

भारतीय लेखा एवं लेखापरीक्षा विभाग  
प्रधान महालेखाकार का कार्यालय (लेखापरीक्षा) -1, महाराष्ट्र,  
प्रतिष्ठा भवन, 101, महर्षि कर्वे मार्ग, मुंबई 400 020

संख्या एस.एस.-1/प्रभार<sup>III/IV</sup>/फा.सं. 1093 /

दि.

सेवा में,

आयुक्त,  
उल्हासनगर महानगर पालीका,  
उल्हासनगर.

विषय 1/4/03 से 31/3/16 अवधि तक की आपके कार्यालय के लेखाओं  
का निरिक्षण अहवाल.

महोदय,

उपरोक्त लेखों का निरिक्षण रिपोर्ट इसके साथ भेज रहा/रही हूँ जिसका स्थानीय निरीक्षण  
लेखापरीक्षा पार्टी द्वारा दिनांक 20/8/16 से 26/8/16 तक किया गया था और आपसे निवेदन  
करता/करती हूँ कि इसमें शामिल किए गए सभी पैराग्राफों का पूर्ण रूप से दस्तावेजों सहित उत्तर कार्यालय में  
शीघ्र भेज दिया जाए और आपके कार्यालय में इस रिपोर्ट के मिलने की तारीख से किसी भी परिस्थिति में एक  
माह से अधिक विलंब नही हो जैसा कि वित्त विभाग के सरकारी अधिसूचना सं.वी.जी.एल 1161/91/दिनांक  
26.05.1991 में निर्धारित किया गया है।

भवदीय,

हस्ता/-

वरिष्ठ लेखापरीक्षा अधिकारी/एस.एस.-1

संख्या एस.एस.1 / प्रभार<sup>III/IV</sup> फा.सं. 1093/आ.सं. 5-410

दि:- 5/11/2016

प्रतिलिपि सूचनार्थ एवं आवश्यक कार्रवाई हेतु अग्रेषित

1. सचिव, महाराष्ट्र शासन, नगर विकास विभाग, मंत्रालय, मुंबई-32
2. उप आयुक्त, अनिक्रमन नियंत्रण विभाग, उल्हासनगर महानगर पालीका, उल्हासनगर.
3. मुख्य लेखापरीक्षक, उल्हासनगर महानगर पालीका, उल्हासनगर

वरिष्ठ लेखापरीक्षा अधिकारी/एस.एस.-1



**Inspection Report on the accounts of the Dy. Commissioner, Encroachment Department, Ulhasnagar Municipal Corporation for the period from 01.04.2003 to 31.03.2016 under section 14 (2) of CAG (DPC) Act, 1971.**

**Part-IA: Introductory**

A test check on the transactions of the Dy. Commissioner, Encroachment Department, Ulhasnagar Municipal Corporation, for the period from 01-04-2003 to 31-03-2016 was conducted locally from 20.08.2016 to 26.08.2016 by Shri Sanjay Kumar AAO, Smt.A.A.Deodhar, AAO, and Smt. J.M.Kulkarni, AAO, Shri.D.S.Ghadse, Sr. Auditor under the supervision of the inspecting officer Shri S.N.Fulzele.

**i) Personnel:**

In spite of several oral reminders, the reply of the AMI regarding the names of official who held the charge of the post of the Deputy Commissioner, Encroachment Department, Ulhasnagar Municipal Corporation during the period covered by audit was not produced. It was stated by the department that the details of posting of Dy. Commissioner is with GAD of the corporation and would be furnished after obtaining the same.

**ii) Activities of the Encroachment Department:-**

- To supervise the activities against illegal constructions & encroachments as per the provisions of the Municipal Corporation Act.
- To provide necessary man power & machinery for removing encroachments on Government & forest lands.
- To take necessary action on complaints regarding illegal constructions & encroachments.
- To take necessary steps on dilapidated structures.

**iii) Budget estimates and Expenditure**

Budget of receipt and expenditure of the department could not be furnished and it is stated that the figure would be obtained from all the four wards and it would take time. The same may please be furnished at the earliest.

**iv) Internal Audit:**



**iv)Internal Audit:**

The Municipal Chief auditor carried out the pre audit of each advances, bills and other transactions.

