

**KARNATAKA LOKAYUKTA**

No.COMPT/UPLOK/BCD/110/2020/ARLO-1 Multi Storied Buildings,  
Dr.B.R.Ambedkar Veedhi,  
Bengaluru 560 001.

Dated: 09/06/2020

**REPORT UNDER SECTION 12(3) OF THE KARNATAKA  
LOKAYUKTA ACT, 1984**

Sub:- Proceedings against;

- (1) Sri P. Rangaswamy, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District - Presently working at Kaggalipura Grama Panchayath, Bengaluru South Taluk, Bengaluru Urban District.
- (2) Sri Sunil.L, the then I/c Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District - Presently working at Gulbarga District.
- (3) Sri Om Mahesh, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District - presently working as Secretary at Mantapa Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (4) Smt. Annapurneshwari G. Shivangi, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (5) Smt. K. Vaishnavi, Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 01/04/2019 to till date).
- (6) Sri Nomesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal - Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.

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- (7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru.
- (8) Sri K.C. Devaraje Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date) – Reg.

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On the basis of source information that there is mismanagement in the maintenance of accounts and submission of periodical expenditure statements by Indlawadi Grama Panchayath of Anekal Taluk and also submission of audit reports, a Suo-motu investigation was taken up.

2) On 27/12/2019, Upalokayukta-1 visited the office of the Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal. The Accounts officer and the Manager of Taluk Panchayath, Anekal were directed to produce the periodical returns of expenditure in relation to each of the Panchayaths within the limits of Taluk Panchayath, Anekal. The details of expenditure were not furnished by the Panchayaths. Further, at the time of spot inspection by Upalokayukta-1 to the office of the Executive Officer, Taluk Panchayath, Anekal, the audit reports for the years i.e., 2016-17, 2017-18 and 2018-19 of Indlawadi Gram Panchayath were not produced. Therefore, the above suo-motu complaint was registered against the following respondents for conducting further investigation into the matter:-

- (1) Sri P. Rangaswamy, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 17/06/2016 to 26/10/2016) – Presently working at

*P. Rangaswamy*

Kaggalipura Grama Panchayath, Bengaluru South Taluk,  
Bengaluru Urban District.

- (2) Sri Sunil.L, the then I/c Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 21/11/2016 to 27/10/2017) – Presently working at Gulbarga District.
- (3) Sri Om Mahesh, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 02/11/2017 to 31/08/2018) presently working as Secretary at Mantapa Grama Panchayath, Anekal Taluk, Bengaluru Urban District.
- (4) Smt. Annapurneshwari G. Shivangi, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 03/09/2018 to 30/03/2019).
- (5) Smt. K. Vaishnavi, Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 01/04/2019 to till date).
- (6) Sri Nimesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.
- (7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- (8) Sri K.C. Devaraje Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

3) The above respondents have submitted comments to the observation note. Respondent 1, 2, 3 and 4 have stated that the present Panchayath Development Officer i.e., Respondent No.5 Smt. K. Vaishnavi has submitted the copies of budget estimates

*K. Vaishnavi*

and also audit report of Indlawadi Grama Panchayath to this office. Respondent No.5 has submitted comments dated 11/2/2020 that the concerned Panchayath Development Officers have prepared the budget for the year 2016-17 to 2019-20 and obtained the approval of the Executive Officer of Taluk Panchayath. Further, she has stated that the audit of the Indlawadi Gram Panchayath was conducted for the years 2016-17 to 2018-19 and copies of the same are enclosed. The Respondent No.5 has enclosed the Budget Estimates for the years 2016-17, 2017-18 and 2018-19. It is noticed that though the Respondent No.5 has stated in her comments that she has furnished the budget estimates for the year 2019-20, the same is not furnished.

4) The Respondent No.6 has submitted comments dated 27/2/2020 stating that during their tenure the Indlawadi Grama Panchayath had submitted the audit report for the year 2016-17 and Budget for the year 2017-18. He had constituted an adhoc committee and the meeting of the committee was held. He had issued oral instructions regarding the subject matter stated in the audit report. The respondent No.7 has submitted comments dated 27/2/2020 stating that during their tenure the Indlawadi Grama Panchayath had submitted the audit report for the year 2017-18 & 2018-19 and Budget for the year 2018-19 and 2019-20. He had constituted an adhoc committee and the meeting of the committee was held. He had issued oral instructions regarding the subject matter stated in the audit report. Respondent No.8 has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath Development Officer of Indlawadi Grama Panchayath

*N. Srinivas*

to submit the Expenditure statements and audit reports for the years 2016-17 to 2018-19.

5) The Budget estimates of the above Grama Panchayath for the years 2016-17, 2017-18 and 2018-19 and the copies of the Audit reports for the years 2016-17, 2017-18 and 2018-19 of the Indlawadi Grama Panchayath produced by Respondent No.5 along with his comments are perused.

### **BUDGET PROVISIONS**

6) As per the Budget estimates for the years 2016-17, 2017-18 and 2018-19, the following income & Expenditure were estimated for the Indlawadi Grama Panchayath.

### **REVENUE INCOME**

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening Revenue balance	-	-	7,60,982
2	Rates and Taxes	22,52,875	39,84,888	27,50,352
3	Revenue from the Panchayath Properties	-	30100	2,76,030
4	Revenue from Grama Panchayath Authorities	10,81,977	16,51,892	25,69,078
5	Grants, Donation, Subscriptions	8,00,000	4,50,000	15,00,000
6	Other Incomes	-	-	-
	<b>Total Revenue Income</b>	<b>41,34,852</b>	<b>41,24,436</b>	<b>78,56,442</b>

### **REVENUE EXPENDITURE**

Sl. No.	Details	2016-17	2017-18	2018-19
1	General Administration			
	i) Grama Panchayath (Elected Body)	3,71,500	2,39,300	5,44,355
	ii) Office	16,76,540	35,98,032	19,97,675
2	Development Expenditure			
	1) Drinking Water	13,50,000	13,71,804	15,98,812
	2) Rural Sanitation	3,05,000	2,09,000	2,03,764
	3) General Health & Family Welfare	65,000	39,500	46,122
	4) Roads, Bridges & other connecting medias	1,00,000	-	1,50,000
	5) Buildings	-	-	-

