# Report of the Comptroller and Auditor General of India Compliance Audit

on

# **Departments and Public Sector Undertakings**

# for the year ended March 2022

# **Government of Karnataka**

Report No.3 of the year 2024

Particulars	Paragraph No.	Page No.				
Preface		vii				
Overview		ix-xiv				
Chapter-I						
Introduction	1.1	1				
Audit Universe and Structure	1.2	1				
Authority for conducting Audit	1.3	1				
Expenditure Profile of the Department	1.4	2				
Planning and Conduct of Audit	1.5	2				
Significant audit observations and response to audit	1.6	3				
Responsiveness of the Government to Audit	1.7	4				
Outstanding Inspection Reports	1.7.1	4				
Follow-up action on Audit Reports	1.7.2	4				
Paragraphs to be discussed by the Public Accounts Committee	1.7.3	4				
Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature	1.8	5				
Chapter-II						
Compliance Audit Observations on Departments						
Revenue Department						
Hindu Religious Institutions and Charitable Endowments Department		7				
Management of Hindu Religious Institutions by the State Government	2.1	7-32				
Forest, Ecology and Environment Department		32				
Management of Forest Offense Cases in Karnataka Forest Department	2.2	32-45				
<i>Excess expenditure and extra payment to contractors due to erroneous estimates</i>	2.3	45				
Mines and Geology Department						
Non-adherence to the Karnataka Minor Mineral Concession Rules	2.4	47				
Home Department						
Enforcement of fire safety provisions in high	2.5	49				
rise buildings						

Table of contents

Particulars	Paragraph No.	Page No.
utilisation of Government land	<u> </u>	
Department of Administration of Justice		
Embezzlement of Government receipts	2.7	54
Urban Development Department		
Irregular allotment of the sites under incentive scheme	2.8	56
Non-Collection of betterment tax	2.9	57
Adoption of inappropriate price index resulting in avoidable extra expenditure	2.10	59
Public Works Department		
Avoidable extra cost	2.11	61
Non-acquisition of required lands before commencement of works	2.12	63
<i>Excess and unauthorized payments on fake</i> work bills	2.13	66
Avoidable expenditure	2.14	68
Department of Kannada and Culture		
Unfruitful expenditure due to inadequate and improper planning	2.15	70
Department of Tourism		
Unfruitful expenditure	2.16	72
Chapter-III		
Compliance Audit Observation	ons on PSUs	
Karnataka Renewable Energy Development Limited		
Implementation of Solar Water Pump Programme for irrigation	3.1	75
Karnataka State Handicrafts Development Corporation Limited		
Avoidable expenditure	3.2	78
Karnataka Soaps and Detergents Limited		
Avoidable expenditure	3.3	81
Submission of accounts by PSUs	3.4	83
Replies outstanding	3.5	85
Discussion of Audit Reports by COPU	3.6	86
Compliance to Reports of COPU	3.7	86
Response to Inspection Reports	3.8	86

	Particulars	Paragraph No.	Page No.			
Appendices						
1	List of Departments and Autonomous Bodies under the jurisdiction of the O/o the PAG Audit II	1.2	89			
2	Year-wise breakup of outstanding Inspection Reports and Paragraphs issued up to 31st March 2022	1.7.1	90			
3	Details of Departmental Notes pending as of 31 March 2022 (Excluding General and Statistical Paragraphs)	1.7.2	91			
4	Paragraphs to be discussed by the PAC	1.7.3	92			
5	Annual return on review of entrustment of Autonomous Bodies audited under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971	1.8	93			
6	Head of account-wise details of expenditure of the Department for the period of audit 2017-18 to 2021-22	expenditure of the Department for the 2.1.11				
7	Excess grants sanctioned to institutions against the prescribed limit	2.1.11.3	95			
8	Sanction of grants to the same institutions under different schemes/Head of Accounts of the Department	2.1.11.4	99			
9	List of Non-existent temples as per VA/RI reports where Tasdik is being paid	2.1.13.1	104			
10	Statement of Double payments made to the beneficiaries	2.1.13.1	106			
11	Statement of payment of Multiple Tasdik to individual Archakas	2.1.13.2	107			
12	Statement of Doubtful/fictitious transactions of Tasdik	2.1.13.3	108			
13	Statement of Excess Grants released from Common Pool Fund	2.1.14.6	110			
14	Organisation Structure of Forest Department	2.2.1.1	111			
15	Grant of Forest lands by Revenue Authorities	2.2.2	112			
16	Omission to confiscate vehicles used in attempts to encroach forest lands	2.2.3.1	113			

	Particulars	Paragraph No.	Page No.
17	Details of pending FOCs in selected Divisions	2.2.4	114
18	Application for regularisation of encroachment of forest lands rejected by the Competent Authorities	2.2.5.1	115
19	Failure to evict encroachers as per Action Plan filed before Hon'ble High Court of Karnataka	2.2.5.2	116
20	Excess expenditure and extra payment to contractors due to erroneous estimates	2.3	117
21	Non levy of Royalty & Annual Periodic Payment	2.4	121
22	Statement showing revenue loss due to non-collection of CC renewal fees during 2011-21	2.5	123
23	Summarised details of the challans not traced in KTC -25	2.7	124
24	Statement showing excess allotment of developed land under incentive scheme and loss to BDA	2.8	132
25	Details of excess allocation of land under incentive scheme for which registration details not available	2.8	133
26	Avoidable expenditure due to adoption of an inappropriate price index	2.10	134
27	Avoidable extra cost due to non- settlement of land compensation dues	2.11	136
28	Roles and responsibilities prescribed in KPWD Code with regard to Technical Sanction and commencement of works	2.12	138
29	Check measures prescribed in KPWD/KPWA/KFC Codes	2.13	140
30	Details of Irregular Payments on Annual Maintenance Works for the year 2019-20	2.13	141
31	Details of Irregular payments on Annual Maintenance Works for the year 2019-20 and 2020-21	2.13	144
32	List of Public Sector Undertakings	Chapter III-	147

	Particulars	Paragraph No.	Page No.
		Introduction	
33	Statement showing details of Tenders and quantity of SWPs installed	3.1.3	151
34	Working sheet for avoidable payment of rent by Karnataka State Handicrafts Development Corporation Ltd.	3.2	152
35	Statement showing the department-wise outstanding Inspection Reports (IRs) in respect of PSUs	3.8	153

# Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 has been prepared for submission to the Governor of Karnataka under Article 151 (2) of the Constitution to be tabled in the State Legislature.

This report deals with the results of audit of Government Departments, Autonomous bodies and Public Sector Undertakings for the year ended March 2022.

This Report contains three Chapters. Chapter-I on Introduction to Government Departments audited by the Office of the Principal Accountant General (Audit-II), Karnataka, Chapter-II (Compliance Audit Observations on Departments) and Chapter-III (Compliance Audit Observations on Public Sector Undertakings). Chapter-II of the Report contains 16 compliance audit paragraphs pertaining to Hindu Religious Institutions and Charitable Endowments Department, Forest, Ecology and Environment Department, Mines and Geology Department, Home Department, Department of Administration of Justice, Urban Development Department, Public Works Department, Department of Kannada and Culture and Department of Tourism. Chapter-III of the Report contains three compliance audit paragraphs pertaining to three public sector undertakings coming under the administrative control of Energy Department and Commerce and Industries Department.

The accounts of the Government Companies (including companies deemed to be Government companies as per the provisions of the Companies Act) are audited by the Comptroller and Auditor General of India (C&AG) under the provisions of Section 619 of the Companies Act, 1956, and Sections 139 and 143 of the Companies Act, 2013. The accounts, certified by the Statutory Auditors (Chartered Accountants) appointed by the C&AG under the Companies Act, are subject to supplementary audit by the officers of the C&AG and the C&AG gives his comments or supplements the reports of the Statutory Auditors. In addition, these companies are also subject to test audit by the C&AG.

The Reports in relation to the accounts of a Government Company or Corporation are submitted to the Government by the C&AG for laying before the State Legislature of Karnataka under the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2021-22 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to period subsequent to 2021-22 are also included, wherever found necessary.

The audit was conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# Overview

This Report contains three Chapters. Chapter-I on Introduction to Government Departments audited by the Office of the Principal Accountant General (Audit-II), Karnataka, Chapter-II (Compliance Audit Observations on Departments) and Chapter-III (Compliance Audit Observations on Public Sector Undertakings). Chapter-II contains sixteen compliance audit paragraphs pertaining to Hindu Religious Institutions and Charitable Endowments Department, Forest, Ecology and Environment Department, Mines and Geology Department, Home Department, Department of Administration of Justice, Urban Development Department, Public Works Department, Department of Kannada and Culture and Department of Tourism. Chapter-III of the Report contains three compliance audit paragraphs pertaining to three public sector undertakings coming under the administrative control of Energy Department and Commerce and Industries Department. The overview of the Report is given below.

### **1. Introduction**

This Report relates to matters arising from the Compliance Audit of Government Departments and Autonomous Bodies. Compliance Audit refers to examination of the transactions of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

The primary purpose of the Report is to bring important results of audit to the notice of the State Legislature. The audit findings are expected to enable the Executive to take corrective actions, to frame policies and issue directives that will lead to better governance.

# Expenditure Profile

There are 21 departments falling under the jurisdiction of under the jurisdiction of Office of the Principal Accountant General (Audit-II). The total expenditure outlay of these departments for the year 2021-22 was ₹57,914.62 crores.

# 2. Coverage of Report related to Departments

The Compliance Audit Observations related to departments are included in Chapter II of Part I and the gist of the observations are given below.

# Management of Hindu Religious Institutions by the State Government

The Hindu Religious Institutions and Charitable Endowments Department of Government of Karnataka is responsible for distribution of grants for temple development, exercising supervisory control over temple administration, protecting temple land, etc. Audit analysis revealed that a large number of grants were released without receipt of proposals through laid down channels. There was no uniformity in procedure for disbursal of Government grants to institutions. Further, Audit observed that there was disparity in release of grants between notified institutions and private institutions. There were instances of the Department's use of grants in violations of Department's own circular instructions. There was a rush of expenditure during the month of March resulting in unauthorised parking of funds outside the treasury and non-utilisation funds thereof. Audit also observed huge pendency in submission of Utilisation Certificates by the institutions. These issues indicated improper financial management.

During joint inspection and through verification of records, Audit noticed that there were disparities between estimates and actual work executed. The monitoring of schemes and work execution was not satisfactory.

The Tasdik and Varshasana grants, which are statutory in nature, also lay undisbursed with the Tahsildars. Large sums of grants released were kept in bank accounts at the District and Taluk offices without being spent for the purpose for which it was granted.

Further, Audit observed that there was inadequate monitoring of notified institutions. The Department did not make any concerted effort to conduct surveys and ensure eviction of encroachments in properties. The annual budget proposals of the notified A and B category institutions were not received regularly. None of the notified C category institutions in test-checked Districts submitted their annual budget proposals for the last five years. In addition, there was a shortfall in receipt of Common Pool Fund to the extent of ₹ 15.23 crore from notified institutions.

The Department did not ensure the registration of all private institutions as mandated, and this skewed the distribution of benefits. Manpower deficit in the Department hugely affected the capacity to supervise and ensure proper implementation of schemes.

# (Paragraph 2.1)

#### Management of Forest Offense Cases in Karnataka Forest Department

The Compliance Audit was to assess whether prescribed system and procedures are being followed for Detection and Disposal of FOCs. The important findings of the audit are given below:

- Disposal of Forest Offense Cases (FOC) was very low and there were arithmetical errors in MIS reports on FOCs.
- ➢ No action was taken to evict encroachers in 1,322 cases involving 1,188.11 Ha of land where competent authorities rejected the applications by encroachers to regularise the un-authorised occupation of forest lands. Similarly, 3,382 cases (out of 4,026 cases) involving

22,173.15 acres (out of 29,688.68 acres) of forest lands that were to be evicted by June 2016 (as per the Action Plan filed by the Government of Karnataka before Hon'ble High Court of Karnataka) continued to be under encroachment.

- Omission to mutate lands notified as forest lands in favour of Forest Department was leading to unauthorised grant of forest land by Revenue Authorities. 1.98 lakh Ha of forest land in the selected 11 divisions are yet to be mutated in favour of the Forest Department. Audit noticed that 182.50 Ha of notified forest lands were granted by Revenue Authorities during the years 2016-17 to 2021-22.
- Quantum of punishments on compounding was found to be very less and disproportionate to the offense. In five cases of attempt to encroach forest land for cultivation by felling trees and levelling land using JCBs or Tractors, compounding fine ranging from ₹2000 to ₹26,000 only was levied without confiscating the vehicles, machineries and equipment used in the offense. Similarly, in one case of illegal felling of 873 trees by a contractor the case was closed by levying compounding fine of ₹50,000 only.
- An analysis of status of FOCs in a sample of 2,541 cases registered between 2017-18 and 2021-22 in the 22 RFOs under 11 selected Divisions revealed that about 57 *per cent* of the cases were pending for prompt first level follow-up action such as filing of Enquiry Reports and Charge Sheets by the Departmental Officers.
- ➤ The seized material valuing ₹34.07 crore was pending for disposal were kept at Divisions without taking steps for safe custody and timely disposal of the same to realise revenue to Government.

# (Paragraph 2.2)

# **Compliance** Audit Paragraphs

Omission to ascertain the price of used rails from Railway Department and erroneous inclusion of GST in the cost of used rails in construction of elephant barricades in three Forest Divisions resulted in avoidable excess expenditure and double payment of GST to contractors aggregating to  $\gtrless$  2.41 crore.

#### (Paragraph 2.3)

The Mines and Geology Department did not levy/collect the Royalty and Additional Periodic Payment on minimum production quantity of ordinary sand during 2017-18 to 2021-22 in eight test checked Districts aggregating to ₹ 493.90 crore.

# (Paragraph 2.4)

Non-compliance by Fire and Emergency Services Department to the Government directives regarding fire safety provisions in high-rise buildings led to the risk of adversely impacting fire protection preparedness endangering

public life and property besides non-collection of prescribed revenue amounting to  $\gtrless$  165.24 crore.

# (Paragraph 2.5)

The office of the Superintendent of Police, Ballari did not follow the legalities for transfer of Government land to a private association, resulting in un-authorised utilisation of Government property worth  $\gtrless$  9.94 crore and loss of Government revenue to the tune of  $\gtrless$  2.73 crore.

# (Paragraph 2.6)

Embezzlement of Government receipts of  $\gtrless$  2.27 crore through fraudulent practices and manipulation of records was observed in the office of Hon'ble Chief Judicial Magistrate, Bengaluru Rural. The embezzlement remained undetected for more than four years due to failure in following the prescribed internal control procedures.

# (Paragraph 2.7)

The decision of Bengaluru Development Authority to prepone the effective date of implementation of the amended incentive scheme rules without authority of law along with allocation of sites (in the previously formed layouts in violation of the rules) resulted in excess allocation of 12,000 sq. ft. of developed land and undue benefits to landowners to the tune of  $\gtrless$  10.54 crore.

# (Paragraph 2.8)

Failure of Bangalore Development Authority to follow the due procedure prescribed for collection of betterment tax (even after three years since Government approval authorising its collection), resulted in realisation of only ₹ 3.22 crore out of ₹ 3,503.63 crore projected to be collected from Arkavathy and Nada Prabhu Kempe Gowda layouts.

# (Paragraph 2.9)

Adoption of inappropriate price index to regulate price adjustment for steel pipes in water supply works by Bengaluru Water Supply and Sewerage Board resulted in avoidable extra expenditure of  $\gtrless$  2.63 crore.

# (Paragraph 2.10)

Non-settlement of land compensation dues in full by Executive Engineer, PWD Division, Dharwad resulted in extra interest of  $\gtrless$  7.47 crore to be borne by the Government which was avoidable.

# (Paragraph 2.11)

Chief Engineer, National Highways, Bengaluru and Executive Engineer, Public Works Department, Bengaluru failed to include the cost of acquisition of land in the estimates and acquire the land before entrustment of the works. The omissions led to abandonment of work in one case and in the other case, a bridge constructed remained without approach roads.

# (Paragraph 2.12)

Government money to the extent of  $\gtrless 1.78$  crore was misappropriated by preparing fake work bills relating to annual road maintenance works in PWD Division, Koppal.

# (Paragraph 2.13)

Cancellation of tender process and initiating fresh tender process for the work due to defective tender document by EE, NH Division, Hassan resulted in additional financial burden of  $\gtrless$  3.73 crore to the public exchequer. Further, the completion of the work was also delayed, causing inconvenience to the public.

# (Paragraph 2.14)

Delay in construction of Rangamandira at Davanagere for over a period of 10 years, splitting of works, non-adherence to KTPP rules led to unfruitful expenditure of  $\gtrless$  4.19 crore.

# (Paragraph 2.15)

Inordinate delay in construction of Yatri Nivas at Gubbi led to unfruitful expenditure of  $\gtrless$  44.46 lakh and further cost escalation of  $\gtrless$  37.69 lakh.

# (Paragraph 2.16)

# 3. Coverage of Report related to PSUs

The observations included in this Chapter highlight deficiencies in planning and contract management in the management of PSUs, which resulted in financial irregularities. Gist of the important audit observations is given below:

Karnataka Renewable Energy Development Limited suffered a loss of ₹2.64 crore in the project due to short claim/receipt of Service charges, penalty charged by MNRE for delay and non-receipt of contribution due from the State Government. The State could commission only 43 per cent of Solar Water Pumps (SWP) envisaged.

# (Paragraph 3.1)

Abnormal delay in construction of building by Karnataka State Handicrafts Development Corporation Limited resulted in avoidable payment of rent of ₹ 12.78 crore.

# (Paragraph 3.2)

The Board of Karnataka Soaps and Detergents Limited decided (December 2020) to discontinue the use of Vetivert oil in production of MSS perfume.

However, 1,893 kgs of Vetivert oil was procured in February 2021 resulting in avoidable expenditure of ₹ 4.87 crore.

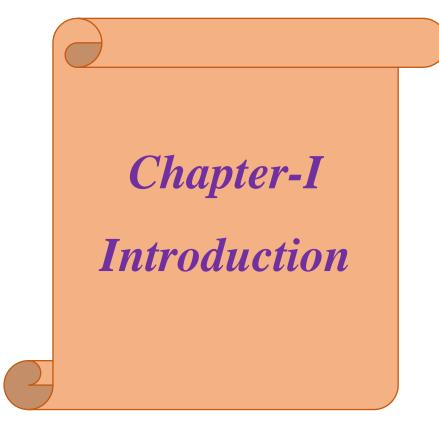
# (Paragraph 3.3)

# Submission of accounts by PSUs

As on 31 March 2022, there were 125 PSUs in Karnataka of which 79 PSUs are falling under the jurisdiction of Office of the Principal Accountant General (Audit-II). Of these, 68 PSUs including four Statutory Corporations were working and 11 Companies were non-working as on 31st March 2022.

During the year, 56 accounts pertaining to 51 PSUs were finalised, which included two accounts of four Statutory Corporations. The number of accounts in arrears increased from 31 (2019-20) to 68 (2021-2022). Of the 68 arrears of accounts, 62 accounts pertained to the working Government Companies, which were in arrears ranging between one and seven years and six accounts pertaining to four Statutory Corporations, which were in arrears ranging between one and two years.

(Paragraph 3.4)



Chapter -I

#### Introduction

**1.1.** This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of Government Departments and Autonomous Bodies. Compliance audit refers to examination of the transactions of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by competent authorities are being complied with.

The primary purpose of the Report is to bring important results of audit to the notice of the State Legislature. The audit findings are expected to enable the Executive to take corrective actions, frame appropriate policies and issue directives. It will also lead to improved financial management of organisations and contribute to better governance.

This chapter, in addition to explaining the planning and extent of audit, provides a synopsis of the follow-up on previous Audit Reports. Chapter-II of this report contains findings arising out of observations of compliance audit in Government Departments and Autonomous Bodies.

### Audit Universe and Structure

**1.2** The State Offices of the C&AG of India were restructured (March 2020) based on allocation of clusters. Each cluster contains Departments with interconnected outcomes and linkages. The Principal Accountant General (PAG) Audit II is responsible for audit of expenditure incurred by 21 Departments and 23 Autonomous Bodies (*Appendix-1*). The PAG Audit II is assisted by three Group Officers and various subordinate officers.

# Authority for conducting Audit

**1.3** Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) (DPC) Act, 1971 lay out the audit mandate of C&AG. Audit of expenditure of the Departments of Government of Karnataka is conducted through Section  $13^1$  of the C&AG's (DPC) Act.

C&AG is the sole auditor in respect of Autonomous Bodies which are audited under Sections  $19(2)^2$ ,  $19(3)^3$  and  $20(1)^4$  of the C&AG's (DPC) Act.

<sup>&</sup>lt;sup>1</sup> Audit of (i) all transactions from the Consolidated Fund of the State, (ii) all transactions relating to the Contingency Fund and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance sheets & other subsidiary accounts.

<sup>&</sup>lt;sup>2</sup> Audit of the accounts of Corporations (not being Companies) established by or under law made by the Parliament in accordance with the provisions of the respective legislations.

<sup>&</sup>lt;sup>3</sup> Audit of accounts of Corporations established by law made by the State Legislature on the request of the Governor.

<sup>&</sup>lt;sup>4</sup> Audit of accounts of body/authority entrusted by Governor to C&AG on mutually agreed terms and conditions.

## **Expenditure Profile of the Departments**

**1.4** The actual expenditure by 21 State Government Departments falling under the jurisdiction of Office of PAG Audit II during the period 2021-22 is given in Table **No.1.1** along with corresponding figures for preceding two years:

			₹ in crore)	
Sl. No	Department	2019-20	2020-21	2021-22
1	Forest, Ecology and Environment Department	1,739.27	1,670.23	1,860.62
2	Transport Department	132.19	731.90	264.89
3	Public Work Department	12,026.31	14,601.56	13,679.16
4	Infrastructure Development, Ports & Inland Water Transport Department	301.43	293.90	202.80
5	DepartmentofElectronicsInformationTechnologyBiotechnologyandScience &TechnologyElectronicsScience &	306.53	404.79	329.13
6	Home	6,572.15	7,095.46	7,768.09
7	Housing Department	3,447.36	2,363.47	3,528.40
8	Urban Development Department	8,897.43	5,547.20	7,732.84
9	Law	1,191.24	1,231.11	1,341.75
10	Commerce and Industries	1,447.46	2,226.18	2,110.24
11	Textiles and Handlooms	178.80	364.40	376.18
12	Mines and Geology	79.89	68.46	65.82
13	Cane Development	31.53	24.66	13.08
14	Factories and Boilers	14.02	13.52	76.55
15	Tourism	380.78	137.92	250.41
16	Archeology and Museums	19.43	19.08	23.73
17	Hindu Religious Institutions and Charitable Endowment	272.64	332.43	247.12
18	Kannada and Culture	246.79	211.03	220.05
19	Archives	5.14	4.48	4.08
20	Energy	13,976.71	14,927.04	17,794.93
21	Electrical Inspectorate	29.20	21.96	24.75

#### Table No. 1.1: Department wise Expenditure

Source: Annual Financial Statement and State Finance Audit Reports of respective years

# **Planning and Conduct of Audit**

**1.5** Audit planning process starts with the assessment of risks faced by various Departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered during this exercise. The frequency and extent of audit are decided based on risk assessment.

The following flowchart depicts the process of planning and conduct of audit:

# Chart No. 1.1: Planning and conduct of audit

<ul> <li>Assessment of Risk for planning of audit/organisations/ autonomous bodies/schemes, etc., based on certain criteria</li> <li>Expenditure incurred</li> <li>criticality/complexity of activities</li> <li>level of delegated financial powers</li> <li>assessment of internal controls</li> <li>concerns of stakeholders</li> </ul>
<ul> <li>Planning of Audit includes selection of units</li> <li>Audit Period</li> <li>Extent and type of Audit</li> </ul>
<ul> <li>Inspection Reports based on</li> <li>Scrutiny of records</li> <li>Replies/Information furnished to Audit enquiries</li> </ul>
<ul> <li>Audit Report for submission to Legislature through Governor</li> <li>Important Audit observations from Inspection Reports</li> </ul>

After completion of audit of each unit, Inspection Reports (IR) containing audit findings are issued to the heads of the Departments. The Departments are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India to be tabled in the State Legislature.

#### Significant audit observations and response to audit

**1.6** Audit has reported significant deficiencies in transactions and internal controls noticed during compliance audits to the Heads of the Departments. The paragraphs included in this report were forwarded demi-officially to the Addl. Chief Secretaries/ Principal Secretaries /Secretaries of the Departments concerned between October 2022 and April 2023 to send the reply of the Government within six weeks. The replies furnished by Government were suitably incorporated and the revised draft report was again issued to the Government on 29 January 2024 for further replies, if any. However, no further replies were received from the Government.

Replies to eight Compliance Audit Paragraphs were received and the replies for the remaining three paragraphs have not been received from the Government (April 2023). The views of the Government wherever received have been suitably incorporated.

# **Responsiveness of Government to Audit**

# **1.7** Outstanding Inspection Reports

**1.7.1.** The Handbook of Instructions for Speedy Settlement of Audit Observations issued by the Finance Department in 2001 provides for prompt response by the Executive to the IRs issued by the PAG to ensure compliance with the prescribed rules and procedures and accountability for the deficiencies, lapses, *etc.*, noticed during the inspections. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs, rectify the defects and omissions promptly and report their compliance to the PAG, who forwards a half yearly report of pending IRs to the Secretary of the Department to facilitate monitoring of the audit observations.

As on 31<sup>st</sup> March 2022, 2,457 IRs (13,115 paragraphs) were outstanding against the 16 Departments. Age-wise details of pendency are given in table below:

Sl. No.	Age	Number of IRs	Number of paragraphs
1	< 1 year	129	1,379
2	1-2 years	206	1,878
3	2-5 years	668	4,773
4	5-10 years	920	3,878
5	>10 years	528	1,207
	Total	2,451	13,115

Table No. 1.2: Age-wise details of pendency of IRs and paragraphs

A review of the pending IRs issued up to March 2022 showed that 129 IRs (1,379 paragraphs) were pending for less than one year, 1,794 IRs (10,529 paragraphs) were pending for more than one year but for less than 10 years and 528 IRs (1,207 paragraphs) were pending for more than 10 years. Yearwise and department-wise details of IRs and paragraphs outstanding are detailed in *Appendix-2*.

# Follow-up action on Audit Reports

**1.7.2.** The Handbook and the Rules of Procedure (Internal Working), 1999 of the Public Accounts Committee provides for all the departments of Government to furnish detailed explanations in the form of Action Taken Notes (ATNs) to the audit observations which featured in Audit Reports, within four months of their being laid on the Table of Legislature.

The administrative departments did not comply with these instructions and nine departments (as detailed in *Appendix-3*) did not submit ATNs for 96

paragraphs for the period 2003-04 to 2020-21 as of 31 March 2023.

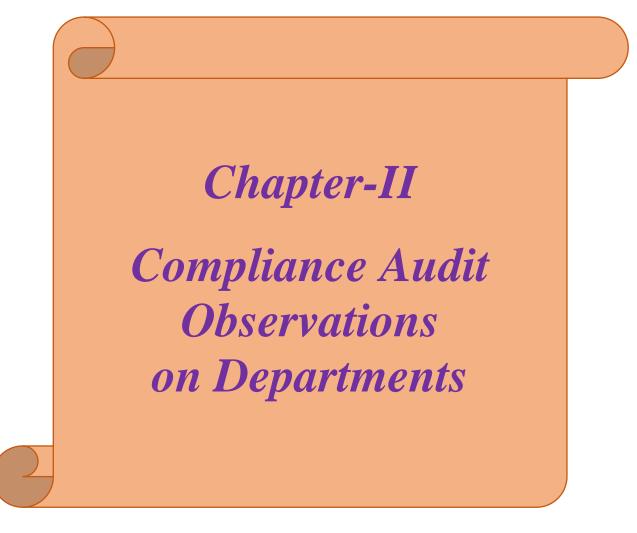
# Paragraphs to be discussed by the Public Accounts Committee

**1.7.3.** A review of the position of paragraphs pending discussion by the Public Accounts Committee as of 31 March 2023 showed that 136 paragraphs (including Performance Audits and Reviews) were yet to be discussed. Department-wise details of paragraphs (excluding General and Statistical) pending discussion by the Public Accounts Committee as of 31 March 2023 are detailed in *Appendix-4*.

Status of placement of Separate Audit Reports of autonomous bodies in the State Legislature

**1.8** The audit of accounts of 13 autonomous bodies in the State under the jurisdiction of PAG Audit II has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Reports (SARs) and its placement in the Legislature is given in *Appendix-5*.

Delay in submission of annual accounts by the autonomous bodies ranged from five to 24 months as of June 2022. Delay in finalisation of accounts carried the risk of financial irregularities going undetected and therefore, the accounts need to be finalised and submitted to Audit at the earliest.



**Chapter -II** 

# **Compliance Audit Observations on Departments**

#### **Revenue Department**

#### Hindu Religious Institutions and Charitable Endowments Department

2.1. Management of Hindu Religious Institutions by the State Government

#### Introduction

**2.1.1** The Karnataka Hindu Religious Institutions and Charitable Endowments Act, 1997 (the Act) was enacted to bring a uniform law for the regulation of Hindu Religious Institutions and Charitable Endowments in the State. Before commencement of the Act (May 2003), the administration and maintenance of religious institutions was conducted under five different Acts<sup>6</sup> having application in different parts of the State. The Provisions of the Act are mainly applicable to the Institutions Notified under the Act, *i.e.*, All Hindu Religious Institutions governed by the *erstwhile* Acts and also those which were in receipt of any perpetual grants from public revenue including Tasdik Allowance<sup>7</sup> under Inam Abolitions Acts of 1955 and 1977. The Act also provides for registration of other temples (Section 53) and also empowers the State Government to take over the Administration of 'mismanaged' Hindu Religious Institutions.

**2.1.2** *Validity of the Act:* The Act was struck down (2006) by the High Court of Karnataka, declaring it as "unconstitutional and discriminative". However, on appeal, the Supreme Court stayed (2007) the operation of the High Court's order and permitted (2009) to enforce the Act except Section 25 of the Act regarding appointment of management committees to the Hindu Religious Institutions. Thereafter, amendments to the Act were passed in 2011 and 2012 consecutively, which were also struck down (November 2015) by the Karnataka High Court. The Supreme Court stayed (April 2016) the operation of the High Court's order (of November 2015) and the matter was pending final decision of the Apex Court.

#### Hindu Religious Institutions and Charitable Endowments Department

**2.1.3** The Hindu Religious Institutions and Charitable Endowments Department (the Department) of Government of Karnataka (GoK) is vested with the management of Hindu Religious Institutions and Charitable Endowments and

<sup>&</sup>lt;sup>6</sup> The Bombay Public Trust Act, 1950; The Madras Hindu Religious and Charitable Endowments Act, 1951; The Coorg Temple Funds Management Regulation, 1892; The Mysore Religious and Charitable Institutions Act, 1927; The Hyderabad Endowment Regulations, 1349F (1939); The Renuka Yellamma Devasthana (Administration) Act, 1974; and The Coorg Temples Fund Management Act, 1956.

<sup>&</sup>lt;sup>7</sup> Tasdik is an annual compensation payable by the Government to Religious Institutions having their Inam land vested with the Government under Mysore Religious and Charitable Inam Abolition Act, 1955 and Karnataka Other Inam Abolition Act, 1977.

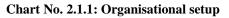
enforcement of powers conferred under the Karnataka Hindu Religious Institutions and Charitable Endowments Act, 1997.

The functions of the Department *inter-alia* included :

- Administration of Notified Institutions/Declared Institutions;
- Development/Renovation/Repairs/Construction of temples and providing basic infrastructure and amenities to Pilgrims;
- Maintenance of Movable and Immovable properties and Protection, Removal of Encroachments;
- Appointment of indoor and outdoor temple servants;
- Constitution of Rajya Dharmika Parishath (RDP) and Zilla Dharmika Parishath (ZDP) and implementing RDP orders; and
- Formation of Management committees to temples (excluding temples where Administrators are appointed).

# **Organisational Setup**

**2.1.4** The administrative control of the Department is vested with the Principal Secretary to the Government of Karnataka, Revenue Department (Muzrai) under the charge of Minister of Muzrai.





The Department is headed by a Commissioner at the State Level. The Deputy Commissioners are the nodal officers for the Department related activities in their respective Districts who are assisted by Assistant Commissioners in Seven<sup>8</sup> Districts and by Tahsildars (Muzrai Wing) in the remaining 24 Districts in the State.

**Executive Officer (EO):** The Government or the Commissioner appoints EOs to the notified institutions as per the provisions of the Act. The EOs are responsible for smooth administration of the affairs of the Notified Institutions/Declared Institutions.

**Rajya Dharmika Parishat (RDP):** The State Government constituted RDP, which is chaired by the Minister-in-charge of the Department along with eight other members nominated by the Government. Administration of all religious institutions and charitable endowments are under the general supervision and control of RDP including administration of the 'Common Pool Fund<sup>9</sup>'.

**Zilla Dharmika Parishats (ZDPs):** ZDPs were constituted by the State Government on the recommendations of RDP for management of Notified Institutions whose annual income does not exceed Rupees Twenty-Five lakhs. ZDPs are headed by the Deputy Commissioner of the concerned districts as Chairman and Assistant Commissioner (Muzrai)/Endowment Tahsildar as exofficio Secretary with general powers of supervision and control over such institutions.

# Notified Hindu Religious Institutions (Muzrai<sup>10</sup> Temples)

**2.1.5** Under Section 23 of the Act, the State Government notified the Hindu Religious Institutions that were receiving perpetual grants from the public revenue and those institutions that were administered by the Government under the erstwhile Acts, to bring their management and administration under the jurisdiction of the Department. The Notified Institutions as of March 2022 has been classified as follows:

Sl. No.	Groun Particulars of Institutions		Total no. of institutions notified
1	А	Institution whose annual income is more than rupees twenty-five lakh per annum	205
2	В	Institution whose annual income is more than rupees five lakh but not more than twenty-five lakh	139
3	С	Institution whose annual income is not more than rupees five lakh	34,219
		Total	34,563

 Table No. 2.1.1: Classification of Notified Hindu Religious Institutions (Muzrai Temples)

<sup>&</sup>lt;sup>8</sup> Dakshina Kannada, Udupi, Uttara Kannada, Belagavi, Ballari, Bangalore Urban and Bangalore Rural.

<sup>&</sup>lt;sup>9</sup> Common Pool Fund was created under section 17 of the Act by way of contributions at the rate of 10 *per cent* of the net income in respect of institutions whose gross income exceed ₹ 10 lakh; 5 per cent of the net income in respect of Institutions whose gross income exceed ₹ 5 lakh but not exceeding ₹ 10 lakh and grants from Government.

<sup>&</sup>lt;sup>10</sup> Muzrai generally means an allowance granted for religious or charitable purpose and for the upkeep of religious and charitable institutions.

# Audit Objectives

**2.1.6** The Compliance Audit was undertaken to ascertain "whether the Management of Religious Institutions was efficient, effective and was within the framework of the Governing Act".

# Audit Criteria

2.1.7 The Audit Criteria adopted include:

- The Karnataka Hindu Religious Institutions and Charitable Endowments Act, 1997 and Rules, 2002;
- Karnataka Financial Code, 1958;
- Karnataka Budget Manual;
- Karnataka Land Revenue Act, 1964;
- Karnataka Transparency in Public Procurements (KTPP) Act, 1999 and Rules 2000;
- Notifications, Orders, Circulars, Guidelines, Manuals, *etc*.issued by the GoK/Department from time to time.

# Audit Scope, Sample and Methodology

**2.1.8** The Compliance Audit covered the transactions during the five years period from 2017-18 to 2021-22. The audit process mainly consisted of the scrutiny of records at Secretariat of the Department and Office of the Commissioner at State Level, Office of the Deputy Commissioner at District Level and respective Religious Institutions at local level, with reference to Audit Criteria.

Audit selected five districts (Bangalore Urban, Tumakuru, Udupi, Belagavi and Hassan) under Category-1<sup>11</sup> (*i.e.* 50 *per cent*) and six districts (Kolar, Kodagu, Chikkamagalur, Koppala, Ramanagara and Bagalkote) under Category-2<sup>12</sup> (*i.e.* 25 *per cent*). Audit reviewed all the Notified Institutions under Group-A and B and one *per cent* of the Notified Institutions under Group-C in the selected districts, which had received grants during the Audit Period. The selection was done using the Random Sampling method.

Accordingly, 131 Religious Institutions (Group-A: 9, Group-B: 15 and Group-C:107) in 11 selected districts were selected for detailed audit. 23 Private Institutions which had availed grants during the audit period were also reviewed and Joint Physical Inspection of 18 Religious Institutions in four districts<sup>13</sup> have been conducted.

The Audit Methodology adopted include collection of information through Audit Requisitions, scrutiny of records and digital databases, joint inspection of

<sup>&</sup>lt;sup>11</sup> Category-1: Districts with sanctioned grant of above ₹ 50 crore each - 9 districts.

<sup>&</sup>lt;sup>12</sup> Category-2: Districts with sanctioned grants of less than ₹ 50 crore each - 21 districts.

<sup>&</sup>lt;sup>13</sup> Ramanagara, Koppala, Tumakuru and Chikkamagaluru.

Religious Institutions, discussion with officers, issue of audit observations and issuing the Audit Report to the Government to elicit its views.

An Entry Conference was held on 10 June 2023. The Draft Audit Report was issued to the Government on 30 December 2022. Replies of the Department endorsed by the State Government were received on 7 February 2023 and an exit conference was held on 29 May 2023. The replies furnished by Government have been suitably incorporated.

Acknowledgement

**2.1.9** Audit acknowledges the co-operation extended by the officers of the Department and Notified Institutions in facilitating the smooth conduct of the Audit.

# **Audit Findings**

**2.1.10** The audit findings are discussed in the succeeding paragraphs. The views of the Department, wherever received, have been considered and suitably incorporated in the Report. The findings have been divided into six sections.

# Budget, Expenditure and Planning

**2.1.11** The State Government provides funds to Hindu Religious institutions by way of grants under various schemes *viz*.

- Grant for Construction/Repairs/Renovation/Development;
- Tasdik;
- Varshasane or Annuity;
- Aaradhana, Schedule Caste Sub Plan (SCP) and Tribal Sub Plan (TSP);
- Rudrabhoomi Development Scheme.

Financial Assistance is also provided to Manasa Sarovara Pilgrims and Chardham Pilgrims, various religious mutts, *etc.* The year-wise details of grants earmarked in the budget by the State Government, grants released to the Department and expenditure incurred during five years are tabulated below:

					()	t in crore)
Sl. No.	Year	Amount earmarked in Budget	Amount released	Total expenditure incurred	Grant lapsed vis-à- vis Budget	Grant lapsed vis-à- vis Release
1	2017-18	450.80	447.28	438.50	12.30	8.78
2	2018-19	284.25	248.78	206.10	78.15	42.68
3	2019-20	300.95	294.03	272.61	28.34	21.42
4	2020-21	465.13	465.10	451.15	13.98	13.95
5	2021-22	344.39	308.12	295.07	49.32	13.04
	Total	1,845.52	1,763.31	1,663.43	182.09	99.87

The Head of account-wise expenditure is listed out in the Appendix-6.

The Commissioner of the Department instructed (January 2015) that any proposal which required funds for development, renovation or capital works, shall be routed through proper channel (*Refer chart below*).

Chart No.2.1.2: Fund flow process



In other words, the proposal was to be submitted by the temple administration or village level to the Tahsildar, who in-turn would forward it to the Deputy Commissioner and subsequently to the Commissioner/Government. Based on the merit of the requirement and the availability of the funds, grants were to be released.

Audit examined the grants given through the above schemes in the test-checked districts. There were irregular releases, wide disparities in releases between Muzrai and notified temples, excess releases of grants to the same institutions from multiple schemes and non-submission of Utilisation Certificates as discussed in the following paragraphs.

# Irregular procedure, sanction and release of grants

**2.1.11.1** Audit observed that grants were released to religious institutions without proposals in the test-checked 11 districts which are depicted in the table below:

Sl. No.	Year	No. of proposals Received	No. of grants sanctioned against proposals	No. of grants sanctioned without proposals
1	2017-18	45	5	459
2	2018-19	25	2	286
3	2019-20	18	10	699
4	2020-21	26	2	644
5	2021-22	20	1	748
	Total	134	20	2,836

Table No.2.1.3: Details of grants sanctioned without proposals

As against a total of 134 proposals received by the field offices, grants were released only to 20 Religious Institutions. Further, the Department released grants to a total of 2,836 Institutions during the period 2017-18 to 2021-22, for which no proposals were received.

Audit observed that there was no discernible system prevalent for selection of eligible institutions for grant of funds. The practice of releasing grants without any proposals may lead to a situation where grants could be released without verification of institutional requirements and without control over the expenditure, while needy eligible institutions may be deprived of funds.

For instance, in Bangarpet taluk and Malur taluk of Kolar district, proposals were received from Archakara Sangha seeking grants for repairs and renovations of 29 Group-C Notified Institutions which were in dilapidated conditions. However, none of these were considered.

A similar instance was found during the joint inspection of one institution (Shri.Malleshwara Swamy Temple, Chikkanahalli, Tumakuru District), which was in dilapidated condition had sought grant of ₹ 15 lakh from the Government during the year 2017. However, the Temple was not allotted any Government grants till date (November 2022).

The Government forwarded (February 2023) the reply of the Commissioner stating that the proposals received from Muzrai minister/elected representatives/CM offices/DC offices, were forwarded to Government for its consideration and the grants would be released based on the availability of grants/ need basis with the concurrence of Finance Department.

The reply is not specific and lacks justification for release of funds without any proposals.

# **Recommendation 1:**

The Government may take suitable action to introduce a robust system for processing proposals for and releasing grants.

# Disparity in release of grants

**2.1.11.2** The Government observed (October 2013) that since 80 *per cent* of the general grants were being released to Private Temples resulting in Muzrai Temples struggling for existence, it was directed to ensure 50 *per cent* of the grants each shall be earmarked to the Muzrai Temples and Private Temples.

Audit observed that out of total 2,856 Religious Institutions in the selected 11 districts, which received grants during the period from 2017-18 to 2021-22 from GoK, only 592 institutions were Muzrai Temples and the remaining 2,264 were Private Temples. The grant outlay to Muzrai Temples was ₹ 44.48 crore as compared to ₹ 187.81 crore to the Private Temples.

The sanction of grants to Notified Institutions *vis-à-vis* Private Temples during last five years from 2017-18 to 2021-22 in the selected 11 districts is depicted in the following chart:

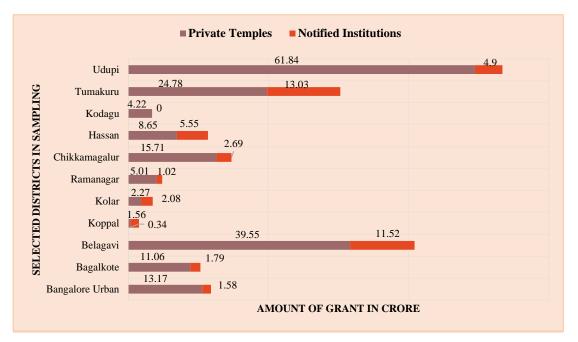


Chart No.2.1.3: Disparity in sanction of grants between Notified Institutions and Private Temples

Audit further observed that during the years 2019-20 to 2020-21, sanction of grants to Udupi district rose from  $\gtrless$  0.46 crore during 2018-19 to  $\gtrless$  17.20 crore during 2019-20 and  $\gtrless$  29.28 crore during 2020-21. After mid-2021, sanction of grants to Belagavi district increased from  $\gtrless$  14.32 crore in 2020-21 to  $\gtrless$  24.34 crore in 2021-22. Effectively, out of the total grants of  $\gtrless$  232.32 crore sanctioned and released for the selected 11 districts during the five-years from 2017-18 to 2021-22, the funds to Udupi and Belagavi districts aggregated to  $\gtrless$  117.81 crore *i.e.* more than 50 *per cent* of the total grants sanctioned and released and only  $\gtrless$  114.51 crore was sanctioned and released for the remaining nine districts put together.

The department did not conduct any study on the requirement of the grants prior to fixing the cap of 50 *per cent vis-à-vis* notified and Private Institutions. Further, the Department had not adhered to its own circular resulting in disparity in sanction of grants to the Muzrai temples.

The Government forwarded (February 2023) the reply of the Commissioner stating that grants would be sanctioned at Government level itself to the needy religious institutions and the Commissioner's office execute the same as per the rules.

The reply is not acceptable as the Government had not ensured 50 *per cent* of the grants to Muzrai temples as per its own circular. Further, a specific reply has not been furnished for each of the Audit observations.

# **Recommendation 2:**

The Government may take suitable action to ensure systematic and equitable allotment of funds to Notified Institutions by way of grants.

## Release of excess grants

**2.1.11.3** GoK stipulated (September 2010) that the release of grants to respective DCs for implementing the Scheme, was to be limited to the extent prescribed in the Scheme Guidelines and as such, the maximum limit for Muzrai Temples was  $\gtrless$  10 lakh, for Private Temples  $\gtrless$  25 lakh and that of Mutts was fixed at  $\gtrless$  50 lakh. Grants involving more than  $\gtrless$  5 lakh were to be released in two instalments. Second instalment was to be released only after obtaining UCs for the first instalment from the institution concerned.

