Office of the,
Senior Deputy Director
Local Audit circle, 2nd Floor,
Asiatic Bilding, K.G.Road,
Bangalore-560009

ಕರ್ನಾಟಕ ಸರಕಾರ
(ಕರ್ನಾಟಕ ರಾಜ್ಯ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮತ್ತು ಲೆಕ್ಕಪತ್ರ ಇಲಾಖೆ)

ಹಿರಿಯ ಉಪ ನಿರ್ದೇಶಕರ ಕಚೇರಿ
ಸ್ಥಳೀಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರ್ತುಲ
2ನೇ ಮಹಡಿ, ಏಷಿಯಾಟಿಕ್ ಕಟ್ಟಡ
ಕೆ.ಜಿ.ರಸ್ತೆ, ಬೆಂಗಳೂರು:09
ದೂರವಾಣಿ ಸಂಖ್ಯೆ:080–22267589

ಸಂಖ್ಯೆ: ಸ್ಥಲೆಪವ:ಬೆಂ.ಕಾವಿ:2018–19 ದಿನಾಂಕ:

To,

Member Secretary,
Anekal planning Authority
Anekal.

Sir,

Sub: Submission of audit report for the year 2019-20

*****

Anekal Planning Authority, this organization's audit for the year 2019-20 has been completed and audit report has been attached here with. It is requested to take action on the lacunas, objections , recovery amount found in the paras and submit the compliance report through competent authority.

Yours faithfully,

Senior Deputy Director ,
Local audit circle,
Banglore.

Copy to,

1. Commissioner, Banglore Metropolitian reginal Development Authority, Ali Askar road, Banglore.
2. Principal Director , Karnataka State Audit and Account Department, 3rd Floor ,T.T.M.C., Building , Shanthinagar , Banglore.
3. Office copy.
4. Additional copy

Yours faithfully,

Senior Deputy Director ,
Local audit circle,
Banglore.

Details of recoveries and amount held under objection during audit for the year 2018-19 - Anekal Planning Authority, Anekal.

Sl. No.	Para No.	Particulars	Amount held under objection	Recovery
1.	21	Non Remittance of 5% of betterment fees to the State Town Planning Board and Non maintenance of D.C.B Register	20,06,040/–	--
2.	25	Short recovery of betterment levy while approving layouts with loss to Authority	119,63,47,830/–	--
3.	27	Non-submission of details of works executed which are funded by Anekal Planning Authority and non-submission of utilization certificates.	11,23,84,731/–	--
4.	29	Non-payment of Audit fees	4,35,728/–	--
5.	30	Non payment of RTI fees	13,104/–	
		Total	**1,31,11,87,433/–**	--

Audit Report for the year 2019-20 on the accounts of the Anekal Planning Authority, Anekal.

1. Introduction:-

In exercise of the powers conferred under Section 4-A (1) of the Karnataka Town & Country Planning Act, 1961 (Karnataka Act No. 11 of 1963), the Government vide Notification No: NaAaEe-72-BemRuPra-2003, dated: 03.03.2006 and with effect from 02.03.2006 declared the Anekal Local Planning Area. This Local Planning Area is called as Anekal Local Planning Area.

Further vide government notification No. NaAaEe-31-BemRuPra-2006, dated: 19.07.2006 and as per the provisions of Sec 4-C of the Karnataka Town & Country Planning Act-1961 the Constitution of the Anekal Planning Authority consisting of Chairman, Member-Secretary and members was notified. Accordingly, the Anekal Planning Authority came into existence w.e.f 19.07.2006.

The audit of the Anekal Planning Authority for the year 2018-19 was carried out as per the provisions of Section 68(C)(2) of the KT&CP Act 1961 and Rule 23(1) of the Karnataka Planning Authority Rules., 1965. The predominant shortcomings observed during the audit is detailed in following paras. The compliance report to this audit report may be submitted through competent authority.

2. Details of the Audit Team:-

1.	Names of auditors	Sri. Venkatesh Prasad, Accounts Superintendent, Sri Manjunath, A .G. Examiner, Kum. Manjula.C. ,, Accounts Superintendent
2.	Period of Audit	2019-20
3.	Date of commencement of audit	25.05.2020
4.	Date of Completion of audit	30.05.2020
5.	Manpower used	22 Man days
6.	Reviewing Officer	Smt.Rajashree, Additional Director, Regional Office, Karnataka State Accounts and Audit Department.

