

KARNATAKA LOKAYUKTA

No. Compt/Uplok/BCD/88/2020/ARLO-1

Multi Storied Buildings  
Dr.B.R.Ambedkar Veedhi,  
Bengaluru 560 001  
Dated: **11/06/2020**

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

Sub:- Proceedings against:-

- (1) Sri A. Tulasinath, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk – presently working at Hennagara Grama Panchayath, Anekal Taluk.
- (2) Sri Sunil L, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk – presently working at Karchakhed Grama Panchayath, Chincholi Taluk, Kalaburagi District.
- (3) Sri R. Gangadhar, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk– presently working at Byagadadenahalli Grama Panchayath, Anekal Taluk.
- (4) Sri Praveenkumar K.K, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk– presently working at Ballur Grama Panchayath, Anekal Taluk.
- (5) Sri E. Anand, Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk.
- (6) Sri N Nomes Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.
- (7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently

*W. Anand*

working as Deputy Secretary, Zilla Panchayath,  
Tumakuru

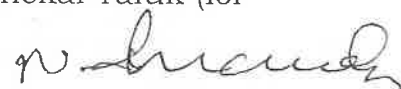
- (8) Sri K.C. Devaraj Gowda, Taluk Executive Officer,  
Taluk Panchayath, Anekal Taluk, Anekal.

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

2) On 27/12/2019, Upalokayukta-1 visited the office of the Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal. The Accounts officer and the Manager of Taluk Panchayath, Anekal were directed to produce the periodical returns of expenditure in relation to each of the Panchayaths within the limits of Taluk Panchayath, Anekal. The details of expenditure was not furnished by the Panchayaths. Further, at the time of spot inspection by Upalokayukta-1 to the office of the Executive Officer, Taluk Panchayath, Anekal, the audit reports for having conducted the audit of Suragajakkanahalli 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 A. Tulasinath, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 1/1/2016 to 5/11/2016) – presently working at Hennagara Grama Panchayath, Anekal Taluk.
- (2) Sri Sunil L, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for



the period from 8/11/2016 to 11/5/2017) – presently working at Karchakhed Grama Panchayath, Chincholi Taluk, Kalaburagi District.

- (3) Sri R. Gangadhar, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 12/5/2017 to 1/2/2019) – presently working at Byagadadenahalli Grama Panchayath, Anekal Taluk.
- (4) Sri Praveenkumar K.K, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 6/2/2019 to 21/6/2019) – presently working at Ballur Grama Panchayath, Anekal Taluk.
- (5) Sri E. Anand, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 26/8/2019 till date).
- (6) Sri N 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.
- (7) Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- (8) Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

3) The above respondents have submitted comments to the observation note. Respondents 1 to 4 have stated that the present Panchayath Development Officer i.e., Respondent No.5 Sri E. Anand has submitted the copies of audit reports and annual accounts of the Suragajakkanahalli Grama Panchayath for the years 2016-17, 2017-18 and 2018-19 to this office. Respondent No.5 has submitted comments dated 11/2/2020 that the concerned Panchayath Development Officer have prepared the

*v. Srinivas*

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 Suragajakkanahalli Panchayath was conducted for the years 2016-17 to 2018-19 and the copies of the same are enclosed.

4) The Respondent No.6 has submitted comments dated 27/2/2020 stating that during his tenure the Suragajakkanahalli 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.7 has submitted comments dated 27/2/2020 similar to the comments submitted by Respondent No.6. Respondent No.8 has submitted comments dated 12/2/2020 stating that he had instructed the Panchayath Development Officer of Suragajakkanahalli to submit the Expenditure statements and audit reports for the years 2016-17 to 2018-19.

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

#### **BUDGET PROVISIONS**

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



**1. REVENUE INCOME**

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	163,75,238	2,35,779	9,88,061	20,54,555
2	Rates and Taxes	111,35,892	80,88,753	89,44,524	109,65,961
3	Revenue from the Panchayath Properties	50,000	2,97,000	63,290	3,50,461
4	Revenue from Grama Panchayath Authorities	19,01,000	47,20,820	52,97,367	92,83,288
5	Grants, Donation, Subscriptions	5,20,000	10,00,000	15,00,000	37,40,000
6	Other receipts				
	<b>Total Revenue Income</b>	<b>299,82,130</b>	<b>143,42,352</b>	<b>167,93,242</b>	<b>263,94,265</b>

**REVENUE EXPENDITURES**

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	General Administration				
	i) Grama Panchayath (Elected Body)	5,55,000	4,23,319	4,35,740	12,07,374
	ii) Office	20,00,000	28,20,875	10,44,429	60,49,590
	<b>Total</b>	<b>25,55,000</b>	<b>32,44,294</b>	<b>14,80,169</b>	<b>72,56,964</b>
2	Development Expenditure				
	1) Drinking Water	12,25,000	16,20,000	29,94,827	23,84,201
	2) Rural Sanitation	7,70,000	11,15,000	11,15,427	6,89,542
	3) General Health & Family Welfare	40,000	55,925	46,400	94,473
	4) Roads, Bridges & other connecting medias	1,20,000	1,60,000	1,65,000	2,20,000
	5) Buildings	5,000	10,000	55,000	55,000
	6) Electrification and Electricity supply	9,36,000	9,45,860	5,50,000	35,77,246
	7) Development of Non-conventional energy sources				
	8) Social Public Service programmes	32,51,950	6,600	7,50,071	11,94,273
	9) Motivation Services	50,000	6,62,812	55,000	30,000
	<b>Total Expenditure</b>	<b>63,97,950</b>	<b>45,76,197</b>	<b>57,31,725</b>	<b>82,44,736</b>
	Transfer from Genl. fund	<b>187,00,000</b>	<b>27,54,446</b>	<b>26,77,475</b>	<b>32,63,805</b>
	Other Revenue Expenditure				<b>0</b>
	<b>Total Revenue Expenditure</b>	<b>276,52,950</b>	<b>130,08,905</b>	<b>98,89,369</b>	<b>187,65,505</b>
	<b>Closing balance (i)</b>	<b>23,29,180</b>	<b>13,33,447</b>	<b>69,03,874</b>	<b>76,28,760</b>

