**Office of the,**
**Joint Director**
**Local Audit circle, 4th Floor,TMCBuilding,**
**'A' Block, BMTC.,**
**Shantinagar,**
**Bangalore-560027**

ಕರ್ನಾಟಕ ಸರ್ಕಾರ
(Karnataka State Audit and Accounts Department)

**Office of the Joint Director**
**Local Audit Circle,**
**4Th floor,**
**T.T.M.C building,**
**'A' block, B.M.T.C,**
**Shantinagar,**
**Bangalore-27.**

**No: Stha. Le. Pa. Va. Bem/ Lepa. Varadi/2024-25** **Date:**

**To,**

Member Secretary,
Bangalore-Mysore Infrastructure Corridor Area Planning Authority
Office of the Director of Town Planning
2nd floor, No.5, Loop line
Racecourse Road, Near Gandhi Circle
Bangalore-560009.

**Respected Sir/Madam,**

**Subject**: **Forwarding of Audit Report for the Financial year 2024-25**.

With reference to the above subject, the audit of your office for the financial year 2024–25 has been conducted and the detailed audit report is enclosed hear with You are requested to provide a suitable and well-substantiated compliance reply along with supporting documents within three months from the date of receipt of the report.

Kindly acknowledge receipt of the report by sending a confirmation letter.

**Yours sincerely,**
Sd/-
**Joint Director,**
Local Audit Circle,
Bangalore.

**Copy to:**

1. Commissioner, Bangalore Metropolitan Region Development Authority, Ali Asker Road, Bengaluru.Secretary, Urban Development Department, 4th Floor, Vikas Soudha, Bengaluru – 560001.
2. Additional Director, Karnataka State Audit and Accounts Department, Bengaluru.
3. Planning Director, Town Planning, Multi-storied Building, Ground Floor, Ambedkar Veedhi, Gate No. 4, Bengaluru – 560001.
4. Office Copy.

**Office of the,**
**Joint Director**
**Local Audit circle, 4th Floor,TMCBuilding,**
**'A' Block, BMTC.,**
**Shantinagar,**
**Bangalore-560027**

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(Karnataka State Audit and Accounts Department)

**Office of the Joint Director**
**Local Audit Circle,**
**4Th floor,**
**T.T.M.C building,**
**'A' block, B.M.T.C,**
**Shantinagar,**
**Bangalore-27.**

## Major deficiencies, objections, and recovery details observed during the audit of the Bengaluru–Mysuru Infrastructure Corridor Area Planning Authority, Bengaluru, for the financial year 024–25.

**(Amount In Rupees)**

| Sl. No. | Para No. | Particulars | | Objection Amount (₹) | Recovery Amount (₹) |
|---|---|---|---|---|---|
| **Part -2** | | | | | |
| 2 | 30 | Non-payment of Cess amounts to Government | Water supply system development cess | 5454938.00 | 0.00 |
| | | | Ring road development cess | 5454938.00 | 0.00 |
| | | | Mass rapid transport system cess | 7832019 | 0.00 |
| 3 | 31 | Non-payment of GST on Office Rent | | 0.00 | 20,110.00 |
| 4 | 38 | Payment of Outsourced Employees' Salary Bills without deducting GST | | 0.00 | 12,107.00 |
| 3 | 41 | Non-deposit of collections under the Right to Information Act to the relevant account head | | 18,692.00 | 0.00 |
| 6 | 42 | Details of Audit Investigation Fee | | 0.00 | 0.00 |
| **Total** | | | | **18760587** | **32,217.00** |

SD/-
**Joint Director,**
**Local Audit Circle,**
**Bangalore.**

**Office of the,**
**Joint Director**
**Local Audit circle, 4th Floor,TMCBuilding,**
**'A' Block, BMTC.,**
**Shantinagar,**
**Bangalore-560027**

ಕರ್ನಾಟಕ ಸರ್ಕಾರ
(Karnataka State Audit and Accounts Department)

**Office of the Joint Director**
**Local Audit Circle,**
**4Th floor,**
**T.T.M.C building,**
**'A' block, B.M.T.C,**
**Shantinagar,**
**Bangalore-27.**

# Audit Report of the Bengaluru–Mysuru Infrastructure Corridor Area Planning Authority, Bengaluru, for the financial year 2024–25.

## Part-1

## 1. Introduction

**Details of the Authority, Scope of Audit, and Reference to the Acts/Rules under which Audit is conducted:**

The Authority was constituted under the Karnataka Town and Country Planning Act No. 11 and came into existence on 05.10.1999 as per the provisions of the said Act. Its primary objective is to grant approvals for layouts and building plans for industrial, commercial, and residential constructions, residential layout plans, and changes in land use.

