

KARNATAKA LOKAYUKTA

No. Compt/Uplok/BCD/82/2020/ARLO-1

Multi Storied Buildings,
Dr. B.R. Ambedkar Veedhi,
Bengaluru 560 001
Dated: **10/06/2020**

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

Sub:- Proceedings against:-

- (1) Sri H.V.Krishnappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk Presently working as Panchayath Development Officer, Muthanallur Grama Panchayath, Anekal Taluk, Bengaluru Urban District;
- (2) Sri D. Murali, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk, Bengaluru Urban District - presently working at Huskur Grama Panchayath, Anekal Taluk.
- (3) Sri Nomesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal - Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur
- (4) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal - Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- (5) Sri K.C. Devaraje Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal.
- (6) Sri M. Munirangappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk.

1) On the basis of source information that there is mismanagement in the maintenance of accounts and submission of periodical expenditure statements by Kallubalu 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

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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 report of Kallubalu 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 H.V.Krishnappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk (from 28/5/2016 to 4/11/2016) – Presently working as Panchayath Development Officer, Muthanallur Grama Panchayath, Anekal Taluk, Bengaluru Urban District;
- 2) Sri D. Murali, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk, Bengaluru Urban District (from 1/1/2016 to 27/5/2016) – presently working at Huskur Grama Panchayath, Anekal Taluk.
- 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. Devaraje Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).
- 6) Sri M. Munirangappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk (from 5/11/2016 till date)

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3) The Respondent 1 has submitted comments dated 12/2/2020, Respondent No.2 has submitted comments dated 12/2/2020. They have stated that the present Panchayath Development Officer of Kallubalu Grama Panchayath, viz., Respondent No.6 Sri M.Munirangappa has submitted the records relating to Kallubalu Grama Panchayath and have submitted that during their tenure they had discharged duties as per Rules. Respondent No.6 Sri M. Munirangappa 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, he has stated that the audit of the Kallubalu Panchayath was conducted for the years 2016-17 to 2019-19 and copies of the same are enclosed.

4) The Respondent No.3 has submitted comments dated 27/2/2020 stating that during his tenure the Kallubalu Grama Panchayath had submitted the audit report for the year 2016-17 to the Accounts Officer of Taluk Panchayath. and Budget for the year 2016-17 and 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.4 has submitted comments dated 27/2/2020 similar to the comments submitted by Respondent No.3. Respondent No.5 has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath Development Officer of Kallubalu to submit the Expenditure statements and audit reports for the years 2016-17 to 2018-19.

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5) The Budget estimates of the above Grama Panchayath for the years 2017-18, 2018-19 and 2019-20 and copies of the Audit reports for the years 2016-17, 2017-18 and 2018-19 of Kallubalu Grama Panchayath produced by Respondent No.3 Sri M. Munirangappa along with his comments are perused.

BUDGET PROVISIONS

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

1. REVENUE INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	47,80,626	23,08,444	14,56,634	34,70,000
2	Rates and Taxes	124,29,374	130,76,093	215,05,081	223,45,446
3	Revenue from the Panchayath Properties	0	86,000	11,00,000	12,32,000
4	Revenue from Grama Panchayath Authorities	14,00,000	84,02,155	112,27,412	86,54,101
5	Grants, Donation, Subscriptions	5,40,000	31,00,000	19,00,000	15,00,000
	Total Revenue Income	191,50,000	269,72,692	371,89,128	372,01,727

REVENUE EXPENDITURES

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	General Administration				
	i) Grama Panchayath (Elected Body)	4,90,000	9,12,712	7,81,026	11,88,720
	ii) Office	49,75,000	27,19,565	44,20,938	44,89,711
	Total	54,65,000	36,32,277	52,01,963	56,78,431
2	Development Expenditure				
	1) Drinking Water	22,75,000	44,32,440	73,83,477	65,64,984
	2) Rural Sanitation	18,00,000	6,86,858	11,53,204	14,99,790
	3) General Health & Family Welfare	1,50,000	1,00,000	52,500	55,000
	4) Roads, Bridges & other connecting medias	46,85,000	3,50,000	2,20,000	4,75,218
	5) Buildings	1,00,000	2,00,000	66,000	77,000
	6) Electrification and Electricity supply	8,20,000	29,19,906	18,32,674	15,94,568
	7) Development of Non-conventional energy sources	26,564	0	0	0

