

CHAPTER IV

Development Work

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This chapter deals with development works executed by Ghaziabad Development Authority. The development works included acquisition and development of land, construction of buildings, roads and other developmental works.

***Audit Objective:** Whether acquisition, development of land and construction works were undertaken in accordance with the codal provisions and sound project management strategy.*

Brief snapshot of the chapter:

- GDA did not ensure to increase land bank to provide the required residential and industrial activities as per assessment in the MP-2021. During 2017-22, GDA acquired only 18.32 hectare against the target of 300 hectare.
- The contract management adopted by GDA for development work was deficient, as short-term NITs were issued and works were started before entering into contract bonds.
- Construction works were started without ensuring availability of land and demand of dwelling units due to which either works were closed midway or executed with slow pace. Irregular construction of works and deficient quality control was also noticed.
- Administrative charge, land cost and land use conversion charge of ₹ 21.86 crore was not recovered from the developers.
- Execution of contract bonds before soil test resulted in increase of cost of work amounting to ₹ 11.06 crore as extra item.
- GDA irregularly paid ₹ 23.91 crore to the contractors through faulty or without measurement of works.
- Hi-tech and Integrated Township projects were not completed even after a lapse of more than five to ten years. 4,249 dwelling units for EWS and LIG were not constructed in Hi-tech and Integrated Township projects.
- Unfruitful expenditure of ₹ 105.58 crore due to foreclosure/incomplete works.

4.1 Introduction

The objective of GDA is to promote and secure the planned development of the development area. GDA is responsible for construction of residential and

non-residential buildings along with their internal development work. It also oversees infrastructure development in the area, including the construction of roads, drainage systems, green belts, parks, marketing complexes, shops and other essential facilities.

4.2 Land acquisition and development

4.2.1 Acquisition of land

GDA acquired 3,701.38 hectare land for developmental activities in Ghaziabad development area till 2017-18. Out of this, 3,149.46 hectare was developed, while 551.92 hectares remained available for future development at the beginning of 2017-18.

During 2017-18 to 2021-22, GDA acquired 18.32 hectare of land. Year-wise details of land acquired and availability of land during 2017-18 to 2021-22 is given in **Table 4.1**.

Table 4.1: Details of land acquired and availability of land during 2017-22

(in hectare)

Year	Land available at the start of year	Total land acquired during the year	Land used for development during the year	Total land available at the end of year (Col 2+ 3-4)
(1)	(2)	(3)	(4)	(5)
2017-18	551.92	1.52	0.00	553.44
2018-19	553.44	16.80	0.00	570.24
2019-20	570.24	0.00	18.32	551.92
2020-21	639.46 ¹	0.00	179.54	459.92
2021-22	459.92	0.00	0.00	459.92
Total	-	18.32	197.86	-

(Source: Monthly Progress Report of GDA)

It is evident from **Table 4.1** that GDA acquired only 18.32 hectare of land during 2017-19 and thereafter it did not acquire land till March 2022. Further, in the Master Plan 2021, GDA assessed requirement of about 700 hectare developed land for housing and industrial activities during 2017-22. Against this, GDA targeted to acquire 300 hectare land on its own during 2019-22². Thus, GDA acquired only six *per cent* of target set for land acquisition during 2017-22.

The State Government in reply (March 2024) stated that land could not be purchased for land bank due to poor financial condition of GDA during this period.

¹ Reasons for increase in land of 87.54 hectare in 2020-21 was due to getting possession of 18.3543 hectare in Madhuban Bapudham Scheme, 1.5 hectare in master plan road in Dundaheda and 44.14 hectare for Norther Peripheral Road, increase in land due to correction of 17.62 hectare in Rajnagar extension and 5.93 hectare in Kavinagar.

² No target was fixed for 2017-19.

4.2.2 Development of land

Year-wise target for the development of available land during 2017-22 is given in **Table 4.2**.

Table 4.2: Development of land during 2017-22

(in hectare)

Year	Total land available for development during the year	Total land planned for development (per cent of col.2)	Total land developed during the year	Total land available for development at the end of year (Col. 2-4)
(1)	(2)	(3)	(4)	(5)
2017-18	553.44	6.13 (1)	0.00	553.44
2018-19	570.24	0.00 (0)	0.00	570.24
2019-20	570.24	16.80 (3)	18.32	551.92
2020-21	639.46	7.65 (1)	179.54	459.92
2021-22	459.92	0.00 (0)	0.00	459.92
Total	-	30.58	197.86	

(Source: Monthly Progress Report of GDA)

It is evident from **Table 4.2** that GDA planned only 30.58 hectare (one to three *per cent*) land for development against available 459.92 to 639.46 hectare land during 2017-22. However, development of 197.86 hectare land was carried out in the period.

The State Government in reply (March 2024) stated that approximately 422.65 hectare land could not be developed due to dispute/encroachment/cases pending at Hon'ble court level and protest by farmers. The State Government further stated that so far as development of land as per master plan was concerned, construction/development work was also done by Uttar Pradesh Avas evam Vikas Parishad, Industrial Development Corporation, private developers and by private landowners in addition to GDA.

The fact remains that GDA failed to develop the available land. Further, no mechanism or strategy was designed to monitor the progress of activities carried out by GDA and other departments/agencies in alignment with the targets of MP-2021.

4.2.3 Irregularities and undue benefit in purchase of land for dumping yard

GoUP directed (September 2011) GDA to provide 35 acres land to the Ghaziabad Nagar Nigam (GNN) for Solid Waste Management Scheme in view of development of Hi-tech city and Integrated Townships in Ghaziabad. As per Hi-tech and Integrated Township policy, responsibility of solid waste management rested upon developers of Hi-tech and Integrated Townships and free of cost land for the dumping yard was to be made available by the developers.

Scrutiny of records revealed that GDA decided (November 2016) to manage the aforesaid land through the developers of Hi-tech and Integrated Townships

and set developer-wise targets to provide land. However, only one³ out of eight developers of Hi-tech and Integrated Township provided 18.119 acre out of 35 acres of land. GDA transferred 18.119 acre land to Ghaziabad Nagar Nigam in May 2017. In respect of remaining 16.88 acre out of 35 acres of land required, GDA decided (December 2018) to purchase land on behalf of the developers and to recover the cost of land from remaining eight developers.

Audit noticed the following irregularities in the land acquisition for dumping yard:

(i) As per GoUP order (March 2016), all proposals regarding acquisition/purchase of land of more than 10 acre directly from the land owners was to be submitted to the Board of GDA for its approval. However, GDA purchased 14.99 acre (6.066 hectare) out 16.88 hectare of land for the dumping yard during August 2019 to January 2020 with approval of VC, GDA only and did not submit the proposal before the Board of GDA for its approval.

The State Government in reply (March 2024) stated that as per the GoUP order (March 2016), rate of land (₹ 2,550 per square metre) was agreed to by the committee headed by DM, Hapur. VC accorded sanction of ₹ 16.46 crore for purchase of 14.989 acres land on the agreed rate. Further, a meeting was convened (May 2010) under the chairmanship of Commissioner Meerut Division Meerut, in which members of the Board of the Authority were present and it was decided that land should be acquired for the dumping yard in village *Galand* and the Authority should reimburse the expenditure incurred on land acquisition from its own sources. Perhaps due to these reasons, the approval of the Board was not required at that time. Further, in the meeting held under the chairmanship of Chief Secretary (September 2011), it was decided that keeping in view of development of Hi-tech and Integrated Township in Ghaziabad, 35 acres land was to be provided by GDA to Ghaziabad Nagar Nigam in addition to Dundaheda.

The reply was not tenable because as per the Government order of March 2016, approval of Board of GDA was required to purchase more than 10 acres land directly from the land owners which was not obtained.

(ii) GDA purchased the aforementioned 14.99 acres of land for dumping yard at an expenditure of ₹ 16.55 crore on behalf of the developers. This cost was to be recovered from the developers, as the responsibility for the expenditure rested with them. However, GDA recovered only ₹ 7.41 crore from the developers and remaining ₹ 9.14 crore was yet to be recovered (*Appendix 4.1*) as of March 2024.

Further, GoUP order (May 2005)⁴ issued for Integrated Township envisages that during acquisition of land the reserve price of the land should be determined by including 10 *per cent* administrative expenses in the total acquisition cost. However, GDA did not include administrative expenses amounting to ₹ 1.55 crore in the expenditure incurred in purchasing of above mentioned 14.99 acres land. Thus, total pending recovery from the developers

³ M/s Uppal Chaddha Hi-tech Developers Pvt. Ltd.

