

## **KARNATAKA LOKAYUKTA**

No: COMPT/UPLOK/GLB/400/2003/ARE-4

M.S. Building,  
Dr. B.R. Ambedkar Veedhi,  
Bangalore -560 001.  
Date: 29/07/2016

### **REPORT UNDER SECTION 12(1) OF KARNATAKA LOKAYUKTA ACT, 1984**

**Sub:** Complaint of Sri M. Veerupakshi, the then Councillor of City Municipality Council, Raichur regarding loss of revenue to the Government and City Municipality in permitting to form 30 unauthorised layouts in Raichur City Municipality limits- reg.,

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The complaint filed by Sri M. Veerupakshi, the then Councillor of City Municipality Council, Ward No.6, Raichur, involving grievance arising out of in action of the Ex-President and other officials/officers of City Municipality Council, Raichur in permitting to form 30 unauthorised layouts without collecting N.A. fees and development charges etc., is taken up for investigation U/sec. 9 of the Karnataka Lokayukta Act 1984.

#### **2. Facts forthcoming as per the complaint:-**

The Ex-President Sri M. Eranna and other Municipal Officers granted permission to form 30 unauthorised layouts in the limits of City Municipality, Raichur without there being any conversation of land into non-agricultural purpose and without collecting betterment/development charges and thereby caused loss to the Government and as well as City Municipality, Raichur to the tune of several lakhs.

3. The respondents made initially in this case are the Commissioner, Revenue Officers, A.E.E., and Ex.-President of City Municipality, Raichur and the comments of those respondents being secured.

4. Respondents submitted comments stating that, the layouts approved by the concerned village panchayaths before area of alleged unauthorised layouts mentioned in the complaint included in the Municipal Limits and after inclusion of the said villages in the Municipal Limits and on production of the demand registers pertaining to the said panchayaths, CMC, Raichur, transferred kathas by entering the names of the property holder in CMC records. Further contended that, those layouts referred in the complaint were not approved during their tenure and thereby they are not responsible for any such acts mentioned in the complaint.

5. Dy.S.P., Karnataka Lokayukta, Raichur investigated the matter to find out the actual situations of the unauthorised layouts and fact of granting permission to form an unauthorised layouts by the respondents and submitted a report after investigation along with the documents showing the unauthorised layouts formed in the limits of Raichur City and some of the layouts formed without there being any order of conversation of land into non-agricultural purpose and without collecting betterment/development charges included in the demand registers of CMC of Raichur.

6. Additional Registrar of Enquiries-4, Karnataka Lokayukta, Bangalore made a spot inspection to find out the collection of betterment/development charges or not in respect of the unauthorised layouts referred in the complaint, who submitted a report along with the documents showing the details of the sites of unauthorised layouts entered in demand registers of CMC, Raichur without the order of conversion and collecting of betterment/development charges etc.,

7. The Director of Municipal Administration, Bangalore vide Letter No. ಪೌ.ನಿ. ತಪಾಸಣೆ/ರಾಯಚೂರು/79/2002-03/14797, Bangalore dated: 07/11/2002 directed the Deputy Commissioner, Raichur, to hold an enquiry regarding the similar allegations made by the very same complainant regarding granting permission to form unauthorised layouts and in turn the Deputy Commissioner, Raichur, vide his letter No.MUN/MSC:2002-03/44

dated:18/11/2002 directed the Assistant Commissioner, Raichur to investigate the matter and to submit a report. Accordingly, Assistant Commissioner, Raichur, submitted a report on 25/09/2007 to the Deputy Commissioner, Raichur and copy to the Commissioner, City Municipality, Raichur and in turn Commissioner, CMC, Raichur forwarded the copy of the said report to this office for consideration in this case.

**8. A Careful consideration of the material placed on record discloses that:-**

i) The villages namely, Potgal, Yeramarus, Ekklaspura, Hosur, Askihal and Rampur being included in the limits of City Municipality, Raichur vide Government Order No. HUD 489 MLR 95 dated: 18/10/1995 by Housing and Urban Development Department in view of the 74<sup>th</sup> Amendment of Indian Constitution emphasising the issue of improvement of Urban Areas and accordingly same is published in Karnataka Gazettee Part IV – Section 2C(ii) dated: 30/10/1995. In spite of inclusion of the said six villages termed as “Smaller Urban Areas” in the limits of City Municipality, Raichur the properties of the said villages existed as per the records of concerned panchayaths has not been taken to municipal records and not made any attempts to collect the development charges in respect of those houses, buildings, sites and other properties as per the panchayath records already in approved layouts of the said villages before inclusion of the same in City Municipality Limits. However, only some of the sites of certain layouts of sy.Nos. of the said villages formed on conversion of the land into non-agricultural purpose are taken in municipal records by collecting development charges only on the application made by the subsequent purchasers of the sites after the date of inclusion of the properties in the City Municipality Limits.