Audit noticed 61 instances (33 Notified Institutions and 28 Private Temples) in selected districts (except Kodagu) for which general grants in excess of the prescribed amount were released which ranged from  $\gtrless$  1 lakh to  $\gtrless$  3 crore and the excess grants amounted to  $\gtrless$  39.79 crore (*Appendix-7*).

The Government forwarded (February 2023) the reply of the Commissioner stating that the grants would be sanctioned at Government level and released based on the availability of grants and on needy basis. The grants sanctioned by the Government would be released to the concerned DCs, who in-turn release to Religious Institutions through Tahsildars after preparing estimates followed by technical sanction and ensuring the records relating to development works.

The reply is silent on reasons for non-compliance to the sanction limits prescribed in the GoK orders.

#### Sanction of multiple grants to same institution

**2.1.11.4** In eight out of the 11 test checked districts, Audit found 79 instances aggregating ₹ 5.13 crore, where the same institutions were sanctioned grants from multiple schemes *viz. MLA funds, SCP/TSP, Aradhana, Rudrabhumi, etc.* Out of these 79 instances, there were 17 instances where the sanction was accorded under more than two schemes to the same institutions (*Appendix-8*).

In one instance, (Sri Shanimahatma Temple, Srinivasapura Taluk, Kolar district), the Department had sanctioned funds under multiple schemes amounting to  $\gtrless$  1.20 crore which included grants under SCP scheme also ( $\gtrless$  5 lakh). Audit could not ascertain from the records if the institution was eligible to be granted funds under the SCP scheme. The sanction also included grants which were adjusted by diverting funds sanctioned to another temple during 2021-22. In another instance (Uchila Mahalakshmi Temple, Udupi district), an amount of  $\gtrless$  12.75 crore was released between 2019-20 to 2021-22 deviating from the cited Government instruction.

Thus, if grants were sanctioned and released to the same institutions from multiple schemes, the process discriminates against numerous other needy institutions and defeats the very purpose of provision of Government grants to such institutions.

**Recommendation 3:** 

The Government should take action to fix responsibility for irregular/ excess release of grants.

## Release of grants at fag end of the year

**2.1.11.5** As per Article 161 (2) of the Karnataka Financial Code, only so much of the grant to be paid during any financial year should be limited to the probable expenditure during the year. The authority signing or countersigning a bill for grant-in- aid should ensure that money was not drawn in advance of requirements. There should be no occasion for a rush of payment of these grants in the month of March.

Audit observed that out of a total of ₹ 476.12 crore of general grants released during the five-years from 2017-18 to 2021-22 to the religious institutions, ₹ 216.38 crore (45 *per cent*) was released during the last quarter and ₹ 148.42 crore (31 *per cent*) was released in the month of March alone, in violation of the statutory provisions. The practice of releasing grants at the fag end of the year reflects poor financial management on the part of the Department. As a result, the Religious Institutions would not be able to expend the released amount for the purpose for which it was released, within the stipulated time and may sometimes lead to lapse as discussed in the following paragraph.

The Commissioner, in the reply forwarded by the Government accepted (February 2023) the observation and stated action would be taken to get proposals from Districts/Taluks in advance. Further, Department would request the Government to release the grants in equal proportions in a financial year by adopting a proper action plan to address this issue.

## Non-submission of Utilisation Certificates (UCs)

**2.1.11.6** As per the provision of the Karnataka Financial Code, the departmental officer/sanctioning authority is required to furnish an Utilisation Certificate to the Accountant General specifying that the grant has been utilised for the purpose for which it was granted, after obtaining such reports in respect of such expenditure as may be necessary.

Audit observed that Utilisation Certificates for general grants amounting to ₹ 203.34 crore out of the total grant of ₹ 226.53 crore were pending submission over the last five years, in the selected districts as detailed hereunder:

	(₹ in crore)							
S	. Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	Total	
N	).							
1	Release of Grants	22.97	19.335	43.45	84.785	55.99	226.53	
2	UCs submitted	5.93	2.04	2.84	10.425	1.96	23.195	
3	UCs pending	17.04	17.295	40.61	74.36	54.03	203.335	

Out of the total of ₹ 226.53 crore general grants released by the Department an amount of ₹ 39.45 crore *i.e.* 17 *per cent* was not even released to the beneficiaries and had been parked in the savings bank accounts of the Deputy Commissioners' at the District level.

## Poor progress of Aradhana Scheme and SCP/TSP

**2.1.11.7** Grants under Aradhana Schemes and Schedule Caste Sub Plan (SCP)/Tribal Sub Plan (TSP) and Aradhana Schemes would be released for Renovation /repairs /new construction of Temples/Prayer hall/Kalyana Mantapas in the places resided by families of Scheduled Castes and Scheduled Tribes.

The Department released ₹ 47.51 crore to the 11 test checked Districts under these schemes during the period 2017-18 to 2021-22. Out of the released amount, the Department could approve 1,627 works amounting to ₹ 20.33 crore. Out of the approved works, only 493 works (₹ 7.92 crore) were taken leaving a balance of 1,134 works (₹ 12.41 crore). Neither had the DCs/Tahsildars identified the beneficiaries nor were they able to expend upon the identified works, resulting in dismal performance of the flagship schemes. Further, out of the released grants of ₹ 7.92 crore, UCs to the extent of only ₹ 2.51 crore were furnished by the beneficiaries. UCs for a balance of ₹ 5.41 crore were not furnished.

The Department's failure to execute works in a timely manner has delayed intended benefits to the targeted communities.

The Government forwarded the reply of the Commissioner (February 2023) which stated that letters had been written to all DCs seeking UCs for the released amount and the same will be furnished upon receipt. Further, the reply is silent on the individual observations.

## **Unspent Balances**

**2.1.11.8** Audit observed that grants released towards general grants, SCP/TSP, Aradhana and Rudhrabhoomi schemes were kept in Savings bank accounts at District and Taluk Offices instead of paying to the Temples/beneficiaries. These accounts in the test checked 11 Districts had an accumulated balance of ₹ 126.75 crore (*i.e.*, ₹ 51.20 crore in DC offices and ₹ 75.55 crore in Taluk offices) as at 31 March 2022. The amount remains unspent for the purpose for which it was granted.

There are no specific norms as to how many accounts an office shall maintain, whether the accounts are to be maintained on a scheme basis, or if a particular account is required to be opened up afresh, the prompt closure of the existing account and transfer of funds to the new account, preparation of Bank Reconciliation Statements, *etc.* This is indicative of the absence of internal controls.

The Government forwarded the reply of the Commissioner (February 2023) which stated that letters had been written to all DCs seeking UCs for the released amount and the same will be furnished upon receipt.

#### **Recommendation 4:**

The Government may issue suitable directions to field offices to ensure that the grants are actually spent for the purpose for which they are granted and are not kept in Bank accounts indefinitely and also that the bank accounts are maintained systematically for scheme-wise receipt and disbursement of grants.

## Lack of uniformity in procedures and instructions

**2.1.11.9** In 11 test checked Districts offices, Audit noticed that the procedure adopted to disburse grants to Religious Institutions varied from one District to another, which are broadly classified as under:

Funds released after completion of work	Funds released to implementing agencies & monitored by them	Funds released directly to temples	Funds credited in temple accounts maintained by the Tahsildar
Udupi,	Chikkmagaluru,	Belagavi,	Tumakuru,
Chikkmagaluru	Kodagu,	Bagalkote,	Hassan,
	Bangalore Urban	Koppala, Kodagu,	Chikkmagalur <u>u</u>
		Udupi,	
		Bangalore Urban	

 Table No.2.1.5: Statement showing different practices in selected districts

Thus, there was no uniformity in the methods adopted by various District units of the Department in the release and expenditure of grants-in-aid.

The Government's reply in this regard is awaited (February 2023).

Audit observed that grants were released in an *ad hoc* manner ignoring the needs and priorities of different temples. Financial management of the schemes was poor and resources were unevenly allocated. Releases at the fag end of the year, lack of monitoring submission of Utilisation Certificates and unspent balances indicated lack of adequate financial control by the Department.

## **Recommendation 5:**

The Government should introduce standard operating procedures for making the payment to the intended beneficiaries.

## Execution of works and other expenditure

**2.1.12** The Department releases grants to needy temples to ensure adequate temple development and to provide basic infrastructure and amenities to Pilgrims. Audit checked the utilisation of grants in temples and observed that there were inordinate delays in execution of works, discrepancies in estimates and work executed and lack of monitoring. These issues are discussed below:

## Inordinate delay in execution of the works sanctioned.

**2.1.12.1** In Chikkamagaluru district, there were inordinate delays in execution of the 22 works which were sanctioned under general grants during the period 2012-13 & 2013-14 amounting to ₹ 55 lakh. The grants were released

(2018-19) after a lapse of more than six years. The released amounts were still kept idle in bank accounts without utilising for the purpose for which it was earmarked till date (November 2022).

Similarly, in Tumakuru District, the DC granted (December 2016) administrative approval to the estimate ( $\gtrless$  1 crore) for construction of Guest House at Shri.Lakshmi Narasimhaswamy Temple, Tiptur Taluk. However, the work did not commence as the administrative approval was not communicated to the Executive Engineer, Buildings Division of PWD. As a result, funds amounting to  $\gtrless$  1 crore were left unutilized in PWD's account for the last nine years.

In another instance, the Department had sanctioned (February 2012) a grant of ₹80 lakh towards construction of Guest House at Shri Bhagandeshwara Temple, Bhagamandala in Kodagu District. However, the work was not executed due to frequent changes in the estimates and designs. Finally, the DC accorded (August 2022) approval to the estimate (submitted by EE, PWD) after several changes made from 2019 to 2022. The intended benefits were not available even after the lapse of ten years.

The Government's reply in this regard is awaited (March 2023).

## Discrepancies in estimates submitted for release of grants

**2.1.12.2** An estimate is a valuation in advance of the amount for which certain work can be done. It is an approximate calculation or measurement, based on the Departmental rates published by respective circles at the time of preparation, generally in writing specifying the amount of money for which a contracting party is likely to perform certain work. An estimate describes the item wise particulars of supplies to be made and work to be done.

Audit noticed in 3 institutions across 2 selected districts that actual execution of works was not in consonance with the estimates as brought out below:

- In a work estimate related to Brahmalingeshwara Saparivara Temple, Udupi District, provision for laying fresh 'New Mangalore tiles' for roofing was proposed. However, in the photograph attached to completion report, Audit noticed that old and used tiles were used for the work.
- In another estimate related to Kalkuda Temple, Udupi District, items of work included sheet roofing with trapezoid sheet over MS tubular truss & purlins. However, during joint inspection after completion of work it was noticed that the work did not involve any works relating to MS tubular truss.
- In Sri Durga Devi Temple, Belagavi District, the estimates contained the item of burnt bricks. However, the work was executed with cement bricks.

The Government forwarded the reply of the Commissioner (February 2023) stating that a report is sought from the DC regarding the works of the three temples and action would be initiated upon receipt of the same.

**2.1.12.3** Each civil work requires the field engineer to conduct field inspections and prepare a line estimate which depicts the actual requirements of work proposed to be executed.

An amount of  $\gtrless$  1 crore was sanctioned (March 2021) for Ramanagara constituency, which included 41 Private Temples and 9 Muzrai Temples and released to the DC, Ramanagara. Based on the directions of the Additional Deputy Commissioner, Ramanagara, to submit the estimates, PRED submitted 15 estimates (May 2022) and Nirmithi Kendra submitted 35 estimates (June 2022) respectively. The list of works was sanctioned by the Department at  $\gtrless$  2 lakh each for the 50 institutions.

Audit observed that both PRED and Nirmithi Kendra prepared estimates for the same four<sup>14</sup> Temples out of total 50 Temples. After observing the same by Audit, the Department has taken action to rectify its fault by calling for estimates of the left out four temples. This indicates lack of exercise of due diligence by the Department in verifying the estimates.

The Government forwarded the reply of the Commissioner (February 2023) which stated that a report is sought from the DC and action would be initiated upon receipt of the same.

#### Lack of monitoring of works

**2.1.12.4** The Government Orders releasing grants categorically directs the district offices to ensure that the provisions of KTPP Act be followed in execution of works. As per the practice in vogue, the estimates were prepared by the implementing agencies such as PRED, Nirmithi Kendra *etc.* and submitted to the Department as documentary support for release of grants either prior to the execution of work or post execution of work.

Audit observed that the Temple authorities in 9<sup>15</sup> out of the 11 test checked districts had awarded total 2,170 works each ranging from ₹ 1 lakh to ₹ 3 crore. The works were executed by the Temple authorities by engaging local workers/contractors. In none of the cases, the works bills were made available to ensure that the works were properly completed and payments were made to the concerned workers/contractors. In none of the cases, the execution of works was monitored by the agencies who prepared the estimates. No UCs were obtained from those temple authorities by the monitoring authorities confirming that the grants were utilised for the purpose for which they were granted.

Thus, there is no guarantee that the grants released to the Institutions were utilised for the intended purposes.

<sup>&</sup>lt;sup>14</sup> Kottehalli village-Shri.Veerabhadrashwara Temple, Kannamangala Doddi village-Sri.Maramma Temple, Gollaradoddi village-Sri.Munishwarasami Temple and Manamonna Halli village-Sri.Basavanna Temple.

<sup>&</sup>lt;sup>15</sup> Except Chikkamagaluru and Tumakuru Districts.

The Government forwarded the reply of the Commissioner (February 2023) and stated that grants were released duly following the guidelines issued in the year 2010. However, the reply is silent about non-availability of works bills with Temple authorities.

## Poor quality of work

2.1.12.5 In Ramanagara District (Sri Narasimha Swamy Temple, Magadi), an estimate for construction of Samudaya Bhavan was sanctioned by PWD during 2011-12 for ₹ 90 lakh. Work was tendered and final bill was submitted during 2015. During Joint inspection, it was noticed that the pillars of the building had sunk and were detached from the beam/ceiling of the building. There were multiple seepages, damages and cracks in the walls. The terrace of the building was damaged due to blockages formed by accumulation of stagnant water.

Since the base structure itself appears unsound, the safety of the pilgrims could be a matter of concern.



Picture No.2.1.1: Samudaya Bhavana, Sri Narasimhaswamy Temple, Magadi Talluk.

The Government forwarded the reply of the Commissioner (February 2023) which stated that it would initiate action after receiving the report from DC, Ramanagara.

Audit observed that after release of grants and sanction of works, there was no mechanism in place to follow up and ensure proper execution. This directly impacted the quality of works and the durability of assets created. Since grants are given out of public funds, Department should ensure effective monitoring for prompt implementation of sanctioned works.

#### **Recommendation 6:**

The Government should introduce a robust system for monitoring the execution and completion of the works and fix responsibility for poor quality of work done by Government agencies.

#### **Disbursement of Statutory Payments**

Audit also analysed the distribution methodology of statutory payments such as the Tasdik grants and Varshashane. This exercise revealed that there were procedural irregularities in releases and payments released without proper documentary evidence.

## Disbursement of Tasdik grants

**2.1.13** Compensation in the form of Tasdik, payable to the identified beneficiaries under the Inam Abolition Acts<sup>16</sup>, was progressively fixed at  $\gtrless$  24,000 for 2015-16 to 2016-17,  $\gtrless$  48,000 for 2017-18 to 2021-22 and  $\gtrless$  60,000 from 2022-23 onwards respectively.

The Department instructed (November 2020) that every year the Archakas (priest) of the Group-C Notified Religious Institutions should furnish a self-declaration affidavit, where income was upto  $\overline{\mathbf{x}}$  one lakh; or through the Village Accountant (VA)/ Revenue Inspector (RI) report to the concerned Tahsildar of the respective Taluk where income was more than  $\overline{\mathbf{x}}$  one lakh. The self-declaration or the VA/RI report shall contain the relevant identification details, bank details, *etc.* Based on self-declarations received from Archakas, VA/RI reports, e-payment would be initiated to the Archaka's account.

**2.1.13.1** Audit noticed that there was no standard procedure for the disbursement of Tasdik grants. The Districts followed different procedures as discussed hereunder:

- During the year 2021-22, out of the total 13,940 Institutions, which were beneficiaries of Tasdik, across 64 taluks of the 11 test checked districts, 12,923 Institutions (92.70 *per cent*) had not furnished self-declarations as mandated. In the absence of mandatory document verification, Audit is not clear how the department ensured that the Tasdiks were dispensed to the intended beneficiaries.
- In Taluks of Chikkamagaluru, Kolar, Tumakuru, Hassan, Ramanagara and Koppala Districts, the Tahsildars maintain a savings bank account in the name of the temple. As and when the instalments of the Tasdik were released by the Government, the tahsildar credits the amounts directly to the temple account so maintained. Based on the clearance presented by the Revenue Inspector/Village Accountant, e-payment was done to the registered priest who was conducting the pooja in the temples.
- In Belagavi, Bagalkot and Kodagu districts, the amount was directly credited to the temple priest through e-payment from Khajane-II. In Udupi District, the amount was credited to the temple management whereby, the subsequent credit or non-credit of the Tasdik amount to the beneficiary could not be verified by the Department at all.
- In the test checked 11 districts, out of a total Tasdik grant of ₹ 331.83 crore (13,850 Religious Institutions) during the period 2017-18 to 2021-22, an amount of ₹ 66.93 crore was lying undisbursed in multiple savings bank accounts of Taluk maintained by the concerned Tahsildar. In addition to the above, an amount of ₹ 11.39 crore had also lapsed in Taluks of Koppala and Belagavi Districts.
- In 30 instances across 5 districts, the VA/RI/Tahsildar had reported that neither the institution exists nor any pooja activities were conducted. In

<sup>&</sup>lt;sup>16</sup> Karnataka Inam Abolition Act 1955 and Karnataka Other Inam Abolition Act 1977

all the cases, the amount was consistently being credited into the temple account. However, in 5 cases (in Belagavi and Tumakuru Districts), the amount was also disbursed to the priest/individual in violation of the Tasdik guidelines.

- The Department didn't take subsequent initiatives to ascertain the credentials to reduce the Tasdik grants. The Tasdik disbursed in these cases worked out to ₹ 44.74 lakh. (*Appendix-9*).
- During joint inspection of Kote Veeranjaneya Temple, Tudipete, Chikkamagaluru district, two Tasdik were credited to two different beneficiaries, whereas there was only one temple. Joint inspection also confirmed the absence of a structure in the location. In another instance (Sri Chowdeshwari Temple, Mulabagilu Taluk), the Tahsildar had reported the non-existence of the temples. However, the Tasdik was regularly being released in both these cases.
- Audit noticed double payments of Tasdik instalments with respect to 26 cases pertaining to four<sup>17</sup> test checked districts aggregating to ₹ 10.62 lakh, wherein the instalments were released to beneficiaries who were already paid for the same quarter. (*Appendix-10*). The excess disbursements made in this regard should be adjusted in the subsequent payments.

**2.1.13.2** The Department had specified (9 February 2011) that an Archaka shall be allowed to conduct pooja for two different temples based on his vamsha parampare or family tree. It was also directed that if more than two temples were being catered to, then the Tasdik amount shall not be released to the Archaka but shall be credited in the bank accounts of the respective temples.

Audit noticed that in 2 districts (Kolar and Bangalore Urban), 40 priests were stated to be performing pooja in 231 Notified Institutions and were allowed to receive the Tasdik amounts aggregating to  $\gtrless$  1.11 crore relating to all Notified Institutions during the year 2021-22. (*Appendix-11*).

Most of the poojas were conducted during the same time frame of a given day. In one instance a single priest was stated to be conducting the poojas/rituals in 20 temples of Mulabagilu Taluk in addition to 4 other temples in Kolar taluk. In such a context, conducting of daily rituals in multiple places, by the same Archaka defies logic. In most of the cases, the location of temples are spread over geographically. However, the Department within a span of a few days, revised (28 February 2011) the circular which allowed the Archakas to receive Tasdik from more than two temples without any restrictions. The initial circular of the department was *prima-facie* justifiable and in the right direction.

**2.1.13.3** Audit noticed that in 22 cases across 6 districts, the Tasdik disbursements were doubtful/ fictitious in nature to the tune of  $\gtrless$  35.69 lakh (*Appendix-12*).

<sup>&</sup>lt;sup>17</sup> Belagavi, Chikkmagaluru, Tumakuru & Udupi.

- In two cases (Sri Anjaneya Swamy Temple, Kadur and Sri Vinayaka Devaru, Kadur) of Chikkamagaluru District, transactions were initiated from an inactive temple account to another account. In both these cases, there were no Tasdik disbursements to the priests over a long period of time and the Tasdik amounts had accumulated over the years. Audit noticed that attempts were made to electronically transfer funds from these accounts, which were not successful.
- In two cases (Sri Kamaleshwara Temple, Koppala and Sri Kanderaya Temple, Belagavi) the VAs reported lack of interest of the priests in availing Tasdik benefits. However, instead of reporting the same to the budget wing, the amount had repeatedly been credited.
- In one case (Sri Ambabai Temple, Khanapur), there were two bank accounts for the same priest and in another instance (Sri Brahma Devasthanam, Khanapur), two priests had the same Account Number and IFSC code.

The Government forwarded the reply of the Commissioner (February 2023) which stated that circulars had been issued to follow uniformity in disbursement of Tasdik and that letters had been issued to all DCs to take action against the concerned employees responsible for making double/doubtful Tasdik payments. Further, the reply is silent on the individual observations.

## Disbursement of Varshasane<sup>18</sup>

**2.1.13.4** The Taluk offices disburse the Varshasane and are the custodians of the Annuity Bond, which is the source document that authorises the institution, a claim on the compensation under the Karnataka Land Reforms Act, 1961. The document contains the details of the land, survey numbers, locality and the extent of land which was vested with the Government. These documents are primary source of records through which the existence or otherwise of an institution is ascertained by the field level offices.

Audit observed that:

- Out of 861 beneficiaries, in respect of 825 beneficiaries none of the Taluks (*except Tiptur of Tumakuru district and Belagavi Taluk*) in the test checked districts had kept the annuity bonds on record. In addition to the above, the RI/VA reports in respect of 808 beneficiaries were also not kept on record. Non-availability of these documents leads to lack of authenticity of the disbursements of the compensation.
- In three<sup>19</sup> out of the 11 districts, a sum of ₹ 4.06 crore was undisbursed during last five years. For instance, in Sakaleshpur taluk alone an amount of ₹ 69.60 lakh was released by the Government as Varshasane over the last five years, out of which ₹ 51.44 lakh was lying idle in the bank accounts. In Belagavi district, even after not being able to expend

<sup>&</sup>lt;sup>18</sup> "Varshasane" (also called Annuity) is a compensation paid to the Religious Institutions whose lands are vested with the Government under Karnataka Land Reforms Act, 1961.

<sup>&</sup>lt;sup>19</sup> Belagavi, Hassan & Koppala.

the amounts released under Varshasane over the years, fresh demands were raised every year.

The Government forwarded the reply of the Commissioner (February 2023), which stated that letters had been written to all DCs to maintain annuity bonds and to furnish the detailed report on non-release of Varshasane to the intended beneficiaries.

Further, the reply is silent on the individual observations.

Such arbitrary releases and irregular disbursement show the lackadaisical approach of the Department in distribution of Statutory payments.

**Recommendation 7:** 

The Government should ensure the disbursal of Tasdik and Varshasane grants to the intended beneficiaries regularly and no amount is kept idling in bank accounts by the Department.

## Monitoring of Notified Institutions

**2.1.14** The Department, apart from supporting temple development through grants, is also responsible for administration of Notified Institutions. The Act envisages Supervisory control over the Notified Institutions by various means. The deficiencies noticed in monitoring of Notified Institutions are discussed in subsequent paragraphs.

## Deficiencies in survey and maintenance of properties

**2.1.14.1** As per Section 31 of the Act, the State Government may appoint an Endowment Survey Officer for the purpose of making a survey of all the properties of the Notified Institutions in the State.

As per Rule 3 of the Act, Sub-Divisional AC is the competent officer in charge of Grade-C temples and DC for Group-A & B temples. Further, as per the Public Premises (Eviction of Unauthorised Occupants) Act, the ACs and Tahsildars are authorised officers for eviction of unauthorised occupants. The details of cases of survey conducted and encroachment reported are depicted in the table below:

Sl. No.	Group of Institution	No. of Institutions	Survey done	Encroachment reported (No's)	Extent of encroachment
1	А	205	72	27	354 acres 23 guntas
2	В	139	54	10	3 acres 9 guntas
3	С	34,219	4,543	159	278 acres 4 guntas
	Total	34,563	4,669	196	635 acres 36 guntas

Table No.2.1.6: Statement showing details of encroachment

The issue on survey and eviction of encroachments which require concerted efforts from the ancillary departments of the Revenue *as-well-as* the Survey Settlement and Land Records. Though numerous correspondences to various related departments at both the apex level and at the district level were initiated by the Department, to set the tempo of conducting survey and identifying the

Muzrai properties, no measurable progress could be observed in terms of coordination and improvement in the survey of Notified Institutions.

The Government forwarded (February 2023) the reply of the Commissioner which stated that action has been initiated to conduct survey by department itself as expected co-operation was not received from Survey (Revenue) Department. Further, letters have been written to all DCs requesting them to make necessary changes in RTCs and to notify in the gazette.

The reply regarding lack of co-operation from the Revenue Department is indicative of failure at the Government level in ensuring co-ordination between its departments, which has led to lack of action for removal of already existing encroachments.

#### **Recommendation 8:**

The Government should ensure proper coordination among its departments and ensure that the survey of Muzrai properties are completed early, encroachments are removed and land records are rectified and updated. Action may be taken to fix responsibility for inaction on survey and documentation of Muzrai properties.

## Deficiencies in preparation and submission of budget proposals of notified institutions

**2.1.14.2** The Section 36 of the Act stipulates that the Chairman, Manager or the Executive Officer of a Notified Institution<sup>20</sup> shall within ninety days before the close of every financial year, file in such form as may be prescribed a budget showing the probable receipts and disbursements of such institution during the following year, along with actual income and expenditure for the preceding year The receipts portion shall comprise of the income proposed to be derived from Hundi collections, Tasdik, annuity, Cash grants, Jathra, Rathotsava and Sevartha fees, interest on deposits, money orders, rent from land and building and such other income as may be prescribed.

Group-A & B Institutions had in general prepared the AFS and submitted to the Department. However, out of total 344 Group-A & B Institutions, the Institutions which had not furnished Budget Statement and Income and Expenditure Statement for the preceding year during the years 2017-18 to 2021-22 are tabulated below:

Sl.	Veen	annual budget proposals		
No.	Year	Category – A	Category - B	Total
1	2017-18	4	9	13
2	2018-19	3	12	15
3	2019-20	4	14	18
4	2020-21	9	25	34
5	2021-22	7	18	25

 Table No.2.1.7: Statement showing institutions which had not furnished annual budget proposals.

<sup>20</sup> Not applicable to Notified Institutions whose gross annual income do not exceed ₹ one lakh.

Further, out of a total of 15,467 Group-C Religious Institutions in 11 selected districts, none of the religious institutions had submitted budget proposals during the last five years.

The absence of budget proposals indicates poor control over the financial affairs of the Institutions by the Department and directly impacts the collection of common pool fund thereon (as discussed below).

The Government's reply in this regard is awaited (February 2023).

## Common Pool Fund

**2.1.14.3** Section 17 of the Act provides for creation of a Common Pool Fund by RDP by way of contributions from Notified Institutions at the rate of 10 *per cent* of the net income in respect of Institutions whose gross income exceed ₹ 10 lakh and five per cent of the net income in respect of Institutions whose gross income exceed ₹ 5 lakh but not exceeding ₹ 10 lakh and grants from State Government . Unused grants for construction, repairs and renovations of Religious Institutions, funds of defunct Hindu temples and any other sum as the Government may direct may be transferred to the Fund on the orders of the Government. The Common Pool Fund was to be utilized as per the provisions of the Act with the prior approval from RDP. The fund is kept outside the Government accounts and is managed by the Commissioner (HRICE).

## Collection of Common Pool Fund

**2.1.14.4** Audit noticed from the data submitted by Group-A & B Institutions that an amount of  $\gtrless$  35.69 crore was to be contributed to Common Pool Fund during 2017-18 and 2019-20 to 2020-21. However, there was a short remittance of  $\gtrless$  15.23 crore as detailed in the table below:

Sl. No.	Year		o be remitted as of the Institutio	-	Actual	Short	
		Category - A	Category - B	Total	remittance	receipt	
1	2017-18	12.38	0.70	13.08	11.21	1.87	
2	2019-20	13.28	0.75	14.03	6.85	7.18	
3	2020-21	8.05	0.53	8.58	2.40	6.18	
	Total	33.71	1.98	35.69	20.46	15.23	

Table No.2.1.8: Statement showing short receipt of Common Pool Fund
(₹ in group)

The contributions were neither demanded from the Institutions nor the reasons for short receipt were recorded by the Department. The receipts of the temples were tracked in an *ad-hoc* manner wherein as and when an amount was credited, the bank scroll was checked and corresponding entries were made in a register. The Department had no system of monitoring the dues of the temples and related remitted amounts pertaining to individual temples as there was no coordination between the accounts section and the budget section of the Commissioner's office, who were entrusted with that task. In certain cases, the Department could not identify the Temple which had contributed to the Common Pool Fund.

The Government forwarded the reply of the Commissioner (February 2023) and assured that demands would be raised based on the actual income and expenditure of the temple. Accordingly, letters had been written to EOs to furnish the income and expenditure details at the end of the financial year. However, the reply is silent about the reasons for short remittance in earlier years.

## Disbursement of the Funds

**2.1.14.5** The Common Pool Fund is created out of defined contribution from A and B Category temples for the benefit of needy Religious Institutions. The Guidelines (May 2011) issued by the Department also stipulates that the contribution made by A and B Category Temples has to be utilized for the repairs and renovations of C-category temples. However, Audit observed that out of a total disbursement of ₹ 35.47 crore from the Common Pool Fund during 2017-18 to 2021-22, only ₹ 6.22 crore (i.e.17.53 per cent) was granted to 119 Notified Institutions, whereas ₹ 29.25 crore (i.e.82 per cent) was granted to 792 Private Temples.

Further, the guidelines stipulate an average of three to four recommendations to be submitted for financial assistance in each taluk. However, 262 temples out of the total 919 temples were granted financial assistance from Udupi District alone amounting to ₹ 9.25 crore. Audit also noticed that in three<sup>21</sup> out of the 11 test checked districts alone, there was an unspent balance of ₹ 5.35 crore which underlines the lack of proper administration of the Common Pool Fund.

The Government forwarded the reply of the Commissioner (February 2023) and stated that sanction for release from CPF were made only after detailed deliberations in RDP. The reply is not acceptable as the release of grants to private institutions was against Section 1 and 19 of the Act. The reply is also silent about the large number of releases made to Udupi district alone.

## Release of excess Funds

**2.1.14.6** The Government stipulated (May 2011) that only 80 *per cent* of the expenditure should be from the Common Pool Fund and the remaining 20 *per cent* to be generated from donations. It was also directed that three to five proposals could be forwarded from each Taluk and a maximum of  $\gtrless$  5 lakh only was to be granted to the eligible temples.

The Department had sanctioned financial assistance in excess of the stipulated amount to 16 institutions amounting to  $\gtrless$  1.72 crore during the years 2019-20 to 2021-22. Further, there was no mechanism to verify whether the balance amount had been arranged before release of funds from Common Pool Fund (*Appendix-13*).

The Government's reply in this regard is awaited (February 2023).

<sup>&</sup>lt;sup>21</sup> Belagavi (₹ 0.60 crore), Udupi (₹ 4.55 crore) & Bagalkote (₹ 0.20 crore).

#### **Recommendation 9:**

The Government may ensure systematic allotment of funds to Notified Institutions out of Common Pool Fund contributions.

## Poor response to local audit observations raised by State Accounts Department

**2.1.14.7** As per Section 37 of the Act, the Chairman, Manager or the Executive Officer of the Group-A temple shall keep regular accounts of the institutions, in such form as may be prescribed and got audited annually. Institutions whose gross annual income was  $\gtrless$  5 lakh or more, shall get their accounts audited by the State Accounts Department (SAD). Further, Section 38 of the said Act states that the auditor shall report all cases of irregular, illegal or improper expenditure or failure or omission to the EO/AC or DC as the case may be.

Further, Section 39 provides for rectification of defects disclosed in audit and for recovery of the loss caused to the institution. Audit observed that:

- Out of the total 205 Group-A and 139 Group-B temples, during the period from 2017-18 to 2020-21, local audits were in arrears ranging from two to five years in respect of 46 to 62 Institutions in Group-A and 127 institutions in Group-B. For the year 2021-22, none of the Group-A Temples and only 12 Group-B Temples were audited.
- Out of the 93 Temples (Group-A & B) in the 11 test checked districts, the institutions which were not audited over the past five years, ranged from 51 to 91.
- Further, in Belagavi district, 9 out of the 10 Temples have challenged the authority of the Act and conveyed their displeasure in adhering to the provisions of the Act. Hence had not got their accounts audited by the Local Audit Wing of the Government till date and had also not discharged their liability of Common Pool Fund contribution to the Endowment Department.
- In the audits which were conducted by the SAD, an amount of ₹ 40.53 crore had been objected upon and ₹ 6.65 crore worth objections were brought out for recovery from the concerned temple staff, which was still pending for recovery.
- In one instance relating to Hasanamba temple, Hassan district, the SAD had reported non-remittance of hundi collections to the tune of ₹ 40 lakh.
- In one instance, a bank account (Canara bank) relating to Sri Kabbalamma Temple (A Category) was maintained by the Kanakapura Taluk office from October 2005 onwards till the date of audit. However, neither the DC office nor the Executive Officer of the temple were aware of the account's existence. Also, an amount of approximately ₹ 14 lakh was available in the account during the year 2011.

The Government forwarded the reply of the Commissioner (February 2023) which stated that several letters have been written to Endowment Officers seeking their compliance to the issues/losses pointed out by local audit and that a letter was written to Principal Director (SAD) to expedite the audit process.

The Department's monitoring of notified institutions was inadequate and directly impacted its supervisory control. The department did not take prompt action to prevent encroachment in notified institutions. Further, it did not ensure that these institutions submitted budget proposals. This resulted in inadequate contributions to the common pool fund and unequal disbursements from the fund. Further, the Department's response towards deficiencies pointed out by SAD was unsatisfactory.

#### Non-registration of Private Temples under Section 53 of the Act

**2.1.15** Section 53 of the Act provides for compulsory registration of all Hindu Religious Institutions, other than temples notified under Section 23 of the Act. Section 53(4) mandates the Assistant Commissioner (AC) to maintain a register and furnish a copy of the same to the DC and the Commissioner. Rule 32A of the KHRICE Rules, 2002 prescribes that if the management of the temple fails to comply with the Section 53, the Assistant Commissioner shall issue registration certificate after assessing the cost of registration with a penalty of not exceeding rupees one thousand to be charged from the funds of the temple.

Audit observed that the department had not maintained a database indicating the number of Private Temples (temples other than the Notified Institutions) in the State. Also, no initiative had been taken so far to assess how many Private Temples were situated in each district/taluk. Even after more than 20 years of the promulgation of the Act, the provisions relating to compulsory registration of Private Temples had not been effectively implemented by the Department.

The Government forwarded the reply of the Commissioner (February 2023) agreeing to the audit observations and stated that letters have been written to all DCs/ACs to prepare a Taluk-wise report of private institutions to be registered.

An updated database of private temples and notified institutions would aid the Department to prioritise grant releases and sanction works between both categories. The absence of this information has resulted in an unequal distribution of grants and other benefits as discussed in the report.

## **Deficit Manpower**

**2.1.16** Adequate staff strength is the pre-requisite for systematic functioning of every department to carry out its activities.

Audit noticed that there was huge shortage of staff in the Department. As against total sanctioned strength of 488 in all levels of the Department, men in position were only 227 and deficit was 261 (53 *per cent*). The post-wise shortage of manpower ranged from 21 *per cent* to 100 *per cent*. In addition, a large number of the existing staffs were given additional charge or direct charge of temple administration of 86 Group-A temples too. Even then, there was a shortfall of

EOs/Temple Administrators to 258 out of the total 344 Group-A & B temples put together.

Audit further observed that the Department's flagship schemes Tasdik, Varshasane, SCP/TSP and Aradhana were directly implemented at the taluk level offices. An expenditure of ₹ 778.06 crore was incurred by the Department during the five-year period of 2017-18 to 2021-22 for all the districts in Karnataka. However, the department had no employees under its payroll and was managed by Revenue Department staff who, apart from managing their regular revenue wings, were given an additional charge of the Department's portfolio.

Further, Section 24 (A) read with Section 6 of the Act defines the Executive Officer as public servant which implies that the emoluments should be debited to Consolidated Fund of the State. The Department had a total of 227 employees in position as on October 2022. However, 162 of the officials were under the HRMS module and 76 officials were drawing salary from the temple funds. The total of these two segments works out to 238. The Department could not ascertain the difference of 11 officers/officials were in excess of the existing staff position in HRMS, who these officials were, or from where their respective salaries and emoluments were drawn.

The Government forwarded the reply of the Commissioner (February 2023) which stated that correspondences have been made with Government to fill up the vacancies for last ten years. Some vacancies were filled on compassionate ground and further Government agreed to outsource the services of SDA/FDA.

The reply is silent about the discrepancies in HRMS.

#### Conclusion

The Hindu Religious Institutions and Charitable Endowments Department of Government of Karnataka is responsible for distribution of grants for temple development, exercising supervisory control over temple administration, protecting temple land, etc.

Audit analysis revealed that there was no uniformity in procedure for disbursal of Government grants to institutions and a large number of grants were released without receipt of proposals through laid down channels. Further, Audit observed that there was disparity in release of grants between notified institutions and private institutions. There were instances of excess release of grants in violations of the Department's own circular instructions. There was a rush of expenditure during the month of March resulting in unauthorised parking of funds outside the treasury and non-utilisation funds thereof. Audit also observed huge pendency in submission of Utilisation Certificates by the institutions. These issues indicated weak monitoring, control and inadequate financial management.

During joint inspection and through verification of records, Audit noticed that there were disparities between estimates and actual work executed. The monitoring of schemes and work execution was not satisfactory. The Tasdik and Varshasana grants, which are statutory in nature, also lay undisbursed with the Tahsildars. Large sums of grants released were kept in bank accounts at the District and Taluk offices without being spent for the purpose for which it was granted.

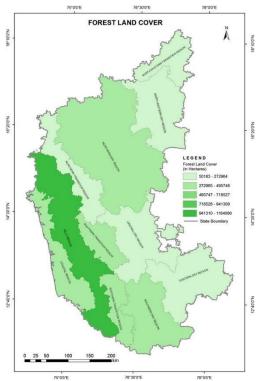
Further, Audit observed that there was inadequate monitoring of notified institutions. The Department did not make any concerted effort to conduct surveys and ensure eviction of encroachments in properties. The annual budget proposals of the notified A and B category institutions were not received regularly. None of the notified C category institutions in test-checked Districts submitted their annual budget proposals for the last five years. In addition, there was a shortfall in receipt of Common Pool Fund to the extent of ₹ 15.23 crore from notified institutions.

The Department did not ensure the registration of all private institutions as mandated, and this skewed the distribution of benefits. Manpower deficit in the Department hugely affected the capacity to supervise and ensure proper implementation of schemes.

## Forest, Ecology and Environment Department

## 2.2 Management of Forest Offense Cases in Karnataka Forest Department Introduction

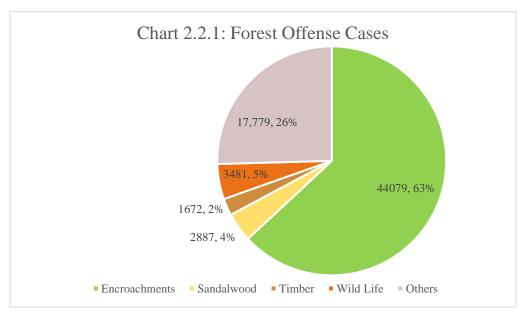
2.2.1 The primary mandate of the Karnataka Forest Department is to protect the



wildlife forests. and the rich biodiversity of the State and ensure that the ecological balance of the forest eco-systems is maintained. The main functions include boundary consolidation, protection of forest areas from encroachment, illicitfelling, mitigation of human-wildlife conflict, undertaking fire prevention control measures. and etc. Contravention of any provision of Indian Forest Act, 1927 or Rules made thereunder amounts to an offence. Under the Indian Forest Act, 1927, "forest-offence" means an offence punishable under this Act or under any rule made thereunder. Forests and forest produce in the State are governed under the Karnataka Forest Act 1963 (KF Act) and the Karnataka Forest Rules 1969 (KF Rules).

Forest offences are classified into three broad categories, *viz.*, offences against the forest itself, offences in relation to the forest produce in transit, and special offences. The detailed procedures for working of the Department, including instructions for dealing with forest offence cases (FOC), are laid down in the Karnataka Forest Manual, the Karnataka Forest Code and the Karnataka Forest Account Code.

As of 31 March 2022 there were 69,897 FOCs were pending for disposal in the State. The break-up of these FOCs under different categories are given in the following Chart No.2.2.1.



\*Others: Trespassing, illegal grazing, damages caused to fencing, trenches, etc.

#### **Organisational setup**

2.2.1.1 The Karnataka Forest Department is under the administrative control of the Additional Chief Secretary to Government, Forest, Environment and Ecology Department. At the functional level, the Department is headed by the Principal Chief Conservator of Forests, Head of Forest Force [PCCF (HOFF)] who is assisted by PCCF(EWPRT<sup>22</sup>), PCCF(Development), PCCF(Wildlife), PCCF(Forest Conservation) and all the Additional Principal Chief Conservator of Forests (APCCFs) in the department. The Department is organised into 13 circles which are headed by the Chief Conservator of Forests (CCF)/Conservator of Forests (CF). These Circles are further divided into territorial, wildlife and social forestry divisions, headed by Deputy Conservator of Forests (DCF). Under each division, Sub-Divisions are headed by Assistant Conservator of Forests (ACF). Under ACFs jurisdiction there are Ranges headed by Range Forest Officer (RFO), Sections headed by Deputy Range Forest Officer (DRFO) and Forest Guard (FG) are responsible for beats in forest area. The Organisational structure is given as Appendix-14.

<sup>&</sup>lt;sup>22</sup> EWPRT: Evaluation, Working Plan, Research and Training

#### Audit Objective, Scope and Methodology

**2.2.1.2** The objective of the audit was to ascertain *whether prescribed system and procedures are being followed for Detection and Disposal of FOCs*. Records related to preventive measures taken by the Department, detection, investigation and prosecution of offense cases and disposal of confiscated material in 13<sup>23</sup> out of 52 Forest Divisions and PCCF office were test-checked between April 2022 and August 2022.

An Entry Conference was held on 30 May 2022. The Draft Audit Report was issued to the Government on 24 November 2022 and an exit conference was held on 13 December 2022 with Principal Chief Conservator of Forests (HOFF). A further meeting to discuss the Draft Audit Report was held with Additional Chief Secretary to Government of Karnataka, Forest, Ecology and Environment Department on 16 March 2023. Replies of the Department endorsed by the State Government were received on 6 April 2023. The replies furnished by Government have been suitably incorporated.

The important findings of the audit are given in the following paragraphs.

#### Audit Findings

#### **Non-registration of FOCs**

**2.2.2** The Forest lands in Karnataka have been notified under the Mysore Forest Act 1900, Indian Forest Act, 1927, Madras Forest Act, 1882, Hyderabad Forest Act, 1355F and Karnataka Forest Act 1963. Further, Rule 17 of the Karnataka Forest Rules, 1969, stipulates that all lands notified as forest are required to be mutated in favour of the Forest Department. Further, from 25<sup>th</sup> October 1980, i.e., from the date the Forest Conservation Act, 1980, came into force, release of any forest land for non-forestry purpose requires prior approval of the Central Government.

As per information furnished by the Forest Department, total forest area granted by Revenue Authorities for non-forestry purposes was about 42,114.09 Ha including 26,599.34 Ha granted after 1980.

Further, Hon'ble Supreme Court of India held<sup>24</sup> (July 2003) that when lands were declared as Reserve Forest, entries in the revenue records were of no consequence. It was also held that mere issue of Saguvali Chits<sup>25</sup> by the Revenue Authorities did not confer any title on land and therefore such occupants of forest land shall be treated as un-authorised occupants. Hence, in all such cases where forest land being used for cultivation on the basis of Saguvali Chits, FOC are to be booked and action to be taken to evict encroachers by the Forest Department.

<sup>&</sup>lt;sup>23</sup> 8 Territorial Divisions, 3 wildlife divisions and 2 Forest Mobile Squads

<sup>&</sup>lt;sup>24</sup> State of Karnataka & Ors vs I.S. Nirvane Gowda & Ors Civil Appeal No- 7309-7310 of 1996

<sup>&</sup>lt;sup>25</sup> Certificate authorising the individual to cultivate the land.

Omission to mutate lands notified as forest lands in favour of Forest Department by the Revenue Department and failure to get land mutated in its favour by the Forest Department were the main reasons for lands continuing to be shown as Revenue lands in Revenue Records.

As per the information furnished by the Divisions, 1.98 lakh Ha of forest land in the selected 11 divisions is yet to be mutated in favour of Forest Department. Incorrect depiction of ownership over the land in Revenue Records can lead to grants of forest lands by Revenue Authorities. As seen in six out of 11 testchecked Divisions, 182.50 Ha of notified forest lands were granted by Revenue Authorities during the years from 2016-17 to 2021-22 (details given in *Appendix-15*) which was perhaps due to the reason that the lands continued to be shown as revenue lands in the Revenue Records.