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6)	Electrification and Electricity supply	3,90,000	2,73,460	2,98,222
7)	Social Services	4,35,000	9,73,000	2,84,843
8)	Motivation Services	-	-	20,000
	<b>Total Expenditure</b>	<b>26,65,000</b>	<b>67,04,096</b>	<b>26,01,762</b>
	<b>Transfer from General fund</b>	-	-	<b>6,56,644</b>
	<b>Other Revenue Expenditure</b>	-	-	-
	<b>Total Revenue Expenditure</b>	<b>26,65,000</b>	<b>67,04,096</b>	<b>58,00,436</b>
	<b>Closing balance</b>	-	-	<b>20,56,006</b>

### CAPITAL INCOME

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening balance	-	-	-
2	Grants, Subscription, donation.	-	-	-
3	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	56,40,990	-	88,55,892
	<b>Total Capital Income</b>	<b>56,40,990</b>	<b>90,76,050</b>	<b>88,55,892</b>

### CAPITAL EXPENDITURE

Sl. No.	Details	2016-17	2017-18	2018-19
1	Development Expenditure			
	1) Drinking Water	3,60,000	2,43,650	2,00,000
	2) Rural sanitation	-	-	-
	3) Roads, Bridges & other connecting medias	10,30,500	-	10,25,000
	4) Buildings	-	-	-
	5) Social Services	9,00,000	1,45,200	-
	6) Motivation services	-	-	-
	<b>Total Expenditure</b>	<b>23,80,500</b>	<b>3,88,850</b>	<b>12,25,000</b>
2	Specific Project Expenditure			
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	41,30,000	63,60,800	88,55,892
3	Procurement of properties	80,500	1,10,000	75,000
3	Repayment of loan	-	-	-
	<b>Total Capital Expenditure</b>	<b>65,19,000</b>	<b>68,98,650</b>	<b>1,01,55,892</b>
	<b>Closing Balance</b>	-	-	<b>13,00,000</b>

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**INCOME FROM DEPOSITS, ADVANCES & INVESTMENTS**

Sl. No.	Details	2016-17	2017-18	2018-19
1	Opening balance	-	-	-
2	Receipt	-	-	-
	Total Income	-	-	-
3	Expenditure	-	-	-
	Total Final Balance of the Panchayath	<b>12,16,463</b>	<b>8,14,203</b>	<b>7,56,006</b>

7) Rule 12 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting) Rules, 2006 provides for manner of preparation of budget estimates. The following instructions were to be followed while preparation of budget estimates.

“1. Statement II (Estimate of receipts) shall be prepared by the Secretary on the basis of information available in Form IA to IC, which shall be based on the basic details from the relevant records.

2. Similarly the Secretary shall prepare Statement II (Estimate of Expenditure) by taking out details from ID to IG which shall be based on the basic details from the relevant records.

3. After Statement II and III are ready, the gross figures classified under the respective main heads of accounts of these statements are taken to the respective heads of account in Statement I which shall form the abstract figure in the annual budget of the Grama Panchayath.

4. Secretary shall ensure that the following guidelines shall be kept in view, while preparing the budget.

*N. Suresh*

(i) Budget estimate shall be for what is expected to be received or paid during the year and not for demands or liabilities likely fall due within the year.

(ii) All existing liabilities, which cannot be liquidated before the commencement of the year for which the budget is being prepared shall be ascertained and provided for.

(iii) Allow for the balance at the end of the year of not less than such sum or percentage of income as may from time to time be fixed by the Government.

8) In the Audit Reports of the above Indlawadi Grama Panchayath for the years 2016-17, 2017-18 and 2018-19, it is observed that the above Budget estimates were not prepared in accordance with Rule 12 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. Provision for repayment of opening liabilities was not made in the budget as mandated under Rule 12(4)(ii) of the above Rules.

9) As per Rule 15 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, a Budget Control Register in Form No.2 shall have to be maintained to keep a watch on expenditure to ensure that expenditure incurred under various heads of accounts are within the allocation provided in the budget. Such a Register had not been maintained by Indlawadi Grama Panchayath.

10) The Respondent No.1 Sri P. Rangaswamy, was working as Panchayath Development Officer of Indlawadi Grama Panchayath from 17/06/2016 to 26/10/2016; Respondent No.2 Sunil.L was working as I/c Panchayath Development Officer, Indlawadi Gram

*P. Rangaswamy*



Panchayath from 21/11/2016 to 27/10/2017; Respondent No.3 Sri Om Mahesh was working as Panchayath Development Officer, Indlawadi Gram Panchayath from 02/11/2017 to 31/08/2018; Respondent No.4 Smt. Annapurneshwari.G was working as Panchayath Development Officer of Indlawadi Grama Panchayath from 03/09/2018 to 30/03/2019. The above four Panchayath Development Officers have prepared and submitted the Budget estimates stated above and are responsible for the aforesaid irregularities in the preparation of budget of the relevant years. It is seen from copies of Budget estimates that Respondent No.6 Sri N. Nomesh Kumar, the then Executive Officer of Taluk Panchayath had approved the budget estimates for the years 2016-17 and 2017-18; Respondent No.7 Sri T.K. Ramesh, the then Executive Officer had approved the budget estimates for the years 2018-19. These Executive Officers without noticing the above irregularities in the preparation of budget have approved the same and thereby they are also responsible for the above irregularities.

