

Inspection Report on the accounts of the Town Planner, Town Planning Department, Ulhasnagar Municipal Corporation, Ulhasnagar for the period from 01.04.2016 to 31.03.2017.

Part-I-A

I) Introductory:-

A test check on the accounts of the Town Planner, Town Planning Department, Ulhasnagar Municipal Corporation, Ulhasnagar for the period from 01.04.2016 to 31.03.2017 was conducted locally during the period from 17.11.2017 to 30.11.2017 by audit team comprising of Shri Ratnesh Sinha, AAO (from 17.11.2017 to 28.11.2017), Shri S. K. Choudhary AAO and Shri S. G. Gorate, Sr. Auditor under the supervision of Shri S. B. Patil, Sr. Audit Officer.

II) Personnel:-

The following officials held the charge of the post of the Town Planner, Town Planning Department, Ulhasnagar Municipal Corporation, Ulhasnagar during the period covered by audit.

Name of Officer	Period
Shri S. N. Karpe	01.04.2016 to 20.08.2016
Post Vacant	21.08.2016 to 06.10.2016
Shri A. J. Jadhav	07.10.2016 to 07.04.2017
Shri V. Deo	07.04.2017 to 30.05.2017 (Not resume)
Shri P. N. Hogeatil	30.05.2017 to till date (Not resume)
Shri Milind Sonawani, ADPT	04.04.2016 to till date (On leave from April 2017)

III) Grants and Expenditure: --Nil--

A) Revenue: - Total Revenue realized during the period of audit was as under

Particulars	Amount (Rs)
(Development charges, Stacking charges, premium revalidation charge, of plan scrutiny fee and other charges	12,88,86,147/-

B) Budget and Expenditure: The details of Budget estimates and expenditure incurred head wise for the year 2016-17.

(Amount in Rs.)

2016-17	
Budget Provision	Expenditure
98,65,00,000/-	11,50,000/-

C) Details of cash book and pass book balance as on 31.03.2017

Sr. No.	Name of Cash Book & A/c No.	Bal. of cashbook as on 31-03-17	Balance of Pass book as on 31-03-17
All Cash books are maintained by Accounts Department.			

IV) Activity of the department: -

Main function of the department is to

1. To implement Development Plan for Ulhasnagar City.
2. To give approvals to Building/Development Plan or Proposal as per sanctioned Development Control Rules.
3. Acquisition of Reservation Roads widening as per Development Plan.
4. To implement Slum Redevelopment Scheme (SRD) for Slums.
5. Grant of Transferable Development Rights (TDR).
6. Development of Reservation as per sanctioned Development Plan.
7. Development of Reservation by Public Private Participation.

V) Disclaimer Statement: -

The Inspection Report had been prepared on the basis of the information furnished and the records made available by Town Planner, Town Planning Department, Ulhasnagar Municipal Corporation, Ulhasnagar. The Office of the Principal Accountant General/Audit, Maharashtra, Mumbai disclaims any responsibility for any non-information and/or misinformation on the part of the Auditee organization.

VI) Internal Inspection/Audit: Local Fund Audit completed upto 2015-16 in December 2016 of which report was received the total paras are outstanding are 14

VII) The cases of misappropriation/ embezzlement during the period covered by audit were reported to be nil.

Part – I-C: Persistent Irregularities.

--Nil--

Part II: Audit Findings

Part II-A: Significant Audit Findings

Para 1: Non-levy of Infrastructure Improvement Charges of Rs.2.82 crore to Regency Nirman Ltd.

Transferable Development Right (TDR) is a compensation in form of Floor Space Index (FSI) for Development Rights which shall entitle the owner for construction of built up area subject to provision in Regulation. The FSI credit shall be issued in a certificate which shall be called as Development Right Certificate (DRC).

DRC shall be issued by Municipal Commissioner under his signature and endorsed in writing in figures and in words, the FSI credit in square meter of the built up area to which the owner or lessees is entitled, the place from where it is granted and the rate of that plot as prescribed in the Annual Statement of Rates issued by the Registration Department for the concerned year.

The Government of Maharashtra, Urban Development Department (UDD), Maharashtra, Mumbai issued Notification vide No.TPS-1813/3067/CR-122/M CORP/Kokan Div./12/UD-13 dated 29.01.2016 for granting Transferable Development Right (TDR) for the Corporation under Kokan Region, which included Ulhasnagar Municipal Corporation (UMC). As per Para 6.9 of Regulations for grant of Transferable Development Right (TDR), the utilizer i.e. developer shall pay to the planning Authority, an Infrastructure Improvement Charges, for a proposed quantum of TDR to be utilized, at the rate of 5% of construction cost as per the prevailing Annual Statement of rates.

The Regency Nirman Limited through Mahesh S. Khairari is developer proposed to develop Property bearing CTS No.279/ 1 to 6 Survey No.40 to 44, 46 to 52, 54 to 58 Village Mharal, Ulhasnagar, Dist. Thane. The proposal was of high rise buildings having height more than 24 meter "Regency Artilia" project by M/s Regency Nirman Limited consisting of total 19 buildings in the whole project of which 3 buildings were approved, the details of which are as follows:

Building No.1 i.e. Type A (Wing I & II)

Building No.10 i.e. Type C-1 (Wing I & II)

Building No.11 i.e. Type C-2 (Wing III & IV)

As per Abstract 7/12, area of the plot was 2,47,700 sq. meter. The Commencement Certificate (C.C.) was issued on 12.03.2015 and the revised C.C. was issued on 09.11.2015.

As the Government of Maharashtra vide Notification dated 29.01.2016 allowed TDR, the Developer had taken compensation TDR of reserved land for building No.C-2 (Part) & A (W-3) and submitted revised construction proposal on 22.02.2016 in which TDR proposed on 25674 Sq. mtr. The Commissioner, UMC issued revised C.C. on 29.03.2017 based on TDR. However, the department did not levy and collect Infrastructure Improvement Charges @ 5% of construction cost of the year 2016-17 which was Rs.22000/- per sqm which amounted to Rs. 28241400/- (25674 sqm * 22000*5%)

2) Notification No.TPS-1813/3067/CR-122/M Corp/Konkan Division/12/UD-13 dated 29.01.2016 issued by Urban Development Department, Mantralaya, Mumbai. In the said Notification Para 3 relates to cases not eligible for Transferable Development Rights and Para 3(iii) states that cases where layout has already been sanctioned and layout road are incorporated in Development Plan road prior to these regulations are not entitled for TDR. In the above case, the layout had already been sanctioned in revised proposal and permission sanctioned on 09.11.2015. Therefore, this developer was not entitled for TDR. However, the UMC granted TDR on 25674 sq. meter. Further, the details of DRC issued by the Municipal Commissioner for FSI credit of the built-up areas to which the owner was entitled was called for in audit but was not furnished.