7.	Date of review	19.06.2020

3. <u>Administrative Wing of the Authority:-</u>

Sl. No.	Designation	Name Smt/Sri	Date	
			From	To
1.	Chairman	Sri.Mohan raj .I.A.S	01.04.2019	30.06.2019
		Sri.S.Harish	01.07.2019	31.07.2019
		Sri.V.P.Ikkeri.I.A.S	18.08.2019	18.12.2019
		Sri.K.Jayanna	19.12.2019	31.03.2020
2.	Member Secretary	Sri Venkata Durgaprasad Kunchala	01-04-2019	05.07.2019
		Sri.B.Manjesh(Additional)	06.07.2019	19.08.2019
		Sri .N.M.Nanjegowda	20.08.2019	31.03.2020
3.	Deputy Director of Town & Country Planning	Sri B.Manjesh	01-04-2019	19.09.2019
		Sri.K.N.Nagaraja	20.09.2019	31.03.2020
4.	Assistant Director of Town & Country Planning	Smt.Veena C.Nirwani	01-04-2019	18.09.2019
		Sri.Shivaprasad	15.05.2019	18.07.2019
		Sri.Venkateshappa	18.07.2019	05.12.2019
		Sri.Jagannatha	18.09.2019	31.03.2020
		Smt.Vidhya.D	05.12.2019	31.03.202
5.	Town Planner	Smt.O.Janaki	01.04.2019	31.03.2020
6.	Case Worker	Kum.Divya.K.V	01-04-2019	31-03-2020

4. Submission of compliance report of previous audit report:-

Details of objections unattended from the period 2006-07 to 2018-19 are listed below. As per Karnataka Planning Authority Rules 1965 Section 27 Compliance Report shall be prepared and incorporated in Audit Minute Register and submitted to Local Audit circle, Bengaluru through competent authority.

The details of objections remained unattended are as follows:

Sl. No.	Period	Objections			Recovery	Settelement amount				Closing balanve			
		Para		Amount	Para	Amt	Objection	Recovery			Objection		Recovery
1.	2006–07	–		–	01	878	–	01	878		–		–
2.	2007–08	–		–	01	363	–	01	363		–		–
3.	2008–09	–		–	01	318	–	01	318		–		–
4.	2008–09	–		–	01	363	–	01	363		–		–
5.	2011–12	–		–	02	2195	–	02	2195		–		–
6.	2011–12	–		–	01	133386575	–	–	–		–	01	133386575
7.	2012–13	–		–	02	4599	–	02	6906	–	–	–	–
8.	2013–14	–	01	5457	01	–			–	01	5457	–	–
9.	2014–15	–	01	1340						01	1340	–	
10.	2015–16	–	–	–	–	–	–	–	–	–	–	–	–
11.	2016–17		03	1416025243	02	44108	–	–	–	03	1416025243	02	44108
12	2017–18		03	2300090021	01	500404	––		–	03	2300090021	01	500404
13	2018–19		05	2110800510	–	–	–	–	–	05	210800510	–	–
	ಒಟ್ಟು		13	5826922571	12	133939803		8	8716	8	5826922571	4	133931087

5. Audit for current year:-

As on the date of audit on 28.08.2020, fees existing are as detailed below on physical verification the receipts book in stock and balance details are tallied.

1.	Cash in hand	43/-
2.	Postal stamps	1217
3.	Receipt Books	19 Books (41102 to 41120)

6. Budget:-

The Annual budget is required to be submitted in month of January every year as per Section 68b of KTCP Act 1961 and rule 22 of Karnataka Planning Authority Rules 1965. The budget for the was not approved by Government. The Authority shall take necessary steps for getting the budget approved from the Government.