⁴ Clause 3.2 (a-3) of GO No: 2711/8-1-05-34 Miscellaneous/2003 dated 21 May 2005.

was ₹ 10.69 crore (₹ 9.14 crore on account of cost of land + ₹ 1.55 crore on account of administrative charge).

The State Government in reply (March 2024) stated that VC accorded sanction with the condition that after adjusting deposited amount of ₹ 7.41 crore from the developers, the remaining amount of ₹ 9.05 crore would be recovered from them on proportionate basis. However, the amount was yet to be recovered. Further, in respect of non-levy of administrative charges, the State Government stated that as per Integrated Township Policy 2005, 10 *per cent* administrative charge had to be taken as acquisition expense only at the time of acquisition of land and not in case of cooperation/support of GDA to Hi-tech Township city or any others.

The reply of the State Government was not acceptable as GDA purchased the aforesaid land on behalf of developers and thus, the administrative charges was to be recovered from the developers in term of the Government order (May 2005).

(iii) As per provision of Hi-tech and Integrated Township policy, the land use conversion cost of the land managed/to be managed, would be borne by the developers themselves.

Scrutiny of records revealed that GDA transferred (May 2017 to January 2020) a total of 33.1080 acres land⁵ to GNN, on behalf of the developers of Hi-tech and Integrated Township for dumping yard as per direction of the State Government. The land use of transferred land was agriculture, hence GDA was to change the land use into the category of Public Facilities (dumping yard) with approval of the State Government/NCRPB and land use conversion charge of ₹ 3.92 crore⁶ (*Appendix-4.2*) was to be levied and collected from the developers before transferring it to GNN. However, GDA transferred the land to GNN without changing its land use and consequently did not levy the land use conversion cost (₹ 3.92 core) on the developers.

The State Government stated (March 2024) that the use of transferred site as dumping yard had not yet started and action would be taken as per the provisions contained in UPUP&D Act-1973 and prevailing GOs at the time of approval of map.

The reply of the State Government was not tenable, because land use conversion charge for the land was to be taken/levied on the developers at the time of obtaining agriculture land for dumping yard and before transferring these land parcels to GNN. Non-levy of land use conversion charges resulted in undue benefit of ₹ 3.92 crore to the developers.

⁵ 18.1190 acre received from one developer and 14.9890 acre by purchasing from landowners

⁶ As per Government order 2014.

4.2.4 Recovery of administrative charge for acquisition of land for cricket stadium

As per GoUP order (May 2005)⁷, the administrative charge at the rate of 10 *per cent* of land cost was to be recovered from the developers when the Authority would provide land to the developer.

Scrutiny of records revealed that Uttar Pradesh Cricket Association (UPCA) requested the GDA in July 2013 to provide land in Ghaziabad for building a stadium-cum-cricket academy and provided (August 2014 to August 2017) ₹ 80.98 crore⁸ to GDA for making arrangement of land. On the request of the UPCA, GDA made available 32.56 acres of land (February 2015 to August 2017) for the stadium in village Morti, Ghaziabad.

Audit noticed that GDA incurred expenditure of ₹ 77.74 crore⁹ (*Appendix-4.3*) out of available amount of ₹ 80.98 crore for paying compensation of land (₹ 72.53 crore), stamp duty (₹ 5.09 crore) and registration fee (₹ 0.12 crore) and remaining ₹ 3.26 crore was kept at GDA level till March 2018. As per GO, administrative charge of ₹ 7.25 crore (10 *per cent* of land cost of ₹ 72.53 crore) was to be levied and recovered from the UPCA by GDA but the administrative charges were not recovered from the UPCA.

The State Government in reply (March/July 2024) stated that on the request of UPCA, the land was purchased directly from the farmers/landowners and handed over to the UPCA through the Authority. Since the Authority had played role of facilitator in the case, administrative expense had not been charged from UPCA/developer. The State Government further added (July 2024) that an affidavit had been provided (November 2018) by the UPCA in respect of the audit observation.

The State Government's reply was not tenable, as the Government order clearly stipulates that the cost of land would include 10 *per cent* administrative charge if GDA provides bulk land to developers.

4.3 Development works

4.3.1 Financial progress of construction works

Scrutiny of records revealed that GDA spent ₹ 1,402.20 crore on construction/development works and ₹ 219.23 crore on Repair & Maintenance (R&M) during 2017-22 as depicted in **Table 4.3**.

⁷ Clause 3.2 (a-3) of GO No: 2711/8-1-05-34 Miscellaneous/2003 dated 21 May 2005.

⁸ ₹ 80.17 crore (principal amount) + ₹ 0.81 crore interest amount.

⁹ ₹ 77.74 crore includes land compensation ₹ 72.53 crore, stamp duty ₹ 5.09 crore and registration fee ₹ 0.12 crore.

Table 4.3: Details of proposed and actual expenditure for execution of works

(₹ in crore)

Year	Construction/Development		Repair & Maintenance		Total proposed expenditure	Total actual expenditure
	Proposed expenditure	Actual expenditure	Proposed expenditure	Actual expenditure		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2017-18	1,000.00	438.74	60.50	44.38	1,060.50	483.12
2018-19	800.00	542.15	62.80	47.04	862.80	589.19
2019-20	500.00	195.25	56.70	48.58	556.70	243.83
2020-21	275.00	128.44	56.25	44.55	331.25	172.99
2021-22	280.00	97.62	54.50	34.68	334.50	132.30
Total	2,855.00	1,402.20	290.75	219.23	3,145.75	1,621.43

(Source: Income and Expenditure statement of GDA)

It is evident from **Table 4.3** that budget of ₹ 3,145.75 crore was proposed during 2017-18 to 2021-22 for construction/development work and R&M against which only ₹ 1,621.43 crore (51.54 per cent) was utilised. Further, there was decline in expenditure on construction/development work during 2017-22

The State Government did not provide specific reply regarding the decline in expenditure on construction/development works during 2017-22. It, however, stated (March 2024) that in 2018-19, target under PMAY was fixed by the State Government, however, share of the Government was made available with delay and beneficiary share were not received which resulted in slow pace of work. The State Government also stated that construction/development work in Madhuban Bapudham Scheme was affected due to protest of farmers, recession in real estate after 2017-18 and Covid-19 pandemic which resulted in less earning from approval of map & compounding fees as well as non-receipt of stamp duty.

4.3.2 Physical progress of construction works

GDA executed 279 development works through 279 contracts during 2017-18 to 2021-22 in which 219 works were awarded during 2017-18 to 2021-22¹⁰ and 60 works were awarded before 2017-18 but continued during 2017-22. Year-wise details are given in **Table 4.4**.

¹⁰ In addition to this, 92 horticulture work (cost of ₹ 14.43 crore) were executed during the period. GDA also entered into 14 MoUs (cost ₹ 213.30 crore) with five executing agencies/departments (UP Jal Nigam, Irrigation Department, Uttar Pradesh Rajya Setu Nigam Ltd., UP Public works Department and CPWD, New Delhi) during 2017-18 to 2021-22.

Table 4.4: Details of contract bonds for construction work

₹ in crore)

Year	Building works			Road & Bridges works		Other works		Total	
	No.*	No. of flats	Cost of work	No.*	Cost of work	No.*	Cost of work	No.*	Cost of work
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Works undertaken before 2017-18 but spilled over to 2017-22									
Spilled over works	19	5,558	771.84	9	184.95	32	396.82	60	1,353.61
Works undertaken during 2017-18 to 2021-22									
2017-18	0	0	0.00	8	27.89	29	18.43	37	46.32
2018-19	4	1,968	97.06	13	29.31	38	60.98	55	187.35
2019-20	5	2,929	141.98	21	77.57	46	36.77	72	256.32
2020-21	0	0	0.00	5	10.46	38	13.83	43	24.29
2021-22	1	1**	112.85	1	7.01	10	0.99	12	120.85
Total (2017-22)	10	4,898	351.89	48	152.24	161	131.00	219	635.13

(Source: Information collected from GDA)

(*No. – number of contracts, **office building of GDA in Madhuban Bapudham scheme)

During this Performance Audit, 71 works (25 per cent), out of 279 works were examined (47 sampled works valuing ₹ 498.26 crore executed during 2017-22 and 24¹¹ sampled works valuing ₹ 900.82 crore which were spilled over to 2017-22) in detail. Out of these 71 works, 18 works were related to building works, 14 works related to construction of roads and 39 works were related to other works. Audit observations related to the test checked works of construction of buildings, roads and other development works have been discussed in the succeeding paragraphs:

4.3.3 Building works

4.3.3.1 Deficient detailed estimate of work

The Uttar Pradesh Development Authorities Finance and Accounts Manual, 2004 (Manual) stipulates that care should be taken to include detailed specifications in such a way that no need arises for extra/substituted items at later stage.

