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KARNATAKA LOKAYUKTA

No. COMPT/UPLOK/BD-58/2008/DRE-4

Multi Storied Buildings,
Dr. B.R. Ambedkar Veedhi,
Bengaluru 560 001.

Dated: 25/1/2019

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

Sub:- Proceedings against;

- (1) Sri Raveendra, the then Secretary of Narasapura Grama Panchayath, Kolar Taluk and District (Presently working at Kyalanur Grama Panchayath, Kolar Taluk and District)
- (2) Smt.Zareena Begum, the then President of Narasapura Grama Panchayath, Kolar Taluk and District.

On the basis of the Complaint filed by Sri M. Basavaraj, the then Member of Narasapura Grama Panchayath, Kolar Taluk and District (hereinafter referred to as Complainant) against (1) Sri Raveendra, the then Secretary of Grama Panchayath, Narasapura, Kolar Taluk and District and (2) Smt. Zareena Begum, the then President of Narasapura Grama Panchayath, Kolar Taluk and District (hereinafter referred to as Respondents 1 and 2 respectively), an investigation under Section 9 of the Karnataka Lokayukta Act was taken up.

2) The complainant has alleged that the respondents, while purchasing the electrical items, tailoring machines and water meters had obtained the Bills from the shops for higher rates and paid the amount. When the complainant got the bills for the same items, it was seen that the Bills obtained by respondents were

more. The Complainant has listed the articles procured by the Panchayath as follows:-

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|--------------------------------|---------------|
| 1) Rate for 15 sewing machines | : Rs.42,000/- |
| 2) UPS | : Rs.20,500/- |
| 3) 75 Tube Lights | : Rs.61,534/- |
| 4) 60 Water meters | : Rs.49,950/- |

The Complainant has also furnished the rates of articles procured by him.

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|--------------------------------|---------------|
| 1) Rate for 20 sewing machines | : Rs.52,000/- |
| 2) UPS | : Rs.18,500/- |
| 3) One Tube Light | : Rs. 585/- |
| 4) 60 Water meters | : Rs.42,525/- |

The complainant has also alleged that in relation to Sy. No.2/2, 2/3, 2/4 of Narasapur Village, Kolar Taluk, even though the Executive Officer had ordered to maintain status-quo, the Respondents along with Bill Collector have issued Form No.9 and 10 and effected khatas. Further, it is alleged by complainant that khatas were effected in violation of the Rules that the sites were to be converted by the Deputy Commissioner and the Grama Panchayath was to collect development fees. The Secretary of Grama Panchayath was absent for many days. When the same was complained before the President, the President had marked the attendance as absent. Thereafter, the same was altered as OOD or CL. The Executive Officer of Taluk Panchayath, Kolar did not take action in this regard.

3) The Respondents 1 and 2 have filed similar replies to the above complaint of the complainant. They have stated that the articles alleged by the Complainant were procured after following the Rules. Before procuring the articles after purchase, the same were approved by the Panchayath meeting. The details of articles

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procured were published on the Panchayath walls. The audit for the year 2006-07 of the Panchayath was also completed. In these Jamabandi meeting and Panchayath meetings, the complainant has affixed his signature and he had not made any allegations either in writing or orally at that time. In relation to Sy. Nos. 2/2, 2/3 and 2/4, the respondents have stated that the details were enclosed. They have submitted that the allegations made in the complaint are far from truth and requested to drop the proceedings against them. The respondents have enclosed the copies of Resolutions of Panchayath, copies of quotations, Comparative statement of quotations, copies of Bills, etc. regarding procurement of articles to the Panchayath. Further, the Respondents have furnished copies of order of Executive Officer in relation to the lands in Sy. No.2/2, 2/3 and 2/4 of Narasapur Village.

4) The complaint allegations are examined with reference to the replies submitted by respondents and copies of documents furnished by complainant and respondents. The findings in relation to each of the allegations are discussed below and following irregularities are noticed.