**SUBMISSION OF MONTHLY, HALF YEARLY AND YEARLY ACCOUNTS**

11) Regarding expenditure of the Panchayath, as per Rule 108 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006 the Secretary of the Grama Panchayath shall prepare monthly receipt and payment statement in Form 53, and Monthly Trial Balance in Form 54 and place it for review by the Grama Panchayath. The approved accounts shall be sent to the Chief Accounts Officer of the Zilla Panchayath and Assistant Controller, Local Audit Circle by 20<sup>th</sup> of the subsequent month. Similarly, half yearly accounts shall have to be prepared in Form

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53 and Trial Balance in Form No.54. In relation to the above Indlawadi Grama Panchayath, no such monthly statement was prepared and submitted to the Authorities stated above. The above Panchayath had also not prepared the annual accounts in terms of Rule 109 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. The audit reports for the years 2016-17, 2017-18 and 2018-19 at paragraph 15 & 16 states that monthly expenditure statements, half yearly statements and yearly statements as per Rule 108 and 109 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting & Accounts) Rules, 2006 were not submitted by the Indlawadi Panchayath. Therefore, the Respondents 1, 2, 3, 4 and 5 who were the Panchayath Development Officers are responsible for the same. The Respondents No. 6, 7 and 8 being Taluk Executive Officers of Taluk Panchayath, Anekal had not supervised the administration and accounts of the Panchayath and are also responsible for the above lapse.

**NON-MAINTENANCE OF REGISTERS/RECORDS  
IN THE PANCHAYATH**

12) The Grama Panchayath, Indlawadi had not maintained the Grants Register as per Rule 99 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. This Register is a prominent register, which shows the opening balance, grants received and closing balance.

13) The Grama Panchayath, Indlawadi had not maintained the following registers.

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Sl. No.	Name of Register	Rule of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006
1	Investment Register	Rule 95 (Form No.41)
2	Loan Register	Rule 96 (Form No. 42)
3	Advances Register	Rule 98 (Form No.44)
4	Deposit Register	Rule 100 (Form No.47)
5	Issuance of Licence and collection register	Rule 35 (Form No.16)

14) During the year 2016-17, 2017-18, 2018-19, there was no transaction of Investment, Loan, Advance and Deposits in Indlawadi Gram Panchayath.

**GRANTS MEANT FOR SCHEDULED CASTE AND SCHEDULED TRIBE & PHYSICALLY CHALLENGED NOT PROPERLY UTILISED FOR THE WELFARE OF ABOVE PERSONS**

15) During the year 2016-17, the Indlawadi Grama Panchayath has spent a sum of Rs.2,55,803/- towards welfare of Schedule Caste and Scheduled Tribes under 25% scheme. During the year 2016-17, there was opening balance of Rs.6,29,539/- and a sum of Rs. 2,20,804/- is shown to have reserved for the year 2016-17 for the welfare of SC/ST under 25% grant scheme. Out of the above amount, a sum of Rs.2,55,803/- was spent showing the balance of Rs.5,94,540/- as on 31/03/2017. In relation to the amount towards the welfare of physically challenged persons (3%) the opening balance is shown as Rs.2,11,310/- and the amount reserved for the year is not furnished. The amount spent towards the welfare of physically challenged persons is not furnished showing the balance of Rs.2,11,310/- as on 31/03/2017 was not spent during the year as per rules. Respondent No.1 Sri P. Rangaswamy and Respondent No.2 Sri Sunil.L are responsible for

*P. Rangaswamy*

not utilising the full amount under 25% SC/ST welfare and for welfare of physically challenged persons during the year 2016-17.

16) During the year 2017-18, the Indlawadi Grama Panchayath has spent a sum of Rs.3,95,824/- towards welfare of Schedule Caste and Scheduled Tribes under 25% scheme. During the year 2017-18, there was opening balance of Rs.5,94,540/- and a sum of Rs.3,34,551/- is shown to have reserved for the year 2017-18, total amounting to Rs.9,29,091/- for the welfare of SC/ST under 25% grant scheme. Out of the above amount, a sum of Rs.3,95,824/- was spent showing the balance as Rs.5,33,267 as on 31/03/2018. In relation to the amount towards the welfare of physically challenged persons (3%) there was opening balance of Rs.2,11,310/- and Rs. 50,000/- was reserved for the year 2017-18. It is shown that Rs.5000/- was spent towards the welfare of physically challenged persons showing the balance of Rs.2,56,310/- as on 31/03/2018 was not spent during the year as per rules. Respondent No.2 Sri Sunil.L and Respondent No.3 Sri Om Mahesh are responsible for not utilising the full amount under 25% SC/ST welfare and for welfare of physically challenged persons during the year 2017-18.

17) During the year 2018-19, the Indlawadi Grama Panchayath has spent a sum of Rs.27,000/- towards welfare of Schedule Caste and Scheduled Tribes under 25% scheme. During the year 2018-19, the opening balance is shown as Rs.5,33,267/- and a sum of Rs.11,95,155/- is shown to have reserved for the year 2018-19 for the welfare of SC/ST under 25% grant scheme. Out of the above amount, a sum of Rs.27,000/- was spent showing the balance of

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Rs.17,01,422/- as on 31/03/2019. In relation to the amount towards the welfare of physically challenged persons (3%) there was opening balance of Rs.2,56,310/- and Rs. 12,500/- was reserved for the year. The amount spent towards the welfare of physically challenged persons for the year 2018-19 is shown as nil showing the balance of Rs.2,68,810/- as on 31/03/2019 was not spent during the year as per rules. Respondent No.3 Sri Om Mahesh and Respondent No.4 Smt. Annapurneshwari G. Shivangi are responsible for not utilising the full amount under 25% SC/ST welfare and for welfare of physically challenged persons during the year 2018-19.

### **RECEIPT BOOKS**

18) The Indlawadi Grama Panchayath had not maintained the register in Form No.5 (Rule 21) regarding the stock and issue of Receipt Books during the years 2016-17, 2017-18 and 2018-19. The details opening balance, receipt of receipt books during the year and the closing balance of receipt books are as follows:-

Sl. No	Details	2016-17	2017-18	2018-19
1	Opening Balance	3	2	1
2	Receipt of Receipt Books	5	5	15
3	Total	8	7	16
4	No. of receipt books utilised for the year	6	6	10
5	Balance of receipt books at the end of the year	2	1	6

The respondents 1, 2, 3 and 4 are responsible for not maintaining the Stock Register of Receipt Books for the years 2016-17, 2017-18 and 2018-19.

