

KARNATAKA LOKAYUKTA

No. Compt/Uplok/BCD/80/2020/ARLO-1

Multi Storied Buildings,
Dr. B.R. Ambedkar Veedhi,
Bengaluru 560 001
Dated: **29/06/2020**

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

Sub:- Proceedings against:-

- (1) Sri E. Kantharaj, the then Panchayath Development Officer, Hennagara Grama Panchayath, Anekal Taluk (for the period from 01/01/2016 to 6/2/2017) – now working at Neriga Grama Panchayath, Anekal Taluk
- (2) Sri A.Tulasinath, Panchayath Development officer, Hennagara Grama Panchayath, Anekal Taluk (since 7/2/2017).
- (3) Sri Nomesh 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
- (4) 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
- (5) Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

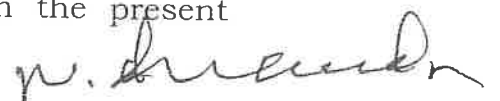
The above complaint was registered suo-motu on the basis of source information that there is mismanagement in the maintenance of accounts and submission of periodical expenditure statements by Hennagara Grama Panchayath of Anekal Taluk and also submission of audit reports.



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 of Hennagara Grama 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 E. Kantharaj, the then Panchayath Development Officer, Hennagara Grama Panchayath, Anekal Taluk (for the period from 01/01/2016 to 6/2/2017) – now working at Neriga Grama Panchayath, Anekal Taluk
- (2) Sri A.Tulasinath, Panchayath Development officer, Hennagara Grama Panchayath, Anekal Taluk (since 7/2/2017).
- (3) Sri Nomesh 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
- (4) 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
- (5) Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

3) The Respondent 1 has submitted comments dated 17/3/2020 stating that the present Panchayath Development Officer has submitted the copies of records of Hennagara Grama Panchayath. Respondent No.2- Sri A. Tulasinath the present



Panchayath Development Officers has submitted comments dated 11/2/2020, wherein he has stated the names of Panchayath Development Officers worked at Hennagara Grama Panchayath between 1/1/2006 till date. He has further stated 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. The audit of the Hennagara Grama Panchayath was conducted for the years 2016-17 to 2019-20 and copies of the Audit Reports for the years 2016-17 and 2018-19 are enclosed. In relation to Audit Report for the year 2018-19 he has stated that the audit was conducted but the report is not yet submitted.

4) The Respondent No.3 Sri Nomesk Kumar, the then Executive Officer of Taluk Panchayath, Anekal has submitted comments dated 12/2/2020 and 27/2/2020 stating that during his tenure, the Hennagara Grama Panchayath had submitted the audit report for the year 2016-17 and 2017-18 to the Accounts Officer of Taluk Panchayath. The Budget for the year 2016-17 and 2017-18 were submitted by the Hennagara Grama Panchayath. 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.4 Sri T.K. Ramesh, the then Executive Officer of Anekal Taluk Panchayath, has submitted comments dated 12/2/2020 and 27/2/2020 similar to the comments submitted by Respondent No.3. Respondent No.5 Sri Devaraje Gowda, present Executive Officer of Anekal Grama Panchayath has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath

N. Shrawan

Development Officer of Hennagara Grama Panchayath 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, 2018-19 and 2019-20 and copies of the Audit reports for the years 2016-17 & 2017-18 of Hennagara Grama Panchayath produced by Respondent No.2 Sri A. Tulasinath, along with his comments are perused.

BUDGET PROVISIONS

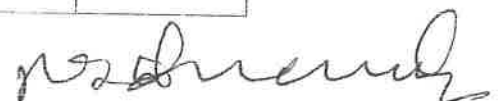
6) As per the Budget estimates for the years 2016-17 2017-18, 2018-19 and 2019-20, the following income & Expenditure were estimated for the Hennagara Grama Panchayath.

1. REVENUE INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	116,50,000	40,54,601	52,17,373	222,75,358
2	Rates and Taxes	222,30,000	195,30,957	325,84,576	288,01,457
3	Revenue from the Panchayath Properties	2,50,000	58,00,000	8,00,000	42,85,605
4	Revenue from Grama Panchayath Authorities	184,20,000	208,26,687	154,42,167	208,12,247
5	Grants, Donation, Subscriptions	8,00,000	15,00,000	15,00,000	43,00,000
6	Other Receipts	39,80,000	-	-	-
	Total Revenue Income	573,30,000	517,12,244	555,44,116	804,74,668

REVENUE EXPENDITURES

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	General Administration				
	i) Grama Panchayath (Elected Body)	8,03,200	11,57,057	11,59,866	18,08,010
	ii) Office	31,95,000	45,32,662	50,20,239	66,24,165
	Total	39,98,200	56,89,719	61,80,105	84,32,174
2	Development Expenditure				
	1) Drinking Water	91,00,000	90,50,000	60,63,805	67,74,236
	2) Rural Sanitation	96,50,000	36,00,000	11,00,000	13,44,702
	3) General Health & Family Welfare	2,00,000	2,97,000	3,04,764	83,098
	4) Roads, Bridges & other connecting medias	90,00,000	2,84,758	2,85,789	15,00,000