No action was taken by the Divisions/ Range Forest Officers to book FOCs in these cases.

In reply Government stated that as per Rule 17 of the Karnataka Forest Rules, 1969, immediately after lands are notified as 'Forest' under the Forest Act, the Deputy Commissioner shall get necessary entries made in the revenue records. The reply also conveyed "this paragraph may thus be kindly directed to the Revenue Department to have a time bound schedule of effecting mutations of land records of Notified Forests where they are pending". However, as an interested party Forest Department is pursuing with Revenue Authorities at Taluka and District levels to Government level. However, details of efforts made by Forest Department to get the notified forest lands mutated were not furnished to Audit.

The reply points to a lack of co-ordination between two departments of GoK leading to failure to effect mutation and consequent grant of forest land for nonforestry purposes by the Revenue Authorities in contravention of the provisions of the FC Act 1980. The Government needs to fix a time frame for completion of the process of mutation and eviction of occupants of forest land.

With regard to registering FOCs in case of grant of forest land by Revenue Authorities, Government stated that field officers have been directed to send proposals seeking prosecution of erring Revenue Officials.

**Recommendation 10:** 

(i) The Government may take suitable action to:

(a) Fix a target date and direct the Revenue Department to complete the mutation of all lands notified as forest area in favour of Forest Department.

(b) Direct the Forest Department to book FOCs in all cases where forest lands have been granted by revenue authorities and responsibility fixed on all officers/officials responsible for such grants.

(ii) The Government should direct the revenue department to cancel all Saguvali Chits and the land should be mutated with the forest department in accordance with the Hon'ble Supreme Court's Order.

(iii) The Government may fix responsibility on jurisdictional Forest Officers for all cases of un-authorised diversion of forest lands.

## FOCs not booked under stringent provisions of the KF Act

**2.2.3** Under Section 24(g)(gg) as well as Section 33 (2)(iii a) of the KF Act, clearing or breaking up of any land for cultivation or any other purpose or occupying forest lands are prohibited activities and are thus, considered as offense. Whereas Section 33(2)(iii) of the Act empowers the State Government to 'regulate or prohibit the grant of land and its clearing and breaking up for cultivation or other purposes'. Thus, Section 24(g)(gg) and Section 33(2)(iiia) were more stringent than Section 32(2)(iii) as it facilitates the encroachers to continue to occupy the forest land till the State Government takes final decision either to regulate or prohibit the grant of land. Section 24(g)(gg) was applicable to Reserve Forests. There were no guidelines/instructions in the Department regarding invoking either of 32(2)(iii) or 32(2)(iiia) where encroachers were noticed in District Forests.

Test-check of FOCs booked in selected Divisions in respect of encroachments revealed that in 45 out of 177 cases of encroachments in three Range Offices, the RFOs concerned booked FOCs under Section 33(2)(iii) of the KF Act rather than under the applicable Section 33(2)(iii a). The grounds on which the cases were booked under 33(2)(iii) instead of 33(2)(iiia) were not recorded by the RFOs concerned.

Government replied that encroachment is a non-cognizable offense and application of prescribed procedure for eviction is a long drawn-out multi-stage process during which the applicant has liberty to approach various courts. The lapse of the Government in not invoking the more stringent provisions of the law weakens the case against encroachment and delays restoration of forest land.

*Recommendation 11:* The Government may take suitable action to ensure that Forest Department invokes stringent provisions available in the KF Act or Rules made thereunder while booking FOCs on attempts to encroach forest lands and illegal felling.

## Quantum of punishment not proportionate to the offence

**2.2.3.1** The act of clearing or breaking up of forest land involves cutting trees and vegetation, levelling of land, etc. These acts are also offenses in respect of timber or firewood which is the property of the Government and hence attracts seizure of tools and equipment, vehicles, etc. used in committing such offense under Section 62(1) of the KF Act followed by confiscation under Section 71A of the Act. However, in the following cases minor punishments or lesser penalties were imposed by compounding the offenses though the nature of offenses were serious.

(i) In five RFOs of three divisions it was noticed that an attempt was made to encroach forest land for cultivation by felling trees and levelling land using JCBs or Tractors. The FOCs booked in these cases were compounded by collecting fines which ranged between ₹2000 and ₹26000 only. However, vehicles, equipment or machineries used in these cases were not confiscated. The details are given in *Appendix-16*.

(ii) In Koppa Range, one<sup>26</sup> case was booked for illegally felling 873 Acacia trees. In this case, Karnataka State Forest Industries Corporation (KSFIC) was entrusted the extraction work of 415 trees in 5 Ha of acacia plantation in the survey no-252 of Naraseepur village by the Division. KSFIC further entrusted this work to a contractor<sup>27</sup>. However, the contractor, in addition to the work entrusted, illegally felled another 535 Acacia trees in Government plantation and 338 Acacia trees in private plantation. This FOC was disposed of by the Division by levying and recovering a compounding fee of ₹50000/-. The extraction work of forest produce in the forest land was to be supervised by the Departmental officers. In this case since the work was entrusted through KSFIC, the officers of KSFIC were also responsible to supervise the work. Despite these two levels of supervisions, the contractor had illegally felled 873 trees. As the damage caused to forest was serious, the case was not eligible for closure by compounding the offense. The compounding fee levied was very less as compared to the extent of damage caused to the forest/plantation.

These cases show the lenient view taken by the Department in cases of attempts to encroach on forest land and illegal extraction of timber. Also, such a lenient view taken by the Department would not be a deterrent to offenders in the future.

No reply was furnished by Department/Government for the small compounding fee levied in the case of illegal felling of timber when compared to the gravity of the offenses and on not confiscating the tools, equipment and vehicles used in committing the offenses.

## Inadequate enquiry and follow-up of FOCs

**2.2.4** Every forest offense which comes to the notice of the Department is to be followed by filing of First Information Report (FIR), arrest of the accused, seizing of the forest produce and vehicles, tools, implements or other material involved, if any. Where offenders involved in FOCs are not known, the cases are recorded as 'undetected (UD) cases'. The FOCs are then enquired/investigated and Enquiry Reports (ER) are prepared. Depending on the nature of offense and ER, the FOCs are either compounded or prosecuted by filing a chargesheet in Courts or withdrawn. The KFM provides that ER to be filed within 15 days of filing of FIR.

Details of status of 2,541 FOCs<sup>28</sup> registered during 2017-18 to 2021-22 in 22 RFOs under selected 11 divisions and two FMS collected and analysed. The analysis revealed that about 57 *per cent* of the cases were pending for prompt first level follow-up action by the Departmental Officers. This was alarming and indicated lack of supervision or monitoring by the Divisional/Circle level or by Apex level Officers of the Department on the FOCs registered in the State. The details are as shown in the table below:

<sup>&</sup>lt;sup>26</sup> FOC No. 30/18-19, Koppa Range

<sup>&</sup>lt;sup>27</sup> Sandeep s/o Shivdas, a resident of Narseepur village

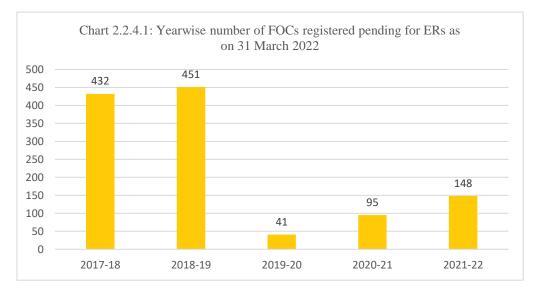
<sup>&</sup>lt;sup>28</sup> Overall Division wise details of FOCs are given in *Appendix-17*.

SI.	Type of				No. of cas	es		
No.	offenses	FOC booked	Detected/ UD	ER Filed	Chargesheet Filed	Filed in Courts	Under compounding	Cases disposed
1	Encroachment	177	UD (4)	1	0	0	0	0
	of forest lands		Detected (173)	55	7	6	0	0
2	Cases under	262	UD (59)	23	0	12	0	15
	WLP Act		Detected (203)	39	3	27	7	7
3	Unauthorised felling/ cutting	835	UD (95)	34	0	0	0	0
	of trees		Detected (740)	381	0	0	154	0
4	Others (Including	1267	UD (151)	32	0	0	0	0
	illegal possession/ transportation of forest produce)		Detected (1,116)	809	85	12	11	0
	Total	2541	UD	90	0	12	0	15
			Detected	1,284	95	45	172	7

Table No.2.2.1: Status of the test checked FOC cases

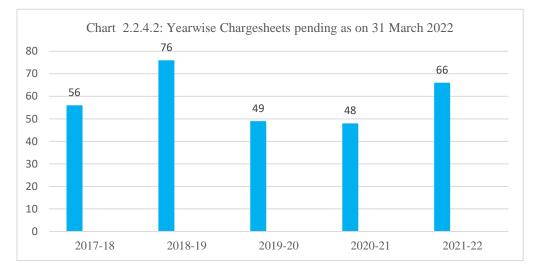
As seen from the above table, the follow-up actions on the FOCs registered were poor. Important Audit analysis and observations in this regard are given below:

• In 45.9 *per cent* (1167 cases) ERs were not prepared by RFOs concerned. Of the remaining 1,374 cases, the ERs were filed within the stipulated period of 15 days only in 133 cases (5.2 *per cent*). The delay in filing ERs in 806 cases ranged from 1 to 1,416 days. The age wise break-up of 1,167 cases where ERs were pending are given in the following Chart No. 2.2.4.1.



• In 11.6 *per cent* (295 cases) RFOs concerned failed to file chargesheets or dispose of the case by compounding or by withdrawing, as the case may. The age analysis of pending Chargesheets is as shown in Chart

2.2.4.2 below. The failure to take follow up action in FOC is indicative of a lack of seriousness on the part of the department in implementing its own Acts and Rules. This will embolden the culprits.



- Even in respect of 95 cases where charge sheets were filed, it was noticed in only four cases chargesheets were filed within 60 days from the date of filing FIR. Of the remaining cases 91 cases, in 39 cases chargesheets were filed within six months and in 51 cases the chargesheets were filed beyond six months from the date of filing of FIR and the delay ranged up to 3 years and two months. In one case date of filing of chargesheet was not recorded by the Division concerned.
- 210 out of 262 FOCs (80 *per cent*) registered under WLP Act were pending for disposal for want of enquiry report and chargesheet and 60 cases (23 *per cent*) were UD cases. In respect of 54 cases, FOCs were booked for illegal possession or for involvement in illegal trade of articles derived from wild animals. However, no efforts were found to be made to trace the suppliers of those articles to the offenders.
- Of the 22 cases closed under WLP Act, 10 UD cases closed by courts, 5 UD cases closed departmentally, and 7 cases were compounded.
- In three cases related to sandal wood and five cases related to other trees, no seizure of forest produce could be made. The offense was noticed based on the cut stumps. Action taken, if any, by the RFOs, in these cases to alert the surrounding police stations, forest offices to check for suspicious transportation of the forest produce lost was not forthcoming from the records.

Thus, due to inadequate enquiry or follow-up action actual offenders involved in poaching of wild animals or illegal extraction of forest produce could not be traced by the Department.

Government replied (April 2023) that directions have been issued by PCCF (HOFF) to file ER in complete form within the stipulated time and to forward a copy of FIR to the jurisdictional police station where illegal felling is noticed to

trace the offenders. Tardy implementation of the forest laws will have serious consequences with regard to protection of forest land.

**Recommendation 12:** 

(i) The Government may direct Forest Department:

(a) To establish a monitoring mechanism over FOCs registered and disposed of by Divisional Offices.

(b) To ensure that the RFOs/DCFs conduct enquiries to identify actual suppliers in cases of illegal possession/trade of articles derived from wild animals.

(c) To stipulate Standard Operating Procedure in case of illegal felling noticed through cut stumps in forest area to alert all the surrounding forest offices and Police Stations without any loss of time so that the offenders could be traced.

(ii) The Government may prescribe a time limit for finalization of charge sheet in respect of all FOCs from the date of filing of Enquiry Report.

#### **Failure to evict encroachers**

**2.2.5** Section 64-A of the KF Act, 1963 provides for summary eviction of any person unauthorisedly occupying any forest  $land^{29}$ . Further, Government of Karnataka (GoK) filed<sup>30</sup> (October 2014) an Action Plan for eviction of Encroachment of forest land in the Hon'ble High Court of Karnataka according to which all encroachments of forest land were to be cleared by June 2016.

However, the Government of Karnataka by a Circular (March 2015) exempted certain categories of encroachers from eviction till verification, regularisation/rejection or rehabilitation processes are completed. The cases which are temporarily exempted from eviction include the following:

- Where application is pending for regularisation of encroachment under Forest Rights Act 2006,
- The encroachments prior to 27<sup>th</sup> April 1978 which could be regularised if permitted by Government of India, and
- Forest land granted prior to enactment of Forest (Conservation) Act, 1980 and encroachments after 27<sup>th</sup> April 1978 but where encroacher's total holding, including encroached land and Patta land, was three acres or less.

Thus, the Forest Department was required to evict encroachers in all cases where applications for regularisation have been rejected by the competent

<sup>&</sup>lt;sup>29</sup> Reserved forest, district forest, village forest, protected forest and any other land under the control of the forest Department

<sup>&</sup>lt;sup>30</sup> In WP No.15511-14/2013 (GM RES-PIL) Samajan Parivarthana Samudaya and others and WP No.15500/2013-Namma Bengaluru Foundation Vs State and others.

authorities and where encroachers held more than three acres of land including patta lands.

Action taken for eviction of unauthorised occupation of forest lands in 11 testchecked divisions were reviewed which revealed the following:

**2.2.5.1** Though in 1,551 cases (families) involving 1,311.76 Ha in seven Divisions, the application for regularisation of unauthorised occupation of forest land has been rejected by the competent authorities, and only 234 cases involving 123.65 Ha encroachments have been cleared by evicting the encroachers.

No action was taken to evict encroachers in the remaining 1,322 cases involving 1,188.11 Ha of land. The Divisions/Ranges concerned also failed to produce records related to FOCs, if any, registered in these cases. In respect of Honnali and Davanagere Range of Davanagere Division, the DFO stated that the details of FOCs registered in these cases, if any, are not available with the Division. The Division wise details are given in *Appendix-18*.

Thus, encroachers were allowed to continue to occupy forest lands even after their applications for regularisation were rejected.

**2.2.5.2** As per the Action Plan filed by the Government of Karnataka before Hon'ble High Court of Karnataka, 29,688.68 acres of forest land under encroachment in 4,026 cases in 10 out of 11 selected Divisions were to be evicted by June 2016. However, it was noticed that only 7,515.53 acres (25.31 *per cent*) of land was vacated in 644 cases as of March 2022. No action was taken in respect of the remaining 3,382 cases involving 22,173.15 acres (74.69 *per cent*) of land. The Division wise details are given in *Appendix-19*.

**2.2.5.3** The Government Circular dated 13-03-2015 instructed the Forest Department not to evict the encroachers holding land up to 3 acres. It was also clearly mentioned in the Circular that the limit includes 'Patta'<sup>31</sup> land held, if any, by the encroachers. However, it was seen that the Department has stopped eviction in all cases where encroachment is up to 3 acres in forest land. No action was taken to ascertain the information on Patta land held by the encroachers from the Revenue Department by the Divisions/Ranges. There was no monitoring or directions from Circles or by PCCF Office to the Divisions/Ranges in this regard.

#### Disposal of seized and confiscated materials

**2.2.6** According to the Karnataka Forest Act 1963, when an order for confiscation of any property has been passed and such an order has become final, the property or its sale proceeds are to vest in the State Government free from all encumbrances.

The Hon'ble High Court of Karnataka had opined in September 2000 that it was for the authorities to seek permission from Criminal Courts for disposal of

<sup>&</sup>lt;sup>31</sup> 'Record of rights' showing the name of the individual or person that is registered with the tehsildar's office as the owner of the land parcel.

seized sandalwood in each case as there was likelihood of damage to seized sandalwood when retained for unduly long period. Based on the above directions, both Government and the PCCF instructed in September 2001 and November 2001 respectively to make appropriate applications to the trial Courts seeking release of seized sandalwood.

Further, the CCF, Shimoga, referring to a case of theft of forest produce and murder of a forest official in their jurisdictional forest office issued a circular in March 2020 that seized sandalwood be shifted to nearest sandal koti<sup>32</sup> with the permission of the Courts. In order to protect Government revenue, this measure should be adopted in all Divisions as a 'good practice'.

As per the FOC progress report (Quarter ending March 2022), huge quantity of seized materials was held at the Divisional offices pending for disposal. Materials seized in FOCs which were held with the selected divisions as on 31.03.2022 are as detailed in the table below:

Sl. No.	Material	terial Quantity R (₹ /		Amount (₹ in crore)
1	Sandal	40,306.02 kgs	7,000	28.21
2	Teak	254.527 cum	97,812	2.49
3	Rosewood	82.92 cum	96,400	0.80
4	Iron-ore	8,832.70 mt	2,910	2.57
		34.07		

Table: 2.2.2: Details of seized material held at Divisions

The seized material valuing  $\gtrless$  34.07 crore was pending for disposal. Action taken, if any, for obtaining permission from Courts for disposal of these material



<sup>&</sup>lt;sup>32</sup> Government Sandalwood Depot.

was not forthcoming from the records made available to Audit. Delay in disposal would not only defer the revenue realisation but could also lead to loss of revenue due to deterioration of the material. On physical inspection of stocks at selected Divisions, it was noticed that high value timbers like rosewood and teak wood logs were kept in open area without any protection (no flooring/shading) since many years and found to be deteriorating. It was also noticed that the RFOs or the Divisions concerned have kept the valuable forest produces in their custody without transferring them to the safe and secured facilities available with the Department. A few illustrative cases are mentioned below:

#### Seized materials held by Range Forest Offices or mobile squads

In one case in Tumkuru Range, although 139 Kgs of Sandal wood was seized and the offenders could not be traced, the case was treated as closed on 28.05.2018. However, the seized sandalwood was not shifted to Sandalkoti and no steps were taken to dispose of and realise revenue to Government even after four years of closure of the case. The seized sandal wood was still being kept in the custody of RFO.

In another case in FMS Mysore, it was observed that the division was holding a seized Ambergris weighing 8.25 kgs. Though the seized material has no value as it is completely banned from possession, trade, etc., its value in grey market as seen from media reports is approximately ₹8.25 crore (i.e, ₹ 1 crore per Kg). Apart from this, the Division held Tiger skin, Lion skin, Lion tooth, Lion nail, Elephant tusks, Deer horn, etc. seized in 13 other FOCs registered between 2016-17 and 2020-21.

After this was pointed out, Government replied (April 2023) that PCCF (HOFF) issued circular in March 2023 directing all DFOs/RFOs to seek permission from courts to dispose of the perishable materials seized in FOCs.

*Recommendation 13:* The Government may direct Forest Department to seek permission of Courts in all cases where forest produce or other materials have been seized and to dispose of the material at the earliest to avoid deterioration in the quality of produce and consequent loss of revenue to Government.

## Lack of monitoring over FOCs registered in the State

**2.2.7** Availability of accurate records pertaining to filing and clearance of FOCs is essential for monitoring and follow up. Such monitoring at the highest levels will ensure that FOCs are vigorously pursued at the field level which will be a deterrent to the offenders. However, it was noticed that the Department did not ensure accurate accounting of FOCs registered and disposed in State.

The Annual Report (AR) for the year 2021-22 showed 69,897 FOCs pending disposal as at the end of 31 March 2022. The time series data of FOCs for the period from 2017-18 to 2021-22 was as shown in the table below:

Sl. No	Year	Opening Balance	Addition	Total	Clearance	Closing balance shown in AR	Actual CB	Difference between CB of previous year and OB of current year	Difference Between Actual CB and CB as per AR
1	2017-18	73643	6707	80350	6796	71530	73554	-	2024
2	2018-19	66155	8709	74864	7484	67380	67380	5375	0
3	2019-20	67538	2068	69606	1984	67621	67622	-158	1
4	2020-21	68256	7994	76250	8416	67834	67834	-635	0
5	2021-22	67834	7086	74920	5107	69897	69813	0	-84

#### Table No.2.2.3 Trend of FOCs in Karnataka

As seen from the table, due to incorrect carryover of closing balance and errors in arriving at closing balances, there was understatement of CB by 6,523 cases. Disposal of FOCs was also very low, ranging between 2.94 and 12.33 *per cent* of the respective opening balances.

It was noticed that there was no prescribed monitoring mechanism over FOCs registered and disposed at Divisional level either by Circle offices or by PCCF office. As a result, though the time series data showed very low clearance of FOCs and arithmetical errors in MIS reports, no questions were raised regarding the inaccurate data nor were instructions issued to ensure disposal of FOCs, at Department level.

Government accepted the Audit observations and recommendation and stated (April 2023) that a software application named 'Garudakshi' is being developed to capture the particulars of FOCs and their status for better monitoring. Data entry of about 6,500 FOCs related to wildlife has been completed and the application would be rolled out soon on State-wide basis. However, specific reply was not provided in respect of discrepancies noticed in FOCs pending for disposal as of March 2022 and also on FOCs registered not followed up with ERs and Chargesheets.

#### Lack of resources to prevent and detect FOCs

**2.2.8** The Forest Guards of the Beat are responsible for patrolling and protection of the forests of the beat. The Forest Guards, are therefore, the most critical element in prevention and detection of forest offenses.

However, it was noticed in the selected divisions that there were substantial vacancies in the cadre of Guards (beat staff). Resultingly, the department could not ensure a guard per beat to realise minimum protection and preventive measures against FOCs. The 309 cases where offenders remained unknown, as seen during test check of records related to FOCs in the selected 14 RFO under these Divisions, is indicative of the inadequate patrolling of beats due to staff shortages.

The details of number of beats in the selected 11 Divisions and number of guards in position during the period 2017-18 to 2021-22 were as shown in table below:

Sl. No.	Year	No. of beats	No. of guards	Shortage
1	2017-18	605	513	15.21
2	2018-19	605	508	16.03
3	2019-20	605	539	10.91
4	2020-21	629	527	16.22
5	2021-22	650	515	20.77

Table No.2.2.4: Shortage of guards in selected Divisions

Wireless devices/equipment are distributed to the division offices for use by frontline personnel. Proper maintenance and to ensure good working condition of the same is of vital importance. Scrutiny of records and physical inspection of Wireless devices by audit revealed that about 45 *per cent* of the equipment was in non-working condition. It was also noticed that in five<sup>33</sup> Divisions none of the 246 handsets were in working condition. Real time communication between beat Guards and the RFO would enable other effective measures such as mobilisation of preventive staff for raids, setting up of roadblocks to interdict illegally felled forest produce or poachers.

#### Conclusion

**2.2.9** The Forest Department has been given wide ranging powers to register and prosecute forest offences so as to fulfil its mandate of protecting the forests, and wildlife. Prosecution of Forest offences to the fullest extent provided under the extant laws is an important tool for prevention and deterrence to offenders as also ensuring effective management of forests by the officers and officials of the Department. Registering, monitoring and assiduous follow up of forest offence cases is therefore of paramount importance. However, the Department has failed to accord due importance to FOCs as evident from poor record keeping, inadequate follow-up on FOCs registered such as preparation of ERs, filing of Chargesheets, etc. The lack of monitoring at the Apex level has percolated to the field leading to poor performance in this regard by the RFOs/DFOs. This has also led to lenient treatment of serious offenses such as encroachment, illegal felling of trees for sandalwood, timber, firewood, etc, which, apart from causing a loss to Government will fail to deter offenders in the future.

# 2.3 Excess expenditure and extra payment to contractors due to erroneous estimates

Omission to ascertain the price of used rails from Railway Department and erroneous inclusion of GST in the cost of used rails have resulted in avoidable excess expenditure and double payment of GST to contractors aggregating to ₹ 2.41 crore.

Karnataka Forest Department had taken up the work of Construction of Barricades using used rails obtained from Indian Railways to address the problem of human elephant conflicts. The major component of this work was supply of used rails. It also involved civil works like fabrication, clearing and

<sup>&</sup>lt;sup>33</sup> Chikkaballapura, Chikkamagalur, Mandya, Tumakuru and Yellapura

grubbing, excavation, providing cement concrete, reinforced concrete, etc. For detailed estimation of costs, while the Sanctioned Schedule of Rates (SSR) was applicable for all the civil works, the cost of used rails was to be ascertained from the Indian Railways. For transportation charges, distance from Southwestern Railways (SWR) yard at Hubballi to the respective work site was adopted by all the Divisions. In this regard, it was noticed that the supply rate of used rails by SWR during 2019-20 was ₹ 31,692/-<sup>34</sup> per MT.

In three Divisions,  $22^{35}$  works of 'Construction of Barricades using used rails' for a total length of 34.042 kms were executed during 2019-20. The estimates for these works were approved between October 2019 and February 2020. It was noticed in these estimates that the three Divisions adopted three different rates for used rails. While the Cauvery Wildlife Division adopted ₹ 40,000/- and ₹ 35,376/- per MT, the Hassan Division adopted ₹ 40,000/- per MT and MM Hills Division adopted ₹ 37,400/- per MT. The basis for adopting different rates by different Divisions during the same period was not available on record. Though the successful bidders in all these 22 tenders quoted less than the estimates by 0.45 *per cent* to 4.42 *per cent* the price paid for used rails varied from ₹ 33,812 per *MT to* ₹ 39,756 per MT. Thus, the incorrect rates adopted by the Divisions in the estimates have led to excess expenditure of ₹ 2.41 crore on 5,671.039 MT of used rails used in these works as detailed in the *Appendix-20*.

After this was brought to the notice in August 2022, the State Government replied in October 2022 that the rate of  $\gtrless$  31,692/- per MT quoted by SWR to Nagarahole Division was in November 2019. As the estimates for Hassan, MM Hills and Cauvery Wildlife Divisions was to be prepared at the beginning of 2019-20, the said rate was not available with the Forest Department. It was also stated that the rate of  $\gtrless$  35,270/- per MT at which Madikeri Division procured used rails during 2017-18 was considered and by adding GST at 12 *per cent* on the same, the rate of  $\gtrless$  40,000/- per MT was arrived at for the purpose of estimation.

The reply is not tenable as the estimates for these three Divisions were approved between October 2019 and February 2020 and not at the beginning of the year 2019-20. The rate of  $\gtrless$  31,692/-<sup>36</sup> per MT conveyed by SWR to Bandipura Circle in June 2019 was already available with the Department before approval of the estimates. In this connection, it was also noticed that the Bannerghatta National Park Division revised the rate of used rails from  $\gtrless$ 40,000/- per MT adopted in the initial estimates to  $\gtrless$ 31,692/- while approving the estimates in October 2019.

Further, it was evident from the reply that the Divisions did not make any effort to ascertain the prevailing rate of used rails from the SWR at the time of

<sup>&</sup>lt;sup>34</sup> Supply from SWR to Mysuru Division during 2019-20. Also, the Deputy Chief Materials Manager /S&IC/HQ, SWR, Hubballi in their letter dated 11.06.2019 addressed to Conservator of Forests, Bandipura Circle, agreed to supply the required quantity of used rails at a sale value of ₹ 31,692/- (excluding GST) per MT.

<sup>&</sup>lt;sup>35</sup> Five works at Hassan, seven works at MM Hillls and 10 works at Cauvery Wildlife Divisions.

<sup>&</sup>lt;sup>36</sup> Supply from SWR to Mysuru Division during 2019-20. Also, the Deputy Chief Materials Manager /S&IC/HQ, SWR, Hubballi in their letter dated 11.06.2019 addressed to Conservator of Forests, Bandipura Circle, agreed to supply the required quantity of used rails at a sale value of ₹ 31,692/-(excluding GST) per MT.

preparation of estimates. Instead, it adopted the rate of 2017-18 which was two years old. This deprived the State Exchequer of the benefit of reduced price of used rails. Besides, though the Department had included 12 per cent GST on ₹ 35,270/- per MT amounting to ₹ 4,233/- per MT, in seven<sup>37</sup> works where estimated rate was ₹ 40,000/- per MT, the Notice Inviting Tender did not stipulate that Tendered rates were to be inclusive of GST. In these cases, though the estimated rate included GST at 12 *per cent*, it was noticed from the bills paid to contractors, GST at applicable rate was paid over and above the bill amount calculated at tendered price. Thus, there was avoidable payment on account of GST to contractors in such cases.

Thus, erroneous estimates prepared by the Forest Divisions without ascertaining the sale price of used rails from SWR for the year 2019-20 and irregular inclusion GST component in the estimated price had led to extra expenditure to Government and also avoidable payment of GST to the contractors.

#### **Recommendation 14:**

Government may direct Principal Chief Conservator of Forests to fix responsibility on Officers/Officials responsible for over-estimation of costs without ascertaining the rate of used rails from the SWR and for inclusion of GST component in the estimates.

#### **Mines and Geology Department**

#### 2.4 Non-adherence to the Karnataka Minor Mineral Concession Rules

The Department did not levy/collect the Royalty and Additional Periodic Payment (APP) on minimum production quantity of ordinary sand during 2017-18 to 2021-22. The amount of Royalty and APP not so collected in eight test checked Districts aggregated to ₹ 493.90 crore.

The Department of Mines and Geology (DMG) administers the grant of mining leases and quarry leases, collection of Royalty and other charges on major and minor minerals, curbing unauthorized mining and transportation of minerals in the State. The grant of quarrying lease and license for minor minerals in the State are governed by the Karnataka Minor Mineral Concession Rules, 1994 (KMMC Rules) as amended from time to time.

The KMMC (Amendment) Rules 2016 introduced (12 August 2016), 'Additional Periodic Payment' (APP) to be paid by lessees/license holders in addition to Royalty, which is defined as a percentage of Royalty as per the final price offer obtained in auction. Further, Rule 31-W(1)(iv) of the KMMC Rules (as amended in August 2016) had stipulated that the lessee of ordinary sand shall produce and dispatch minimum fifty *per cent* of the permitted annual production quantity, and if he fails to achieve the same, he shall be liable to pay Royalty and APP as per the minimum production quantity. The Rule also provided that where the failure to achieve minimum production and dispatch requirement

<sup>&</sup>lt;sup>37</sup> Five works in Hassan Division and two works in Cauvery Wild-Life Division

was for reasons beyond the control of the holder of lease or license, the Competent Authority, on an application made by the lessee or licensee and after giving opportunity of hearing, may waive the requirement of the minimum production and dispatch for such periods as it may deem fit.

The provisions contained in Rule 31-W(1)(iv) were substituted by Rule 31Y(1)<sup>38</sup> with effect from 5 May 2020, as per which the requirement of payment of Royalty and APP on minimum of 50 *per cent* of the permitted annual production quantity was applicable to only those leases executed before 5 May 2020.

Thus, the sand quarry leases executed from 12 August 2016 to 4 May 2020 were required to pay Royalty and APP on a minimum of 50 *per cent* of the permitted annual production quantity.

The Government, however, did not notify any officer of the Department as the Competent Authority for the purpose of Rule 31-W(1)(iv) of 2016 or 31Y(1) of 2021. Thus, Audit has inferred that the power to waive the dues is vested with the State Government.

During Inspection in Eight<sup>39</sup> Districts, Audit observed (February 2019-January 2023) *inter-alia* that minimum fifty *per cent* of the permitted annual production quantity was not achieved by most of the sand leases during the period from 2017-18 to 2021-22 and the Department did not levy or collect Royalty and APP payable for the shortfall in production of 50 percent of permitted quantity. The shortfall in collection of Royalty and APP leviable as per the KMMC Rules amounted to ₹ 493.90 crore (*Appendix - 21*).

With respect to Raichur District, as against the shortfall of  $\gtrless$  9.16 crore (2017-18) related to nine test checked sand leases pointed out during February 2019, the Department replied (December 2022) that the lease holders could not reach the minimum 50 *per cent* quantity due to delay in starting the mining operations, local problems in road connection *etc.* and the lease holders requested not to penalize for not reaching the annual minimum quantity.

Subsequently, the Senior Geologist, Raichur waived (January 2023) Royalty and APP in respect of the nine leases amounting to  $\gtrless$  9.16 crore. However, till the time a competent authority is notified, no waiver can be granted. Thus, waiver of  $\gtrless$  9.15 crore by the Senior Geologist, Raichur is irregular.

As per the extant Rules, the Royalty and APP must be paid in advance and Mineral Dispatch Permit obtained before transportation of the sand. (Rule 36) After completion of the financial year, the Department must conduct an audit and certify the quantity produced and dispatched during the preceding year by suitable survey. Based on this report, the Department must send notices to the lessees who have not met the target, i.e., at least 50 *per cent* of the permitted quantity to pay the Royalty and APP on the shortfall. The amount due is required to be paid within 60 days of issue of notice. (Rule 39 & 40).

<sup>&</sup>lt;sup>38</sup> Through the KMMC (Amendment) Rules, 2021.

<sup>&</sup>lt;sup>39</sup> Koppala, Haveri, Udupi, Mangalore, Chitradurga, Gadag, Kodagu and Raichur.

Audit observed that no demand was raised for Royalty and APP on minimum production quantity in any of the shortfall cases, even though an Annual Audit is required to be conducted. This depicts Department's lapse in implementing the KMMC Rules in full spirit.

Thus, non-levy of Royalty and APP on minimum production quantity in sand leases by the Department as per the provisions of KMMC Rules resulted in loss of revenue to the Government of  $\gtrless$  493.90 crore.

The matter was brought to the notice of the Department in March 2022 and reported to the Government (7 March 2023). The reply is awaited (June 2023).

**Recommendation 15:** 

Audit Recommends that:

- The Department should develop a robust system to ensure that every provision of the KMMC Rules is implemented uniformly across the State and that royalty and other charges are duly levied and collected.
- The State Government should notify the competent authority to waive off dues under Rule 31-W(1)(iv).
- Suitable departmental action may be considered against the Senior Geologist, Raichur who waived the dues without authority.

#### **Home Department**

#### 2.5 Enforcement of fire safety provisions in high rise buildings

Non-compliance by Fire and Emergency Services Department to the Government directives regarding fire safety provisions in high rise buildings had the potential of adversely impacting fire protection preparedness endangering the life and property of the public besides non-collection of prescribed revenue amounting to  $\gtrless$  165.24 crore.

Under Section 13 of the Karnataka Fire Force Act, 1964 Government of Karnataka notified (July 2011) guidelines to enforce fire safety measures in high rise buildings (buildings having height of 15 meters and above). The notification provided the following mandate to the Fire and Emergency Services Department (Department):

• The Department should issue No Objection Certificate<sup>40</sup> (NOC) for building plans of high rise buildings certifying the inclusion of fire safety measures as prescribed in building byelaws, zonal regulations, national building code etc. The NOC was mandatory for granting building plans/ licences by BBMP/ Local Municipal Authority. The municipal authorities should not grant Occupancy Certificate (OC)

<sup>&</sup>lt;sup>40</sup> The Department verifies (before commencement of construction) whether the building plan provided for adequate fire prevention and evacuation measures under applicable provisions and, if satisfied, issues No Objection Certificate (NOC).

without the Clearance certificate<sup>41</sup> (CC) issued after inspection by the Department certifying that the fire protection systems were installed in the completed buildings. The high rise buildings constructed without prior NOC and CC should also be inspected and compliance to statutory regulations ensured.

- The CC issued by the Department should be renewed once in two years to ensure the firefighting preparedness of the buildings. The Department should ensure that all the high rise buildings in the State were inspected within nine months from the date of issue of notification.
- The applications for NOC and CC were to be submitted online and after inspection and approval by the Department, the prescribed fees was to be paid by the applicant online to the Department.

Government of Karnataka sanctioned (August 2012) additional 66 posts\_to the Department for creation of Enforcement and Compliance division to carry out the implementation of the above directives. All the above sanctioned posts were filled up and field units were established (December 2012) in major cities of the state. During Compliance Audit (April -October 2021) of the Department, Audit examined the compliance to the above directives and the observations are as detailed below:

• **High Rise Buildings functioning without NOC**: The guidelines prescribed that all high-rise buildings in the State were to be inspected within nine months from the issue of notification (within April 2012). However, Audit observed that out of 19,640 high rise buildings in seven cities<sup>42</sup> of the State, 15,366 high rise buildings were not inspected and mandatory NOCs issued (March 2022). The progress in issue of NOC, CC and renewal of CC by the Department as of March 2022 is indicated in the chart below:

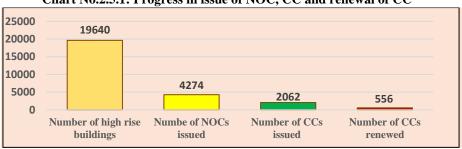


Chart No.2.5.1: Progress in issue of NOC, CC and renewal of CC

Source: Data provided by the office of DGP & DG, Fire and Emergency services

• Non-issue of clearance certificate: Department had issued 4274 NOCs as of March 2022 for high-rise buildings/ establishments for plan approval. However, out of 4274 NOCs issued, Department provided CCs to 2062 buildings (48 *per cent*) only after inspection of the fire

<sup>&</sup>lt;sup>41</sup> The Department inspects (after construction) the building to check whether all fire safety measures suggested or recommended in NOC and other applicable rules were strictly adhered to and, if complied, issues Clearance Certificate.

<sup>&</sup>lt;sup>42</sup> Ballari, Bengaluru, Chitradurga, Hubballi, Kalaburgi, Mangaluru and Raichuru

safety standards installed. The Department did not have details regarding 2212 buildings which were yet (March 2022) to obtain the CCs. This included 724 cases where CCs were pending for more than 10 years after issue of NOC. The main reason was that builders did not apply for the same as the local bodies issued OCs without insisting on CCs from the Department in violation of the guidelines.

- Non -renewal of clearance certificate: Out of the 2062 buildings where CCs were issued, only in 556 cases (27 *per cent*) the CCs were renewed once in two years as prescribed in the guidelines. In the absence of renewal of CCs, the Department could not ensure the continued adherence to the fire safety standards in respect of the balance 1506 buildings.
- Non-collection of prescribed revenue: Government of Karnataka from time-to-time prescribed fees for issue of NOC and renewal of CC for high rise buildings based on their height and their classification (residential/ commercial). The resultant loss of revenue to the State exchequer due to the shortfall in issue of NOC and renewal of CC was ₹ 153.66 crore<sup>43</sup> and ₹ 11.58 crore (Details in *Appendix-22*) respectively during 2011-2022.

The Government in its reply (April 2023) attributed the shortfall in issue of NOC and CC to the fact that the local authorities while issuing Occupancy Certificates for the completed high-rise buildings did not insist on obtaining the mandatory NOC and CC from the Department. The reply was not acceptable as the Government notification dated July 2011 clearly instructed that the high-rise buildings completed without obtaining NOC and CC from the Department should also be inspected to ensure compliance to fire safety standards.

Thus, the failure of the Department to enforce the guidelines prescribed for ensuring fire safety standards in high rise buildings despite provision of additional manpower and access to the data related to the high rise buildings carried the risk of poor fire safety preparedness which can result in damage to life and property in case of fire accidents. The poor enforcement of the guidelines also resulted in non-collection of prescribed revenue of ₹ 165.24 crore to the Government during the period 2011-22.

# **Recommendation 16:**

The Department should ensure that Government guidelines regarding fire safety standards in high rise buildings are enforced in a time bound manner to ensure the safety of life and property of citizens.

<sup>&</sup>lt;sup>43</sup> Considering the minimum value of ₹ 1.00 lakh for issue of NOC in respect of 15,366 buildings

### 2.6 Irregular transfer and unauthorised utilisation of Government land

# The office of the Superintendent of Police, Ballari did not follow the legalities for transfer of Government land to a private association resulting in unauthorised utilisation of Government property worth ₹ 9.94 crore and loss of Government revenue to the tune of ₹ 2.73 crore.

Rule 20 (1)(a) of the Karnataka Government (Transaction of Business) Rules, 1977 stipulated that cases specified in the first schedule to these Rules should be brought before the Government cabinet for approval. Accordingly, as per Item number 12 of the first schedule proposals involving alienation, whether temporary or permanent, by way of sale, grant or lease of Government property or the abandonment or reduction of revenue required cabinet approval. The exceptions were for transfer of Government property carried out in accordance with the provisions of the Karnataka Land Revenue Act, 1964 and rules made there under or under any general scheme approved by the Government or if the monetary value did not exceed rupees fifty lakh<sup>44</sup>.

On a review of records of the Superintendent of Police (SP), Ballari, Audit noticed (December 2021) that the office was in possession of 10.362 acres of land in Survey No.60, Parvathinagar, Ballari. Out of the above, a parcel of land measuring 2.58 acres (10,461 square metres or 1,12,560 square feet) was handed over (December 2003) to a private association, *viz*, Police Gymkhana<sup>45</sup> to encourage sports activities in Ballari. The Association had constructed badminton courts, tennis courts, squash courts, swimming pools, gymnasium and 16 rooms and was collecting subscription fees apart from membership charges<sup>46</sup> from the patrons.

The Secretary of the Gymkhana requested (August 2007) the Director General and Inspector General of Police (DG and IGP), Karnataka to provide the above parcel of land on long lease to the Association. SP, Ballari in his letter to DG and IGP (August 2007) opined that granting of long lease could be considered if the Association brought certain amendments to its Memorandum of Association to safeguard the interests of the police department. However, no further action had been taken (January 2023) to regularise land transfer to Gymkhana through entering into any official agreement.

Audit observations were as follows:

• The office of the Superintendent of Police, Ballari, in violation of the Karnataka Government (Transaction of Business) rules, allowed the Government land (having guidance value of ₹ 1.41 crore<sup>47</sup>) to be utilised by the Gymkhana Association without obtaining approval from DG and IGP and State Government. No formal agreement was entered with the Association prescribing the rent to be charged, period of utilisation,

<sup>&</sup>lt;sup>44</sup> Rupees five crore as per the amendment made during 21 November 2019.

<sup>&</sup>lt;sup>45</sup> Constituted (October 2003) as Association of persons and registered under Societies Registration Act.

<sup>&</sup>lt;sup>46</sup> ₹ 5 lakh for corporate members, ₹ 2 lakh for life members and ₹ 0.25 lakh for Government members.

<sup>&</sup>lt;sup>47</sup> Guidance value during 2003 was ₹ 125/sq. ft (1,12,560 × 125 = ₹ 1,40,70,000).

conditions for construction of permanent structures or their future ownership.

- Though the office of SP, Ballari initiated correspondence (2007) with the DG and IGP office to enter into a lease agreement with the Association, the same was not concluded resulting in land worth ₹ 9.94 crore<sup>48</sup> (based on guidance value\_of ₹ 9500/square metre for the year 2022) being utilised by the Gymkhana for the past 19 years (January 2004 to December 2022) without approval from the head of Department/Government.
- Government of Karnataka amended (June 2015) Karnataka Land Grant Rules, 1969<sup>49</sup> and uniformly fixed the lease value of land granted for non-agricultural purposes based on its guidance value. As per the above amended rules, Audit calculated the loss to Government had the department taken timely action to enter into official lease agreement with the Association. The loss worked out to ₹ 2.73 crore<sup>50</sup> during the period from July 2015 to March 2022.

The SP, Ballary in his reply (March 2023) stated that the police department was the rightful owner even though the land was utilised by the Association and that the Association was providing the Department free rooms and concession in membership fees to the police personnel. The reply cannot be accepted as the utilisation of Government land by the Association has not been regularised resulting in revenue loss to the Government. Further, the lack of a formal agreement for utilisation of land and non-payment of lease rent cannot be justified on the grounds of police personnel enjoying free rooms and concession in memberships.

Thus, the irregular grant of permission to a private association to utilise Government land and the lack of departmental action for over 19 years in regularising the arrangement resulted in unauthorised utilisation of Government property worth  $\gtrless$  9.94 crore besides loss of lease revenue of  $\gtrless$  2.73 crore to the Government.

The matter was brought to the notice of the Government (March 2023); the response was awaited (June 2023).

**Recommendation 17:** 

The Police Department should take urgent action to regularise the unauthorised utilisation of Government land and fix responsibility on officials responsible for violating the prescribed rules.

<sup>&</sup>lt;sup>48</sup> 10461× ₹ 9500 = ₹ 9,93,79,500

<sup>&</sup>lt;sup>49</sup> With effect from 09.06.2015, the lease rent for non-agricultural purposes was fixed at 5 *per cent* of the guidance value which was reduced to 2.50 *per cent* from 15.12.2020

<sup>&</sup>lt;sup>50</sup> Guidance value /square metre (₹ 6728 from July 2015 to March 2016, ₹ 7700 from April 2017 to March 2018 and ₹ 9500 from April 2018 to March 2022)

#### **Department of Administration of Justice**

#### 2.7 Embezzlement of Government receipts

Embezzlement of Government receipts of ₹ 2.27 crore through fraudulent practices and manipulation of records was observed in the office of Hon'ble Chief Judicial Magistrate, Bengaluru Rural. The embezzlement remained undetected for more than four years due to failure in following the prescribed internal control procedures.

Article 4 (a) of the Karnataka Financial Code, 1958 (KFC) stipulates that all transactions to which any Government servant in his official capacity is a party, must, without any reservation, be brought to account, and all moneys received should be paid in full without undue delay in any case within two days, into a Government treasury, to be credited to the appropriate account and made part of the general treasury balance. Article 329 (v) of KFC prescribes that when Government moneys in the custody of a Government officer are paid into the treasury or the bank, the Drawing and Disbursing Officer (DDO)/Head of the office should compare the entry in the cash book with treasury/bank records to satisfy himself that the amounts have been credited into the treasury or bank. The code also prescribes monthly reconciliation of all remittances with the consolidated schedule of remittances obtained from treasury.