*v. Shantha*

19) The Indlawadi Grama Panchayath has not maintained the Tax Assessment List as required under Section 199 of the Karnataka Grama Swaraj & Panchayath Raj Act, 1993. It had not maintained the Mutation Register in Form No.10 as per Rule 29 of the Karnataka Panchayath Raj (Budgeting and Accounts) Rules, 2006.

**COLLECTION OF TAXES AND ITS REMITTANCE TO GOVT. ACCOUNT**

20) The Indlawadi Grama Panchayath had not maintained the Demand Collection Book (DCB Register) as per Rule 30 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. The opening balance, demand during the year, collection during the years and the balance at the end of the year are as follows:-

2016-17

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	26,62,692	22,30,339	48,93,031	20,81,006	28,12,025
2	Water Tax	5,53,777	7,75,685	13,29,462	1,98,873	11,30,589
3	Licence	0	21,630	21,630	21,630	0
4	Rent from shops	34,325	87,100	1,21,425	50,000	71,425
5	Taxation on lamp	0	81,383	81,383	81,383	0
6	Others	0	32,864	32,864	32,864	0
	<b>Total</b>	<b>32,50,794</b>	<b>32,29,001</b>	<b>64,79,795</b>	<b>24,65,756</b>	<b>40,14,039</b>

2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	28,12,025	22,30,339	50,42,364	16,69,894	33,72,470
2	Water Tax	11,30,589	2,10,000	13,40,589	5,39,652	8,00,937
3	Licence	0	25,000	25,000	25,000	0
4	Rent from shops	71,425	66,016	1,37,441	47,500	89,941
5	Taxation on lamp	0	89,521	89,521	85,480	4,041
6	Auction of lake fishes	0	2,91,625	2,91,625	2,90,300	1,325
	<b>Total</b>	<b>40,14,039</b>	<b>30,50,203</b>	<b>70,64,242</b>	<b>27,95,528</b>	<b>42,68,714</b>

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2018-19

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	33,72,470	22,30,339	56,02,809	19,69,892	36,32,917
2	Water Tax	8,00,937	2,10,000	10,10,937	6,39,652	3,71,285
3	Licence	0	25,000	25,000	25,000	0
4	Rent from shops	89,941	66,016	1,55,957	42,000	1,13,957
5	Taxation on lamp	4,041	89,521	93,562	93,562	0
6	Others	0	1,28,039	1,28,039	1,28,039	0
	<b>Total</b>	<b>42,67,389</b>	<b>27,48,915</b>	<b>70,16,304</b>	<b>28,98,145</b>	<b>41,18,159</b>

21) As per the above statements, huge amount in a sum of Rs.41,18,159/- towards house tax and water tax was not collected by the Indlawadi Grama Panchayath, which had caused loss to the State Exchequer. The respondent No.1 Sri P. Rangaswamy; Respondent No.2 Sri Sunil.L; Respondent No.3 Sri Om Mahesh and Respondent No.4 Smt. Annapurneshwari G. Shivangi, Panchayath Development Officers are responsible for short collection of House Tax and Water Tax.

22) In the audit reports for the years 2016-17, 2017-18 and 2018-19, it is observed that the Indlawadi Grama Panchayath had not revised the rates of tax for every 4 years, as per Rule 14 of the Karnataka Panchayath Raj (Tax) Rules, 1994.

23) As per Form-3 of Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, General Receipts have not been incorporated. The Registers in relation to the Cheque/DD is not maintained and temporary receipts as per Form-3A were not issued. The information was not provided regarding the inclusion of all buildings and sites to which the tax had to be levied and collected. In relation to receipt of taxes by Cheque/DD, the amounts were directly credited to the Panchayath

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Fund without issuing the temporary receipts in Form No.3A. Further, the amount received was belatedly credited to the Panchayath fund, which amounts to temporary misappropriation of funds.

### NON-REMITTANCE OF CESS/SURCHARGES

24) The details regarding the surcharge/cess to be levied on taxes and its collection, remittance and the balance are as follows:-

#### 2016-17

Sl. No	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2017
1.	Health cess	2,32,948	23,295	2,09,654	8,95,421	11,05,075	0	11,05,075
2.	Educational cess	1,55,299	15,530	1,39,769	5,96,945	7,36,714	0	7,36,714
3.	Library cess	93,179	9,318	83,861	3,58,144	4,42,005	0	4,42,005
4.	Beggars cess	46,590	4,659	41,931	1,21,064	1,62,995	0	1,62,995
	Total	5,28,016	52,802	4,75,215	19,71,574	24,46,789	0	24,46,789

#### 2017-18

Sl. No.	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2018
1.	Health cess	1,86,928	18,693	1,68,235	11,05,075	12,73,310	-	12,73,310
2.	Educational cess	1,24,619	12,462	1,12,157	7,36,714	8,48,871	-	8,48,871
3.	Library cess	74,771	7,477	67,294	4,42,005	5,09,299	-	5,09,299
4.	Beggars cess	37,386	3,739	33,647	1,62,995	1,96,642	-	1,96,642
	Total	4,23,704	42,371	3,81,333	24,46,789	28,28,122		28,28,122

#### 2018 19

Sl. No.	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2019
1.	Health cess	2,20,500	22,050	1,98,450	12,73,310	14,71,760	47,256	14,24,504
2.	Educational cess	1,47,000	14,700	1,32,300	8,48,871	9,81,171	70,834	9,10,337
3.	Library cess	88,200	8,820	79,380	5,09,299	5,88,670	28,359	5,60,311
4.	Beggars cess	44,100	4,410	39,690	1,96,642	2,36,332	14,116	2,22,216
	Total	4,99,800	49,980	4,49,820	28,28,122	32,77,933	1,60,565	31,17,368

*N. Anand*



25) It is noticed during the audit that during the years 2016-17, 2017-18 and 2018-19, the Grama Panchayath had not credited the cess amount. At the close of the year 2018-19 the total cess amount to be credited to different heads of account of Government, as per the above statements was Rs.31,17,368/-. Instead the Cess / Tax amounts were utilised for other purpose of the Panchayath, which is opposed to Rules and illegal. Non-remittance of above Cess amount in a sum of Rs.31,17,368/- as stated above, amounts to misdirection of funds and loss to the State Exchequer. The respondent Nos.1, 2, 3 and 4 are responsible for the same.