5) Buildings	10,00,000	-	-	5,00,000
6) Electrification and Electricity supply	13,00,000	15,00,000	15,00,000	21,38,093
7) Development of Non-conventional energy sources	0	-	-	-
8) Social Public Service programmes	9,87,960	2,50,000	2,50,000	25,64,195
9) Motivation Services	77,94,640	14,47,299	14,47,299	50,000
Total Expenditure	390,32,600	164,29,057	109,51,657	149,54,324
Transfer from Genl. fund	83,30,000	56,50,018	95,59,510	85,57,139
Other Revenue Expenditure	-	187,04,612	227,74,575	-
Total Revenue Expenditure	513,60,800	464,73,405	494,65,847	319,43,637
Closing balance (i)	59,69,200	52,38,839	60,78,269	485,31,031

2. CAPITAL INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	0	25,31,606	48,55,681	-
2	Grants, Subscription, donation.	0	-	-	-
3	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	114,00,000	64,50,200	84,28,700	76,81,170
	Total Capital Income	114,00,000	89,81,806	132,84,381	76,81,170

Capital expenditures

Sl. No.	Details				
1	Development Expenditure				
	1) Drinking Water	0	0	0	29,70,074
	2) Rural sanitation	0	0	0	-
	3) Roads, Bridges & other connecting medias	0	0	0	360,00,000
	4) Buildings	0	0	0	-
	5) Payment of salary to staff	0	0	0	-
	6) Social & public service programmes	0	0	0	4,35,412
	Total Expenditure	0	0	0	394,05,486
2	Specific Project Expenditure				
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	114,00,000	64,50,200	84,28,700	76,81,170

V. Srinivas

3	Procurement of properties	0	0	0	8,00,000
4	Repayment of loan	0	0	0	-
	Total Capital expenditure	114,00,000	64,50,200	84,28,700	478,86,656
	Closing Balance (ii)	0	25,31,606	48,55,681	-402,05,486

3. DEPOSITS, ADVANCES & INVESTMENTS

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	0	0	0	0
2	Receipt	0	0	0	0
	Total Income	0	0	0	0
3	Expenditure	00	0	0	0
	Closing Balance (iii)	0	0	0	0
	Total Final Balance of the Panchayath (i) + (ii) + (iii)	59,69,200	78,70,445	110,33,950	83,25,545

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.



(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.

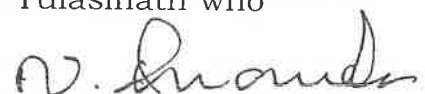
(ii) All existing liabilities, which cannot be liquidated before the commencement of the year for which the budget is being prepared shall be ascertained and provided for.

(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 Hennagara Grama Panchayath for the years 2016-17 and 2017-18, it is observed that the 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 Hennagara Grama Panchayath.

10) The Respondent No.1 Sri Kantharaj E, was working as Panchayath Development Officer of Hennagara Grama Panchayath from 1/1/2006 to 2/2/2017 has prepared the Budget estimates for the year 2016-17; and Respondent No.2 Sri A. Tulasinath who



was working as Panchayath Development Officer from 10/2/2017 has prepared and submitted the Budget estimates for the years 2017-18, 2018-19 and 2019-20 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.3 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.4 Sri T.K. Ramesh, the then Executive Officer had approved the budget estimates for the years 2018-19 and 2019-20. 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 20th of the subsequent month. Similarly, half yearly accounts shall have to be prepared in Form 53 and Trial Balance in Form No.54. In relation to the above Hennagara 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

N. Nomesh Kumar

Panchayath, Budgeting and Accounts) Rules, 2006. In the audit reports for the years 2016-17 and 2017-18 at paragraph 15 & 16 it is stated that 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 Hennagara Grama Panchayath. Therefore, the Respondents 1 & 2 who were working as Panchayath Development Officers of Hennagara Grama Panchayath are responsible for the same. The Respondents No. 3, 4 and 5 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, Hennagara had not maintained the Grants Register in Form No.45, 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, Hennagara had not maintained the following registers.