5) In relation to purchase of 1.5 K.V UPS and 120 Tubular Battery, the respondents have submitted that the same were purchased as per the resolutions of the Panchayath dated 28/9/2006. The respondents submit that quotations from SRS Enterprises, M.B. Road, Kolar; Ravi Auto Batteries, Near Bus Stop, Kolar and M.V. Auto Electrics and Batteries, M.B. Road Kolar were procured. As per the comparative statement furnished by

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respondents, the President of the Panchayath (2nd respondent) has approved the quotation of M/s. SRS Enterprises.

(i) As per the Tax Invoice of M/s. SRS Enterprises dated 2/11/2006, a sum of Rs.20,500/- was paid for procurement of 2 Nos. 120 AH Tubular Battery and 1.5 KV UPS. On perusal of the Quotations, it is seen that the rate of UPS is stated as 10,00/-. But it is later altered in the amount column as 9,222/-. This alteration is without any attestation. Similarly, in the quotation dated 31/10/2006 of M.V. Auto Electricals the rate of 120 AH Tubular Battery is shown as Rs.4,600/- and in the amount column the figure is altered from Rs.9,000/ to Rs.1,060/- which does not tally with the rate and number of items. It appears, these quotations were altered only to place order with M/s. SRS Enterprises.

(ii) The complainant has produced copy of quotation dated 10/6/2009 of M/s. SRS Enterprises, wherein the rate of 1.5 KV UPS is stated as 7,000/- and rate of two Tubular Battery is shown as 11,500/-. In this regard, respondents have submitted a letter dated 10/3/2008 of M/s. SRS Enterprises, in which it is stated that the complainant has taken blank quotation from the firm without their knowledge and the quotation produced by the complainant was not issued officially. The letter of SRS Enterprises cannot be believed at this stage, since when it is stated that the Complainant has taken the quotation page from the book without their knowledge, it is not clear whether they have filed any complaint regarding the same. It appears that the letter was issued by SRS Enterprises, at the instance of respondents. The above complaint was registered on 1/2/2008 and comments were

called on 26/2/2008. The Respondents have furnished their comments on 12/3/2008. The letter of SRS Enterprises is dated 10/3/2008. This letter cannot supplement the contentions of the respondents in the absence of written order issued to M/s. SRS Enterprises for supply of UPS and Tubular Battery. (194)

(iii) The respondents have not furnished the copy of letter calling for quotations. It is not clear whether quotations were called for by writing letters. Copy of the Quotation submitted by SRS Enterprises is dated 28/10/2006 and the Copy of the invoice submitted by SRS Enterprises is dated 2/11/2006. The comparative statement of rates furnished by different shops for supply of UPS and Tubular Battery does not indicate the date on which the quotation of SRS Enterprises was accepted. Further, the comparative statement does not indicate the decision of the Panchayath to procure the battery and UPS from SRS Enterprises. The respondents have not furnished the copy of the supply order placed with M/s.SRS enterprises.

(iv) On the obverse of the Tax Invoice, the respondents have mentioned that the materials received correctly in good condition and taken to T&P Account page No.3. The respondents have not stated the date on which the Battery and UPS were received from M/s.SRS Enterprises. Further extract of stock register in which the materials were taken to stock is not furnished.

(v) The date of passing of Bill and payment to M/s.SRS Enterprises is not forthcoming. It is not clear whether the payment was made by cash or cheque. The extract of cash book is

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also not furnished. Therefore, there are reasons to believe that the respondents have not followed the procedure for calling for quotations, receipt of materials and payment. Further, there are no records for having ensured the rate of battery and UPS quoted by M/s. SRS Enterprises.

6) In regard to purchase of sewing machines, the respondents have furnished the extract of resolution of the Panchayath, wherein on 5/3/2007 the Panchayath had resolved to purchase sewing machines for the year 2006-07 under 22.5% SC/ST welfare scheme. The complainant is also one of the signatories to the said resolution.

(i) The Respondents have obtained quotations for purchase of sewing machines from M/s. R.K. Tailoring materials, Chintamani; (2) Shuba Enterprises, BSK I stage, Srinagar, Bengaluru; and Nagpals, J.C. Road, Bengaluru. Finally, the quotation of M/s. Nagpals, J.C. Road Bengaluru was accepted by Respondents. A bill for a sum of Rs.42,000/- (including 4% VAT) for 15 sewing machines was passed. Thus, the cost of each sewing machine comes to Rs.2,692/-.