M. Munirangappa

	8) Social Public Service programmes	32,18,436	11.41.829	18,85,724	24,98,250
	9) Motivation Services	5,60,000	50,000	50,000	1,00,000
	Total Expenditure	136,35,000	98,81,033	126,43,579	128,64,810
	Transfer from Genl.fund	0	39,09,447	64,16,080	65,37,612
	Other Revenue Expenditure	0	0	0	0
	Total Revenue Expenditure	191,00,000	174,22,757	242,61,622	250,80,853
	Closing balance (i)	50,000	95,49,935	129,27,506	121,20,874

2. CAPITAL INCOME

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	7,61,218	1,43,096	0	28,67,611
2	Grants, Subscription, donation.	0	0	0	0
3	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	241,50,000	204,16,225	104,77,138	41,57,841
	Total Capital Income	249,11,218	205,59,321	104,77,138	70,25,452

CAPITAL EXPENDITURES

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Development Expenditure				
	1) Drinking Water	0	11,06,434	7,87,038	8,80,000
	2) Rural sanitation	0	0	0	1,13,147
	3) Roads, Bridges & other connecting medias	0	55,00,000	76,00,000	71,00,000
	4) Buildings	0	0	5,50,000	0
	5) Payment of salary to staff	0	0	0	0
	6) Social & public service programmes	0	- 0	1,65,000	1,77,442
	Total Expenditure	0	66,06,434	91,02,038	82,70,589
2	Specific Project Expenditure				
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	240,00,000	205,59,321	104,77,138	63,33,231
3	Procurement of properties	0	1,50,000	1,65,000	0
4	Repayment of loan	0	0	0	0
	Total Capital expenditure	240,00,000	273,15,755	197,44,176	146,03,820
	Closing Balance (ii)	9,11,218	67,56,434	92,67,038	75,78,368

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3. DEPOSITS, ADVANCES & INVESTMENTS

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	44,925	10,257	0	0
2	Receipt	1,50,000	0	0	0
	Total Income	1,94,925	10,257	0	0
3	Expenditure	1,50,000	0	0	0
	Closing Balance (iii)	44,925	10,257	0	0
	Total Final Balance of the Panchayath (i) + (ii) + (iii)	10,06,143	28,03,758	36,60,468	45,42,506

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.

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(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 Kallubalu 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 Kallubalu Grama Panchayath.

10) The Respondent No.2 Sri D. Murali, was working as Panchayath Development Officer of Kallubalu Grama Panchayath from 1/4/2016 to 27/5/2016 and Respondent No.6 Sri M. Munirangappa, was working as Panchayath Development Officer

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since 5/11/2016. The above 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.5 Sri N. Nomesk Kumar, the then Executive Officer of Taluk Panchayath had approved the budget estimates for the years 2016-17 and 2017-18; Respondent No.6 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 Kallubalu 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

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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 Kallubalu Panchayath. Therefore, the Respondents 1, 2 and 6 who were working as Panchayath Development Officers 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, Kallubalu 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, Kallubalu 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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DEPOSITS

14) As on 1/4/2016, there was opening balance of Deposit of Rs.10,257/- which was carried forward to subsequent years; i.e., 1/4/2017 and 1/4/2018. In the Audit it was observed that the deposits made for more than three years shall have to be cancelled and forfeited to Panchayath fund.

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 Kallubalu Grama Panchayath has spent entire amount Rs.19,92,204/- reserved towards welfare of Schedule Caste and Scheduled Tribes under 25% grant scheme. So also, it has spent entire amount of Rs.2,41,000/- reserved towards welfare of physically challenged (differently abled) persons under 3% grant scheme.

16) During the year 2017-18 the Kallubalu Grama Panchayath had spent entire amount of Rs.18,95,850/- reserved under 25% Grant for welfare of SC/ST persons. So also, it had spent a sum of 98,426/- reserved for the welfare of Physically handicapped persons.