Estimated Budget and the actual expenditure, furnished by the authority are as follows;

	Estimated		Actual
	Ordinary Section	**Capital Section**	
Opening balance as on 01.04.2019	227548299	1392813642	27949018
Receipts- 2019-20	152100000	2040000000	1968685744
Total	379648299	34328103642	1996634762
Expenditure -2019-20	883500000	1210000000	1961169925
Closing Balance as on 31.03.2020	503851701	2222813642	35464837

On observing the receipts and expenditure figures in Ordinary Section and Capital Section, it is found that expenditure is more than income. The guidelines adopted for the preparation of the budget is not known. Explanation is sought on this matter and also it is advised to prepare budget estimate statement after taking into consideration the receipt and expenditure for the previous 3 years.

7. Financial position of the Authority:-

The financial position of then authority for the year 2019-20 is as follows:

Details	Total
Opening Balance as on 01.04.2019	27949018
Receipts during 2019-20	196885744
Total	**1996634762**
Expenditure during 2019-20	1961169925
Bank Balance as on 31.03.2020 in Bank Pass Book	35464837

8. Non-maintenance of classified register of receipt and expenditure:-

As per Article 328 to 382 A of the Karnataka Financial Code, the details of receipts and expenditure in classified manner is required to be maintained in a register on a regular basis for each day and the end of the month the transaction to be tallied with cash book/Bank Pass Book. If any difference found, it has to be tallied & certified. But such register is not maintained instead general register has been maintained for day to day transactions. This was informed in previous audits but no action has been taken. It is advised to take action as per the rules.

9. Grants:-

No grants were received from the Government during the year 2019-20.

10. Classified deposit and expenditure register:-

Register of Deposit and Expenditure for 2019-20 is not maintained and not produced for audit. However the consolidated statement prepared by authority is enclosed here with in Annexure-1.

11. Annual administrative report:-

The Annual Administrative Report including income and expenditure statement prepared as per Form 5 is required to be submitted to the Government before 30th June as per section 68(D) of the KT&CP, Act 1961 and Rule 29 of the Karnataka Planning Authority Rules, 1965. Audit objection No. 01/2019-20 Dated:25.05.2020 was issued seeking clarification on submission of 2019-20 annual report. However the authority has not clarified regarding the same until completion of audit. Clarification is sought for submission of the Annual Administrative Report for the year 2018-19, however the authority has not Clarified regarding the same completion of audit .

12. Details of postal stamps:-

Register of Postal Stamps for the year 2019-20 is maintained. The details are as follows:

Opening balance as on 01.04.2019	213
Received during 2019-20	24000

Total	**24213**
Used during 2019-20	20331
Balance on 31.03.2020	3882

13. Used receipt books:-

The stock registers of the receipt books for the year 2019-20 are as follows:

Opening balance as on 01.04.2019	05
Received during 2019-20	30
Total	**35**
Used during 2019-20	15
Balance on 31.03.2020	20

14. The details of application for change of land use:-

The change of land use application forms (Rs. 100/-) for the year 2019-20details are as follows:

Opening balance as on 01.04.2019	1634
Received during 2019-20	--
Total	1634
Sold during 2019-20	66
Balance on 31.03.2020	1568

15. Use of Receipt Books

The details of receipt books in use for the year 2019-20are as follows;

Sl. No.	**Receipt Book No.**	**Receipt No.**		**Remarks**
		From	**To**	
1.	17825	1782489	1782500	Verified
2.	9980	997915	998000	Verified

3.	17826–17830	1782501	178300	Verified
4.	37028–37030	3702701	370300	Verified
5.	37537	3753601	3753700	Verified

The details of partly verified receipt books for the year 2019-20are as follows;

Sl. No.	Receipt Book No.	Receipt No.	Remarks
		From To	
1.	37539	3753810	20.03.2020
2.	37736	3773510	20.03.2020
3.	37540	3753910	20.03.2020
4.	37737	3773610	20.03.2020
5.	9974	924874	26.09.2019
6.	37536	3753515	17.03.2020
7.	37538	3753775	20.03.2020

Partly verified receipt Books may be produced during next audit.