**NON-PRODUCTION OF MUTATION REGISTERS**

26) The Grama Panchayath, Indlawadi had not maintained the files relating to change of Khatha, which were noted in the Tax Registers. Without maintenance of the files relating to transfer of khatas, it could not verified whether the transfer of khatas was on the basis of conversion of lands by the Deputy Commissioner or on the basis of Pavathi Varsa or purchase. The Panchayath Development Officer is responsible for illegal transfer of khathas or creation of bogus khatas if any.

**COLLECTION OF BUILDING RENTS FOR  
PANCHAYATH BUILDINGS**

27) The Indlawadi Grama Panchayath had not maintained the Register in Form No.15 (Rule 34) relating to monthly rents to be recovered from the shops/buildings of the Panchayath. The details of rents due and collection of rents during the year 2016-17, 2017-18 and 2018-19 are as follows:-

*N. Srinivas*

2016-17

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/16	Due for the year 2016-17	Total	Collection during the year 2016-17	Balance as on 31/3/2017
1.	Sri Timmaraju	2,575	13,408	30,900	44,308	19,500	24,808
2.	Sri Devaraju	2,575	13,408	30,900	44,308	16,000	28,308
3.	Sri C. Ashwathappa	2108	7509	25,300	32,809	14,500	18,309
	Total	7,258	34,325	39,600	1,21,425	50,000	71,425

2017-18

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/17	Due for the year 2017-18	Total	Collection during the year 2017-18	Balance as on 31/3/2018
1.	Sri Timmaraju	2,575	24,808	30,900	55,708	18,000	24,808
2.	Sri Devaraju	2,575	28,308	30,900	59,208	18,000	28,308
3.	Sri C. Ashwathappa	2,108	18,309	4216 2108x2	22,525	11,500	11,025
	Total	7,258	71,425	66,016	1,37,441	47,500	64,141

2018-19

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/18	Due for the year 2018-19	Total	Collection during the year 2018-19	Balance as on 31/3/2019
1.	Sri Timmaraju @ Ashwathappa	1,500	24,808	18,000	48,808	13,500	35,308
2.	Sri Devaraju @ Ashwathappa	1,500	28,308	18,000	46,308	18,000	28,308
3.	Sri Devaraju @ Ashwathappa	1,000	11,025	1000x6 6000	17,025	6000	11,025
	Total	4000	64,141	42,000	1,12,141	37,500	74,641

The Indlawadi Gram Panchayath had not taken action for collection of full rents from the shops let out by it and as on 31/3/2018, a sum of Rs.74,641/- was due from the tenants. It has also not taken action for evicting the shop owners. But as per the audit report of 2017-18 the shop of one tenant i.e. Sri C. Ashwathappa has been taken back. The Respondents 1, 2, 3 and 4 are responsible for failure to collect the rents in time.

**AUCTION RELATED CASES**

28) As per Rule 34 of the Karnataka Panchayath Raj (Gram Panchayath Budgeting and Accounting) Rules 2006, "the Revenue yielding properties consist of building, market yards, garden lands

*a. b. c. d.*

or any vacant land. Normal procedure is to auction the revenue collection rights to tenants or lessee. Successful bidders shall give security deposit of 3 months revenue, which shall be refunded only on production of a clearance certificate for the payment of entire lease or rent money. A demand and collection register to watch the collection of revenue shall be maintained in Form 15". The Indlawadi Gram Panchayath had not maintained such Demand and Collection Register. The details of auction for the year 2017-18 as per the files maintained in the Gram Panchayath viz., auctioned amount, collection through receipts and balance due are tabulated as follows: -

Sl. No.	Auction details	Name of successful bidder (Sriyuth)	Date of Auction	Bid Amount	Cess	Total	Revenue collected during the year 2017-18	Balance as on 31.3.18	Receipt details
1.	Tammanayak anahalli Village lake auction (fish forming)	Ashwath	17.11.17	6000	4500	10,500	10,500	0	519987/20.11.17
2.	Chikkahosahalli village Veerashetty lake	Nagesh	17.11.17	6500	4875	11,375	11,375	0	519993/29.11.17
3.	Chikkahosahalli village outside lake	Narayans wamy	17.11.17	9500	7,125	16,625	16,625	0	519998/04.12.17
4.	Chikkahosahalli huchamma lake	C. Venkatesh	17.11.17	6000	4500	10,500	10,500	0	519994/29.11.17
5.	Chikkahoshalli playa lake	C. Venkatesh	17.11.17	6,000	4,500	10,500	10,500	0	51999/6.12.17
6.	Indlawadipura village outside lake	Venkatesh	17.11.17	9,500	7,125	16,625	16,625	0	706563/18.11.17
7.	Nagayanadodi lake	Madesh	17.11.17	6,500	4,875	11,375	10,000	1,375	705736/05.02.18
8.	Chikkanahalli Village Gauramma lake	Marappa	17.11.17	19,000	14,250	33,250	33,250	0	705565/18.11.17
9.	Timmasandra village lake	Lokesh	17.11.17	8,000	6,000	14,000	14,000	0	705564/18.11.17
10.	Indlawadi village outside lake	Srinath	17.11.17	19,125	25,500	44,625	44,625	0	705562/18.11.17
11.	Indlawadi Gowdana lake	Sri ramappa	17.11.17	17,500	13,125	30,625	30,625	0	705568/23.11.17
12.	Kadujakkana halli lake	Hosanna	17.11.17	48,000	36,000	84,000	84,000	0	705735/05.02.18
						2,94,300	2,92,925	1,375	

*n. d. n. n.*

Out of the total amount of Rs.2,94,300/-, Rs.2,92,925/- has been recovered, remaining amount of Rs.1,375/- has to be recovered. The Respondent No. 2 and 3 are responsible for the same.