17) During the year 2018-19, a sum of Rs.13,46,119/- was reserved for the welfare of Scheduled Caste and Scheduled Tribe persons under 25% grant scheme. During the year 2018-19, a sum of Rs.5,95,000/- was spent towards the welfare of Scheduled Caste/Scheduled Tribe persons showing the balance of Rs.7,51,119/- at the close of the year on 31/3/2018. In relation to the amount under 3% grant reserved for welfare of physically challenged persons a sum of Rs.2,25,000/- was reserved the year

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2018-19. Out of the above amount a sum of Rs.2,10,000/- was spent for the welfare of Physically challenged persons showing the balance of Rs.15,000/- at the end of the year. Thus, the amount reserved for Scheduled Caste/Scheduled Tribe persons under 25% grant and physically challenged persons under 3% of Grant were not fully utilised for the welfare of physically challenged persons as per Rules. The Respondent No.6 Sri M. Munirangappa, Panchayath Development Officer is responsible for not fully utilizing the amount reserved for Scheduled Caste and Scheduled Tribe persons under 25% Grant and Physically challenged persons under 3% Grant, thus depriving the benefits to the members of the above class of persons.

RECEIPT BOOKS

18) The Kallubalu 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	02	08	16
2	Receipt of Receipt Books	62	65	60
3	Total	64	73	76
4	No. of receipt books utilised for the year	56	57	66
5	Balance of receipt books at the end of the year	08	16	10

The respondents 1, 2 and 6 are responsible for not maintaining the Stock Register of Receipt Books for the years 2016-17, 2017-18 and 2018-19.

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19) In the audit report for the year 2017-18 of Kallubalu Grama Panchayath, it is noticed that the Panchayath had not remitted the collections to the Bank account immediately on the next day of collection. The amount collected was remitted twice or thrice in a month. Non remittance of amount immediately on the day or next of collection amount lead to temporary misappropriation. Respondent No.6 Sri M. Munirangappa is responsible for the same.

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

20) As per the Audit Report for the year 2016-17, 2017-18 and 2018-19, Kallubalu 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 H.V. Krishnappa, Respondent No.2 D. Murali; and Respondent No.6 Sri Munirangappa Panchayath Development Officers of Kallubalu Grama Panchayath during the years 2016-17 to 2018-19 are responsible for the above lapse.

21) As per the Audit reports for the years 2016-17, 2017-18 and 2018-19, The Kallubalu 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	5,53,575	189,96,425	191,50,000	148,90,289	42,59,711
2	Water Tax	3,69,243	2,76,800	6,46,043	1,90,680	4,55,363
3	Licence	0	6,51,457	6,51,457	6,51,457	0
5	Others					
	Total	9,22,818	195,24,682	204,47,500	157,32,426	47,15,074

2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	42,59,711	143,69,374	186,29,085	175,34,436	10,94,649
2	Water Tax	4,55,363	2,76,800	7,32,163	3,58,980	3,73,183
3	Licence	0	61,01,688	61,01,688	61,01,688	0
4	Others					
	Total	47,15,074	207,47,862	254,62,936	239,95,104	14,57,832

2018-19

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	10,94,649	236,43,346	247,37,995	235,85,960	11,52,035
2	Water Tax	3,73,183	7,89,450	11,62,633	8,56,652	3,05,981
3	Light Tax	0	12,65,230	12,65,230	10,40,218	2,25,012
4	Licence	0	79,25,600	79,25,600	79,25,600	0
5	Others	0	57,31,394	57,31,394	57,31,394	0
	Total	14,57,832	393,	408,22,852	391,39,824	16,83,028

22) As per the above statements, huge amount in a sum of Rs.16,83,028/- towards house tax, water tax and light tax was not collected by the Kallubalu Grama Panchayath, which amounts to loss caused to the State Exchequer. The Respondent No.2 Sri H.V.Krishnappa and Respondent No.6 Sri M. Munirangappa, Panchayath Development Officers are responsible for short collection of House Tax, Water Tax and Building rent during the concerned years.

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

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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 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 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.

25) In the Audit report for the year 2018-19, it is observed that a sum of Rs.25,78,991/- was remitted directly through Cheque/NEFT to the Panchayath Account without issuance of receipt. Receipts should be issued for all the amount received by the Panchayath. The Respondent No.6 Sri M. Munirangappa is responsible for not issuing the receipts for the amount received by the Panchayath.