The remittance of Government receipts into treasury is ensured by generating challan duly signed by the DDO and depositing the money in designated bank which acknowledges the receipt of money by affixing seal on the challans. The same will be reflected in Form No-25 of the Karnataka Treasury Code (KTC) which indicates DDO wise consolidated schedule of receipts.

The Office of the Honourable Chief Judicial Magistrate (CJM), Bengaluru Rural receives Government receipts during court procedures relating to fines and penalties, cash security, court fee, stamp duty, process fee *etc.* in the form of cash/Demand Draft/Cheque. The office cashier collected the receipts, entered them in the cash book and remittance register, generated challan through the Khajane II<sup>51</sup> software and paid them to the designated branch of the bank<sup>52</sup>. Audit scrutiny (December 2022) of the cash book and remittance register revealed that out of ₹ 14.71 crore worth receipts received during the period 2018-19 to 2021-22, 341 items worth ₹ 2.27 crore were not traced to the Schedule of receipts of the Treasury maintained in Form KTC-25. The details of Challans which were not traced in KTC 25 are indicated in the *Appendix-23*.

Audit further examined (January 2023) the challans with Receipts Transaction Summary Report of the DDO (MIS 0005 report of Khajane II) wherein the payment status of the above challans was indicated as '*expired*'. Audit sought (January 2023) further confirmation on the payment status of each of these expired challans from the designated branch of the bank. The bank manager provided (February 2023) challan-wise confirmation regarding non-receipt of these amounts in the bank account. Moreover, the seal affixed on these challans

<sup>&</sup>lt;sup>51</sup> Khajane-II is the Integrated Financial Management System of Government of Karnataka

<sup>&</sup>lt;sup>52</sup> State Bank of India, Government Business Branch, Shivaji Nagar, Bengaluru

Picture No. 2.7.1: The seal affixed in the non-remitted challan vis-à-vis original bank seal SBI GOVT BUSINESS BRANCH (MASS), BAN द्भारतीय रहेड टाउटर / मारतिय स्टेट सेक STATE BANK OF INDIA Govt. Business Branch, BENGAL URU-01 Name : RAMESH M S PEG169619 Cmh Paid SBI NOV 2022 21572 SBI 004065 NUV GBB GBB TRICLO Journal No Maker Checker 1 Chean 2 In Seal affixed on non-remitted challans Original Bank seal specimen with name and PF number of the bank without name and PF number of the official bank official.

was not matching with the seal affixed by the Bank authorities for genuine transactions (**Picture No.2.7.1**).

Thus, the above evidence conclusively proved that receipts worth  $\gtrless$  2.27 crore were not remitted to Government account. The officials, who were responsible for remitting the amounts in the bank, affixed fake bank seals on challans and submitted them to the CJM office. The supervising officers, without checking the correctness of remittances as prescribed in KFC, accepted the above manipulated challans as proof of remittance and accounted them in remittance register and cash book.

The misappropriation remained undetected as the office did not follow the control procedures prescribed in Article 329 of the KFC as detailed below:

- Comparison of entries related to remittances with treasury/bank records to verify the correctness of transactions.
- Monthly reconciliation of departmental remittances with consolidated schedule of receipts (KTC 25) obtained from treasury.

The Honourable CJM in reply (March 2023) accepted the audit observation and stated that criminal case was registered against seven officials who were responsible and enquiry was under progress.

The State Government also endorsed (May 2023) the communication received from the Registrar General High Court of Karnataka confirming the embezzlement of ₹2.27 crore in the office of honourable CJM, Bengaluru Rural. Further action taken was awaited (June 2023).

Thus, the failure to conduct reconciliation of remittances with treasury records and supervisory lapses in verifying the genuineness of challans resulted in embezzlement of Government receipts worth ₹ 2.27 crore over a period of more than four years (June 2018 to November 2022).

#### **Recommendations 18:**

# The Department should

- carry out a detailed enquiry to fix responsibility on officials who were responsible for the embezzlement of Government money and dereliction of supervisory responsibilities.
- ensure that all offices carry out the prescribed internal control procedures, such as verification and reconciliation of remittances with treasury records.

#### **URBAN DEVELOPMENT DEPARTMENT**

#### 2.8 Irregular allotment of the sites under incentive scheme

The decision of Bengaluru Development Authority to prepone the effective date of implementation of the amended incentive scheme rules without authority of law along with allocation of sites in the previously formed layouts in violation of the rules resulted in excess allocation of 12,000 sq. ft. of developed land and undue benefits to landowners to the tune of  $\gtrless$  10.54 crore.

The Government of Karnataka (GoK) notified (November 1989) the Bangalore Development Authority (Incentive Scheme for Voluntary Surrender of Land) Rules, 1989 in order to facilitate expeditious acquisition of land. As per Rule (3), if the landowner, in response to notice issued by Bengaluru Development Authority (BDA) under Land Acquisition Act, voluntarily handed over the possession of the land, the landowner was entitled for allotment of the site(s) under the incentive scheme apart from the land compensation paid. Rule (4) stated that the allotment of sites shall be at the discretion of BDA, but preferably in the layout for the formation of which the land was acquired and if such allotment was impracticable, in any other layout formed subsequent to the said layout.

GoK amended (August 2005) the incentive scheme rules with retrospective effect from 27 November 2002. The extent of developed sites to be granted to landowners under the incentive scheme rules 1989 and the amended rules 2005 was as shown in the **Table No. 2.8.1 below:** 

	rules		
Sl. No.	Area of the land acquired by BDA	Developed land to be granted as per the Rules 1989 (prior to 27.11.2002)	Developed land to be granted as per the amended Rules 2005 (with effect from 27.11.2002)
1	Up to half acre	600 square feet (sq. ft.)	600 square feet (sq. ft.)
2	More than half acre but not exceeding one acre	1200 square feet (sq. ft.)	1200 square feet (sq. ft.)
3	Above one acre	600 square feet for every half acre of the acquired land.	One site of 2400 square feet ( $40 \times 60$ ) per acre of the land acquired but not exceeding 10 sites

 Table No. 2.8.1: Details showing the extent of developed sites to be given under incentive

Audit observed the following irregularities in allotment of sites under the Incentive Scheme:

• The BDA Board, in its meeting No.331/11 dated 24 October 2011, decided to treat the effective date of amended rules as 28 August 2000 instead of 27 November 2002 as notified by the Government in the Gazette. The Board's decision to change the effective date of applicability of amendment resulted in excess allotment and registration (July 2021 to September 2021) of developed land measuring 6600 sq.ft worth ₹ 2.30 crore to three allottees (Sl No.1 to 3 of Appendix-24) whose lands were acquired prior to November 2002.

- In five cases (Sl No.4 to 8 of Appendix-24) BDA allotted and registered (January 2015 to April 2019) developed sites in older layouts having higher guidance value in violation of Rule 4 of the Incentive Scheme Rules. Apart from allotment of sites in older layouts, the extent of sites allotted was in excess of prescribed norms by 5400 sq.ft. This resulted in undue favour to the landowners to the tune of ₹ 8.24 crore.
- BDA had taken decision (October 2011 to December 2018) to allot incentive sites in 11 cases (*Appendix-25*) under amended rules 2005 though the lands were acquired prior to November 2002 which carried the risk of excess allotment of developed sites measuring 32,400 sq.ft. However, the details of allotment/registration of the above sites were not furnished despite repeated audit requisitions.

Audit could not ascertain the rationale for the decision of the BDA board to prepone the effective date of implementation of amended Incentive Scheme Rules. The decision of BDA Board to prepone the effective date of implementation of amended Incentive Scheme Rules resulted in allotment of excess developed land measuring 12,000 sq.ft. Also, allotment of incentive sites to landowners in layouts which were established before the formation of layout for which the land was acquired, was in violation of the Rules. The above irregularities resulted in providing undue benefit to the landowners to the tune of ₹ 10.54 crore.

The audit observation was brought to the notice of BDA/Government through the Inspection Report, Draft Note and Draft Paragraph (November 2022-March 2023). The reply is yet to be received (June 2023).

# **Recommendation 19:**

Government should fix responsibility on BDA officials who were responsible for excess allotment of developed land under the Incentive Scheme Rules due to preponement of the effective date of implementation. BDA should also examine whether such omissions have occurred in other allotments to ensure that they were carried out as per the provisions of the relevant rules.

# 2.9 Loss of revenue due to non-levy of betterment tax

Failure of Bangalore Development Authority to follow the due procedure prescribed for collection of betterment tax even after three years of Government approval authorising its collection, resulted in realisation of only ₹ 3.22 crore out of ₹ 3,503.63 crore projected to be collected from Arkavathy and Nada Prabhu Kempe Gowda layouts.

Section 20 of the Bangalore Development Authority (BDA) Act, 1976 (Act) provided for levy and collection of betterment tax on properties which were not required for execution of any development scheme by BDA but whose market value had increased as a result of execution of the development scheme<sup>53</sup>. The

<sup>&</sup>lt;sup>53</sup> The development scheme refers to any building, engineering or other operations works taken up for development of Bengaluru Metropolitan Area.

betterment tax to be levied was one third of the difference in value of land on completion of the scheme and prior to the execution of the scheme.

Section 21 of the Act prescribed the following procedure for assessment and fixation of betterment tax by BDA:

- pass resolution declaring that the development scheme had sufficiently advanced for calculation of betterment tax.
- issue notice to each person assessed to be liable for payment of betterment tax.
- assess the amount of betterment tax payable by each person after providing sufficient opportunity (three months from the date of issue of notice) to him to inform BDA in writing whether he accepted the assessment.
- in case of non-acceptance or failure to provide reply to the notice issued, BDA should refer the case to the District Court for determination of betterment tax payable.

Section 22 of the Act stipulated that the betterment tax determined under section 21 should be paid within such time as specified by BDA together with interest at such rates as may be prescribed. Section 23 of the act stipulated the mode of recovery of betterment tax in cases of default in its payment.

BDA notified<sup>54</sup> land measuring 4814 acres 15 Guntas and 3839 Acres 12 Guntas for development of Nada Prabhu Kempe Gowda layout (NPKL) and Arkavathy layout respectively. The BDA Board accorded (April 2017) approval for levy of betterment tax in NPKL and Arkavathy Layout in respect of properties which were initially considered for development but were later excluded in the final notification. Accordingly, BDA identified land measuring 610 acres 02 Guntas in respect of 315 landowners at the rate of ₹ 80,208 per gunta in NPKL and 2262 acres 15 Guntas at the rate of ₹ 3,65,536 per gunta in respect of 1699 land owners in Arkavathy layout for levy of betterment tax. As per the rates fixed, the betterment tax amounted to ₹ 195.72<sup>55</sup> crore in NPKL and ₹ 3307.91<sup>56</sup> crore in Arkavathy layout. Government also accorded approval (February 2018) for the proposal of BDA to levy betterment tax in NPKL and Arkavathy layouts and issued (March 2019) gazette notification in this regard for Arkavathy layout. However, the Gazette notification for levy of betterment tax in NPKL was yet to be issued (December 2022).

Audit observed that as against the projected betterment tax of ₹ 3,307.55 crore from Arkavathy layout and ₹ 195.72 crore from NPKL, BDA could collect only ₹ 3.22 crore as betterment tax from April 2019 to March 2022. BDA did not make efforts for collection of betterment tax as the following procedures prescribed under the Act were not followed:

<sup>&</sup>lt;sup>54</sup> Preliminary notification was issued on 3 February 2003 for Arkavathy layout and on 21 May 2008 for NPKL

<sup>&</sup>lt;sup>55</sup> {(610 acres x 40) + 2 } guntas x ₹ 80,208 = ₹ 195.72 crore.

<sup>&</sup>lt;sup>56</sup> {(2262 acres x 40) + 15} guntas x ₹ 3,65,536 = ₹ 3,307.91 crore.

- In NPKL though the Government had approved (February 2018) for levy of betterment tax, Gazette notification was yet (December 2022) to be issued. BDA did not take follow up action on the issue of the notification.
- BDA did not issue notices under Section 21 to individual landowners intimating the assessment of betterment tax. Hence, the landowners were not legally bound to pay the betterment tax until receipt of such notice.
- BDA did not issue any orders prescribing time limit for payment of betterment tax as prescribed under Section 22.
- BDA had not prepared any demand collection and balance register for proper assessment, collection and accounting of betterment tax.

Due to the above lapses, BDA could collect (up to March 2022) only ₹ 3.22 crore out of ₹ 3,503.63 crore betterment tax projected from Arkavathy layout and NPKL despite having legal authority and necessary approval from the Government. It is pertinent to mention that BDA had paid interest of ₹. 18.82 crore on outstanding loan of ₹ 237.02 crore for 2019-20 and ₹ 15.84 crore on outstanding loan of ₹ 146.36 crore for 2020-21, which was avoidable had BDA made earnest efforts to realise potential revenue sources such as betterment tax. Thus, the lackadaisical effort of BDA in raising internal revenue from legally enforceable avenues indicated poor financial management.

The audit observation was brought to the notice of BDA/Government through the Inspection Report, Draft Note and Draft Paragraph (January-March 2023). The reply is yet to be received (June 2023).

#### **Recommendation 20:**

The BDA should take immediate action to carry out the procedures prescribed in the BDA Act to enable the assessment, collect the betterment tax and maintain requisite records for its proper accounting.

2.10 Adoption of inappropriate price index resulting in avoidable extra expenditure

Adoption of inappropriate price index to regulate price adjustment for steel pipes in water supply works by Bengaluru Water Supply and Sewerage Board resulted in avoidable extra expenditure of ₹ 2.63 crore.

In order to address the frequent fluctuation in basic rates of construction materials, Government of Karnataka (GoK) issued (November 2008) orders allowing price adjustment in the form of star rates for specified materials (cement, steel and bitumen) for works costing more than  $\gtrless$  50 lakh, and where period of execution was more than six months but less than or equal to 12 months. The price adjustment was to be calculated based on the price index issued from time to time by the Ministry of Commerce and Industry, Government of India.

Bengaluru Water Supply and Sewerage Board (BWSSB) took up the work of providing and laying clear pipeline from Gandhi Krishi Vigyan Kendra

reservoir to Hennur Banswadi Road reservoir under AMRUT scheme at an estimated cost of ₹ 56.10 crore. The work, after due tender process, was entrusted (August 2016) to a contractor at the tendered cost of ₹ 46.12 crore with stipulated completion period of 12 months. The work was completed (February 2020) at a total cost of ₹ 50.40 crore including nine price adjustment bills.

The contract agreement of the above work, included a clause to regulate the price adjustment on account of increase or decrease in rates of cement, steel and MS pipe components of the work based on all India wholesale price index issued by Government of India (WPI series 2004-05<sup>57</sup>).

Audit scrutiny (September 2022) of the contract documents revealed that the Board had adopted the WPI of the item "Steel Plates" under sub group of "Steel: Flat" for regulating the price adjustment of MS Pipe component. The appropriate index to be adopted was 'Steel welded pipes" under the sub-group "Steel: Pipes and Tubes" of the WPI. This was also reiterated in the clarification issued (October 2010) by Finance Department, GoK to Karnataka Urban Water Supply and Drainage Board that price adjustment for fluctuation in price of steel pipes used in water supply schemes was to be regulated by adopting the index of the sub-group "Steel: Pipes and Tubes" of the WPI series having base period 2004-05. The excess expenditure due to adoption of incorrect index for price adjustment worked out to ₹ 2.63 crore as detailed in the *Appendix-26*.

Government in its reply (May 2023) stated that since the base price index for the sub-group "Steel Plates" was more than that of "Steel Pipes and Tubes" at the time of tendering, the same was adopted as price adjustment was calculated based on the base price index. It was further stated that the bidder would have quoted his rates considering the base index adopted in the tender for price adjustment calculation.

The reply was not acceptable as the action of BWSSB was contrary to the Government instruction regarding price adjustment calculation to be adopted for steel pipes used in water supply works. Further, as claimed in the reply, the benefit of adoption of price index of a particular commodity group could not be forecasted at the time of tendering, as it was dependent on subsequent changes in price of that commodity group during the execution phase of the work.

Thus, adoption of incorrect index for price adjustment of MS pipes in the agreement resulted in extra expenditure to the tune of ₹2.63 crore.

#### **Recommendation 21:**

**BWSSB** should fix responsibility on officials who were responsible for flouting Government instructions regarding price adjustment calculation.

<sup>&</sup>lt;sup>57</sup> Effective from August 2010 to March 2017 which was applicable at the time of tender notification

#### **Public Works Department**

#### 2.11 Avoidable extra cost

Non-settlement of land compensation dues in full had resulted in extra interest of  $\gtrless$  7.47 crore to be borne by the Government which was avoidable.

Article 153 of Karnataka Financial Code stipulates that in cases of acquisition of land for public purposes, the departmental officers should see that payment or compensation is not delayed. The delay in settling land compensation payment entail payment of interest which would result in additional cost to the exchequer. For speedy disposal of land acquisition claims on account of Court decrees, the Government instructed (January 2005) that Land Acquisition Officers (LAO)/ Heads of Administrative Departments should seek release of funds immediately from the Finance Department (FD) to avoid attachment orders of contempt of court by furnishing details of the case. In cases where complete details were not available, the cases would be referred to an Empowered Committee headed by the Chief Secretary for releasing the funds.

Scrutiny of records (March 2021) at the office of the Executive Engineer, PWD Division, Dharwad (EE) relating to 31 cases of land compensation payment revealed that compensation was paid<sup>58</sup> between July 2009 and June 2013 as per the award issued by the LAO. Aggrieved by the inadequacy of compensation awarded by LAO, the landowners approached (2009-2016) Courts. In these cases, the Courts awarded decree (between September 2016 and January 2020) in favour of the landowners enhancing the compensation amounts. The decrees have also ordered that interest at the rate of 9 per cent for the first year and at the rate of 15 per cent from the second year would be payable till the date of payment. As per the decree interest accrues from the date of issue of 4 (1) notification<sup>59</sup> under the Land Acquisition Act, 1894 or the date of taking possession of the land by the Department, whichever is earlier. In addition to the higher compensation, the landowners were also eligible for receipt of solatium (30 per cent), additional market value (12 per cent). Accordingly, enhanced land compensation of ₹14.14 crore and interest of ₹12.18 crore was due as on the respective decree dates.

However, the Department did not seek release of funds from the FD to settle the claims of all the landowners immediately after issue of Court orders. Instead, payments were made on piece meal basis as and when the LAO preferred the claims. This led to accumulation of avoidable interest burden on the State Exchequer. The avoidable interest paid as of July 2021 in 21 cases (for cases Sl. No. 1 to 21 of the *Appendix-27*) and avoidable interest paid/payable as of March

<sup>&</sup>lt;sup>58</sup> 02/07/2012 for Sl Nos 1-20, 23, 24, 29 to 31, 05/03/2010 for Sl No 21, 15/07/2009 for Sl No 22, 29/06/2013 for Sl Nos 25 to 27 and 14/03/2013 for Sl No 28 as detailed in the *Appendix-27*.

<sup>&</sup>lt;sup>59</sup> It is the preliminary notification declaring the intent of the Government for acquiring land for public purposes.

2022 in 10 cases (for cases S.No.22 to 31 of the *Appendix-27*) aggregated to  $\gtrless$ 7.47 crore as shown in the table below.

							(₹ in crore)	
Sl. No.	No. of Cases	Enhanced compensation amount	Amount outstanding out of	Interest accrued	Avoidable Interest		Total avoidable interest	
		amount	column (3) as on March 2022		Paid	To be paid	interest	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1	21	7.52	0	6.63	3.85	0	3.85	
2	10	6.62	6.48	5.55	0.20	3.42	3.62	
Total	31	14.14	6.48	12.18	4.05	3.42	7.47	

Table No.2.11: Avoidable payment of interest

The interest paid for the period after the Courts decrees till the date of payment of compensation in full was  $\gtrless$  4.05 crore in 22 cases and in nine cases accrued interest  $\gtrless$  3.42 crore was outstanding as of March 2022 was avoidable in case the Department had made timely and prompt payment of enhanced compensation together with interest as ordered by Courts.

Further, it is to be noted that there is still outstanding compensation amount of  $\gtrless 6.48$  crore which creates further additional burden towards interest till entire amount is paid together with interest accrued.

After this was pointed out, Government replied in November 2021 and in May 2022 that:

- Division cannot write for requirement of grants to the FD directly.
- Division has requested through proper channel i.e, through Superintending Engineer (SE), Chief Engineer (CE) and then from CE to Government (PWD).
- Government is releasing funds keeping in view their overall commitments and priority. Hence the additional burden of interest as pointed out by audit was inevitable.

Reply is not tenable for the following reasons:

- The mechanism prescribed in circular instructions was meant to avoid additional burden to the Government wherein the LAO/department can directly seek funds from Secretary (Budget and Resources), FD.
- The details of request for grants made by Divisions through proper channel before March 2021 are not forth coming from the records/reply of the Government.
- The CE's letter enclosed by Government in their reply states that the delay in payment of compensation would lead to increased interest

liability. However, the interest rate being 15 *per cent per annum* which has been very high in an otherwise low interest rate regime\_had not been clearly communicated to the Government (PWD). Disposal of land compensation claims on account of court decrees at the earliest was in the best interest of the State Government even if overall commitments and priorities are considered in view of very high interest rate stipulated by Court decree.

**Recommendation 22:** 

The Government must ensure fast track mechanism by creating a separate budget line for prompt and timely payment of land compensation so that the compensation amounts ordered by Courts are settled without any delay.

#### 2.12 Non-acquisition of required lands before commencement of works

Omission to include the cost of acquisition of land in the estimates followed by failure to acquire the required land before entrusting the works to contractors had led to abandonment of work in one case and in the other case, a bridge constructed remained without approach roads.

Karnataka Public Works Departmental Code, 2014 (KPWD Code) specifies <sup>60</sup> that provision for land acquisition involving huge amounts shall form part of the major project estimates. Separate estimates may be prepared for acquisition of land and be sanctioned first and only after the required land is in possession of the Department, tenders for the works be invited. No work shall be included in the Appendix-E<sup>61</sup> without possession of land. Further, the KPWD Code stipulates that the Executive Engineer (EE) and Assistant Executive Engineer (AEE) shall have access to the data under 'Bhoomi'- digitised land records database of Revenue Department, Government of Karnataka. This facilitates the PWD to assess the extent of land to be acquired for new works, payment of compensation etc. The control measures prescribed under KPWD Code are detailed in the *Appendix-28*.

However, it was noticed in PWD Bengaluru Division and PWD, NH Division, Vijayapura between September 2020 and December 2022 that the EEs concerned had not adhered to the provisions of KPWD Code with regard to acquisition of required land for works before commencement of the work. As a result, two works on which expenditure of ₹ 3.29 crore and ₹ 3.60 crore had been incurred till August 2018 by the Department remained unfruitful as of January 2023. The details are as follows:

<sup>&</sup>lt;sup>60</sup> Paragraph 30, 75, 81 and 135 of the KPWD Code, 2014.

<sup>&</sup>lt;sup>61</sup> List of works proposed to be executed in the ensuing financial year for which Annual Budget is tabled before State Legislature.

# 2.12.1 Construction of Bridge across Dakshina Pinakini River by EE, PWD, Bengaluru.

The work of 'Construction of Bridge across Dakshina Pinakini River at Honnammanakatte near Harohalli on Link Road from NH-207 to SH-35 via Muthkuru, Damodaranagara, Harohalli, Ajagondanahalli in Hosakote Taluk, Bengaluru Rural District' was technically sanctioned by the Chief Engineer, Communications and Building, South Zone, Bengaluru (CE) in July 2016. In the estimates submitted to CE for technical sanction no provision was made for land acquisition for construction of approach roads. It was proposed to acquire required land through Revenue Department by granting alternate land to the owner of the land.

Picture No. 2.12.1: Bridge constructed across Dakshina Pinakini River near Harohalli



The EE, PWD, Bengaluru entrusted this work to a contractor in March 2017 allowing 15 months (June 2018) for completion of the work for  $\gtrless$  4.90 crore. Though the entire work including approach roads on either side of the bridge was to be completed by June 2018, the contractor had completed only the bridge as of August 2018 and was paid  $\gtrless$  3.29 crore in December 2018. It was noticed that the contractor had brought to the notice of the Department (June 2018, February 2019 and in September 2019) that the land owners were not allowing to commence the construction of approach road towards Muthkur.

The Division, after receipt of first two letters from the contractor, prepared an estimate of  $\gtrless$  1.25 crore for land acquisition for approaches, which was approved only in May 2019. The amount was deposited with the Assistant Commissioner, Doddaballapur (Revenue authority) during August 2019. Thus, entrusting the work to contractor without acquiring the land required for the work was a clear violation of provisions of KPWD Code.

On the issue being pointed out, the EE (December 2020) replied that the land purchase committee had finalised the rates (August 2020) and the land would be registered shortly and the approach road would be completed. Further, EE also stated (December 2022) that proposal for construction of retaining wall had been submitted and the work of construction of retaining wall and approach road would be taken up shortly. Thus, in the absence of approach roads, the

expenditure incurred on construction of bridge continued to be unfruitful even after four years.

# 2.12.2 Improvement to Kumatagi to Ukkali road (Construction of Bridge)

The improvement to Kumatagi to Ukkali road in selected reaches in Basavana Bagewadi taluk of Vijayapura district (Construction of Bridge), administratively approved by Government (November 2016) for ₹10 crore, was technically sanctioned (February 2017) by the Chief Engineer, National

Highways, Bengaluru (CE-NH). The scope of the work construction involved of bridge over Don river. The work was entrusted (October 2017) to a contractor<sup>62</sup> at the tendered rate of ₹9.83 crore. The agreement was executed (October 2017) stipulating completion of the work within 11 months i.e., by September 2018. However, after partially tackling the pile foundation, the contractor stopped the work in August 2018. As per records, the contractor was paid ₹3.28 crore and 2<sup>nd</sup> R.A bill, received for ₹32.13 lakh. pending was since August/September 2018 and the work was still incomplete of December 2022. as Scrutiny of records revealed that the owners of the lands, which were required for construction of approach roads, were obstructing the work. It was also noticed that



the contractor had requested (June 2022) for foreclosure of the contract under 'as is where is' condition. Accordingly, the Department proposed (October 2022) for foreclosure of the contract and to take up the balance work after required land was duly acquired. In this regard the following observations are made:

• Though the Work Estimate provided for construction of 120 meters of approach roads on either side (Kumutagi and Ukkali sides) of the bridge, no provision was made for land acquisitions in the work estimate. Thus, the estimates prepared by AEE and EE were defective and not in compliance with KPWD code 2014.

<sup>&</sup>lt;sup>62</sup> Sri A M Guddodagi.

- Request for land acquisition was made to Revenue Department only in February 2020, 18 months after the stoppage of work by the contractor.
- Assessment of land for construction of approach roads and provision for land acquisition were not ensured by the CE-NH before according technical sanction.

The cost of balance work was assessed at  $\gtrless 6.23$  crore<sup>63</sup> at the original tendered rate. The foreclosure proposal was yet to be approved by the Government (December 2022).

Thus, faulty planning in terms of non-assessment of the required land for construction of approach roads for the proposed bridge and taking up work without acquiring the land has not only led to abandonment of the work after incurring unproductive expenditure of ₹3.60 crore but could also result in wasteful expenditure.

On this being pointed out (December 2022), it was replied by the Division that the progress of work was delayed due to land-owners' agitation for nonpayment of land compensation and non-payment of bills to the contractor in time. Hence, in view of the Government directions, a foreclosure proposal was submitted to the Government. The reply was, however, silent on the completion of the work.

The matter was reported to the Government in March 2023 and their reply has not been received (June 2023).

# 2.13 Excess and unauthorized payments on fake work bills

Government money to the extent of ₹ 1.78 crore was misappropriated by preparing fake work bills.

The extant rules and regulations brought out in the Karnataka Public Works Departmental (KPWD) Code and the Karnataka Public Works Accounts (KPWA) Code lay down the detailed procedure for taking and recording of measurements, preparation and submission of Running Account (RA) of bills, scrutiny of bills at divisional office and maintenance of bill register. Further, the rules also prescribe maintenance of a Register of Works, to record details of the sanctioned work together with payments/expenditure incurred in respect of a work including voucher details. The payment details should be noted in the Measurement Book concerned once the payment is made for compulsory check to avoid making double payment. For works costing more than ₹ 25 lakh, the contractor must submit the electronic spreadsheets of measurements and a hard copy of the spreadsheets should be printed for taking countersignature of the contractor/his authorised person as an acceptance of these measurements and an Index Register should be maintained for each work (See *Appendix-29* for Check Measures prescribed).

<sup>&</sup>lt;sup>63</sup> 9.83 crore minus ₹3.60 crore

However, it was noticed that in PWD Division, Koppal the Register of Works was not maintained as prescribed. It was also noticed (March 2021 and October 2022), that there were measurements followed by payments towards RA Bills for works that were not sanctioned/approved for the Division. Also, there were payments made to unauthorised persons or additional amounts paid to the contractors by preparing fake measurements and RA Bills (details are given in *Appendix-30*). Misappropriation of Government money by preparing fake work measurements and RA bills amounted to ₹1.78 crore as shown in the table below.

Sl. No.	Type of irregularity Noticed	Number of cases	Amount paid on fake bills (₹ in lakh)
1.	Payments made to un-authorised persons by preparing fake work measurements and bills in addition to payments made to contractors for the work done by them.	3	103.09
2.	Payment made to unauthorised person by referring to the agreement and measurement of work done by the contractor.	1	18.48
3.	Additional payment made to a contractor by preparing two additional measurement books and RA bills within the scope of the work.	1	37.56
4.	Omission to adjust payment already made on 2 <sup>nd</sup> RA bill in the final bill led to excess payment to a contractor.	1	18.46
	Total	6	177.59

The misappropriation or fraudulent payment of this nature indicate collusion of departmental personnel with the contractors. This needs to be investigated and responsibility fixed besides recovering the extra payment made to contractors.

In addition, in five cases listed in *Appendix-31*, copies of the RA bills indicated that payments made to the contractors for the works in the previous bills were not adjusted while authorising payments in the subsequent RA bills. Also, there were references to multiple MBs prepared for the same work executed by the same contractor as shown in sl.no.3 and 4 of the Table above. Original vouchers relating to payments made to contractors were not produced to Audit in these cases. Excess payment to contractors amounting to ₹ 51.03 lakh in these cases cannot be ruled out.

On these cases being pointed (April 2021), the Division replied (June 2022) that in respect of three works<sup>64</sup>, an amount of ₹ 53.63 lakh has been recovered. While recovery is only a process, whether the system deficiency has been addressed to ensure that such instances do not recur in future should have been included in the response. Also, the reply was silent about the action initiated

<sup>&</sup>lt;sup>64</sup> (1) Annual Maintenance of Kushtagi-Pattadakal road- ₹ 24,40,204, (2) Annual maintenance of (a) Gudur-Gajendragad road from km 9.4 to 12.8, (b) Junjalakoppa-Rampur Road from Km 0.6 to 8.7 & Km 12 to 30, (c) Kushtagi Pattadakal road to Malagitti road up to Taluk border from Km 0 to 6, (d) Kushtagi taluka border to Kumbalavathi road from 0 to 5.3 in Kushtagi taluk - ₹ 12,22,810 and (3) Annual maintenance of Garjanal Bagalkot district border road from Km 0.00 to 46.00 - ₹ 17,00,000.

against the personnel responsible for such payments. With reference to observations brought out in *Appendix-31*, replies have not been furnished yet (June 2023).

Thus, the non-compliance with the prescribed control mechanisms of KPWD Manual in the Division had led to these excess payments to contractors.

#### **Recommendation 23:**

The excess payment made be recovered by the Department and Government may investigate the matter and fix responsibility for making irregular payments.

The matter was referred to Government (December 2022); their reply is awaited (June 2023).

#### 2.14 Avoidable extra expenditure

Cancellation of tender process and initiating fresh tender process for the work due to defective tender document, instead of entrusting the work to successful bidder with Change of Scope not only caused additional financial burden of ₹ 3.73 crore to the public exchequer but also delayed the completion of the work, which caused inconvenience to public.

Karnataka Public Works Departmental Code 2014 (KPWD Code) stipulates<sup>65</sup> that the Executive Engineer (EE) shall prepare contract documents including a complete set of drawings showing general dimensions of the proposed work including Bill of Quantities (BOQ<sup>66</sup>) of various descriptions of work.

The estimate for the work of 'Providing permanent restoration of valley side slips from Km 86.20 to 99.20 (Charmadi Ghat) of NH-73 Mangalore-Tumkur Section' on Engineering, Procurement and Construction (EPC) basis was approved (March 2020) by the Technical Committee. The work, estimated to cost ₹ 17.35 crore<sup>67</sup>, *inter alia*, provided for construction/repairs of damaged guard wall for a length of 3,830 Meters at a cost of ₹ 1.79 crore. Though the first three tender calls<sup>68</sup> were made between March 2020 and September 2020, none of the bids received were approved. In the bids received during the fourth call (September 2021), the lowest offer of M/s HMBS Textiles (Agency) amounting to ₹12.37 crore, which was 28.70 *per cent* below the amount put to tender, was approved (December 2021) by the Financial Evaluation Committee. Letter of Acceptance was issued (December 2021) to the Agency stipulating that the work was to be completed within 180 days. It was also instructed that an agreement be entered into before 10.01.2022. Meanwhile, the Executive Engineer (EE), National Highways Division, Hassan informed (December

<sup>65</sup> Paragraph 167.

<sup>&</sup>lt;sup>66</sup> Bill of Quantities: Bill of Quantities is the name given to a detailed statement of the different items of works, labour and materials which is estimated and will be required for the proposed work and therefore included in the tender documents.

<sup>&</sup>lt;sup>67</sup> Cost of civil works including GST = ₹ 17.35 crore and excluding Contingencies, Supervision charges and agency charges.

<sup>&</sup>lt;sup>68</sup> NIT No.EE/EHD/HSN/AE2/NIT/2019-20/16 dated: 20.03.2020.

2021) the Superintending Engineer (SE), National Highways, Bengaluru that the length of the damaged guard wall, which was 3,830 meters as per the sanctioned estimate, was wrongly mentioned as 1,149 M in the tender documents. It was also informed to the SE that the corresponding financial implication for execution of the remaining length of guard wall, as per the sanctioned estimate, would be  $\gtrless$  1.25 crore<sup>69</sup>. The Agency agreed to execute this additional work at the same quoted rates under a separate work order or through Change of Scope. However, the Chief Engineer (CE), National Highways, Bengaluru instructed (January 2022), to submit a revised tender schedule and call a short-term tender. Accordingly, fresh tenders (fifth call) were invited (January 2022) for the work with reference to the same estimated cost of  $\gtrless$  17.35 crore. The lowest offer of M/s AECS Engineering and Geotechnical Service for  $\end{Bmatrix}$  17.35 crore was accepted (April 2022). An agreement was also executed in May 2022 allowing 18 months for completion of the work.

Thus, the defective tender documents prepared by the EE, NH Division, Hassan and decision taken by CE to invite fresh tender despite the successful bidder's consent to execute the balance work at the rates quoted in fourth call, which was 28.70 *per cent* less than the estimated cost, had resulted an additional expenditure of  $₹ 3.73^{70}$  crore. Besides, the process of retendering and finalisation took five months which had delayed the project to that extent. Further, the time for completion of the work, which was 180 days from the date of agreement in the NITs issued for the first four calls, had also been enhanced to 18 months in the agreement with the contractor.

On this being pointed out, Government replied in January 2023 and in May 2023 as under:

- The error in tender document was due to oversight. This happened due to preparation of tender document in March 2020. During that time people were in a distressed mental situation. Also, due to lockdown, many office staff couldn't attend the office and the Department had managed to invite tenders with the minimal staff.
- The successful bidder in the fourth call quoted the rate considering lower length of guard wall than the sanctioned estimate. If the length of guard wall was as per the sanctioned estimates, then the bidder might have quoted more tender amount.

The reply is not tenable for the following reasons:

• The Covid-19 lockdown, for the first time, was implemented with effect from 24<sup>th</sup> March 2020 only. The first call tender notification was issued on 20 March 2020 before the imposition of the first lockdown. Hence,

<sup>&</sup>lt;sup>69</sup> The sanctioned estimate included ₹ 1.79 crore towards construction/repairs of guard wall of 3,830 meters length. Therefore, sanctioned estimate with respect to left out portion of guard wall of 2,681 meters (3,830 – 1149) works out to ₹ 1.25 crore.

<sup>&</sup>lt;sup>70</sup> ₹ 17.35 crore –₹12.37 crore + ₹ 1.25 crore).

preparation of draft tender documents, scrutiny and approval thereof must have been done prior to that date.

• The entire difference in financial implication cannot be attributed to change in the length as the Department itself had stated, even at the rates adopted in the sanctioned estimates, the additional financial implication of the difference in length of the guard wall was only ₹ 1.25 crore. Further, the successful bidder had agreed to execute the work at the quoted rates of (-)28.70 *per cent* tender premium which works out to ₹ 0.89 crore only.

Further, under Article 13 of the EPC contract, the agreement forms for National Highways issued by the Ministry of Road Transport and Highways, provide for Change of Scope of the work before issue of Completion Certificate either by giving an instruction or by requesting the Contractor to submit a proposal for Change of Scope involving additional cost or reduction in cost. Thus, the erroneous tender document had not only caused additional financial burden to the public exchequer but also delayed the completion of the work, which caused inconvenience to public.

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Recommendation 24:
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Government may investigate the matter and fix responsibility for the additional financial burden and delay in execution of work.

# Department of Kannada and Culture

# 2.15 Unfruitful expenditure due to inadequate and improper planning

Delay in construction of Rangamandira for over a period of 10 years, splitting of works, non-adherence to KTPP rules led to an unfruitful expenditure of  $\gtrless$  4.19 crore.

Construction of Rangamandira (Theatre) was proposed in the district of Davangere by the District Commissioner (DC) in 2010. As against the estimated cost of  $\gtrless$  4.95 crore, administrative approval for the works was provided by the Kannada & Culture Department of Government of Karnataka in October 2010 limiting the capital outlay to  $\gtrless$  3.50 crore. The sanction order specified, *inter alia*, that the provision of Karnataka Transparency in Public Procurement Act, 1999 and the Government directions issued through circulars from time to time shall be followed strictly. An amount of Rupees one crore was also released to DC Davangere on the same date as first installment.

The work was, however, entrusted to Karnataka Rural Infrastructure Development Limited (KRIDL) without inviting tenders. The DC stated (March 2011) that the Executive Engineer, PWD Engineering Division, Davangere conveyed that tenders could be invited only if 40 *per cent* of the amount *i.e.*  $\gtrless$  1.40 crore is released. KRIDL prepared four separate estimates for the work which aggregated to  $\gtrless$  3.50 crore based on Scheduled Rates (SR) of the year 2011-12. The post-facto approval for the above decision was given by the Kannada and Culture Department in April 2011. The first installment of  $\gtrless$  0.50

crore was released to KRIDL and site was handed over for commencement of work in May 2011. The site was later found to be on disputed land. An alternate site was suitably identified and handed over in June 2012. The reasons for initially handing over a disputed land and delay in handing over an alternate land were not forthcoming to Audit.

An amount of  $\gtrless$  4.30 crore had been released to KRIDL till date, out of a revised estimated amount of  $\gtrless$  4.34 crore. The total expenditure incurred till May 2022 was  $\gtrless$  4.19 crore.

In October 2017, the President of Karnataka Nataka Academy conducted an inspection and gave recommendations for certain structural modifications like removing the pillars in the hall that were obstructing the view of spectators and additional requirements like lights and sounds systems, seating *etc.* KRIDL in consultation with Technical Consultant, prepared (January 2018) a line estimate of ₹ 5.56 crore, which included balance civil works of ₹ 3.32 crore and items like acoustics, stage flooring, stage and general lighting, sound systems, curtain systems, seating, stage grid and catwalk aggregating to ₹ 2.24 crore. Based on the recommendations, the DC Davangere requested (February 2021) release of additional grants of ₹ 4.03 crore. The approval for the same sought in February 2021 and is still pending (as on date March 2023).

In this connection, audit made the following observations:

- Rule 135 of the KPWD Code stipulates that 'All works shall be commenced only after issue of work orders by the competent authority, and signing of agreement and handing over the site free of any encumbrances". Initial handing over a disputed site was in violation the above cited rule.
- KRIDL was granted exemption under section 4(g) of KTPP Act for a period of one year effective from April 2011 enabling Department to place orders for construction of certain public buildings up to a limit of ₹ 1 crore without inviting tenders, which did not include Rangamandira. KRIDL, on entrustment of work, split the work of construction into four parts for four different floors, each amounting to less than ₹ 1 crore to avoid the process of tendering, violating the provisions of KTPP Rules and 4 (g) exemption order.
- Due to delay in implementing the project, the estimate for the work had to be revised to ₹ 4.34 crore adopting the SR of 2014-15 leading to a cost escalation of ₹ 0.84 crore.
- Additional Expenditure of ₹ 4.03 crore is required to make the building a functional Rangamandira (Theatre) due to poor design with pillars in the middle of the hall and non-inclusion of essential items like seating, lighting and acoustics required for a Rangamandira.

Thus, incorrect estimation of work, handing over a disputed land at the initial stage, violation of provisions of KPWD and KTPP rules by splitting of work and delays in work execution have resulted in non-completion of

Rangamandira, even after a lapse of ten years and with an unfruitful expenditure of  $\gtrless$  4.19 crore.

The matter was reported to the Government (November 2022); their reply has not been received so far (June 2023) even after repeated reminders.

**Recommendation 25:** 

Audit recommends that a comprehensive estimate including all costs should be made before award of work. Further, relevant rules and regulations including KTPP Act, maybe strictly adhered to. Action may be taken to ensure timely completion of work to ensure that the building is put to use at the earliest.

# **Department of Tourism**

# 2.16 Unfruitful expenditure

Inordinate delay in construction of Yatri Nivas at Gubbi led to unfruitful expenditure of ₹ 44.46 lakh and further cost escalation of ₹ 37.69 lakh.

The Department of Tourism, Government of Karnataka (The Department) accorded (July 2008) administrative approval for construction of Yatri Nivas at Sri Channabasaveshwara Temple in Gubbi for an amount of ₹ 76.37 lakh and an amount of ₹ 56.55 lakh was released to the Deputy Commissioner, Tumkur (the DC) upto August 2009.

The DC decided to construct Yatri Nivas through Karnataka Rural Infrastructure Development Limited (KRIDL) on the land acquired from the *Muzrai* Department. The Work Order was issued (January 2010) to KRIDL with a stipulation to complete the work by November 2010. An amount of ₹ 40 lakh was also released to KRIDL in two installments. Subsequently, based on the request (May 2012) of the Assistant Director of KRIDL that an expenditure of ₹ 49.52 lakh has been incurred, the DC released ₹ 9.52 lakh from the funds available with him. However, out of the released amount, the expenditure incurred by KRIDL was actually ₹ 44.46 lakh.

In the meanwhile, the temple committee raised (June 2012) objections for execution of work by KRIDL and requested the DC, Tumkur to change the executing agency. Accordingly, the balance work was entrusted (July 2012) by the DC to Nirmithi Kendra, which submitted an estimate (December 2012) for  $\gtrless$  31.40 lakh initially and later followed by a revised estimate (June 2016) for  $\gtrless$  43.60 lakh.

Subsequently, during the work progress review (June 2019), the Secretary, Tourism Department, instructed to take immediate action to complete the work by KRIDL itself. Accordingly, the Assistant Director of Department of Tourism requested (October 2019) KRIDL to submit the estimate to execute the remaining work. KRIDL submitted (November 2019) an estimate of ₹ 52 lakh for the balance work and a revised estimate for ₹ 69.60 lakh in November 2022

In this connection, Audit observed that though Nirmithi Kendra submitted its initial estimates as early as December 2012 and revised estimate in June 2016, the DC Tumkur failed to initiate prompt action on those estimates. The delayed entrustment of work back to KRIDL from Nirmithi Kendra resulted in non-execution of the balance works giving scope for cost escalation of ₹ 37.69 lakh. Further, cost escalation for completing the work cannot be ruled out as the administrative approval is yet to be given and three years have passed since KRIDL submitted its estimates for work completion. The reasons which prompted such unwarranted delay are not forthcoming from the records made available to Audit. The cost of the work which could have been completed for ₹ 76.37 lakh has escalated to ₹ 1.14 crore for its completion due to delay in execution by more than 12 years.

During the Joint Inspection (March 2022) with the Department officers, the Audit team noticed that the building construction was incomplete and abandoned, which paved way for anti-social elements to misuse the same.

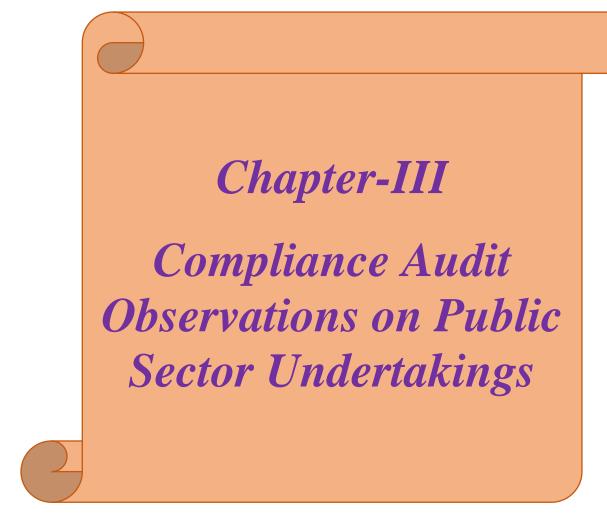
Thus, inaction on the part of the Department and the DC to complete the construction of Yatri Nivas even after a lapse of 12 years from the date of commencement resulted in unfruitful expenditure of  $\gtrless$  44.46 lakh besides cost escalation of  $\gtrless$  37.69 lakh.