The jurisdiction of BMICAPA covers 701.01 sq. km across Bengaluru, Ramanagara, Mandya, and Mysuru districts. This includes a 111 km expressway, a 43 km peripheral road, a 9.1 km link road, and a 3.1 km elevated road. The area comprises 140 full revenue villages, 54 partial villages, and includes Maddur CMC

As per Section 68C (2) of the Karnataka Town and Country Planning Act, 1961, and Rule 23(1) of the Karnataka Planning Authority Rules, 1965, the audit of BMICAPA for the financial year 2024–25 has been conducted and the report released. The audit period is from 01.04.2024 to 31.03.2025. Major deficiencies, objections, and recovery amounts observed during the audit are detailed para-wise. A suitable compliance report, along with the opinion of the competent authority, is to be submitted within the stipulated time.

2. **Regarding the Commencement of the Bengaluru–Mysuru Infrastructure Corridor Area Planning Authority:**

To undertake the highway project between Bengaluru and Mysuru, the Government granted approval to M/s Nandi Infrastructure Corridor Enterprises (NICE). Recognizing that developments would arise along the alignment of the highway, the Government intended that such developments be regulated and planned. Accordingly, under Section 4(A) of the Karnataka Town and Country Planning Act, 1961, the Government issued Notification No. NAI 377 MIB 98 dated 13.07.1999 declaring the local planning area of the BMIC Corridor. Subsequently, under Section 4(C) of the same Act, Notification No. NAi 377 MIB 98 dated 05.10.1999 constituted the Planning Authority.

The local planning area was later revised through Government Order No. 130 Bemroopra 2001 dated 30.11.2001. The total area is 701.01 sq. km, comprising 140 full revenue villages, 54 partial villages, and Maddur CMC. The project includes a 111 km expressway from Bengaluru to Mysuru, a 41 km peripheral road, a 9.1 km link road, a 3.1 km elevated road, 16 interchanges, and the development of 5 new townships. As per Government Notification No. UDD 75 Bemroopra 2003 dated 12.02.2004, the Master Plan for BMICAPA was approved. Any land use changes or developments within the planning area must mandatorily obtain approval from the Planning Authority.

**(i) Administrative Structure:**

BMICAPA consists of a Chairman, Member-Secretary, five representatives from local bodies, and representatives from various State Government departments, making a total of 14 members. Additionally, under Section 4(C) 3(iv) of the Karnataka Town and Country Planning Act, 1961, the Government has three non-official members to the Authority**.**

| Sl. No. | Designation | Name | Details and date of government order |
|---|---|---|---|
| 1 | Chairman | Shri Raghunandan Ramanna | Government Notification No. NAI:36: MNI:2024(E), dated 29.02.2024 |
| 2 | Member | Additional Chief Secretary, Urban Development Department, Bengaluru | Government Notification No. NAI:78: Maiapra:2022(E), dated 22.02.2022 |
| | | Secretary, Urban Development Department, Bengaluru | Government Notification No. NAI:05: Bemroopra:2008, dated 12.11.2008 |
| 3 | Member | Principal Secretary, Revenue Department, Bengaluru. | Government Notification No. NAI:05: Bemroopra:2008, dated 12.11.2008 |
| 4 | Member | Additional Chief Secretary, Public Works, Ports & Inland Water Transport Department, Bengaluru | Government Notification No. NAI:05: Bemroopra:2008, dated 12.11.2008 |
| 5 | Member | Metropolitan Commissioner, Bangalore Metropolitan Region Development Authority, Bengaluru | Government Notification No. NAI:05: Bemroopra:2008, dated 12.11.2008 |
| 6 | Member | Director, Town & Country Planning Department, Bengaluru | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 7 | Member | Chief Executive Officer & Executive Member, KIADB, Bengaluru | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |

| | | | |
|---|---|---|---|
| 8 | Member (Local Body Representative) | Ramanagara Municipal Commissioner, Ramanagara, Ramanagara District, | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 9 | Member (Local Body Representative) | Chief Executive Officer, Zilla Panchayat, Bengaluru Urban District | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 10 | Member (Local Body Representative) | Chief Executive Officer, Zilla Panchayat, Ramanagara District | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 11 | Member (Local Body Representative) | Chief Executive Officer, Zilla Panchayat, Mandya | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 12 | Member (Local Body Representative) | Chief Executive Officer, Zilla Panchayat, Mysuru | Government Notification No: NAI:05: Bemruper:2008, Dated: 12.11.2008 |
| 13 | Member-Secretary | Additional Director, Town & Country Planning, BMICAPA, Bengaluru | Government Notification No. NAI:157: Nayose:2008, dated 13.11.2008 |
| 14 | Member | Joint Director, Town & Country Planning, Central Office, Bengaluru | Government Notification No: NAI:05:Bemruper:2008, Dated:12.11.2008 |
| **Special invitees** | | | |
| 1 | Special Secretary, Law, Justice & Human Rights Department, Bengaluru | | |
| 2 | Additional Chief Secretary, Commerce & Industries Department, Government of Karnataka, Vikas Soudha | | |
| 3 | Chief Engineer, Communications & Buildings (South), Public Works, Ports & Inland Water Transport Department, Bengaluru | | |
| 4 | Member-Secretary, Karnataka State Pollution Control Board, Bengaluru | | |
| 5 | Coordinating Officer, BMIC Project, Public Works, Ports & Inland Water Transport Department, Bengaluru | | |