16. <u>Details of Re-Investment during 2018-19:-</u>

A sum invested during the year 2019-20 details are as follow:

Opening balance as on 01.04.2019	1738290000
Received during 2019-20	1905526281
Total	3643816281
Sold during 2019-20	1785700000
Balance on 31.03.2020	1858116281

17. <u>Amount collected Through receipts deposited in authority Fund :-</u>

During the year 2019-20 on verification of receipt books, bank chalans and bank statements an amount of Rs.80,582/- is collected through sale of Change of land use application, C.D, Z.R and Master Plan and is deposited in Authority's fund.

18. Details of security deposits:-

As per the Government Order vide no.NaAaEE 264 BMR 15/2013, Bengaluru Dated: 03.09.2014 the security Deposit has been fixed @ Rs.50/- per sq.meter during issue of building commencement certificates. The authority has deposited the funds in this financial year in authority funds. The transactions are as follows;

Opening balance as on 01.04.2019	261607475
Received during 2019-20	18807850
Total	**280415325**
With drawal during 2019-20	–
Balance on 31.03.2020	280415325

19. Details of repayment of security deposits not submitted:-

The applicant shall deposit a sum of Rs.50/- per sq. meter of floor area towards security deposit during issue of commencement certificate for residential buildings/ Group Housing/ Multi dwellings/ Apartments with 5 units or more and for commercial buildings exceeding 300 Sq. meters. It is observed that by the end of year 2019-20 a security deposit of Rs. 28,04,15,325/–has been collected.

Further, previous year details on repayment of security deposits for cases where buildings were constructed as per the approved plan was not made available. As per rules Security deposits are not forfeited for the buildings not completed within 2 years and for the buildings not constructed as per approved plans. Action taken in this regard by the authority was not furnished to the audit.

It is advised to take action to forfeit security deposit and take action as per rules and regulations for the buildings not constructed within 2 years and buildings not constructed as per approved plan.

20. Stock register of C.D, maps and other stock details not submitted:-

During the year 2019-20, C.D, Z.R and Maps were printed and distributed as per the documents submitted for audit. For the present year the details of C.D's, Z.R and Maps were printed and sold are listed as follows;

Sl. No.	Details	C.D	Z.R Book	Map
1.	Opening	0	18	06
2.	Purchase	--	--	--
	Total	0	18	06
3.	Sale	--	--	--
4.	Balance	0	18	06

It is advised to take these items to stock till the end of financial year and get certified by the concerned officer.

21. <u>Non Remittance of 5% of betterment fees to the State Town Planning Board and non-maintenance of D.C.B register:-</u>

According to KTCP Act 1961 under Section 18, the contribution of 5% of the total amount collected towards various fees is to be credited to Karnataka State Town Planning Board every calendar year. During the year 2019-20, a sum of Rs. 4,01,20,815/-- has been collected as Betterment Fees, 5% of the above amount will be Rs. 20,06,040/- is required to be contributed to Karnataka State Town Planning Board. But this contribution has not been paid and action may be taken for payment to Karnataka State Town Planning Board. Since the inception of the authority betterment fee in being collected annual demand register has not been maintained. Annual demand, Payment and balance registers have not been maintained. Hence it is advised to open all the above registers and mention all details in it till year end with receipt and balance details tabled and certified by concerned officer. Hence a sum of Rs. 20,06,040/- is held under objection until payment of said amount.

22. <u>Release of 40% of sites in the approved residential layout plan:-</u>

In tha previous Audit report it was directed to realease 60% of sites in the first instance for the registration in the approved residential layout as per the government order no.

According to Karnataka Government circular No.NaAaEE 112/BMR/2005 Dated: 26.05.2005 in approved residential layout 60% of the sites has to released for registrations in the first instance. As per the condition(1) of the said order the final 40% of sites has to be released after completion of all infrastructure work like Asphalting of roads, Rain water Harvesting, solid waste management unit, potable drinking water OHT, Electric supply and road side trees plantation works within stipulated time period of 2 years. However details of developers who have not been able to complete all development works within 2 years and also who have not obtained a renewal/extension of time period for completion of civil works has not been maintained.