In reply the Department stated that notices would be issued to concerned developer for recovery of objected amount and report submitted to audit.

Further, progress is awaited.

Para 2: Short recovery of Staircase, Lift Premium and Building Development Charges from Monarch Solitaire (Rs. 2.86 crore)

The UMC had passed Resolution No. 91 on 10.03.2010 in the General Body Meeting in which the charges of the staircase and lift premium were enhanced from 100 to 150 residence of Annual Statement of Rate issued by Registrar Department which is called as the Ready Reckoner (RR). M/s Monarch Solitaire LLP, Navi Mumbai submitted plan for carrying out construction of proposal residential cum commercial project on plot bearing survey No.169-A/1, 169/A/3/1 & 169/A/3/3 at Kalyan Ambernath Road, Village Ulhasnagar-3.

UMC has sanctioned the plans on 21.01.2013 for proposed total BUA of 49506.69 m²

On scrutiny of proposal note dated 09.01.2013 for calculation of various charges, it was noticed that the Staircase, Lift Premium and Building Development Charges recovered on 15.01.2013 was short by Rs.2,85,98,039/- due to not application of RR rate of 2013 and Resolution passed by UMC on 10.03.2010 as below.

(1) Staircase & Lift Charges.

Recoverable 2815.64 sq. mtr. x Rs. 14650 x 1.5 = 61873689/-
Recovered 2815.64 sq. mtr. x Rs. 13125 x 1 = 36954750/-
Short Recovery 24918939/ (A)

(ii) Building Development Charges.

i) Residential.

Recoverable 19998 sq. mtr. x Rs. 14650 x 2% = 5859414/-
Recovered 19998 sq. mtr. x Rs. 120 per sq. mtr.= 2399800/-
Short Recovery 3459614/ (B)

ii) Commercial.

Recoverable 471 sq. mtr. x Rs. 14650 x 4% = 2760064/-
Recovered 471 sq. mtr. x Rs. 120 per sq. mtr.= 56520/-
Short Recovery 219480/ (C)

Total (A) + (B) + (C) = 28598039/-

In reply the Department stated that notices would be issued to concerned developer for recovery of the amount and report submitted to audit.

Further progress is awaited.

Para 3: Incorrect application R.R. rate resulting in short recovery of various charges amounting to Rs.98.00 lakh from Konark Residency

A) Ulhasnagar Municipal Corporation (UMC) issued building final revised Commencement Certificate (CC) on 15.05.2017 to Shri Bhavandas S. Tolani owner of the plots bearing CTS No.1700 and 1701 (Developer-Shri Kishor Keshwani & Others) by converting, the usage of plots from industrial to residential purpose. The permissible built area was increased from 8942.40 sq. mtr. in May 2002 to 13461.53 sq. mtr. in August 2015.

On scrutiny of calculation of the various charges recovered from Konark Residency, it was noticed that the rate of Ready Recknor for the year 2015 was applied @ 9800 of Village (D) Camp 1 & 2 of Ulhasnagar Corporation. This rate of R.R. was for the properties upto CTS No.666 only. Onward CTS No.666 to 12713 fall in category Village (E) Camp 1,2,3 UMC and the rate as per R.R. was Rs.16900/-. The developed CTS No 1700 & 1701 fall in the rate

applicable of Rs.16900/- of R.R. 2015, however, as against this the developer applied rate of @ 9800/- which resulted in short levy of various charges of Rs.98,80,080/- as shown below.

(1) Staircase & Lift Charges.

(i) Residential.

Recoverable 442.74 sq. mtr. x Rs. 16900 x 1.5 = 112234759/-
Recovered 442.74 sq. mtr. x Rs. 9800 x 1.5 = 6508278/-
4715181/ (i)

(ii) Commercial.

Recoverable 27.36 sq. mtr. x Rs. 16900 x 2.5 = 1155960/-
Recovered 27.36 sq. mtr. x Rs. 9800 x 2.5 = 670320/-
485640/ (ii)

(2) Land Development Charges.

26402 sq. mtr. x Rs. 16900 x 0.5% = 2230969/-
13932 sq. mtr. x Rs. 9800 x 0.5% = 682668/-
1548301/ (iii)

(3) Construction Development Charges.

i) Residential

13741 sq. mtr. x Rs. 16900 x 2% = 4644458/-
13741 sq. mtr. x Rs. 9800 x 2% = 2693236/-
1951222/ (iv)

ii) Commercial

191 sq. mtr. x Rs. 16900 x 4% = 129116/-
191 sq. mtr. x Rs. 9800 x 4% = 74872/-
54244/ (v)

(4) Labour Welfare Cess

The Labour Welfare Cess was required to be recoverable on the Construction cost rate for 2015 of Rs.25000/-, as against which the welfare cess was recovered as per R.R. rate for the year 2015 of Rs.16900 which also resulted in short recovery.

Recoverable 13920 sq. mtr. x Rs. 25000 x 1% = 3480000/-
Recovered 13920 sq. mtr. x Rs. 16900 x 1% = 2354508/-
1125492/ (vi)

In reply the Department stated that notices would be issued to the concerned development for recovery of the amount and report submitted to audit.

Further progress is awaited.

B) It was noticed that the developer has closed 252 balcony of flats in the building, the department has proposed to levy Rs. 7500/- per flat which worked out to Rs. 18,90,000/-. In this regard it was please be stated whether this fee has been paid to the department.

In reply, it is stated that construction of building is done as per sanctioned plan and the premium would be recovered at the time of issuing Completion Certificate.

Further progress is awaited.