**2. CAPITAL INCOME**

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	<b>Opening balance</b>	0	2,83,233	0	0
2	Grants, Subscription, donation.	162,00,000		0	0
3	Central and Central sponsored & State and State Sponsored	24,15,000	47,10,560	56,26,730	62,52,788

*v. shankar*

	Schemes (Special Rural Development Programmes)				
4	Other Capital receipt				0
	<b>Total Capital Income</b>	<b>186,15,000</b>	<b>49,93,793</b>	<b>56,26,730</b>	<b>62,52,788</b>

**CAPITAL EXPENDITURES**

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Development Expenditure				
	1) Drinking Water	8,00,000	-	3,54,244	20,00,000
	2) Rural sanitation		-	-	0
	3) Roads, Bridges & other connecting medias	116,00,000	-	48,00,000	28,50,000
	4) Buildings	50,000	-	-	-
	5) Payment of salary to staff		-		-
	6) Social & public service programmes		-		-
	<b>Total Expenditure</b>	<b>124,50,000</b>	<b>0</b>	<b>51,54,244</b>	<b>48,50,000</b>
2	Specific Project Expenditure				
	Central and Central sponsored & State and State Sponsored Schemes (Special Rural Development Programmes)	23,65,000	46,10,560	56,26,730	62,52,788
3	Procurement of assets				75,000
4	Repayment of loan	<b>54,00,000</b>	<b>0</b>	<b>82,500</b>	<b>0</b>
	<b>Total Capital expenditure</b>	<b>202,15,000</b>	<b>0</b>	<b>108,63,474</b>	<b>111,77,788</b>
	<b>Closing Balance (ii)</b>	<b>(-) 16,00,000</b>	<b>3,83,233</b>		<b>49,25,000</b>

**3. DEPOSITS, ADVANCES & INVESTMENTS**

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20
1	Opening balance	2,00,000	0	0	0
2	Receipt	1,00,000	0	0	0
	<b>Total Income</b>	<b>3,00,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	Expenditure	0	0	0	0
	<b>Closing Balance (iii)</b>	<b>3,00,000</b>	<b>0</b>	<b>0</b>	<b>0</b>

	<b>Total Final Balance of the Panchayath (i) + (ii) + (iii)</b>	<b>173,15,000</b>	<b>19,16,680</b>	<b>16,67,129</b>	<b>27,03,760</b>
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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

*W. Suresh*

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 Suragajakkanahalli Grama Panchayath for the years 2016-17, 2017-18 and 2018-19, it is

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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 Suragajakkanahalli Grama Panchayath.

10) The Respondent No.1 Sri A. Tulasinath, was working Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, from 1/1/2016 to 5/11/2016. Respondent No.2 Sri Sunil L., was working as Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, from 8/11/2016 to 11/5/2017. Respondent No.3 Sri R. Gangadhar, was working as Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, from 12/5/2017 to 1/2/2019 and Respondent No.4 Sri Praveenkumar K.K, was working as Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, from 6/2/2019 to 21/6/2019. 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.3 Sri N. Nomesk Kumar, the then

*N. Nomesk Kumar*



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 20<sup>th</sup> 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 Suragajakkanahalli Grama Panchayath, no such monthly statement was prepared and submitted to the Authorities stated above. The above Panchayath had also not prepared the annual accounts in terms of Rule 109 of the Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006. The audit reports for the years 2016-17, 2017-18 and 2018-19 at paragraph 15 & 16 states that monthly expenditure statements, half yearly statements and yearly statements as per Rule 108 and 109 of the Karnataka Panchayath Raj (Grama Panchayath

*R. Shankar*

Budgeting & Accounts) Rules, 2006 were not submitted by the Suragajakkanahalli Panchayath. Therefore, the Respondents 1 to 5 who were the Panchayath Development Officers are responsible for the same. The Respondents No. 6, 7 and 8 being Taluk Executive Officers of Taluk Panchayath, Anekal had not supervised the administration and accounts of the Panchayath and are also responsible for the above lapse.

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

12) The Suragajakkanahalli Grama Panchayath, 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 Suragajakkanahalli Grama Panchayath, 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)

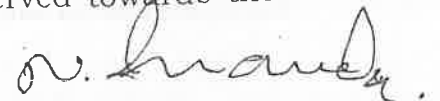
**GRANTS MEANT FOR SCHEDULED CASTE AND SCHEDULED TRIBE & PHYSICALLY CHALLENGED NOT PROPERLY UTILISED FOR THE WELFARE OF ABOVE PERSONS**

14) During the year 2016-17, the Suragajakkanahalli Grama Panchayath has spent a sum of Rs.8,36,992/- towards welfare of

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Schedule Caste and Scheduled Tribes under 25% scheme. There was opening balance of Rs.7,82,388/- as on 1/4/2006. During the year 2016-17 a sum of Rs.86,553/- was reserved towards the welfare of Scheduled Caste/Scheduled Tribe persons under 25% Grant. A sum of Rs.8,36,992/- was spent during the year, showing the balance of Rs.4,949/-. Thus, Suragajakkanahalli Grama Panchayath had not fully utilized the grant reserved for Scheduled Caste and Scheduled Tribe persons for the year 2016-17. In relation to 3% of Grant reserved for the welfare of physically challenged persons, there was opening balance of Rs.2,12,360/- as on 1/4/2016 and during the year 2016-17, a sum of Rs.6,94,119/- was reserved for the welfare of Physically challenged persons under 3% Grant. During the above year, no expenses met out towards welfare of physically challenged (differently abled) persons, thus showing the closing balance as on 31/3/2017 in a sum of Rs.9,06,479/-. As per the audit report for the year 2016-17, the above amount was not utilised in accordance with Rules. Respondent No.1 Sri A. Tulasinath and Respondent No.2 Sri Sunil L who were working as Panchayath Development Officers during the year 2016-17 are responsible for not utilizing the amount meant for the welfare of Scheduled caste and Scheduled Tribe persons under 25% Grant and also Physically challenged persons under 3% grant scheme.

