDA. As area of Khasra no. 199 was incorrectly notified as 0.6325 hectare instead of 0.1518 hectare, possession of only 2.5037 hectare land was handed over (22 October 2009) to YEIDA. YEIDA, however, did not claim refund of excess amount of ₹ 40.86 lakh deposited by it against the aforesaid proposal.	12 years

Source: Concerned files of YEIDA

In its reply, YEIDA stated (November 2022) that letters have been sent (August 2020/April 2022) to District Magistrate, Gautam Buddha Nagar for issue of notification, handing over possession and refund of excess amount deposited by it in the aforesaid cases.

The fact remains that due to lack of regular correspondence/ follow-up by YEIDA, 84.2320 hectare land (Sl. No. 1 to 3 of **Table 3.4**) could not be resumed in favour of YEIDA even after lapse of more than seven to 14 years since sending of the proposals. Further, ₹ 40.86 lakh was not refunded to YEIDA even after lapse of more than 12 years since handing over possession of land (Sl. No. 4 of **Table 3.4**).

Acquisition of land beyond immediate requirement

3.7 Audit noticed several instances of acquisition of land beyond immediate requirement which are discussed in the succeeding paragraphs.

Blockade of funds due to unwarranted purchase of land

3.7.1 As discussed in **Paragraph 2.5.1**, approval/concurrence for the greenfield township to be developed by YEIDA was given by NCRPB in June 2013. Thereafter, Master Plan (Phase-I) 2031 incorporating the suggestions of NCRPB/GoUP was approved by GoUP in October 2013. YEIDA, however, launched schemes for allotment of plots and started acquisition of land for its township since 2008-09 resulting in unwarranted purchase of land in two instances. Further, in one instance YEIDA purchased land despite there being no road map for utilisation of such land in near future. These instances of unwarranted purchase of land resulting in blockade of funds are discussed below:

- Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) requested (June 2012) YEIDA to provide 30.3525 hectare¹⁸ land near Yamuna

¹⁸ 75 acre.

Expressway for construction of 765 KV sub-station and identified (August 2012) suitable land at Village-Jahangirpur, District-Gautam Buddha Nagar for the said purpose. UPPTCL further requested (June 2013) to provide an additional 2.0235 hectare¹⁹ land for construction of the sub-station. Accordingly, YEIDA allotted (August 2013 and June 2015) 32.2708 hectare²⁰ land to UPPTCL.

Audit noticed that YEIDA decided (September 2012) to acquire 100 hectare land for planned development of the area. Accordingly, YEIDA purchased (December 2012 to December 2015) 53.3501 hectare land at a cost of ₹ 93.05 crore against the total requirement of 35.6136 hectare²¹.

Audit further noticed that the area of Village-Jahangirpur was not covered under urbanisable area as per Master Plan (Phase-I) 2031 approved by GoUP in October 2013. Therefore, there was no imminent requirement for land other than required for construction of sub-station by UPPTCL. It is also worth mentioning here that the land purchased by YEIDA in addition to the land allotted to UPPTCL for construction of sub-station was still lying undeveloped (September 2022).

Thus, acquisition of land in excess of requirement before approval of Master Plan (Phase-I) 2031 by GoUP in October 2013 has resulted in blockade of YEIDA's funds amounting to ₹ 30.94 crore.

In its reply, YEIDA stated (November 2022) that the land was purchased for planned development, as the area of Village-Jahangirpur was covered under Sector-9, the land use of which was industrial as per applicable Master Plan approved by the Board of YEIDA and GoUP.

The reply is not acceptable as the Master Plan wherein the area of Village-Jahangirpur was covered under Sector-9 was only recommended (October 2011) by GoUP to be included in the Sub-Regional Plan of Uttar Pradesh sub-region. However, as per the Master Plan (Phase-I) 2031 finally approved (October 2013) by GoUP the area of Village- Jahangirpur was not within the urbanisable area.