Para 4: Non-levy / non recovery of Deposits, Premium and Administrative fees from the Telecom Service Providers (TPS) in r/o Mobile Towers (Rs. 1.15 crore)

According to the uniform policy regarding the telecommunication equipment room, Government of Maharashtra in Urban Development Department had issued the following directions vide No. TPS3003/1723/CR-394/03/UD-30 dt. 4 July 2005.

1. The permission shall be granted under Section 45 of Maharashtra Regional and Town Planning Act, 1966.
2. Deposit of Rs. 50,000/- shall be charged. Premium shall be charged at the rate of the land value as per Ready Reckoner of the area occupied by the telecommunication equipment room.
3. Tower Height Premium shall be Rs. 10,000/- per running metre

The aforesaid policy had come into force with effect from the 9 October 1996.

Further, according to the order of the Honourable High Court of Bombay in December 2009, the TPS while setting up of Telecommunication Cell Site (TCS) / Base Station (BS) should make an application to the Corporation for regularization of the alleged structures upto 31 December 2009. According to Notification No. TPS-1810/1975/CR NEW 65/12/DP/UD-13 dated 4-3-2014 of Urban Development Department, Government of Maharashtra, the Competent Authority while granting permission shall levy and collect the Development Charges {1% of the rate of developed land mentioned in the Ready Reckoner for the relevant year calculated over the foot print area occupied by the Telecommunication Cell Site (TCS) / Base Station (BS)} and Administrative Fees (Rs. 30,000 for a period of five years).

As per information furnished, there are 105 Mobile Tower in the jurisdiction of the UMC as on March 2017. The Town Planning Department, UMC had not granted permission to any Mobile Tower. Further, the UMC had not levied and collected deposits and administrative fees from the Mobile Towers in the UMC area. Considering 105 Mobile Tower the amount of deposit receivable worked out to Rs 52,50,000/- (50000x105) and administrative fee worked out to Rs 31,50,000/- (30000x105) for the period of 5 years i.e 2010-15 and thereafter Rs 31,50,000/- for the period of 5 years from 2015 to 2020 respectively.

The information regarding Mobile Tower was collected from Property Tax Department but the area covered and the Tower height was not available which was called for in audit for verification of levy of development charge @ 1 % of the rate of developed land mentioned in the Ready Reckoner for the recent year and Tower height premium.

In reply, the Department stated that if the valid applications are received in the Department for installation of Mobile Towers then permission is granted. Till date no permissions were given for installation of Mobile Tower. As existing Mobile Towers in the Municipal limits are illegal, the recovery matter is not pertaining to their Department.

The reply is not acceptable as it is the responsibility of the department to take serious action against the illegal mobile towers, and penalty was also required to be levied alongwith various fees applicable. The department is observing incorrect policy not obtaining fees in instances where no permission was granted.

Part -II-B: Other Observations.

Para 5: Short recovery of Staircase & Lift Charges of Rs.67 lakh in respect of Plot no. 99(P).

As per condition of the commencement certificate (C.C.) the work is required to be started within a year. Further the C.C. is also required to be renewed upto next three years only. Shri Mukesh J. Keshwani submitted the building plan for construction of building. He was the owner of the property bearing U No.131-A, 120-A, & 249 plot No.99(P) Sheet No.37 & 38 in Ulhasnagar-3 area admeasuring 4908 59 Yards. The Architecture appointed was Mr. Bhusan G. Rupani of M/s Prime Consultance.

Net Land-3190-16 sq mtr

Floor + 2

Special G. B. Meeting No.47 dated 09.01.2009

Staircase area 871.48 sq mtr x 6400 = 5577472/-

Lift 18.44 sq mtr x 6400 = 118016/-

Industrial Charges – 3695 x 140 = 517300/-

Total Rs.6237800/- paid on 09.12.2009

The commencement certificate was granted on 09.12.2009. However, the work was not actually commenced. The land was sold to Shri Surjeetsingh B. Ailsinghani on 28.07.2011, who appointed new Architecture Manish Chawala. The revised plan was submitted on 05.07.2013 for approval. Accordingly, a note was submitted on 25.09.2014 for calculation of various charges. As per G. B. Resolution No.91 dated 10.03.2010, the rate of staircase & lift charges was enhanced from 1% to 1.5% of the Govt. rate. However, the charges for staircase & lift was

calculated @ 1% only instead of 1.5% as revised rate of Corporation. There was change in title of land and no work was started. It was also cleared from the Registration of Sold Land dated 28.07.2011 that there was vacant land & old shed. No construction was started by the original land owner as per C.C. dated 09.12.2009. Further, the C.C. was not renewed upto 09.12.2013. the revised C.C. was obtained on 02.05.2016. Therefore, the Stair Case & Lift Charges were required to be levied @ 1.5% instead of @ 1%. This resulted into short recovery of Rs.6725970/- as below.

Charges for Staircase & lift charges leviable 773.10 sq mtr. X 17400 x 1.5 = 20177910/-

Charge levied 773.10 sq mtr. X 17400 x 1 = 13451940/-

Short Recovery Rs. 6725970/-

(2) As per Notification No.TPS-1210/1420/CR-5/12/UD-12 dated 29.11.2012, the conversion of Industrial Zone to Residential Zone in respect of closed industries shall not be permitted unless No Objection Certificate from Labour Commissioner, Maharashtra State, Mumbai, stating that all legal dues have been paid to the workers or satisfactory arrangement between management and workers made, is obtained. Provided that where conversion has been permitted as the basis of this certificate, occupation certificate will not be given unless a no dues certificates is granted by Labour Commissioner.

On scrutiny of conveyance deed, it was noticed that Property Description indicated that 50% undivided share in the land and property alongwith industrial shed formerly known as "Sona Marble," bearing plot No99(P). Thus, there was as industry, however, affidavit furnished that there was no industry hence certificate of Labour Commissioner, Maharashtra State was not required. This is contradictory and requires to be got clarified.

In reply the Department stated that after verification of para reply would be submitted in due course.

Para 6: Short Recovery of Staircase & Lift Charges of Rs. 80 lakh in respect of CTS No. 8666.