26) During Audit for the year 2018-19, it was noticed that a sum of a cheque No.818133 dated 20/2/2019 for a sum of Rs.20,343/- was received by Kallubalu Grama Panchayath from Smt. Flora Domanic towards site tax and the same was shown as receipt to the Panchayath Fund. When the pass book of the Panchayath was verified, it was noticed that the above cheque was dishonoured. Thereafter, query was raised and the above amount of Rs.20,343/- was received by cash from Smt. Flora Domanic and credited to the

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Panchayath Account on 22/7/2019. The Respondent No.6 Sri M. Munirangappa did not issue temporary receipt in Form 3A when the cheque was received. Instead he had issued receipt and taken the above amount as received. Due to non-verification of realization of cheque immediately, there was temporary loss of Rs.20,343/- to the Panchayath, for which, Respondent No.6 Sri M. Munirangappa is responsible.

NON-REMITTANCE OF CESS/SURCHARGES

27) 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	16,66,823	166682	15,00,141	63,92,233	78,92,374	-	78,92,374
2.	Education cess	11,11,216	111122	10,00,094	42,61,489	52,61,583	-	52,61,583
3.	Library cess	6,66,729	66673	6,00,056	22,02,943	28,02,999	-	28,02,999
4.	Beggars cess	3,33,365	33337	3,00,028	8,32,598	11,32,626	-	11,32,626
	Total	37,78,133	377814	34,00,319	136,89,263	170,89,582	-	170,89,582

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	19,62,810	196281	17,66,529	78,92,374	96,58,903	-	96,58,903
2.	Education cess	13,08,540	130854	11,77,686	52,61,583	64,39,269	-	64,39,269
3.	Library cess	7,85,124	78512	7,06,612	28,02,999	35,09,611	-	35,09,611
4.	Beggars cess	3,92,562	39256	3,53,306	11,32,626	14,85,932	-	14,85,932
	Total	44,49,036	444903	40,04,133	170,89,582	210,93,715	-	210,93,715

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	26,40,219	264022	23,76,197	96,58,903	120,35,100	13,36,415	106,98,685

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2.	Educational cess	17,60,146	176015	15,84,131	64,39,269	80,23,400	16,78,313	63,45,087
3.	Library cess	10,56,088	105609	9,50,479	35,09,611	44,60,090	10,06,981	34,53,109
4.	Beggars cess	5,28,044	52804	4,75,240	14,85,932	19,61,172	4,66,328	14,94,844
	Total	59,84,497	598450	53,86,407	210,93,715	264,79,762	44,88,037	219,91,725

28) It is noticed from audit reports of the years 2016-17, 2017-18, 2018-19 the Kallubalu 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 219,91,725/-. As per the Audit reports, the Kallubalu Grama Panchayath, instead of depositing the above Cess amount to the concerned heads of account of Government had utilised 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 utilised. Non-remittance of above Cess amount in a sum of Rs.219,91,725/- as stated above, amounts to misdirection of funds and loss to the State exchequer. The respondent Nos.1, 2 and 6 are responsible for the same.

NON-PRODUCTION OF MUTATION REGISTERS

29) The Kallubalu 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 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.

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IRREGULARITIES IN PAYMENTS

30) In relation to payments, it is observed in the Audit reports for the years 2016-17, 2017-18, 2018-19 that no approval was obtained in the concerned files respect of each payments; 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.

REGARDING EXPENDITURE OF PANCHAYATHS

31) In the audit reports of Kallubalu 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) During the Audit for the year 2016-17, it was observed that in order to circumvent the tender process, the Bill was split into several parts and purchases were made by calling quotations, which is opposed to the KTPP Act.

(iii) In the Audit report for the year 2016-17 at item No. 32(5), it is stated that, the Kallubalu Grama Panchayath had issued cheque bearing No.929349 dated 8/8/2016 for a sum of Rs.1,02,275/- towards the purchase made by the Panchayath. For the same purchase, the amount quoted in the quotation was Rs.96,943/-. Thus, the Kallubalu Grama Panchayath had paid an excess of Rs.5,332/- while making payment. Respondent No.1 Sri

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H.V. Krishnappa is responsible for the excess payment of Rs.5,332/- which is the loss caused to the Panchayath.

