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GHMC fails to refund BPS money to rejected applicants

Koride Mahesh, TNN | Mar 14, 2011, 01.41am IST

HYDERABAD: The Greater [Hyderabad](#) Municipal Corporation (GHMC) is in a fix. On one hand, it has rejected 28,000 Building Penalisation Scheme (BPS) applications, while on the other hand it has no money to refund penal amount collected from applicants whose applications were rejected.

Nearly 28,000 of 2.03 lakh applications were rejected by the civic body as structures came up on government land, municipal land, open spaces, parks, lake beds and play grounds.

Though ineligible applications were rejected one-and-half years ago and most of them were intimated about it, the [GHMC](#) has not yet refunded the penal amount of about Rs 25 crore. Another 34,000 applications are also being treated as rejected as owners paid only a part of the penal amount.

The corporation is unable to refund money as it has diverted the [BPS](#) penal amount for its projects. The BPS had fetched about Rs 678 crore to the GHMC. While the corporation received Rs 298 crore as initial payment for the BPS, it netted another Rs 380 crore during clearance of the applications.

Incidentally, the corporation had not refunded penal amount to about 5,500 applicants whose applications were rejected during the previous Building Regularisation Scheme ([BRS](#)), a scheme similar to BPS, in 1998.

As per the municipal administration and urban development (MA&UD) department instructions on BPS, the GHMC was supposed to maintain a special escrow account for BPS penal amount. However, the corporation diverted the entire amount for various schemes as it had been facing financial crisis.

Officials admit that unless and until the initial amount they received from rejected applicants is refunded, the civic body has no authority to demolish the structures, which means rejected applicants face no demolition threat immediately.

"As of now, the corporation will not refund the penal amount to the rejected applicants. We have decided to impose additional property tax over their regular tax till the structure is demolished," GHMC chief city planner GV Raghu told TOI.

The last date for processing the BPS applications had expired on December 31, 2010 and the GHMC cannot regularise any more applications. Nearly, 34,000 owners have to clear their

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Written by Administrator

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BPS dues to the corporation which might fetch another Rs 100 crore.

GHMC officials said the maximum number of pending applications were in L B Nagar and Gaddiannaram circle, where 5,141 applicants have to clear their dues followed by Malkajgiri circle where 4,738 applicants have to clear the dues.

With the deadline over, the GHMC officials have started levying 25 per cent additional property tax.