Shri Shankar P. Hotchandani, the owner of the property plot area 2598.63 sq. meter bearing CTS No.8666 Ulhasnagar-1 submitted plan for the development of land on 28.04.2009. The plan was not sanctioned due to insufficient documents. The developer had paid the Development Charges Rs.312000/- and Staircase / Lift premium charges of Rs.2457150/- on 28 December 2010. Though the UMC had not sanctioned the plan, the developer started the development & construction of work as per deemed sanction. The developer filed a suit against UMC in July

2012 for non-sanctioning of the proposal as he was suffering as he could not sell the flat under the Owner Act or raise loan by approaching the financial institution. In January 2015 High Court instructed for the disposal of the case within a period of 12 weeks as the petitioner had furnished all the required documents.

Accordingly, the proposal note was submitted on 11.07.2016 for granting permission and after payment of development & other charges the Commencement Certificate was issued on 04.08.2016. However, on scrutiny of records, it was noticed that the staircase and lift charges were not levied and paid as per R.R. of 2016 and UMC Resolution No.91 dated 10.03.2010. The developer had paid staircase & lift charges of Rs.2457150 in 28.12.2010 as per the rate of R.R. of the year 2010. This resulted in short levy of staircase & lift charges of Rs.8007724/- as below.

Staircase & lift charges Recoverable	=	385.43 Sq. mtr. & Rs.18100 x 1.5	=	1,04,64,424/-
Staircase & lift charges Recovered	=	385.23 Sq. mtr. & Rs.5375 x 1	=	24,57,150/-
			Short recovery =	80,07,724/-

In reply the Department stated that notices would be issued to concerned developer for recovery of the amount and report submitted to audit.

Further progress is awaited.

Para 7: Short recovery of Labour Welfare Cess amounting to Rs.29.73 lakh

As per GR No.BCA2009/CR 108/Kamgar-7-A dated 17-6-2010, the recovery of Labour Welfare Cess is to be made @ 1% of construction cost of the year in which Development proposal sanctioned. The construction cost as per ready reckoner for the year 2015-16 was Rs.25000 per Sq. M. and for the year 2016-17 was Rs.22000 per Sq. M.

During scrutiny of Welfare Cess register for the period of January 2016 to March 2017, it was noticed that there was a short levy of Labour Welfare Cess amounting to Rs.29,73,563/- in 39 cases as detailed in **Annexure 'A'**.

The cases given in Annexure are illustrative for the year 2016-17 a review of all the previous cases years required to be taken.

In reply the Department stated that notices would be issued to concerned developers for recovery of the amount and report submitted to audit.

Further progress awaited.

Para 8: Non claiming of rebate on Labour Welfare Cess from the Building Construction Workers Welfare Board amounting to Rs. 2.7 lakh.

As per Government of Maharashtra, Industry, Energy and Labour Department Circular No. BCA2009/Pra.Kra.108/Labour 7-A dated 17-6-2010, Labour Welfare Cess at the rate of one percent of cost of construction in respect of building permission granted from 01-07-2010 onwards is to be levied and recovered. As per Para 4 of the above GR, the department is required to submit an annual report before 15th May of next financial year to the Building Construction Workers Welfare Board, regarding amount of Cess recovered and deposited into Government account during previous year. In turn, the Board would refund one percent of actual amount of Cess remitted or actual expenditure incurred for collection whichever is less to the Corporation. Scrutiny of records relating to levy and collection of welfare cess of building permission revealed that the Ulhasnagar Municipal Corporation had collected amounts of Labour Welfare Cess, however, the rebate on the same was neither claimed by UMC nor refunded by the Labour welfare Board.

Year	Labour Welfare Cess deposited into Government Account (Rs.)	Rebate Receivable (Rs.)
2012-13	7127290.00	71272.90
2013-14	6582775.00	65827.75
2014-15	356217.00	3562.17
2015-16	6639277.00	66392.77
2016-17	6361983.00	63619.83
Total	27067542.00	270675.42

In reply the Department stated that correspondence would be made with Government in respect of recovery of rebate from the Workers Welfare Board amounting to Rs.270675/-.

Further progress is awaited.

Para 9: Short recovery of land development charges Rs. 6.86 lakh

Ref: (File no. UMC/TP/BP/09 /12/45 of Shri Chhtrapati Shivaji Education Society, Plot No. 250 of CTS No. 23559)

Scrutiny of File no. UMC/TP/BP/09 /12/45 of Shri Chhtrapati Shivaji Education Society, Plot No. 250, CTS No. 23559 of Ulhasnagar-4, in respect of sanction of Building Permission and Commencement Certificate in Plot No. 250 and CTS No. 23559 of Ulhasnagar-4 revealed that

revised building permission was issued on 11.04.2016 to Shri Sanjay Abhang, President of Shri Chhtrapati Shivaji Education Society, Ulhasnagar-4 for construction of educational building on the said plot.

It was noticed that the educational building plan was approved on 28/08/2012 and building permission was also granted on the same day vide permission No. **UMC/TP/BP/09 /12/360**. As per the plan the area of the plot was 5762.11 sqm and total built up area proposed was 3330.24 sqm. Further, it was also noticed that the construction work of the educational building could not be commenced due to financial crunch as seen from Shri Chhtrapati Shivaji Education Society's letter dated 28.07.2015 to the Municipal Commissioner, UMC whereupon a request to revalidate the educational building permission was made. The revised plan was approved on 11.04.2016 for 5762.11 sqm of land and total built up area 4980.43 comprising educational area 4284.36 sqm and commercial area 696.07 sqm.

According to provisions of Section 124 of MRTP Act, 1966, development charges are leviable at @ 0.5% on the plot area sanctioned, 2% of built-up-area (BUA) in respect of residential buildings and at 4% in respect of commercial buildings. It was noticed that the UMC did not levy and collect the land development charges and there was a short levy of development charges on built up area of the institutional building. The Ready Reckoner rate for the year 2016-17 was Rs. 18,300/sqm, however, it was noticed that the RR rate was considered @ 16,900/sqm (the rate applicable for the year 2015). The details of non-payment of land development charges, short levy of development charges on built up area and commercial area are as detailed below:

(Amount in Rupees)

Details of Area	Rate of development charges	RR rate applicable (2016-17)	RR rate considered (2015)	Development charges payable	Development charges paid	Development charges short paid
Plot area 5762.11 sqm	0.5%	18,300	0	5,27,233	0	5,27,233
Built up area 4284.36 residential area	2%	18,300	16,900	15,68,076	14,47,970	1,20,106
Commercial area 696.07	4%	18,300	16,900	5,09,523	4,70,550	38,973
Total						6,86,312

Non adoption of correct RR rates resulted in short levy and recovery of development charges Rs. 6,86,312/- which is a loss to the UMC.