**Disclaimer**

The inspection Report has been prepared on the basis of the information furnished and the records made available by the office of the Dy. Commissioner, Encroachment Department, Ulhasnagar Municipal Corporation, Ulhasnagar. The office of the Principal Accountant General (Audit) I, Maharashtra Mumbai disclaims any responsibility for any non information and/or misinformation on the part of the Audited entity.

**Part-I-B-Outstanding paras from previous Inspection Report.**

**Inspection report for the period from 1997-2002.**

**Para 7: Non recovery of demolition charges Rs. 22.49 lakh.**

Para retained for final compliance.

**Para 8: Non recovery of penalty and demolition charges.**

Para retained for final compliance.

**Part -I- C,Persistent Irregularities**

--NIL--

**PART II – A: Major Observations**

--NIL--

A  
T  
E



## PART II – B: Other Irregularities

### Para 1: Loss of revenue due to non recovery of demolition charges

As per the provisions contained in section 260 and 267 of the Maharashtra Municipal Corporation Act, 1949 the cost of removal of any unauthorized works should be recovered from the person liable for unlawful structure or erection.

The wards in Ulhasnagar Municipal Corporation are responsible for the demolition of unauthorized construction and endangered buildings, shops, galas etc. There are 4 wards in U.M.C. who look after the above demolition work. A survey is conducted by the Department of the unauthorized building and a notice to that effect is sent to the owner of the building by the officer in charge of the ward.

As per the order of the Commissioner dt 20.10.2001 charges of Rs.63/- per square foot has to be recovered from the owner of the unlawful buildings demolished under various provisions of the said Act.

On scrutiny of records relating to demolition in wards, it was observed that upto the year 2014-15, department had neither demanded nor recovered any charges for demolitions carried out. For the year 2015-16 in some cases demands were issued, however, as stated by the department nobody was willing to pay the charges as result of which an amount of Rs 195.49 lakh remained to be recovered in respect of 1267 cases during the last 6 years as detailed below. As the demolition drives required police bandobasts for which the police recovered specific charges from the Corporation. The non-recovery of demolition charges from the concerned person creates extra and avoidable liability on the corporation.

Further, section 439 of the said Act authorizes the Corporation to recover the expenses recoverable under the act as arrears of property tax; however, no action was taken by the department till date.