**SHORT CREDITING OF AMOUNTS**

29) As per the Audit for the year 2017-18, after examination of the receipts for the year 2017-18, there is a temporary misappropriation of Rs.1,35,077/-, the Gram Panchayath Secretary has not taken action as per Rule 25 and 26 of Karnataka PanchayathRaj (Budgeting and Accounts) Rules 2006. In such instance the Secretary had not informed the Competent Authority as per Rule 111 of Karnataka PanchayathRaj (Budgeting and Accounts) Rules 2006. This is negligence of duty, delayed attitude and failure to stop the loss by Respondent No.2 and 3, Panchayath Development Officers. Sri A. Srinivasaiah, Bill Collector has made short payment of Rs.1,35,077/- as per the Audit Inquiry letter No.03/2017-18. The short remittance of Rs.1,37,000/- has been recovered and the same has been credited to Fund 1 A/c No.04372200057800 dt. 17.01.2019.

**REGARDING EXPENDITURE OF PANCHAYATHS**

30) In relation to payment of expenditures the Grama Panchayath, Indlawadi Grama Panchayath had not obtained approval in relation to each payment. In relation to purchases and works, quality tests were not conducted, which had lead to misappropriation of funds.

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31) In the audit reports of Indlawadi Panchayath, in relation to payment of bills, it is observed that;

(i) The provisions of Karnataka Transparency in Public Procurement Act were not followed in procurement of goods. The purchase rules as clarified in Govt. Circular No. RDP242 Ji.Pa.Sa 2000 dated 9/4/2001 and PWD 33 FC 111/2001 dated 23/3/2001, were not followed.

(ii) As per Govt. Order No. LD 300 LET 2006 dated 18/1/2007, 1% of the Development/Maintenance works shall have to be deducted towards Labour Cess and the same amount shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmik Bhavan, Bannerghatta Road, Bangalore. The Indlawadi Gram Panchayath had not followed the above instructions.

(iii) In relation to purchase of materials of water supply and electricity, (a) the quotations were not called for, for most of the purchases; (b) In many cases, after payment, the Bills were not cancelled and certified; (c) Certificate with regard to qualitative procurement of goods were not mentioned; (d) After payment, the bills were not converted as Vouchers and numbers were not given; (e) On some of the Bills, Bill Passing Orders were not noted; (f) on the obverse of the Bills, certificate with regard to the materials taken to stock register is not noted; (g) in relation to issuance of materials and balance date wise entries were not attested.

(iv) In relation to repair of motor pumps, (a) estimates for repair were not prepared through Junior Engineer and for payment of repair bills, approval of estimates were not obtained; (b) the log book in respect of drilling of bore wells mentioning the details of bore wells drilled, depth of bore well, place of

*N. Shrinani*

bore well, was not maintained. The details of installation of motor and its previous repairs, complaints regarding repair and other details are not mentioned in the Log Book; (c) the dead stock materials removed after repairs were not taken to stock and the same were not disposed of.

**REGARDING SCHEMES OF GOVERNMENT**

32) During the year 2016-17, the Indlawadi Gram Panchayath has not utilised a sum of Rs.1,30,903/- under 13<sup>th</sup> Finance Scheme; the Indlawadi Gram Panchayath has not utilised a sum of Rs.9,63,344 under 14<sup>th</sup> Finance Scheme; the Indlawadi Gram Panchayath has not utilized a sum of Rs.1,55,463/- under ESCROW; the Indlawadi Gram Panchayath has not utilized a sum of Rs.24,14,695/ under Gram Vikas which results in failure of objects of the scheme. It is also noticed during the audit that the grants of 13<sup>th</sup> and 14<sup>th</sup> finance scheme was not utilised as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated.

33) During the year 2017-18, the Indlawadi Gram Panchayath has not utilised a sum of Rs.6,69,995/- under 14<sup>th</sup> Finance Scheme; the Indlawadi Gram Panchayath has not utilised a sum of Rs.10,79,146/- under Gram Vikas which results in failure of objects of the scheme. It is also noticed during the audit that the grants of 14<sup>th</sup> finance scheme was not utilised as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated.

34) During the year 2018-19, the Indlawadi Gram Panchayath has not utilised a sum of Rs.44,22,757/- under 14<sup>th</sup> Finance

*a. Suresh*

Scheme; the Indlawadi Gram Panchayath has not utilised a sum of Rs.26,61,942/- under Gram Vikas and Rs.16,46,210/- under ESCROW which results in failure of objects of the scheme. It is also noticed during the audit that the grants of 14<sup>th</sup> finance scheme was not utilised as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated.

35) In the Audit report for the year 2016-17, 2017-18 and 2018-19 it is stated that the Indlawadi Grama Panchayath had not maintained the Works Register in Form No.35 as per Rule 79 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006. As per Grama Panchayath Budgeting and Accounting Rules, 1994 and Rule 94 of the Karnataka Public Works Code, the Stock Register of works and maintenance of machineries were not maintained.

#### **REGARDING MEASUREMENT BOOKS**

36) In the Audit Report for the year 2016-17, 2017-18 and 2018-19 it is noticed that the Grama Panchayath of Indlawadi had not procured the Measurement books from Government Printing Press. If the Govt. Printing Press had not supplied the Measurement books, the procedure as prescribed under KTPP Act shall have to be followed. It is noticed that the measurement books were purchased from private agencies. The stock register of measurement book was not maintained. The measurement book is an important document, which should be preserved for number of years.

*no. [Signature]*

**NON - REMITTANCE/SHORT REMITTANCE OF ROYALTY, ETC  
TO CONCERNED HEADS OF ACCOUNT OF GOVERNMENT**

37) During the audit for the year 2016-17, 2017-18 and 2018-19, it is noticed that the following amount of royalty, sales tax, income tax and labour welfare tax which were deducted from works bills were not remitted to the concerned heads of the Government.