- The Board of YEIDA in its 39th meeting held on 25 February 2011 decided to launch a mega residential township scheme. Accordingly, a scheme for mega residential township was launched (26 February 2011) by YEIDA. Further, the Board of YEIDA in its 40th meeting held on 29 March 2011 decided to acquire land in villages of Bulandshahr district covered under the mega residential township scheme through direct purchase from landowners. An area admeasuring 1,821.1500 hectare²² (approximately) was reserved (30 March 2011) for Wave Infratech Pvt. Ltd. at a rate of ₹ 4,450 per sqm under the aforesaid mega residential township scheme.

Audit noticed that reservation of land in favour of Wave Infratech Pvt. Ltd. was cancelled (27 March 2012) as Wave Infratech Pvt. Ltd. did not deposit the due reservation money within the stipulated time. Despite, the fact that reservation of the aforesaid land was cancelled and no new scheme was launched in the area, YEIDA continued purchasing land from landowners. Out of 64.3154

¹⁹ 5 acre.

²⁰ 79.74 acre.

²¹ 32.3760 hectare for sub-station and 3.2376 hectare for development of *abadi* plots.

²² 4,500 acre.

hectare²³ land purchased at a cost of ₹ 73.16 crore in Village – Vailana, an area of 58.8574 hectare²⁴ was purchased at a cost of ₹ 67.76 crore during July 2012 to January 2015, *i.e.*, after cancellation of the reservation of land in favour of Wave Infratech Pvt. Ltd.

Audit further noticed that as per Master Plan (Phase-I) 2031 approved by GoUP in October 2013 the area of Village-Vailana was covered under Sectors 1 (part), 14 (part) and 16 (part). As sector layout plans for Sectors 1 and 14 were not yet finalised by YEIDA and for part area of Sector 16 was finalised only in December 2021, there was no imminent requirement for land after cancellation of reservation in favour of Wave Infratech Pvt. Ltd. It is also worth mentioning here that the land purchased by YEIDA in Village-Vailana was still lying undeveloped (September 2022).

Thus, YEIDA had purchased land costing ₹ 67.76 crore even when there was no roadmap for utilisation of the said land in near future which indicates lack of due diligence by YEIDA and has resulted in blockade of YEIDA's funds to that extent.

In its reply, YEIDA stated (November 2022) that mega residential township scheme was launched for allotment of land in Sectors 1, 2, 16, 17 and 17B. It further stated that land was purchased in view of decision of Board of YEIDA which has resulted in increase in its land bank.

The reply is not acceptable as area of Village-Vailana was covered under Sectors 1, 14 and 16 of approved Master Plan (Phase-I) 2031. Since, sector layout plans were not yet finalised by YEIDA for Sectors 1 and 14 and for part area of Sector 16 was finalised only in December 2021, there was no imminent requirement for land after cancellation of reservation in favour of Wave Infratech Pvt. Ltd. YEIDA, however, continued purchasing land even though there was no demand/roadmap for utilisation of the said land in near future resulting in blockade of YEIDA's funds.

- YEIDA purchased 56.8241 hectare land in seven²⁵ villages of Mathura district at a cost of ₹ 49.97 crore during the period January 2014 to April 2016 and 14.4887 hectare land in Village-Midhawali of Hathras district at a cost of ₹ 11.56 crore during the period May 2014 to January 2015.

Audit noticed that during the period January 2014 to April 2016 when the aforesaid land was purchased by YEIDA, there was no apparent requirement for such land as neither any scheme was launched by YEIDA nor was there any demand for allotment of land in such area. Besides, Master Plan and Sector Layout Plans covering the area of such villages were also not finalised by YEIDA. It is also worth mentioning here that the land purchased by YEIDA in the aforesaid villages was still lying undeveloped (September 2022).

Thus, YEIDA had purchased 71.3128 hectare land at a cost of ₹ 61.53 crore even when there was no roadmap for utilisation of such land in near future which indicates lack of due diligence by YEIDA and has resulted in blockade of YEIDA's funds to that extent.

²³ 158.9209 acre.

²⁴ 145.4344 acre.

²⁵ Kaulana Banger, Kaulana Khader, Madaur, Naujhil Banger, Seupatti Banger, Seupatti Khader and Sotipur Banger.