(ii) The Complainant along with his complaint has furnished copy of quotation obtained from the same firm i.e., M/s.Nagpals wherein the rate of Nagpal Sewing machine is stated as 2,500/-. Thus, there is excess payment of Rs.192/- per sewing machine.

(iii) The respondents have furnished the copy of the comparative statement of the quotations in relation to procurement

of tailoring machines. It is not clear when the quotation of M/s. Nagpals was accepted. The letter addressed to M/s. Nagpals regarding acceptance of its quotation and letter placing orders for supply of sewing machine are not furnished. The comparative statement does not indicate whether the respondents have decided to place orders with M/s. Nagpals for procurement of 15 Nos. tailoring machines. The quotations are dated 18/3/2007 and the Tax Invoice of M/s. Nagpals is dated 29/3/2007. Therefore, it was incumbent on the respondents to have produced the copy of the letter placing orders with M/s. Nagpals.

(iv) Further, the respondents have not furnished extract of stock book for having taken the above sewing machine to the stock and records to show the distribution of above sewing machines to the SC/ST persons. There is no record to show that the sewing machines are taken to stock and the same were distributed. In the circumstances there are reasons to believe that the respondents have committed irregularities in the procurement of sewing machines.

7) In relation to purchase of 75 street lights for the Panchayath, the respondents have furnished extract of Resolution dated 5/3/2007, by which the Panchayath has resolved to purchase the street lights for installation of the same at Narasapur, Kukri and Khazihalli villages. The Respondents have obtained quotations from A.Z electricals, Oswal Electricals and M/s. Karnataka Electricals. Finally, the Quotation of M/s. Karnataka Electricals, was approved and 75 tube lights along with GA band, Pipes and clips were purchased at the rate of Rs.730/- per set. Total amount

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of Rs.61,594/- including VAT of 12.5% was paid to the above said firm.

(i) In relation to the same Tube lights, the Complainant has furnished the copy of the letter dated 18/6/2007, wherein M/s. Karnataka Electricals has quoted the rate per tube light set as Rs.585/-. The respondents have contended that the copy of the quotation furnished by complainant does not include the extra fittings i.e., GI Pipe, Clamp set, etc. Further, the respondents have also furnished a copy of the letter dated 4/3/2008 of M/s. Karnataka Electricals wherein it is stated that the quotation furnished by them to the Panchayath includes the extra fittings i.e., GI Pipe, Clamps, etc. and the rate quoted is for Heavy body aluminum Mysore Lamps street lights; the quotation given to complainant is for the tube light of local make without extra fittings.

(ii) The respondents have not furnished the copy of letters calling for quotations. It is not clear whether the quotations were obtained without calling for the quotations. On 15/3/2007, M/s. Karnataka Electricals Kolar had submitted quotations for street light fittings at the rate of Rs.730/- each with GI Pipe, etc. Quotations were also received from other two shops from Kolar. The respondents have furnished the copy of the comparative statement of these quotations. However, it is not clear when the quotation of M/s. Karnataka Electricals was accepted. The respondents have also not furnished the letter addressed to M/s. Karnataka Electricals regarding acceptance of their quotation and letter placing orders for supply of tube light fittings. The copy of

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the comparative statement does not indicate whether the respondents have decided to place orders with M/s. Karnataka Electricals for supply of 75 Nos. of tube lights. This is significant because the date of submission of quotation was on 15/3/2007 and copy of the invoice supplying the tube light fittings is dated 26/3/2007. The respondents should have produced the copy of the letter placing orders with Karnataka Electricals and the date on which the quotation of M/s. Karnataka Electricals was accepted by respondents.

(iii) The respondents have furnished copy of the letter dated 4/3/2008 of Karnataka Electricals to support the case of respondents regarding supply of tube lights. In the letter dated 4/3/2008 addressed to Secretary of Narasapura Grama Panchayath, it is stated justifying that the respondents have not misused the funds in the purchase of tube light fittings and G.I. Pipes etc. It is relevant to mention here that present complaint was filed on 1/2/2008 and comments of respondents were called for on 26/2/2008. The respondents have submitted replies dated 12/3/2008 to the complaint allegations by enclosing the letter of M/s. Karnataka Electricals dated 4/3/2008. This letter cannot supplement the defence of the respondents in the absence of furnishing copy of letter addressed to M/s. Karnataka Electricals regarding acceptance of quotations and time gap between the receipt of quotations (15/3/2007) and date of invoice (26/3/2007).