In reply the Department stated that after verification of para, reply would be submitted in due course.

Para 10: Delay in acquisition of land reserved for public purposes in the Development Plan of 1974.

As per Section 127 of MRTP Act, 1966, if any land reserved, allotted or designated for any purpose specified in any plan under Maharashtra Regional Town Planning Act, 1966 is not acquired by agreement within ten years from the date on which a final Regional plan or final Development plan comes into force or if proceedings for the acquisition of such land under this Act or under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013, or not commenced within such period, the owner or any person interested in the land may serve notice to the Planning Authority, Development Authority or as the case may be, Appropriate Authority to that effect and if within six months from the date of the service of such notice, the land is not acquired or no steps as aforesaid are commenced for its acquisition, the reservation, allotment or designation shall be deemed to have lapsed and thereupon the land shall be deemed to be released from such reservation, allotment or designation and shall become available to the owner for the purpose of development as otherwise, permissible in the case of adjacent land under the relevant plan.

On Scrutiny of draft development plan of UMC 2010-2035, it was revealed that in the development plan 1974 of UMC, there were 204 sites earmarked for various public purposes such as schools, hospitals, playgrounds, parks etc. Of these, about 18 sites were deleted while sanctioning. Out of total reservations of 186, only 28 reservations were implemented. The same are as detailed below:

Criteria/amenities	education	Medical	Playground/ garden/park	Market/ Shopping center	Public & Semi public	Other amenities	Total
Total reservations	70	8	44	12	3	49	186
Sites fully developed	10	1	6	3	0	8	28
Sites not developed	60	7	38	9	3	41	158

Further, as per the details of the draft DP, 60 reservations for education, 07 for medical, 38 for playground/garden/park, 09 for market/shopping center, 03 for public and semi public and 41 for others amenities were not developed till date of audit.

It was also noticed from the draft development plan that many sites reserved for various purposes in the sanctioned developed plan that there are illegal structures, hutments as well as

high rise buildings on the reserved sites. In the new Development Plan, 322 reservations have been proposed.

Reasons for delay in acquisition and non development of land reserved for the various public purposes called for in audit. The number of reservations in which illegal structures, hutments as well as high rise buildings have been made and action taken report in this regard was called for in audit.

In reply the Department stated that reservation sites shown in the development plan of Ulhasnagar Municipal Corporation published in 1974 was handed over. Then Municipal council, out of them mostly reservation sites are encroached by slum. Hence, sites were not developed.

Para 11: Contravention of provisions relating to acquisition /development of reserved plots.

As per the Government Resolution No-TPB/4305/1905/NV-11 dated:- 04-05-2006, each Municipal Corporation is required to spend a minimum 20% of its expenditure on acquisition of land of reserved plots and development of such reserved plots.

Scrutiny of records revealed that there were 204 reserved plots earmarked for various purposes in the Development Plan 1974 of the UMC. The UMC had to propose for development of all the 204 plots. However, it was noticed that only 28 plots were acquired and developed, 18 reserved plots were deleted and 158 reservations of land were neither acquired nor developed till date of audit.

As it is the responsibility of the Corporation to acquire and develop reserved plots and at least 20% of budget expenditure should have been incurred for the said purpose as per Government Resolution dated 04-05-2006.

The details of total expenditure incurred on development of reserved plots during the last five years were as under:

Year	Total Expenditure of UMC	Expenditure required to be incurred on Development purpose (20%)	Expenditure incurred & percentage	expenditure incurred less than stipulated.
2012-13	264.29	52.86	0	52.86
2013-14	310.73	62.15	0	62.15
2014-15	254.98	51.00	0	51.00
2015-16	295.44	59.09	0	59.09
2016-17	296.13	59.23	0	59.23

Source: from Budget book of UMC for 2017-18

From the above, it could be seen that for the implementation of Development Plan, no efforts were taken by the UMC and no expenditure was incurred during the years 2012-13 to 2016-17. This also indicates that Corporation had not provided any grants for the implementation of the development plan which was not consistent with the instructions of the Government. The Corporation should acquire the reserved land and develop them for the benefit of the citizens as per the sanctioned development plan by making the required provision in the budget.

In reply the Department stated that after verification of para, reply would be submitted in due course.

Para 12: Shortage of staff in the Town Planning Department of Ulhasnagar Municipal Corporation.

During scrutiny of information furnished by the Department in respect of staff position in Town Planning Department it was observed that there are huge vacancies of various categories of staff. The details of staff position are given below:

Sr. No.	Designation	Sanction Post	Actual Position	Short	Excess
1	Assistant. Director (A.D.P.T)	1	1 (Addl. Charge on leave since April 2017)	0	0
2	Town Planner	2	0 (on 30.05.17 one TP appointed but not joined)	2	0
3	Superintendent	1	0	1	0
4	Jr. Engineer	5	2 (hold Addl. Charge of other 3 Jr. Engineer)	3	0
5	Jr. Law officer	1	0	1	0
6	Sr. Tracer	1	0	1	0
7	Draftsman	2	0	2	0
8	Sr. Engineer	2	0	2	0
9	Technical Assistant	5	0	5	0
10	Surveyor	2	0	2	0
11	Tracer	4	0	4	0
12	Clerk	4	2	2	0
	Total	30	5	25	0

From the above table, it could be seen that out of 30 sanctioned post in 12 categories, only 5 posts are filled. Thus, there is shortage of 25 posts as detailed above.

Further, it was also noticed that the charge of the post of Assistant Director of Town Planning is on leave since April 2017 and the post of one Town Planner is vacant since August 2016, the sanctioned post of Jr. Engineer is 5 as against which only 3 Jr. Engineer holding additional charge since August 2016 though they are originally from other sections. This situation has

hampered the work as record/registers were not being maintained properly, thereby affecting the efficiency of the department.

In reply the Department stated that shortage of staff has been brought to the notice of the Higher Authority regularly.

Further progress awaited.

Para 13: Information relating to implementation of Government directives regarding structural audit of dilapidated or more than 30 years old buildings.