The Government, while agreeing to the observations stated (February 2023) that the work was stopped due to some technical reasons. A revised estimate for the balance work for  $\gtrless$  69.60 lakh had been submitted to the Tourism Department and the work would be taken up immediately after approval.

The fact remains that inaction by the concerned authorities has contributed significantly to an incomplete project and additional funds need to be expended to carry out the repairs and further construction.

#### **Recommendation 26:**

Audit recommends that the State Government should fix responsibility for the delay resulting in cost escalation and ensure that delay in execution of works is avoided.



#### **Chapter -III**

#### **Compliance Audit Observations on Public Sector Undertakings**

The State Public Sector Undertakings (PSUs) in Karnataka consist of State Government Companies and Statutory Corporations. The State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and to occupy an important place in the State's economy. As on 31 March 2022, there were 125 PSUs in Karnataka including six Statutory Corporations and 13 non-working Government companies under the audit jurisdiction of the Comptroller and Auditor General of India. Of these, one **PSU**<sup>71</sup> was listed on the stock exchange. One PSUs<sup>72</sup> newlv incorporated/entrusted for audit as on 31 March 2022, have been added. The list of 125 PSUs is given in Appendix-32.

This chapter deals with three Compliance Audit Observations on Public Sector Undertakings (PSUs). Important findings emerging from audit that highlight deficiencies in planning and contract management in the PSUs.

Karnataka Renewable Energy Development Limited

#### 3.1 Loss incurred during the Implementation of Solar Water Pump Programme

The State could commission only 43 *per cent* Solar Water Pumps (SWP) envisaged. The Company suffered a loss of ₹2.64 crore in the project due to short claim/receipt of Service charges, penalty charged by MNRE for delay and non-receipt of contribution due from the State Government.

3.1.1 The Karnataka Renewable Energy **Development Limited** (Company) which is Nodal the State for Agency development of renewable energy, was entrusted (September 2014) with implementation of Solar Pumping<sup>73</sup> programme for Irrigation and Drinking Water



Picture No. 3.1: Solar Water Pump.

<sup>&</sup>lt;sup>71</sup> The Mysore Paper Mills Limited.

<sup>&</sup>lt;sup>72</sup> Bangalore Solid Waste Management Limited (BSWML).

<sup>&</sup>lt;sup>73</sup> A solar pumping system consists of photovoltaic panels mounted connected to an Alternating Current or a Direct Current motor, suction and delivery pipes and electrical switchgears.

promoted by Ministry of New and Renewable Energy (MNRE), Government of India (GoI). The programme intended to benefit the farmers with off-grid Solar power available during the daytime most of the year, for irrigating the crops and reduce dependency on grid supply. The Company's responsibility was to coordinate with all the departments involved, *i.e.* agriculture, horticulture, irrigation, *etc.* The programme would draw funds from existing schemes of the MNRE and Ministry of Agriculture, State Government and banks. The projected period of implementation was from 2014-19.

The MNRE guidelines stipulated (September 2014) funding of the programme by way of Central Finance Assistance (CFA) to the extent of 30 *per cent* of benchmark  $\cos^{74}$  of Solar pump, beneficiaries' contribution (at  $\gtrless$  one lakh per installation for general category and nil for Scheduled Caste and Scheduled Tribe) and balance contribution by way of State Government funding. The CFA was reduced to 20 *per cent* with effect from 24 July 2017. The CFA would be paid by MNRE in advance/milestone basis and would be settled on the completion of the project. The Company was eligible for service charges at the rate of three *per cent* of the share of MNRE for implementing the programme.

The MNRE guidelines stipulated that installation of SWPs should be completed within 12 months from the date of sanction. The same could be extended by four months with valid reasons, without penalty. Any delay beyond four months, would attract penalty at the rate of one *per cent* for the first four months and two *per cent* for the next four months. Thus, each sanction would become invalid after twenty four months from the date of sanction. Further, the sanction also mentioned that the penalty would be deducted from the service charges of State Nodal Agency and not from the CFA.

**3.1.2** The project of providing Solar Water Pumping for irrigation was implemented in the State by three agencies. The agency-wise number of SWPs implemented is given below:

Sl.	MNRE	Sanctioned	Im	Total		
No.	Sanction		KREDL	<b>KREDL BESCOM</b> Agriculture		
	dated				Dept	
1	29.12.2014	5,225	1,009	310	198	1,517
2	29.09.2016	3,000	2,429	-	-	2,429
3	10.11.2017	1,500	272	-	-	272
Total 9,725		3,710	310	198	4,218	
Percentage of implementation to sanction			38.14	3.19	2.04	43.37

Table No: 3.1.1: Details of SWPs implemented in the State

During the project period (2014-19), only 4,218 SWPs (43.37 *per cent*) out of 9,725 SWPs sanctioned by MNRE were successfully established in the State.

<sup>&</sup>lt;sup>74</sup> The benchmark cost of a 5 HP SWP was ascertained and intimated by MNRE from time to time. The benchmark cost was fixed by MNRE, mainly based on the price determined through tenders done by State Nodal Agencies (SNA), Solar Energy Corporation of India (SECI) and other Govt Departments. Subsidy of MNRE is fixed in Rupees per horsepower (hp) of pump capacity.

The Company failed to install 5,507 solar pumps that could have been used by potential beneficiaries for irrigation.

**3.1.3** As against 9,725 SWPs sanctioned by MNRE, the Company invited tenders for 4,453 SWPs only, based on the funds made available by GoK. As against work orders issued for 4,065 SWPs, only 3,710 SWPs were installed.

Audit observed that there were delays in finalisation of tenders (for supply of the SWPs) and identification of beneficiaries. The Company had taken considerable time (i.e., 10 months<sup>75</sup> on an average) to finalise the tenders in each of the four phases. The Company approached ESCOMs to identify the beneficiaries only after entering into an agreement with the Suppliers, except in phase I. The delay in approaching the ESCOMs ranged from 51 days (Phase-II) to 422 days (Phase-IV) (*Appendix-33*).

**3.1.4** The following table summarizes the revenue and expenditure of the Company in implementing the Scheme for a period of five years for 3,710 beneficiaries.

Sl. No.	Particulars	Amount (₹ crore)	Percentage to total Expenditure
1	Central Financial Assistance received	52.29	34.82
2	State Financial Assistance received	66.80	44.48
3	Beneficiary contribution received	30.08	20.02
4	Total Receipts	149.17	99.32
5	Expenditure incurred	150.19	-
6	Net Surplus/(Deficit)	(1.02)	(0.68)

Table No. 3.1.2: Statement of receipts and payments in implementation of the scheme

The Company claimed CFA of ₹ 53.90 crore from MNRE against which service charges of ₹ 1.62 crore was receivable. However, the Company received only ₹ 52.29 crore in final settlement of dues from MNRE. Further, MNRE levied a penalty of ₹ 0.92 crore for delay in installation of the SWPs resulting in deficit of ₹ 1.02 crore.

Audit observed that MNRE had revised the benchmark cost of the SWPs with effect from June 2018, to ₹ 77,000 per HP for DC motors and ₹ 65,000 per HP for AC motors. However, the Company continued to claim CFA at pre-revised rates resulting in excess claim of CFA of ₹ 2.05 crore for 1075 SWPs (fourth phase) as detailed below:

<sup>&</sup>lt;sup>75</sup> Phase-I: 279 days; Phase-II: 322 days; Phase-III: 300 days and Phase-IV: 289 days.

Pump Capacity	Numbers installed	Revised Benchmark cost ₹	CFA Allowed @ <b>20% ₹</b>	CFA Claimed ₹	Excess CFA Claimed ₹
5HP AC	593	3,25,000	65,000	85,000	1,18,60,000
5HP DC	482	3,85,000	77,000	95,000	86,76,000
Total	1075				2,05,36,000

Table No. 3.1.3: Excess claim of CFA

As per the terms of the Scheme, the balance amount (net deficit amount) is required to be met by the State Government. Further, an amount of  $\gtrless$  2.20 crore payable to the suppliers of SWPs remained unsettled (February 2023).

Thus, the Company suffered a net loss of  $\gtrless$  2.64 crore (being the difference between the expected surplus of Service charges of  $\gtrless$  1.62 crore and the net deficit of  $\gtrless$ 1.02 crore as pointed out above) in the implementation of the programme due to excess claim of CFA, under-recovery of service charges and penalty towards delay in implementation.

Thus, delayed and incomplete implementation of the programme resulted in fewer beneficiaries reaping the benefits of SWPs and the scheme's objectives could not be achieved in entirety. The Company also suffered a loss of  $\gtrless$  2.64 crore in the project due to short claim/receipt of Service charges, penalty charged by MNRE for delay and non-receipt of contribution due from the State Government.

The Company replied (June 2023) that the implementation of the scheme depended upon the funds received from GoK, taluk wise allocation of beneficiaries and number of applications received from beneficiaries. No explanation for inordinate delay in finalisation of tenders and delay in initiation of beneficiary identification process was provided by the Company.

The matter was reported to the Government (11<sup>th</sup> April 2023); their reply has not been received so far (June 2023) even after repeated reminders.

**Recommendation 27:** 

Audit recommends that Government may devise a robust system to ensure utilisation of Central Financial Assistance for reaching maximum number of beneficiaries and to ensure project monitoring for implementation within prescribed time.

Karnataka State Handicrafts Development Corporation Limited

3.2 Avoidable expenditure

Abnormal delay in construction of building resulted in avoidable payment of rent of ₹ 12.78 crore.

The Cauvery Showroom of Karnataka State Handicrafts Development Corporation Limited (Company) was operating from a rented building and the Corporate Office of the Company was situated in its own building built in 1989, both at M.G. Road Bengaluru. The Board of Directors (BoD) had decided (December 2011) to convert the Corporate Office building to a commercial complex to house Corporate Office, Emporium and central stores and to vacate the rented premises at MG Road, Bengaluru. It was decided (December 2012) to avail the services of M/S. CnT Architects (consultant) at a fee at four *per cent* of the total project cost. A Memorandum of Understanding (August 2014) was entered into with the consultant, as per which, the consultant was required to prepare the detailed estimates, bid documents and to ensure that the work was executed in accordance with working drawings and specifications, certification of contractors bills, *etc.* till completion of the project.

The consultant submitted (November 2014) a preliminary cost estimate of ₹ 5.94 crore for renovation of the existing building including construction of additional floor space which would increase the built-up area from existing 15,708 Square feet to 21,196 square feet, which was approved (December 2014) by the BoD.

The Company addressed (October 2016) a letter to the Secretary, Commerce & Industries (C&I) Department, Government of Karnataka (GoK) stating that the approval of the plan by BBMP was in final stages and once the plan was approved, tenders would be floated for renovation of the building and requested administrative approval for the proposal to convert the Corporate Office building into a Commercial Complex at an estimated cost of  $\gtrless$  6.50 crore which would be met out of own resources. Secretary, C&I Department, directed (December 2016) the Company to form a Technical Committee and submit the estimates and designs after obtaining administrative and technical approval. After several correspondences, the Secretary, C&I stated (January 2018) that the Company could take action to construct the building according to its Articles of Association.

The Company in the meanwhile, asked (6 January 2017) Karnataka Rural Infrastructure Development Limited (KRIDL), a GoK undertaking, to prepare an estimate based on PWD SR 2016. The KRIDL prepared estimates in two packages, breaking up the work (₹ 1.99 crore for ground floor, first floor and second floor as first package and for  $\gtrless 0.71$  crore for third floor and terrace work as second package)<sup>76</sup>. The Board decided (January 2017) to shift the Corporate Office to United Mansion Building, M.G. Road on rental basis and also approved an estimate of ₹ 1.99 crore prepared by KRIDL (first package) for the renovation works and decided to entrust the work to either KRIDL or Nirmithi Kendra. An MoU was signed with KRIDL (August 2017) to carry out the renovation work (first package). The work was required to be completed within six months from the date of handing over of the building. The building was handed over to KRIDL on 1 February 2018 and hence scheduled date of completion was 31 July 2018. A Second MoU was signed (June 2020) between the Company and KRIDL for the third floor and terrace (Second package) at an estimated cost of  $\gtrless$  0.71 crore. The time schedule for completion of work was

<sup>&</sup>lt;sup>76</sup> Cost pertaining to Interiors was not included in these two packages.

six months and accordingly, the work should have been completed by 16 December 2020. The work pertaining to I package and II package were yet to be completed (March 2022).

The Superintending Engineer (SE), KRIDL, after completion of work valuing  $\gtrless$  1.45 crore out of  $\gtrless$  1.99 crore, informed (November 2020) that the estimates (prepared by KRIDL) did not contain required items for flooring, false ceiling, wall cladding, electrification and water supply, lift, firefighting, generator, additional lift, telephone, LAN connection, public address system, *etc.* The Company (December 2021) requested Bangalore Metropolitan Transport Corporation (BMTC) to prepare an estimate for the balance work of the building and accordingly, BMTC submitted their estimated cost of  $\gtrless$  3.91 crore for the balance civil works. The Board decided (May 2022) to hand over the pending works to BMTC. BMTC has awarded (March 2023) the remaining work to a contractor at a tendered amount of  $\gtrless$  2.66 crore, excluding GST, which was 14.70 *per cent* below SR 2021-22.

In this connection, Audit observed the following:

- i. Delay in obtaining administrative approval: The process of obtaining administrative approval consumed 16 months (from October 2016 to January 2018), thereby delaying the start of the work.
- ii. Splitting of work: Govt. of Karnataka had granted exemption under 4(g) of Karnataka Transparency in Public Procurement (KTPP) Act which permitted Public Sector Undertakings, Companies, Departments, *etc.* to directly entrust works up to Rupees two crore to KRIDL without calling tender. However, there was a stipulation that no work should be split. The work was entrusted to KRIDL by splitting into two packages of less than Rupees two crore each, in direct contravention of the GoK's stipulation. As against the estimated cost of ₹ 6.50 crore, the work entrusted to KRIDL was only to an extent of ₹ 2.71 crore.
- iii. Payment terms in MoU stacked in favor of KRIDL: As per para 8 of MoU, 50 *per cent* of the amount was to be paid as interest free advance on signing the MoU, 25 *per cent* after completion of 40 *per cent* of the work and another 20 *per cent* on completion of 60 *per cent* of the work and balance 5 *per cent* on completion of work and after third-party quality inspection. As against the total cost of ₹ 1.99 crore for the first package, KRIDL has reported to have completed work only to the extent of ₹ 1.45 crore *i.e.* 72.86 *per cent* of the work. Against this, the Company had paid ₹ 1.90 crore<sup>77</sup>. Further, the Company paid (July 2020) ₹ 35.60 lakh on signing the second MoU. However, KRIDL had completed work only to the extent of ₹ 27.00 lakh as on March 2022. Thus, the Company

<sup>&</sup>lt;sup>77</sup> 1st stage payment of 50 *per cent* amounting to ₹ 99.80 lakh was paid in September2017, 2nd stage payment of 25 *per cent* amounting to ₹ 49.90 lakh in July 2019 and 3rd stage payment of 20 *per cent* amounting to ₹ 39.92 lakh was paid in March 2020.

ended up paying ₹ 2.25 crore against the completed work worth ₹ 1.72 crore.

iv. Avoidable payment of rent of ₹ 12.78 crore due to delay in completion of work: In order to facilitate the renovation, the Corporate Office was shifted to a rented premises and the Cauvery Showroom was already paying rent for its premises. As per the schedule, the first package work should have been completed by July 2018, the second package in January 2019 (next six months). Further, it could have taken another three months for work relating to plumbing, electric and interiors to make the building occupation-ready, i.e., till April 2019. However, both the packages could not be completed on time and the rent paid from May 2019 to March 2023 amounted to ₹ 12.78 crore (as detailed in *Appendix-34*).

Thus, the construction of Building scheduled to be completed by April 2019 was not yet completed (May 2023). Delay at various stages of the renovation of the building resulted in avoidable expenditure of  $\gtrless$  12.78 crore on rent besides time and cost over run in the construction of the building.

The Government forwarded (May 2023) the reply of the Company, wherein the Company accepted the delay in obtaining administrative approval from Government. Further, the reply stated that the Board of the Company had taken decision to split the work into packages below  $\gtrless$  2.00 crore. The Company has written to Government to initiate action on the then Board of Directors who were responsible for violation of KTPP Act. Though the Company accepted their faults, the fact remains that due to delay at various stages of the building renovation, the Company had incurred an avoidable expenditure of  $\gtrless$  12.78 crore on rent besides time and cost over run in the renovation of the building.

**Recommendation 28:** 

Audit recommends that the Company should take proactive measures to expedite the completion of the renovation work and occupy the building at the earliest.

# Karnataka Soaps and Detergents Limited

# 3.3 Avoidable expenditure

The BoD of the Company decided (December 2020) to discontinue the use of Vetivert oil in production of MSS perfume. However, 1,893 kgs of Vetivert oil was procured in February 2021 resulting in avoidable expenditure of ₹ 4.87 crore.

Karnataka Soaps and Detergents Limited (Company) is involved *inter-alia* in manufacturing soaps under the brand name of *"Mysore Sandal Soap (MSS)"*. Vetivert oil was one of the items in the Mysore Sandal Soap Perfume which was introduced during 2017-18 to boost the woody and earthy note in the fragrance of Mysore Sandal Soap.

The Company floated (January 2020) an e-tender for procurement of 6,643 Kgs of Vetivert oil with a stipulation to deliver from March 2020 to March 2021 as per the production schedule of the Company. M/s. Bannari Constructions, Mysore (Supplier) had emerged (June 2020) as the lowest bidder and accordingly a Purchase Order was issued (29 July 2020)<sup>78</sup> at price of ₹ 25,700 per kg plus GST at 18 *per cent*. As per the delivery schedule, 1,250 kgs were to be to be delivered by August 2020 and the balance quantity delivery would be intimated later as per production programme.

In order to minimize the cost of production of Mysore Sandal Soap Perfume, the Company, in its Board Meeting, decided (December 2020) to launch the production of Mysore Sandal Soap perfume oil without the use of Vetivert oil since there was not much difference in fragrance with or without Vetivert oil in Mysore Sandal Soap products. The Company's Research team had also given (December 2020) a favourable opinion on the subject matter. After due discussion, Board approved to launch production of Mysore Sandal Soap perfume without the use of Vetivert oil from 2021-22.

By the time the Board decided (*i.e.* December 2020) to launch production of Mysore Sandal Soap perfume without Vetivert oil, the Company had already procured 4,750 kgs (out of tendered quantity of 6,643 kgs) at a total cost of  $\gtrless$  12.21 crore excluding GST from the Supplier. Further, the Company had accumulated stock of 1,737.52 kgs of Vetivert oil at the end of December 2020. However, the Company issued (5 February 2021) instructions to the supplier to deliver the entire balance tendered quantity (*i.e.* 1,893 kgs) of Vetivert oil, which was supplied on the same day.

Thus, the entire quantity of 6,643 kgs of Vetivert oil was supplied from July 2020 to February 2021, against which an amount of  $\gtrless$  20.16 crore was paid (September 2020 to March 2021) to the Supplier. The Stock of Vetivert oil was used in production of the Mysore Sandal Soap Perfume up to June 2021.

Audit observed that, as per Para 17 of Section-III-General Conditions of Contract (GCC), the purchaser at any time by written order given to the supplier can make changes within the general scope of the contract including quantity to be supplied. However, despite having sufficient stock, the Company issued instructions to supply the entire balance quantity even after the Board's decision to discontinue the use of Vetivert oil. Thus, failure of the management to invoke applicable condition of contract to reduce the quantity to be procured has resulted in avoidable expenditure of  $\gtrless$  4.87 crore.

The Government stated (January 2023) that the remaining quantity of 1,893 kgs of Vetivert oil was purchased as a contractual obligation. Since, change of composition would need time and that immediate change in composition would

<sup>&</sup>lt;sup>78</sup> From March 2020 to July 2020, Vetivert oil was procured from M/s. Karnataka Aromas (the previous supplier) at ₹ 26,000 per kg plus GST at 18%.

have resulted in huge losses, the procurement could be substantiated. The reply is not acceptable as the Company had the option to terminate the contract as per the above-mentioned clause. The Company had sufficient stock as on December 2020. Further, the Company's decision to discontinue the use of Vetivert oil was taken in December 2020 and was to be implemented from 2021-22, which meant that the Company had sufficient time to plan the changeover.

Thus, unnecessary procurement of Vetivert oil resulted in avoidable expenditure of ₹4.87 crore.

# **Recommendation 29:**

The Company must ensure a mechanism to enforce contractual provisions to safeguard its financial interests and procurements has to be made based on production plan and stock on hand.

# Submission of accounts by PSUs

# 3.4 Need for timely finalisation and submission

According to Section 394 and 395 of the Companies Act 2013, an Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the House or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the C&AG. Similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year are to be placed in the said AGM. Section 129 (7) of the Companies Act, 2013 provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013. The financial statements of the Companies for every financial year are required to be finalised within six months from the end of the relevant financial year, *i.e.* by end of September<sup>79</sup>.

# Status of Accounts for PSUs under the Audit jurisdiction of Office of the Principal Accountant General (Audit-II)

**3.4.1** As on 31 March 2022, there were 125 PSUs in Karnataka (refer *Appendix-32*), including six Statutory Corporations and 13 non-working Government companies under the audit jurisdiction of the C&AG. Of these, 79 PSUs are falling under the jurisdiction of Office of the Principal Accountant General

<sup>&</sup>lt;sup>79</sup> Due date of holding AGM of Companies for the financial year 2021-22 is 30 September 2022 as per The Companies Act, 2013.

(Audit-II). Of these, 68 PSUs including four Statutory Corporations were working and 11 Companies were non-working as on 31<sup>st</sup> March 2022.

The following table provides the details of progress made by working PSUs under the Audit jurisdiction of Office of the Principal Accountant General (Audit-II) in finalisation of accounts by 30 September 2022<sup>80</sup>:

Sl. No.	Particulars	2019-20	2020-21	2021-22
1	Number of working PSUs	66	67	68
2	Total number of accounts finalised during the year	78	40	56
3	Number of accounts finalised relating to current year	51	29	22
4	Number of accounts finalised relating to previous years	27	11	34
5	Number of accounts in arrears	31	57	68
6	Number of working PSUs with arrears in accounts	15	37	45
7	Extent of arrears (number in years)	1 to 6 years	1 to 7 years	1 to 7 years

 Table No. 3.4.1: Position relating to finalisation of accounts of working PSUs under the Audit jurisdiction of Office of the Principal Accountant General (Audit-II)

During the year, 56 accounts pertaining to 51 PSUs were finalised, which included two accounts of four Statutory Corporations. The number of accounts in arrears increased from 31 (2019-20) to 68 (2021-2022). Of the 68 arrears of accounts, 62 accounts pertained to the working Government Companies, which were in arrears ranging between one and seven years and six accounts pertaining to four Statutory Corporations, which were in arrears ranging between one and two years.

The Administrative Departments have the responsibility to oversee the activities of these PSUs and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The PAG had periodically taken up the matter with the State Government/Administrative Departments concerned for liquidating the arrears of accounts.

**3.4.2** As on 31 March 2022, 11 PSUs having an investment of  $\gtrless$  480.59 crore were non-working for the last 19 years. This was a critical area as the investments in non-working PSUs do not contribute to the economic growth of the State.

There were arrears in finalisation of accounts by non-working PSUs. Out of 11 non-working PSUs, four<sup>81</sup> were in the process of liquidation whose accounts were in arrears for seventeen to nineteen years. Of the remaining seven non-working PSUs, five PSUs (KPL, VSL, MLW, MCT and MMCL) had arrears of one year, one PSU (NGEF) had arrears of two years and one PSU had arrears of eight years (BSRCL).

<sup>&</sup>lt;sup>80</sup> The progress for the financial years 2017-18 to 2018-19 was as on 30<sup>th</sup> September of the respective years, for financial year 2019-20 it was as on 31.12.2020 and for financial year 2020-21 it was as on 30.11.2021.

<sup>&</sup>lt;sup>81</sup> KSVL, MCL, KTL and MACCL.

The position relating to arrears in finalization of accounts of non-working PSUs is given in the following table:

 Table No. 3.4.2: Position relating to arrears in finalisation of accounts of non-working PSUs falling under audit jurisdiction of Office of the Principal Accountant General (Audit-II)

Sl. No.	No. of non- working Companies	Period for which accounts were in arrears	No. of years for which accounts were in arrears
1	5	2021-22	01
2	1	2020-21 to 2021-22	02
3	1	2014-15 to 2021-22	08
4	1	2005-06 to 2021-22	17
5	2	2004-05 to 2021-22	18
6	1	2003-04 to 2021-22	19

## **Recommendation 30:**

The Government may take suitable action to ensure that the Annual Financial Statements of the Government Companies are prepared in time.

Follow up action on Audit Reports

## **Replies** outstanding

**3.5.** The Reports of the C&AG represent the culmination in the process of audit scrutiny. It is therefore necessary that they elicit appropriate and timely response from the Executive. The Finance Department, Government of Karnataka, issued (January 1974) instructions to all Administrative Departments to submit replies to paragraphs and Performance Audits (PAs) included in the Audit Reports of the C&AG within a period of three months of their presentation to the Legislature, without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The status of receipt of replies to the report of C&AG from the GoK is given in the following table:

Sl. No.	Year of the Audit Report (PSUs)	Date of placing the Audit Report in the State	Parag	ll PAs and raphs in the lit Report	Paragra replie	ber of PAs/ phs for which es were not eceived
		Legislature	PAs	Paragraphs	PAs	Paragraphs
1	2016-17	22.02.2018	2	12	-	-
2	2017-18	18.02.2020	2	13	-	-
3	2018-19	03.02.2021	2	5	-	-
4	2019-20	20.09.2022	1	7	-	-
5	2020-21	22.02.2023	0	8	-	8
	Tot	al	7	45	-	8

### Table No. 3.5.1: Replies not received as on 31<sup>st</sup> March 2023

## Discussion of Audit Reports by COPU

**3.6.** The status of Performance Audits (PAs) and paragraphs that appeared in Audit Reports on PSUs and discussed by COPU as on 31 March 2023 was as follows:

			Number of PA	As/paragra	phs
Sl. No.	Period of Audit Report		red in Audit Report	D	iscussed
		PAs	Paragraphs	PAs	Paragraphs
1	2010-11	2	11	1	11
2	2011-12	2	12	1	12
3	2012-13	2	12	2	12
4	2013-14	2	19	2	19
5	2014-15	2	17	2	17
6	2015-16	2	14	2	13
7	2016-17	2	12	2	12
8	2017-18	2	13	2	13
9	2018-19	2	5	1	5
10	2019-20	1	7	0	0
11	2020-21	-	8	0	0
	Total	19	130	15	114

Table No. 3.6.1: Status of discussion of PAs and Paragraphs

## Compliance to Reports of COPU

**3.7.** Three reports of COPU (Report No. 127, 132 and 134) contained 43 recommendations in respect of paragraphs pertaining to one Department<sup>82</sup>, which appeared in the Reports of the C&AG of India between the period 2009-10 and 2017-18 and the five *suo-motu* reports (Report No. 125, 129, 131, 132 and 133) contained 52 recommendations. These reports were presented to the State Legislature between December 2011 and February 2023.

Action Taken Notes (ATN) from the Government of Karnataka pertaining to above three Reports of COPU and five *suo-motu* Reports of COPU were not received (March 2023).

## **Recommendation 31:**

Government may ensure sending replies to Paragraphs/Performance Audits and ATNs on the recommendations of COPU as per the prescribed time schedule.

## **Response to Inspection Reports**

**3.8.** Audit observations noticed during audit were communicated to the heads of the PSUs and the concerned Departments of the State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the

<sup>&</sup>lt;sup>82</sup> Energy Department.

Inspection Reports through the respective heads of Departments within a period of one month. However, as on 31 March 2022, there were 2,410 Paragraphs outstanding against 396 Inspection Reports issued to various Departments and PSUs. The details of Department-wise Inspection Reports and audit observations outstanding for PSUs (as on 31 March 2022) are in *Appendix-35*.

## **Recommendation 32:**

Government may direct the Departments concerned to (a) initiate action against officials who fail to respond to Inspection Reports based on the reports of Audit Monitoring Cell constituted by the Government; and (b) recover losses/outstanding advances/overpayments within the prescribed time.

MMMMM

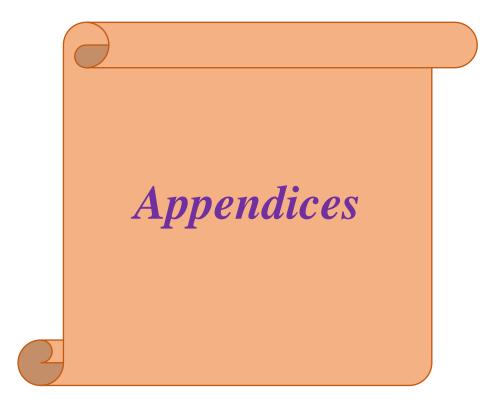
(Vimalendra A. Patwardhan) Principal Accountant General (Audit-II) Karnataka

Bengaluru The

Countersigned

(Girish Chandra Murmu) Comptroller and Auditor General of India

New Delhi The



## Appendix - 1 (Referred to in Paragraph No.1.2) A. List of Departments under the jurisdiction of the O/o the PAG Audit II

Sl. No	Department
1.	Forest, Ecology and Environment Department
2.	Transport Department
3.	Public Work Department
4.	Infrastructure Development, Ports & Inland Water Transport Department
5.	Department of Electronics Information Technology Biotechnology and Science & Technology
6.	Home
7.	Housing Department
8.	Urban Development Department
9.	Law
10.	Commerce and Industries
11.	Textiles and Handlooms
12.	Mines and Geology
13.	Cane Development
14.	Factories and Boilers
15.	Tourism
16.	Archeology and Museums
17.	Hindu Religious Institutions and Charitable Endowment
18.	Kannada and Culture
19.	Archives
20.	Energy
21.	Electrical Inspectorate

## B. List of Autonomous Bodies under the jurisdiction of the O/o the PAG Audit II

Sl. No	Autonomous Bodies
1	Bangalore Association for Science Education Bangalore (BASE)
2	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)
3	Environment Management and Policy Research Institute Bengaluru
4	Karnataka Biodiversity Board (KBB) Bengaluru
5	Karnataka State Council for Science & Technology Bangalore
6	Karnataka State Medicinal Plants Authority (KAMPA) Bengaluru
7	Karnataka State Pollution Control Board Bengaluru
8	Karnataka State Science & Technology Academy Bangalore
9	Lake Development Authority (LDA), Bengaluru
10	Zoo Authority of Karnataka (ZAK) Mysuru
11	Karnataka State Coastal Zone Management Authority
12	Karnataka State Remote Sensing Application Centre
13	Karnataka Industrial Areas Development Board
14	Karnataka State Khadi and Village Industries Board
15	Karnataka Electricity Regulatory Commission
16	Karnataka State Legal Services Authority + 30 District Legal Service Authorities
17	Bangalore Water Supply and Sewerage Board
18	Bangalore Development Authority
19	Karnataka Housing Board
20	Karnataka Urban Water supply and Drainage Board
21	Karnataka State Human Rights Commission
22	Karnataka Slum Development Board
23	Karnataka Real Estate Regulatory Authority

No. of Paras Total No. of IRs No. of Paras More than 10 years -No. of IRs ~ Ś S  $\mathfrak{c}$ <del>.</del> Year-wise breakup of outstanding Inspection Reports and Paragraphs issued up to 31st March 2022 No. of Paras 5 to 10 years No. of IRs No. of Paras 2 to 5 years No. of IRs ~  $\infty$ No. of Paras Ś 1 to 2 years No. of IRs Ś <del>. . .</del> <del>. . .</del> <del>.</del> No. of Paras Less than One Year  $\mathfrak{c}$ No. of IRs  $\infty$  $^{21}$  $\mathfrak{c}$ ----Ś Works and Urban Development Science & Technology Housing Department **Factories and Boilers** Kannada & Culture Forest & Ecology Home Department Department Law Department Technology, Bio-**MSME & Mines Technology and** Infrastructure Total Environment Development Information Department Department Endowment Commerce Industries Transport Tourism Energy Public S.S. × e S 

(Referred to in Paragraph No.1.7.1) Appendix - 2

13,115

2,451

## Appendix - 3

# *(Referred to in Paragraph No.1.7.2)* Details of Departmental Notes pending as of 31 March 2023 (Excluding General and Statistical Paragraphs)

										_
Total	1	32	11	2	17	7	1	1	29	96
2020-21		7	7		S					6
2019-20			Ŋ	1	8	1	1			16
2018-19	1		7						2	S
2017-18									2	2
2016-17									3	3
2015-16 2016-17 2017-18		7	7						3	7
2014-15									S	S
2013-14									2	2
2012-13		1		1					S	7
2011-12		3							1	4
2010-11		3				1		1	0	w
2009-10		7			1				3	9
2008-09		4							1	w
2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10		4							1	w
2006-07		4			1				0	S
2005-06		1							1	2
2004-05		1			1				0	2
2003-04		w			1				0	9
Department	Forest, Ecology & Environment	Transport	Public Works, Infrastructure Development, Ports & Inland Water Transport	Information Technology, Bio- Technology and Science & Technology	Urban Development	Home	Housing	Industries and Commerce	Mines and Geology	Total
SI. No.	1	7	ŝ	4	5	9	7	8	6	

## Appendix - 4 (Referred to in Paragraph No.1.7.3) Paragraphs to be discussed by the PAC

							Faragr	aphs to	be disc	<b>Paragraphs</b> to be discussed by the PAC	Ny the F	AC								
SI. No.	Department	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
1	Forest, Ecology & Environment					1				1				1	1		1			05
7	Transport sector (MVT)	S	1	1	4	4	4	7	3	3	1			7					7	32
e	Public Works, Infrastructure Development, Ports & Inland Water Transport	1									w			n	1		e	w	0	22
4	IT BT and Science & Technology										1							1		2
S	Home								1			1						1		3
9	Housing		1	1								1						1		4
7	UDD	1	1		2	1		1	3	7	1			7	1			×	S	28
8	Industries and Commerce								1			1	2		1					5
6	Kannada and Culture									1						1				7
10	Mines and Geology			1		1	2	3		1	5	2	5	3	3	1	2			29
11	Tourism												1		1					2
12	Energy									2										2
	Total	7	3	3	9	7	9	9	8	10	13	S	æ	13	8	7	9	16	6	136

## Appendix - 5 (Referred to in Paragraph No. 1.8) Annual return on review of entrustment of autonomous bodies audited under Section 19(2), 19(3) and 20(1) of the C&AG's (DPC) Act, 1971

	-> (*	) ••••• = •(1)			C) ACI, 1771		
Sl. No.	Name and Address of Institution audited under Section	Period of entrustment of audit by Govt	Year up to which accounts rendered	Year up to which audit report issued	Placement of audit reports before the Legislature	Year to which accounts due	Period of delay in submission of accounts up to 30th June 2022
1	KarnatakaSlumDevelopmentBoard,Bangalore u/s 19(3)	2022-23 to 2026-27	2020-21	2019-20	2019-20	Nil	Nil
2	Bangalore Water Supply and Sewerage Board, Bangalore u/s 19(3)	2017-18 to 2021-22	2018-19	2018-19	2018-19	2019-20 & 2020-21	2019-20 24 Months
3	Karnataka Housing Board u/s 19(3)	2021-22 to 2025-26	2020-21	2019-20	2017-18	Nil	Nil
4	Karnataka Urban Water Supply & Drainage Board u/s 19(3)	2021-22 to 2025-26	2019-20	2019-20	2018-19	2020-21	12 Months
5	Bengaluru Development Authority u/s 19(3)	2021-22 to 2025-26	2020-21	2020-21	2018-19	2020-21	Nil
6	Karnataka State Legal Services Authority u/s 19(2)	19 (2)	2019-20	2019-20	2018-19	2020-21	12 Months
7	Karnataka State Human Rights Commission Bengaluru u/s 19(2)	19 (2)	2020-21	2020-21	2018-19	Nil	Nil
8	Karnataka Real Estate Regulatory Authority u/s 19(2)	19 (2)	2018-19	NIL	NA	2019-20 2020-21	2019-20 24 Months
9	Karnataka Biodiversity Board u/s 20(1)	2014-15 onwards	2020-21	2020-21	2017-18	NIL	5 Months (2020-21) 7 Months (2021-22)
10	Compensatory Afforestation Fund Management and Planning Authority u/s 20(1)	2009-10 onwards	2018-20	2018-20	2018-20	2020-21	17 months (2018-20)
11	Karnataka Industrial Areas Development Board u/s 19(3)	2019-20 to 2024-25	2020-21	2019-20	2017-18	Nil	6 months 2019-20
12	Karnataka State Khadi and Village Industries Board u/s 19(3)	2022-23 to 2026-27	2020-21	2020-21	2018-19	Nil	7 months 2019-20
13	Karnataka Electricity Regulatory Commission u/s 19(2)	19 (2)	2020-21	2020-21	Not yet placed	Nil	Nil

## Appendix – 6

## (Referred to in Paragraph 2.1.11)

### Head of account-wise details of expenditure of the Department for the period of audit 2017-18 to 2021-22

					1		(₹	in crore)
Sl. No	Head of Account	Major Schemes	2017-18	2018-19	2019-20	2020-21	2021-22	Grand Total
1	2250-00- 103-5-08 (100)	Manasa Sarowar Yatri Financial Assistance/ Char dhaam Yatri FA	5.00	6.46	10.00	-	0.68	22.14
		Aaradhana Scheme	2.00	6.78	8.32	6.95	7.31	31.36
2	2250-00- 103-5-09	SCP-422	19.95	5.96	14.09	11.30	11.70	63.00
	105-5-09	TSP-423	2.96	1.58	2.10	1.66	1.74	10.04
3	2250-00- 103-5- 06(101)	Yediyuru Dev. Scheme	1.00	1.00	1.00	1.00	0.50	4.50
4	4059-80- 051-0-52 (386)	Infrastructure & Stay facilities at Religious Places-Construction	40.82	13.85	9.96	124.04	58.77	247.44
	2250-00-	Temples & other religious institutions						
5	103-5-12	(a) General (103)	17.90	6.42	69.74	19.79	40.30	154.15
		(b) (Muzrai Institutions) (200)	18.65	8.02	19.54	18.47	12.86	77.54
6	2250-00- 103-5-14 (103)	Assistance to various Religious Mutts	-	-	-	127.38	21.18	148.56
7	2250-00- 102-4-03 (101)	Special assistance to Shravenabelagola Prakrut Adhyayana Samshodane Society	0.36	0.36	0.36	0.60	0.60	2.28
8	2075-00- 101-1- 01(100)	Amount payable to Religious & Charitable institutions on abolition of Inams- Tasdik	133.22	118.24	122.63	127.86	126.78	628.73
9	2506-00- 101-4-01 (101)	Annuity payable to Religious Charitable & other institutions- Varshasane	0.86	8.50	10.87	12.10	12.65	44.98
10	2250-00- 800-1-14 (125)	Modernisation of Crematoriums- Rudhrabhoomi	5.78	3.93	1.00	-	-	10.71
11	2250-00- 800-1-11 (059)	Mahamastabhisheka	190.00	-	-	-	-	190.00
12	2250-00- 103-9-07 (103)	Brahmin Development Board	-	5.00	2.00	-	-	7.00
13	4059-80- 051-0-55 (132)	Capital expenses on Brahmin Development Board	-	20.00	1.00	-	-	21.00
		Total	438.50	206.10	272.61	451.15	295.07	1,663.43

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## (Referred to in Paragraph 2.1.11.3)

## Excess grants sanctioned to institutions against the prescribed limit

				0				(₹ in lakh)
SI. No.	District	Year	Temple	Category	Purpose	Maximum eligible grant as per circular	Sanctioned Grant	Excess sanctioned
1	Bagalkote	2018-19	Dhanamma Temple, Jamakhandi	С	Development	10.00	50.00	40.00
2	Bagalkote	2020-21	Somalingeshwara Honnihala, Bilagi	С	Renovation	10.00	30.00	20.00
3	<b>Bangalore Urban</b>	2020-21	Munishwara Temple, Shasakara Bhavana	С	Repairs	10.00	25.00	15.00
4	Belgaum	2020-21	Sivayogishwara sadhu, Inchala, Savadatti Taluk	Math	Development	50.00	100.00	50.00
5	Belgaum	2020-21	Sambayyanavara Mutt, Holi village, Savadatti taluk	Math	Development	50.00	200.00	150.00
9	Belgaum	2020-21	Veerabhadreshwara temple, Mudakaviya, Ramadurga taluk	Private	Community Hall	25.00	75.00	50.00
7	Belgaum	2020-21	Udacha parameshwari, AachaMutti, Savadatti Taluk	Private	Development	25.00	30.00	5.00
8	Belgaum	2020-21	Karnataka Hindu Kshatriya Sangha, Gokak	Math	Development	50.00	100.00	50.00
6	Belgaum	2021-22	Mallikarjuna temple, Dongaramata, Aadi, Nipani,	Private	Canopy walk	25.00	50.00	25.00
10	Belgaum	2021-22	Mallikarjuna temple, Dongaramata, Aadi, Nipani,	Private	Canopy walk	I	27.50	27.50
11	Kolar	2017-18	Shri.Shanishwara temple, Pungunura cross, Srinivasapura Taluk	Private	General Grants/ Renovation	25.00	15.00	15.00
12	Kolar	2019-20		Private	General Grants/ Renovation	10.00	50.00	40.00
13	Kolar	2019-20		Private	SCP		5.00	5.00
14	Kolar	2021-22		Private	General Grants/ Renovation 2250 HOA		50.00	50.00
15	Koppal	2020-21	Kanakchalapati Temple	С	Development	10.00	25.00	15.00

Appendices

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SI. No.	District	Year	Temple	Category	Purpose	Maximum eligible grant as per circular	Sanctioned Grant	Excess sanctioned
16	Ramnagara	2019-20	Shri.Basaveshwara Temple, Doddamaralawadi	С	Development	10.00	25.00	15.00
17	Hassan	2019-20	Shri.Malleshwara swamy temple, Mallapanahalli, Hassan taluk	Muzrai	Development	10.00	100.00	90.06
18	Hassan	2019-20	Sri Kannika parameshwari temple, Holenarasipura taluk	Muzrai	Development	10.00	100.00	90.06
19	Hassan	2020-21	Sri.Raghupati temple, Holenarisipura Taluk	Muzrai	Development	10.00	15.00	5.00
20	Chickmagalur	2020-21	Shri.Aadi Shankaracharya sharda Lakshminarasimha peetha, Koppa	Mutt	Development	50.00	100.00	50.00
21	Chickmagalur	2020-21	Shri.Aadishakti Vasantha Parameshwari temple, Mudigere	Private	Development	25.00	50.00	25.00
22	Chickmagalur	2020-21	Shri.Rambhapuri Mutt, Balehonnur, N.R.Pura	Mutt	Development	50.00	500.00	450.00
23	Chickmagalur	2020-21	Shri.Durga parameshwari temple, Jayapura, Koppa, (4059)	Private	Development	25.00	50.00	25.00
24	Chickmagalur	2020-21	Shri. Tirumala Srivenkataramana Temple, Hariharapura hobli, Koppa (4059)	Muzrai	Development	10.00	15.00	5.00
25	Udupi	2019-20	Sri. Chandika Durga Parameshwari, Chantaru village, Brahmavara Taluk	Muzrai	Development	10.00	20.00	10.00
26	Udupi	2019-20	Sri. Vishweshwara Temple, Marvi, Vandaru village, Brahmavara Taluk	Muzrai	Development	10.00	18.00	8.00
27	Udupi	2020-21	Sri. Narayana Guru Bhavana, Koa village, Udupi Taluk	Mutt	Development	50.00	200.00	150.00
28	Udupi	2020-21	Sri. Subrahmanya Sabha Bhavana, Pada Bettu, Padubidri, Kapu Taluk	Muzrai	Development	10.00	20.00	10.00
29	Udupi	2020-21	Sri. Mahalingeshwar Temple, Karvasha, Kapu Taluk	Muzrai	Development	10.00	15.00	5.00
30	Udupi	2020-21	Sri. Phalimaru Mutt, Udupi Taluk	Mutt	Development	50.00	100.00	50.00
31	Udupi	2020-21	Sri. Belela Martu Panjurli bantara garadi, Karadi Village, Bainduru Taluk	Private	Development	25.00	50.00	25.00