15) During the year 2017-18, the Suragajakkanahalli Grama Panchayath has spent a sum of Rs.13,15,446/- towards welfare of Schedule Caste and Scheduled Tribes under 25% scheme. There was opening balance of Rs.4,949/- as on 1/4/2017. During the year 2017-18 a sum of Rs.17,15,076/- was reserved towards the



welfare of Scheduled Caste/Scheduled Tribe persons under 25% Grant. A sum of Rs.13,15,446/- was spent during the year, showing the balance of Rs.4,04,579/-. Thus, Suragajakkanahalli Grama Panchayath had not fully utilized the grant reserved for Scheduled Caste and Scheduled Tribe persons for the year 2017-18. In relation to 3% of Grant reserved for the welfare of physically challenged persons, there was opening balance of Rs.9,06,479/- as on 1/4/2017 and during the year 2017-18, a sum of Rs.6,50,000/- was reserved for the welfare of Physically challenged persons under 3% Grant. Out of the above amount, no expenses met out towards welfare of physically challenged (differently abled) persons, thus showing the closing balance as on 31/3/2017 in a sum of Rs.15,56,479/-. As per the audit report for the year 2017-18, the above amount was not utilized in accordance with Rules. It had resulted in failure to accomplish the object of the scheme. The Respondent No.2 Sri Sunil L and Respondent No.3 Sri R. Gangadhar, who were working as Panchayath Development Officers of Suragajakkanahalli Grama Panchayath during the years 2017-18 are responsible for the same.

16) During the year 2018-19, the Suragajakkanahalli Grama Panchayath has spent a sum of Rs.9,93,567/- towards welfare of Schedule Caste and Scheduled Tribes under 25% grant scheme. There was opening balance of Rs.4,04,579/- as on 1/4/2018. During the year 2017-18 a sum of Rs.7,61,745/- was reserved towards the welfare of Scheduled Caste/Scheduled Tribe persons under 25% Grant. A sum of Rs.9,93,567/- was spent during the year, showing the balance of Rs.1,72,757/-. Thus, Suragajakkanahalli Grama Panchayath had not fully utilized the



grant reserved for Scheduled Caste and Scheduled Tribe persons during the year 2018-19. In relation to 3% of Grant reserved for the welfare of physically challenged persons, there was opening balance of Rs.15,56,479/- as on 1/4/2018 and during the year 2018-19, a sum of Rs.67,409/- was reserved for the welfare of Physically challenged persons under 3% Grant. Out of the above amount, during the year 2018-19 only a sum of Rs.36,920/- was spent towards welfare of physically challenged (differently abled) persons, thus showing the closing balance as on 31/3/2019 in a sum of Rs.15,86,968/-. Non-utilization of amounts meant for welfare of SC/ST and physically challenged persons amounts to deprivation of benefits to above persons. In the Audit report, it is observed that the above grants were not utilized as per Rules. The Respondent No.3 Sri R. Gangadhar and Respondent No.4 Sri Praveenkumar K.K. who were working as Panchayath Development Officers at Suragajakkanahalli Grama Panchayath during the year 2018-19 are responsible for non-utilization of the full amount under 25% grant scheme for the welfare of Scheduled Caste/Scheduled Tribe persons and under 3% grant scheme for the welfare of Physically challenged persons.

#### **RECEIPT BOOKS**

17) The Suragajakkanahalli 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	12	09	09
2	Receipt of Receipt Books	10	13	10
3	Total	22	21	19
4	No. of receipt books utilized for the year	13	13	12
5	Balance of receipt books at the end of the year	09	09	07

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

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

18) As per the Audit Report, Suragajakkanahalli 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 A.Tulasinath and Respondent No.2 Sri Sunil L, Respondent No.3 Sri R. Gangadhar, Respondent No.4 Sri Praveenkumar K.K. Panchayath Development Officers of Suragajakkanahalli Grama Panchayath during the years 2016-17 to 2018-19 are responsible for the above lapse.

19) The Suragajakkanahalli Grama Panchayath had not maintained the Demand Collection Balance Register (DCB) 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:-

*N. Srinivas*

2016-17

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	73,29,291	1,05,01,619	1,78,30,910	51,33,100	1,26,97,810
2	Water Tax	3,39,518	40,282	3,79,800	92,650	2,87,150
3	Licence	-	4,89,290	4,89,290	4,89,290	-
4	Building Rent	1,07,000	36000	1,43,000	-	1,43,000
	<b>Total</b>	<b>77,75,809</b>	<b>1,10,67,191</b>	<b>1,88,43,000</b>	<b>57,15,040</b>	<b>1,31,27,960</b>

2017-18

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	1,26,97,810	1,46,06,880	2,73,04,690	81,93,507	1,91,11,183
2	Water Tax	2,87,150	40,282	3,27,432	84,585	2,42,847
3	Licence	-	1,36,500	1,36,500	1,36,500	-
4	Building Rent	1,43,000	41,000	1,84,000	5,000	1,79,000
	<b>Total</b>	<b>1,31,27,960</b>	<b>1,48,24,662</b>	<b>2,79,52,622</b>	<b>84,19,592</b>	<b>1,95,33,030</b>

2018-19

Sl. No	Details of tax	Opening balance	Demand	Total	Collection	Closing balance
1	House Tax	1,91,11,183	1,50,03,250	3,41,14,433	96,88,820	2,44,25,613
2	Water Tax	2,42,847	45,600	2,88,447	48,520	2,39,927
3	Licence	-	2,81,300	2,81,300	2,81,300	0
4	Building Rent	1,79,000	48,000	2,27,000	0	2,27,000
5	Light Tax	0	34,730	34,730	10,750	23,980
6	Others	0	96,509	96,509	96,509	0
	<b>Total</b>	<b>1,95,33,030</b>	<b>1,55,09,389</b>	<b>3,50,42,419</b>	<b>101,25,899</b>	<b>2,49,16,520</b>

20) As per the above statements, huge amount in a sum of Rs.2,49,16,520/- towards house tax, water tax, building rent and light tax was not collected by the Suragajakkanahalli Grama Panchayath, which amounts to loss caused to the State Exchequer. The Respondents 1 Sri A. Tulasinath, Respondent No.2 Sri Sunil L., Respondent No.3 Sri R. Gangadhar and Respondent No.4 Sri Praveenkumar K.K. Panchayath Development Officers are responsible for short collection of House Tax, Water Tax, building rent and light tax during the relevant years.

