

Executive Summary

Executive Summary

The State Government enacted Uttar Pradesh Urban Planning and Development Act, 1973, to achieve the objective of town planning and urban development in the State. Ghaziabad Development Authority (GDA) was formed under section-4 of the Act under notification issued in March 1977. The development area of GDA was 452 square kilometre which includes 160 villages and urban area of Ghaziabad Nagar Nigam, Ghaziabad, and municipal councils of Modinagar, Loni and Muradnagar.

The Performance Audit of Development and Allotment of Properties by GDA covering period from 2017-18 to 2021-2022 was conducted to assess the systematic development and allotment of developed properties by GDA. It has been updated by incorporating replies received in March 2024 and July 2024. This report aims at evaluating the efficiency of GDA in achieving its objectives and identifying the areas that require systemic corrections and improvements.

Planning

Master Plan is a development plan which *inter alia* provides broad details of various land uses. It is a policy document to assess the physical requirement of probable forthcoming population consisting of road map for future development of the city. The development of Ghaziabad was to be carried out in conformity with the Regional Plan of National Capital Region (NCR), hence master plan of GDA was to be approved by National Capital Region Planning Board (NCRPB). However, Master Plan (MP)-2021 of GDA was not got approved by the NCRPB. Instead of a consolidated MP for the entire development area of Ghaziabad, GDA prepared two MPs (MP 2021 for Ghaziabad and MP 2021 for Modinagar) with significant variation in zoning regulations in both MPs. Besides, preparation of these MPs was delayed by more than four and ten years respectively. Zonal development plan for only one out of eight zones were prepared.

Physical and financial targets were fixed in MP without ensuring any modalities to achieve/complete the objectives/projects envisaged in the MP. GDA could not adhere to development of the proposed land use in the development area as per MP-2021 of Ghaziabad. As per data of Draft MP-2031, GDA did not achieve its target of development of activities planned in the MP-2021. There were shortfalls in achievement against targets for development of open area/park/entertainment area (79 per cent), commercial (66 per cent), Public and Semi-Public facilities (39 per cent), residential (21 per cent) and office (three per cent). However, in case of industrial and transportation activities, GDA overachieved the targeted development. Besides, against the target in MP-2021 to construct at least 25,000 Economically Weaker Section (EWS) dwelling units during 2017-22, only 9,960 EWS dwelling units (40 per cent) were constructed.

GDA prepared a proposal for the construction of six-lane Hindon elevated road at an estimated cost of ₹ 1,200 crore. The project was to start from NH 24 near Hindon-cut with one interchange proposed at NH 24 for the traffic

entering from Delhi to Raj Nagar Extension Area. GDA carried out the work of construction of elevated road without including this under MP-2021 despite the direction of NCRPB. As a result, the executed project of elevated road (expenditure ₹ 1,089.45 crore) was not part of the approved MP-2021.

Financial Management

GDA did not achieve targeted receipt during 2017-18 to 2021-22 and shortfall remained in the range of 40 *per cent* to 58 *per cent* except in the year 2018-19. Targeted expenditure during 2017-22, except 2018-19, was quite low and shortfall was in the range of 40 to 63 *per cent*. State Government attributed the shortfall in achieving the budgeted targets to deficit in receipt of fund from sale of properties, compounding fees, fees from approval of maps and in view of the corona pandemic.

The additional stamp duty was realised by the six offices of Sub-Registrar in Ghaziabad district at the time of registration of the properties in the name of allottee. Accordingly, GDA demanded ₹ 347.43 crore for the period 2017-18 to 2021-22 as per provisions of Uttar Pradesh Urban Planning and Development Act, 1973, which was yet to be received from the State Government.

Development Work

Serious deficiencies in the execution of development works were noticed. GDA did not ensure to increase land bank to provide for the required residential and industrial activities as per assessment in the MP-2021. During 2017-22 GDA acquired only 18.32 hectare land against the target of 300 hectare. GDA neither converted land use of agricultural land into public and semi-public facilities (dumping yard) before providing it to the Ghaziabad Nagar Nigam nor levied/collected land use conversion charge.

Instances of violation of rules/regulations regarding contract management *viz.*, inviting short term tender, excess payment to the contractors through faulty/non-measurement of works, etc., were noticed in contracts for execution of construction of office building of GDA in Madhuban Bapudham Scheme, Northern Peripheral road work, electrification work in Indirapuram Scheme and maintenance works. The developers of Integrated/Hi-tech Township schemes constructed only 2,133 dwelling units (33 *per cent*) for Economically Weaker Section (EWS) and Low Income Group (LIG) till March 2022 against the target to construct 6,382 EWS/LIG dwelling units, as each developer was to construct 20 *per cent* of EWS and LIG dwelling units against the other dwelling unit to be constructed. However, GDA did not take action against the defaulting developers. Moreover, the quality of construction of EWS/LIG units were also not ensured. Further, GDA could not transfer four developed colonies to Ghaziabad Nagar Nigam (GNN) for further maintenance due to deficiencies pointed out by GNN in construction of amenities and buildings at the time of joint physical inspection for transfer of these colonies.