GDA entered into two contract bonds¹² amounting to ₹ 99.76 crore for construction of 856 EWS units (cost: ₹ 39.08 crore) in the Madhuban-Bapudham Housing Scheme and 1,200 EWS¹³ units (cost: ₹ 60.68 crore) in Pratap Vihar Housing Scheme under Pradhan Mantri Avas Yojana (PMAY) which was further amended for 720 EWS units due to unavailability of land and subsequently cost was revised to ₹ 36.40 crore.

Audit scrutiny of records revealed that the detailed estimates of the above two works were prepared (February 2018 and September 2019) as per the standard

¹¹ Out of selected 34 contracts, records pertaining to 10 contracts valuing ₹ 214.70 crore were not made available by GDA.

¹² M/s Shalimar Corp Ltd (Agreement No 125/FC/EE-3/18 Dated 28.07.2018) cost ₹ 39.08 crore and M/s Sunil Garg and company (Agreement No. 460/FC/EE-04/19 Dated 28.11.2019) cost ₹ 60.68 crore.

¹³ Contracts of 1200 dwelling units were split into two parts viz. 720 dwelling units at Pratap Vihar Housing Scheme and 480 dwelling units at village Noornagar.

drawing/design received from the State Government for construction of houses under PMAY. GDA accordingly entered into two agreements with the contractors for construction of PMAY houses in August 2018 and November 2019.

Audit further noticed that GDA, subsequently, carried out (July 2018) soil tests in respect of construction of houses proposed under Madhuban-Bapudham Housing Scheme to assess the suitability of soil for RCC work. Based on the soil testing results, GDA upgraded the specified M-20 Reinforced Cement Concrete (RCC) to M-25 RCC which offers greater strength and was costlier. As a result, M-25 RCC was added into the contract as an extra item costing ₹ 7.46 crore for the 856 EWS buildings in the Madhuban-Bapudham Housing Scheme.

Further, on the basis of soil test carried out in respect of Madhuban-Bapudham Housing Scheme, GDA decided (March 2021) to adopt M-25 RCC specification in the construction of PMAY EWS houses in Pratap Vihar housing scheme also. Accordingly extra item costing ₹ 3.60 crore for M-25 RCC work was also added in the scope of the contract.

Thus, due to faulty planning and conducting soil testing only after executing the contracts, additional work item was introduced, violating the provisions of the Manual. As a result, the total project cost of the above-mentioned two projects increased by ₹ 11.06 crore which was 15 *per cent* of cost of project of ₹ 75.48 crore. Besides, provisioning of M-25 in place of M-20 RCC work in Pratap Vihar housing scheme without carrying out soil test was also unjustified.

The State Government in reply (March 2024) stated that due to importance of government scheme, the DPR was prepared on the basis of model bill of quantity and submitted to the State Government without delay. The soil test was conducted after preparation of estimate and deviation was approved. Further, the State Government stated that soil test was delayed in one case due to protest of farmers. Even after the tender process, the work was delayed for almost a year due to unavailability of land. After the land became available, work was initiated in accordance with the design following the soil testing.

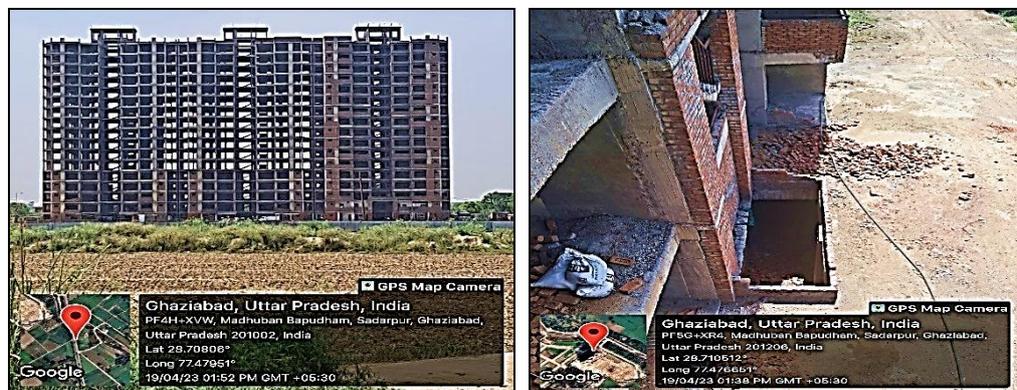
The reply of the State Government was not acceptable as tender should have been floated only after determining the specification of works to avoid any addition of works through extra item. Pertinently, there was no mention about conducting soil test to arrive at design of RCC work in the standard design provided in the guidelines of PMAY, which provided for M-20 grade for RCC work.

4.3.3.2 Unfruitful expenditure due to foreclosure of works

As per paragraph 12 III (i) of Uttar Pradesh Budget Manual, the expenditure should not be *prima facie* more than the occasion demands.

Scrutiny of records revealed that GDA proposed construction of three multi-storied buildings of 528 dwelling units¹⁴ in Madhuban-Bapudham Scheme. Three contracts valuing ₹ 132.98 crore were entered into during June 2011 to December 2011 for the construction of these three buildings. The works were taken up during June 2011 to February 2012. However, the works were stopped midway during April 2015 to May 2015 after incurring expenditure of ₹ 64.33 crore¹⁵ on the construction of the buildings on the grounds that the contractors of the two works (M/s Dharamraj Contracts (I) Pvt. Ltd for construction of 198 DUs and M/s Sai Construction & Builders for construction of 132 DUs) did not have adequate experience of the work and seemed to be unskilled for construction of multi-storied building. The remaining one work¹⁶ (construction of 198 DUs by M/s Baba Construction Pvt. Ltd) was stopped midway due to low demand of the proposed dwelling units. As a result, the expenditure of ₹ 64.33 crore on these three works remained unfruitful.

Photograph 4.1: Work foreclosed in midway



Incomplete construction of 198 apartments in Madhuban-Bapudham Scheme



Incomplete construction of 132 apartments in Madhuban-Bapudham Scheme

The State Government in reply (March 2024 and July 2024) stated that in the year 2010-11, 900 registrations/applications were received against proposed¹⁷ 1,848 multi-storied dwelling units in Madhuban Bapudham schemes, on the

¹⁴ Agreement Number 67/FC/EE/Zone-4/2011 dated 25.06.2011 (M/s Baba Construction Pvt. Ltd for 198 DUs), Agreement Number 72/FC/EE/Zone-4/2011 dated 12.07.2011 (M/s Dharamraj Contracts (I) Pvt. Ltd. for 198 DUs) and Agreement Number 215/FC/EE/Zone-4/2011 dated 20.12.2011 (M/s Sai Construction & Builders for 132 DUs)
¹⁵ Agreement No. 67- ₹ 42.30 crore (work stopped in May 2015), Agreement No. 72- ₹ 11.90 crore (work stopped in April 2015) and Agreement No. 215- ₹ 10.13 crore (work stopped in May 2015)
¹⁶ Agreement No. 67/FC/EE/Zone-4/2011 dated 25-06-2011 (M/s Baba Construction Pvt. Ltd for 198 DUs)
¹⁷ 528 buildings in Zone-1 and 1,320 buildings in Zone-2 of Madhuban-Bapudham Housing Scheme.

basis of which construction of buildings were started. It was decided to finalize two works (executed by M/s Sai Construction and M/s Dharamraj Contracts (I) Pvt. Ltd.) in status quo in the year 2015 on the ground that experience certificate submitted by the contractors at the time of NIT was not of similar nature to construct multi storied building, pace of the work was slow at site and demand of building was not increasing. The State Government further added that the construction work of structures of multi-storied buildings by M/s Baba Construction has been completed. At present, construction work of new office building of the Authority is under progress at the site of M/s Sai Construction and M/s Dharamraj Contracts (I) Pvt. Ltd. by entering into agreement (May 2021) and the building constructed by M/s Baba Construction has been reserved as staff quarters for the officers/employees of the Authority.

The reply of the State Government was not acceptable, as superintending engineer (SE) commented (November 2012) at the initial stage of construction of the multi storied buildings that there was no demand of flats on proposed area. Despite this observation of SE, the works were taken up. Further, two contractors were awarded works without required experience certificate indicating undue favour to these contractors and it also led to unfruitful expenditure of GDA due to foreclosure of works after spending ₹ 22.03 crore. Apart from the above, records related to utilisation of site of previous agreements of M/s Sai Construction and M/s Dharamraj Contracts (I) Pvt. Ltd. for construction work of new office building of the Authority was not made available to Audit.