*v. Suresh*

21) In the audit reports for the years 2016-17, 2017-18 and 2018-19, it is observed that the Suragajakkanahalli 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.

22) In the Audit Reports of Suragajakkanahalli Grama Panchayath, it is observed that as per Form-3 of Karnataka Panchayath Raj (Grama Panchayath, Budgeting and Accounts) Rules, 2006, General Receipts have not been incorporated. The Registers in relation to the Cheque/DD is not maintained and temporary receipts as per Form-3A were not issued. The information was not provided regarding the inclusion of all buildings and sites to which the tax had to be levied and collected. In relation to receipt of taxes by Cheque/DD, the amounts were directly credited to the Panchayath Fund without issuing the temporary receipts in Form No.3A. Further, the amount received was belatedly credited to the Panchayath fund, which amounts to temporary misappropriation of funds.

#### **NON-REMITTANCE OF CESS/SURCHARGES**

23) The details regarding the surcharge/cess levied on taxes and its collection, remittance and the balance for the years 2016-17, 2017-18 and 2018-19 are as follows:-

2016-17

Sl. No	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2017
1.	Health cess	5,74,601	57,460	5,17,141	37,56,788	42,73,929	-	42,73,929
2.	Educational cess	3,83,067	38,307	3,44,760	25,04,537	28,49,297	-	28,49,297
3.	Library cess	2,29,840	22,984	2,06,856	15,62,723	17,69,579	-	17,69,579
4.	Deggars cess	1,14,920	11,492	1,03,428	6,60,958	7,64,386	-	7,64,386
	Total	13,02,428	130,243	11,72,185	84,85,006	96,57,191	-	96,57,191

*v. Srinivas*



**2017-18**

Sl. No	Details of Cess	Current years demand	Panchayath tax @10%	Balance cess	Opening balance	Total to be paid	Paid during the year	Balance as on 31/03/2017
1.	Health cess	8,25,640	82,564	7,43,076	37,56,788	44,99,864	-	44,99,864
2.	Educational cess	5,50,426	55,043	4,95,383	25,04,537	29,99,920	-	29,99,920
3.	Library cess	3,30,257	33,025	2,97,231	15,62,723	18,59,954	-	18,59,954
4.	Beggars cess	1,65,128	16,512	1,48,617	6,60,958	8,09,575	-	8,09,575
	<b>Total</b>	<b>18,71,451</b>	<b>187144</b>	<b>16,84,307</b>	<b>10169,313</b>	<b>-</b>	<b>-</b>	<b>1,01,69,313</b>

**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	10,84,569	108457	9,76,112	44,99,864	54,75,976	504368	49,71,608
2.	Educational cess	7,23,046	72,305	6,50,741	29,99,920	36,50,661	336246	33,14,415
3.	Library cess	4,33,828	43383	3,90,445	18,59,954	22,50,399	201748	20,48,651
4.	Beggars cess	2,16,914	21,691	1,95,223	8,09,575	10,04,798	100874	9,03,921
	<b>Total</b>	<b>24,58,357</b>	<b>245836</b>	<b>22,12,521</b>	<b>101,69,313</b>	<b>123,81,834</b>	<b>1143236</b>	<b>112,38,595</b>

24) It is noticed during the audit that during the years 2016-17, and 2017-18, the Suragajakkanahalli Grama Panchayath, had not deposited the above cess amount. During the year 2018-19, it has deposited only a part of the above Cess amount. At the close of the year 2018-19 the balance of cess amount to be deposited to different heads of account of Government, as per the above statements was Rs.112,38,595/-. As per the Audit reports, the Suragajakkanahalli 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 not explained as to for which purpose, the Cess amount was utilized. Non-remittance of above Cess amount in a sum of Rs.112,38,595/- as stated above, amounts to misdirection of funds and loss to the

*v. Praveen*

State exchequer. The respondent Nos.1 to 4 are responsible for the same.

**NON-MAINTENANCE OF FILES RELATING TO CHANGE OF KATHA**

25) The Grama Panchayath, Suragajakkanahalli 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 khathas, it could not verified whether the transfer of khathas was on the basis of conversion of lands by the Deputy Commissioner or on the basis of Pavathi Varsa or purchase. The Respondents 1 to 4 Panchayath Development Officers are responsible for illegal transfer of khathas or creation of bogus khathas if any.