Appendices

1			Appendix – 7 Contd.	ontd.				
SI. No.	District	Year	Temple	Category	Purpose	Maximum eligible grant as per circular	Sanctioned Grant	Excess sanctioned
32	Udupi	2021-22	Sri. Amrutheshwara Temple, Kota village, Brahmavara Taluk	Muzrai	Development	10.00	100.00	90.00
33	Udupi	2019-20	Uchila Sri. Mahalakshmi, Kapu taluk	Private	Development	25.00	50.00	25.00
34							50.00	50.00
35	Udupi	2020-21	Uchila Sri. Mahalakshmi, Kapu taluk	Private	Development	25.00	500.00	475.00
36	Udupi	2021-22	Uchila Sri. Mahalakshmi, Kapu taluk	Private	Development	25.00	300.00	275.00
37							200.00	200.00
38							150.00	150.00
68							100.00	100.00
40	Tumakuru	2017-18	Sri. Ranganatha swamy Golluru	Muzrai	Development	10.00	20.00	10.00
41	Tumakuru	2017-18	Sri. Sidhalingeshwaraswamy, Yediyuru	Muzrai	Development	10.00	100.00	90.00
42	Tumakuru	2017-18	Sri. Eeshwara devaru, Baraguru, Sira taluk	Muzrai	Development	10.00	100.00	90.00
43	Tumakuru	2017-18	Sri. Durgamma, Sira town	Muzrai	Development	10.00	40.00	30.00
44	Tumakuru	2018-19	Sri. Siddhaganga Mutt's Shiva Swamys punyasmarana event	Mutt	Development	50.00	193.32	143.32
45	Tumakuru	2018-19	Sri. Sidhalingeshwaraswamy, Yediyuru	Muzrai	Development	10.00	100.00	90.00
46	Tumakuru	2019-20	Sri. Ranganatha swamy, T.Gollahalli	Muzrai	Development	10.00	20.00	10.00
47	Tumakuru	2019-20	Sri. Maramma, Yettinahalli village, Tumkur taluk	Muzrai	Development	10.00	25.00	15.00
48	Tumakuru	2019-20	Sri. Sidharameshwara, Belagumba, Tumkur taluk	Muzrai	Development	10.00	25.00	15.00
49	Tumakuru	2019-20	Sri. Bailanjaneya, Kadugojjanahalli, Tumkuru taluk	Muzrai	Development	10.00	25.00	15.00
50	Tumakuru	2019-20	Sri. Honnambika devi, Honnavalli	Muzrai	Development	10.00	100.00	90.00
51	Tumakuru	2019-20	Sri. Sidhalingeshwaraswamy, Yediyuru	Muzrai	Development	10.00	100.00	90.00
52	Tumakuru	2020-21	Sri. Chandramouleshwara, Sagarahalli	Muzrai	Development	10.00	15.00	5.00

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SI. No.	District	Year	Temple	Category	Purpose	Maximum eligible grant as per circular	Sanctioned Grant	Excess sanctioned
53	Tumakuru	2020-21	Sri. Basaveshwara, Chandigere	Muzrai	Development	10.00	15.00	5.00
54	Tumakuru	2020-21	Sri. Tulasi Ranganatha Devaru, Lakkenahalli	Muzrai	Development	10.00	15.00	5.00
55	Tumakuru	2020-21	Sri. Sidhalingeshwaraswamy, Yediyuru	Muzrai	Development	10.00	100.00	90.00
56	Tumakuru	2020-21	Sri. Rambhapuri Mutt, Balehonnur	Mutt	Development	50.00	100.00	50.00
57	Tumakuru	2020-21	Sri. Chennakeshawa Devaru, Benakenekere	Muzrai	Development	10.00	15.00	5.00
58	Tumakuru	2020-21	Sri. Maradi Ranganatha Swamy, Tavarekere	Muzrai	Development	10.00	40.00	30.00
59	Tumakuru	2020-21	Sri. Kuppuru Gaddige Samsthana Mutt	Mutt	Development	50.00	100.00	50.00
60	Tumakuru	2021-22	Sri. Hatyalu Narasimha Devaru, KB cross	Muzrai	Development	10.00	100.00	90.00
61	Tumakuru	2021-22	Sri. Sidhalingeshwaraswamy, Yediyuru	Muzrai	Development	10.00	50.00	40.00
			Total					3,978.82

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# *Appendix – 8* (*Referred to in Paragraph 2.1.11.4*) Sanction of grants to the same institutions under different schemes/Head of Accounts of the Department

								•			(₹ in lakh)
SI.	District			Voor of		9	<b>Grants under</b>			Total grant	Number of
No.	Name	Taluk Name	Temple Name & Address	grant	General Scheme	Common Pool Fund	<b>Aaradhana</b> Scheme	SCP	TSP	allotted	instances
1	Belagavi	Raibhag	Sri Durgadevi temple, Alakanoor	2020-21 (2), 2021-22	I	1	1.65	3.07	0.39	5.11	з
2	Belagavi	Chikkodi	Sri. Mahalakshmi temple, Nagyanavaadi	2020-21	I	-	1.55	ı	4.33	5.88	2
3	Belagavi	Hukkeri	Sri. Guddada lakshmi temple, Ullagaddi- khanapur	2020-21, 2019-20	1.00	ı	1.06	ı	ı	2.06	2
4	Belagavi	Belagavi	Sri. Durgadevi temple, Vaddarabhovi,tegginalli, Vadagavi	2019-20, 2018-19	5.00	ı	I	1.63	ı	6.63	2
5	Belagavi	Bailahongala	Sri Rudrakshimutt, Bailahongala	2020-21, 2018-19	10.00	ı	1.00	ı	ı	11.00	2
9				2021-22,	5.00	I	I	,	0.79	5.79	
	Belagavi	Chikkodi	Sri. Sthaladeva temple, Vaalaki, Chikkodi	2020-21 &	2.50			1	- 70	2.50 0.78	4
7	Belagavi	Nippani	Sri. Renuka temple, Maanakapura	2021-22, 2021-22, 2018-19	2.50			1.69	- 10	4.19	2
8	Belagavi	Nippani	Sri.Renukadevi temple, Bedakinahaala	2021-22 2017-18	2.50	ı	I	1	0.75	3.25	2
6	Koppal	Kanakagiri	Shri Anjaneya temple, Chikkavadrakal	2021-22	ı	1	0.50	I	0.50	1.00	2
10	Koppal	Kanakagiri	Shri Anjaneya temple, Hosagudda	2021-22	-	-	1.00		0.45	1.45	2
11	Koppal	Koppal	Shri Gyaneshwar temple, Gunnalli	2021-22	-	-	0.82		0.19	1.01	2
12	Koppal	Koppal	Shri Gyaneshwar temple, Gunnalli	2021-22	I	I	0.82	I	0.19	1.01	2
13	Koppal	Koppal	Shri Gyaneshwar temple, Gunnalli	2021-22	I	ı	0.82	I	0.19	1.01	2
14	Koppal	Koppal	Shri Gyaneshwar temple, Gunnalli	2021-22			0.82		0.19	1.01	5
15	Koppal	Koppal	Shri Annadhaneshwara temple, Neeralagi	2020-21, 2021-22	1	1	2.30	1	2.00	4.30	2
16	Koppal	Koppal	Shri Beeralingeshwara temple, Bhagyanagar	2017-18, 2021-22	ı	1	0.89	ı	4.00	4.89	2
17	Koppal	Kushtagi	Shri Durgadevi temple, Devalapura	2020-21, 2019-20	-	1	1.06		0.25	1.31	2
18	Koppal	Kushtagi	Shri Marutheshwar temple, Balutagi	2018-19, 2021-22	4.00	ı	I	ı	4.00	8.00	2
19	Koppal	Kushtagi	Shri Nandi basaveshwara temple, Hiregonnagara, (under TSP Nandi temple, Hiregonnagara)	2021-22, 2021-22	·	ı	2.47	I	5.00	7.47	2

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idit Report for the year ended N	
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				Appendix	Appendix – 8 Contd.						
SI.	District			Voon of		G	<b>Grants under</b>			Total anont	Number of
No.	Name	Taluk Name	Temple Name & Address	grant	General scheme	Common pool fund	<b>Aardhana</b> scheme	SCP	TSP	allotted	instances
20	Hassan	Channaraya	Shri Shakuniranganatha swamy temple,	2018-19, 2017-18	2.00	I	I	0.59	ı	2.59	5
		paına	INuggenälli	2021-22	I	I	-	2.50	I	2.50	
21	Hassan	Arasikere	Shri Annappaswamy temple, Neeragunda	2021-22, 2021-22	1.00	T	0.82	I	ı	1.82	2
22	Hassan	Arasikere	Shri Chitralingeshwara temple, Nagasamudra, Gollarahatti.	2021-22, 2018-19	2.00	I	1.12	I		3.12	2
23	Hassan	Arasikere	Shri Anthraghattamma temple, Kaallusadrahalli	2021-22, 2017-18	1.00	I	ı	0.50	I	1.50	2
24	Hassan	Arasikere	Shri Shanishwar temple, Basaveshwara nagar	2021-22, 2017-18	2.00	-	ı	0.50	I	2.50	2
25	Hassan	Arasikere	Shri Gangamma Chowdamma temple, Murudi, Siddarahatti.	2021-22, 2020-21	1.00	-	1	0.64	I	1.64	2
26	Hassan	Arasikere	Shri Ramadevaru temple, Yarhalli palya	2021-22, 2020-21	1.00	I	I	I	0.39	1.39	2
27	Hassan	Arasikere	Shri Moodalgiri thimmappa temple, Gutthihalli	2021-22, 2018-19	5.00	I	0.10	ı		5.10	2
28	Hassan	Belur	Shri Kalleshwara temple, Kannayakanahalli	2019-20, 2017-18	3.00	L	0.22	I	I	3.22	2
29	Hassan	Hassan	Shri Mundadamma temple, Bylahalli	2020-21, 2021-22	I	I	1	2.64	0.78	3.42	2
30	Udupi	Bramhavar	Shi Babbuswamy, Aruru, Belmaru	2021-22, 2018-19	3.00	I	I	0.69	ı	3.69	2
31	Udupi	Bramhavar	Shi Babbuswamy, Jaathabettu, Uppuru	2021-22, 2017-18	3.00	I	I	1.23		4.23	2
32	Udupi	Bramhavar	Shri ParameshwaraBajanamandali, Heradi	2020-21, 2019-20, 2018-19	5.00	I	1.00	0.56	I	6.56	3
33	Udupi	Bramhavar	Shri Kalkuda and parivaradyvagala	2019-20, 2021-22	2.00	I	ı	0.33	I	2.33	3
			terripie, Saari gi anna	2020-21	3.00	I	I	I	I	3.00	
34	Udupi	Bramhavar	Shri Raghavendra Bajanamandali, Pandeshwar	2019-20	I	-	1.06	0.38	ı	1.44	2
35	Uduni	Bramhavar	Shri Sirsi Maarikamba, Theertha,	2019-20	I	I	0.56	1.00	I	1.56	3
	Idnno	mAnimini	Bylukere, Pandeshwar	2021-22		Т	ı	1.15		1.15	

Appendices

					Appendix – 8 Contd.	– 8 Contd.						
Year of grant         General scheme         Common scheme         Artitana SCP         SCP         TSP         Total grant           2019-20; 2019-20;         2.00         -         0.30         0.58         -         2.88           2019-20; 2019-20;         2.00         -         1.65         1.32         -         2.88           2019-20; 2019-20;         3.00         -         1.65         1.32         -         5.97           2019-20; 2019-20;         3.00         -         1.66         -         -         6.06           2019-20; 2019-20;         3.00         -         1.99         0.64         -         2.63           2019-20; 2019-20;         3.00         -         1.99         0.64         -         2.63           2019-20; 2019-20;         3.00         -         1.59         1.23         -         2.63           2019-20; 2019-20;         -         -         1.69         -         3.05         2.75           2019-20;         -         -         1.59         1.23         -         2.63           2019-20;         -         -         -         1.69         -         3.05         2.13           2019-20;							Ŀ	rants under				
2020-21, 2012-25         5.00         -         0.30         0.58         -         2.88           2012-25         5.00         -         1.06         -         -         6.06           2012-25         5.00         -         1.06         -         -         6.06           2019-20, 2019-20, 2019-20         3.00         -         1.65         1.32         -         5.97           2019-20, 2019-20         3.00         -         1.99         0.64         -         2.63           2019-20, 2019-20         3.00         -         1.99         0.64         -         2.63           2019-20, 2019-20         3.00         -         1.50         -         4.50         -           2019-20         3.00         -         1.59         1.23         -         2.83           2019-20         -         -         1.50         -         4.60         -           2019-20         -         -         1.59         -         2.63         -           2019-20         -         -         1.50         -         2.63         -           2019-20         -         -         1.59         -         2.63	District Taluk Name Temple Name & Address		Temple Name & Address		Year of grant	General scheme	Common nool fund	Aardhana scheme	SCP	TSP	Total grant allotted	Number of instances
2031-22         5.00         -         1.06         -         6.06         6.06           2019-20.         300         -         1.65         1.32         - <b>6.06 6.06</b> 2019-20.         300         -         1.65         1.32         - <b>5.97</b> 2019-20.         300         -         1.99         0.64         - <b>5.97</b> 2019-20         300         -         1.99         0.64         - <b>5.97</b> 2019-20         300         -         1.99         0.64         - <b>5.69</b> 2019-20         300         -         1.59         1.23 <b>5.64 5.76</b> 2019-20         -         1.59         1.23         - <b>5.82 5.92</b> 2019-20         -         1.32         1.32 <b>5.864 5.864 5.864</b> 2019-20         -         1.59         1.23 <b>5.864 5.864 5.864</b> 2019-20         -         1.59         1.23 <b>5.864 5.864 5.864 5.864</b> 2019-20         -         1.32 </td <td>Udupi Bramhavar Shri Shridevi Hyguli and Sapar Devalayagala temple</td> <td>Shri Shridevi Hyguli and Devalayagala temple</td> <td>Hyguli and emple</td> <td>ivara</td> <td>2020-21, 2019-20, 2021-22</td> <td>2.00</td> <td></td> <td>0.30</td> <td>0.58</td> <td>ı</td> <td>2.88</td> <td>ę</td>	Udupi Bramhavar Shri Shridevi Hyguli and Sapar Devalayagala temple	Shri Shridevi Hyguli and Devalayagala temple	Hyguli and emple	ivara	2020-21, 2019-20, 2021-22	2.00		0.30	0.58	ı	2.88	ę
2019-20, 2020-21, 2020-21, 2020-21,         5.07         5.97         5.97           2020-21, 2020-20, 2019-20,         5.00         -         1.65         1.32         5.97           2019-20, 2019-20,         5.00         -         1.99         0.64         -         2.63           2019-20, 2019-20,         5.00         -         1.99         0.64         -         2.63           2019-20, 2019-20,         5.00         -         1.50         -         4.50         -           2019-20, 2019-20         5.00         -         1.59         1.50         -         4.50         -           2019-20, 2019-20         -         -         1.69         -         2.864         -           2019-20         5.00         -         1.59         -         2.864         -           2019-20         5.00         -         1.59         -         2.864         -           2019-20,         3.00         -         1.32         -         2.864         -           2019-20,         2.00         -         1.69         -         3.69         -         -           2019-20,         2.00         -         1.69         -         3.60 </td <td>Udupi Bramhavar Shri Babbuswamy temple, Deepanagudde, Neelavara</td> <td></td> <td>Shri Babbuswamy temple, Deepanagu Neelavara</td> <td>dde,</td> <td>2021-22, 2019-20</td> <td>5.00</td> <td>I</td> <td>1.06</td> <td>ı</td> <td>I</td> <td>90.9</td> <td>2</td>	Udupi Bramhavar Shri Babbuswamy temple, Deepanagudde, Neelavara		Shri Babbuswamy temple, Deepanagu Neelavara	dde,	2021-22, 2019-20	5.00	I	1.06	ı	I	90.9	2
	bbuswamy, Koragajja Devalayagala temple, Byk	Shri Babbuswamy, Koragajja Saparivara Devalayagala temple, Byk grama	Babbuswamy, Koragajja vara Devalayagala temple, Byk	and aadi	2019-20, 2020-21, 2021-22	3.00	I	1.65	1.32		2.97	3
	Udupi Bramhavar Shri Durgaparameshwari and Saparivaara temple, Paarampalli		Shri Durgaparameshwari and Saparive temple, Paarampalli	ara	2018-19, 2019-20	-	I	1.99	0.64	I	2.63	2
	71		ot-: Dott		2019-20, 2017-18	3.00	I	1	1.50	I	4.50	
	Odupi Kaapu Snri Babbuswamy, Moodabeuu		Suri Badduswamy, Moodabettu		2021-22, 2019-20	6.00	I	ı	2.64	I	8.64	4
2019-20 $ 1.06$ $1.69$ $ 2.75$ $2021-22$ $   1.32$ $ 1.32$ $2019-20$ $3.00$ $  1.69$ $ 1.32$ $2019-20$ $3.00$ $  1.69$ $ 4.69$ $2017-18$ $2.00$ $ 1.25$ $ 1.32$ $3.32$ $2017-18$ $25.00$ $ 1.25$ $ 3.32$ $3.32$ $2019-20$ $2.00$ $ 1.25$ $ 3.69$ $ 2019-20$ $2.00$ $ 1.69$ $ 3.60$ $ 2019-20$ $  1.69$ $ 3.60$ $ 2019-20$ $  1.69$ $   2019-20$ $       2019-20$ $-$ <	Udupi Kaapu Shri Babbuswamy, Bommarabettu		Shri Babbuswamy, Bommarabettu		2018-19, 2019-20		ı	1.59	1.23	ı	2.82	7
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Shri Kypunjalugaddige	Shri Kypunjalugaddige	Kypunjalugaddige	ettu	2019-20		-	1.06	1.69	1	2.75	G
	Ouupi Maapu Babbuswamy, Uligaragoli		Babbuswamy, Uligaragoli		2021-22	I	I	ı	1.32	I	1.32	ſ
	Udupi Byndoor Shri Indoodhara temple, Gangolli		Shri Indoodhara temple, Gangolli		2019-20	3.00	I	ı	1.69	I	4.69	2
	Udupi Byndoor Shri Veeramaruthi Bajanamandali, Halnadu	Shri Veeramaruthi Halnadu	Veeramaruthi adu	i,	2021-22, 2020-21	2.00	-	1	1.32	-	3.32	2
	Udupi Udupi Shri Babbuswamy temple, Manipal		Shri Babbuswamy temple, Manipal		2017-18, 2018-19	25.00	I	1.25	I	L	26.25	2
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Udupi Udupi Shri Babbuswamy temple, Boggabettu, Kadekaaru		Shri Babbuswamy temple, Boggabett Kadekaaru	u,	2019-20, 2018-19	2.00	I	I	1.69	I	3.69	2
2019-20         -         -         -         -         0.25         0.25         0.25           2020-21         -         -         1.65         -         0.39         2.04         2.04           2019-20,         -         -         1.65         -         0.39         2.04         2.04           2019-20,         -         -         0.32         1.13         -         1.45           2019-20,         -         -         0.32         1.13         -         1.45           2019-20,         4.00         -         0.50         1.00         -         5.50           2019-20,         10.00         -         0.50         1.00         -         5.50           2017-18         -         0.50         1.00         -         5.50         5.50           2017-18         -         -         -         -         -         5.50         5.50           2017-18         -         -         -         -         -         5.50         5.50           2017-18         -         -         -         -         -         5.50         5.50         5.50         5.50         5.50         5.50	Shri Durgaparameshwari	Shri Durgaparameshwari	Durgaparameshwari	le,	2019-20, 2018-19	3.00	-	1	I	1.01	4.01	5
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		Shyamihaklu, Amasebylu			2019-20	ı	I	I	I	0.25	0.25	
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$					2020-21	I	I	1.65	I	0.39	2.04	
$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	Udupi Kundapur Shri Chandikaamba and shirsiMaarikaamba and Kempannahyguli temple, Harathaplu, Hongaluru	Shri Chandikaamba shirsiMaarikaamba and Kempannahy temple, Harathaplu, Hongaluru	Chandikaamba iMaarikaamba and Kempannahy ole, Harathaplu, Hongaluru	uli uli	2019-20, 2018-19	I	I	0.32	1.13	I	1.45	7
2021-22-     10:00     -     -     10:00       15:00     -     -     15:00	Udupi Kundapur Shri PanjurlihyguliMalasavariparivara temple, Balkuru	Shri temple,	le, J	/ara	2021-22, 2019-20, 2017-18	4.00	I	0:50	1.00	I	5.50	3
•	IIduni Kundomir Shri Mandavi Shankaranarayana temple,		Shri Mandavi Shankaranarayana ten	nple,	2021-22-	10.00	I	ı		•	10.00	2
			Amasebylu			15.00	I	•	•	•	15.00	

			Appendix – 8 Contd.	8 Contd.						
			Van of		G	<b>Grants under</b>			Totol anont	Number of
H	Taluk Name	Temple Name & Address	grant of	<b>General</b> scheme	Common pool fund	<b>Aardhana</b> scheme	SCP	TSP	allotted	instances
1	كمادماه	Shri Kambigaradevarasanidhya Shri	2019-20	ı	-	1.06	1.69		2.75	3
	Narkala	Babbuswamy temple	2021-22		I	I	1.32		1.32	
	Karkala	Shri Bramharshimugerara temple, PadyaNakre, Kukkanduru	2019-20	5.00	I	I	1.69	ı	6.69	2
	Karkala	Shri Ambabhavani temple, Durgagrama	2021-22, 2017-18	I	I	I	1.65	1.00	2.65	2
	Virajpet	Sri. Maariyamma temple, Shivakeri	2017-18, 2016-17	4.00	ı	ı	10.00	ı	14.00	3
			2018-19	I	I	I	10.00		10.00	
	Somavarpet	Sri Chowdeshwari temple, Doddabetageri	2020-21, 2017-18	3.00	I	I	I	5.00	8.00	2
	Madikeri	Sri. Kodandarama temple, Mallikarjunanagar	2014-15, 2019-20	5.50	I	I	5.00	ı	10.50	2
			2019-20	ı	I	1.70	0.80		2.50	5
	Moodigere	Jattigeshwara temple, B Hosahalli, Banakal Hobli	2021-22, 2020-21	I	I	1.60	2.00	ı	3.60	
_			2021-22	I	ı	ı	1.28	ı	1.28	
	Moodigere	Shri Chamundeshwari Babbuswamy, Gangana Kodige, Kasba Hobli.	2020-21, 2019-20	I	I	1.65	2.00	ı	3.65	2
	Moodigere	Shri Sathyasaaramani temple, Thotaduru, Kagganale	2020-21	I	I	1.65	2.64	ı	4.29	2
	Moodigere	Shri Chowdeshwari temple, Bettagere Horatti, Banakal Hobli.	2019-20, 2017-18	-	I	0.79	0.89	ı	1.68	2
	Shringeri	Shri Vaartha panjurli temple, Kesarukodige, Melukoppa grama	2019-20	I	I	0.75	ı	0.08	0.83	2
	Tarikere	Shri Antharagattamma temple, Medhihalli, Amruthapura Hobli.	2017-18	I	I	I	0.92	1.34	2.26	2
	Kaduru	Shri Guru Revanasiddeshwara mutt,	2017-18	4.00	5.00 2.00	I	1	I	9.00	3
	Kaduru	Shri Lakshmiranganathaswamy temle, Kaduru	2017-18	5.00	4.00				9.00	2
	Bangarpete	Shri Gangamma devalaya, Pichaguntalahalli	2020-21, 2018-19	ı	I	0.85	ı	1.11	1.96	2
		Shri Aadishakti keeramma, Appenahalli	2019-20, 2018-19	I	I	1.18	3.00	ı	4.18	2

Appendices

				Appendix – 8 Contd.	8 Contd.						
SI.	Distance			Vound		Gı	<b>Grants under</b>			Total amount	Manufactor of
No.	District Name	Taluk Name	Temple Name & Address	y car or grant	General scheme	Common pool fund	<b>Aardhana</b> scheme	SCP	TSP	ı otal grant allotted	Number of instances
67	Kolar	Mulabagilu	Shri Yallamma devaru, Urukuntevitooru viilage	2019-20		ı	1.75	1.07	0.25	3.07	3
68	Kolar		Shri Yallamma devaru, M. Kotturu	2019-20		ı	1.00	I	0.76	1.76	2
69	$V_{\alpha}l_{\alpha}$	C	Shri Shanimahathma temple, Arikunte	2017-18, 2019-20	15.00	I	I	5.00	I	20.00	4
	NUIAI	omnvasapura	grama, Punganur cross	2019-20	50.00	1	-	I	I	50.00	
				2021-22	50.00		-	ı	ı	50.00	
70	Kolar		Shri Venugopalaswamy, Byapalli	2021-22, 2018-19	3.00	ı	I	1.76	I	4.76	2
71	Kolar		Shri Venugopalaswamy, R. Thimmasandra	2021-22, 2018-19	3.00	ı	I	5.00	I	8.00	2
72	Kolar	Maluru	Shri Chowdeshwari temple, Thabihalli	2017-18	5.00	1	-	2.00	I	7.00	2
73	Kolar	KGF	Sri. Ganesha temple, Veerasandra	2021-22, 2019-20	2.00	ı	I	1.25	T	3.25	2
74	Kolar		Sri Venugopalaswamy Annagaara	2021-22, 2019-20	2.00	ı	I	0.30	-	2.30	2
75	Kolar		Sri Venugopalaswamy, Mallahalli	2021-22, 2019-20	2.00	ı	0.50	I	I.	2.50	2
76	Kolar		Sri Swayambhuvaneshwari, Madiwala	2021-22, 2020-21	2.00	ı	0.50	I	I	2.50	2
77	Tumkur	Shira	Shri Tulajabhavani devaru, Alapanahalli Thanda	2017-18, 2018-19	3.00	ı	I	1.88	I	4.88	2
78	Tumkur		Shri Shaneshwaraswamy temple, Chikkanakote	2017-18, 2019-20	1.50	ı	I	1.00	I	2.50	2
79	Tumkur	Chiknaayakana halli,	Shri Kencharaayaswamy devaru, Handanakere Hobli, Otikere village	2021-22, 2019-20		ı	I	0.44	0.25	0.69	2
			Total							513.33	

Appendices

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## *(Referred to in Paragraph 2.1.13.1)* List of Non-existent temples as per VA/RI reports where Tasdik is being paid

Remarks										Tasdik was being disbursed to institutions which neither existed nor any pooja activities were held. The joint inspection revealed plain barren land without any idols/gudis or anything which depicts symbols of worship. There were no priests who claimed		During the year 2015, the Additional Commissioner had instructed the Tahsildar, Mulbagilu that lands relating to the		amount was para manyrouany to each or these temples. A detailed list of the eligible and incligible temples was corresponded to the Tahsildar, Mulbagilu for further course correction in the grant of tasdik.							
Amount (in₹)	3,88,379	3,33,764	5,20,501	64,000	46,000	3,97,928	95,754	48,000	2,40,000	4,84,849	5,10,983	2,64,000	48,000	2,64,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
A/c No./ Period	10144	10043	10055	10063	10087	10017	10020			620190013121	NA	2015-16 to 2020-21	2021-22	2015-16 to 2020-21	2021-22	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21
Village Name	Kurihalli	Doddasaaggre	Kurihalli	Sorenahalli	Bychapura	Kodlahalli	Kambadahalli	NA	Ingli	Badagabylu	temple, Hiluvally a and pura.	Reddihalli	Reddihalli	Sheshapura	Sheshapura	Kaarkalabettu	Kukkehalli	Bommarabettu	Koragrapadi	Mudanibur	Mudanibur
Name of the temple	Koratagere Shri Venktaramana swamy temple	Shri Gowramma devaru	Shri Kerekodiyamma devaru	Shri Venktaramana swamy temple	Koratagere Shri Anjaneyaswamy temple	Koratagere Shri Sathyadarma Mutta	Koratagere Shrii Shrinivasaswamy	No details of institution, Chikkodi	Basaveshwara Temple, Ingli, Chikkodi	Ranganathaswamy temple, Badagabylu,Badagabylu NR Pura,	Kotte Veeranjaneya Swamy temple, Tudipette, Iluvally, N.R.Pura and Hanumantha Devaru, Iluvally, NR pura.	Chowdeshari Temple, Reddihalli, Reddihalli Mulbagilu	Chowdeshari Temple, Reddihalli, Reddihalli Mulbagilu	wari Temple, Sheshapura	Chowdeshwari Temple, Sheshapura	Sri. Kojakoli Ramachandra Devaru, Kaarkalabettu Kaarkalabettu	HebbaraMutta Janardhana devaru	Gopala Krishna devaru	Savira Mahalinga devaru	Hariyappan Vishnumurthy devaru	Kunjaru Durga devi
Taluk	Koratagere	Koratagere	Koratagere	Koratagere	Koratagere	Koratagere	Koratagere	Chikkodi	Chikkodi	NR Pura	NR Pura	Mulbagilu	Mulbagilu	Mulbagilu	Mulbagilu	Udupi	Udupi	Udupi	Udupi	Udupi	Udupi
District	Tumkur							Belgaum		Chickmagalur		Kolar				Udupi					
SI. No.	1	2	ю	4	5	9	7	8	6	10	11	12	13	14	15	16	17	18	19	20	21

Appendices

	Remarks											
	Amount (in ₹)	48,000	48,000	48,000	48,000		48,000	48,000	48,000	48,000	48,000	44,74,158
- 9 Contd.	illage Name A/c No/ Period	2020-21	2020-21	2020-21	2020-21		2020-21	2020-21	2020-21	2020-21	2020-21	
Appendix – 9 Contd.	Village Name	Mudanibur	Kodavur	Kodavur	Kodavur		Kodavur	Kodavur	Kodavur	Shivalli	Shivalli	
	Name of the temple	Mahanthi Mutt	Thenkanidiyur ThenkaMutt	Abbaga dara bhootha	Thenkanidiyur ThenkaMutt Kodavur	Gopalakrishna devaru	Durga devi	Venkata ramana devaru	Melpeti Lakshmi narayana devaru	Shakti Vishnumurthi devaru	Arlithya Vishnumurthi devaru	Total
	Taluk	Udupi	Udupi	Udupi	Udupi		Udupi	Udupi	Udupi	Udupi	Udupi	
	Sl. No. District											
	SI. No.	22	23	24	25		26	27	28	29	30	

Appendix – 10
(Referred to in Paragraph 2.1.13.1)
Statement of Double payments made to the beneficiaries

Sl.	District	Taluk	Institution/Taluk & year		Year	Amount
51. No.	District	Taluk	Institution/Taluk & year	Account Number/	rear	Amount (in ₹.)
110.				Recipients ID		(III (.))
1	Belagavi	Khanapur	Kollamma Devasthan	NA	2020-21	48,000
			committee, Olimani, Khanapur			
2		Khanapur	Sateri Devasthan committee, Teregoli, Khanapura	NA	2020-21	48,000
3		Khanapur	Brahmani devasthan, Khanapura	NA	2020-21	48,000
4	Chickmagalur	Chickmagalur	Kodanadaramaswamy temple,	13286014921	2019-20	48,000
5		Chickmagalur	Someshwara temple	9002010162141	2019-20	48,000
6		Chickmagalur	Veerabadradevaru	9002010112953	2019-20	48,000
7		Chickmagalur	Thirumala deveru, Kuruvangi	9002010110964	2019-20	48,000
8		Chickmagalur	Thirumala deveru, Mathikere	9002010111426	2019-20	48,000
9		Chickmagalur	Thirumala devaru	9002010112491	2019-20	48,000
10		Chickmagalur	Thirumala devaru	9002010111498	2019-20	48,000
11		Chickmagalur	Suggi devaru, Aralaguppe	9002010110887	2019-20	48,000
12		Chickmagalur	Thirumala malleshwara Hanumantha	9002010110293	2019-20	48,000
13		Chickmagalur	Uddandaraya devaru, Kunduru	9002010110481	2019-20	48,000
14		Chickmagalur	Uddandaraya devaru, Avathi	333104000528337	2019-20	48,000
15		Chickmagalur	Veerabadradevaru, Vaaranduru	9002010110684	2019-20	48,000
16		Chickmagalur	Hechina Bhoota devaru	333104000526166	2019-20	48,000
17		Chickmagalur	Rameshwara devaru	9002010111199	2019-20	48,000
18		Chickmagalur	Anjaneya devaru	9002010111966	2020-21	24,000
19	Udupi	Kundapura	Gopalakrishna Chitteri	2503153341	2020-21	48,000
20		Kundapura	Shankaranarayana Temple	2501757093	2020-21	12,000
21		Kundapura	Jambukaleshwara temple, Basrur	2501766362	2019-20	12,000
22	Tumkur	Korategere	Sri Venkataramanaswamy, Honnnaranahalli	10022	2019-20	30,000
23		Korategere	Sri Anjaneya swamy, Yelachigere	10040	2019-20	30,000
24		Korategere	Ranganathaswamy hanumantha devaru, Kurihali	10110	2019-20	30,000
25		Korategere	Kambada Narasimhamurthy, Thimmasandra	10120	2019-20	30,000
26		Korategere	Laxmi venkataramanswamy, Veerapura	10031	2019-20	30,000
		Total				10,62,000

		Statement of payment of M	Iultiple Ta	asdik to individual Archaka	S
Sl. No	District/ Taluk	Archaka	No of priests	No. of temples where tasdik is being granted to the archaka	Amount of Tasdik involved @ ₹ 48000/- per year (₹ In lakh)
1	Bangalore	R. Raghavayya	1	3	1.44
2	Urban /	M.S Nagabhooshana Deekshith	1	3	1.44
3	Bangalore	C. Hari Kumar	1	3	1.44
4	South	Krishna moorthi	1	4	1.92
5		G. Prabhakar Deekshit	1	3	1.44
		Sub-total:	5	16	7.68
6	Kolar	Suryanarayana Dikshit	1	20	9.60
7	/Mulbagilu	K.S.Prasad	1	16	7.68
8		Ramanjaya	1	7	3.36
9		J.Manjunath	1	6	2.88
10		Sudarshan Dikshit	1	9	4.32
11		Venkatalachapati	1	6	2.88
12		Anantachar	1	6	2.88
13		S.Subramanya	1	5	2.40
14		Ramchandrachar	1	6	2.88
15		S.Krishnamurthi	1	5	2.40
		Sub-total	10	86	41.28
16	Kolar /	R.Mohan	1	11	5.28
17	Srinivaspura	D.S.Ramanujachar	1	6	2.88
18	*	S.K.Venkataramanaswamy	1	5	2.40
19		V.Subramanya, V.R.Lakshminarayanachar, S.Manohar, Venkatamurty, P.Barmaniachar (4, a ach)	5	20	9.60
		R.Ramanujachar (4 each) Sub-total	8	42	20.16
20	Kolar/	Sub-total S.Vinod Dikshit	<b>8</b>	<b>4</b> 2 8	3.84
20			1	6	2.88
21	Bangarpet & KGF	S.Narayanamurthy Lokesh	1	6	2.88
22	a Kor	B.S.Ramchand, T.R.Tirumalachar (05 each)	2	10	4.80
24		Janardhan Babu, B.V.Jayakashi & V.Sharanagurukul (04 each)	3	16	7.68
		Sub-total	8	46	22.08
	Kolar /Kolar	Nagraj Dikshit & Manjunath J (06 each)	2	12	5.76
26		T.S.Kadripathi	1	5	2.40
27		Srinivasayya, Suryanarayana Dikshit, Srinivas & Venkatesh Dikshit (04 each)	4	16	7.68
		Sub-total	7	33	15.84
28	Kolar	Krishnamurthi	1	4	1.92
29		T.V.Ramesh	1	4	1.92
		Sub-total	2	8	3.84
		Grand Total (40 archakas)	40	231	110.88

## Appendix – 11 (Referred to in Paragraph 2.1.13.2) Statement of payment of Multiple Tasdik to individual Archakas

Sl.	District	Temple	Account	Doubtful	Remarks
No.	District	rempie	Number	transactions	Kemarks
1.00			i (unito ei	(in ₹)	
1	Chickmagalur	Hemagiri Mallikarjuna Swamy, Kadur Taluk	107010002053	5,74,500	Three different payments Ravi Kumar- ₹99,500, Hemagiri Mallika- ₹3,50,000, ₹1,25,000 Actual priest Rudrappa).
2		Gowramma devaru, Kadur Taluk	107010001649	60,000	Transferred to IDFC Bank instead of priest Manjunath Bhovi.
3		Anjaneyaswamy, Kadur Taluk	107010003945	-	Three different transactions were initiated to transfer ₹ 1,50,000 from the account to an IDFC bank. However, all the transactions were failed.
4		Ganapathi devaru, Kadur Taluk	107010001614	1,75,000	₹ 1,75,000 to IDFC Bank instead of priest Umapathi KM.
5		Vinayaka Devaru, Kadur Taluk	107010010530	-	Three different transactions were initiated to transfer ₹ 3,50,000 from the account to an IDFC bank. However, all the transactions failed.
6		Gopalakrishna devaru, Kadur Taluk	107010011793	2,75,000	₹ 2,75,000 to IDFC Bank instead of priest Sheshadri.
7		Shambulinga devaru, Kadur Taluk	107010001439	2,25,000	₹ 2,25,000 to IDFC Bank instead of priest LV Revanasiddaiah.
8		Beeradevaru, Kadur Taluk	107010011851	4,00,000	₹ 4,00,000 to another account instead of priest Shambegowda.
9	Hassan	Laxmi devaru, Channarayapatna	54017137935	20,000	Doubtful debit of ₹ 20,000 on 18th June 2020.
10		Someshwara devaru, Channarayapatna	54017139807	40,000	₹ 48,000/- for the year 2021-22. There are a total of 9 archakas. However, one of the accounts is stated to be closed. However, fund is being ransferred regularly and is recredited back after every payment citing closure of account (@ ₹ 2,000 x 4 instalments x 5 years).
11		Maramma Devaru, Channarayapatna	54017138768	12,000	excess payment during April 2021.
12	Koppal	Kalameshwara Temple, Hiresindagi village, Basawaraj Nagar, Alavandi Hobli, Koppal Taluk	NA	48,000	The RT\VA report submitted for documentation was empty. Other than the name of the temple, no details of the Bank account number, priests, etc were available and the signature of the RT\VA was affixed in the report. Tasdik for the entire year was paid based on this report- 2018-19.
13	Belagavi	Tahsildar Account, Chikkodi	NA	12,000	Amount was paid to the Tahsildars account. No other details were forthcoming.
14		Kalmeshwara temple, Shedegalli, Khanapura	NA	2,40,000	VA report (September 2021) had stated that the beneficiary was not interested in the tasdik amount and hence the grant may be surrendered back to the Government. The report in the middle of the year, to not grant the amount indicates that the title/documentation for the beneficiary was not clear for the past years too. Hence, the ineligible amount has been worked out (a) $\gtrless$ 48,000/- per year from 2017-18 to 2021-22.

Appendix – 12 (Referred to in Paragraph 2.1.13.3) Statement of Doubtful/fictitious transactions of Tasdik

Sl.	District	Temple	<i>Appendix – 12</i> Account Number	Doubtful	Remarks
No.	District	rempie	Account Number	transactions	Kemai Ks
1.00				(in ₹)	
15		Kanderaya temple, Nerese, Khanapura	NA	2,40,000	VA report (September 2021) had stated that the beneficiary was not interested in the tasdik amount and hence the grant may be surrendered back to the Government. The report in the middle of the year, to not grant the amount indicates that the title/documentation for the beneficiary was not clear for the past years too. Hence, the ineligible amount has been worked out @ Rs.48,000/- per year from 2017-18 to 2021-22.
16		Brahma Devesthan, Naiglaj hobli, Khanapur	Account No. as per VA- 110510100009928 BOI IFSC code- BKID0001105. As per Taluk records- 110510100010727- BOI IFSC code- BKID0001105	2,40,000	Same bank two account numbers for the same individual. Priest- Shivagouda Khot.
17		a) Mallikarjun Devasthan, Naiglaj hobli, Khanapur	As per VA- 110510100009928 BOI IFSC code- BKID0001105	-	The temple (a) listed as ineligible. Priest-Srikant khot.
18		b) Brahma Devasthan, Naiglaj hobli, Khanapur	Account as per VA- 110510100009928 BOI IFSC code- BKID0001105	2,40,000	Though both the priests are different, the account number, IFSC code are identical. Priest- Shivgouda khot.
19		Ambabai temple, Ingli, Khanapur	account numbers 89094844455 & 1716354481 (2/2018)	2,40,000	However, ₹ 36,000 and ₹ 48,000 was paid to the same temple in account numbers 89094844455 & 1716354481 (2/2018) respectively.
20	Udupi	Kundapura		2,40,000	Each of these recipient 'Recipient
21		-do-	Receipient ID_2503152691- & Receipient ID_2503153341	2,40,000	ID_2503152691 & Recipient ID 2503153341' represented a minimum of two separate institutions where tasdik payments were being disbursed. Hence, the amount has been tabulated @ $\neq$ 48,000 × 5 years each.
22	Tumakuru	Anjaneya swamy temple, Madhugiri	NA	48,000	As per the self declaration furnished and the list of priests approved by the Taluk office, the priest's name is Darnesh. The priest is stated to be doing the pooja from 2016-17 However, the amount was transferred to one Mr. Nanjunda N having an account number – 4612500100994501.
				35,69,500	

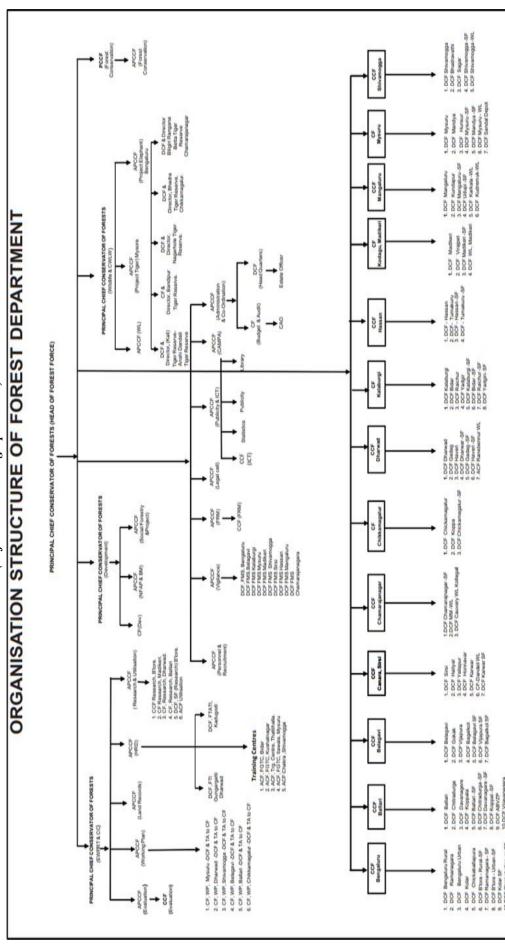
Appendix – 12	Contd.