4.3.4 Road works

Audit examined the records pertaining to the 14 out of 57 works of construction, widening and strengthening of roads executed during 2017-22¹⁸. Audit examination of records disclosed shortcomings in the construction of road works as discussed in the succeeding paragraphs:

4.3.4.1 Construction of Northern Peripheral Road

Three major National Highways¹⁹ handling substantial traffic pass through Ghaziabad causing congestion in the city. To address this issue, the Northern Peripheral Road (NPR) of approximate length of 23.40 km was proposed on the northern side of the city featuring six lanes of flexible pavement. GDA got prepared (January 2016) pavement design of Northern Peripheral Road (NPR- starting from NH-58 to Hindon river; 8.6 km) by Central Road Research Institute (CRRI) New Delhi.

GDA executed the road work²⁰ by entering into an agreement (326/FC/EE-1/2019 dated 22.06.2019) of ₹ 46.02 crore with M/s Iqbal Construction Company²¹ to complete the work in May 2021 which was

¹⁸ Including five works spilled over to 2017-18.

¹⁹ NH-24, NH-58 and NH-91

²⁰ Construction of Northern Peripheral Road from Meerut Road NH-58 to the Outer Ring Road; 3.5 Km and construction of outer ring road from Northern peripheral road to Bhovapur in the Rajnagar Extension area; 3.5 km.

²¹ Date of start and completion of work was 28.05.2019 and 27.05.2021 respectively.

extended upto May 2023. The work was in progress and item-wise completion of work was only about 15 to 63 per cent till March 2022²² and ₹ 22.24 crore²³ was paid to the contractor.

Audit examination of records disclosed shortcomings in the construction of road as discussed in the succeeding paragraphs:

(i) Sub-standard construction of road: The CRRI prepared crust design of the road on the basis of IRC-37, 2012²⁴. However, GDA did not adhere to the crust design proposed by CRRI as detailed in **Table 4.5**.

Table 4.5: Details of crust design provided by CRRI vis-à-vis adopted by GDA

Sl. No.	Composition of pavement	Proposed by CRRI	Thickness of composition of pavement as per estimate
(1)	(2)	(3)	(4)
1	Granular Sub-base (GSB)	300 mm	300 mm
2	Wet Mix Macadam (WMM)	250mm	250mm
3	Bituminous Macadam (BM)	Not proposed	50 mm
4	Dense Bituminous Macadam (DBM)/Dense Graded Bituminous Macadam (DGBM)	140 mm	65 mm
5	Bituminous Concrete (BC)	50 mm	40 mm

(Source: Contract bond related to the work)

GDA records do not provide any justification for deviating from the crust design proposed by CRRI, however, the design was prepared by the CRRI (January 2016) for construction of NPR on the basis of field investigations, traffic considerations, computation of design traffic.

The State Government in reply (March 2024) stated that the crust of 705 mm, i.e., 300 mm GSB, 250 mm WMM, 50 mm BM, 65 mm DGBM, 40 mm BC was proposed in NPR. CRRI recommended the crust of 740 mm i.e., 300 mm GSB, 250 mm WMM, 140 mm DGBM, 50 mm BC three year back in 2016. Thus, there is a difference of only 35 mm in the crust approved by CRRI and GDA. The design proposed by CRRI was for entire traffic on the road. The provision to reduce one layer has been made in the calculation due to very less traffic on the said road at present. The provision for an additional layer would be made in case of traffic fulfilled in future.

The reply of the State Government was not tenable because the design provided by the CRRI was based on the assessment of traffic enroute and as per norm of IRC-37, 2012. GDA adopted layers of bituminous work without any traffic assessment and arbitrarily changed the crust design which does not corroborate with any crust design provided in the IRC-37, 2012.

(ii) Desired benefit not achieved: Financial Handbook Vol-VI, para 378 envisage that no work should be commenced in land which has not been duly handed over by the responsible civil officers.

²² The same status was provided by the State Government in reply (March 2024).

²³ R/A bill No. 08, dated 29.04.2022.

²⁴ 94 MSA (Million Standard Axle Load), CBR-6 per cent, Lane distribution factor- 0.6 for Design life-20 years.

Scrutiny of records revealed that due to unavailability of land the abovementioned construction of Northern Peripheral Road from Meerut Road NH-58 to the Outer Ring Road and Outer Ring Road from Northern peripheral road to Bhovapur in the Rajnagar Extension area could not be constructed in full stretch and had gaps of 800 metres and 940 metres²⁵ in patches. The proposed pavement of NPR was designed for catering to heavy traffic of 3,551 commercial vehicles *per* day during year 2022. However, due to incomplete construction, the road was not being utilised for traffic operation as of March 2024. Therefore, the purpose of developing new access-controlled road for free flow of through traffic on the northern side of the city was not fulfilled.

In reply (March 2024), the State Government stated that before inviting the tender, the land falling on the said road had been acquired by GDA, however, after start of the work, the work could not be executed on various *khasras* having road length of 800 meters due to stay order obtained by local farmers from the Hon'ble High Court. Further, the construction of 900 meters length of road could not be executed due to non-acquisition of land through mutual agreement in the alignment of the road. The construction of road in the above parts would be completed as soon as the land is obtained and stay order vacated by the Hon'ble High Court. After that the road would be available for through traffic.

The fact remains that the road remained incomplete in continuous stretches, defeating the very purpose of their construction to alleviate traffic congestion.

4.3.4.2 Avoidable expenditure on Delhi-Meerut Road

The administrative and financial sanction of the work of construction of three U-turns²⁶ on Delhi-Meerut Road (NH-58) with widening of road was accorded in June 2018. GDA entered into an agreement amounting to ₹ 7.79 crore for the work with M/s Sunil Garg & Company in October 2018. The scheduled dates of start and completion of work were October 2018 and January 2019 respectively.

Audit noticed that GDA stopped the work midway²⁷ in September 2020 after spending of ₹ 3.58 crore on the ground that the road was already in the ongoing project of construction of Rapid Rail Project from Delhi to Meerut, undertaken by NCRTC²⁸ and thus, construction of U-turns would not be useful. It is worth mentioning that GDA was aware of the RRTS construction being undertaken by NCRTC, as GDA had sought (July 2018) 'no objection' from NCRTC for construction of these proposed U-turns. Further, while seeking permission (December 2018) from the forest department for tree cutting to widen the road, GDA had cited that NCRTC was given similar permission for the RRTS project. However, GDA entered into an agreement for the construction of U-turns and widening of a section of the same road. Subsequently, the expenditure incurred on the incomplete works of U-turns

²⁵ 400 m, 62 m, 150 m, 38 m and 150 m = 800 m in NPR and 650 m + 290 m = 940 m in Outer ring road

²⁶ One at Jhilmil dhaba and two at Raj Chaupla.

²⁷ After construction of one U-turn at Jhilmil cut and a part of widening of road in Raj Chaupla.

²⁸ National Capital Region Transport Corporation Ltd. (implementing agency for construction of rapid metro railway project)

and road widening proved to be unfruitful, as these works were included in the scope of the RRTS project.

The State Government in reply (March 2024) stated that construction of U-turn and road widening work near Jhilmil Dhaba was done in view of the continuous traffic jam which is being used at present. Further, due to start of work by the NCRTC, the work of U-turn at Raj Chaupla was not done. In the reply, it has also been added that GDA sought no objection from NCRTC, however, it did not inform any objection to the Authority in respect of construction.

Fact remains that GDA did not take cognizance of the ongoing RRTS project and incurred unfruitful expenditure amounting to ₹ 3.58 crore on the construction of these three U-turns. The Government reply in respect of U-turn at Raj Chaupla that no expenditure was incurred on the construction of U-turn was not acceptable, as ₹ 1.56 crore was incurred on it as per voucher made available by GDA.

4.3.4.3 Incomplete road work rendering expenditure of ₹ 15.43 crore unfruitful

GDA prepared an estimate for construction of 45 meter wide road²⁹ having length of 5,200 meter under Madhuban-Bapudham scheme. To execute the work, GDA entered into an agreement with a contractor³⁰ amounting to ₹ 38.37 crore in January 2010 with date of start in February 2010 which was to be completed by December 2010.