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)

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

- 14) As per the Audit Report for the year 2016-17, the opening balance of amount reserved under 25% Grant for the welfare of Scheduled Caste/Scheduled Tribe as on 1/4/2016 is shown as Rs.7,73,211/-. During the year 2016-17, a sum of Rs.20,48,994/- was reserved for the welfare of Scheduled Caste/Scheduled Tribe under 25% grant scheme. Out of the above amount, during the year 2016-17, a sum of Rs.31,68,866/- was spent.
- 15) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, as per the Audit report the opening balance as on 1/4/2016 was Rs.24,83,267/-. During the year 2016-17 a sum of Rs.7,60,140/- was reserved and during the year 2016-17 a sum of Rs.2,70,000/- was spent under the above scheme, thus, the closing balance as on 31/3/2017 is shown as Rs.29,73,407/-. The Respondent No.1 Sri Kantharaju E & Respondent No.2 Sri A. Tulasinath who were working as Panchayath Development Officers during the year 2016-17 had not spent the amount under 3% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.
- 16) As per the Audit Report for the year 2017-18, the opening balance of amount reserved under 25% Grant for the welfare of Scheduled Caste/Scheduled Tribe as on 1/4/2017 was Rs.7,73,211/-. During the year 2017-18, a sum of Rs.29,32,953/- was reserved for the welfare of Scheduled Caste/Scheduled Tribe

N. Shankar

under 25% grant scheme. During the year 2017-18, entire amount of Rs.37,06,164/- is shown to have spent.

17) In relation to the amount reserved for the welfare of Physically Challenged persons under 3% grant scheme, as per the Audit Report the opening balance was Rs.24,83,267/- as on 1/4/2017. During the year 2017-18 a sum of Rs.1,39,730/- was reserved and during the year 2017-18 a sum of Rs.3,50,000/- was spent, thus, the closing balance as on 31/3/2018 is shown as Rs.22,72,997/-. The Respondent No.2 Sri A. Tulasinath who was working as Panchayath Development Officer during the year 2017-18 had not spent the full amount under 3% scheme in accordance with Rules, thus depriving the benefits of the scheme to the above class of persons.

RECEIPT BOOKS

18) The Hennagara 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 and 2017-18. 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
1	Opening Balance	07	17
2	Receipt of Receipt Books	49	41
3	Total	56	58
4	No. of receipt books utilized for the year	39	40
5	Balance of receipt books at the end of the year	17	18

S. Tulasinath

The Respondents 1 & 2 are responsible for not maintaining the Stock Register of Receipt Books for the years 2016-17 2017 and 2017-18.

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

19) As per the Audit Report for the year 2016-17 and 2017-18, Hennagara Grama Panchayath had 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. The Respondent No.1 Sri Kantharaj E and Respondent No.2 Sri A.Tulasinath, Panchayath Development Officers of Hennagara Grama Panchayath during the years 2016-17 and 2017-18 are responsible for the above lapse.

20) As per the Audit reports for the years 2016-17 and 2017-18, The Hennagara Grama Panchayath had not maintained the Demand, Collection and Balance (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	47,58,669	206,96,404	254,55,073	235,63,101	18,91,972
2	Water Tax	11,660	26,500	38,160	33,100	5,060
3	Licence	0	88,45,599	88,45,599	88,45,599	0
	Total	47,70,329	295,56,503	343,38,832	324,41,800	18,97,032

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2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	18,91,972	278,29,707	297,21,679	309,68,957	-
2	Water Tax	5,060	11,19,900	11,24,960	11,25,610	-
3	Light Tax	-	6,56,746	6,56,746	5,05,746	1,51,000
4	Licence	-	69,00,000	69,00,000	69,00,000	-
5	Others	-	35,00,500	35,00,500	35,00,500	-
	Total	18,97,032			430,00,813	1,51,000

21) In the Audit Report for the year 2017-18, instead of taking the closing balance of the year 2016-17 as opening balance for the year 2017-18, the opening balance of the year 2016-17 itself is taken as opening balance of 2017-18, which is wrong. Therefore, in the above statement for the year 2017-18, the closing balance for the year 2016-17 is taken as opening balance and demand and collections shown in the audit report for the year 2017-18 are taken for calculation.

22) As per the above statements, the light tax of Rs.1,51,000/- was not collected which amounts to loss caused to the State Exchequer. Due to short collection of revenue due to the Panchayath, providing infrastructure facilities has become stunted. The Respondent No.3 Sri A. Tulasinath, Panchayath Development Officers are responsible for short collection of light tax during the year 2017-18.

23) In the audit reports for the years 2016-17 and 2017-18 it is observed that the Hennagara 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.

24) As per Rule 20 of Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, General Receipts in Form No.3 have not been incorporated. The Registers

N. Suresh

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.

25) From the Audit Reports for the years 2016-17 and 2017-18, it is noticed that (i) the amount received through Cheque/DDs was not issued with temporary receipts in Form No.3A and the amount was directly credited to Grama Panchayath Fund; (ii) the amount collected was not remitted to the Bank on the same day, instead it was remitted belatedly; (iii) the amount noted in the Receipts was not mentioned against the properties in the DCB Register; and (iv), the demand was not revised. From the above lapses, there are chances of causing loss to the Grama Panchayath and belated remittance of collections leads to temporary misappropriation. The Respondents 1 and 2 who were working as Panchayath Development officers during the years 2016-17 and 2017-18 are responsible for the above lapses.