Further, scrutiny of the names of landowners from whom the aforesaid land was purchased reveals that most of the landowners were residents of districts other than Mathura and Hathras. Besides, land was purchased from the same persons in more than one village. This indicated that the aforesaid land was purchased only to facilitate such landowners since there was no immediate requirement for purchase of such land as Master Plan and Sector Layout Plans covering the area of such villages were not finalised.

In its reply, YEIDA stated (November 2022) that the matter regarding purchase of land in Mathura district is under investigation by investigating agencies. It further stated that a case has been registered with police in case of purchase of land in Village-Midhawali of Hathras district.

The fact remains that YEIDA had purchased 71.3128 hectare land even though there was no roadmap for utilisation of such land resulting in blockade of YEIDA’s funds.

Thus, unwarranted purchase of land in above three cases resulted in blockade of YEIDA’s funds to the tune of ₹ 160.23 crore. Further, since the land was purchased directly from landowners at rates fixed by YEIDA which were higher than market rates as these rates in addition to market rates included components such as solatium, interest and no litigation incentive, purchase of such land despite there being no immediate requirement had also resulted in undue benefit to the landowners.

Loss due to withdrawal of proposal for acquisition of land

3.7.2 GoUP vide order dated 7 December 2005 provided that if due to any reasons acquisition proceedings are stopped/ended after issue of declaration under Section 6, *suo-moto* deduction at the rate of 50 *per cent* of acquisition charges shall be made.

YEIDA sent proposals to ADM (LA) for acquisition of 287.8578 hectare land in eight villages²⁶ of Gautam Buddha Nagar district for construction of 60 metre wide sector road and other planned development work. Notification under Section 4 (1) and declaration under Section 6 of LAA, 1894 in respect of the aforesaid villages was published on 31 October 2013 and 3 September 2014 respectively.

Audit noticed that YEIDA decided (August 2016) not to acquire land (82.4424 hectare) of three villages, *viz.*, Allauddin nagar *urf* Dudhera, Mukimpur Shivara and Sabota Mustafabad because the said villages were not covered in the planned area of YEIDA as per Master Plan (Phase-I) 2031 and it was also facing financial crunch. Accordingly, the acquisition proceedings in the aforesaid three villages were dropped after issue of declaration under Section 6 of LAA, 1894. This shows that YEIDA did not exercise due diligence in forwarding proposals for acquisition of land in the aforesaid three villages resulting in loss of ₹ 4.92 crore²⁷ to YEIDA.

In its reply, YEIDA stated (November 2022) that as the said villages were not covered in Master Plan 2031 and it could not arrange for loan, the land was not acquired by it in these three villages.

Due to lack of due diligence in forwarding proposals for acquisition of land in three villages YEIDA had to drop the acquisition proceedings resulting in loss of ₹ 4.92 crore.

²⁶ Allauddin Nagar/Dudhera, Bhaipur Brahman, Mukimpur Shivara, Mohammadabad Kheda, Karoli Banger, Tirthali, Mehandipur Banger and Sabota Mustafabad.

²⁷ 50 *per cent* of the acquisition charges deposited by YEIDA.

The reply corroborates the audit finding. Further, YEIDA failed to fix responsibility for lack of due diligence of the concerned officials.

Recommendation No. 7

(i) YEIDA should adhere to Master Plan strictly for acquisition of land to avoid loss/blockade of funds.

(ii) Responsibility for unwarranted purchase of land resulting in blockade of YEIDA's funds should be fixed and action taken against the responsible officials.

Ineffective control and follow-up mechanism

3.8 The deficiencies observed in the control and follow-up mechanism of YEIDA as regards acquisition of land are discussed in succeeding paragraphs.

Purchase of land already acquired under LAA, 1894

3.8.1 In order to prevent duplicity in acquisition of land it is desirable that YEIDA maintain a *khasra-wise* database of land acquired by it through various modes viz., acquisition, resumption and direct purchase.