2016-17

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund
Opening balance on 1/4/2016	2,10,503	2,35,336	1,25,212	26,503
Deductions for 2016-17	20,191	72,154	18,599	18,524
Total	2,30,694	3,07,490	1,43,811	45,027
Remitted to Govt. during 2016-17	9,461	1,10,915	22,634	17,535
Balance to be remitted as on 31/3/2017	2,21,233	1,96,575	1,21,177	27,492

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance on 1/4/2017	2,21,233	1,96,575	1,21,177	27,492	0
Deductions for 2017-18	32,528	65,056	16,268	16,268	6,608
Total	2,53,761	2,61,631	1,37,445	43,760	6,608
Remitted to Govt. during 2017-18	-	21,210	23,172	13,251	-
Balance to be remitted as on 31/3/2018	2,53,761	2,40,421	1,14,273	30,509	6,608

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2018-19

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance on 1/4/2018	2,53,761	2,40,421	1,14,273	30,509	6,608
Deductions for 2018-19	During the year 2018-19 no works has been carried out under Group-1, 14 <sup>th</sup> Finance Scheme and other schemes				
Total	2,53,761	2,40,421	1,14,273	30,509	6,608
Remitted to Govt. during 2018-19	31,990	63,860	15,968	15,968	-
Balance to be remitted as on 31/3/2019	2,21,771	1,76,561	98,305	14,541	6,608

As on 31/03/2019 a sum of Rs.2,21,771/- towards Royalty; Rs.1,76,561/- towards sales tax, Rs.98,305/- towards Income Tax, Rs.14,541/- towards Labour Welfare Fund and Rs.6,608/- towards Contractors Benevolent fund are due to be remitted to the concerned heads of the Government. Non-remittance/Short Remittance of above Royalty, Sales Tax, Income Tax, Labour Welfare Fund and Contractor's Benevolent Funds to the concerned Heads of Department of Government amount to misdirection of funds and loss to the State Exchequer.

38) During the audit for the year 2016-17, 2017-18 and 2018-19, it is noticed that the following amount of royalty, sales tax, income tax, labour welfare tax and CBF which were deducted from Contractors/materials suppliers were not remitted to the concerned heads of the Government.

*V. Srinivas*

2016-17

Taxes	Schemes	Amount to be deducted during 2016-17	Amount deducted during the year 2016-17	Amount short deducted / left out	Amount remitted to Treasury	Amount short remitted to treasury.
Royalty	Group 1	-	-	-	-	-
	14 <sup>th</sup> finance	36,638	20,191	16,447	9,461	10,730
<b>Total</b>		<b>36,638</b>	<b>20,191</b>	<b>16,447</b>	<b>9,461</b>	<b>10,730</b>
Sales Tax	Group 1	6,073	6,073	-	45,138	-39,065
	14 <sup>th</sup> finance	66,081	66,081	-	65,777	304
<b>Total</b>		<b>72,154</b>	<b>72,154</b>	<b>-</b>	<b>1,10,915</b>	<b>-38,761</b>
Income Tax	Group 1	1,515	1,515	-	5,644	-4219
	14 <sup>th</sup> finance	17,084	17,084	-	16,990	94
<b>Total</b>		<b>18,599</b>	<b>18,599</b>	<b>-</b>	<b>22,634</b>	<b>-4035</b>
Labour Welfare Board Fee	Group 1	1,515	1,515	-	-	1,515
	14 <sup>th</sup> finance	17,009	17,009	-	17,535	-526
<b>Total</b>		<b>18,524</b>	<b>18,524</b>	<b>-</b>	<b>17,535</b>	<b>989</b>
CBF	Group 1	152	-	152	-	-
	14 <sup>th</sup> finance	1,683	-	1,683	-	-
<b>Total</b>		<b>1,835</b>	<b>-</b>	<b>1,835</b>	<b>-</b>	<b>-</b>
<b>Grand Total</b>		<b>1,47,750</b>	<b>1,29,468</b>	<b>18,282</b>	<b>1,60,545</b>	<b>-31,077</b>

*v. Luvu*

2017-18

Taxes	Schemes	Amount to be deducted during 2017-18	Amount deducted during the year 2017-18	Amount short deducted /left out	Amount remitted to Treasury	Amount shorted remitter to treasury.
Royalty	Group 1	598	598	-	-	598
	14 <sup>th</sup> finance	33,612	31,930	1,682	-	31,930
<b>Total</b>		<b>34,210</b>	<b>32,528</b>	<b>1,682</b>	-	<b>32,528</b>
Sales Tax	Group 1	1,196	1,196	-	-	1,196
	14 <sup>th</sup> finance	63,860	63,860	-	-	63,860
<b>Total</b>		<b>65,056</b>	<b>65,056</b>	-	-	<b>65,056</b>
Income Tax	Group 1	300	300	-	-	300
	14 <sup>th</sup> finance	15,968	15,968	-	-	15,968
<b>Total</b>		<b>16,268</b>	<b>16,268</b>	-	-	<b>16,268</b>
Labour Welfare Board Fee	Group 1	300	300	-	-	300
	14 <sup>th</sup> finance	15,968	15,968	-	-	15,968
<b>Total</b>		<b>16,268</b>	<b>16,268</b>	-	-	<b>16,268</b>
CBF	Group 1	140	140	-	-	140
	14 <sup>th</sup> finance	6,748	6,608	140	-	6,608
<b>Total</b>		<b>6,888</b>	<b>6,748</b>	<b>140</b>	-	<b>6,748</b>
<b>Grand Total</b>		<b>1,38,690</b>	<b>1,36,868</b>	<b>1822</b>	-	<b>1,36,868</b>

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2018-19

Taxes	Schemes	Amount to be deducted during 2018-19	Amount deducted during the year 2018-19	Amount short deducted /left out	Amount remitted to Treasury	Amount shorted remitter to treasury.
Royalty	Group 1	During the year 2018-19 no works has been carried out under Group-1, 14 <sup>th</sup> Finance Scheme and other schemes				
	14 <sup>th</sup> finance					
<b>Total</b>						
G.S.T	Group 1					
	14 <sup>th</sup> finance					
<b>Total</b>						
Income Tax	Group 1					
	14 <sup>th</sup> finance					
<b>Total</b>						
Labour Welfare Board Fee	Group 1					
	14 <sup>th</sup> finance					
<b>Total</b>						
CBF	Group 1					
	14 <sup>th</sup> finance					
<b>Total</b>						
<b>Grand Total</b>						

As per the audit for the year 2016-17, there is short remittance of Royalty of Rs.10,730/- and Labour Welfare Board Fee of Rs.989/- to the concerned Heads of Account of Government. At the end of 31/03/2018, totally an amount of Rs.1,36,868/- was not remitted to the concerned Heads of Account of Government. Non-remittance/Short Remittance of above Royalty, Sales Tax,

*N. Prasad*

Income Tax, Labour Welfare Fund and Contractor's Benevolent Funds to the concerned Heads of Department of Government amount to misdirection of funds and loss to the State Exchequer.