NON-REMITTANCE OF CESS/SURCHARGES

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

2016-17

Sl. No	Details of Cess	Current year's collection	Panchayath tax @10%	Balance cess	Opening balance for the year	Total to be remitted	Remitted during the year	Balance as on 31/03/2017
1.	Health cess	26,37,661	263766	23,73,895	99,21,918	122,95,813	4,58,968	118,36,684
2.	Education cess	17,58,440	175844	15,82,596	64,50,111	80,32,707	3,05,979	77,26,728
3.	Library cess	10,55,064	105506	9,49,558	39,66,591	49,16,149	1,83,588	47,32,561
4.	Beggars cess	5,27,532	52753	4,74,779	17,04,451	21,79,230	91,794	20,87,436
	Total	59,78,697	597869	53,80,828	220,43,071	274,23,899	10,40,329	263,83,570

v. Srinath

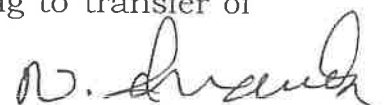
2017-18

Sl. No	Details of Cess	Current year's collection	Panchayath tax @10%	Balance cess	Opening balance for the year	Total to be paid	Paid during the year	Balance as on 31/03/2018
1.	Health cess	34,66,674	346667	31,20,007	118,36,684	149,56,852	-	149,56,852
2.	Educational cess	23,11,116	231112	20,80,004	77,26,728	98,06,732	-	98,06,732
3.	Library cess	13,86,670	138667	12,48,003	47,32,561	59,80,564	-	59,80,564
4.	Beggars cess	6,93,335	69334	6,24,001	20,87,436	20,87,436	-	20,87,436
	Total	78,57,795	785780	70,72,015	263,83,570	334,55,585	-	334,55,585

27) It is noticed from audit reports of the years 2016-17 and 2017-18 that the Hennagara Grama Panchayath, had not deposited the above cess/surcharge amount collected to the concerned heads of account of Government. At the close of the year 2018-19 the cess amount to be deposited to different heads of account 334,55,585/-. As per the Audit reports, the Hennagara Grama Panchayath, instead of depositing the above Cess amount to the concerned heads of account of Government had utilized the same for other purposes, which is illegal and opposed to Rules. The Panchayath had also not explained as to for which purpose, the Cess amount was utilized. Non-remittance of above Cess amount in a sum of Rs.334,55,585/- as stated above, amounts to misdirection of funds and loss to the State exchequer. The respondent Nos. 1 & 2, who were working as Panchayath Development Officers of Hennagara Grama Panchayath during the relevant years, are responsible for the same.

NON-PRODUCTION OF MUTATION/E- PROPERTY REGISTER

28) As per the Audit Report for the years 2016-17 and 2017-18 the Hennagara Grama Panchayath, 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 be 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.

NON-PRODUCTION OF REGISTER & INFORMATION RELATING TO AUCTION OF PANCHAYATH PROPERTIES

29) As per Rule 34 of the Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounting) Rules, 2006, the tax collection rights of properties yielding income of the Panchayath used to be given to the contractors through auction and the successful bidders shall give security deposit of three months' income. In this regard, the Panchayath shall maintain a register in Form No.15 regarding demand and collection. As per the Audit Report for the year 2016-17 Hennagara Gram Panchayath had not maintained such a register in relation to auction cases. The details of auction took place during the year 2016-17 are not furnished to the audit. The Respondents 1 & 2 are responsible for not maintaining the Register of auction in Form No.15, stated above and not furnishing the details of auction to the audit.

IRREGULARITIES IN PAYMENTS

30) In relation to payments, it is observed in the Audit reports for the years 2016-17 and 2017-18 that no approval was obtained in the concerned files respect of each payment; in respect of works and purchases, quality test of materials/works was not conducted. Failure to follow the above procedure, lead to misappropriation of funds. The Respondents 1 and 2 who were the Panchayath

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Development Officers of Hennagara Grama Panchayath, during the relevant years, are responsible for the same.

REGARDING EXPENDITURE OF PANCHAYATHS

31) In the audit reports of Hennagara Grama 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. RDP 242 Ji.Pa.Sa 2000 dated 9/4/2001 and PWD 33 FC 111/2001 dated 23/3/2001, were not followed. The Karnataka Transparency in Public Procurement Rules, 2000 was not followed in respect of purchases.

(ii) 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.

(iii) 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 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

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after repairs were not taken to stock and the same were not disposed of.