Examination of the details of direct purchase furnished by YEIDA revealed that in the following cases, YEIDA had purchased land directly from landowners and had also acquired the same land under LAA, 1894 as detailed in **Table 3.5** below:

Table 3.5: Details of cases of purchase and acquisition of same land

Sl. No.	Name of village	Gata/Khasra No.	Area as per revenue records (in hectare)	Area acquired through acquisition (in hectare)	Date of possession	Area purchased through sale deeds (in hectare)	Date of purchase	Amount paid for already acquired/purchased land (in ₹)
1.	Salarpur	406	0.2910	0.2910	26-03-2009	0.0350	18-06-2009	2,80,000
2.	Salarpur	507	1.5280	1.5280	26-03-2009	0.0338	21-04-2010	2,85,610
						0.0542	26-04-2010	4,57,990
3.	Salarpur	272	0.4210	0.4210	26-03-2009	0.4132	16-11-2011	40,90,680
4.	Nilauini Shahpur	386	0.3560	0.3560	05-03-2010	0.1780	29-07-2009	13,21,065
Total			2.5960	2.5960		0.7142		64,35,345

Source: Concerned acquisition files and information furnished by YEIDA

YEIDA acquired same land twice, i.e., directly from landowners and also under LAA, 1894 resulting in excess payment of ₹ 64.35 lakh.

Thus, YEIDA made excess payment of ₹ 64.35 lakh on purchase/ acquisition of already purchased/ acquired land. This omission could have been prevented by maintaining *khasra-wise* database of land acquired.

In its reply, YEIDA accepted (November 2022) excess payments in respect of purchase of land at Sl. Nos. 1, 3 and 4 and stated that it has issued recovery certificates in respect of Sl. No. 1 and 3 and has requested ADM (LA) to take necessary action in respect of Sl. No. 4. As regards Sl. No. 2, YEIDA stated that as per revenue records (CH-41 and 45) the area of *Khasra* No. 507 is 1.7039 hectare whereas as per present *Khatauni* the area of *Khasra* No. 507 is 1.5280 hectare. YEIDA further stated that it has requested (October 2022) Sub-Divisional Magistrate, Sadar, Gautam Buddha Nagar to rectify the area in *Khatauni* as per revenue records (CH-41 and 45) and provide it a copy of the corrigendum/correction slip.

The reply in respect of purchase of land at Sl. No. 2 is not acceptable because YEIDA had purchased/ acquired land in excess of area of *Gata/Khasra* as per

*Khatauni*²⁸. Further, integrated database of land acquired through various modes has still not been maintained (September 2022).

Recommendation No. 8

(i) YEIDA should maintain a khasra-wise database of all lands acquired by it through various modes and also carry out periodical land audit.

(ii) Responsibility needs to be fixed for double payment on purchase of land already acquired.

Mutation of land purchased through direct purchase not done

3.8.2 Mutation is the change of title ownership from existing owner to new owner when the property is sold or transferred. By mutating a property, the new owner gets the property recorded in his name in the records of Land Revenue Department.

Audit examined the status of mutation in 525 cases of direct purchase selected for detailed examination and noticed that in 149 cases, though the land was purchased by YEIDA through sale deeds (*bainamas*) during November 2008 to July 2021, the ownership of such land continued (as of July 2022) to vest with the landowners as per land revenue records. Not transferring the title of acquired land in YEIDA's favour was fraught with the risk of transfer of these lands purchased by YEIDA to other persons.

Audit further noticed that in 21 cases land was purchased by YEIDA from landowners despite the fact that the same was mortgaged by the landowners with banks against loans obtained by them. This could have been avoided had YEIDA checked the status of loans obtained by the land owners by mortgaging the land, details of which were available in the revenue records. Further, in seven cases the land was mortgaged by the landowners with banks after the same was purchased by YEIDA as the purchased land was not mutated in YEIDA's favour.

Details of all cases where mutation is pending and where land purchased by YEIDA was mortgaged against outstanding loans were not furnished by YEIDA despite being called for by Audit.

