

SUBJECT NO. 123

Sub : ISSUE REGARDING INSISTING THE NALA CONVERSION PROCEEDINGS BY RDO BEFORE RELEASE THE LAYOUTS

AGENDA NOTE :

It is submitted that the layout developers are required to submit land conversion proceedings (from Agricultural use to Non-agricultural use) issued by Revenue authorities duly paying conversion charges to Revenue department while approving the layout and VUDA is insisting the developers to submit land conversion certificate under NALA Act. In such cases, some of the developers are submitting land conversion proceedings issued by Revenue department and some of the developers are approaching the Hon'ble High Court and obtaining orders to release the layout with L.P. No. duly submitting Affidavit as directed by the Hon'ble Court. As per the procedure in vogue, the developers are mortgaging 15% plotted area to VUDA and after development of the layout as per the specifications issued by VUDA they are approaching VUDA for release of mortgaged plots. Since the orders of the Hon'ble High Court is only for release of L.P. for development of the layout, VUDA is again insisting for land conversion certificate to release the plots mortgaged to VUDA.

At this juncture, it is submitted that, in batch of Writ Petitions Nos.16695, 21416 and 9792/2010, vide common judgment dated 9.7.2010, the Hon'ble High Court has ordered as below:

"It is lastly urged by the petitioners that insistence on clearance under the 2006 Act, even where a land ceased to be agricultural prior to the enactment of that legislation cannot be sustained in law. In this regard, it needs to be observed that there is no indication to the effect that the enactment is retrospective in operation. It is only from the date on which, the Act came into force, that no piece of land which was ear marked for agriculture and is shown as such in the revenue records, can be put to non-agricultural use.

In case, the land was already put to residential or other use, much before the said Act came into force a permission under it cannot be insisted. This, however, is a matter, which needs to be verified by the concerned authority. If the petitioners are able to prove that the land has been put to non-agricultural use much before the Act came into force, they cannot be required to obtain the permission under that Act.

For the foregoing reasons, the writ petitions are disposed of holding that,

- a. It shall be competent for the Urban Development Authorities or the Local Authorities, as the case may be, to insist on submission of clearance / permission under the 2006 Act as a condition precedent for releasing of layouts
- b. The land has been put to non-agricultural use before the 2006 Act came into force, such clearance / permission shall not be insisted.

The Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Rules, 2006 (APALR, 2006) in consonance with the AP Act No.3 of 2006 explains the following provisions

Competent Authority – RDO who receive the applications for conversion of Agricultural land for non agricultural purposes.

Rule 6(i) – For the purpose of calculation of conversion fee, the basic value as notified by government from time to time, for the land as on the date of application shall be taken into account.

Rule 6(iv) – In case of deemed conversion, the date for the purpose of calculation of basic value shall be the date earliest of the following dates.

1. **Date of Detection of conversion by competent authority**
2. **Date of entry into village accounts by village officer / Panchayat Secretaries**
3. **Date of application by owner / occupiers.**

In the above explained scenario, VUDA has addressed a letter to the Principal Secretary to Govt. MA & UD dept., Govt. of AP, Hyderabad vide **Rc.No. VC/Peshi/Note 23/2013, dt. 15-08-2013** stating that, after this order, the cases before the VUDA pending for the approval of layout will come into two categories:

- A. Cases wherein developers are getting the necessary NALA certificate / proceeding from the competent authorities / RDOs
- B. Cases wherein developers got interim order / final order from the Honourable High Court for the release of layout. In these cases, as per the orders of the Honourable High Court, the files are processed and subject to satisfaction of all the conditions except the NALA, the LP numbers are being given with certain terms and conditions. In these cases, the developer has to approach the VUDA for the release of mortgaged plots after developing the infra structures in the layout.
- C. Cases wherein developers got interim order / final order from the Honourable High Court for release of mortgaged properties or for the release of final layout. In these cases, the developer has

developed the layout as per the conditions of approval and to the satisfaction of the concerned local bodies and hence, after the release of mortgaged plots, there are no further liabilities by the VUDA on these layouts.

“As observed the number of cases of above categories in VUDA (wherein the developers are bringing orders from the Honourable High Court for the release of layout or final layout) is around 125 and it is increasing gradually and it can be inferred that developers are not paying the statutory conversion fee to the revenue department but getting the land converted and getting the approval of layout from urban development authorities. In certain cases, revenue department which has to insist the NALA conversion is not even a party. It was instructed to the standing counsel of the VUDA to prevail upon the Honourable High Court and dispose all the pending cases so that developers or VUDA will follow the established procedure and on this, it was told that the number of cases in other UDAs on the similar count is also higher and there may be around 500 cases of similar nature across the state among all UDAs.”

It was also informed that “VUDA is not aware of the action taken by the revenue department in these cases in initiating the action towards collection of due conversion amount to the revenue department / government as per the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 and rules thereon, despite the release of layout plan number or final layout by the VUDA. Hence, it is decided that copies of all such cases of the approval based on interim order / final order from the Honourable High Court for the release of layout or release of mortgaged properties will be communicated to the concerned RDOs duly marking to the District Collector so that the Collector may give necessary instructions to the concerned to get the amount realized to the government.

The number of cases is increasing in this regard and in majority of the cases, government is also a party / primary party. Counters are being filed regularly. Hence, it is felt that the insistence of the NALA Certificate by the UDAs has to be reviewed in the circumstances of release of layout or final layout based on the interim order / final order from the Honourable High Court without being aware of the action taken by the revenue department in these cases towards collection of due conversion amount to the revenue department / government as per the Andhra Pradesh Agricultural Land

(Conversion for Non-Agricultural Purposes) Act, 2006 and rules thereon and requested for necessary directions so as to reduce the litigation on this policy issue. "

In the said situation, meanwhile, VUDA is considering the Hon'ble High court orders time to time and releasing the layouts without insisting the NALA conversion certificates. Hence the decision taken by Vice Chairman may be perused and ratified by the board and suitable directions may be issued.

Sl. No.	Subject No.	Subject	Resolutions
			<p>category.</p> <ul style="list-style-type: none"> • The percentage of consultancy should be similar for all in a particular category. • VC should try to bring best out of the empanelled architects • With the above conditions, the proposal is agreed
72	123	VUDA-Planning-Issue regarding insisting the NALA conversion proceedings by RDO before release the layouts	Agreed. Also pursue with the government for early decision in this regard
73	124	VUDA-Plg- Status of efforts to peg-mark the four layouts which are not peg-makred but allotted plots by the then estate wing-reg.	Complete the process at the earliest to avoid future litigations
74	125	VUDA-Plg- transfer of Project Monitoring Unit files- further processing -reg.	Perused and ratified
75	126	VUDA-Plg-enhancement of processing fee for approval of layouts, buildings, industrial plans etc-reg.	Agreed to implement from 1.1.2014.
76	127	VUDA-planning-Change of land use from Industrial use to Institutional use in Sy. No.212/p,215/p,222/p,223/p,224/p & 228/p of Aganampudi (V), Gajuwaka (M), Visakhapatnam District – waiver of the processing fees and conversion charges – Reg.	Not agreed to reduce the conversion charges