(iv) From the Audit report for the year 2016-17, it is noticed that in order to circumvent the calling of tender for purchase of materials more than Rs.1.00 Lakh, the Bills were split and purchases were made by calling quotations. Thus, the Karnataka Transparency in public procurement Act, 1999 and Rules framed there under were violated. The details of such purchases are stated in Annexure-7 to the Audit Report, which are as follows:-

Sl. No.	Details of work	Cheque No.	Date	Amount paid	Remarks
1	JCB work	653247	7/4/2016	31,550	Veerabhadra swamy earth movers (7 bills)
2	Purchase of materials for water supply	653240	2/4/2016	30,302	Water supply materials (8 bills)
3	JCB Work	653249	7/4/2016	21,200	Veerabhadraswamy earth movers (5 bills)
4	Pooja Waste water in septic tank	653248	7/4/2016	28,800	Tank cleaning (8 Bills)
5	Dhanalaxmi Traders	654335	27/5/2016	17,255	Water supply materials (5 Bills)
6	Manjunatha Electricals	654334	27/5/2016	13,030	Water supply materials
7	Mathaji Electricals	653268	17/5/2016	24,298	Purchase of electric items (6 bills)
8	RNS Earth movers	653261	6/5/2016	12,600	JCB machine hire
9	Beereshwara Traders	654278	15/7/2016	3,73,638	Purchase of electric items (7 Bills)
10	Nishanth Earth movers	654279	15/7/2016	12,800	J.C.B. works
11	Majestic Printing Press	654283	15/7/2016	28,500	Materials for office
12	Mahalaxmi Hardwares	654295	26/7/2016	1,01,821	Water supply materials (2 Bills)
13	Remdev Hardware	654296	26/7/2016	1,02,517	Water Supply materials.
14	Venkateshwarra Tent house	654298	26/7/2016	15,100	Laying of Shamiyana for a programme
15	Bhyraveswarra Tent House	654315	8/8/2016	39,100	Laying shamiyana for tax collection campaign.
16	PVC Pipes Pvt. Limited	654306	3/8/2016	33,314	Execution of UGD work

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17	S.K. Enterprises	656023	25/8/2016	19,938	Purchase of Printer
18	Ramdev Hardware Electricals	656027	25/8/2016	50,805	Purchase of water supply equipments.
19	Ranab Computers	656093	27/9/2016	17,000	Photocopy charges (4 Bills)
20	Maheshwari Moments	656083	26/9/2016	18,140	Painting of Board
21	Beereshwara Traders	656053	7/9/2016	1,74,012	Purchase of Electric items
22	Dr. Vishnu Arts & Prints	656849	6/10/2016	27,500	Writing on walls
23	V.M Prints	656848	6/10/2016	27,750	Printing of Invitation cards (6 Bills)
24	Sri Renuka Tent House	656842	4/10/2016	42,000	Laying shamiyana for grama sabha (2 Bills)
25	Sri Venkateh-wara Flourist	656844	4/10/2016	34,000	Supply of show plants for gramsabha
26	Solar Hareware	657590	4/11/2016	14,722	Repair of pipeline - purchase of material
27	Dr. Vishnu Arts& Paints	657596	4/11/2016	15,000	Printing of Banner
28	Veerabhadres hwara Earth movers	659610	29/12/2016	13,500	Movement of garbage
29	Civil-Tech consultants	659607	16/12/2016	24,150	Inspection of OHT
30	SRS Earth Movers Ltd.,	659628	2/1/2017	14,700	J.C.B. works
31	Krishi Electricals	664455	18/2/2017	1,59,298	Purchase of electric items.
32	Pallavi Consultants	662626	23/3/2017	55,000	For preparation of building plan.
33	Sri Manjunath Electricals	664489	21/3/2017	3,56,990	Repair of motor pump (7 Bills)
34	Purchase of cable for bore well	11332	8/12/2016	1,07,442	Payment to Manjunath electrical (by calling quotations) (Grants)

The Respondent No.1 Sri Kantharaj E and Respondent No.2 Sri A. Tulasinath, who was working as Panchayath Development Officer during the above period, are responsible for above purchases, without calling for tender and splitting the Bills.

(v) From the Audit Report for the year 2016-17, it is noticed that in relation to payment of Bills for repairs to pump motors, income tax as per Section 194-C of the Income Tax Act was not deducted. It is stated that during the year 2016-17 a sum of Rs.50,332/- towards income tax was not deducted from the

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Bills. The details of such non-deduction of income tax from Bills towards repair to pump motors are annexed to the Audit Report, which are as follows:-

Sl. No.	Details	Cheque No.	Date	Bill Amount	Income Tax ought to have been deducted	Remarks
1	Ramdev Hardware & Electricals.	656028	25/8/2016	1,82,448	3,648	Motor pump repair
2	Breereshwar Electricals	656851	6/10/2016	2,68,483	5,368	-do -
3	Sri Lakshmi Electricals	656840	4/10/2016	72,237	1,444	
4	Karthik Electricals	656839	4/10/2016	21,941	438	
5	Manjunath Electricals	656877	20/10/2016	64,150	1,282	
6	Manjunath Electricals	656880	20/10/2016	25,210	504	
7	Ramdev Electricals	657613	19/11/2016	2,08,660	4,172	Water supply materials
8	Manjunath Electricals	657612	19/11/2016	23,700 26,490	1,003	Motor pump repair
9	Sri Lakshmi Electricals	657666	3/12/2016	63,272	1,264	
10	Beereshwar Traders	659609	24/12/2016	15,698	312	
11	Sri Lakshmi Electricals	659646	16/1/2017	81,777	1,634	
12	Manjunath Electricals	659644	16/1/2017	55,950	1,120	
13	Sri Lakshmi Electricals	659639	9/1/2017	1,01,930	2,038	
14	Manjunath Electricals	659636	9/1/2017	68,885	1,377	
15	Manjunath Electricals	659694	7/2/2017	18,140	362	
16	Sri Lakshmi electrical	664491	21/3/2017	1,21,624	2,432	
17	Manjunath Electricals	664489	21/3/2017	3,56,990	7,139	
18	Beereshwar Traders	664467	6/3/2017	2,09,076	4,181	
19	Manjunath Electricals	664475	7/3/2017	52,820	1,056	
20	Ramdev Hardware & Electrical	664488	21/3/2017	1,57,709	3,154	
	Total				50,332	