In its reply, YEIDA stated (November 2022) that mutation is a legal process and letter has been sent (May 2022) to Tehsil Sadar and Jewar to complete mutation of pending cases in a time bound manner.

The reply is not acceptable as YEIDA has not been able to get the title of land transferred in its favour even after lapse of more than nine months to 13 years since purchase of such land leading to mortgage by landowners with banks against loans in seven cases. Further, after being pointed out by Audit, YEIDA sent (November 2022) letters to the banks to ascertain the status of mortgage. In four cases, the banks had replied that the land was still mortgaged and there were outstanding loans as well.

Reconciliation not done of advance paid for land acquisition

3.8.3 As discussed in **Paragraph 3.1.1** in case of acquisition of land under the provisions of LAA, 1894 YEIDA deposits with the ADM (LA) the amount towards compensation payable to landowners along with acquisition charges in a phase-wise manner. The amount deposited with the ADM (LA) and the

²⁸ As available on www.upbhulekh.gov.in.

amount disbursed/ adjusted there against should be reconciled periodically and efforts should be made for obtaining refund of excess deposit.

The Management Information System of Land Acquisition Division of GNIDA as adopted²⁹ by YEIDA also provides for submission of a monthly report on reconciliation of land records with ADM (LA) along with passing of necessary entry in the financial records.

Audit noticed that instead of carrying out periodical reconciliation of amount deposited with ADM (LA), YEIDA had carried out reconciliation in respect of villages of district Gautam Buddha Nagar on two occasions³⁰ only till date (September 2022). As per reconciliation as on 31 March 2021, an amount of ₹ 178.79 crore was lying with ADM (LA). No efforts were, however, made by YEIDA for obtaining refund of such excess deposit despite the fact that the land acquisition proceedings in all the cases have been completed resulting in blockade of YEIDA's funds to that extent.

Further, reconciliation of amount paid in respect of villages of district Bulandshahr, Aligarh, Mathura, Hathras, and Agra has not been carried out by YEIDA till date (April 2022). As a result, YEIDA failed to ascertain the amount lying with ADM (LA) and hence, could not initiate action for return of excess amount deposited, if any.

In its reply, YEIDA stated (November 2022) that reconciliation of amount deposited with ADM (LA) was done as on 31 May 2014 and 31 March 2021 in respect of Gautam Buddha Nagar and letter has been sent (November 2022) to ADM (LA) Gautam Buddha Nagar to intimate regarding reconciliation.

The reply corroborates the audit finding that periodical reconciliation was not done by YEIDA. Besides, reasons for not obtaining refund of excess amount deposited and/or efforts made by it in this regard were not furnished by YEIDA.

Recommendation No. 9

(i) Follow up mechanism should be strengthened by YEIDA so that the acquired land is mutated without delay and advance paid for land acquisition are reconciled periodically.

(ii) Responsibility should be fixed for inordinate delay in mutation of purchased land and purchase of mortgaged land and action taken against the responsible officials.

Conclusion

YEIDA invariably forwarded its proposals for acquisition of land by invoking urgency clause using a customary and standard justification which did not provide acceptable justification for invoking the urgency clause. YEIDA incurred excess expenditure on account of delay in acquisition proceedings. Further, unwarranted invocation of urgency clause resulted in loss to YEIDA due to lapse of land acquisition proceedings. Payment for resumption of Government land was made at higher rates resulting in excess payment. YEIDA purchased land beyond requirement without any roadmap for its utilisation resulting in blockade

²⁹ YEIDA had decided to adopt the Manuals/ Work Procedures of GNIDA in its 16th Board meeting held on 10 September 2007.

³⁰ First reconciliation was carried out as on 31 May 2014 and the second reconciliation as on 31 March 2021.

of funds and undue benefit to the landowners. YEIDA forwarded proposals for acquisition of land in villages that were not covered under Master Plan (Phase-I) 2031 and that too without ensuring availability of funds resulting in loss due to subsequent withdrawal of land acquisition proceedings. In some cases, land mortgaged by the landowners with banks for loans was also purchased. Failure to effect mutation of land and not reconciling advance paid for land acquisition were also observed.