10



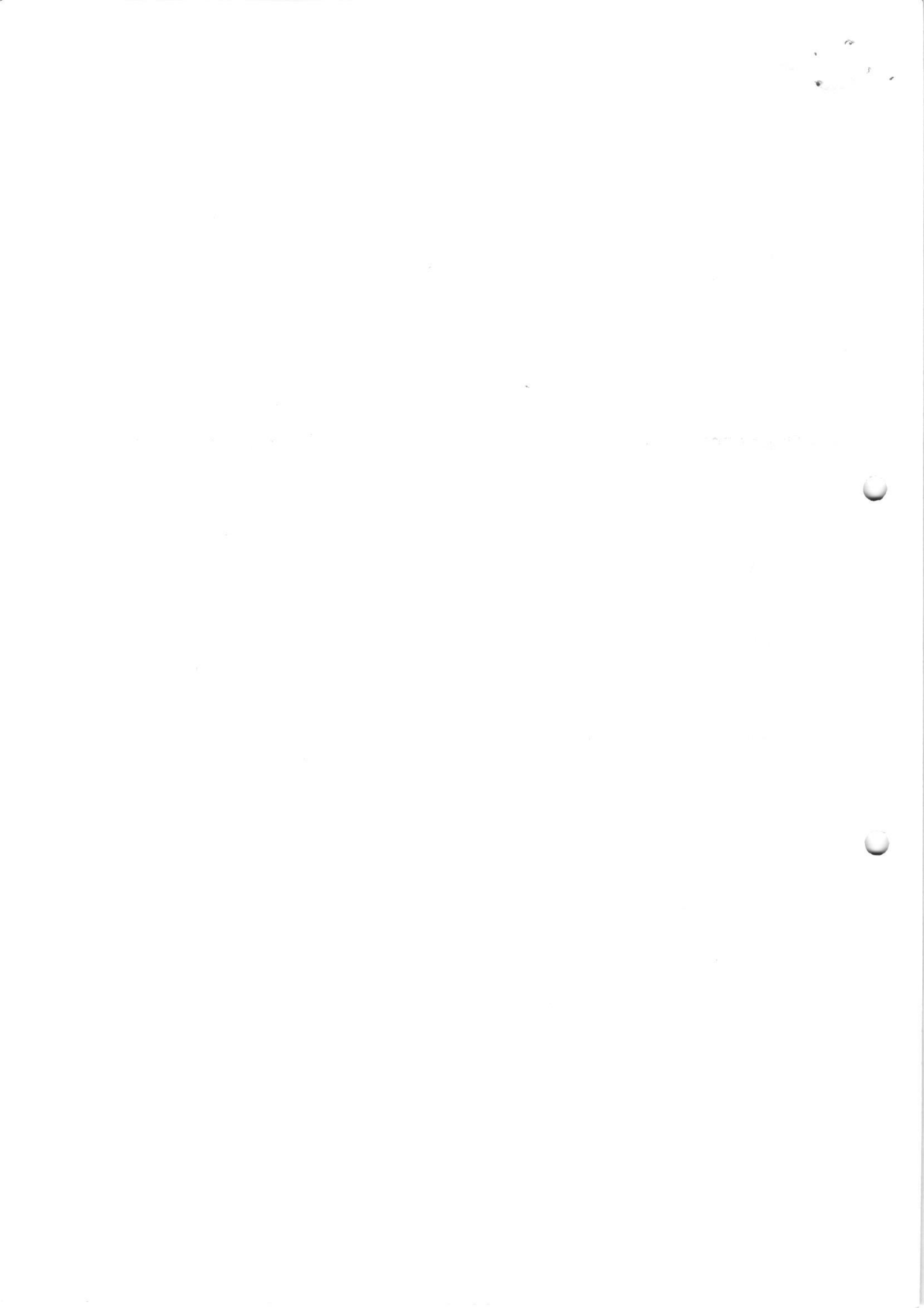


Prabhag No. (Ward)	2010-11		2011-12		2012-13		2013-14		2014-15		2015-16	
	No	Sq.ft.	No	Sq.ft.	No	Sq.ft.	No	Sq.ft.	No	Sq.ft.	No	Sq.ft.
1	44	4234	56	11890	69	25060	24	7710	26	6220	30	6086
2	81	22726	107	25987	51	14398	21	1330	30	3312	44	7311
3	60	4549	50	15454	32	7735	33	4105	32	450	28	12418
4	89	23378	90	22338	73	17460	54	8564	61	13740	82	43793.56
<b>TOTAL sq.ft</b>		<b>54887</b>		<b>75669</b>		<b>64653</b>		<b>21709</b>		<b>23722</b>		<b>69608.56</b>
<b>Charges/sq.ft</b>		<b>* 63</b>		<b>* 63</b>		<b>* 63</b>		<b>* 63</b>		<b>* 63</b>		<b>* 63</b>
<b>Total demolition charges to be recovered</b>	<b>274</b>		<b>303</b>		<b>225</b>		<b>132</b>		<b>149</b>		<b>184</b>	
		<b>3457881</b>		<b>4767147</b>		<b>4073139</b>		<b>1367667</b>		<b>1494986</b>		<b>4385339.28</b>

(B) Further scrutiny revealed that during 2015-16, procedures adopted for calculation of demolition charges were not uniform in all the 4 wards and the charges fixed were not authenticated by either Commissioner or the standing committee of the Corporation. In this connection it is stated that the charges of demolition should be fixed considering the demands raised by the police authority and establishment charges.

On this being pointed out in audit the department stated that Demand notices for demolition charges for the years 2012-13 to 2015-16 have been issued by all the ward officers and recovery is in progress. Issue of notices for the previous years is in progress. It was further stated that there are several practical problems in the recovery of demolition charges; people are not forthcoming in paying for the demolition of their own structure, the owners in old cases are not traceable.

Further progress is awaited.



**Para 2: Outstanding Escort Charges Rs. 5597134/-** Tao

Encroachment department uses the services of Police department during the course of removal of encroachments and other works.

As per Govt. Resolution issued in Home Department dt 3.1.2000 the cost of Police force provided to Public Sector Undertakings, Autonomous Bodies, Private Individuals etc. for security are to be recovered in advance at the rates prescribed from time to time.