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(vi) During the Audit for the year 2017-18, it was noticed that the following purchases were made by calling quotations, though the cost of the material exceed Rs.1.00 Lakh.

Sl. No.	Date	Cheque No.	Amount paid	Details
1	20/04/2017	636201	1,16,000	Installation of street lights
2	01/12/2017	659522	1,79,646	Purchase of pump motor

As per Karnataka Transparency in Public Procurement Act, 1999 and Rules framed there under and Govt. Order bearing No.FD 01 TPE 2012 dated 21/6/2012, public procurement of materials worth more than Rs.5,000/- and below Rs.1,00,000/- shall be made calling quotations and for procurement of materials worth more than Rs.1,00,000/- shall be made only by inviting tenders. In the above cases, procurements were made without inviting tenders, which is violation of Karnataka Transparency in public Procurement Act, 1999 and Rules framed there under. The respondent No.2 Sri A. Tulasinath, Panchayath Development Officer is responsible for the above lapse.

REGARDING SCHEMES OF GOVERNMENT

32) The details of grants available in the Hennagara Grama Panchayath for implementation of various schemes, its utilization and balance available at the end of the year are as follows:-

For the year 2016-17

Sl. No.	Name of the Scheme	Opening balance	Grants for the year (including interest & others)	Total	Total expenditure during the year	Balance at the end of year
1	13 th Finance	22,884	30,615	53,499	53,499	0
2	14 th Finance	25,71,312	76,06,200	101,77,512	36,52,460	65,25,052
3	Ashraya	17,96,796	62,464	18,59,260	18,59,260	0
4	Total Sanitation Campaign	-	743	743	743	0

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For the year 2017-18

Sl. No.	Name of the Scheme	Opening balance	Grants for the year (including interest & others)	Total	Total expenditure during the year	Balance at the end of year
1	14 th Finance	65,25,052	58,18,301	123,43,353	62,72,405	60,70,948
2	ESCROW	3,31,144	36,63,270	39,94,414	-	39,94,414

As per the above statements the Hennagara Grama Panchayath had not fully utilized the grants under 14th Finance Scheme and thus failed accomplish its full target, which results in depriving the benefits of the scheme to the beneficiaries. From the audit reports for the years 2016-17 and 2017-18, it is noticed that the grants of 13th and 14th finance scheme was not utilized as per the guidelines of the scheme, and instead it has been diverted to other purposes, thereby the objects of the scheme is frustrated.

IRREGULARITIES FOUND IN RESPECT OF PROJECT EXPENDITURES

33) In the Audit reports for the years 2016-17, 2017-18 and 2018-19, it is stated that the Hennagara 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.

34) From the Audit report for the year 2016-17, it is noticed that during Audit, the vouchers in respect of payments made to the tune of Rs.4,40,150/- were not produced for audit. The details of payments made through cheques for which vouchers were not

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maintained in the Panchayath are enclosed at Annexure-9 to the Audit Report, which are as follows:-

Sl. No.	Details	Cheque No.	Date	Amount
1	Purchase of uniform to panchayath staff	654288	20/7/2016	78,500
2	Repair to Motor pump	656032	26/8/2016	15,000
3	Pipeline Repair	656046	2/9/2016	13,000
4	Nagamma	656831	2/10/2016	50,000
5	Mala	656832	2/10/2016	50,000
6	Basamma	656833	2/10/2016	50,000
7	Expenditure of Grama Sabha	656834	2/10/2016	25,000
8	Ayudha pooja expenditure	656881	20/10/2016	48,000
9	Pooja materials	656882	20/10/2016	21,500
10	Materials for water	657594	04/11/2016	10,000
11	Repair to Motor pump	657628	22/11/2016	25,000
12	Civil Consultant	659607	16/12/2016	24,150
13	Repair to Motor pump	659651	16/1/2017	15,000
14	Uploading of IT returns	659664	23/1/2017	15,000
	Total			4,40,150

From the above, it is noticed that the non-submission of vouchers in respect of above payments has led to suspicion as to whether the above expenditure was met in accordance with Rules. The respondent No.1 Sri E. Kantharaj, Panchayath Development Officer working during the above period is responsible for non-maintenance of Vouchers.