Audit noticed that the work was not completed as of March 2024. The reason for incomplete work was not available in the records. Audit noticed that the contractor was paid ₹ 15.43 crore upto 9th running bill in September 2011. GDA carried out verification of the work in August 2018 and found that the contractor was paid mostly for supply of GSB, WMM, RCC Hume pipe, rubber moulded tiles, kerb stone and grill, etc.

The State Government in reply (March 2024) stated that there was continuous protest by the farmers at the site, due to which the GSB supplied by the contractor was stacked at various places and measurements of those stacks are recorded in the measurement book.

The fact remains that the road construction was not completed, rendering the expenditure of ₹ 15.43 crore unfruitful. Additionally, the possibility of misutilization of construction material, which has been lying unused for the past 13 years, cannot be ruled out.

²⁹ Including cross drainage work, footpath & center verge.

³⁰ M/s S.S. Construction company-(Agreement no. 815/FC/EE-I/10 dated 23-01-2010).

4.3.4.4 Execution of work by altering the scope of original contract irregularly

Uttar Pradesh Budget Manual³¹ stipulates that placing of a contract without obtaining competitive tenders in an open and public manner is a financial irregularity.

GDA approved an estimate (February 2018) for redevelopment work (construction of remaining/damaged road, sewer, etc.,) in Tulsi Niketan Housing Scheme and entered into an agreement of ₹ 144.10 lakh³² with M/s Ishika Builders. Audit noticed that after entering into the agreement, GDA changed the site of the work from the Tulsi Niketan scheme to Koyal Enclave, citing that the redevelopment of the entire Tulsi Niketan scheme was under consideration by the Authority.

Audit further observed that the work in Koyal Enclave was carried out at a cost of ₹ 168.18 lakhs and payment was made to the contractor in July 2019. Interestingly, although the work was executed in Koyal Enclave, the payment was recorded under the Tulsi Niketan Scheme for which the original agreement had been executed.

The State Government in reply (March 2024) stated that the agreement was executed for the construction of residual/damaged roads, drains, sewer lines and dustbins under Tulsi Niketan Scheme. However, in view of the possibility of the expenditure of proposed work being waste in the event of replanning process of the scheme at that time, the proposed work was not executed. Meanwhile, urgent work related to improvement of road, divider, parks, etc., was to be executed in Koyal Enclave Scheme in view of visit of Hon'ble Governor, the work was executed after approval of the competent authority.

The fact remains that the work in Koyal Enclave was executed under the contract originally executed for the Tulsi Niketan project. This substantial alteration in the scope of the contract, replacing the original work, constituted a clear violation of financial rules and the principles of transparency in contract management.

4.3.4.5 Payment without obtaining Consignee Receipt Certificates

According to the GoUP order (May 2009), the original Consignee Receipt Certificate (CRC) must be obtained from contractors before making any payment for bitumen work and the same should be crossed and attached with the bill of the contractor. The model bidding document of UPPWD also provides that the contractor shall procure bitumen from Indian Oil Corporation/Hindustan Petroleum and shall produce original CRC issued by the company at the time of claiming payment for bitumen or modified bitumen along with the bill.

Scrutiny of records revealed that in nine test checked road works, bituminous work was carried out in the form of Premix Carpeting (PC), seal coat, BM, DBM, BC and other specified item of work. Audit observed that GDA made

³¹ Paragraph 174 (13-i)

³² GST ₹ 17.29 lakh in addition to the BOQ cost of ₹ 144.10 lakh (Agreement no. 133/FC/EE-8/2018 dated 07.08.2018)

payment of ₹ 18.36 crore for bituminous work³³ in the abovementioned nine works (*Appendix-4.4*) without ensuring receipt of original CRCs in support of purchase of bitumen from the refinery.

The State Government in reply (March 2024) stated that the Authority obtained CRCs in respect of bituminous work, however, it was not possible for the contractor to obtain bitumen from IOC in respect of small work, therefore, the concerned contractor purchased bitumen mix grit from the Hot Mix Plant owners. As far as big works are concerned the Authority obtained CRCs from the contractors to ensure that bitumen issued by IOC or Hindustan Petroleum has been used in the work. The State Government also provided 87 CRCs for three out of nine works included in Appendix 4.4. State Government has further stated that CRCs for other works would be obtained before final payment.

The reply of the State Government was not acceptable, as out of 87 CRCs provide with the reply, 77 CRCs were either pertaining to period before commencement of bituminous work or of after last running account bills examined in Audit, besides, these were also not crossed as required in view of the GoUP order (May 2009).

4.3.5 Other development and maintenance works

Audit test checked 39 out of 71 test checked contracts related to the other development works. Audit observation during test check of these contracts are discussed in the succeeding paragraphs:

4.3.5.1 Excess payment to contractor

As per financial handbook Vol VI³⁴, payments for all work done which is susceptible of measurement are made on the basis of measurement recorded in measurement books.

GDA entered into 13 agreements³⁵ with M/s Anil Kumar & Company during April 2009 to September 2010 for construction, supply and execution of electricity work. Audit noticed that work of three agreements³⁶ (valued ₹ 79.58 crore) related to underground electrification work in Indirapuram Scheme were re-verified³⁷ as per direction of VC, GDA (May 2012) and it was found that the contractor was paid in excess of work done amounting to ₹ 23.91 crore³⁸ due to faulty measurement in measurement book. Audit further noticed that GDA issued recovery order to the contractor in December 2017, but the recovery was still pending after the lapse of more than five years.

³³ PC 7,245 square meter (sqm), Seal coat 87,231 sqm, BM – 3,261 cubic meter (cum), DGBM-11,285 cum and BC - 4,766 cum.

³⁴ Paragraph 434 Financial Handbook Volume-VI

³⁵ Agreement no. 656, 657, 658, 761, 762, 763, 764, 766, 767, 768, 769, 1004, and 1057.

³⁶ Agreement no. 658/FC/EEE/09 dated 21-04-2009, Agreement no. 1004 FC/EEE/10 dated 13-07-2010 and Agreement no. 1057/FC/EEE/10 dated 22-09-2010

³⁷ In May 2012, even works were transferred to UPPCL for more than 3 years back.

³⁸ Agreement no. 1004-₹ 18,68,97,070.31, Agreement no. 658- ₹ 3,63,95,334.62 and Agreement no. 1057- ₹ 1,58,50,170.00

The State Government in reply (March 2024) stated that the investigation/proceedings in the cases are pending at the State Government level.

4.3.6 Other issues of contract management

Out of 71 test-checked works³⁹, 47 works were awarded during 2017-22. Examination of records related to the contract management in respect of these 47 works disclosed some other irregularities as discussed in the succeeding paragraphs:

4.3.6.1 Inadequate time for submission of bids

Provisions of the Uttar Pradesh Development Authorities Finance and Accounts Manual 2004 (Accounts Manual)⁴⁰ envisage that on the basis of tendered value, 10 to 28 days⁴¹ should be given for submission of bid⁴². Further, in case of cancellation of tender the second tender can be of shorter duration. The tender accepting process, issue of acceptance letter and finalisation of contract agreement/bond should be completed within 31 days after opening of the pre-qualification bid.

Scrutiny of records revealed that GDA invited short term tenders in six out of 47 test checked contracts (13 *per cent*) having tendered value more than ₹ 50 lakh, by giving time of nine to 17 days only (**Appendix-4.5**). This included four cases in which retender was issued. Thus, the bidders were given inadequate time for submission of bid in two cases, compromising with adequate competition in bidding. Audit in this respect further noticed that against the prescribed time of 31 days for finalization of contract, GDA took 51 to 142 days to form the contract bonds from the close date of submission of bid leading to delay ranging between 20 days to 111 days.

The State Government in reply (March 2024) stated that GDA has generally fixed the period for publishing tender ranged from 10 days to 28 days and the period of tender publication in Central Public Works Department (CPWD) ranged from seven days to 14 days.

Further, due to the implementation of e-tender system and the NIT uploaded on the NIC portal, on the website of the Authority and as well as being published in two newspapers, the tender gets immediately publicised and in case of any special circumstances or re-invitation of tender, short term tender has been invited after approval from the competent level. The State Government also added in its reply that short-term tender in the said agreements was due to tender been invited for the 2nd/4th time.

The reply of the State Government was not tenable because in two out of six cases, tenders were invited first time, inspite this, only 15 and 17 days were given for submission of bid which was against the provision of Accounts

³⁹ 18 building works, 25 development works, 14 road construction works, and 14 maintenance works.

⁴⁰ Para no. 2.1.7, para no. 11.5 and para no. 12.1 of Uttar Pradesh Development Authorities Accounts Manual, 2004.