**REGARDING COLLECTION OF RENTS OF PANCHAYATH BUILDINGS**

26) As per the Audit Reports, the Suragajakkanahalli Grama Panchayath, had not maintained the Register in Form No.15 (Rule 15) relating to monthly rents to be collected from the shops of the Panchayath. The details of rents due and collection of rents during the years 2016-17, 2017-18 and 2018-19 are as follows:-

2016-17

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/16	Due for the year 2016-17	Total	Collection during the year 2016-17	Balance as on 31/3/2017
1	Nagaraju S/o. Venkatesh	1000	32,000	12,000	44,000	-	44,000
2	Manjunath S/o. Venkatesh	1000	32,000	12,000	44,000	-	44,000
3	Venkatesh S/o. Narayanac hari	1000	31,000	12,000	43,000	-	43,000
4	Vacant	1000	12,000	-	12,000	-	12,000
	Total		107,000	36,000	143,000	-	143,000

*N. Srinivasan*

2017-18

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/17	Due for the year 2017-18	Total	Collection during the year 2017-18	Balance as on 31/3/2018
1	Nagaraju S/o. Venkatesh	1000	44,000	12,000	56,000	-	56,000
2	Manjunath S/o. Venkatesh	1000	44,000	12,000	56,000	-	56,000
3	Venkatesh S/o. Narayana chari	1000	43,000	12,000	55,000	-	55,000
4	Y. Krish-nappa	1000	12,000	5,000	17,000	5,000	12,000
	Total		143,000	41,000	184,000	5,000	179,000

2018-19

Sl. No.	Name of tenant	Monthly rent	Balance as on 1/4/18	Due for the year 2018-19	Total	Collection during the year 2018-19	Balance as on 31/3/2019
1	Nagaraju S/o. Venkatesh	1000	56,000	12,000	68,000	-	68,000
2	Manjunath S/o. Venkatesh	1000	56,000	12,000	68,000	-	68,000
3	Venkatesh S/o. Narayana chari	1000	55,000	12,000	67,000	-	67,000
4	Y. Krish-nappa	1000	12,000	12,000	24,000	-	24,000
	Total		179000	48000	227000	-	227000

The Grama Panchayath had not taken action for collection of rents from the shops let out by it. It has also not taken action for evicting the shop owners. Non-collection of rents due from tenants to the Panchayath had resulted in causing loss to the state exchequer. The Respondents 1 to 4 who were working as Panchayath Development Officers of Suragajakkanahalli Grama Panchayath are responsible for non-collection of rents from the tenants during relevant years.

*V. Krishna*

**REGARDING EXPENDITURE OF PANCHAYATHS**

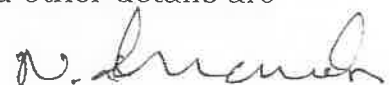
27) As per the Audit Reports of Suragajakkanahalli Grama Panchayath, in relation to expenditures the Grama Panchayath, Suragajakkanahalli had not obtained approval in relation to each payment. In relation to purchases and works, quality tests were not conducted, which had lead to misappropriation of funds.

28) In the Audit Reports of Suragajakkanahalli Panchayath, in relation to payment of bills, it is observed that;

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

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

The Respondents 1 to 4 who were working as Panchayath Development Officers during the years 2016-17 to 2018-19 are responsible for the above lapses.

(iv) In the Audit Report for the year 2018-19 it is stated that the Suragajakkanahalli Grama Panchayath had not maintained the following Registers of Lands, Buildings and other infrastructure, immovable and movable properties which belong to Grama Panchayath and vested in it by the Taluk Panchayath/Zilla Panchayath/Government.

(a) Register of land in Form No.30

(b) Register of immovable properties like buildings and other infrastructure assets like roads, bridges, culverts, drains, street lamps, etc. In form No.31

(c) Register of movable properties like furniture, equipment in form No.29.

(v) In the Audit report of the above Panchayath for the year 2018-19 it is observed that for providing drinking water to the villagers, Pure Drinking Water Units were established and the same were handed over to the Panchayath. The Panchayath used to collect Rs.5/- per 10/20 liters of water through ATM/Receipts. The Panchayath had not maintained the Log Book for distribution of water. The opening balance of water, closing balance and the details of amount remitted to the Water account of the Panchayath were not forthcoming. Non-maintenance of Log book and register had lead to misappropriation of amount.

(vi) During the year 2018-19, the Suragajakkanahalli Panchayath had paid a sum of Rs.39,34,051/- to the ESCROW Electricity Account, without maintaining the Log Book, information

*v. k. k. k.*

of meter reading. Several payments were made on the basis of the demand made by electricity department, which includes the interest also.

(vii) In the Audit Report for the year 2018-19, it is observed that as per Order No. UDD 211 GEL 2014 (P) dated 24/2/2017 (New Telecommunication Infrastructure Towers Regulations, 2015) and Section 13E of the Karnataka Town & Country Planning Act, 1961 read with Section 427 of the Municipal Corporations Act, 1976 and Section 325 of Municipalities Act, 1964, the Panchayath Development Officers have to issue permission for erecting mobile towers within their Grama Panchayath limits and royalty of Rs.12,000/- shall be collected. It was informed to audit party that during the year 2018-19, the Grama Panchayath, Suragajakkanahalli had not issued any permission for erection of mobile towers and royalty was not collected. It is seen from the audit report that mobile towers were erected without permission and no royalty was collected. Thus, there is loss caused to the Panchayath.

(viii) During the year 2018-19, it is noticed by audit party that the following materials worth more than Rs.5,000/- and within Rs.1,00,000/- were purchased without calling for quotations as per Rule 55(49) of the Manual of Contingent Expenditure.

Sl. No.	Date	Cheque No.	Total	Details
1	2/6/2018	484205	22,500	Repairs to motor pump
2	2/7/2018	484242	23,983	Purchase of spare parts for water supply
3	2/8/2018	484272	31,920	Purchase of Wheel Chair
4	2/3/2019	485392	14,189	Purchase of spare parts for water supply

*N. Handa*

(ix) During the year 2018-19, it is noticed during audit that the Grama Panchayath had not furnished the vouchers in relation to the following expenditure.

Sl. No.	Cheque No.	Date	Amount
1	485372	01/02/2019	25,000
2	485380	07/02/2019	25,000
3	485382	07/02/2019	50,568
4	485387	23/02/2019	98,392
5	485391	01/03/2019	24,763
6	485396	11/03/2019	40,000
	Total		2,63,723

The Respondent Nos. 3 and 4 who were working as Panchayath Development Officers for the year 2018-19 are responsible for the above lapses.