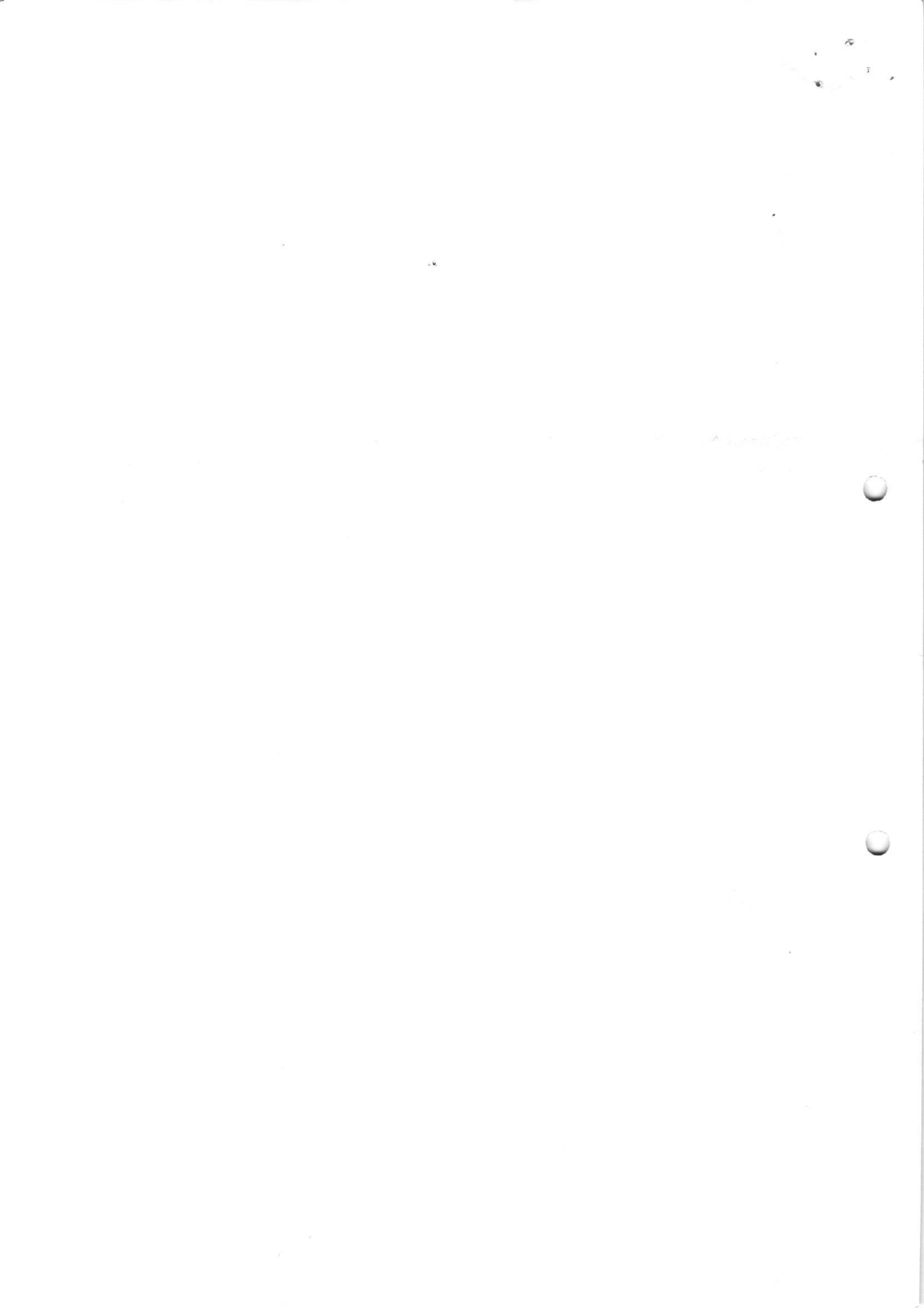
Scrutiny of relevant records revealed that the Police personnel demanded by the department and actual deployment were not on the records. As per letter 10.01.2016 of Central Police Station Ulhasnagar and letter dt. 26.02.2016 of Hill line Police Station Ulhasnagar an amount of Rs. 47,51,248 and 8,45,886 (total Rs. 55,97,134) were pending for payment towards deployment of police personnel for demolition of encroachments. The non-payment of supervision charges of police department not only attracts levy of interest and further increase in liability but also cause discontinuation in deployment of police personnel and subsequently inconvenience to the department.