⁴¹ Projects upto ₹ 10 lakh- 10 days; above ₹ 10 lakh but less than or equal to ₹ 50 lakh-14 days; above ₹ 50 lakh but less than or equal to ₹ 100 lakh-21 days and above ₹ 100 lakh-28 days.

⁴² Minimum duration between publication date and tender opening date.

Manual. No relaxation on the time prescribed for submission of bid was given in the Accounts Manual on account of e-tendering, putting the tender notice on the NIC portal/website of the Authority, etc. In respect of the provision given in CPWD works manual, Accounts Manual is applicable for GDA activities. No reply in respect of delayed formation of contract bonds in all the six cases was furnished by the State Government.

4.3.6.2 Work started before entering into agreements

GDA executed construction and development works in the development area of Ghaziabad by entering into contracts with the successful contractors. Any work should be started only after preparation of contract bonds with the successful bidder.

Scrutiny of records revealed that, in 33 out of test checked 47 contracts, agreements were signed after start of works (three days to 214 days). Year-wise summary is given in **Table 4.6**.

Table 4.6: Summary of works started without preparation of contract bonds

(₹ in lakh)

Sl. No.	Year	No. of test checked agreement	Value of test checked contracts	No. of work started before agreement	Value of contracts for works started before agreement
(1)	(2)	(3)	(4)	(5)	(6)
1	2017-18	5	512.25	3	443.13
2	2018-19	14	10,438.99	10	5,112.46
3	2019-20	12	26,321.95	8	6,421.76
4	2020-21	7	706.32	4	557.80
5	2021-22	9	11,846.89	8	11,842.67
Total		47	49,826.40	33	24,377.82

(Source: Information collected from GDA)

The State Government in reply (March 2024) stated that various construction and development projects along with maintenance related works were carried out simultaneously. Tenders of maintenance works were accepted after inviting NIT many times. The maintenance works were to be executed immediately, however, process of execution of the agreement takes more time, therefore, date of start would have been given before the execution of the contract.

The State Government further stated that taking cognizance of the audit observation, all engineering zones had been directed to ensure that the date of commencement of work would only be given after execution of the contract.

4.3.6.3 Delay in completion of works

Every contract bond is awarded with a stipulated time schedule for completion of work, therefore, time is the essence of the contract.

Scrutiny of records revealed that 47 works⁴³ (66 per cent) related to building, road construction, development and maintenance works out of 71 test-checked works amounting to ₹ 1,119.01 crore were not completed as per scheduled date of completion. Out of 47 works, 22 works (valuing ₹ 680.40 crore) were incomplete till March 2022 due to unavailability of land, court cases, protest of farmers, etc. The delays were in the range of 14 to 3,840 days in completed work and the works which were on-going till March 2022 were delayed in the range of 24 to 4,251 days.

The State Government in reply (March 2024) stated that 22 works could not be completed due to protest of farmers and litigation in Hon'ble Courts in Madhuban Bapudham Scheme. The Authority was not at fault for delayed execution of work.

The reply of the State Government was not tenable as out of 22 works only 12 works were related to Madhuban Bapudham Scheme and remaining 10 works were related to other schemes/works. GDA was required to take action for delayed completion of work as per the condition of the agreement.

4.3.7 Quality Control

Quality control involves testing of materials and workmanship in a project to ensure that the works are executed as per approved standards and quality specifications. Guidelines of Ministry of Road Transport and Highways (MoRTH) (in respect of road works) and Hand book of quality control for construction of roads and runways (IRC: SP:11-1984; in respect of soil testing) envisage types of test, size and criteria for sample to be tested.

Audit observed that to ensure quality assurance in the construction works, GDA entered into (May 2018) agreement with M/s RITES Limited as Third Party Quality Surveillance Consultant (TPQSC). The terms of contract executed by GDA with RITES stipulates that quality of works of construction of roads, drains, sewer, water supply, buildings will be checked by RITES in accordance with the norms prescribed in the guidelines of MoRTH, IS codes/CPWD/UPPWD specifications and sound engineering practices.

Audit requisitioned records related to quality test carried out by RITES in respect of 32 test checked works. However, GDA only provided quality test reports in respect of two test checked road works⁴⁴. Examination of the test reports of these two works disclosed that against the prescribed 21 types of quality tests only nine types of quality tests related to Soil, Granular Sub-base (GSB), Wet Mix Macadam (WMM) were carried out on 134 samples. As per norms of MoRTH and Handbook of quality control for construction of roads and runways by the IRC, the sample size of the tests was to be decided on the basis of executed quantity of works as mentioned in the **Appendix-4.6**. Accordingly, 2,121 samples⁴⁵ were to be tested in respect of above mentioned

⁴³ 25 works were completed and 22 works were under progress. Out of 25 works, five works (₹ 143.80 crore) were foreclosed.

⁴⁴ Agreement no. 326/FC/EE-Zone-1/2019 dated 22-06-2019 and agreement no. 296/FC/EE Zone-01/2017 dated 03.01.2017

⁴⁵ Number of samples have been calculated on the basis of quantity of work executed *vis-à-vis* number of tests required thereagainst as per norms, the details of which has been mentioned in the Appendix-4.6.

nine types of quality tests in the two works. Against this, only 134 samples (six *per cent*) were tested (Appendix-4.6). Audit also noticed that quality testing of bituminous works (Bituminous Macadam (BM): 1621 cum; and Dense Graded Bituminous Macadam (DGBM): 4986.54 cum) was not carried out in respect of these two works.

The State Government in reply (March 2024) stated that in order to ensure quality of building construction, road construction, etc., by the Authority, Junior Engineer, Assistant Engineer and Executive Engineer of the Authority ensure quality by visiting at site continuously and checking the samples of necessary items. To ensure additional quality of work, M/s RITES Ltd. has been engaged as third party inspection who visits the work site from time to time to ensure the quality of the works costing more than ₹ 50 lakh. There is a stage passing register on sites, in which casting of slabs of the roofs, checking of the shuttering, checking of drawing/design of rebar, etc., are recorded. The Authority also kept a machine at the site to test the compressive strength of bricks. Similarly, RCC work is continuously checked as per IS code. Further, as per agreement, M/s RITES Ltd. checks the samples from time to time as per the standards prescribed in IS code by testing the density of soil, grading and density of GSB/WMM, gradation of grit used in work, cube testing, percentage quantities of bitumen in BM, DGBM, BC, etc., site inspection by M/s RITES Ltd. has been done at least once a week on each work and M/s RITES Ltd. reports the deficiencies to the GDA. Separate testing labs are also established at sites of the work.

The reply of the State Government was not tenable as on one hand quality testing of bituminous work was not carried out by M/s RITES Ltd. and on the other hand, the quality testing of soil, GSB and WMM was not carried out on the representative samples to ensure the quality of the works.

4.3.8 Execution of Hi-tech and Integrated Township projects

GoUP introduced Hi-tech Township Policy in November 2003 and Integrated Township policy in May 2005 with the objectives to promote private capital investment in land acquisition, development works and in housing schemes. Hi-tech and Integrated Townships were to be developed on the minimum area of 1500 acre and 50 acres respectively.

4.3.8.1 Hi-tech and Integrated Township projects

GoUP selected (May 2005) two developers for development of two Hi-tech Township projects and GDA selected seven developers (May 2006 to September 2008) for development of seven Integrated Township projects in Ghaziabad for development of 10,075.11 acres land. Physical progress of Hi-tech and Integrated Township projects is given in *Appendix-4.7* and summarised in **Table 4.7**.

Table 4.7: Physical progress of Hi-tech and Integrated Township projects

Sl. No.	Name of the scheme	No. of developers	Development area	Land acquired	No of other units constructed ⁴⁶	No of EWS units constructed	No of LIG units constructed	Status of project
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Hi-tech Township Projects	2	8,807.30	3,551.06	5,594	576	00	Under progress
2	Integrated Township Projects	7	1,267.81	954.57	26,317	815	742	Under progress
Total		9	10,075.11	4,505.63	31,911	1,391	742	-

(Source: Information made available by GDA)

It is evident from **Table 4.7** that against the approved DPRs of 10,075.11 acre, the developers acquired only 4,505.63 acres land as of March 2022. The audit findings are discussed in succeeding paragraphs:

4.3.8.2 Terms and conditions of Development Agreement not complied with

(i) Non-imposition of penalty for delay in the projects: GDA entered into development agreements with nine projects (seven Integrated Township projects and two Hi-tech Township projects) during February 2007 to November 2011.