In this regard, Government vide circular no: NaAaEe: 11:Bem.Ro.Pra 2005 dated 26.05.2005 had approved penalize as per the BMRDA Letter No. BMRDA/ADTP-2/other/24/2012-13 Dated: 31.10.2014, if the Developer has not developed or renewed layout plan for the 40% of sites released within 2 years

23. Details of CA Sites and Parks in Anekal Planning Authority : Not submitted

The Authority was informed to furnish the details of CA Sites in the layouts approved by Anekal Planning authority during the year 2018-19 vide audit enquiry No. 7/2018-19 dated: 17.08.2019. It was informed that 53 C.A. Sites& 207 parks are in possession of authority. The details are furnished in Annexure-3 to this report.

24. Details of layouts approved by planning authority, but have not completed development works within 5 years:-

The authority was informed to furnish the details of layouts approved by planning authority, & the layouts not developed within the completion of the 5 years during the year 2018-19 vide audit enquiry No. 07/2018-19 dt: 17.08.2019. Member Secretary and Joint Director Anekal Planning Authority has reported that letter has been issued to release the sites only after full development of layout approved by the authority. The layouts have to be completely developed within the maximum of 5 years as per Government order vide No.NaAaEE

599/MyAAPra/2012 Dated:03.12.2012. Action has to be taken as per Government order.

25. <u>Short recovery of betterment levy while approving layouts- Rs.156.06 Crores loss to Authority:-</u>

Layout Plan approvals are being given without considering the actual cost required to develop in urban development department limits. Because of this value of land and amount required for development of the land in particular year should be assessed considering the schedule of rates earmarked by the Government by considering rates in the above mentioned manner. Betterment levy to be collected could be identified by subtracting the amount required to develop the land from the present value of the land (Appreciation of Market Value)

Conversion of land prior to the approval of any land for development purpose yields higher income to the developer as the value of the land increases. Hence, the Authority has to charge betterment fee not less than 1/3rd of the increased value of land as per article 18 of the KTCP act 1961.

Based on the above established criterion betterment fee has to be collected and the amount collected is to be credited to the authority fund.

Authority has been collecting fees based on circular dated 27-11-1997 till date and has completely violated the powers conferred under KTCP act. Because of this authority has incurred losses in crores of rupees as these fees pattern are being continued for 19 years. It is seen that the revision of fees /rates have not been done according to annual guidance rate. No effort has been made to obtain approved from the government. The loss incurred by the authority is listed in <u>Annexure-4</u>.

Following the base year market value guideline, betterment fees has to be collected and in turn targets in the Master Plan 2031 has to be achieved by collecting sufficient fees amount. By collecting less betterment fees authority has incurred loss and has been unable to implement complete targets mentioned in Master Plan 2031.

Hence a sum of Rs. 1,56,06,44,296/- is held under objection until appropriate action is taken.

26. Execution of works funded by Anekal Planning Authority through PRED and PWD:-

Out of the total fund of the authority (excluding Lake Rejuvenation fees) 25% of this fund is reserved for administration purposes and the balance is utilized for funding various development works. Accordingly a proposal has been sent to Government for administrative approval for undertaking works for Rs.1500.00 Lakhs as per the authority's 37th meeting resolution dated:24.09.2012. As per the Government order No.NaAaEE 50 2012 Bengaluru Dated: 02.01.2013 an administrative approval has been given. As per the Government order dated:27.11.2013 an administrative approval has been given for execution of works through Panchayath Raj Engineering Department and PWD. Payments have been made to concerned departments. Utilization Certificate needs to be submitted after completion of works. Utilization Certificate for Rs. 112384731//- is not submitted. Hence a sum of Rs. 112384731//- is held under objection until submission of utilization certificate.

27. Engaging of services by outsourcing towards Authority's works:-

Since there is no permanent employees for day to day work in the authority the services were out sourced during 2019-20 and the payment details are as follows:

Sl. No.	Designation	Post	Annual payment
1.	Account Assistant	01 Post	15248
2.	SDA	01 Post	12443
3.	Computer Operator	03 Post	12443
4.	Group 'D'	02 Post	9209

The files have been scrutinized. Quotations were called for the appointment of the above posts in the year 2011-12. Among the 3 organization participated M/s. SA Man Power Services Pvt. Ltd. has quoted less rates and the persons were

outsourced. This was approved in authority's 60th meeting held on 11.04.2019 vide subject No.15. The services of these outsourced persons are continued till date. Further it is necessary to call for tender on yearly basis to fix competitive rates.