As per provisions of Section 265 (A) of the Maharashtra Municipal Corporation, 1949 and Municipal Councils (6th Amendment) Act 2009, every owner or occupier of a building in respect of which a period of thirty years, from the date of issue of completion certificate by the Corporation or issue of permission to occupy a building under section 263 or its physical occupation of at least 50 per cent of its built up area, whichever is earlier, has expired, shall cause such building to be examined by a Structural Engineer registered with the Corporation for the purposes of certifying that the building is fit for the human habitation. The Structural Stability Certificate issued by such Structural Engineer shall be submitted to the Commissioner. If the Structural Engineer recommends any corrective repairs for securing the structural stability of the building, such corrective repairs shall be carried out by the owner or occupier of a building to the satisfaction of the Commissioner. Any owner or occupier, as the case may be, who fails to carry out corrective repairs for securing structural stability, within a period of six months from the date of report of the Structural Engineer, shall be punished with the fine as provided in section 398A.

In this regard following information was called for in audit:

1. The total number of buildings in the jurisdiction of Ulhasnagar Municipal Corporation which have dilapidated or completed more than 30 years from the date of issue of completion certificate by the corporation or issue of permission to a building under section 263 of the said Act.
2. The number of buildings of which Structural Audits are completed under UMC area.
3. The number of cases in which Structural Stability Certificate issued by a Structural Engineer till date under UMC area.
4. Details of action taken, if any, based on the Structural Stability Certificate issued.

5. The follow up action taken against these old Buildings, Societies or individuals who failed to comply with this regulation.

6. The list of defaulters of Buildings, Societies or individuals who were punished with details of fines levied.

In reply the Department stated that the matter pertains with Public Works Department, same would be informed for the clarification.

Para 14: Huge pendency in issuing buildings completion certificates/occupancy certificates.

Scrutiny of records and details furnished to audit revealed that during the years 1996-2017, the Town Planning department of the UMC received 3474 building proposals for granting permission for new constructions in the jurisdiction of UMC. Out of 3474 proposals, permissions were granted in 2859 cases for the commencement of the construction. Plinth CC were granted in 965 cases. However, it was noticed that only in 585 cases completion certificates were issued and in remaining 2274 cases completion certificates/occupancy certificates are pending to be issued. The details are as under:

Sl. No.	Year	No. of proposals received	Proposals approved and C.C. issued	CC issued for plinth	Completion certificates issued	Completion certificates/OC pending
1.	1996-97	54	33	10	11	22
2.	1997-98	103	83	53	26	57
3.	1998-99	201	165	60	34	131
4.	1999-00	313	255	122	54	201
5.	2000-01	338	274	114	32	242
6.	2001-02	212	175	93	42	133
7.	2002-03	220	90	123	37	53
8.	2003-04	158	129	36	10	119
9.	2004-05	96	87	37	17	70
10.	2005-06	126	116	66	41	75
11.	2006-07	150	135	66	27	108
12.	2007-08	180	143	30	4	139
13.	2008-09	224	177	12	13	164
14.	2009-10	321	272	72	60	212
15.	2010-11	242	198	19	143	55
16.	2011-12	33	1	1	1	0
17.	2012-13	167	141	20	7	134
18.	2013-14	149	112	18	7	105
19.	2014-15	54	42	10	1	41
20.	2015-16	133	149	3	8	141
21.	2016-17	Not furnished	82	Not furnished	10	72
		3474 (excluding 2016-17)	2859	965	585	2274

Hence, it is evident from the above table that out of 2859 approved cases in 2274 cases (79.54%) completion certificates/ occupancy certificates are pending. Out of these 2274 cases, instances where which approval was given for construction, but completion certificates were issued so far the possibility of illegal construction cannot be ruled out and this may lead to loss of revenue in terms of development charges and other premium charges.

In this connection, it may be stated that whether proper verification/survey have been made with regard to unauthorized/illegal construction and copy of such report was called for in audit for verification. Reasons, if any, for not conducting such verification/ survey were also called for.

2. Loss of revenue to the Ulhasnagar Municipal Corporation expected from building permission during August 2016 onwards

It was further noticed that after August 2016 building permissions were granted by the Town Planning department of the UMC is only 5 cases. This resulted in loss of revenue in terms of development charges and other premium charges. In this connection, the reasons for not granting building permission after August 2016 onwards was called for in audit.

In reply the Department stated that when builders and owners who have obtained the building permission apply for plinth and completion, their sites are inspected by the concerned Jr. Engineer and if work is found as per sanctioned plan, for those projects, plinth or completion certificates are issued. Those who are not applying, they are not issued the certificates.

Para 15: Short recovery of development charges Rs 67,181/-

As per Section 124A (1) of the Maharashtra Regional Town Planning Act, 1966, subject to the provisions of this Act, the Planning Authority or the Development Authority (i.e. the Corporation) shall levy within the area of its jurisdiction, development charges on the institution or use or change of use of any land or building or development of any land or building, for which permission is required under this Act, at the rates specified by or under the provision of the chapter by the Government from time to time. The development charges are leviable at two percent and four percent of the rates in the Ready Reckoner for residential and commercial purposes and considering the area involved.

Scrutiny of records revealed that in three cases of development for residential purposes, the development charges were recovered at the rate of Rs 1.5% per sq.m. instead of 2% of Ready Reckoner (RR) which resulted in short recovery of Rs 67,181/- as detailed below:

CC No./Date	CTS No.	Area of land (sqm)	RR rate of the year (Rs)	Development charges to be recovered (Rs)	Development charges actually recovered (Rs)	Short recovery (Rs)
117/15/334 10.08.16	22813, 22814 Ulhasnagar-4	418	18300	152988	114745	38243
49/16/326 09.08.16	22424 Ulhasnagar-5	176	12200	42944	32210	10734
09/16/327 09.08.16	22807 Ulhasnagar-4	199	18300	72834	54630	18204
Total				268766	201585	67181

In reply, it was stated that notices would be issued to concerned development for recovery of the short amount and report submitted to audit.

Further progress is awaited.

Part III: Follow up on findings outstanding from previous Inspection Reports

The department furnished compliance without any supporting records/documents/letters of the replies of previous outstanding paras. Hence, all following paras were retained for want of supporting documents.