35) From the Audit report for the year 2016-17, it is noticed that a sum of Rs.28,600/- was paid as penalty for not filing TDS statement in time. The Income Tax Department has levied the penalty as per Section 234(e) of the Income Tax Act. An explanation was given during audit that delay in filing TDS returns was due to discrepancies in handing over of relevant records by the previous Panchayath Development Officer. The above expenditure

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of Rs.28,600/- was an unnecessary expenditure, which results in loss to the Panchayath. The Respondent No.1 Sri E. Kantharaj is responsible for the above lapse.

36) During the audit for the year 2016-17, it was noticed that the Hennagara Grama Panchayath had purchased three garbage disposal vehicles and paid the following amount to Tans Broadways.

Sl. NO.	Cheque No.	Date	Amount paid
1	657623	12/12/2016	2,90,000
2	657674	12/12/2016	2,90,000
3	657675	12/12/2016	2,90,000
	Total		8,70,000

In relation to purchase of above three garbage disposal vehicle, the Tenders were not called for, agreement was not executed; supply orders were not given; quality test was not conducted; the vehicles were not taken to stock register. To the audit query, the Panchayath Development Officer has stated that since the purchase of vehicle were in urgency, quotations were called and purchase was made from the person who quoted lowest price. The action in purchase of above three vehicles is in violation of Karnataka Transparency in Public Procurement Act and Govt. Order No. FD 01 TCE 2012, dated 21/6/2012. The respondent No.1 Sri E. Kantharaju, the then Panchayath Development Officer is responsible for the above lapse.

REGARDING MEASUREMENT BOOKS

37) In the Audit Reports for the year 2016-17. 2017-18 and 2018-19 it is noticed that the Hennagara Grama Panchayath, had not procured the Measurement books from Government Printing Press. If the Govt. Printing Press had not supplied the

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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, which is a serious lapse. The stock register of measurement book was not maintained. The measurement book is an important document, which should be preserved for number of years.

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

38) During the audit for the year 2016-17 and 2017-18, 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	CBF
Opening balance as on 1/4/2016	2,61,591	7,05,329	4,81,614	1,23,317	
Deductions for 2016-17	5,30,881	14,87,695	6,86,259	2,97,538	
Total	7,92,472	21,93,024	11,67,873	4,20,855	
Remitted to Govt. during 2016-17	4,05,252	11,14,443	5,30,852	2,17,939	
Balance to be remitted as on 31/3/2017	3,87,220	10,78,581	6,37,021	2,02,916	

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	2,97,688	20,81,581	6,37,021	2,02,916	
Deductions for 2017-18	2,94,340	4,42,354	3,85,782	2,28,086	
Total	5,92,028	25,23,935	10,22,803	4,31,002	

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Remitted to Govt. during 2017-18	2,64,330	3,07,683	3,89,929	2,27,448	
Balance to be remitted as on 31/3/2018	3,27,698	22,16,252	6,32,874	2,03,554	

As per the above statements, as on 31/3/2018 a sum of Rs.3,27,698/- towards Royalty; Rs.22,16,252/- towards sales tax; Rs.6,32,874/- towards Income Tax; and Rs.2,03,554/- towards Labour Welfare fund are due to be remitted to the concerned heads of Government. Non-remittance of above Royalty, Sales Tax, Income Tax, Labour Welfare fund, to the concerned Heads of Department of Government amounts to misdirection of funds and loss to the State exchequer. Respondents 1 and 2 who were Panchayath Development Officers of the relevant years' are responsible for non-remittance of the above amount to the concerned heads of Government.

39) During the audit for the year 2016-17 & 2017-18 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.

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&2	4,86,115	4,86,115	-	3,88,976	97,139
	14 th finance	44,766	44,766	-	16,276	28,490
Total		5,30,881	5,30,881	-	4,05,252	1,25,629

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Sales Tax	Group 1&2	13,76,580	13,76,580	-	10,69,683	3,06,897
	14 th finance	1,11,115	1,11,115	-	44,760	66,355
Total		14,87,695	14,87,695	-	11,14,443	3,73,252
Income Tax	Group 1&2	6,08,012	6,08,012	-	4,86,219	1,21,793
	14 th finance	78,247	78,247	-	44,633	33,614
Total		6,86,259	6,86,259	-	5,30,852	1,55,407
Labour Welfare Board Fee	Group 1&2	2,59,841	2,59,841	-	1,94,487	65,354
	14 th finance	37,697	37,697	-	23,452	14,245
Total		2,97,538	2,97,538	-	2,17,939	79,599
CBF	Group 1&2	25,774	-	25,774	-	-
	14 th finance	3,754	-	3,754	-	-
Total		29,528		29,528		
Grand Total		30,31,901	30,02,373	29,528	22,68,486	7,33,887

