

HC junks GNIDA order to cancel land for project

Calls Move 'Arbitrary And Illegal', Orders Recalculation Of Dues & Waives Penalties For Royal Golf Link

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Noida: The Allahabad high court has quashed a 2022 decision by Greater Noida Industrial Development Authority (GNIDA) to cancel land allotted to Royal Golf Link City Projects Pvt Ltd, calling the move "arbitrary and illegal". The court struck down restoration charges, time extension penalties, and penal interest imposed by GNIDA, asking the Authority to restore the plot and revalidate the project map.

The court was hearing a petition filed by Royal Golf Link in April, challenging a UP govt order that restored the land allotment but levied several charges.

On May 27, Justice Pankaj Bhatia of the Lucknow bench of the HC struck down the state govt's order, nullified the penalties, and granted a three-year extension to the developer to complete the project without extra cost. The court said GNIDA had no valid reason to deny relief to Royal Golf Link when similar reprieve was gi-

ven to other developers.

"Thus, for all the reasons above, the impugned order insofar as it denies the benefit of restoration charges, the extension of time without payment of charges, non-charge of penalty interest and zero period benefit is wholly unjustified and the order to that effect is bad in law. Thus, the writ petition is disposed of with direction to the respondent no 3 (GNIDA) to recalculate the dues as indicated in the cancellation order dated July 20, 2022 without charging the restoration charges, grant the benefit of time extension without any charges and calculate the interest without charging any penal interest at the rate of SBI's MCLR + 1," the court order read.

The case revolves around a 36.4-hectare land parcel allotted in 2014-15 for developing a recreational park in Sector 27. Initially allocated to a consortium led by Ultra Homes Construction (part of the Amrapali Group), the project was later transferred to Royal Golf Link City Projects, a special

36 HECTARES ALLOTTED IN 2014

2014

Dec 9 | Lease deed signed between GNIDA and Royal Golf Link City Projects for 36.4 hectares of land in Sector 27

2015

May 29 | GNIDA acknowledges land encroachment (13,517 sqm) and reschedules payment plan

June 19 | Project map sanctioned

2018

Aug 14 | Developer redesigns layout after being directed to set aside portion of land for public access

Dec 3 | Amrapali affidavit to SC mentions investment in Royal Golf Link. Developer added as party to Amrapali case

2019

Feb 14 | SC stays action against the project



2020

Aug 4 | Developer submits revised building map and pays fee, but map not sanctioned

July 10 | SC directs dues to be calculated at MCLR +1% for all leaseholders

2021

Mar 18 | Developer files revision petition before state govt to challenge GNIDA's Feb 2020 rejection of its zero period claim

2022

July 20 | GNIDA cancels lease by cit-

ing dues of ₹360 crore
July 26 | Developer files addendum with state's revision authority

Aug 3 | Allahabad HC directs revision authority to decide case within 3 months and bars coercive action by GNIDA

2024

June 12 | Revision authority restores lease with conditions. These include penalties for time extension. It does not grant zero period relief

2025

May 27 | HC directs GNIDA to revalidate project map in four weeks. It quashes some of revision authority's conditions and directs that dues must be recalculated after reducing interest from June 2020 to July 2022

purpose vehicle. The total land premium was Rs 298 crore, of which Rs 59.6 crore was paid when the lease was signed.

The dispute emerged when GNIDA failed to provide full physical possession of land, with 13,517sqm under encroachment, including a pond and connecting pathway. The situation was further complicated when the then DM asked the developer to leave this area for public access, necessitating a project redesign.

The Authority also recorded the presence of farmers on a part of the land and deferred the next premium instalment by six months.

The Amrapali case in the Supreme Court further complicated the progress, as the company declared an investment in Royal Golf Link in 2018. The SC ruled that leaseholder dues should be calculated at SBI's MCLR + 1. Royal Golf Link sought recalculation of dues and an 18-month zero-period benefit from the start govt, saying it hadn't received full possession. Instead, GNIDA cancelled the lease

on July 20, 2022, citing unsettled dues of Rs 360 crore.

The developer moved HC, claiming that GNIDA ignored the SC ruling on interest. Homebuyers also intervened, arguing that the additional charges would be passed on to them. They also claimed that most of the project was ready, but was stuck due to GNIDA's disputes. Royal Golf Link insisted that the restoration fees were unjust since the cancellation was ruled illegal.

The court accepted the developer's request for zero-period relief, waiving penalty interest and dues for the Covid pandemic period and from July 20, 2022, to June 12, 2024. The court ruled that the developer must pay 25% of the revised amount — after adjusting Rs 5 crore already paid — within 60 days of receiving the demand.

The project Royal Golf Link is building is known as 'The Hemisphere', which includes 1,300 flats, villas, and shops. The developer has claimed to have offered fit-out possession to around 900 buyers.

Interest on refund is