(iv) During the year 2016-17, the Kallubalu Grama Panchayath had not deducted the Income Tax while making payment to the contractor/agency. The details of payment and the amount of income tax not recovered are as follows:-

Sl. No.	Name of Contractor Agency	Cheque No.	Date	Bill amount	I.T	Remarks
1	Sri Balaji Infrastructure	932352	27/09/2016	60,200	1,204	Towards Laying concrete
2	Sri Balaji Infrastructure	932342	15/09/2016	60,200	1,204	Towards Laying concrete
3	Sri J. Bhaskar	932374	06/10/2016	66,700	667	Towards mud transportation
4	Sri Kala Byraweshwara	005635	30/11/2016	58843	588	For Electric cable wiring
5	BMS electrical	006450	23/02/2017	51,729	517	Installation of motor pump
	Total			2,97,672	4,180	

The Respondent No.6 Sri M. Munirangappa is responsible for not deducting the income tax while making above payments.

(v) In the Audit report for the year 2018-19, it is observed that the Kallubalu Grama Panchayath had purchased spare parts for supply of water and a payment of Rs.1,02,289/- was made through cheque No. 39415 dated 18/1/2019. It is noticed that the above purchase of materials was made without calling tender, since the amount of purchase was more than Rs.1.00 Lakh. Thus, the provisions of Karnataka Transparency in Public Procurement Act, 1999 and Rules 2000 were violated. The Respondent No.6 Sri Munirangappa is responsible for the same.

(vi) During the year 2018-19, under Grama Vikasa Yojana, grant amount of Rs.16,62,000/- was released to the Executive Engineer, Panchayath Raj Engineering Division, Bengaluru Urban for execution of works. But the Panchayath had not obtained the

N. Munirangappa

Utilisation certificate from the Executive Engineer, due to which it is not made clear as to how much amount was utilized and the savings.

(vii) A tractor was provided to the Kallubalu Grama Panchayath for disposal of Solid Wastes. During the year 2018-19a sum of Rs.52,811/- was spent for filling fuel to the above tractor. But, the Log book of the above tractor was not maintained, due to which the total number of kms. run by the tractor for official use was not made known. The amount allegedly spent for filling up fuel cannot be reconciled without maintenance of log book.

(viii) During the year 2017-18 and 2018-19 the following materials were purchased without calling for quotation/tender as per the provisions of Karnataka Transparency in Public Procurement Act and Rules and Govt. Order No. FD 01 TPE 2012, dated 21/6/2012.

2017-18

Sl. No	Date	Cheque No.	Details	Amount
1	21/04/2017	020769	Spare parts for Water	71,080
2	27/04/2017	020731	Spare parts for Water	78,311
3	23/05/2017	022916	Electrical spare parts	34,100
4	06/06/2017	022877	Electrical spare parts	30,308
5	29/07/2017	024079	Spare parts for Water	54,867
6	29/07/2017	024080	Spare parts for Water	54,860
	Total			3,23,526

2018-19

Sl. No	Date	Cheque No.	Details	Amount
1	12/04/2018	31148	Spare parts for Water	18,010
2	13/06/2018	34078	Purchase of wheel chair	15,960
3	13/06/2018	34080	Purchase of CFL Bulb	29,374
	Total			63,344

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The Respondent No.6 Sri M. Munirangappa is responsible for the above purchases without calling for quotations/tender.

(ix) 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.

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

32) The Rural Drinking Water & Sanitation Department had installed the Pure Drinking water units for providing drinking water to the villagers and the units were handed over to the Panchayath. The Panchayath used to collect Rs.2/- to Rs.5/- for 10 liters/20 Liters of drinking water. Towards this arrangement, the fee was collected through ATM/Receipts. In the audit report for the year 2018-19, it is stated that the Kallubalu Grama Panchayath had not maintained the log book for supply of drinking

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water and had not furnished details of amount collected and transferred to Panchayath account. Non-maintenance of records for remitting the amount to the Panchayath account leads to misappropriation.

33) During the year 2018-19, the Kallubalu Grama Panchayath had paid a sum of Rs.19,16,627/- from ESCROW electric account of the Grama Panchayath. The Kallubalu Grama Panchayath had not maintained a log book relating to number of installations made by the Panchayath, Bill number, claim amount and paid amount, cheque number and date, etc. The Kallubalu Grama Panchayath had not rejected the claims made without installation of meter.