As per Govt. Order No. LD 300 LET 2006 dated 18/1/2007, 1% of the Development/Maintenance works shall have to be deducted towards Labour Cess and the same amount shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmika Bhavan, Bannerghatta Road, Bangalore. The Indlawadi Panchayath had not followed the above instructions.

39) The Indlawadi Grama Panchayath, had not maintained the following registers, which shall be maintained in the Panchayath.

- (i) Advertisement demand and collection Register
- (ii) Water charges demand and collection register
- (iii) Property register through which income is generated
- (iv) Licence Issue Register,
- (v) Entertainment Taxes demand register
- (vi) Stock and Issue Register of purchases
- (vii) Register of estimates of works.
- (viii) Nominal Muster Rolls Register
- (ix) Works Register
- (x) Measurement books' Register
- (xi) Loan Repayment Register
- (xii) Land records register
- (xiii) Immovable properties (Other than lands)
- (xiv) DCB Register of Taxes
- (xv) Mutation Register,
- (xvi) Register of newly created properties.

*n. Sumanth.*

40) Apart from the above Registers Indlawadi Grama Panchayath had not maintained the following registers and ledgers

- (i) Double entry system of Cash Book in Form No. 49 as per Rule 104 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006
- (ii) Journal Booking form No.50 as per Rule 106 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.
- (iii) Ledger Accounts in Form No. 52 as per Rule 107 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006

41) In the preparation of financial statements for the year 2016-17, 2017-18 and 2018-19 the Grama Panchayath, Indlawadi has committed the following flaws.

- (i) The Classification of receipts and payments was not made in specified heads. Certain assets were formed under schemes, which were not shown under expenditure. Instead they were shown under Revenue expenditure.
- (ii) In the cash book, all the cash flows in the Cash/Bank column were not properly classified under different heads and the same was not brought to statement.
- (iii) The revenue expenditures met out under grants of specified schemes, were not brought under other revenue expenditure accounts.
- (iv) While computing the incomes and expenditure all the incomes (whether received or not received) and all

*V. Dhanu*

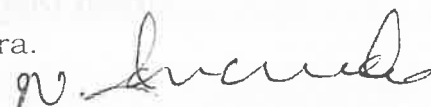
expenditures (whether actually incurred or not incurred) were not considered.

- (v) The depreciation on the properties were not accounted and shown as loss.
- (vi) In the receipt and expenditure statement, index numbers were not mentioned.
- (vii) The income derived due to sale of dead stock materials and properties of Grama Panchayath were not shown in the profit and loss statement.
- (viii) In the balance sheet also, there are several discrepancies.

42) The following Executive Officers were working at Taluk Panchayath Anekal, who had control and supervision over the working of the Grama Panchayaths within the limits of Anekal Taluk, which includes the Indlawadi Grama Panchayath.

Sl. No.	Name of the Executive Officer	Period of work at Taluk Panchayath Anekal
1	Sri N. Nomesh Kumar	13/7/2015 to 19/5/2017
2	Sri T.K. Ramesh	19/5/2017 to 12/7/2019
3	Sri K.C.Devarajegowda	24/7/2019 till date

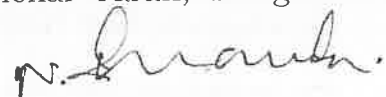
The above Executive Officers, during their tenure at Anekal Taluk Panchayath had not supervised the accounts and administration of Grama Panchayath, Indlawadi Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama Panchayaths, the irregularities/misappropriation stated supra at Indlawadi Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ misappropriation, stated supra.



43) The respondents while submitting their comments have stated that the budgets of the Indlawadi Gram Panchayath were prepared every year as per rules and audits of Indlawadi Gram Panchayath was conducted. They have not explained the irregularities/loss to the State exchequer stated supra. Their comments cannot be accepted. In view of the above discussions, there is prima-facie material to hold that the respondents have committed misconduct.

44) Therefore, acting under section 12(3) of the Karnataka Lokayukta Act, 1984, it is hereby recommended to the Competent Authority for initiating Disciplinary proceedings against the following Respondents and to entrust the same to this Authority under Rule 14A of the Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

- i) **Respondent No.1** Sri P. Rangaswamy, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 17/06/2016 to 26/10/2016) – Presently working at Kaggalipura Grama Panchayath, Bengaluru South Taluk, Bengaluru Urban District.
- ii) **Respondent No.2** Sri Sunil.L, the then I/c Panchayath Development Officer, IndlawadiGrama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 21/11/2016 to 27/10/2017) – Presently working at Gulbarga District.
- iii) **Respondent No.3** Sri Om Mahesh, the then Panchayath Development Officer, IndlawadiGrama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 02/11/2017 to 31/08/2018) presently working as Secretary at Mantapa Grama Panchayath, Anekal Taluk, Bengaluru Urban District.






- iv) **Respondent No.4** Smt. Annapurneshwari G. Shivangi, the then Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban Distirct (for the period from 03/09/2018 to 30/03/2019).
- v) **Respondent No.5** Smt. K. Vaishnavi, Panchayath Development Officer, Indlawadi Grama Panchayath, Anekal Taluk, Bengaluru Urban District (for the period from 01/04/2019 to till date).
- vi) **Respondent No.6** Sri Nomesk Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.
- vii) **Respondent No.7** Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru.
- viii) **Respondent No.8** Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

45. As per Section 12(4) of the Karnataka Lokayukta Act, the Competent Authority shall intimate or cause to be intimated the action taken on this recommendation to this Authority within 3 months from the date of receipt of this report.

Connected records are enclosed.

  
(JUSTICE N. ANANDA)  
Upalokayukta-1  
State of Karnataka, Bengaluru.