(iv) In the letter dated 4/3/2008 of M/s. Karnataka Electricals, copy of which was furnished by respondents in support of their contention, it is stated that M/s. Karnataka Electricals has

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supplied the Aluminum Heavy body Mysore Lamps Street Lights. As per the information ascertained from Mysore Lamps Limited, the company has completely stopped its operation from 11th June 2003. In the circumstances, it cannot be believed that M/s. Karnataka Electricals has supplied the street lights of Mysore Lamps company.

(v) The respondents have not stated the year in which the stocks were received from Karnataka Electricals and taken to stock book. It is seen from the obverse of the copy of the Bill that the supplies were taken to stock book at page No.18, which is in different handwriting. In relation to acceptance and passing of the Bill, it is not clear the date on which the Bill was passed. The respondents have not indicated whether the amount was paid in cash or by cheque. They have not enclosed the extract of cash book. Therefore, there are reasons to believe that the respondents have not followed the procedure in calling for quotations and it cannot be ensured that there was no collection of rates quoted by M/s. Karnataka Electricals.

8) In regard to purchase of water meter, the respondents have stated that the installation of water meter was discussed in the general body meeting of the Panchayath on 4/6/2005 and quotations were obtained from different firms and finally the quotation of Vishal Karnataka Trade Links Private Limited was approved and 60 Nos. Water meter at the rate of Rs.740/- was purchased for a sum of Rs.44,400/- and a sum of Rs.49,950/- including VAT, was paid to the said firm.

(i) The complainant has stated that the rate paid by the Panchayath towards purchase of water meters is more. There is no document furnished by the complainant to show that the rate at which the water meters were purchased was more. Further, contention of the respondents are that the water meters were purchased from an authorized dealers to supply "Anand Asahi" make, which is one of the most premium brands available and is approved brand in many Government departments. The Respondents have also furnished copy of the letter dated 5/3/2008 of M/s. Vishal Karnataka Trade Links Private Limited.

(ii) The quotations obtained by respondents from different firms are dated 16/3/2007 and 17/3/2007. The respondents have not furnished copy of letters calling for quotations. It is not clear whether the quotations were obtained without calling for them. The Invoice of M/s. Vishal Karnataka Trade-links Private Limited is dated 20/3/2007. There are no records as to when the quotation of M/s. Vishal Karnataka Trade Links Private Limited was accepted. From the comparative statement furnished by the respondents, it is not clear that they have decided to procure the water meters from M/s. Vishal Karnataka Trade Links Private Limited. Further, the respondents have also not furnished the letter placing orders with M/s. Vishal Karnataka Trade Links Private Limited.

(iii) The comparative statement does not indicate the date on which the quotation of M/s. Vishal Karnataka Trade Links Private Limited was accepted. The respondents have also not

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furnished the letter addressed to M/s. Vishal Karnataka Trade Links Private Limited placing orders for supply of Water meters.

(iv) The respondents have furnished copy of the letter dated 5/3/2008 of M/s. Vishal Karnataka Trade Links Private Limited to justify that respondents have not misused the funds in relation to purchase of water meters. The letter dated 5/3/2008 was obtained after calling for comments of respondents in the present complaint. This letter cannot supplement the defence of the respondents in the absence of furnishing copy of letter addressed to the firm regarding acceptance of quotation and the time gap between receipt of quotations (17/3/2007) and date of Tax invoice (20/3/2007).

(v) In the letter dated 5/3/2008, M/s. Vishal Karnataka Trade Links have stated that they had supplied water meters of Anand Asahi make which is one of the most Premium Brands available and used in many Government Departments. The respondents had not verified the rate of the water meter with Water Supply Department or any other Government Departments before accepting the rate quoted by M/s. Vishal Karnataka Trade Links Private Limited.