#### **REGARDING SCHEMES OF GOVERNMENT**

29) During the year 2016-17, the Suragajakkanahalli Panchayath has not utilised a sum of Rs.86,400/- under 14<sup>th</sup> Finance Scheme and Rs.918/- under 13<sup>th</sup> Finance Scheme and thus failed accomplish its full target, which results in failure of objects of the scheme. As per the Audit Report, the grants of 13<sup>th</sup> finance scheme was not utilised as per the guidelines of the scheme, and instead the funds were diverted to other purposes, thereby the objects of the scheme is frustrated. The Respondent No.1 Sri A. Tulasinath and Respondent No.2 Sri Sunil L are responsible for the non-utilization of the amounts under the Schemes and misdirection of funds.

30) During the year 2017-18, the Suragajakkanahalli Panchayath has not utilized a sum of Rs.30,146/- under 14<sup>th</sup> Finance Scheme, thus failed accomplish its full target, which results in failure of objects of the scheme. It is also noticed during

*v. Srinivasan*

the audit that the grants of 13th 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. Respondent No.2 Sri Sunil L and Respondent No.3 Sri R. Gangadhar who were working as Panchayath Development Officers during the year 2017-18 are responsible for the non-utilization of the amounts under the Schemes and misdirection of funds.

31) During the year 2018-19, the Suragajakkanahalli Panchayath has not utilized a sum of Rs.21,33,508/- under 14<sup>th</sup> Finance Scheme, a sum of Rs.37,393/- under ESCROW and Rs.15,201/- under RGPSA Schemes, thus failed accomplish its full target, which results in failure of objects of the scheme. Respondent No.3 Sri R. Gangadhar and Respondent No.4 Sri Praveenkumar K.K. who were working as Panchayath Development Officers during the year 2018-19 are responsible for the non-utilization of the amounts under the Schemes.

32) In the Audit report for the year 2018-19, regarding implementation of MGNREGA Scheme during the year 2018-19 by the Suragajakkanahalli Grama Panchayath, the following irregularities were noticed.

(i) The Grama Panchayath had not prepared the Self up Projects after getting the approval of Grama Sabah.

(ii) For providing unskilled physical work to the adults, the Grama Panchayath had to maintain 9 preformed which were not maintained in all respects.





(iii) As per Paragraph 22 of the MGREGA hand book, the implementation officers had to verify 100% of works, District Level officers had to verify 25% of works and 2% of works had to be verified by State Level Officers. But the works were not verified as stated above.

(iv) There is no record to show that permission was obtained for using the machineries for implementation of programmed as per Order No. RDP 05 EGS 2007 (P) dated 3/8/2009.

(v) Production quantity was not stated in the NMRs.

(vi) There is no record to show the materials purchased for works were procured from registered contractors/ suppliers. There is no vouchers maintained for purchase of Cement from authorized dealers.

(vii) In the measurement books, the engineers have not mentioned the details of NMRs. The details of materials, quantity and name of contractors are not mentioned in the NMRs. The vouchers/Bills do not bear the signatures of contractors. The materials were not taken to stock.

(viii) The Grama Panchayath had not conducted survey of job card holders. The job cards in relation to the persons who had left villages, died, etc. have not been deleted.

(ix) The Registers in Form No. 1 to 9 as per the Guidelines of the Scheme were not maintained. The photographs of the job card holders were not affixed in Form No.3. The work allotment in Form No.7 was not issued and notices in Form No.8 were not issued.

*v. Prasad*

(x) Out of the MGNREGA scheme, some of the works had created properties to the Grama Panchayath, the properties were not taken to Property Register.

**DEFICIENCIES/MISAPPROPRIATION IN THE  
IMPLEMENTATION OF SCHEMES NOTICED IN THE AUDIT**

33) In the Audit report for the year 2016-17, 2017-18 & 2018-19, it is noticed that the Suragajakkanahalli Grama Panchayath had not maintained the works register in Form 35 (Rule 79 of the Panchayath Raj (Grama Panchayaths Budgeting and Accounts) Rules, 2006. It has not maintained the Works Stock Accounts and machineries as per Rule 94 of the Karnataka Panchayath Raj (Grama Panchayaths Budgeting and Accounts) Rules, 2006 and Public Works Code.

34) The Suragajakkanahalli Panchayath had purchased materials without following the provisions of KTPP Act, 1999 and Rules framed thereunder. It is also noticed during the audit that in order to circumvent the tender process, the purchases were split within the limit of Rs.1.00 Lakh and payments were made.

35) The Grama Panchayath, Suragajakkanahalli had not produced the vouchers regarding the expenditure met out by it for the year 2016-17. The details of vouchers not produced are stated at Annexure-7. The total amount of payments for which vouchers were not produced are in a sum of Rs.2,98,183/-.

**REGARDING MEASUREMENT BOOKS**

36) In Audit reports it is stated that the above Suragajakkanahalli Grama Panchayath had not procured the Measurement books from Government Printing Press. If the Govt.

*n. Srinivas*

Printing Press had not supplied the Measurement books, the procedure as prescribed under KTPP Act shall have to be followed. It is noticed that the measurement books were purchased from private agencies. The stock register of measurement book was not maintained. The measurement book is an important document, which should be preserved for number of years.