34) As per the Government Order No. Urban Development Department 211 GEL 2014 (P) dated 24/2/2017, for erecting mobile towers within the limits of Grama Panchayath, permission of Panchayath Development Officer shall be obtained under Section 13E of the Karnataka Town and Country Planning Act, 1961 read with Section 427 of the Municipal Corporations Act, 1976 and Section 325 of the Municipalities Act, 1964. An annual royalty/fee of Rs.12,000/- shall be paid to the Panchayath. It is noticed during the audit for the year 2018-19 that during the year 2018-19, the Kallubalu Grama Panchayath had not issued permission for erection of Mobile towers and had not collected royalty/fee. Therefore, the Respondent No.6 had failed to follow the Rules for erection of mobile towers within the limits of Kallubalu Grama Panchayath.

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REGARDING SCHEMES OF GOVERNMENT

35) The details of grants available in the Kallubalu 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	38,633	35,205	73,838	67,302	6,536
2	14 th Finance	824	56,26,875	56,27,699	45,31,891	10,95,808
3	Ashraya	3,16,120	10,884	3,27,004	3,27,004	0
4	Total Sanitation Campaign	5,434	27	5,461	5,461	0
5	Grama Vikas	0	82,53,566	82,53,566	34,83,087	47,70,479

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	13 th Finance	6,536	0	6,536	6,536	0
2	14 th Finance	10,95,808	42,00,349	52,96,157	21,88,006	31,08,151
3	Grama Vikas	47,70,479	34,18,999	81,89,478	60,22,053	21,67,425

For the year 2018-19

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	Electricity (ESCROW)	12,625	19,19,946	19,32,571	19,16,627	15,944
2	14 th Finance	31,08,151	57,73,167	88,81,318	30,04,145	58,77,173
3	Grama Vikas	21,67,425	31,20,793	52,88,218	16,62,000	36,26,218
4	Anganawadi Account	84,537	3,753	88,290	0	88,290
5	EMC Account	57,753	2,048	59,801	0	59,801

As per the above statements the Kallubalu Grama Panchayath had not fully utilised the grants under 14th Finance Scheme and thus failed accomplish its full target, which results in depriving the

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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 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. The respondents 1, 2 & 6 are responsible for not utilizing the amount meant for the above schemes during the relevant years.

IRREGULARITIES FOUND IN RESPECT OF PROJECT EXPENDITURES

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

37) In the Audit Reports for the year 2016-17. 2017-18 and 2018-19 it is noticed that the Kallubalu Grama Panchayath, 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, 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.

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MISAPPROPRIATION OF FUNDS IN THE EXECUTION OF WORKS

38) As per the audit report for the year 2016-17, irregularities and misappropriation of funds are noticed in relation to the following pipeline works executed during the year 2016-17

Sl. No.	Name of works	Cheque No.	Date	Bill amount
1	Laying of G.I pipes from OHT Tank to Govt. hospital at Mahant Lingapur Village	945043	31/03/2017	1,79,875
2	Laying of G.I pipes from OHT bore well to OHT tank at Mahant Lingapur Village	945044	31/03/2017	1,79,786
3	Laying of G.I pipes from Ganesh Temple to the house of Venkataswamy at Mahant Lingapur Village	945046	31/03/2017	1,79,947

In relation to the above works, payments were made though all the items of work stated in Schedule 'B' were not completed. In respect of works stated at Sl. No.1, 50 mm dia. GI pipe was laid and the remaining items were not essential. In respect of work stated at Sl. No.2, 50 mm dia. GI pipe and 4 Gate valves were installed. The remaining works were not executed stating that they were not essential. In respect of work at Sl. No.3, at item No.2 50 mm dia. GI pipe was laid and work at item No.7, digging of concrete road for laying pipeline and its closure was done. The remaining items were not executed as they were not essential. But, the Bills were paid for the entire items of work stated in 'B' schedule. Thus, there was excess payment in respect of above

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works, which lead to misappropriation of amount. The Respondent No.7 Sri M. Munirangappa is responsible for the same.