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 short remitted to treasury.
Royalty	Group 1 & 2	2,69,825	2,69,825		2,39,815	30,010
	14 th finance	24,515	24,515		24,515	-
Total		2,94,340	2,94,340		2,64,330	30,010
Sales Tax	Group 1 & 2	4,29,366	4,29,366		2,94,695	1,34,671
	14 th finance	12,988	12,988		12,988	-
Total		4,42,354	4,42,354		3,07,683	1,34,671
Income Tax	Group 1 & 2	2,91,951	2,91,951		2,96,098	-
	14 th finance	93,831	93,831		93,831	-
Total		3,85,792	3,85,792		3,89,929	
Labour Welfare Board Fee	Group 1 & 2	1,70,912	1,70,912		1,70,274	638
	14 th finance	57,174	57,174		57,174	-
Total		2,28,086	2,28,086		2,27,448	638
CBF	Group 1 & 2	17,091		17,091	-	
	14 th finance	5,368		5,368	-	
Total		22,459		22,459		
Total		13,73,021	13,50,562	22,459	11,89,390	1,65,319

As per the above Statements, in relation to the year 2016-17 an amount of Rs.29,528/- was not deducted towards Contractors Benevolent Fund from the Contractor/Supplier Bills and a sum of

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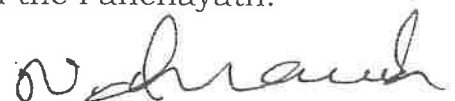
Rs.7,33,887/- deducted towards Royalty, Sales Tax, Income Tax and Labour Welfare fund was not remitted to the concerned Heads of Account of Government.

In relation to the year 2017-18 an amount of Rs.22,459/- was not deducted from the Contractor/ Supplier's Bills towards Contractors Benevolent fund and a sum of Rs.1,65,319/- deducted from the Contractor/ Supplier's bills towards Royalty, Sales Tax, Income Tax, Labour Welfare Fund was not remitted to the concerned Heads of Account of Government.

The above short deductions and Non-remittance of amount to the concerned Heads of Department of Government amount to misdirection of funds and loss to the State exchequer. The respondents 1 & 2 who were the Panchayath Development Officers during the relevant years, are responsible for above short deduction, misdirection and causing loss to the Government exchequer.

From the Audit Reports for the years 2016-17 and 2017-18, it is noticed that 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 shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmika Bhavan, Bannerghatta Road, Bangalore. The Hennagara Panchayath had not followed the above instructions.

40) The Hennagara 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.

41) Apart from the above Registers Hennagara Grama Panchayath had not maintained the following registers and ledgers.

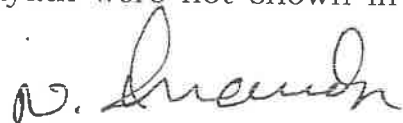
- (i) Double entry system of Cash Book in Form No. 49 as per Rule 104 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006
- (ii) Journal Booking form No.50 as per Rule 106 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.



(iii) Ledger Accounts in Form No. 52 as per Rule 107 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.

42) In the preparation of financial statements for the years 2016-17 and 2017-18, the Hennagara Grama Panchayath, has committed the following irregularities.

- (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 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 Payments 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 audit reports several discrepancies are noticed in the preparation of Balance sheet.

43) 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 Hennagara 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, Hennagara Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama Panchayaths, the irregularities/ misappropriation stated supra at Hennagara Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ misappropriation, stated supra.

44) The respondents while submitting their comments have stated that the budgets of the Hennagara Gram Panchayath were prepared every year as per rules and audits of Hennagara 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 for initiating disciplinary proceedings against Respondents 1 to 5.

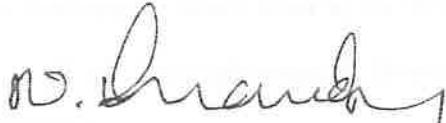


45) Therefore, acting under Section 12(3) of the Karnataka Lokayukta Act, 1984, recommendation is made to the Competent Authority for initiating disciplinary proceedings against the following respondents and to entrust the departmental inquiry to this Authority under Rule 14-A of the Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

- (1) **Respondent No.1** Sri E. Kantharaj, the then Panchayath Development Officer, Hennagara Grama Panchayath, Anekal Taluk (for the period from 01/01/2016 to 6/2/2017) – now working at Neriga Grama Panchayath, Anekal Taluk
- (2) **Respondent No.2** Sri A.Tulasinath, Panchayath Development officer, Hennagara Grama Panchayath, Anekal Taluk (since 7/2/2017).
- (3) **Respondent No.3** Sri Nomesh 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
- (4) **Respondent No.4** 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
- (5) **Respondent No.5** Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

46) As per Section 12(4) of the Karnataka Lokayukta Act, 1984, the Competent Authority shall intimate or caused to be intimated the action taken or proposed to be taken on the above recommendation, within three months from the date of receipt of this Report.

Connected records are enclosed.


(JUSTICE N. ANANDA) 29/6
Upalokayukta-1
State of Karnataka, Bengaluru