Inspection Report for the period 1997-2002

Para 1: Violation of MRTP act and irregular allowance of extension of completion of buildings under reserved plot without taking possession Municipal share

Para retained for full and final compliance.

Para 2: Development of site no. 193 reserved for parking cum commercial shopping center.

Para retained for full and final compliance.

Inspection Report for the period 2006-2009

Para 4: Non recovery of penalty of Rs. 30.44 crore from the unauthorized buildings subsequently regularized by designated authority

Para retained for full and final compliance.

Para 6: Improper maintenance of records and non compliance of conditions laid down in MRTTP Act 1966

Para retained for full and final compliance.

Inspection Report for the period 2009-2010

Para 7: Excess grant of FSI in violation of DC Rules.

Para retained for full and final compliance.

Para 8: Irregular grant of FSI

Para retained for full and final compliance.

Para 9: Granting of additional FSI against parking to be surrendered to corporation and short recovery of development charges of Rs. 1.07 lakhs.

Para retained for full and final compliance.

Para 11: Irregular grant of extra FSI against surrender of parking.

Para retained for full and final compliance.

Para 12: Irregular approval of plan

Para retained for full and final compliance.

Para 13: Excess granting of FSI in violation of DC rules

Para retained for full and final compliance.

Inspection Report for the period 2010-2012

Para 9: Non-implementation of guidance at national building code in UMC

Para retained for full and final compliance.

Para 10: Non recovery of labour welfare cess from the buildings permission was granted

Para retained for full and final compliance.

Inspection Report for the period 2012-13 to 2015-16

Para 1: Delay in implementation of Govt notification resulted in revenue forgone Rs.95.65 lakhs

Para retained for full and final compliance.

Para 2: Short recovery of development charges amounting to Rs.8.51 lakh

Para retained for full and final compliance.

Para 3: Non-acquiring of land under reservation and irregular issue of building permission.

Para retained for full and final compliance.

Para 4: Non claim of rebate on Labour Welfare Cess from the Building Construction Workers Welfare Board amounting to Rs. 137099/-

Para retained for full and final compliance.

Para 5: Pending issue of Occupancy Certificate.

Para retained for full and final compliance.

Para 6: Non achievement of target of Development Plan


Para retained for full and final compliance.

Part IV: Best Practices

--Nil--

Part V: Acknowledgement

All requisite records called for by Local audit party were produced by the concerned staff of O/o Town Planner, Town Planning Department, Ulhasnagar Municipal Corporation, Ulhasnagar Shri Deepak Dhole, Jr. Engineer and Shri Umesh Thakur, Clerk played an important role in producing the records.


Sr. Audit Officer / SS-I

Annexure 'A'

Statement Showing short recovery of labour welfare Cess (AM.8, Para No.6)

Year 2015-16 Construction Value rate Rs 25000/- as per Redy Reckoner							
Sr. No.	Approved Building Permission No. & Date	Name of the Developer / Owner	Address	Area (Sq.Mtr.)	Cess recoverable Area x construction value rate x 1%(Rs)	Cess actually recovered (Rs)	Amount of Short
1	72/15/654 02.01.16	Nitin Chorge & Shekhar Lokhande	Survey No. 177 A/2, B/5 & B/8, Plot No. 1(P), UNR-3	130.40	32600.00	22139.00	10461.00
2	87/15/660 04.01.16	Revachand Jetumal Ahuja	CTS No. 5649, Brk No .318, Room No.. 7, Sheet No. 64, UNR-2	89.20	20050.00	15041.00	5009.00
3	80/15/669 12.01.16	Lajwanti S. Sachdev	CTS No. 27320 B, U. No. 78, Sheet No. 67, UNR-5	36.70	9175.00	6253.00	2922.00
4	122/13/710 01.02.16	Thru M/s. Dashmesh Ent., Ladharam Gokuldas Rupchandani	CTS No. 26094 (P), 26095, Blk No. A-744, Room No. 1487, 1488 (P), Sheet No. 503, UNR-5	317.54	79385.00	3983.00	75402.00
5	43/15/719 01.02.16	Hariram Dodeja	CTS No. 21595, 21596, Brk No. 1590, Room No. 11, 12, Sheet No. 29, UNR-4	262.25	65562.50	2704.00	62858.50

Year 2016-17 Construction Value rate Rs 22000/- as per Redy Reckoner							0.00
6	9/12/45 11.04.16	Sanjay Abhang, Chairman, Shri. Chhatrapati Shivaji Education Soc.	CTS No. 23559, Plot No. 250, Sheet No. 40, UNR-4	5762.11	1267664.2	428340.00	839324.2
7	26/15/56 21.04.16	Johny Nandlal Sachdev	CTS No. 23346, Blk No. A-253, Room No. 506, Sheet No. 42, UNR-4	209.07	45995.4	1690.00	44305.4
8	109/10/63 21.04.16	Rajkumar S. Raichandani & Sunita Rajkumar Ramchandani	CTS No. 5669, 5670, Brk No. 319, Room No. 1,2, Sheet No. 64, UNR-2	155.37	34181.4	32955.00	1226.4
9	155/09/99 02.05.16	Surjitsingh B. Ailsinghani	CTS No. 12203 A-1, 12203 A-2, 12203 A-4, 12203 A-5, U. No. 120-A, 131-A, 249, Plot No. 99, Sheet No. 37 & 38, UNR-3	3517.60	773872	63594.00	710278.0
10	58/15/100 02.05.16	M/s. Tharwani Constructions, Sunil H. Tharwani	CTS No. 30596, U. No. 12,19,15 (P), Ward No. 30, Sheet No. 51-A, UNR-3	1867.28	410801.6	315700.00	95101.6