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

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

2016-17

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund
Opening balance on 1/4/2016	1,90,525	8,29,972	3,50,184	1,67,340
Deductions for 2016-17	17,578	1,04,757	35,950	33,837
Total	2,08,103	9,34,729	3,86,134	2,01,177
Remitted to Govt. during 2016-17	-	-	-	-
Balance to be remitted as on 31/3/2017	2,08,103	9,34,729	3,86,134	2,01,177

2017-18

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance on 1/4/2017	1,90,525	8,29,972	3,50,184	1,67,340	-
Deductions for 2017-18	79,890	1,26,914	75,838	55,198	8949
Total	2,70,415	9,56,886	4,26,022	2,22,538	8949
Remitted to Govt. during 2017-18	-	-	-	-	-
Balance to be remitted as on 31/3/2018	2,70,415	9,56,886	4,26,022	2,22,538	8949

*R. Srinivas*

2018-19

Details	Royalty	Sales Tax	Income Tax	Labour Welfare fund	CBF
Opening balance on 1/4/2018	2,70,415	9,56,886	4,26,022	2,22,538	8,949
Deductions for 2018-19	1,22,044	36,818	75,789	51,453	34918
Total	3,92,459	9,93,704	5,01,811	2,73,991	43867
Remitted to Govt. during 2018-19	-	-	-	-	-
Balance to be remitted as on 31/3/2019	3,92,459	9,93,704	5,01,811	2,73,991	43867

As per the above statements, as on 31/3/2019, a sum of Rs.3,92,459 towards Royalty; a sum of Rs.39,93,704/- towards Sales Tax; a sum of Rs.5,01,811/- towards Income Tax, a sum of Rs.2,73,991/- towards Labour Welfare fund and a sum of Rs.43,867/- towards contractor's benevolent fund were not remitted to the relevant heads of Government. Non-remittance of the above Cess amount to the relevant heads of account of Government by the Suragajakkanahalli Grama Panchayath results in causing loss to the State exchequer. The respondents 1 to 4 who were working as Panchayath Development Officers of Suragajakkanahalli Grama Panchayath during the years 2016-17 to 2018-19 are responsible for not remitting the above Cess amount to the relevant heads of account of Government.

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

2016-17

Taxes	Schemes	Amount to be deducted during 2016-17	Amount deducted during the year 2016-17	Amount short deducted / left but	Amount remitted to Treasury	Amount shorted remitter to treasury.
Royalty	Group 1 & 2	15,906	7,935	7,971	-	7,935
	14 <sup>th</sup> finance	13,440	9,643	3,797	-	9,643
<b>Total</b>		<b>29,346</b>	<b>17,578</b>	<b>11,768</b>		<b>17,578</b>
Sales Tax	Group 1 & 2	44,519	28,576	15,943	-	28,576
	14 <sup>th</sup> finance	76,181	76,181	-		76,181
<b>Total</b>		<b>120700</b>	<b>104757</b>	<b>15,943</b>		<b>104757</b>
Income Tax	Group 1 & 2	18,065	12,087	5,978	-	12,087
	14 <sup>th</sup> finance	23,863	23,863	-	-	23,863
<b>Total</b>		<b>41,928</b>	<b>35,950</b>	<b>5,978</b>	-	<b>35,950</b>
Labour Welfare fund	Group 1 & 2	14,680	10,395	4,285	-	10,395
	14 <sup>th</sup> finance	23,442	23,442	-	-	23,442
<b>Total</b>		<b>38,122</b>	<b>33,837</b>	<b>4,285</b>	-	<b>33,837</b>
CBF	Group 1 & 2	898	-	898		-
	14 <sup>th</sup> finance	1921	-	1921		-
<b>Total</b>		<b>2819</b>		<b>2819</b>		-
<b>GRAND TOTAL</b>		<b>232915</b>	<b>192122</b>	<b>40793</b>	-	<b>192122</b>

2017-18

Taxes	Schemes	Amount to be deducted during 2017-18	Amount deducted during the year 2017-18	Amount short deducted / left	Amount remitted to Treasury	Amount shorted remitter to treasury.
Royalty	Group 1 & 2	45,249	45,249	-	-	45,249
	14 <sup>th</sup> finance	34,641	34,641	-	-	34,641
<b>Total</b>		<b>79,890</b>	<b>79,890</b>	-	-	<b>79,890</b>



Sales Tax	Group 1 & 2	1,22,916	1,22,916			1,22,916
	14 <sup>th</sup> finance	3,998	3,998	-	-	3,998
<b>Total</b>		<b>1,26,914</b>	<b>1,26,914</b>			<b>1,26,914</b>
Income Tax	Group 1 & 2	51,919	51,919			51,919
	14 <sup>th</sup> finance	23,919	23,919			23,919
<b>Total</b>		<b>75,838</b>	<b>75,838</b>			<b>75,838</b>
Labour Welfare fund	Group 1 & 2	37,706	37,706			37,706
	14 <sup>th</sup> finance	17,492	17,492	-	-	17,492
<b>Total</b>		<b>55,198</b>	<b>55,198</b>			<b>55,198</b>
CBF	Group 1 & 2	1,900	1,900			1,900
	14 <sup>th</sup> finance	7,049	7,049			7,049
<b>Total</b>		<b>8,949</b>	<b>8,949</b>			<b>8,949</b>
<b>GRAND TOTAL</b>		<b>3,46,789</b>	<b>3,46,789</b>		-	<b>3,46,789</b>

**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 short remitter to treasury.
Royalty	GP fund	80,036	77,057	2,979	-	77,057
	14 <sup>th</sup> finance	46,695	44,987	1,708		44,987
<b>Total</b>		<b>1,26,731</b>	<b>1,22,044</b>	<b>4,687</b>	-	<b>122,044</b>
GST	GP fund	40,918	18,050	22,868		18,050
	14 <sup>th</sup> finance	18,768	18,768	-		18,768
<b>Total</b>		<b>59,686</b>	<b>36,818</b>	<b>22,868</b>	-	<b>36,818</b>
Income Tax	GP fund	43,953	43,953	-		43,953
	14 <sup>th</sup> finance	31,836	31,836	-		31,836
<b>Total</b>		<b>75,789</b>	<b>75,789</b>	-		<b>75,789</b>

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Labour Welfare fund	GP Fund	30,224	30,224	-		30,224
	14 <sup>th</sup> finance	21,229	21,229	-		21,229
<b>Total</b>		<b>51,453</b>	<b>51,453</b>	-		<b>51,453</b>
CBF	GP fund	24,070	24,070	-		24,070
	14 <sup>th</sup> finance	10,848	10,848	-		10,848
<b>Total</b>		<b>34,918</b>	<b>34,918</b>			<b>34,918</b>
<b>GRAND TOTAL</b>		<b>3,48,577</b>	<b>3,21,022</b>	<b>27,555</b>		<b>3,21,022</b>