(vi) The respondents have not stated the date on which the water meters supplied were received. It is not clear whether the water meters supplied are taken to stock book. The date on which the Bill was passed is not indicated. The mode of payment to the supplier i.e., whether in cash or through cheque is not stated. The extract of cash book is also not furnished by respondents. In the above circumstances, there are reasons to believe that the

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respondents have committed irregularities in the procurement of water meters.

9) In regard to the allegation of effecting Khatas in relation to Sy. No. 2/2, 2/3 and 2/4 by issuing form 9 & 10, the respondents have stated that the issuance of Form No.9 & 10 were cancelled by the Government, instead Annexure-1 and 12C forms were being issued as Tax Assessment. It is further contended that after issuance of interim order by the Executive Officer on 10/6/2005, Form No.1 and 12C were not issued in relation to the converted sites in the above survey numbers. The Bill collector has no authority to issue the above forms. Therefore, the respondents requested to drop the allegations.

(i) The complainant has furnished his rejoinder dated 5/5/2008. Along with his rejoinder he has enclosed copies of letter dated 13/3/2008 of Executive Engineer, Taluk Panchayath, Kolar and letter dated 28/3/2008 of Public Information officer, Zilla Panchayath, Kolar wherein the Taluk Executive Officer has stated that in relation to the Sy. Nos. 2/2, 2/3 and 2/4, Audit was completed and the allegations made by the complainant is far from truth.

(ii) Further, the complainant has not furnished the details of khatas effected by respondents after the issuance of interim order by the Executive officer.

10) In regard to the allegation that khatas have been effected in violation of the rules that sites were to be converted by the Deputy Commissioner and the Grama Panchayath was to collect development fees before effecting Khata. The respondents have stated that as per Resolution the Panchayath dated 4/6/2007

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decision was taken for development of layout by collecting Rs.8.30 per square feet. It was also resolved to request for cancellation of the interim order dated 17/7/2007 issued by Executive Officer. The Khatas were being effected in respect of the sites registered only after collection of development charges of Rs.8.30 per square feet. Therefore, the respondents have stated that the allegation is far from truth.

11) In regard to the allegation of absence of Secretary to the Panchayath on various dates, the Respondents have furnished copies of leave letters/attendance certificate/notes of Vice President. In the rejoinder, complainant has not submitted any objections in relation to the above copies of documents.

12) It is ascertained that the first respondent Sri Raveendra is presently working as Panchayath Development Officer of Kyalanur Grama Panchayath, Kolar Taluk. In view of the above discussions, the replies submitted by respondents in regard to purchase of articles such as UPS and 120 AH Tubular Battery; Sewing Machines; street tube lights and Water meters by the Panchayath are untenable.

13) There is prima material against respondents that in relation to purchase of UPS and 120 AH Tubular Battery; Sewing Machines; street tube lights and Water meters by the Panchayath the respondents have not adhered to the procedure prescribed for procurement and have not ascertained the rates of the above articles before accepting the quotations submitted by suppliers, thereby caused loss to the Panchayath by paying excess rate to the above articles. Thus, the respondents have committed misconduct.

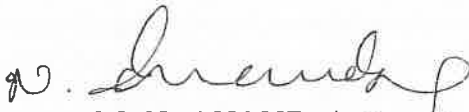
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14) In view of the above, acting under Section 12(3) of the Karnataka Lokayukta Act, 1984, recommendation is made to the Competent Authority for initiating disciplinary proceedings against Respondent No.1 Sri Raveendra, the then Secretary of Narasapura Grama Panchayath, Kolar Taluk and District – presently working as Panchayath Development Officer, Kyalanur Grama Panchayath, Kolar Taluk and District and to entrust the inquiry to this Authority as per Rule 14A of the Karnataka Civil Services (Conduct) Rules, 1957.

15) It is also recommended to the Competent Authority to take appropriate action against Respondent No.2 Smt. Zareena Begum, the then President of Narasapura Grama Panchayath, Kolar Taluk and District under the provisions of the Karnataka Grama Swaraj and Panchayath Raj Act, 1993.

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

Connected records are enclosed herewith.


(JUSTICE N. ANANDA) 25/11
Upalokayukta-1
State of Karnataka, Bengaluru

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