11	153/12/121 09.05.16	Bharat R. Rajwani	CTS No. 30317, Plot No. 2,3,4,13,14,15, Ward No. 3, Sheet No. 100, UNR-1	3234.00	711480	585354.00	126126.0
12	31/15/161 19.05.16	Mohandas H. Chotwani & others 2	CTS No. 7791, Blk No. A-67/398, Sheet No. 73, UNR-1	112.00	24640	20272.00	4368.0
13	115/15/175 27.05.16	Ashok B. Gangwani & others	CTS No. 25283, 25294(P) Brk No. 1865/01 (P) & Addl. land, Sheet No. 58, UNR-5	82.70	18194	10126.00	8068.0
14	133/15/178 27.05.16	Chairman, Krishna CHS.,	CTS No.10034, Plot No. 19 & 20, Sheet No. 47 & 48, UNR-2	743.31	163528.2	153669.00	9859.2
15	134/15/180 27.05.16	Shankar K. Rohra & other 2	CTS No. 24802,24803 (P) Brk No. 1917/1, Sheet No. 69, UNR-5	75.30	16566	9187.00	7379.0
16	145/13/188 01.06.16	Haresh R. Makhija	CTS No. 6658,6659,6660, Brk No. A-86/512,513,514, Sheet No. 73, UNR-2	260.86	57389.2	37273.00	20116.2
17	102/15/194 04.06.16	Pooja Vashdev Meghwani	CTS No. 19719,20, Brk No. 1623/6,7, Sheet No. 28, UNR-4	97.00	21340	17751.00	3589.0
18	127/13/199 06.06.16	Bhaiyalal Bhiku Yadav	CTS No. 10037/4, U. No. 357 & 360, Sheet No. 63, UNR-2	439.00	96580	93330.00	3250.0
19	120/13/205 06.06.16	Ramchand Meghraj Chug & other 2	CTS No. 23601-B, Plot No. 24,25,30, Nr. Blk No. A-213, Sheet No. 40, UNR-4	232.15	51073	4450.00	46623.0
20	62/15/217 15.06.16	Suresh Shamaldas Wadhwa	CTS No. 25657,25658, Blk No. C-29/172,173, Sheet No. 57, UNR-5	176.40	38808	33600.00	5208.0
21	119/15/246 22.07.16	Surendra G. Vazurani (HUF), Manohar B. Pahilwani	CTS No. 25691,92, Blk No. B-28/166,167,165, Sheet No. 49, UNR-5	288.30	63426	51045.00	12381.0
22	2/16/247 22.07.16	Jairamdas H. Kukreja, Sunil L. Kukreja & others 3	CTS No. 24266, Blk No. C-906/1812, W-51, Sheet No. 51, UNR-5	211.50	46530	37159.00	9371.0
23	124/15/248 22.07.16	Rekha R. Chug, Manish K. Valecha & other 4	CTS No. 24272-73, Blk No. C-909/1818,910/1819, W-51, Sheet No. 50, UNR-5	413.80	91036	70594.00	20442.0
24	123/15/255 22.07.16	Rajesh S. Chawla, Haresh G. Harisinghani	CTS No. 24168, Blk No. B-60/355, Sheet No. 49, W-52, UNR-5	178.85	39347	30516.00	8831.0
25	62/12/261 25.07.16	Thru M/s. Eagle Buildcom Vicki Rupchandani	CTS No. 1702-B, 1703-B, Chalta No. 2A & 109 F, UNR-1	1630.13	358628.6	93852.00	264776.6
26	18/09/284 04.08.16	Anil P. Hotchandani & others	CTS No. 8666 (P), Chalta No. 229, Sheet No. 76, UNR-1	2598.30	571626	475617.00	96009.0

27	13/12/286 05.08.16	Thru M/s. Makhija Constructions, Harsh RajaldasMakhija	CTS No. 9140, U. No. 127, 128, Plot No. 98 (P), Sheet No. 50, UNR-3	203.17	44697.4	12800.00	31897.4
28	1/15/291 06.08.16	Ravi HareshWadhwa, Sidhi R. Wadhwa	CTS No. 28750, 51, Brk No.1969, Room No. 8 & 9, Ward No. 57, Sheet No. 77, UNR-5	99.00	21780	11589.00	10191.0
29	25/15/317 09.08.16	Rajesh S. Chawla, Gurdinomal L. Harisinghani, Vijesh K. Jaisinghani	CTS No. 23153, Blk No. A-173/345, Sheet No. 42, UNR-4	209.00	45980	3950.00	42030.0
30	136/13/318 09.08.16	Haresh G. Harisinghani& others	CTS No. 22990,91, Blk No. A-80/159,160, Sheet No. 39, UNR-4	441.00	97020	3985.00	93035.0
31	35/15/320 09.08.16	M/s. Ranas Construction thru Rajesh G. Dumbani	CTS No. 26009,26010 (B), Blk No. A- 711/1421, Sheet No. 46, UNR-5	346.50	76230	2727.00	73503.0
32	15/14/323 09.08.16	Rahul V. Jaisinghani	CTS No. 23161, Blk No. A-177/353, Sheet No. 42, UNR-4	206.20	45364	2917.00	42447.0
33	49/16/326 09.08.16	Suresh G. Thadani	CTS No. 24424, Blk No. B-80/475, Sheet No. 51, UNR-5	165.55	36421	31110.00	5311.0
34	46/14/333 10.08.16	Thru Bhartiya Education Society, Ashwini kumar Nangiya	CTS No.9583 B, Plot No. 72 (P), Sec 6-A, Sheet No. 36, UNR-3	1208.00	265760	174950.00	90810.0
35	37/16/341 12.08.16	Komal A. Wadhwa, PritiWadhwa	CTS No. 28209,28210,28214 (B), 28214 (C), Brk No. 2070/3,4, Sheet No. 75, UNR-5	150.00	33000	26000.00	7000.0
36	83/15/343 12.08.16	Rajesh S. Sachdev	CTS No. 23150, Blk No. A-171/342, Sheet No. 42, UNR-4	206.20	45364	4085.00	41279.0
37	5/16/420 26.10.16	KamleshTilakrajSethi	CTS No. 23879, Blk No. C-616/1232, Sheet No. 47, UNR-4	238.29	52423.8	43950.00	8473.8
38	39/16/556 29.03.17	Murlidhar H. Rohra	CTS No. 10368, 10369, 10384-B, Bk No. 548/1,2, Sheet No. 64, UNR-2	92.91	20440.2	4580.00	15860.2
39	126/15/559 31.03.17	Pushkraj V. Gupta &Suraj V. Gupta	CTS No. 8967, Blk No. C-46/171, Ward No. 29, Sheet No. 58, UNR-3	98.22	21608.4	3168.00	18440.4
						Total Rs	2973562.90


Assistant Audit Officer/SS-I