## Appendix – 13 (Referred to in Paragraph 2.1.14.6) Statement of Excess Grants released from Common Pool Fund

					(₹ in lakh)
Sl. No.	Year	Name of the Temple	Date of release	Sanctioned Amount	Excess sanction as per the guidelines
1		Shri. Anjaneyaswami Temple, KR Nagara, Mysore	31.05.2021	6.00	1.00
2		Shri. Basaveshwara Temple, Gudaganahalli, Mysore	51.05.2021	6.00	1.00
3	2021-22	Shri. Rameshwara Temple, Arakalagudu, Hassan	27.01.2022	70.00	65.00
4		Shri. Venkataramana Swamy Temple, Hirekattigenahalli, Chikkaballapura	11.02.2022	7.06	2.06
5	2020-21	Shri.Anjaneyaswamy Temple, Katnakallu village, Nagagere Hobli, Gowribidanuru Taluku, Chikkaballapura district	15.06.2020	10.00	5.00
6		Shri Kalnadeshwara Temple, Kalladi, Gowribidanur Taluku, Chickballapura District	03.02.2020	18.00	13.00
7		Shri. Anjaneyaswamy Temple, Jagareddipalya, Gowribidanuru, Chikkaballapura District	03.02.2020	10.00	5.00
8		Shri.Eshwara Temple, G.Bommasandra, Gowribidanuru, Chickballapura	03.02.2020	15.00	10.00
9		Shri.Channasomeshwara Temples, Alakapura, Gowribidanuru, Chickballapura	03.02.2020	25.00	20.00
10		Shri. Mahalingeshwara Devalaya, Mataradalli, Kundapura taluku, Beluru devastana Betta, Udupi	28.02.2020	25.00	20.00
11	2019-20	Shri. Kukkenada Balasubrahmanya temple, Charmaka-Kumbladi village, Kadaba taluk Dakshina Kannada district	28.02.2020	10.00	5.00
12		Shri. Channakeshava Devalaya, CH Patna, Hassan	04.02.2020	10.00	5.00
13		Shri.Veerabhadreshwara Temple, Horanadu village, Yellapura, Uttara Kannada	28.02.2020	10.00	5.00
14		Shri. Rushya shringeshwara swamy temple, shringeri taluk, Chikkamagaluru	28.02.2020	10.00	5.00
15		Shri.Siddrameshwara temple, Tarikere taluk, Chikkamagaluru	28.02.2020	10.00	5.00
16		Kummadi Balasubramanya temple, Chavarku village, Chikkamagaluru	28.02.2020	10.00	5.00
		Total		252.06	172.06







## Appendix-15

## (Referred to in Paragraph 2.2.2)

## (Grant of Forest lands by Revenue Authorities)

SI. No.	Name of the Division	Total area as per notification (RF/VF/PF)	Area Mutated (in Ha.)	Balance Area to be Mutated (in Ha.)	Percentage of area to be mutated	Extent of Forest land Granted by Revenue Department (in Ha.)	Extent of Forest land Granted by Revenue Department during 2017-22 (in Ha.)
1	DCF (Bhadra Tiger Reserve), Chikkamagaluru	50,359.16	42,861.04	7,498.12	14.89	66.43	27.23
2	DCF, MM Hills, Kollegal	94,946.81	0	94,946.81	100.00	0	liN
3	DCF & Director, RGNP, Hunsur	84,798.16	83,419.45	1,378.71	1.63		liN
4	DCF(T), Ballari	1,19,226.34	1,03,320.66	15,905.68	13.34	273.04	
5	DCF(T), Chikkaballapura	48,788.07	43,360.07	5,428.00	11.13	148.50	8.71
9	DCF(T), Chikkamagaluru	30,387.14	27,040.26	3,346.88	11.01	704.30	8.25
7	DCF(T), Davanagere	48,857.75	36,840.46	12,017.29	24.60	872.19	116.67
8	DCF(T), Koppa	47,205.45	37,806.21	9,399.24	19.91	366.63	12.14
6	DCF(T), Mandya	53,394.76	29,770.00	23,624.76	44.25	33.13	
10	DCF(T), Tumakuru	88,146.28	65,719.64	22,426.64	25.44	1311.59	9.50
11	DCF(T), Yellapura	1,68,986.66	1,67,312.21	1,674.45	0.99	243.71	1
	Total	8,35,096.58	6,37,450.00	1,97,646.58	23.67	4019.52	182.50

Appendices

## Appendix-16

## (Referred to in Paragraph 2.2.3.1)

## (Omission to confiscate vehicles used in attempts to encroach forest lands)

SI No	SI No Range & FOC No.	Offences noticed	Vehicle Details	Material	Compounding
				confiscated	fee (₹)
DCF Cł	DCF Chikkamagaluru				
1.	Chikkamagaluru	JCB was used to clear 18 Eucalyptus trees in	JCB - KA-18-Z-5266	Neelgiri firewood-	20000
	17/21-22	forest land and 4 cum firewood was being		4 cum	
		transported			
2.	Chikkamagaluru	JCB was used to destroy Rain trees on Govt.	JCB - KA-18-Z-2952	Firewood- 0.8 cum	10000
	7/21-22	land			
DCF Tu	DCF Tumkuru,				
3.	Gubbi	Clearing of forest land (1.6 acre) using JCB	JCB		15000
	11/18-19		KA-06-P-8263		
4.	Tumkur	Clearing of forest land (1 acre) using Tractor	Tractor Chassis No.		26000
	14/2021-22		924814190271		
DCF CI	DCF Chikkaballapura				
5.	Chikkaballapura	Encroachment & uprooting of Balvar &	JCB (KA-40-M-7168	300 Kg firewood	2000
	11/18-19	Beva trees using JCB			
6.	Sitlaghatta	Encroachment and destroying 120	JCB (KA-40-M-7639)	120 Eucalyptus	20000
	16/20-21	Eucalyptus plants using JCB		plants	
7.	Sitlaghatta 15/20-21	Encroachment and cutting of cashew trees	Tractor (KA-40-3027)	cashew trees	10000

## Appendix-17

## (Referred to in Paragraph 2.2.4)

(Details of pending FOCs in selected Divisions)

Divisions	Total no of pending FOC	No. of pending FOC for want of Enquiry report	No of pending FOC for want of postmortem report	No of pending FOC for want of want of charge sheet	No of pending FOC at Court level	No of pending FOC for other reasons
Bhadra Tiger Reserve	140	13	I	21	<i>L</i> 9	39
MM Hills	1,208	686	-	195	327	0
Chikkamagaluru	2,373	1,272	I	242	413	446
Davanagere	644	425	2	232	43	239
FMS Mysuru	92	13	-	41	38	0
Mandya	1,110	532	12	139	64	363
FMS Chikkamagaluru	10	5	I	1	7	0
Tumakuru	853	466	1	35	133	219
Yellapura	514	147	I	35	62	270
Rajeev Gandhi National Park	*678	484	8	6L	197	119
Bellary	1301	419	1	10	134	738
Chikkaballapura	1773	972	2	-	-	799
Koppa	6795	4084	65	109	308	2229
	17,992	9,518	84	1139	1,790	5,461

Appendix-18

(Referred to in Paragraph 2.2.5.1)

(Application for regularisation of encroachment of forest lands rejected by the Competent Authorities)

		Reject	Rejected by DC	Evic	Eviction	Pendi	Pending eviction
SI. No.	Name of the Division	No. of families	Extent in Ha.	No. of families	Extent in Ha.	No. of families (6+8-10)	Extent in Ha. (7+9-11)
	1.	2.	З.	4.	5.	6.	۲.
1.	DCF, MM Hills, Kollegal	3	9.32	0	0	3	9.32
2.		179	107.55	0	0	179	107.55
3.	DCF(T), Chikkamagaluru	244	316.76	5	7.09	239	309.67
4.	DCF(T), Davanagere	17	27.50	0	0	17	27.5
5.	5. DCF(T), Koppa	297	292.75	28	21.73	269	271.02
6.	6. DCF(T), Tumakuru	286	158.16	201	94.83	85	63.33
7.	7. DCF(T), Yellapura	525	399.72	0	0	525	399.72
	Total	1551	1,311.76	234	123.65	1317	1188.11

Appendices

## Appendix-19

## (Referred to in Paragraph 2.2.5.2)

# (Failure to evict encroachers as per Action Plan filed before Hon'ble High Court of Karnataka)

J		Encr	Encroachment	Ē	Eviction	Pendi	Pending Eviction	Percentage of
No.	Division	No. of	Extent in	No. of	<b>Extent in</b>	No. of	Extent in	pendency in
		cases	acres	cases	acres	cases	acres	Eviction
1	Bhadra TR	11	82.28	5	49.03	9	33.25	54.55
2	MM Hills, Kollegala	15	61.45	3	11.25	12	50.20	80.00
3	3 Ballari	6	35.73	0	0.00	6	35.73	100.00
4	Chikkaballapura	181	599.24	174	568.19	L	31.05	3.87
5	Chikkamagaluru	598	6,235.06	157	1703.85	441	4531.21	73.75
9	6 Davanagere	34	159.13	2	8.10	32	151.03	94.12
7	Koppa	1,757	14,182.99	210	4791.95	1547	9391.04	88.05
8	8 Mandya	348	1,881.35	45	231.96	303	1649.39	87.07
6	9 Tumakuru	271	998.18	0	0.00	271	998.18	100.00
10	10 Yellapura	802	5,453.27	48	151.20	754	5302.07	94.01
	Total	4,026	29,688.68	644	7,515.53	3,382	22,173.15	84.00

	Excess expenditure excluding recoverable GST amount included in the estimate (12-13)	14		480873	511936	508297	478380	448233	2427719																	
	GST included in the estimate at 12% -₹ 4,233 per MT recoverable	13				569380	565656	567561	573487	562185	2838269															
7	Extra expenditure (In ₹)	12		1050254	1077592	1075858	1051867	1010418	5265989																	
Excess expenditure and extra payment to contractors due to erroneous estimates	Extra cost per MT	11		7808	8064	8024	7764	7608																		
ors due to en	Cost per MT considering Railway rates (In ₹)	10		31692	31692	31692	31692	31692																		
contracto	Amount actually paid per MT (In ₹)	6	sion	39,500	39,756	39,716	39,456	39,300																		
(Actention to in Fundential Contractor	Quantity of used rails supplied in MT	8	Hassan Divi	Hassan Division	134.51	133.63	134.08	135.48	132.81	670.51																
extra pay	Tender premium (Percen- tage)	7									(-)1.25%	(-)0.61%	(-)0.71%	(-)1.36%	(-)1.75%											
iture and	Cost per MT of Rails adopted in Estimates (In ₹)	9																-	-		40,000	40,000	40,000	40,000	40,000	
expend	Length (Km)	S																								
Excess	Estimated cost (₹ in lakh)	4			98.00	98.50	99.00	99.50	97.50																	
	Work location of construction of Railway barricade (Name of the contractor)	3		Nagavara Ramegowdara jameenu to Nagavara Kanive (M N Chandrashekar)	Doddabetta Ane dari moole to Doddabetta Doddakallu (M N Chandrashekar)	Manipurada Gandadakadu jaga to Purabyrenahally Kittappana jameenu (M N Chandrashekar)	Pura Byranahalli Rangegowdara jameenu to Pura Byranahali Lakshammana Jameenu (M N Chandrashekar)	Pura Byravanahalli village border to Bharathuru Grama Dharmarajuravara Jameenu (M N Chandrashekar)	Division Total																	
	SO No	2		1/2019- 20	2/2019- 20	3/2019- 20	4/2019- 20	5/2019- 20																		
	SI No	1		1	2	3	4	S																		

Appendix-20 (Referred to in Paragraph 2.3)

Excess expenditure excluding recoverable GST amount included in the estimate (12-13)	14		1262636	1394940	1483269	1259738	1608491	1543060	804634	9356768
			1							
GST included in the estimate at 12% -₹ 4,233 per MT recoverable	13									
Extra expenditure (In ₹)	12		1262636	1394940	1483269	1259738	1608491	1543060	804634	9356768
Extra cost per MT	11		5454	5517	4773	4773	5334	5540	5540	
Cost per MT considering Railway rates (In ₹)	10	sion	31692	31692	31692	31692	31692	31692	31692	
Amount actually paid (In ₹)	9	I Hills Divi	37146	37209	36465	36465	37026	37232	37232	
Quantity of used rails supplied in MT	8	Malai Mahadeshwara Hills Division	231.52	249.15	270.36	263.93	288.72	275.48	143.65	1722.81
Tender premium (Percen- tage)	7	Malai Ma	(-)0.68%	(-)0.51%	(-)2.5%	(-)2.5%	(-)1.00%	(-)0.45%	(-)0.45%	
Cost per MT of Rails adopted in Estimates (In ₹)	6		37,400	37,400	37,400	37,400	37,400	37,400	37,400	
Length (Km)	S		1.725	1.504	1.56	1.521	1.69	1.543	1.621	
Estimated cost (₹ in lakh)	4		188.00	164.50	179.00	177.00	177.00	187.50	181.50	
Work location of construction of Railway barricade (Name of the contractor)	3		Kambiguda Halla to Ardhanaripura of PG palya Wildlife range (M Ramachandra)	Shivaraju Land to Ellemala nursery of Hanur buffer range (1.504 Km) (M N Chandrashekar)	Doddagundi to Muniyappa Bayalu of Ramapura Wildlife Range (K Kalappa)	Muniyappa Bayalu to Huligudda of Ramapura Wildlife Range (K Kalappa)	Amethalegudda AP Camp to K S Doddi D line of Hoogyam Wildlife range (M Ramakrishna)	K S Doddi D Line to Sambekove D line of Hoogyam Wildlife Range 1.543 Kms (M Ramakrishna)	Gonimara to 3 Acre of MM Hills Wildlife Range (M Ramakrishna)	Division Total
SO No	2		22/2019 -20	25/2019 -20	26/2019 -20	27/2019 -20	28/2019 -20	29/2019 -20	30/2019 -20	
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s ure ng ble (t in ate			683	161	110	120	677	327
Excess expenditure excluding recoverable GST amount included in the estimate (12-13)	14		763683	740161	741110	714120	763677	659327
GST included in the estimate at 12% -₹ 4,233 per MT recoverable	13							
Extra expenditure (In ₹)	12		763683	740161	741110	714120	763677	659327
Extra cost per MT	11		2120	2120	2127	2120	2120	2127
Cost per MT considering Railway rates (In ₹)	10		31692	31692	31692	31692	31692	31692
Amount actually paid (In ₹)	6	Division	33812	33812	33820	33812	33812	33820
Quantity of used rails supplied in MT	8	Cauvery Wildlife Division	360.228	349.1326	348,43	336.849	360.225	309.98
Tender premium (Percen- tage)	7	Cau	(-)4.42%	(-)4.42%	(-)4.4%	(-)4.42%	(-)4.42%	(-)4.4%
Cost per MT of Rails adopted in Estimates (In ₹)	6		35,376	35,376	35,376	35,376	35,376	35,376
Length (Km)	5		2.00	2.00	2.00	2.00	2.00	2.00
Estimated cost (₹ in lakh)	4		240.00	240.00	240.00	240.00	240.00	240.00
Work location of construction of Railway barricade (Name of the contractor)	3		Dakshinagudde to Metrekal Kere (Ch 0.4 to 2.4 Km)(Sumcon Infrastructure)	Metrekal kere to Siddammana kallu (Ch 2.4 to 5.24 Km) (Sumcon Infrastructure)	Siddammanakalluod du to Neelagirithopuhalla (Ch 05.24 to 07.24 Km) (Sumcon Infrastructure)	Neelagirithopuhalla to Kappanayakanamool e (Ch 07.24 to 12.09 Km) (Sumcon Infrastructure)	Kagehalla to Bhoohalli APC (Ch 12.09 to 14.09 Km) (Sumcon Infrastructure)	Kanive Temple to Alkuli APC(Ch 0 to 2.4 Km) (Sumcon Infrastructure)
SO No	2		31/2019 -20	32/2019 -20	33/2019 -20	34/2019 -20	35/2019 -20	36/2019 -20
S.	1		1	2	σ	4	S	9

Excess expenditure excluding recoverable GST amount included in the estimate (12-13)	14	752333	376113		798160	761850	7070534	1,88,55,022
GST included in the estimate at 12% -₹ 4,233 per MT recoverable	13			1040882	0	1393051	2433933	52,72,202
Extra expenditure (In ₹)	12	752333	376113	1610134	228908	2154901	9504467	2,41,27,224
Extra cost per MT	11	2127	2127	245.897X6548	107.62X2127	6548		
Cost per MT considering Railway rates (In ₹)	10	31692	31692		31692	31692		
Amount actually paid (In ₹)	6	33820	33820	38240	33,820	38240		
Quantity of used rails supplied in MT	8	353.706	176.828		353.247	329.093	3277.7186	5671.039
Tender premium (Percen- tage)	7	(-)4.4%	(-)4.4%		(-)4.4%	(-)4.4%		
Cost per MT of Rails adopted in Estimates (In ₹)	9	35,376	35,376	40.000	35,376	40,000		
Length (Km)	S	2.00	1.00		2.00	2.00		
Estimated cost (₹ in lakh)	4	240.00	116.00		238.50	238.95		
Sl     SO No     Work location of construction of Railway barricade     Estimated (Km)     Length MT of Rails     Cost per pr Rails     T       No     Work location of construction of (Name of the contractor)     Estimated     Length (Km)     Cost per min     T	3	Alkuli APC to Alkuli Kere (Ch 2 to 4) (Sumcon Infrastructure)	Alkuli Kere to Seegevade (Ch 4 to 5 Km) (Sumcon Infrastructure)	Harihara Checkpost Kempayyanadoddi bore	(Ch 0 to 2 Km) (Sumcon Infrastructure)	Kempayyanadoddi bore to Nandipura bore (Ch 2 to 4 Km) (Sumcon Infrastructure)	Division Total	Grand total
SO No	2	37/2019 -20	38/2019 -20	39/2019	-20	40/2019 -20		
SI No	1	7	8		6	10		

Compliance Audit Report for the year ended March 2022

	NON	levy of koyalty	Non levy of Royalty & Annual Periodic Payment (201/-18 to 2021-22)	Fayment (2017-18	(77-1707 01		
Name of the	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	Total (₹)
District Office							
Koppal	Total No of Leases		8	8	8	∞	
	No. of Leases with shortfall		8	∞	∞	9	
	Royalty (₹)		32,30,700	41,01,330	50,44,218	44,40,000	1,68,16,248
	APP (₹)		5,46,20,850	6,54,66,958	7,93,05,984	5,36,79,600	25,30,73,392
Haveri	Total No of Leases		15	15	15	15	
	No of Leases with shortfall		14	13	13	13	
	Royalty (₹)		1,50,45,240	1,32,58,146	1,76,77,520	1,88,40,720	6,48,21,626
	APP (₹)		18,09,84,475	16,58,55,197	22,11,40,158	26,58,65,198	83,38,45,027
Udupi	Total No of Leases			2	2	2	
	No of Leases with shortfall			1	2	1	
	Royalty (₹)				10,49,190	3,08,670	13,57,860
	APP (₹)				22,89,852	6,54,518	29,44,370
Mangalore	Total No of Leases			14	14	14	
	No of Leases with shortfall			7	6	13	
	Royalty (₹)			6,94,650	54,25,160	62,24,080	1,23,43,890
	APP (₹)			19,80,182	1,02,25,902	1,50,97,621	2,73,03,705
Chitradurga	Total No of Leases	15	21	21	21	21	
	No of Leases with shortfall	1	19	20	20	21	
	Royalty (₹)	3,90,660	1,92,41,078	2,41,95,074	3,73,18,210	4,51,48,984	12,62,94,005
	APP (₹)	39,58,688	18,96,15,365	23,12,93,681	37,24,12,406	42,26,10,821	1,21,98,90,961
Gadag	Total No of Leases		37	38	38	38	
	No of Leases with shortfall		26	29	36	32	
	Royalty (₹)		93,64,948	1,25,01,076	2,04,42,092	2,11,25,156	6,34,33,272

(*Referred to in Paragraph 2.4*) Non levy of Royalty & Annual Periodic Payment (2017-18 to 2021-22)

Appendix –21

Appendices

121

1,10,91,58,512

36,58,93,291

35,60,91,345

24,54,60,947

14,17,12,929

APP (₹)

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Name of the District Office		2017-18	2018-19	2019-20	2020-21	2021-22	Total
Kodagu	Total No of Leases	17	17	17	17	17	
	No of Leases with shortfall	17	14	16	17	17	
	Royalty (₹)	4,15,275	12,85,080	14,02,980	23,40,960	23,11,120	77,55,415
	APP (₹)	47,65,804	1,53,58,151	1,61,10,241	2,64,56,405	2,66,44,399	8,93,35,000
Raichur	Total No of Leases	21	27	27	27	27	
	No of Leases with shortfall	6	24	21	20	24	
	Royalty (₹)	67,38,000	1,68,72,720	1,28,91,540	1,73,98,080	2,97,31,440	8,36,31,780
	APP (₹)	8,48,31,000	21,20,01,165	15,56,05,868	21,05,29,610	36,40,09,397	1,02,69,77,040
						Total	4,93,89,82,103
		Total Ro	Total Royalty (₹ in crore)	37.65			
		Total	Total APP (₹ in crore)	456.25			
			Total (₹ in crore)	493.90			

Appendix – 21 Contd.

## Appendix-22

## (Referred to in Paragraph 2.5)

## Statement showing revenue loss due to non-collection of CC renewal fees during 2011-21

	Year of issue of		where CC was not of March 2022	Revenue loss
S No	Clearance certificate	Residential	Non- Residential	(Amount in ₹)
1	Till 2011	272	132	4.33,15,000
2	2011	36	15	48,25,000
3	2012	52	15	60,75,000
4	2013	46	24	67,95,000
5	2014	76	31	93,35,000
6	2015	71	39	88,00,000
7	2016	89	32	95,70,000
8	2017	75	28	1,12,60,000
9	2018	85	30	73,00,000
10	2019	52	32	63,60,000
11	2020 (up to March 2020)	22	16	27,00,000
	Total	876	394	11,57,55,000

## Appendix-23

## (Referred to in Paragraph 2.7)

## Summarised details of the challans not traced in KTC -25

S. No.	Year	No. of Challans	Amount (₹)
1	2018-19	11	1290400
2	2019-20	77	7379945
3	2020-21	39	3268469
4	2021-22	113	7145453
5	2022-23	101	3636317
Τα	tal	341	2,27,20,584

## Individual Challans wise details not traced in KTC -25

		Period 2018-2019	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
1	CR061800700009052	15/06/2018 10:29	23,000
2	CR0818007000023388	28/08/2018 12:02	91,100
3	CR0918007000004175	06/09/2018 17:48	1,23,900
4	CR0918007000010718	18/09/2018 11:19	74,900
5	CR101800700002359	04/10/2018 11:46	1,13,300
6	CR1018007000009499	16/10/2018 10:17	2,20,500
7	CR1218007000001692	03/12/2018 18:36	1,31,100
8	CR0119007000005746	08/01/2019 18:07	1,80,000
9	CR0119007000020594	30/01/2019 12:05	1,15,300
10	CR0319007000022078	01/03/2019 18:00	62,300
11	CR0319007000296396	13/03/2019 18:05	1,55,000
	Total Amount		12,90,400

	Per	riod 2019-2020	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
1	CR0419007000741440	01/04/2019 18:28	1,18,920
2	CR0419007000804679	04/04/2019 17:55	68,700
3	CR0419007000866572	09/04/2019 17:46	33,500
4	CR0419007000910728	11/04/2019 17:54	39,800
5	CR0419007000928199	12/04/2019 19:13	39,300
б	CR0419007000969315	16/04/2019 17:43	7,800
7	CR0419003000969306	16/04/2019 17:41	305
8	CR0519007000177671	09/05/2019 17:31	28,000
9	CR0519003000198689	10/05/2019 17:24	168
10	CR0519007000198698	10/05/2019 17:25	13,400
11	CR0519007000244641	14/05/2019 11:30	1,41,200
12	CR0519007000516258	15/05/2019 17:47	37,300
13	CR0519007000558416	16/05/2019 17:32	61,500
14	CR0519007000914377	18/05/2019 10:42	34,400
15	CR0519007000926828	18/05/2019 17:58	17,500

	Per	iod 2019-2020	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
16	CR0519007000966375	20/05/2019 17:48	68,800
17	CR0519007003649374	24/05/2019 17:38	36,000
18	CR0519007007354983	29/05/2019 11:26	54,800
19	CR0619007001083422	04/06/2019 10:56	58,500
20	CR0619007001666512	11/06/2019 11:23	17,600
21	CR0619007001848275	12/06/2019 11:10	87,200
22	CR0619007002029672	13/06/2019 12:25	14,800
23	CR0619007002334220	14/06/2019 18:02	6,800
24	CR0619007002967883	19/06/2019 10:26	30,500
25	CR0619007003179172	20/06/2019 18:35	57,100
26	CR0619007004273311	27/06/2019 17:56	29,200
27	CR0719007000018657	01/07/2019 12:46	37,000
28	CR0719007000035730	01/07/2019 18:16	31,000
29	CR0719007000148329	03/07/2019 14:40	60,700
30	CR0719007000165978	04/07/2019 12:05	66,600
31	CR0719007000211840	06/07/2019 10:26	91,600
32	CR0719007000321960	11/07/2019 11:37	72,800
33	CR0719007000438022	15/07/2019 15:41	3,80,100
34	CR0719007000745913	23/07/2019 10:29	80,500
35	CR0719007000857604	26/07/2019 13:24	99,900
36	CR0719007000892493	29/07/2019 18:12	1,41,900
37	CR0819007000057422	03/08/2019 18:27	71,000
38	CR0819007000104077	06/08/2019 18:01	1,80,000
39	CR0819007000276362	14/08/2019 17:59	34,960
40	CR0819007000470622	21/08/2019 17:42	91,200
41	CR0819007000560247	26/08/2019 18:18	1,16,500
42	CR0819007000664351	29/08/2019 18:16	24,800
43	CR0819007000719070	31/08/2019 17:47	1,30,000
44	CR0919007000129331	07/09/2019 18:03	70,400
45	CR0919007000306241	17/09/2019 14:20	5,05,020
46	CR1119007000221655	14/11/2019 11:57	56,200
47	CR1119007000325515	19/11/2019 18:38	66,000
48	CR1119007000369691	21/11/2019 17:58	96,000
49	CR1119007000390685	22/11/2019 17:11	26,100
50	CR1119007000432186	26/11/2019 10:39	2,09,440
51	CR1219007000112990	06/12/2019 19:11	73,000
52	CR1219007000170352	10/12/2019 11:41	73,000
53	CR1219007000233618	12/12/2019 17:41	1,56,000
54	CR1219007000358128	17/12/2019 11:34	1,54,550
55	CR1219007000409491	18/12/2019 18:02	90,250
56	CR1219007000460456	20/12/2019 19:15	96,350
57	CR1219007000521485	24/12/2019 12:27	4,00,100
58	CR0120007000264047	14/01/2020 12:30	1,75,950
59	CR0120007000340495	17/01/2020 18:01	2,72,400

	Per	riod 2019-2020	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
60	CR0120007000541389	24/01/2020 13:35	32,900
61	CR0120007000550686	24/01/2020 18:30	2,41,840
62	CR0220007000069598	04/02/2020 15:29	70,500
63	CR0220007000082770	05/02/2020 11:10	74,950
64	CR0220007000130294	07/02/2020 10:56	77,500
65	CR0220007000143300	07/02/2020 17:54	45,800
66	CR0220007000205594	11/02/2020 17:26	41,200
67	CR0220003000205900	11/02/2020 17:35	1,042
68	CR0220007000477102	24/02/2020 18:04	68,000
69	CR0220007000530534	25/02/2020 17:23	1,36,000
70	CR0220007000647821	28/02/2020 11:14	85,700
71	CR0320007000005274	02/03/2020 10:51	1,07,100
72	CR0320007000053036	04/03/2020 11:02	1,78,200
73	CR0320007000159483	06/03/2020 17:47	3,22,900
74	CR0320007000226978	10/03/2020 17:22	53,500
75	CR0320007000248869	11/03/2020 17:40	24,600
76	CR0320007000273907	12/03/2020 17:59	1,19,150
77	CR0320007000395936	19/03/2020 13:55	3,64,650
	Total Amount		73,79,945

	Period	2020-2021	
S.No.	Challan Reference No.	Date and time	Amount (₹)
1	CR0920007000303606	18/09/2020 09:58	30,000
2	CR0920007000392506	23/09/2020 12:19	10,68,550
3	CR1020007000293973	17/10/2020 17:16	33,800
4	CR1020007000363405	21/10/2020 17:36	67,500
5	CR1120007000477265	24/11/2020 10:34	43,200
б	CR1120007000526864	25/11/2020 17:18	64,500
7	CR1220007000271774	11/12/2020 17:42	52,000
8	CR1220007000352229	15/12/2020 17:50	20,000
9	CR1220007000519353	22/12/2020 13:27	11,07,680
10	CR0121007000194717	11/01/2021 13:43	30,000
11	CR0121007000378703	21/01/2021 10:04	14,000
12	CR0121007000378729	21/01/2021 10:05	15,000
13	CR0121007000530202	29/01/2021 11:41	27,100
14	CR0121844300544444	29/01/2021 17:24	11,000
15	CR0221007000162552	08/02/2021 17:48	6,300
16	CR0221007000189237	09/02/2021 18:38	978
17	CR0221007000189251	09/02/2021 18:40	161
18	CR0221007000189460	09/02/2021 18:58	6,400
19	CR0221007000332123	16/02/2021 10:52	42,500
20	CR0221007000351066	16/02/2021 17:08	33,400
21	CR0221007000378528	17/02/2021 17:35	23,100
22	CR0221007000404281	18/02/2021 17:26	44,100
23	CR0221007000544287	22/02/2021 17:44	14,200

	Period	2020-2021	
S.No.	Challan Reference No.	Date and time	Amount (₹)
24	CR0221007000594321	23/02/2021 17:19	788
25	CR0221007000594421	23/02/2021 17:20	112
26	CR0221007000594473	23/02/2021 17:22	1,700
27	CR0221007000647187	24/02/2021 18:25	11,800
28	CR0221844300042755	02/02/2021 18:44	23,500
29	CR0221844300189344	09/02/2021 18:49	8,000
30	CR0221844300493411	20/02/2021 10:33	34,000
31	CR0221844300514134	20/02/2021 17:27	37,500
32	CR0221844300594633	23/02/2021 17:24	5,000
33	CR0221844300647312	24/02/2021 18:29	12,000
34	CR0321007000105872	03/03/2021 10:13	3,13,440
35	CR0321007000447386	18/03/2021 10:56	3,500
36	CR0321007000447664	18/03/2021 10:59	1,147
37	CR0321007000447883	18/03/2021 11:02	113
38	CR0321844300446308	18/03/2021 10:43	19,000
39	CR0321007000548344	22/03/2021 17:26	41,400
	Total Amount		32,68,469

	Per	iod 2021-22	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
1	CR0421007000081348	06/04/2021 10:34	8,50,470
2	CR0621007000302445	22/06/2021 16:36	2,400
3	CR0621007000398574	25/06/2021 16:23	12,000
4	CR0621007000477701	29/06/2021 17:00	7,500
5	CR0721007000090794	02/07/2021 11:15	19,800
6	CR0721007000210294	07/07/2021 10:26	703
7	CR0721007000210421	07/07/2021 10:28	6,000
8	CR0721007000271444	09/07/2021 10:56	20,500
9	CR0721007000327817	12/07/2021 17:25	676
10	CR0721007000327871	12/07/2021 17:26	5,500
11	CR0721007000588385	22/07/2021 16:56	877
12	CR0721007000616573	23/07/2021 16:42	1,167
13	CR0721007000616830	23/07/2021 16:51	3,700
14	CR0721007000703842	28/07/2021 10:31	842
15	CR0721007000774322	30/07/2021 11:09	28,200
16	CR0721844300271769	09/07/2021 11:01	8,000
17	CR0721844300588425	22/07/2021 16:58	13,000
18	CR0721844300616704	23/07/2021 16:47	9,500
19	CR0721844300704279	28/07/2021 10:37	33,000
20	CR0821007000094586	04/08/2021 16:37	804
21	CR0821007000096452	04/08/2021 17:35	2,000
22	CR0821007000140198	06/08/2021 12:00	888
23	CR0821007000140285	06/08/2021 12:01	73,250
24	CR0821007000356961	13/08/2021 17:38	521
25	CR0821007000460482	18/08/2021 14:41	8,54,050
26	CR0821007000622196	25/08/2021 11:28	4,85,310

	Perio	od 2021-22	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
27	CR0821844300096435	04/08/2021 17:34	11,000
28	CR0821844300139334	06/08/2021 11:49	32,000
29	CR0821844300357005	13/08/2021 17:40	25,000
30	CR1021007000111557	05/10/2021 11:12	4,00,470
31	CR1021844300314308	11/10/2021 11:56	31,000
32	CR1021844300365111	12/10/2021 11:14	71,000
33	CR1021007000408484	13/10/2021 10:45	736
34	CR1021844300409179	13/10/2021 10:52	46,000
35	CR1021844300444868	16/10/2021 10:40	76,000
36	CR1021844300498748	18/10/2021 17:35	31,000
37	CR1021007000552093	22/10/2021 10:14	980
38	CR1021844300552605	22/10/2021 10:22	25,000
39	CR1021844300581797	22/10/2021 17:52	30,000
40	CR1021007000601438	25/10/2021 11:31	744
41	CR1021844300630044	25/10/2021 17:54	48,000
42	CR1021007000631067	25/10/2021 18:35	1,643
43	CR1021844300630956	25/10/2021 18:29	4,000
44	CR1021844300684275	27/10/2021 11:48	11,500
45	CR1021007000683965	27/10/2021 11:44	1,534
46	CR1021844300721327	28/10/2021 11:55	40,000
47	CR1021007000742006	28/10/2021 17:27	1,432
48	CR1021844300749384	29/10/2021 10:21	33,500
49	CR1021844300775668	29/10/2021 18:02	37,000
50	CR1021007000801230	30/10/2021 17:39	1,547
51	CR1021007000801436	30/10/2021 18:00	2,000
52	CR1021844300801470	30/10/2021 18:04	30,000
53	CR1121007000059634	06/11/2021 11:18	880
54	CR1121844300059944	06/11/2021 11:22	11,000
55	CR1121007000077206	06/11/2021 17:22	30,400
56	CR1121007000112162	08/11/2021 17:37	1,15,330
57	CR1121007000465295	23/11/2021 18:05	40,670
58	CR1121007000508596	25/11/2021 10:50	37,200
59	CR1121007000580330	29/11/2021 10:12	7,01,200
60	CR1121844300372581	18/11/2021 17:25	41,000
61	CR1121844300372381 CR1121844300401166	19/11/2021 17:56	40,500
62	CR1221007000235101	08/12/2021 17:37	1,042
63	CR1221807000235101 CR1221844300236716	08/12/2021 17:57	1,042
64	CR1221844300230710 CR1221007000592392	20/12/2021 18:49	2,17,612
65	CR1221844300324077	13/12/2021 11:13	51,000
66	CR1221844300324077 CR1221844300462651	16/12/2021 18:51	51,000
67	CR1221844300462631 CR1221844300929897		22,000
68	CR0122007000189370	29/12/2021 18:18	5,000
69		10/01/2022 10:09	
70	CR0122007000266813 CR0122007000347930	12/01/2022 10:46	1,49,100 19,000
70		14/01/2022 17:31	
71	CR0122007000392018 CR0122007000423047	<u>18/01/2022 10:26</u> <u>18/01/2022 17:25</u>	41,000

	Peri	od 2021-22	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
73	CR0122007000543618	24/01/2022 11:14	95,200
74	CR0122007000583646	25/01/2022 11:03	2,36,000
75	CR0122844300049683	03/01/2022 18:25	25,000
76	CR0122844300085561	05/01/2022 10:13	42,000
77	CR0122844300117991	05/01/2022 18:34	12,500
78	CR0122844300189882	10/01/2022 10:16	10,000
79	CR0222007000002808	01/02/2022 10:29	74,000
80	CR0222007000030880	01/02/2022 17:10	3,22,778
81	CR0222007000684148	23/02/2022 11:11	20,600
82	CR0222007000182777	05/02/2022 17:13	1,577
83	CR0222844300182827	05/02/2022 17:15	30,000
84	CR0222007000182842	05/02/2022 17:16	200
85	CR0222844300234601	08/02/2022 11:41	33,000
86	CR0222007000265224	09/02/2022 10:30	1,088
87	CR0222844300265596	09/02/2022 10:35	31,000
88	CR0222007000265803	09/02/2022 10:33	11,750
89	CR0222007000683631	23/02/2022 11:05	2,187
90	CR0222844300684016	23/02/2022 11:09	27,000
91	CR0222007000723216	24/02/2022 10:25	863
92	CR0222007000723455	24/02/2022 10:28	2,600
93	CR0222844300723363	24/02/2022 10:27	12,000
94	CR0322007000378762	14/03/2022 13:36	82,200
95	CR0322007000406466	15/03/2022 11:23	3,46,500
96	CR0322007000627815	22/03/2022 14:08	1,49,820
97	CR0322844300055292	03/03/2022 12:17	28,000
98	CR0322844300159071	07/03/2022 12:17	35,000
99	CR0322844300189392	07/03/2022 17:29	31,000
100	CR0322007000234447	09/03/2022 10:18	1,361
101	CR0322007000234700	09/03/2022 10:18	4,400
102	CR0322844300235445	09/03/2022 10:21	33,500
103	CR0322007000277501	10/03/2022 11:01	1,089
104	CR0322844300277795	10/03/2022 11:01	10,000
105	CR0322007000377120	14/03/2022 13:19	1,066
106	CR0322844300378464	14/03/2022 13:19	24,000
107	CR0322007000608071	22/03/2022 10:24	1,343
107	CR0322844300608481	22/03/2022 10:24	1,03,500
109	CR0322844300008481 CR0322844300722391	24/03/2022 17:41	23,500
110	CR0322844300722391 CR0322844300774407	26/03/2022 11:50	74,000
110	CR0322007000842512	29/03/2022 11:50	1,703
111	CR0322844300843354		36,000
112		29/03/2022 12:00	
115	CR0322007000844519 Total Amount	29/03/2022 12:12	12,250 71,45,453

	Perio	od 2022-2023	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
1	CR0422007000200622	11/04/2022 11:11	1,166
2	CR0422007000201077	11/04/2022 11:15	11,900
3	CR0422007000226879	11/04/2022 17:23	750
4	CR0422007000227141	11/04/2022 17:31	6,400
5	CR0422007000273368	13/04/2022 11:39	1,08,300
6	CR0422007000357822	18/04/2022 17:05	2,263
7	CR0422007000358879	18/04/2022 17:30	2,200
8	CR0422007000489334	23/04/2022 11:48	1,132
9	CR0422007000489348	23/04/2022 11:49	8,600
10	CR0422007000534590	26/04/2022 10:24	1,194
11	CR0422007000534709	26/04/2022 10:25	1,800
12	CR0422007000683351	29/04/2022 17:31	938
13	CR0422007000683434	29/04/2022 17:33	11,700
14	CR0422844300022631	04/04/2022 10:28	54,400
15	CR0422844300202034	11/04/2022 11:25	37,000
16	CR0422844300227098	11/04/2022 17:29	66,000
17	CR0422844300321744	16/04/2022 17:14	36,500
18	CR0422844300358840	18/04/2022 17:28	13,500
19	CR0422844300398024	20/04/2022 10:36	49,000
20	CR0422844300433926	21/04/2022 10:43	1,19,500
21	CR0422844300489412	23/04/2022 11:56	34,000
22	CR0422844300535084	26/04/2022 10:30	48,000
23	CR0422844300578478	27/04/2022 11:23	40,000
24	CR0422844300612341	28/04/2022 11:19	28,000
25	CR0422844300683627	29/04/2022 17:37	51,500
26	CR0522007000011888	04/05/2022 10:31	1,363
27	CR0522007000012023	04/05/2022 10:32	3,000
28	CR0522007000133860	07/05/2022 17:11	469
29	CR0522007000345765	17/05/2022 11:05	21,000
30	CR0522007000408129	18/05/2022 17:21	14,300
31	CR0522007000442981	19/05/2022 17:03	10,600
32	CR0522007000502781	21/05/2022 17:06	2,145
33	CR0522007000512552	23/05/2022 10:58	19,300
34	CR0522007000579836	24/05/2022 17:08	1,293
35	CR0522007000579892	24/05/2022 17:09	11,800
36	CR0522007000660489	26/05/2022 17:09	11,000
37	CR0522007000705572	27/05/2022 17:04	923
38	CR0522007000705696	27/05/2022 17:06	1,500
39	CR0522007000727833	30/05/2022 10:43	120
40	CR0522007000804979	31/05/2022 17:13	734
41	CR0522007000805021	31/05/2022 17:14	900
42	CR0522844300012304	04/05/2022 10:36	22,000
43	CR0522844300053504	05/05/2022 11:33	63,500
44	CR0522844300134168	07/05/2022 17:24	36,500
45	CR0522844300175004	10/05/2022 10:43	70,000
46	CR0522844300267360	12/05/2022 17:29	25,500
47	CR0522844300385978	18/05/2022 11:48	30,000
48	CR0522844300513193	23/05/2022 11:05	54,000
49	CR0522844300541172	23/05/2022 17:05	10,000
50	CR0522844300579993	24/05/2022 17:12	22,000
51	CR0522844300620896	25/05/2022 17:05	27,000
52	CR0522844300660070	26/05/2022 16:57	6,000
53	CR0522844300705995	27/05/2022 17:11	21,500

	Perio	od 2022-2023	
S. No.	Challan Reference No.	Date and Time	Amount (₹)
54	CR0522844300763006	30/05/2022 17:21	33,000
55	CR0522844300805177	31/05/2022 17:17	48,000
56	CR0622007000049676	02/06/2022 11:23	1,394
57	CR0622007000049812	02/06/2022 11:24	300
58	CR0622007000087074	03/06/2022 10:51	18,800
59	CR0622007000266764	08/06/2022 11:59	1,489
60	CR0622007000274139	08/06/2022 12:59	64,600
61	CR0622007000631011	16/06/2022 17:28	847
62	CR0622007000631124	16/06/2022 17:31	4,18,400
63	CR0622007001030130	28/06/2022 11:13	4,43,390
64	CR0622844300050109	02/06/2022 11:27	13,000
65	CR0622844300088824	03/06/2022 11:07	50,000
66	CR0622844300136933	04/06/2022 12:49	33,000
67	CR0622844300169266	06/06/2022 11:56	42,000
68	CR0622844300224399	07/06/2022 12:35	14,000
69	CR0622844300274818	08/06/2022 13:05	34,500
70	CR0622844300309248	09/06/2022 11:34	46,500
70	CR0622844300431838	13/06/2022 17:26	51,500
72	CR0622844300547191	15/06/2022 17:20	44,500
73	CR0622844300631418	16/06/2022 17:38	96,000
74	CR0622844300999753	27/06/2022 13:52	55,500
74	CR0722007000204788	07/07/2022 13:17	1,647
76	CR0722007000205050	07/07/2022 13:17	16,800
70	CR0722007000203030 CR0722007000574415	20/07/2022 17:52	1,195
78	CR0722007000574415		700
78		20/07/2022 17:53	49,500
80	CR0722844300205613	07/07/2022 13:23	
	CR0722844300574605	20/07/2022 18:00	43,500
81	CR0722844300707164	26/07/2022 12:52	47,500
82	CR0822007000320729	12/08/2022 11:06	1,404
83	CR0822007000321218	12/08/2022 11:11	11,800
84	CR0822007000409944	17/08/2022 13:24	2,59,660
85	CR0822007000567558	23/08/2022 10:52	739
86	CR0822844300202638	08/08/2022 11:38	55,000
87	CR0822844300241538	10/08/2022 11:06	25,500
88	CR0822844300322452	12/08/2022 11:24	21,000
89	CR0822844300568519	23/08/2022 11:08	50,500
90	CR0822844300651918	25/08/2022 11:35	22,500
91	CR0922844300177388	07/09/2022 10:51	44,000
92	CR0922844300736532	28/09/2022 11:18	20,500
93	CR1022007000425118	18/10/2022 17:24	962
94	CR1022007000425769	18/10/2022 17:47	2,000
95	CR1022844300039086	03/10/2022 10:49	22,000
96	CR1022844300151870	10/10/2022 10:37	9,000
97	CR1022844300262816	13/10/2022 11:10	54,500
98	CR1022844300351599	15/10/2022 17:47	45,000
99	CR1022844300425901	18/10/2022 17:51	22,000
100	CR1022844300463979	19/10/2022 17:42	44,000
101	CR1122844300017886	02/11/2022 11:19	28,500
	<b>Total Amount</b>		36,36,317

Compliance Audit Report for the year ended March 2022

Appendix-24 (*Reference: Paragraph 2.8*) Statement showing excess allotment of developed land under incentive scheme and loss to BDA

Name of the Allottee	Extent of Land acquired	Name of the Layout for which land acquired and date of transfer of acquired land to BDA	Extent of developed land to be given as per BDA Rules 1989 (Sq.ft)	Extent of develope d land by BDA (Sa.ft)	Layout in which developed sites allotted	Excess land allotted (Sqft)	Cost of land allotted (₹)	Cost of land to be allotted as per BDA rules <sup>*</sup> (₹)	Loss to BDA (₹)
Smt. Hanumakka and Other	1.10 acres	Banashankari 6 <sup>th</sup> Stage 27.12.2001	1800	3000	Banashankari 6 <sup>th</sup> Stage	1200	10455000	6273000	4182000
Sri Narashimhamurthy.	4.07 acres	Banashankari 6 <sup>th</sup> Stage 12.12.2001	5400	10200	Banashankari 6 <sup>th</sup> Stage	4800	35547000	18819000	16728000
Smt. Jayamma, Nagamma and Ramakka	1.13 Acres	Banashankari 6 <sup>th</sup> Stage 08.01.2004	2400	3000	Banashankari Layout further extension	600	10455000	8364000	2091000
Sri K M Anand and Other*	03.23 Acres	J P Nagar 8 <sup>th</sup> Phase 20.04.1998	4800	4800	Nagarbhavi II stage and HBR I stage formed in January 1985	0	10731600	8028000	2703600
Sri Papaiah	1.0 Acres	Wholesale Iron and Steel Project 09.01.1997	1200	2400	OMBR layout formed in October 1980	1200	14846400	1984800	12861600
Sri. Chikkamuniyamma	0.33 Acres	Wholesale Iron and Steel Project 09.01.1997	1200	1200	HBR I stage layout formed in January 1985	0	8124600	1984800	6139800
Sri Munniyappa	02.00 Acres	Wholesale Iron and Steel Project 09.01.1997	2400	4800	OMBR Layout formed in October 1980 and HRBR layout formed in May 1980	1200	27211246	3969600	23241646
Sri M Munivenkatappa	3.09 Acres	Wholesale Iron and Steel Project 09.01.1997	4200	7200	HBR I stage formed in January 1985 and Nandini layout formed in January 1985	3000	44380800	6946800	37434000
		TOTAL				12000	161751646	56370000	105381646

\*Considering the guidance value of the layout for which the land was originally acquired at the time of allotment.