39) An amount of Rs.47,500/- was paid to M/s. RSR Earth Movers through cheque No. 943899 dated 27/5/2016 in relation to cleaning work by using JCB at grave yard in Bukkasagar Village. As per the quotation, the rate quoted per hour is Rs.700/. But while making payment it is seen that excess amount was paid. The details are as follows:-

Sl. No.	Date	Total time of work	Rate quoted in the Quotation	Amount required to be paid	Amount paid	Excess payment
1	15/11/2015	22.45 Hrs.	700	15,715	17,000	1,285
2	20/04/2016	11.30 Hrs.	700	7,910	8,050	140
3	30/04/2016	11.30 Hrs.	700	7,910	8,050	140
4	19/04/2016	11.00 Hrs.	700	7,700	7,700	140
5	Driver Batta	-	-	-	900	-
	Total	-	-	39,235	41,700	2,465

The excess amount of Rs.2,465/- paid to M/s. SRS Earth Movers over and above the rate quoted in the Quotation amounts to loss to the Panchayath. Respondent No.7 Sri M. Munirangappa is responsible for the same.

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

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

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2016-17

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2016	3,05,966	6,51,763	2,29,852	95,778	-
Deductions for 2016-17	95,886	3,31,246	1,25,818	77,111	6,613
Total	4,01,852	9,83,009	3,55,670	1,72,889	6,613
Remitted to Govt during 2016-17	-	-	-	-	-
Balance to be remitted as on 31/3/2017	4,01,852	9,83,009	3,55,670	1,72,889	6,613

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	4,01,852	9,83,009	3,55,670	1,72,889	6,613
Deductions for 2017-18	81,078	4,26,953	1,34,957	88,974	0
Total	4,82,930	14,09,962	4,90,627	2,61,863	6,613
Remitted to Govt. during 2017-18	1,49,251	3,61,516	52,650	1,24,876	0
Balance to be remitted as on 31/3/2018	3,33,679	10,48,446	4,37,977	1,36,987	6,613

2018-19

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance as on 1/4/2017	3,33,679	10,48,446	4,37,977	1,36,987	6,613
Deductions for 2017-18	2,22,722	1,41,196	3,22,989	1,61,499	0
Total	5,56,401	11,89,642	7,60,966	2,98,486	6,613
Remitted to Govt. during 2017-18	-	-	-	-	0
Balance to be remitted as on 31/3/2018	5,56,401	11,89,642	7,60,966	2,98,486	6,613

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As on 31/3/2019 a sum of Rs.5,56,401/- towards Royalty; Rs.11,89,642/- towards sales tax/GST; Rs.7,60,966/- towards Income Tax; Rs.2,98,486/- towards labour Welfare Fund; and Rs.6,613/- towards Contractors Benevolent Fund are due to be remitted to the concerned heads of Government. Non-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. Respondents 1, 2 and 6, who were Panchayath Development Officers of the relevant years' are responsible for non-remittance of the above amount to the concerned heads of Government.

41) 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.

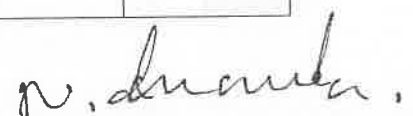
2016-17

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	37,250	37,250		-	37,250
	14 th finance	58,636	58,636		-	58,636
Total		95,886	95,886		-	95,886
Sales Tax	Group 1 & 2	89,405	89,405		-	89,405
	14 th finance	2,41,841	2,41,841		-	2,41,841
Total		3,31,246	3,31,246		-	3,31,246

Income Tax	Group 1 & 2	40,716	40,716		-	40,716
	14 th finance	85,102	85,102		-	85,102
Total		1,25,818	1,25,818		-	1,25,818
Labour Welfare Board Fee	Group 1 & 2	27,806	27,806		-	27,806
	14 th finance	49,305	49,305		-	49,305
Total		77,111	77,111		-	77,111
C.B.F	Group 1 & 2	2,757	2,290	467	-	2,290
	14 th Finance	5,003	4,323	680	-	4,323
Total		7,760	6,613	1,147	-	6,613
Grand Total		6,37,821	6,36,674	1,147		6,36,674

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	66,409	66,409		75,375	-
	14 th finance	14,669	14,669		73,876	-
Total		81,078	81,078		1,49,251	-
Sales Tax	Group 1 & 2	3,35,531	3,35,531		2,42,334	93,197
	14 th finance	91,422	91,422		1,19,182	-
Total		4,26,953	4,26,953		3,61,516	93,197
Income Tax	Group 1 & 2	1,14,643	1,14,643		37,508	77,135
	14 th finance	20,314	20,314		15,142	5,172
Total		1,34,957	1,34,957		52,650	82,307
Labour Welfare Board Fee	Group 1 & 2	68,660	68,660		60,429	8,231
	14 th finance	20,314	20,314		64,447	-
Total		88,974	88,974		1,24,876	8,231
C.B.F	Group 1 & 2	6,871	-	6,871	-	-
	14 th Finance	1,862	-	1,862	-	-
Total		8,733	-	8,733	-	-
Grand Total		7,40,695	7,31,962	8,733	6,88,293	1,83,735