On this being pointed out in audit the department stated that Ulhasnagar Municipal Corporation paid the dues of police department on accounts of demolition charges time to time. The amount in question is being verified and after confirmation of the fact the necessary action regarding payment would be taken under intimation to audit.

Further progress is awaited.

**Para 3: Non compliance to provisions in respect of dangerous and dilapidated buildings under Ulhasnagar Municipal Corporation.** Tao

As per Section 265 of the Municipal Corporation Act, it shall be incumbent on the owner of every building to maintain every part thereof and everything. The commissioner may by written notice, require the owner of any building to get the building inspected at such intervals and in such manner as may be prescribed in the bye-laws. The owner shall within two months of such inspection undertake such repairs as the inspection shall be necessary for the purpose of securing the stability of the structure within the meaning of Section 264 after complying with all the provisions of this Act and Rules and bye-laws in regard to such repair and shall on completion of



such repairs, submit to the Commissioner a certificate signed by the person who made inspection of his having carried out the repairs satisfactorily. A report of every inspection made under sub-rule (2) shall be submitted to the Commissioner by the person who carried it out and the Commissioner may take such action in respect of such buildings as he deems fit under this section or under any other provision of this Act if the owner fails to comply with the requirements of sub-section (3).

Further, as per Section 265A every owner or occupier of a building in respect of which a period of 30 years, from the date of issue of its 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 purpose of certifying that the building is fit for human habitation. If the owner fails to carry out such corrective repairs within the period specified in notice, the Commissioner may carry out the same and the expenses incurred by the Commissioner on such repairs shall, on demand, if not paid within thirty days, be recovered from the owner or occupier as arrears of property tax. Section 268 of the said act enables the commissioner to vacate any building in certain circumstances as specified there under.

Further vide Government Resolution dt. 05.11.2015 the Urban development department issued a directives to all Municipal Corporation to classify all dilapidated buildings in class C1 (most dangerous and needs immediate eviction), C-2A (dangerous and needs structural repairs after eviction), C-2B (needs repair without eviction of public), and C3 (building needs minor repairs). Further it was also instructed in the said GR that C1 class buildings should be evicted immediately.

Scrutiny of relevant records revealed that the Ulhasnagar Municipal Corporation had prepared a list as per directives of the UDD. As per the list prepared by the corporation there were 14 buildings under C1 category, 19 buildings under C2A category, 16 buildings under C2B category and 77 buildings under C3 category.

As per the provisions of the act and directives of the UDD all 14 buildings under C1 category should have been evicted and demolished. However, out of 14, 6 buildings were occupied by residents and also being used for commercial activities. In respect of 19 buildings which were

10

11

12

classified under C2A category and need eviction were still being used for commercial activities as well as residential purposes. Thus, inaction by the Corporation resulted in non-compliance of the codal provisions but also jeopardized public safety.

On this being pointed out in audit, the department stated that the Corporation has taken the necessary steps as per provisions of the act and guidelines of the Urban Development Department. Since it is a sensitive matter the Corporation is keeping a close watch on the matter.

Reply is not tenable as 14 building under C1 category are still to be demolished and pose serious threat to life of the residents.

Further progress is awaited.

#### **Para 4: Non maintenance of complaint Registers**

The main source of information regarding encroachment / unauthorized construction is either surveillance by the staff of different wards or complaints by citizens. In order to monitor the complaints received a separate complaint register should be maintained by the each ward.

On scrutiny of relevant records in ward offices it was noticed that no complaint registers were maintained either by the Headquarters level or by the ward offices. In absence of the same, audit could not verify the complaints received, complaints disposed and pending for action. Further, it could not be ascertained that the time limit of disposal of complaints was adhered to by the department as prescribed in the citizen charter act.

On this being pointed out in audit the department stated that necessary register would be maintained henceforth.

Further progress is awaited.

**Part III – TAN**

--Nil--

*R. Shalmeayn*  
Sr. Audit Officer/SS-I