Scrutiny of development agreements revealed that no clause of penalty on the developers for delaying the completion of the projects was included in the development agreements related to Integrated Township. Due to this, though the seven Integrated Township projects were delayed by five to 10 years from the schedule date of completion, no penalty on the developers could be imposed.

Further in respect of two projects of Hi-tech Townships, it was mentioned in the development agreements that if the developer fails to complete the development work within the project period, it shall be liable to pay fine at the rate of one *per cent* of the remaining cost of development works for every month. Even though both Hi-tech Township projects were delayed by more than two years from the schedule date of completion, no penalty was imposed on the developers as of March 2024. Audit in this respect also observed that the time extensions for completing all the nine Hi-tech/Integrated Township projects were granted by the State Government/GDA⁴⁷ during February 2013 to February 2021, no mention was made by the sanctioning authority in the time extension order regarding levy of penalty. However, the developers did not complete the works by the revised schedule dates and as a result of which all nine projects remained incomplete as of March 2024. The details are given in **Appendix 4.8**. GDA attributed (July 2023) the delay in completion of projects to unavailability of land with one of the developers of the Integrated Township projects and, in other cases, lack of interest of the developers in completing the projects.

⁴⁶ Units constructed by the developer in addition to EWS and LIG for sale.

⁴⁷ Hi-tech Township-State Government and Integrated Township-GDA.

The State Government replied (March 2024) that format of development agreement and MoU in respect of Hi-tech and Integrated Township projects was approved by the State Government and the development agreement were executed accordingly. State Government further stated that generally, unavailability of land was a major reason for the delay in all the schemes.

Fact remains that penalty clause for delaying the project by the developers was to be included in both types of development agreements. Contrary to this, the penalty clause was added only in respect of development agreement of Hi-tech Township projects. Further, as per the guidelines of Hi-tech and Integrated Townships, it was the responsibility of the developer to arrange the required land. Despite this, the State Government/GDA granted time extensions to the developers without imposing any penalty.

(ii) Quality of development and construction work was not ensured: Scrutiny of records revealed that the developers of Hi-tech and Integrated Townships had to construct at least 10 *per cent* EWS units/land and 10 *per cent* LIG units/land against other works of the project.

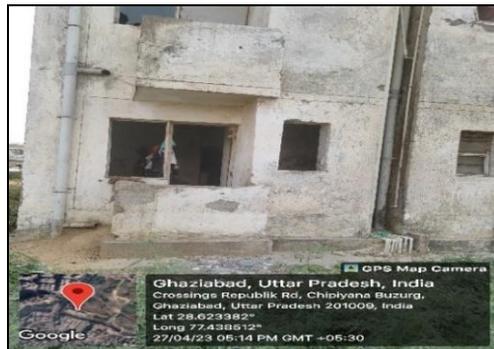
The clause 3(v) of development agreements of Hi-tech and Integrated Township projects executed between GDA and the developers provided that execution, completion and certification of each development work was required to be carried out by a mutually agreed licensed architect and authorized engineer.

Audit observed that mutual agreement with the licensed architect and authorized engineer was not executed by GDA in respect of any of nine projects of Hi-tech and Integrated Townships. GDA further stated (June 2023) that the evaluation of quality of work being done by developers were not carried out by GDA and it was the responsibility of the architects/engineers appointed by developers.

Audit further conducted joint physical inspection and beneficiary survey of test checked one Integrated Township scheme⁴⁸ and noticed that the quality of construction of EWS and LIG units was extremely poor. The plasters and electric wiring were in poor condition, roads were not in level, broken and full of potholes, etc. The beneficiaries also stated that the quality of units was very poor and have become dilapidated within 10 years of allotment. **(Photograph 4.2).**

⁴⁸ Sushant Aquapolis Integrated Township

Photograph 4.2: Dilapidated condition of dwelling units of Sushant Aquapolis Integrated Township project



Damaged outer portion of EWS



Damaged inner portion of EWS



Damaged road of EWS (front)



Damaged road of EWS (back)

The State Government in reply (March 2024) stated that there was no provision for entering into an agreement with a separately licensed architect and engineer to monitor the quality of the work executed by private developers. The State Government further stated that the development/construction works executed in the schemes are constantly inspected by the Authority and compliance with the provisions laid down in the development agreement are ensured. On receipt of application for completion certificate from the developer, structural safety certificate of the related development/construction works is obtained from the competent level and completion certificate is issued only after the site inspection found in accordance with standards and satisfactory.

The reply of the State Government was not tenable, because the quality of work was not being ensured during its execution as required under the development agreement. Besides, the dilapidated condition of the buildings as observed by the Audit in the joint physical inspection indicated towards the slackness in the quality assurance by the developers and poor monitoring of the quality of the works by GDA.

4.3.8.3 Construction of EWS and LIG units

As discussed in paragraph 4.3.8.1, nine developers were to construct nine Townships in the development area of Ghaziabad. As per the provision⁴⁹, each developer was to construct 10 *per cent* of dwelling units for EWS and

⁴⁹ Hi-tech and Integrated Township projects

10 per cent dwelling units for LIG against the total proposed dwelling units to be constructed. Further, construction of EWS and LIG buildings was to be done in proportion to the physical progress of other housing units. To comply this, GoUP (May 2013) directed that it was the responsibility of the Development Authority to ensure that the developer must construct EWS and LIG units as per prescribed guidelines/standard and may take strict legal action against the defaulting developers.

Audit noticed that as per development agreement and GO, developers were to construct 6,382 dwelling units⁵⁰ of EWS and LIG, against which the developers had constructed only 2,133 dwelling units⁵¹ (33 per cent) whereas 2,896 dwelling units were under construction upto March 2022. Against this, GDA allotted 3,583 dwelling units upto March 2022.

The State Government in reply (March 2024) stated that on receipt of application for completion certificate of layout map of different sectors and group housing buildings in respective schemes by the developer, the completion certificate is issued only after completion of construction of EWS/LIG units proportionate to other residential units. Due to non-completion of construction of EWS/LIG units, completion certificates of related group housing buildings constructed/developed at the site and layout map of sector are not being issued.

The reply of the State Government was not acceptable, as the State Government had already made the concerned authorities (May 2013) responsible to ensure that EWS and LIG units must be constructed in proportion to physical progress by the developers and as per prescribed guidelines/standard. Hence, GDA was required to monitor the projects and to take strict legal action against the defaulting developers. However, GDA did not comply with the GO as required DUs of EWS and LIG were not constructed by the developers.

4.3.9 Maintenance of colonies

4.3.9.1 Transfer of colonies for maintenance

Section 34 of the Act⁵² envisages that where any area has been developed by the Authority, the Authority may require the local Authority within whose local limits the area so developed is situated, to assume responsibility for the maintenance of the amenities which have been provided in the area by the Authority.

Test check of records revealed that GDA completed 26 residential colonies since beginning upto 2011, out of which 22 residential colonies were transferred to GNN and remaining four residential colonies were not transferred (till March 2022) to GNN. Audit observations in respect of non-transfer/maintenance of these four colonies are discussed in the succeeding paragraphs:

⁵⁰ EWS-3,191 and LIG-3,191

⁵¹ EWS-1,391 and LIG - 742

⁵² The Uttar Pradesh Urban Planning and Development Act, 1973

4.3.9.2 Deficiencies in completed schemes/colonies

GDA could not transfer completed colonies due to deficiencies pointed out by Ghaziabad Nagar Nigam in construction of amenities and buildings at the time of verification for transfer of colonies.

Scrutiny of records⁵³ revealed deficiencies which are discussed in succeeding paragraphs:

(i) *Non-transfer of Tulsi Niketan scheme due to dilapidated condition of buildings*

Tulsi Niketan Scheme was developed by GDA approximately during 1988 to 1990. In the scheme, 2004 EWS flats (Ground plus two storeys), 288 LIG flats (Ground plus two storeys) and 60 shops (single storey) were constructed. All flats were allotted to the beneficiaries with lease of land underneath the said flats for 90 years.

Scrutiny of records revealed that GDA made six correspondences with GNN during 2012-17, however, GNN did not take transfer of the colony/scheme from GDA (till 2022), as the buildings of the colony were in dilapidated condition. Scrutiny further revealed that the condition of the buildings of the colony was got checked by the Jamia Millia Islamia University, New Delhi on the request of GDA (December 2018). Based on report of the University (*Appendix 4.9 A*), GNN issued notice⁵⁴ to GDA to demolish or to rehabilitate the colony (January 2021). GNN also added that if prompt action was not taken by GDA in this regard, GDA would be fully responsible for any kind of accident/mishappening. However, no action was taken by GDA till March 2024.