Appendices

# Appendix-25 (*Reference: Paragraph 2.8*) Details of excess allocation of land under incentive scheme for which registration details not available

No.	Name of the Allottee	Extent of Land acquired	Name of the Layout for which land acquired and date of transfer of acquired land to BDA	Extent of land to be given as per BDA Rules 1989 (sq.ft)	Extent of developed land allotted by BDA (Sq.ft)	Excess land allotted (Sq.ft)
1	Smt. Shivamma	2.20 acres	Banashankari 6 <sup>th</sup> Stage 20.12.2001	3000	6000	3000
2	Smt. Maqbool Jaan and others	1.0 Acres	Anjanapura Layout 16.03.2002	1200	2400	1200
3	Sri. Mahadevappa	7.00 Acres	Banashankari 6 <sup>th</sup> Stage 21.01.2002	8400	16800	8400
4	Sri Hanumanthappa	2.02 Acres	Banashankari 6 <sup>th</sup> Stage 16.02.2002	3000	5400	2400
5	Venkataramappa	5.00 Acres	Banashankari 6 <sup>th</sup> Stage 16.02.2002	6000	12000	6000
6	Sri P M Krishnappa	2.02 Acres	Anjanapura Layout (0.25 acres on 31.05.2001 and 1.17 acres on 26.02.2004)	3600	4800	1200
L	Sri. Maralusidhappa	2.20 Acres	Banashankari 6 <sup>th</sup> Stage 20.12.2001	3000	6000	3000
8	Smt. Rajamma	1.23 Acres	Anjanapura Layout 27.08.2001	2400	3600	1200
6	Sri. Venkarasappa, Sri Doddagalappamma and others	2.20 Acres	Banashankari 6 <sup>th</sup> Stage February 2002	3000	6000	3000
10	Sri Gangamma	2.19 Acres	Banashankari 6 <sup>th</sup> Stage 05.12.2001	3600	5400	1800
11	Sri Byrappa	1.22 Acre	Sir MV Layout 13.01.2003	2400	3600	1200
	L	TOTAL		39600	72000	32400

Compliance Audit Report for the year ended March 2022

Appendix-26 (*Reference: Paragraph 2.10*) Avoidable expenditure due to adoption of an inappropriate price index

(Amount in ₹)

S. No	R A Bill No	Work done Month	RA Bill amount	Value of the work done for the quarter	Price index of Steel pipes & Tubes for the month	Average index	Price adjustment amount payable Vs =0.85 × Pms /100 X R X (Si -S0)/S0 S0 = 124.90(Aug'16)	Price Adjustment paid	Excess amount paid
1		Oct 16			126.6				
2	1st	Nov 16	10,92,41,459	109241459	127	127.3	965991.87	45,06,712	35,40,720.13
3		Dec 16			128.3				
4		Jan 17			129.4				
5	2nd	Feb 17	10,51,97,756	105197756	129.4	129.07	1614990.50	83,02,906	66,87,915.50
9		Mar 17			128.4				
7	3rd	Apr 17	91,01,784		129.4				
8	4th	May 17	3,18,16,870	5,49,68,449	129.4	129.07	843872.78	42,22,756	33,78,883.22
6	5th	Jun 17	1,40,49,795		128.4				
10		Jul 17			129.4				
11	6th	Aug17		11990048	129.4	129.07	184070.60	9,46,334	7,62,263.40
12		Sep17	1, 19, 90, 048		128.4				
13	7th	Oct17	1,11,89,506		129.4				
14		Nov'17		2,83,54,922	129.4	129.07	435303.29	22,37,959	18,02,655.71
15	8 <sup>th</sup>	Dec'17	1,71,65,416		128.4				
16		Jan'18			129.4				
17		Feb'18		24053000	129.4	129.07	369260.41	18,98,423	15,29,162.59
18	9th	Mar'18	2,40,53,000		128.4				
19		Jan-18		36010063	129.4				
20		Feb-18		COLOTOOC	129.4	129.07	552838.44	28,42,225	22,89,386.56

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## Appendix-27 (*Reference: Paragraph 2.11*) Avoidable extra cost due to non-settlement of land compensation dues

(Amount in ₹)

S	Village	Extent (Acre-	LAC No	Compensation	Interest	Interest	Total interest	Outstanding	Avoidable extra interest	tra interest
	0							0		
No		gunta- anna) or sq ft			payable as on decree	payable as of July'21/	paid	compensation amount	Paid	To be paid
					date	March'22				
1	Unakal	00-01-02	28/2013	1552219.34	894333.50	1830806.45	1830806.45	0	936472.95	0
2	Unakal	00-01-1.25	26/2013	1283369.58	739431.84	1671369.54	1671369.54	0	931937.70	0
3	Unakal	00-01-4.50	18/2013	1739211.45	1002071.69	2265025.66	2265025.66	0	1262953.97	0
4	Hubballi Town	670 Sq.Ft	14/2013	857718.8	494187.02	1117031.73	1117031.73	0	622844.71	0
5	Krishnapura	00-01-9.5	9/2013	2221867.65	1280161.00	2892690.12	2892690.12	0	1612529.12	0
9	Hubballi Town	1030 Sq.Ft	22/2013	1254524.71	1278584.09	1633803.61	1633803.61	0	355219.52	0
7	Unakal	00-01-04	47/2013	1715331.83	988313.11	2233926.53	2233926.53	0	1245613.42	0
8	Unakal	00-01-0.5	44/2013	1411630.48	813331.21	1838407.44	1838407.44	0	1025076.23	0
6	Unakal	00-00-14	41/2013	1178591.38	679062.38	1534913.83	1534913.83	0	855851.45	0
10	Hubballi Town	624 Sq.Ft	39/2013	798830.76	460257.83	1040012.38	1040012.38	0	579754.55	0
11	Hubballi Town	2393 Sq.Ft	38/2013	3063461.82	1765057.59	3635798.59	3635798.59	0	1870741.00	0
		427 and 900								
12	Hubballi Town	Sq.Ft	34/2013	1489222.98	858037.24	1939458.49	1939458.49	0	1081421.25	0
13	Unakal	00-00-02	30/2013	609824.69	351359.27	794322.66	794322.66	0	442963.39	0
14	Thimmasagara	00-14-00	159/2014	14884787.4	13439127.88	16528231.63	16528231.63	0	3089103.75	0
15	Hubballi Town	446 Sq.Ft	40/2013	570958.04	328965.69	675764.23	675764.23	0	346798.54	0
16	Hubballi Town	90 sq ft	15/2013	115215.6	66383.13	126672.91	126672.91	0	60289.78	0
17	Hubballi Town	294 sqft	19/2013	376372.56	216852.46	360378.97	360378.97	0	143526.51	0
18	Unakal	00-00-02	59/2013	174264.48	100404.99	206252.82	206252.82	0	105847.83	0
19	Unakal	00-01-03	29/2013	1648490.58	949801.56	2146877.24	2146877.24	0	1197075.68	0
20	Hubballi Town	14329 Sq.Ft	56/2013	17467285.5	11470981.71	24356103.37	24356103.37	0	12885121.66	0
21	Thimmasagara	23136 Sq.Ft	69/2010	20819614.2	28132147.12	35943773.02	35943773.02	0	7811625.90	0
			Sub Total	75232794	66308852.31	104771621.22	104771621.22	0.00	38462768.91	0.00
22	Hubballi Town	2200 Sq.Ft	37/2013	2816390	1622703.608	3807032.94	3666209.64	1405157.87	2043506.03	140823.2996
23	Krishnapura	00-4-11	12/2013	6534909.29	3765181.983	9163191.883	2063985	6534909.29	0	5398009.901
24	Hubballi Town	4485 Sq.Ft	32/2013	5741593.9	3308101.91	8050817.831	1500000	5741593.9	0	4742715.921
25	Krishnapura	00-06-15	43/2013	9671658.78	5572465.319	13561523.89	4321539	9671658.78	0	7989058.575
26	Hubballi Town	5475 Sq.Ft	46/2013	7008971.5	4038319.744	9827917.719	300000	7008971.5	0	5789597.975
27	Unakal	00-13-05	20/2013	23760660.3	24216344.23	29762674.74	0	23760660.3	0	5546330.511

Appendices

SI	l Village	Extent (Acre- LAC No	LAC No	Compensation	Interest	Interest	Total interest	Outstanding	Avoidable extra interest	ktra interest
No		gunta- anna) or sq ft		I	payable as on decree date	payable as of July'21/ March'22	paid	compensation Paid amount	Paid	To be paid
28	Nalavadi	00-14-00	2/2014	885894.4	885894.4 827522.4539	1110766.067	0	885894.4	0	0 283243.6126
29	Nalavadi	00-15-00	1/2016	949173.5	949173.5 901454.7775	1190107.652	0	949173.5	0	0 288652.8741
30	Nalavadi	00-31-00	2/2016	1961625.1	1961625.1 1863006.413	2459555.656	0	1961625.1	0	596549.2421
31	Gokula	18513 Sq.Ft	14/2009	6889815.61	9451316.92	12840539.35	1000000	6889815.61	0	3389222.433
			Sub Total	66220692	66220692 55566417.36	91774127.73	12851733.6	64809460	2043506.03	34164204
			Grand Total	141453486	1453486 121875269.7	196545749	117623355	64809460	40506274.9 34164204	34164204
									74670479.29	179.29

## Appendix-28

## (Reference: Paragraph 2.12) Roles and responsibilities prescribed in KPWD Code with regard to Technical Sanction and commencement of works

Sl No	KPWD	Provision
01110	Code	
	Para/Rule	
0.1	No	
01	30 (13)	The Executive Engineer shall not commence the construction of any work or
02	75(1)	spend public funds without the sanction of competent authority.
02	75(1)	Where land is required to be acquired, the likely delay in getting possession
		of the land should be assessed so that the amount that is likely to be actually
		spent during the year can be provided. No work shall be included in the Appendix-E without possession of land. Provision should be made on the
		basis of the latest estimate of costs. It is preferable to have possession of land
		before inviting tenders.
03	81	Provision for land acquisition in major projects involving huge amounts shall
		form part of the project. However in cases of road and bridge projects
		especially involving court cases, separate estimates shall be proposed under
		the specific sub-head "Land acquisition". In projects involving land
		acquisition, estimates may be prepared separately for acquisition of land and
		for project proper. Estimate for land acquisition may be sanctioned first and
		only after the land is in the possession of the Department, the tenders for the project proper may be invited.
04	135 (1)	All works shall be commenced only after issue of work orders by the
0.	100 (1)	competent authority, and signing of agreement and handing over the site free
		of encumbrances after following procedures prescribed in this code.
05	135 (3)	No work should be commenced on land, which has not been duly handed over
		by the concerned Department.
06	135 (4)	Calling for tenders for works for which lands are not acquired shall be
		avoided. In rare cases, when tenders for works are accepted but the lands
		required for the purpose is still to be acquired, then action should be taken on war footing to initiate acquisition proceedings. Notification under Section
		4(1) of Land Acquisition Act should be expedited and only after issue of such
		a notification, action should be taken to obtain land by mutual consent,
		undertaking in writing, clearly indicating survey no, extent, boundaries,
		ownership and lands taken over with dates, with mahazar of crops existing, if
		any, at the time of taking over of the lands.
07	135 (5)	After Technical Sanction, acquisition proceedings should be initiated, if
		funds are earmarked for the work. Calling for tenders in all such cases shall
		be only after the entire land is taken possession including obtaining
		clearances wherever necessary under Forest Conservation Act & shifting of utilities by concerned Agencies.
08	27(9)	The responsibility of important structural designs under execution rests on
00	2.())	the Chief Engineer who shall exercise careful control over the designing and
		technical sanctions.
09	123 (2) &	Technical Sanction is the order of a competent technical authority sanctioning
	(3)	a Detailed Estimate/Detailed Project Report of the cost of construction or
		repair proposed to be carried out in the Department.
		Estimates/Detailed Project Reports are technically scrutinized by the
		authority competent to accord Technical Sanction and then forwarded to the
		administrative department for according administrative approval.

10	124 (3)	Technical Sanction shall not be accorded if the availability of funds is not definite or funds allotted are insufficient or only token grants are provided. Further, according technical sanction subject to conditions or subject to compliance of technical note amounts to according technical sanction to an incomplete Estimate/Detailed Project Report and may be avoided.
11	125	It shall be clearly borne in mind that by insisting on technical scrutiny, Government expects that the Public Works Department officers should exercise all necessary checks applicable to plans, specifications, quantities and rates and to bring to the notice of the administrative department the deviations from standard practices prescribed by Government of Karnataka and Bureau of Indian Standards together with the financial implications involved.

## Appendix-29 (*Reference: Paragraph 2.13*) Check measures prescribed in KPWD/KPWA/KFC Codes

Sl No	Code	Rule No	Provision
01	KPWD	109	Measurement Book (MB) forms the basis for all accounts of quantity of work done. Hence Assistant Executive Engineer (AEE) has to ensure that all MBs are carefully accounted and measurements are carefully recorded in them.
02	KPWD	110 (5 and 9)	Check measurement is prescribed at 100% for AEE and 10% to 25% for $EE^{104}$ with the aim to detect errors in measurement, to prevent fraudulent entries, to check/ verify whether the works carried out at site and recorded in the MBs are in accordance with the sanctioned plans and estimates and prescribed specifications.
03	KPWD	110 (8)	The AEE to exercise necessary checks to get satisfied that the measurements recorded are accurate. The check measurement certificate recorded by the AEE entitles the Agency executing the work to claim payment from Government funds and hence a false certificate either by the field engineer or by the AEE can be construed as a fraudulent attempt to claim payment from the Government by unfair means.
04	KPWD	110 (14)	Quantities entered in MBs should be traceable to vouchers and entries in the MB and should also be crossed diagonally in Red ink at the time of preparation of the bill
05	KPWD	112 [2(ii)]	In respect of works of contract value more than ₹ 25 lakh, the field engineers have to take independent measurement of the work and enter the same in electronic spreadsheets. The responsibility for the correctness of measurements entirely rests with the field engineer.
06	KPWD	112 [2 (v)]	Hardcopies of spreadsheets of detailed measurements shall be bound, numbered and stored, and shall be considered as MBs as referred to in the manuals and codes.
07	KPWD	220 (1)	Register of works, a permanent and collective record of expenditure incurred on all works carried out during the year, is to be maintained by the Division office and posted monthly.
08	KPWD	220	A permanent and collective record of expenditure incurred on all works carried out during the year should be maintained in the Divisional Office in the Register of works.
09	KPWA	24 (A)	The Divisional Accountant assisted by Accounts Clerks is responsible to verify the correctness of quantities and rates claimed in works bills with reference to MBs, estimates, agreements.
10	KFC KPWA	49 44	Drawing and Disbursing Officer (DDO) is responsible to ensure that payments are made to the person actually entitled to receive it and the Divisional Officer (EE) is responsible for financial regularity of the transactions of the Division.
11	KPWA	203 (c)	The bills received from the contractors for supply of goods/execution of works along with relevant records like MBs are to be recorded in the Sub Divisional Bill Register (SBR) and forwarded to the Division office for scrutiny and payment. The bills received with the relevant records are recorded in the Divisional Bill Register (DBR) and forwarded to Accounts Section for scrutiny and payment. The SBR Number indicates the reference to the entry in SBR while the BR Number indicates the reference to its entry in the DBR.
12	KPWA	222	In case of a Running Account bill the AEE should further see that relevant entries have been checked with the previous bill.

<sup>&</sup>lt;sup>104</sup> 10% for works costing up to ₹ 25 lakh and 25% for works costing more than ₹ 25 lakh.

## Appendix-30 (*Reference: Paragraph 2.13*) Details of Irregular Payments on Annual Maintenance Works for the year 2019-20

Remarks	Payment made to unauthorised Person on fake MB and RA bill. There was no reference to agreement with the contractor to whom amount paid. Also, the name of the work was also mentioned erroneously.	Payment made to unauthorised Person referring to Agreement entered into with the contractor and referring to the original measurement book.	Payment made to unauthorised Person on fake MB and RA bill. There was no reference to agreement with the contractor to whom amount paid. Also, the name of the work was also mentioned erroneously.	Payment made to unauthorised Person on fake MB and RA bill. There was no reference to agreement with the contractor
Amount paid on fake bills (₹)	28,00,045	18,48,331	35,62,818	39,45,643
Month of payment, MB reference and Details of RA Bill	Mar-20 MB 1198/57-58 RA Bill 1 <sup>st</sup> and part	949/104-108 2 <sup>nd</sup> and final	Mar-20 1st and part (₹13,45,076) MB 1198/59 MB 1198/59 1st and part(₹22,17,742) MB 1202/ 87-88	Mar-20 1 <sup>st</sup> and part (₹14,59,181)
Name of the work Contractor & agreement No. for the payments in excess or on fake bills was made	Annual Maintenance of Kushtagi Pattadakal road from km 17.8 to 50.20 Agreement details not mentioned Sri Rahimansab D Doddamani	Annual Maintenance of Kushtagi Pattadakal road from Km 0 to 50.2 H. Prabhakar Agreement No.173/26-12-2019	Items (a) to (d) only of the works mentioned in column (2) Agreement details not mentioned Sri Prabhuraj Sangangoud Patil	Annual Maintenance of Garjanal- Bagalkot district border road from Km 0.00 to 46.00
Name of the work, Contractor Agreement No. & MB of the work	Annual Maintenance of Kushtagi Pattadakal road from Km 0 to 50.2 Sri Ramesh Kapse 173/26-12-2019 949/96-103		Annual maintenance of (a) Gudur-Gajendragad road from km 9.4 to 12.8, (b) Junjalakoppa- Rampur Road from Km 0.6 to 8.7 & Km 12 to 30, (c) Kushtagi Pattadakal road to Malagitti road up to Taluk border from Km 0 to 6, (d) Kushtagi taluka border to Kumbalavathi road from 0 to 5.3, (e) NH-13 Kurubanal cross to Sindhanur-Hemmadaga Road from Km 0 to 12 in Kushtagi taluk Sri M Amith Kumar 129/17-12-2019 1031/29-39 & 1037/90-92	Annual maintenance of Garjanal- Bagalkot district border road
SI. No.	÷		5	3.

Remarks	to whom amount paid. Also, the name of the work was also mentioned erroneously.	The progress of works entrusted to the contractor was recorded in MB No.1034 from pages 35 to 51 and entire amount was paid. In addition, for the same work additional MBs (1202 and 895) were prepared on the basis of the same additional amount of $\overline{3}37.56$ lakh was paid. This amounted to excess payment money.	The total amount payable to the contractor as per the agreement was ₹45.49 lakh. However, in the preparation of $3^{rd}$ and Final Bill on January 2021, the amount paid on $2^{nd}$ and part bill of Rs.18.46 lakh was not adjusted. Hence, the amount paid
Amount paid on fake bills (₹)		37,56,248	18,46,109
Month of payment, MB reference and Details of RA Bill	1035/30-31 1 <sup>st</sup> and part(₹24,86,462) 1202/84	20/Feb 2020 1034/35-42 (₹35,84,894) 95/July 2020 1034/43-51 (₹8,90,000) 95/Nov 2020 1034/43-51 (₹5,76,596) NA/Mar-20 MB1202/85-86 (₹14,60,162) MB 895/89-96 (₹14,60,162)	1 <sup>st</sup> and part(₹29,79,874) Voucher No. 39/ Feb 2020 2 <sup>nd</sup> and part(₹18,46,109)
Name of the work Contractor & agreement No. for the payments in excess or on fake bills was made	Agreement details not mentioned. Sri Prabhuraj Sangangoud Patil 1035/30-31 &1202/84	Annual maintenance of (A) Karwar- Ilkal (SH 06) from Km 310.81 to 320.99, (B) Ramdurga-Manvi (SH 14) from Km 82.81 to 87.51, (C) Mudagal – Kudithini (SH 29) from Km 20.2 to 40.20 Sri Prabhuraj Sanganagouda Patil	Excess amount paid to the contractor
Name of the work, Contractor Agreement No. & MB of the work	from Km 0.00 to 20.00, 46.00 to 50.20 and 54.80 Sri Shukaraj 145/19-01-2019 946/72-74	Annual maintenance of A) Karwar-Ilkal (SH 06) from Km 310.81 to 328.64, (B) Ramdurga- Manvi (SH 14) from Km 82.81 to 87.51, (C) Mudagal – Kudithini (SH 29) from Km 20.2 to 40.20 Sri Prabhuraj Sanganagouda Patil 121/12-12-2019 1034/35-42	Annual maintenance of Jalihal- Bijakal road via Ryavanaki km 0.00 to 6.00, Yelburga- Chikkodagali road km 33.60 to 41.70, Tavargera Mudenur road km 6.00 to 17.80, Navalahalli- Hulihyder road km 0.00 to 9.00
SI. No.		4	n

Compliance Audit Report for the year ended March 2022

Remarks	to contractor for the work was excess by that extent.	
Amount paid on fake bills (₹)		1,77,59,194
Month of payment, MB reference and Details of RA Bill	Voucher No.244/ Mar 2020 3 & final(₹20,82,316) Voucher No. 01/ Jan 2021	
Name of the work Contractor & agreement No. for the payments in excess or on fake bills was made		
Name of the work, Contractor Agreement No. & MB of the work	and 11.00 to 13.50, Kilarahatti thanda to Kidaddur road km 0.00 to 13.50 , Hulagera- Katapur road from Km 0.00 to 7.00, Mannerala-Katapur road km 0.00 to 8.26 and Madapur Mudenur road km 0.00 to 5.50 in Kusthagi taluk Mudukappa Bandera 154/20.12.2019	Total
SI. No.		

## Appendices

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(Refere	(Reference: Paragraph 2.13)
of Irregular payments on Annual	s of Irregular payments on Annual Maintenance Works for the year 2019-20 and 2020-21

2020-21 (Amount in ₹)	Remarks					₹ 27,51,937 and the entire amount was paid.	The up-to-date value of 2 <sup>nd</sup> and part bill was	₹ 74,66,154 and previous payment of	₹ 27,51,937 was deducted. Present payment	was for ₹ 47,14,217 of which ₹ 24,80,777 was	withheld. In the voucher 213 of March 2020,	from the withheld amount of $\mathbf{\xi}$ 24,80,777, an	amount of $\mathbf{\xi}$ 960,354 was paid and $\mathbf{\xi}$ 15,20,423	was withheld. However, in the bill paid in	vouchers 113/July 2020, the withheld amount	has been indicated as ₹ 24.80.777 and out of	this ₹ 700000 (excluding GST) has been paid	by withholding $\neq$ 17,80,777. Since an amount	of ₹ 960,354 was already released in March	2020, there was no scope for releasing this	amount. Even considering this release towards	the balance $\leq 15,20,423$ , amount yet to be paid	would work out to ₹ 820,423. Since copy of	voucher 117/July 2020 was not on record, the	release of ₹ 11,20,000 (which works out to ₹	10,00,000 without GS1) could not be checked	With reference to balance payment due.	Considering this payment towards balance withheld amount of ₹ 820.423 the extra	payment would work out to ₹ 179.577 + GST	(₹ 201,126). In addition, the bill paid in	December 2020 indicated the up-to-date work	done at ₹ 25,50,537 which was paid along with	GST. Since 1 <sup>st</sup> RA has already been paid in
<b>19-20 and</b>		Additional	payment (including	GST)	30,57,727																	r											
ne year 20		Amount	paid (including	GST)	30,82,169			25,38,000			10,47,658				7,84,000			11,20,000				28,56,601	<u>`</u>										
orks for th				RA Bill No.	$1^{st}$ and part			2 <sup>nd</sup> and	part		NA				NA			ΝA				CC bill											
Annual Maintenance Works for the year 2019-20 and 2020-21	<b>MB/</b> Page	No.			EMB 305/	1-6 (Not	furnished)	EMB 305/	7-16 (Not	furnished)	EMB 305/	7-16	(Not	furnished)	EMB 305/	7-16 (Not	furnished)	NA				EMB 305	- page	reference	not given								
unual Main	Voucher	No and	month of	раушен	31/	Feb 2020		178/	March	2020	213/	March	2020		113/	July	2020	117/	July	0N) 0707	vouchery	73/	Dec 2020										
nents on An			Agreement	No/Date	153/	20.12.2019	(Copy not	furnished)																									
Details of Irregular payments on Annual			Contractor	Name	Veeresh S	Megalmath	1																										
Details of Ir				Name of the work	Annual maintenance of	Yelburga-Gajendragad Road via	Hosalli-Balutagi, Somapura-	Sidnekoppa Road & Mannapur-	Somapur in Yelburga taluk																								
		Work	entrustment	year	2019-20																												
		J	5 °Z	•	1																												

Appendices

Remarks	2	February 2020, there was no scope for making this payment. Also, no pages of EMB 305, based on which $1^{st}$ and $2^{nd}$ bills have been paid, have been referred for this payment. Therefore, the total additional payment would work out to $\gtrless 30,57,727$ ( $\oiint 201,126 + \gtrless 28,56,601$ ).	The payments made February and March 2020 relate to execution of work. However, for the payment of $\mathbf{\xi}$ 1,68,000, the bill is marked as 1 <sup>st</sup> and final bill with the agreement number 152/dated 20/12/2019 with complete name of work as annual maintenance of Jarakunti- Voirebondi mood to SU6 via Domini-	variational road to 31-70 via Daminu- Bunakoppa-Hagedal, Budagumpa-Gedigera via Kudagunti, Resurfacing Rajoor-Kallur road Km. 2.70 to 5.00, Yelburga-Gajendregad road via Hosalli-Chikoppa, Kukanoor-Kallur road via Channappanahalli, Tipperasanal-Benakal, Chandur-Veerapur road in Yelaburga taluk, while the measurement sheet related to	conducting traffic census between 19/2/2020 to 26/2/2020. Since the work executed does not include annual maintenance of the road, the payment was extra contractual and hence additional.		GST has been paid in February 21, June 21 and voucher number of October 2021. Therefore, navment made in Voucher 94 of October 2021	was already paid. Besides, the measurements of
	Additional payment (including GST)		1,68,000		Γ	5,58,394		
	Amount paid (including GST)		26,81,553	5,61,932	1,68,000	14,07,267	8,64,000	2,73,960
	RA Bill No.		l <sup>st</sup> & part	2 <sup>nd</sup> and final	l <sup>st</sup> and final	1 <sup>st</sup> and part	2 <sup>nd</sup> & final	2 <sup>nd</sup> & final (rerecorde d)
MR/ Page	No.		EMB 293/1-20	EMB 293/21-25	1161/63- 66 (Not furnished)	EMB 473/1-10	EMB 473/11-15	EMB 473/11-15
Voucher	No and month of payment		37/Feb 2020	240/Mar ch 2020	111/July 2020	139/ Feb 2021	92B/ June 2021	84/ Oct 2021
	Agreement No/Date		152/20.12. 2019 (Copy not furnished)			93/20.11.2 020		
	Contractor Name		Basappa Neelappa Kudakunti			Harish Raddi		
	Name of the work		Annual maintenance of Jarakunti-Vajrabandi road to SH-6 via Dammur-Bunakoppa- Hagedal, Budagumpa-Gedigera via Kudagunti, Resurfacing Raioor-Kallur road Km. 0.00 to	<ol> <li>1.70 &amp; Annual maintenance from Km. 2.70 to 5.00, Yelburga-Gajendregad road via Hosalli-Chikoppa, Kukanoor- Kallur road via Channappanahalli, Tipperasanal-Benakal,</li> </ol>	Chandur-Veerapur road in Yelburga Taluk.	Improvements & Annual maintenance of Chikkahesarur-	Mudugal-Mudragal road (SH- 129) KM 144.42 to KM 183.42 & Karwar-Bellary Road	(Munirabad Bypass road) SH-42
	Work entrustment year		2019-20			2020-21		
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Remarks	this work were recorded during October 2020 while the work was entrusted to contractor only in November 2020.	The total up-to-date value of work done was ₹ 46,69,235(excluding GST) which included a total quantity of pothole filling executed was 8065 \$ som Since the final hill was already	paid in March 2020, there was no scope for making any further payment. However, a $1^{st}$ and final hill was drawn for $\mathbf{F} \leq 4.7706$	excluding GST) by recording measurement for (excluding GST) by recording measurement for execution of pothole repair work for 1658.22 sqm on 18/2/2020. Since the up-to-date quantity of 8062.5 sqm was already paid, there was no scope for making this payment.	Since first and part bill for a value of work done of ₹ 46,40,947(excluding GST) has been paid in March 2020 and there was no scope for drawing another bill with Sl No 1 as 1 <sup>st</sup> and final for ₹ 6,30,381 (excluding GST). Besides, no Measurements have been referred to in the bill paid for ₹ 7,06,027 (December 2020) in the voucher indicating that these were not supported by measurements.		
Additional payment (including GST)		6,12,972			7,06,027		51,03,120
Amount paid (including GST)	5,58,394	50,45,012	1,84,532	6,12,972	51,97,861	7,06,027	
RA Bill No.	1 <sup>st</sup> & Final	l <sup>st</sup> & part	2 <sup>nd</sup> & final	1ª & Final	1st & part	1 <sup>st</sup> & Final	
MB/ Page No.	1278/31- 33	EMB 367/1-25	EMB 367/26-36	MB reference not given in voucher	EMB 364/1-11	EMB 479/ 107-108	
Voucher No and month of payment	94/ Oct 2021	221/ March 2020	242/ March 2020	93/July 2020	181/ March 2020	50/ Dec 2020	
Agreement No/Date		198/03.01. 2020			183/30.12. 2019 (Copy not furnished)		
Contractor Name		Pampapathi Malkanmard i			Ravinand Chellagulla		
Name of the work	from KM 0.00 to 2.20 & 3.30 to 3.80, Koppal taluk	Maintenance to roads vide 1. Gaddi Humpasdurga to NH-13, 2. Musalapur Venkatagiri, 3. RG road to RG road via Hirebenakal Mukkumpa, 4. RG road to Bandral, 5. Vadratti Sulekal via Aral road, 6. Agoli Vithalapur Malakanamaradi, 7. Gaddi Udumkal Aral, 8. Chikkabenakal Yadehalli Halekumuta, 9. Basapattana Aral Herur, Gangavathi Taluk Maintenance to 1. Lingasugur Kudatini SH-29 road KM 0.00 to 3.60. Gangavathi taluk				Total	
Work entrustment year	Work entrustment year 2019-20 2019-20						
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## Appendix – 32

## (Referred to in Introduction of Chapter III)

## List of Public Sector Undertakings

Sl. No.	Name of the PSU	Audited by
Fina	nce Sector	
1	D Devaraj Urs Backward Classes Development Corporation Limited (DUBCDCL)	PAG/Au-I
2	Karnataka State Women's Development Corporation (KSWDC)	PAG/Au-I
3	Dr.B.R. Ambedkar Development Corporation Limited (BRADCL)	PAG/Au-I
4	Karnataka Maharshi Valmiki Scheduled Tribes Development Corporation Limited (KMVSTDCL)	PAG/Au-I
5	The Karnataka Minorities Development Corporation Limited (KMDC)	PAG/Au-I
6	Karnataka Thanda Development Corporation Limited (KTDCL)	PAG/Au-I
7	Karnataka Vishwakarma Community Development Corporation Limited (KVCDCL)	PAG/Au-I
8	Karnataka Bhovi Development Corporation Limited (KBDCL)	PAG/Au-I
9	Nijasharana Ambigara Chowdaiah Development Corporation Limited (NACDCL)	PAG/Au-I
10	Karnataka State Safai Karmachari Development Corporation Limited (KSSKDCL)	PAG/Au-I
11	Karnataka Adi Jambava Development Corporation (KAJDC)	PAG/Au-I
12	Karnataka Uppara Development Corporation Limited (KUDCL)	PAG/Au-I
13	The Karnataka Handloom Development Corporation Limited (KHDCL)	PAG/Au-II
14	Karnataka State Handicrafts Development Corporation Limited (KSHDCL)	PAG/Au-II
15	Karnataka State Industrial Infrastructure and Development Corporation Limited (KSIIDC)	PAG/Au-II
16	Karnataka Urban Infrastructure Development and Finance Corporation Limited (KUIDFC)	PAG/Au-II
17	Sree Kanteerava Studios Limited (KSL)	PAG/Au-I
18	Karnataka Asset Management Company Private Limited (KAMCPL)	PAG/Au-II
19	Karnataka Trustee Company Private Limited (KTCPL)	PAG/Au-II
20	Karnataka State Financial Corporation (KSFC)	PAG/Au-I
21	Karnataka Brahmin Development Board (KBDB)	PAG/Au-II
22	Karnataka Savitha Samaja Development Corporation Limited (KSSDCL)	PAG/Au-I
23	Karnataka Madiwala Machideva Development Corporation Limited (KMMDCL)	PAG/Au-I
24	Karnataka Arya Vysya Community Development Corporation Limited (KAVCDCL)	PAG/Au-I
25	Karnataka Alemari Are-Alamari Development Corporation Limited (KAADCL)	PAG/Au-I
26	Karnataka Veerashaiva-Lingayath Development Corporation Limited (KVLDCL)	PAG/Au-I
Infra	astructure Sector	
27	Karnataka State Construction Corporation Limited (KSCCL)	PAG/Au-II

Sl.	Name of the PSU	Audited by
No.		
28	Karnataka Rural Infrastructure Development Limited (KRIDL)	PAG/Au-I
29	Karnataka State Police Housing and Infrastructure Development Corporation Limited (KSPHIDCL)	PAG/Au-II
30	Rajiv Gandhi Housing Corporation Limited (RGHCL)	PAG/Au-II
31	Karnataka Road Development Corporation Limited (KRDCL)	PAG/Au-II
32	Krishna Bhagya Jala Nigam Limited (KBJNL)	PAG/Au-I
33	Karnataka Neeravari Nigam Limited (KNNL)	PAG/Au-I
34	Cauvery Neeravari Nigama Limited (CNNL)	PAG/Au-I
35	Vishveswaraya Jala Nigam Limited (VJNL)	PAG/Au-I
36	Bangalore Airport Rail Link Limited (BARL)	PAG/Au-II
37	Tadadi Port Limited (TPL)	PAG/Au-II
38	Hubli Dharwad BRTS Company Limited (HDBRTS)	PAG/Au-II
39	Invest Karnataka Forum (IKF)	PAG/Au-II
40	Tumakuru Machine Tool Park (TMTP)	PAG/Au-II
41	Hubballi Dharwad Smart City Limited (HDSCL)	PAG/Au-II
42	Davanagere Smart City Limited (DSCL)	PAG/Au-II
43	Belagavi Smart City Limited (BSCL-Belgavi)	PAG/Au-II
44	Shivamogga Smart City Limited (SSCL)	PAG/Au-II
45	Tumakuru Smart City Limited (TSCL)	PAG/Au-II
46	Mangaluru Smart City Limited (MSCL)	PAG/Au-II
47	Bengaluru Smart City Limited (BSCL-Bengaluru)	PAG/Au-II
48	Bengaluru PRR Development Corporation Limited(BPRRDCL)	PAG/Au-II
49	Rail Infrastructure Development Company (Karnataka) Limited (KRIDE)	PAG/Au-II
50	Bangalore Suburban Rail Company Limited (BSRCL) (Non-Working)	PAG/Au-II
51	CBIC Tumakuru Industrial Township Limited (CBICTITL)	PAG/Au-II
52	Bengaluru Integrated Rail Infrastructure Development Enterprises Limited (BIRIDE)	PAG/Au-II
53	Bangalore Solid Waste Management Company Limited (BSWMCL)	PAG/Au-II
Pow	er Sector	
54	Karnataka Power Corporation Limited (KPCL)	PAG/Au-II
55	KPC Gas Power Corporation Limited (KPCGPCL)	PAG/Au-II
56	Raichur Power Corporation Limited (RPCL)	PAG/Au-II
57	Karnataka Power Transmission Corporation Limited (KPTCL)	PAG/Au-II
58	Bangalore Electricity Supply Company Limited (BESCOM)	PAG/Au-II
59	Hubli Electricity Supply Company Limited (HESCOM)	PAG/Au-II
60	Mangalore Electricity Supply Company Limited (MESCOM)	PAG/Au-II
61	Chamundeshwari Electricity Supply Corporation Limited (CESC)	PAG/Au-II
62	Gulbarga Electricity Supply Company Limited (GESCOM)	PAG/Au-II
63	Karnataka Renewable Energy Development Limited (KREDL)	PAG/Au-II
64	Power Company of Karnataka Limited (PCKL)	PAG/Au-II

## Appendix – 32 Contd.

Sl. No.	Name of the PSU	Audited by
Serv	ice Sector	
65	Karnataka State Tourism Development Corporation Limited (KSTDC)	PAG/Au-II
66	Jungle Lodges and Resorts Limited (JLR)	PAG/Au-II
67	D. Devraj Urs Truck Terminals Limited (DDUTTL)	PAG/Au-II
68	Karnataka Food and Civil Supplies Corporation Limited (KFCSCL)	PAG/Au-I
69	Karnataka Tourism Infrastructure Limited (KTIL)	PAG/Au-II
70	Karnataka State Road Transport Corporation (KSRTC)	PAG/Au-II
71	Bangalore Metropolitan Transport Corporation (BMTC)	PAG/Au-II
72	North Western Karnataka Road Transport Corporation (NWKRTC)	PAG/Au-II
73	Kalyana Karnataka Road Transport Corporation (KKRTC)	PAG/Au-II
74	Karnataka State Medical Supplies Corporation Limited (KSMSCL)	PAG/Au-I
Othe	er Sector	
75	Dr. Babu Jagjivan Ram Leather Industries Development Corporation Limited (LIDKAR)	PAG/Au-I
76	Karnataka State Coir Development Corporation Limited (KSCDCL)	PAG/Au-II
77	Karnataka Soaps and Detergents Limited (KSDL)	PAG/Au-II
78	The Mysore Paper Mills Limited (MPM)	PAG/Au-II
79	Karnataka Vidyuth Karkhane Limited (KAVIKA)	PAG/Au-II
80	The Mysore Electrical Industries Limited (MEI)	PAG/Au-II
81	NGEF (Hubli) Limited (NGEFH)	PAG/Au-II
82	Karnataka Silk Industries Corporation Limited (KSIC)	PAG/Au-I
83	Karnataka Silk Marketing Board Limited (KSMB)	PAG/Au-I
84	Karnataka State Textile Infrastructure Development Corporation Limited (KSTDICL)	PAG/Au-II
85	Karnataka State Minerals Corporation Limited (KSMCL)	PAG/Au-II
86	The Hutti Gold Mines Company Limited (HGML)	PAG/Au-II
87	Mysore Sugar Company Limited (MYSUGAR)	PAG/Au-II
88	Mysore Paints and Varnish Limited (MPVL)	PAG/Au-II
89	Mysore Sales International Limited (MSIL)	PAG/Au-II
90	Marketing Communication and Advertising Limited (MCA)	PAG/Au-II
91	Karnataka State Agro Corn Products Limited (KSACPL)	PAG/Au-I
92	Karnataka State Agricultural Produce Processing and Export Corporation Limited (KAPPEC)	PAG/Au-I
93	Karnataka State Pulses Abhivridhi Mandali Limited (KSPAML)	PAG/Au-I
94	Karnataka Fisheries Development Corporation Limited (KFDC)	PAG/Au-I
95	Karnataka Sheep and Wool Development Corporation Limited (KSAWDCL)	PAG/Au-I
96	Karnataka Compost Development Corporation Limited (KCDCL)	PAG/Au-I
97	Karnataka Cashew Development Corporation Limited (KCDC)	PAG/Au-II
98	Karnataka Forest Development Corporation Limited (KFDCL)	PAG/Au-II
99	Karnatak State Forest Industries Corporation Limited (KSFIC)	PAG/Au-II
100	Karnataka State Seeds Corporation Limited (KSSCL)	PAG/Au-I
101	Food Karnataka Limited (FKL)	PAG/Au-I
102	Karnataka State Mango Development and Marketing Corporation Limited (KSMDMCL)	PAG/Au-I

Sl.	Name of the PSU	Audited by
No.	Name of the PSU	
103	Karnataka Antharaganga Micro Irrigation Corporation Limited (KAMICL)	PAG/Au-I
104	Bangalore Bio-innovation Centre (BBC)	PAG/Au-II
105	Karnataka State Small Industries Development Corporation Limited (KSSIDC)	PAG/Au-II
106	Karnataka State Electronics Development Corporation Limited (KEONICS)	PAG/Au-II
107	Karnataka State Beverages Corporation Limited (KSBCL)	PAG/Au-I
108	Karnataka Vocational Training and Skill Development Corporation Limited (KVTSDCL)	PAG/Au-I
109	Karnataka Public Lands Corporation Limited (KPLCL)	PAG/Au-I
110	Karnataka Mining Environment Restoration Corporation Limited (KMERCL)	PAG/Au-II
111	Science Gallery Bengaluru (SGB)	PAG/Au-II
112	Karnataka State Warehousing Corporation (KSWC)	PAG/Au-I
113	International Flower Auction Bangalore Limited (IFABL)	PAG/Au-I
114	Karnataka Agro Industries Corporation Limited (KAIC) (Non-Working)	PAG/Au-I
115	The Mysore Tobacco Company Limited (MTC) (Non-Working)	PAG/Au-I
116	Karnataka Pulpwood Limited (KPL) (Non-Working)	PAG/Au-II
117	The Karnataka State Veneers Limited (KSVL) (Non-Working)	PAG/Au-II
118	The Mysore Match Company Limited (MMC) (Non-Working)	PAG/Au-II
119	The Mysore Lamp Works Limited (MLW) (Non-Working)	PAG/Au-II
120	Mysore Cosmetics Limited (MCL) (Non-Working)	PAG/Au-II
121	The Mysore Chrome Tanning Company Limited (MCT) (Non-Working)	PAG/Au-II
122	NGEF Limited (NGEF) (Non-Working)	PAG/Au-II
123	Karnataka Telecom Limited (KTL) (Non-Working)	PAG/Au-II
124	The Mysore Acetate and Chemicals Company Limited (MACCL) (Non-Working)	PAG/Au-II
125	Vijayanagar Steel Limited (VSL) (Non-Working)	PAG/Au-II

## Appendix – 32 Contd.

	( <i>Referred to in Paragraph No. 3.1.3</i> ) Statement showing details of Tenders and quantity of SWPs installed								
SI.	Particulars	Phase-I	Phase-II	Phase-III	Phase-IV	Total			
<u>No.</u> 1	Agency/System Integrator	M/s. Novus, M/s. Auro, M/s. Pearl, M/s. Sirius & M/s. Sungrace	M/s. Ravindra Energy Limited	M/s. Jain Irrigation systems Limited	M/s. Rich Phyto Care				
2	Tendered/Awarded Qty.	1,009	1,530	901	625	4,065			
3	Commissioned Qty.	1,009	1,529	900	$1,075^{105}$	3710			
4	Date of issue of Tender Notice	1.1.2015	5.1.2016	23.6.2016	30.11.2017				
5	Bid submission date	28.1.2015	05.05.2016	30-08-2016	22.1.2018				
6	Technical bid open date	31.1.2015 13.3.2015	10-05-2016	02-09-2016	25-01-2018				
7	Financial bid open date	22.4.2015	02-06-2016	25-10-2016	15-02-2018				
8	Date of Letter of Intent	24-06-2015	27-07-2016	26-12-2016	26-3-2018				
9	Date of Agreement	23.7.2015	08-08-2016	27-02-2017	29-5-2018				
10	Detailed Work Award (DWA) date	7.10.2015	22-11-2016	19-04-2017	15-9-2018				
11	Time taken from issue of notice to entering agreement (Days)	203	216	249	180				
12	Time taken from agreement to DWA (Days)	76	106	51	109				
13	Time taken to finalise tender (Days)	279	322	300	289				
14	Request to GoK for approval of beneficiary/Agency	29-5-2014 and 24-1-2015	25-05-2016	3-1-2017	11-02-2019 (for Agency approval only)				
15	List taluk wise Benificiary/agency approved by GoK	28-2-2015	01-09-2016	23-11-2017	12-03-2019				
12	Days compared to DWA & List of Beneficiaries approved by GOK	Not applicable	Not applicable	218	178				
13	Intimation to Escom to identify beneficiaries	6-3-2015 and 27-4-2015	28-9-2016	4-12-2017	26-7-2019				
14	Time taken from agreement date to requesting ESCOM		51	280	422				

## *Appendix 33* (*Referred to in Paragraph No. 3.1.3*) Statement showing details of Tenders and quantity of SWPs installed

<sup>&</sup>lt;sup>105</sup> Includes 321 SWPs from Phase II and 482 SWPs from Phase III.

## Appendix – 34

## (Referred to in Paragraph 3.2I)

## Working sheet for avoidable payment of rent by Karnataka State Handicrafts Development Corporation Ltd.

Period	No. of months	Monthly rent (in ₹)	COVID Discount	Rent for the period (in ₹)
Cauvery Handicraft show	room			
1-5-2019 to 31-12-2019	8	19,23,636	-	1,53,89,088
1-1-2020 to 31-12-2020	12	22,12,181	68,57,761	1,96,88,411
1-1-2021 to 31-03-2023	27	24,33,400	-	6,57,01,800
Corporate Office				
1-5-2019 to 31-3-2020	11	5,28,156	-	58,09,716
1-4-2020 to 31-3-2021	12	5,59,546	-	67,14,552
1-4-2021 to 31-3-2022	12	5,88,552	-	70,62,624
1-4-2022 to 31-3-2023	12	6,21 494		74,57,928
Total				12,78,24,119

## Appendix No. - 35

## (Referred to Paragraph No. 3.8)

~	PSUs							
Sl. No.	Name of the Department	No. of PSUs	No. of outstanding IRs	No. of outstanding Paras	Period of IR from which outstanding			
1	Commerce & Industries	17	42	323	2005-09			
2	Energy	11	219	1257	2010-11			
3	Forest, Ecology & Environment	04	09	60	2001-20			
4	Housing	01	04	06	2007-17			
5	Infrastructure Development, Ports and Inland Water Transport	05	06	35	2011-14			
6	Information Technology, Bio Technology and Science & Technology	03	06	64	2011-14			
7	Public Works	02	04	21	2009-12			
8	Tourism	03	04	26	2012-17			
9	Transport	04	79	496	2010-11			
10	Urban Development	10	19	95	2007-20			
11	Home	01	04	27	2011-19			
	Total	61	396	2410				

## Statement showing the department-wise outstanding Inspection Reports (IRs) in respect of PSUs

Pertains to PSUs under the audit jurisdiction of Office of Pr. Accountant General (Audit-II), Karnataka.