Allotment of Properties

GDA did not have data bank of scheme-wise properties developed and sold out through all modes such as lottery, bid-cum-auction and first come first serve. Therefore, overall inventory of residential units available for sale and actually sold in each scheme could not be examined in Audit. As per progress reports, sale of the residential dwelling units was only one to five *per cent* of dwelling units planned for development. Further, 11 to 50 *per cent* of plots developed during 2017-22 were allotted. There was also lack of transparency in the allotment of properties through bid-cum-auction and first come first serve basis, as reasons for not including the unsold properties of previous auction/sale in subsequent auction/sale were not on record. GDA failed in allotment of 1.26 lakh square metre of developed land to the affected families who provided land on *Karar* basis even after lapse of more than 14 years as of March 2024.

GDA planned for construction of only 20,173 EWS units against the target of 45,000 units by the State Government under Pradhan Mantri Awas Yojna. Despite this low target planned, only 5,801 units were under construction till March 2024. GDA withheld to impose infrastructure surcharge on sale of plots leading to non-recovery of ₹ 154.02 crore without approval of the State Government.

Regulatory Functions

According to MP-2021 of Ghaziabad, the area upto 200 meters from the banks of river Hindon is reserved as protected area and no construction work of any kind is permitted in that area. Further, GoUP instructed (March 2010) all the Development Authorities that the land use of flood plains zones along the rivers should be kept as green belt in MP and to ensure that no construction work of any kind should be allowed in this area. However, GDA failed to prevent illegal constructions in the flood plain zone of Hindon river and its banks are lined by dense population.

GoUP issued guidelines (February 2001 and July 2001) for making anti-earthquake arrangements in construction of new buildings and all types of infrastructural facilities building (such as hospital, cinema hall, etc.) having plot area more than 500 square meter. According to the guidelines, the structural design should be countersigned by the professor of structural engineering of IIT Roorkee or other specified technical institution. Instance was noticed by audit, where sanction of map was given without structural drawings/designs.

Enforcement activities of GDA were weak as action against irregular/illegal construction was taken in only 19 to 65 *per cent* unauthorised identified construction cases. GDA also issued compounded maps without ensuring demolition of un-compoundable area against the direction of board of GDA. Further, GDA issued completion certificate of only 125 maps out of 1,303 approved maps against which construction was due to be completed during 2017-22, the status of completion of remaining 1,178 buildings was not made available to audit.

Monitoring and Internal Control

The Uttar Pradesh Development Authorities Finance and Accounts Manual, 2004 (Manual) envisaged to oversee key financial and operational activities of the Development authorities. The manual also prescribes a Management Information System (MIS) for recording and reporting various transactions and activities of the Development Authorities. However, GDA's activities were not documented using the MIS forms prescribed in the Manual. Instead, Monthly Progress Reports (MPRs) were prepared using other set of forms, though the prescribed MIS was more comprehensive and informative than the MPR used by GDA. The MPR formats did not capture several critical details and information related to vital activities of GDA leading to incomplete performance documentation and reporting. As a result, monitoring of the activities of GDA was weak as the progress of development and allotment of properties, land acquisition status, building control, projects in pipeline, etc., were not documented and reported.

Meetings of the Board of GDA were also not held as per prescribed norms. GDA did not institute prescribed mechanism to take remedial measures on the issues raised by internal audit. GDA faced a severe shortage of manpower in the technical cadre.

Some of the significant recommendations are as detailed below:

- *The State Government should ensure timely preparation and approval of Master Plan in conformity with the provisions of National Capital Region Planning Board guidelines, corresponding Regional Plan and Sub-Regional Plan. Further, modalities to execute phase-wise physical and financial targets contemplated in the Master Plan needs to be prepared and approved.*
- *The State Government should ensure strict action for conservation of flood plain zones of the Hindon river in the development area of Ghaziabad Development Authority and develop green belt and parks as per the Master Plan.*
- *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.*
- *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.*
- *Ghaziabad Development Authority should ensure maintenance and display of scheme-wise data of developed, under development, sold out*

and unsold properties so that the prospective buyers may be provided complete information with regards to available properties.

- *The State Government should ensure stringent action is taken by the Ghaziabad Development Authority against unauthorised constructions in the development area. Timely checking and stopping of such construction should be ensured by Ghaziabad Development Authority.*
- *Responsibility should be fixed against errant officials of Ghaziabad Development Authority who have flouted the rules by giving undue benefit to the builders/developers/beneficiaries by not levying infrastructure development fees, giving sanction of maps without documents, non-monitoring & checking of unauthorised constructions.*
- *The State Government should ensure effective monitoring through prescribed Management Information System to identify delay and deviation from norms. Board meetings of Ghaziabad Development Authority should be as per prescribed periodicity and procedures.*
- *The State Government should ensure deployment of adequate human resource for smooth working of Ghaziabad Development Authority.*