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 remitted to treasury.
Royalty	Group 1 & 2	2,40,477	1,92,444	48,033	-	1,92,444
	14 th finance	42,778	30,278	12,500	-	30,278
Total		2,83,255	2,22,722	60,533	-	2,22,722
G.S.T	Group 1 & 2	1,28,234	1,28,234		-	1,28,234
	14 th finance	12,962	12,962		-	12,962
Total		1,41,196	1,41,196		-	1,41,196
Income Tax	Group 1 & 2	2,60,242	2,60,242		-	2,60,242
	14 th finance	62,747	62,747		-	62,747
Total		3,22,989	3,22,989		-	3,22,989
Labour Welfare Board Fee	Group 1 & 2	1,30,125	1,30,125		-	1,30,125
	14 th finance	31,374	31,374		-	31,374
Total		1,61,499	1,61,499		-	1,61,499
Grand Total		9,08,939	8,48,406	60,533	-	8,48,406

As per the above Statements, in relation to the year 2016-17 an amount of Rs.6,37,821/- was not remitted to the concerned Heads of Account of Government. In relation to the year 2017-18 an amount of Rs.1,83,735/- was not remitted to the concerned Heads of Account of Government. In relation to the year 2017-18 an amount of Rs.8,48,406/- was not remitted to the concerned Heads of Account of Government. Non-remittance of above Royalty,

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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. The respondents 1, 2 & 7 who were the Panchayath Development Officers during the relevant years, are responsible for above misdirection and causing loss to the Government 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 Kallubalu Panchayath had not followed the above instructions.

42) The Kallubalu 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

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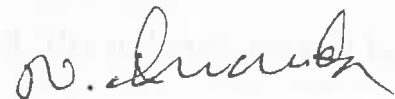
- (xiii) Immovable properties (Other than lands)
- (xiv) DCB Register of Taxes
- (xv) Mutation Register,
- (xvi) Register of newly created properties.

43) Apart from the above Registers Kallubalu 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.

44) In the preparation of financial statements for the years 2016-17, 2017-18 and 2018-19, the Grama Panchayath, Kallubalu 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 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.

45) 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 Kallubalu Grama Panchayath.

Sl. No.	Name of the Executive Officer	Period of work at Taluk Panchayath Anekal
1	Sri N. Nomesesh 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, Kallubalu Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama

N. Nomesesh Kumar

Panchayaths, the irregularities/ misappropriation stated supra at Kallubalu Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ misappropriation, stated supra.

46) The respondents while submitting their comments have stated that the budgets of the Kallubalu Gram Panchayath were prepared every year as per rules and audits of Kallubalu 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.

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

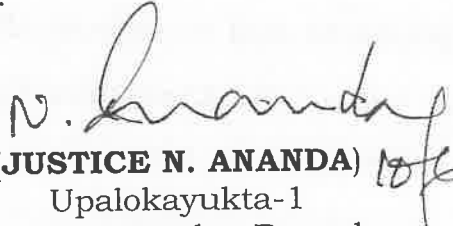
- (1) **Respondent No.1:** Sri H.V.Krishnappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk (from 28/5/2016 to 4/11/2016) – Presently working as Panchayath Development Officer, Muthanallur Grama Panchayath, Anekal Taluk, Bengaluru Urban District;
- (2) **Respondent No.2:** Sri D. Murali, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk, Bengaluru Urban District (from 1/1/2016 to 27/5/2016) – presently working at Huskur Grama Panchayath, Anekal Taluk
- (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.

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- (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).
- (6) **Respondent No.6:** Sri M. Munirangappa, the then Panchayath Development Officer, Kallubalu Grama Panchayath, Anekal Taluk (from 5/11/2016 till date)

48) 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) 10/6
Upalokayukta-1
State of Karnataka, Bengaluru