28 (a) <u>Out Sourcing of vehicles:</u> -

The vehicles for office use were obtained from out sourcing during 2019-20. 01 vehicle was hired from M/s suvarnamukhi Transport & 3 vehicles from M/s Kavyashree Tours & Travels were hired. A total of 4 vehicles were hired on rental basis. During 2019-20 Rs.1251585/- has been spent for outsourcing of Vehicle.

28. <u>Approval for apartment buildings during 2019-20:-</u>

Approvals were accorded for apartment buildings during 2019-20. The details of amount collected towards betterment levy, Security deposit etc., were called for through audit objection No. 01, but no information was furnished.

29. <u>Audit fees</u>:-

The Audit of accounts of the Authority for the year 2018-19 has been taken and the audit fees to be paid are as follows:

i	2019-20 total receipts		1968685744
Deductions			
1.	Layout/Group Housing Security Deposit	18807850	
2.	Encashment of investments	1905526281	
3.	Bank interest	1709610	
4.	R.T.I Fees	13104	
	Total	**42628899**	**2316644751**
	Net Income		
ii	Total Expenditure		**1961169925**
Deductions			
1	Income Tax Paid	127644	

2	Fixed Deposits	1785700000	
3	Telephone Charges	71470	
4	Electricity Charges	31239	
5	Bank Charges	4512	
	Total Rs.	**1785934865**	
	Net Amount		175235060

For calculation of audit fees total income and expenditure amount.

(18431656+667721562=686153218)

$$\frac{(217863959 \times 0.20)}{100} = 4{,}35{,}728/-$$

For the end of 31.03.2019 action has to be taken to deposit balance amount of audit fees of Rs. 4,35,728/-. Till the deposit of balance amount, Rs. 4,35,728/- is held under objection

Opening Balance as on 01.04.2019	2399138
2019-20 year demand	435728
Total	**2834866**
2019-20 year paid	–
Closing Balance as on 31.03.2020	2834866

Head of A/C 0070-60-110-0-01

0070	Other Administrative Services.
60	Other Services
110	Govt. Audit-fees
0-01	Audit Fees

30. <u>Failure to comply with RTI</u>

During the financial year , Rs.13,104/- collected under the Right to information is in the authority account without crediting to the government head of the account.

Till the payment of said amount to the Government head of the account , Rs. 13,104/- is held as objection.

31. <u>General opinion :-</u>

There is a need for improvement in the maintenance of accounts and cash book is not maintained in the prescribed format. Accounts in the cash register is not tallied and non-remittance of 5% of betterment fees to the State Town Planning Board and non-maintenance of D.C.B register are the predominant short comings observed during the audit.

Senior Deputy Director,
Local Audit Circle,
Bengaluru.

Classified Receipt & Expenditure for the year 2019-20 of the Anekal Planning Authority

Receipts	Amount	Expenditure	Amount
Betterment fee	4,01,20,815/–	Salary of officer/staff	
Scrutiny fee	5,57,040/–	Salary of Outsourcing Employees	
Supervision fee	2,23,960/–	Hiring of Vehicles	
Copies of Plan	9,10,950/–	Office space rent	
Security deposit	1,88,07,850/–	Telephone bills	
Certified Copies		Purchase of stationeries	
R.T.I		Electricity bills	
Realization of FD's		Petty cash	
Lake fees		Income Tax Payment	
Bank Interest		STPB Funds	
Change of Land use Applications fees		Publication Charges	
Bank repayment		Fixed deposits	
Paper Notification Fees		Xerox Charges	
Audit objection recovery Amount		Purchase of Stamps	
Purchase of Stamps		Auditor Fees	
Canara Bank, Chandapura account adjustment		Payment of Legal fee to Advocate	
		Computer	
		TV	
		Others	
		Bank Charges	
		Development Works	
		Printing	
		Paper Notification Charges	
		RTI Plan	
Total Receipts	**2351032929**	**Total Expenditure**	**2422718285**
Opening balance	**99634374**	**Closing Balance**	**27949018**
Total	**2550977647**	**Total**	**2450667303**