ii) Several sites formed in unauthorised layouts in sy.no.907, 896, 899/1 to 4, 346, 383 of Raichur village without there being any order of conversion of land into non-agricultural purpose under the

Provisions of Karnataka Land Revenue Act 1961 and without approval of the layout by the Planning Authority under the Provisions of Karnataka Town and Country Planning Act 1961. Even though those sites entered in demand register of City Municipality, Raichur by the order of the then Municipal Commissioners since from the year 1988. In the unauthorised layouts formed in sy.No. 346 and 383 of Raichur village some of the sites owners having constructed houses therein and residing in the said houses, for which CMC, Raichur collecting the house tax on the basis of the earlier illegal entries in the demand registers. Thus the layouts formed in these sy.Nos. totally unauthorised layouts in contravention of provisions of Karnataka Municipalities Act 1964, Karnataka Town and Country Planning Act 1961 and Land Revenue Act 1964.

9. The Commissioners, CMC of Raichur, who have committed the illegality in recognising those unauthorised layouts in municipal records vide Para No.8(ii) have retired long back from the Government Service and there is no scope at present to proceed with them in holding departmental enquiry. However, the grievance of the complainant and the public at large arisen on account of in action of above public servants has not remedied/redressed so far. The action taken by those officers is not only illegal and caused greater hardship and injustice to the public at large and loss to the revenue of the Government.

**10. The grievance of the complainant and public at large summarise as under:-**

a) The villages surrounding the Raichur City namely Potgal, Yeramarus, Ekaspura, Hosur, Askihal and Rampura are included in the limits of Raichur City Municipality U/sec. 3 and 9 of Karnataka Municipality Act 1964 vide Government Notification No. HUD 489 MLR 95, dated: 18/10/1995 published in Karnataka Gazettee dated: 30/10/1995. Thereafter, City Municipality, Raichur bound to survey the

properties of those villages received the demand registers pertains to the said villages from the concerned gram panchayaths has not taken any action to include same in municipal records so as to collect the taxes and deal with it in accordance with Karnataka Municipality Act 1964. Thus it is clear that, the City Municipal Council, Raichur has not followed the procedure prescribed U/sec. 107(A) of Karnataka Municipality Act 1964 in survey of lands and buildings and preparation of properties registers to include the properties of the said villages in the limits of CMC, Raichur consequent to Government Notification referred above.

b) The CMC, Raichur who failed to collect the betterment/development charges in respect of the sites of layout which were already formed in various sy.Nos. of these villages on taking permission to convert the land into non-agricultural purpose under the Provisions of Karnataka Land Revenue Act 1964 and on approval of the layouts by erstwhile panchayaths under the Panchayath Raj Act prior to inclusion of those villages in the limits of City Municipality, Raichur. Therefore, the CMC, Raichur required to take all the properties held as per the properties registers of erstwhile panchayaths in respect of the above villages included in the City limits and need to collect betterment/development charges and taxes thereafter from the owners of the sites in various layouts formed in sy.No. in accordance with the procedure prescribed under the Provisions of Karnataka Municipality Act 1964.

c) Several sites formed in unauthroised layouts in sy.Nos. 907, 896, 899/1 to 4, 346 and 383 of Raichur villages is without the orders of conversion of land into non-agricultural purpose under the Provisions of Karnataka Land Revenue Act 1964 and without the approval of the District Planning Authority under the Provisions of Karnataka Town and Country Planning Act 1961. Therefore, the matter required to proceeded


u/sec. 171 of Karnataka Municipality Act and u/sec. 96 of Land Revenue Act 1964 against the said unauthorised layouts.

d) There are several residential houses being constructed over the sites of unauthorised layouts in sy.Nos. 346 and 383 of Raichur are illegal and for which the City Municipality, Raichur required to collect the penalties from the owners/occupier of the said constructed houses every year equal to the twice of the property tax levible to such buildings from the date of such construction in accordance with Sec. 107 of Karnataka Municipality Act 1964 without prejudice to any proceedings to be intimated as stated above.

11. The above referred grievances in para Nos.10 (a) to (d) arisen out of the inaction of the public servants as defined u.sec.2(12) of the Karnataka Lokayukta Act 1984 caused hardship, injustice and inconvenience to the complainant and also public at large, which caused loss of revenue to the City Municipality, Raichur and to the Government.

12. Therefore, in exercise of the powers conferred u/sec.12(1) of the Karnataka Lokayukta Act 1984, this report is being made recommending the Competent Authority i.e., Government of Karnataka to redress the grievance referred in para No.10 (a) to (d) of this report and take appropriate action in accordance with law within one month and intimate action taken or proposed to be taken on this report u/sec.12(2) of Karnataka Lokayukta Act, 1984.

Copies of connected records are enclosed.

  
(JUSTICE N. ANANDA)  
Upalokayukta-1 29/7  
State of Karnataka  
Bangalore