As per the above statements, in relation to the year 2016-17 a sum of Rs.1,92,122/-, was not remitted to the relevant heads of account of Government. In relation to the year 2017-18 a sum of Rs.3,46,789/-, was not remitted to the relevant heads of account of Government. In relation to the year 2018-19 a sum of Rs.3,21,022/-, was not remitted to the relevant heads of account of Government. Non remittance of above amount of Royalty, Sales Tax, Income Tax, Labour Welfare Fund, Contractors Benevolent fund to the relevant heads of account of Government and short collection of the above amounts results in causing loss to the State Exchequer. The respondents 1 to 4 who were working as Panchayath Development Officers during the relevant years are responsible for non-remittance, misdirection of funds and causing loss to the State exchequer.

As per Govt. Order No. LD 300 LET 2006 dated 18/1/2007, 1% of the Development/Maintenance works shall have to be deducted towards Labour Cess and the same amount shall be remitted to the Chief Executive Officer, Buildings and other construction Labour Welfare Board, Karmika Bhavan,

*N. Suresh*

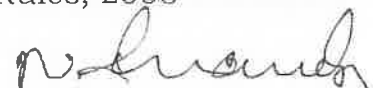
Bannerghatta Road, Bangalore. But the Suragajakkanahalli Panchayath had not followed the above instructions.

39) During the year 2016-17, the Grama Panchayath, Suragajakkanahalli 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.

40) Apart from the above Registers, during the year 2016-17 the Suragajakkanahalli Grama Panchayath had not maintained the following registers and ledgers

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





(ii) Journal Booking form No.50 as per Rule 106 of Karnataka Panchayath Raj (Grama Panchayath Budgeting and Accounts) Rules, 2006.

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

41) In the preparation of financial statements for the year 2016-17, the Grama Panchayath, Suragajakkanahalli has committed the following flaws.

(i) The Classification of receipts and payments was not made in specified heads. Certain assets were formed under schemes, which were not shown under expenditure. Instead they were shown under Revenue expenditure.

(ii) In the cash book, all the cash flows in the Cash/Bank column were not properly classified under different heads and the same was not brought to statement.

(iii) The revenue expenditures met out under grants of specified schemes, were not brought under other revenue expenditure accounts.

(iv) While computing the incomes and expenditure all the incomes (whether received or not received) and all expenditures (whether actually incurred or not incurred) were not considered.

(v) The depreciation on the properties were not accounted and shown as loss.



(vi) In the receipt and expenditure statement, index numbers were not mentioned.

(vii) The income derived due to sale of dead stock materials and properties of Grama Panchayath were not shown in the profit and loss statement.

(viii) In the balance sheet also, there are several discrepancies.

42) The following Executive Officers were working at Taluk Panchayath Anekal, who had control and supervision over the working of the Grama Panchayaths within the limits of Anekal Taluk, which includes the Suragajakkanahalli 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, Suragajakkanahalli Panchayath. Due to their lapses in properly supervising the accounts and administration of Grama Panchayaths, the irregularities/ causing loss to the state exchequer, stated supra at Suragajakkanahalli Grama Panchayath had crept in. Therefore, they are also responsible for the irregularities/ causing loss to the State exchequer, stated supra.

43) The respondents while submitting their comments, have stated that the budgets of Suragajakkanahalli Grama Panchayath were prepared every year as per Rules and Audits of

*N. Srinivas*

Suragajakkanahalli Grama Panchayath were conducted. They have not explained the irregularities/loss to the State exchequer stated supra. Their comments cannot be accepted. In view of the above discussions, there is prima facie material to hold that the respondents have committed misconduct.

44) Therefore, acting under section 12(3) of Karnataka Lokayukta Act, 1984, it is recommended 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 A. Tulasinath, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 1/1/2016 to 5/11/2016) – presently working at Hennagara Grama Panchayath, Anekal Taluk.
- 2) **Respondent No.2** Sri Sunil L, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 8/11/2016 to 11/5/2017) – presently working at Karchakhed Grama Panchayath, Chincholi Taluk, Kalaburagi District.
- 3) **Respondent No.3** Sri R. Gangadhar, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 12/5/2017 to 1/2/2019) – presently working at Byagadadenahalli Grama Panchayath, Anekal Taluk.
- 4) **Respondent No.4** Sri Praveenkumar K.K, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 6/2/2019 to 21/6/2019) – presently working at Ballur Grama Panchayath, Anekal Taluk.
- 5) **Respondent No.5** Sri E. Anand, the then Panchayath Development Officer, Suragajakkanahalli Grama Panchayath, Anekal Taluk (for the period from 26/8/2019 till date).
- 6) **Respondent No.6** Sri N Nomesesh Kumar, the then Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the

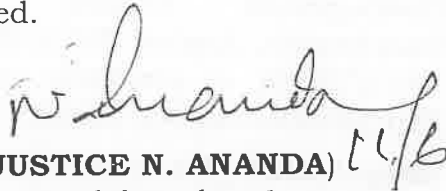
*N. Nomesesh Kumar*

period from 1/1/2016 to 18/5/2017) – Presently working as Deputy Secretary, Zilla Panchayath, Chikkaballapur.

- 7) **Respondent No.7** Sri T.K. Ramesh, the then Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (for the period from 19/5/2017 to 19/7/2019) – Presently working as Deputy Secretary, Zilla Panchayath, Tumakuru
- 8) **Respondent No.8** Sri K.C. Devaraj Gowda, Taluk Executive Officer, Taluk Panchayath, Anekal Taluk, Anekal (from 24/7/2019 till date).

45) As per Section 12(4) of the Karnataka Lokayukta Act, 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) 14/6  
Upalokayukta-1  
State of Karnataka, Bengaluru