Audit also conducted joint physical visit (April 2023) of the scheme with the officers of GDA and found that the physical condition of buildings was in deteriorated condition. Photographs of the buildings taken during joint physical visit is given in **photograph-4.3**.

Photograph 4.3: Deteriorated condition of buildings of Tulsi Niketan Scheme



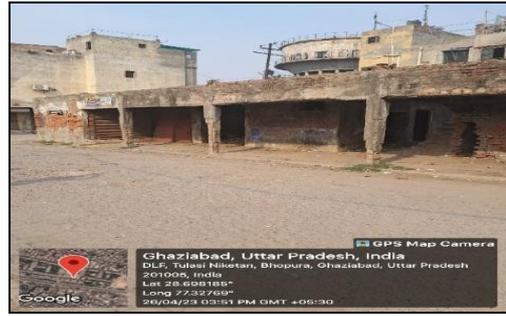
Damaged building of EWS flats

⁵³ Records related to joint physical verification of GDA and GNN officers related to Tulsi Niketan and Indirapuram was made available to audit, however, records related to Indira Kunj and Swam Jayantipuram was not made available.

⁵⁴ Section 331 of the Uttar Pradesh Municipal Corporation Act, 1959.



**Damaged building of LIG flats of
Tulsi Niketan Scheme**



**Damaged shops of
Tulsi Niketan Scheme**

The State Government in its reply (March 2024) accepted the fact that continuous correspondence and site inspection was done by the Authority to transfer the scheme to GNN from the year 2009 to 2020. However, the said scheme could not be transferred to the GNN. It was also stated that the buildings have got into dilapidated condition, development works have been destroyed/demolished due to water logging in rainy season and lack of proper maintenance by the allottees of the buildings. Apart from the above, it was stated that the Jamia Millia Islamia University suggested to demolish these buildings after examination and declared them unfit to reside in. GDA further stated (August 2025) that expression of interest (EoI) for selection of firms for re-development of this scheme had been invited and further action would be taken after selection of firm. It was also stated that families were residing in 1,482 EWS flats and 197 LIG flats.

Fact remains that the dilapidated buildings of the Tulsi Niketan Scheme have not yet been demolished and families are residing in these accident-prone buildings, though GNN had already issued notice (January 2021) for its demolition. The State Government should, therefore, investigate the matter and fix responsibility for lackadaisical approach of GDA.

(ii) Non-transfer of Indirapuram scheme due to shortcomings in development of amenities

Scrutiny of records revealed that GDA submitted proposal to GNN several times to take transfer of Indirapuram scheme for maintenance but GNN did not take due to damaged / insufficient infrastructure. GNN pointed out deficiencies (*Appendix 4.9 B*) regarding incomplete / insufficient infrastructure of the scheme.

To remove these deficiencies the GNN prepared (2021) estimates for reconstruction / repair of drains and sewers costing of ₹ 195.70 crore and improvement of roads costing of ₹ 136.87 crore apart from requirement for parks, lights, etc. GNN concluded⁵⁵ (2021) that hand over of the colony can be taken when GDA would construct the sewerage, drains, garbage dump, parks, streetlights, roads and drains as per requirement of developed colony. The colony was yet to be transferred to GNN.

⁵⁵ As mentioned in para-wise comments of GNN in respect of case no. 20835/2021 (Sanjay Singh & Others vs. State of Uttar Pradesh & Others).

The State Government in reply (March 2024) stated that the work related to construction/infrastructure services were completed and intimated to GNN in November 2011. However, even after sending several reminders by the Authority and joint inspection conducted by the officers of GNN and GDA, GNN did not take any action to take transfer of the scheme. The State Government also stated that the estimate of ₹ 195.70 crore for repair of drain & sewer and estimate of ₹ 136.87 crore for improvement/strengthening of roads were prepared for upgradation of infrastructure facilities.

The State Government further stated that as per provision in the GO⁵⁶, if any Municipal council/Municipal Corporation in its jurisdiction collects house tax, etc., from the colonies constructed by the Development Council/Development Authority, then such colony would be considered as handed over to the Municipal council/Municipal Corporation. Since house tax is being collected continuously by the GNN from the financial year 2001, therefore, maintenance is expected to be done by the GNN. However, despite collection of house tax, GNN did not take transfer as per provisions mentioned in the GO due to which, in public interest the Authority is providing infrastructure facilities by charging minimum maintenance charges from the allottees of the scheme.

The fact remains that as result, GDA was still incurring expenditure on maintenance of the colony as discussed in the succeeding paragraphs.

4.3.9.3 Avoidable expenditure of ₹ 39.34 crore due to non-transferring of the completed schemes

As per section 33 (4A) of the Act “where the Authority provides any amenity in an area developed by it, the Authority be entitled⁵⁷ to recover⁵⁸ the expenses incurred for maintaining and continuing to provide such amenity.

Audit noticed that despite completion of development works in four schemes⁵⁹ upto 2011, GDA could not hand over the amenities of the schemes to the GNN till March 2022 and continued to incur expenditure on maintenance of the amenities and services to the colonies.

GDA had incurred expenditure of ₹ 106.84 crore on maintenance (tubewell operation, maintenance of sewer line, electricity bills for operation of amenities, maintenance of road and disposal of garbage, etc.,) of above four completed schemes against which it realised (maintenance of water and sewer) only ₹ 67.51 crore from the beneficiaries during 2017-18 to 2021-22, as detailed in **Table 4.8**.

⁵⁶ Government Order No. 726 H/9-2-83-71 HV dated 30-12-1983

⁵⁷ Till the responsibility for maintenance is assumed by the local Authority as provided in Section 34.

⁵⁸ In the manner prescribed, from the owner of land or building.

⁵⁹Indirapuram, Swam Jayantipuram, Tulsi Niketan and Indirakunj.

Table 4.8: Details of receipt of revenue vis-à-vis expenditure incurred on maintenance of completed colonies

(₹ in lakh)

Sl. No.	Name of the Scheme	Expenditure incurred	Revenue received	Difference between expenditure and revenue received
(1)	(2)	(3)	(4)	(5)
1.	Indirapuram	10,207.22	6,689.54	3,517.68
2.	Swarn Jayantipuram	346.48	61.39	285.09
3.	Indirakunj	33.34	0.00	33.34
4.	Tulsi Niketan	97.43	0.00	97.43
Total		10,684.47	6,750.93	3,933.54

(Source: information collected from GDA)

It is evident from **Table 4.8** that expenditure on providing amenities to four colonies, yet to be transferred to GNN, was more than revenue received which resulted in financial burden of ₹ 39.34 crore to GDA during 2017-18 to 2021-22.

The State Government in reply (March 2024) stated that several correspondences were made by the Authority to hand over these colonies to Ghaziabad Nagar Nigam after development of the schemes. Further, joint physical inspection of the officers of GNN and GDA were conducted. However, due to objection of GNN regarding dilapidated condition/shortfall in infrastructure facilities, these colonies could not be handed over. Hence, minimum necessary maintenance related work (water supply and cleanliness etc.) was done as the Authority was responsible for the maintenance of the scheme. However, the Authority has sent bills for maintenance works to the residents.

The fact remains that delays in transfer of developed colonies to GNN has led to financial burden on GDA.

To sum up, GDA did not ensure to increase land bank to provide the required residential and industrial activities as per assessment in the MP-2021. The contract management adopted by GDA for development work was deficient, as short-term NITs were issued and works were started/executed before entering into contract bonds. Construction works were also started without ensuring availability of land and demand of dwelling units due to which either works were closed midway or executed with slow pace. Irregular construction of works and deficient quality control was also noticed.

The local Authority did not assume responsibility for maintenance of the amenities in four completed colonies due to shortcomings noticed during joint physical inspection of GNN and GDA.

Recommendation 5: The State Government should ensure that works are proposed based on requirement and after availability of land and to take appropriate action against the erring officers.

Recommendation 6: The State Government should ensure strict adherence to the timelines for development of Hi-tech & Integrated Townships. Further, construction of targeted houses/flats for Economically Weaker Section, Low

Income Group and other dwelling units by the developers and the Ghaziabad Development Authority must be ensured as per plan.

Recommendation 7: *Ghaziabad Development Authority should remove deficiencies in preparation of detailed estimates and improve competitiveness in the tendering process as per prevailing rules/regulations and orders of the Government of Uttar Pradesh.*

Recommendation 8: *Ghaziabad Development Authority should develop quality measurement mechanism and take remedial action to overcome the deficiencies in construction of amenities and buildings as noticed during joint inspection of the colonies for their transfer to local Authorities.*