**ii) Functions and Duties:**

The Authority functions under the Karnataka Town and Country Planning Act, 1961, and discharges the following functions :

a) Preparation of a Master Plan for the local planning area under the Karnataka Town and Country Planning Act.
b) Regulation of developments/growth in the local planning area in accordance with the Master Plan and Zoning Regulations, including granting approvals for building construction and land development.
c) Furnishing technical opinion to the Revenue Department for conversion of agricultural lands as per the Master Plan and Zoning Regulations.
d) Implementation of the Master Plan within the local planning area through Town Planning Schemes.
e) Acquisition of land proposed in the Master Plan for development purposes (e.g., parks)
f) Granting technical approval for layout plans of converted lands within the jurisdiction of the Authority, based on requests from landowners, in accordance with rules.

**iii) Procedure followed in Discharge of Functions:**

BMICAPA operates under the Karnataka Town and Country Planning Act, 1961. It functions in accordance with the Government-approved Master Plan, Zoning Regulations, and provisions under various Acts, Government orders, circulars, and directions/guidelines issued by the Government from time to time.

**(iv) Procedure Followed in Decision-Making, Supervision, and Accountability:**

Technical matters and proposals received from the public and other offices are examined by the Town Planners and Assistant Town Planners in the office, who then submit the matter through the Assistant Director of Town and Country

Planning. Thereafter, the Assistant Director, Deputy Director, and Joint Director examine the proposal at their respective levels and place the file before the head of the office, namely the Member-Secretary, for appropriate orders. If delegation of powers exists under the Act, such cases are disposed of accordingly. Where matters are required by law to be placed before the Authority meeting for resolution, such files are placed before the Authority meeting and action is taken in accordance with the resolution passed and the applicable law and rules.

3. **Details of Audit Team:-**

| | |
|---|---|
| Name of Institution | Bengaluru–Mysuru Infrastructure Corridor Area Planning Authority, Bengaluru |
| Names of Auditors | - Shri Prabhu K.P., L.A.<br>- Shri L.K. Manjunath, L.P.<br>- Shri Manjunath K.S., L.P. |
| Audit Commencement Date | 06-05-2025 |
| Audit Completion Date | 09-05-2025 |
| Man-days Utilized | 12 single man-days |
| Officers Reviewing Draft Report | Smt. Roopashri B.V., KSAS, Joint Director |
| Revision Date | Date:03.10.2025 |

## 4. Details of the Administrative Officers of the Development Authority for the year 2024–25

| Sl. No. | Designation | Name | Date | |
|---|---|---|---|---|
| | | | Since | Up to |
| 1 | Additional Director, Town & Country Planning and Member-Secretary | Shri Lakshmikant S. Pawar | 01.04.2024 | 31.03.2025 |
| 2 | Joint Director, Town & Country Planning | Shri Manjappa | 01.04.2024 | 31.03.2025 |
| 3 | Deputy Director, Town & Country Planning | Shri Lasuma Nayak C. | 01.04.2024 | 31.03.2025 |
| 4 | Assistant Directors, Town & Country Planning | Smt. Bavitha R.B. | 01.04.2024 | 31.03.2025 |
| | | Smt. O. Janaki | 01.04.2024 | 31.03.2025 |
| | | Shri Shivaprasad V. | 01.04.2024 | 10.12.2024 |
| 5 | Town Planners | Kum. Suma K. | 01.04.2024 | 22.07.2024 |
| | | Kum. Ramya B.A. | 01.04.2024 | 31.03.2025 |
| 6 | Case Workers / First Division Assistants / Accounts Officers | Shri Manjula B. | 01.04.2024 | 31.03.2025 |
| | | Shri Shivanna | 01.04.2024 | 31.03.2025 |

## 5. Preparation of the Master Plan:

The Master Plan prepared for BMICAPA's local planning area was finally approved by the Government vide Order No. Nai 75 Bemroopra 2003, Bengaluru,

dated 12.02.2004, and published in the State Gazette on 07.10.2004 under Section 13(4) of the KT&CP Act and Rule 33 of the Planning Authority Rules, 1969.

In the 12th General Meeting of the Authority held on 27.05.2006 (Subject No. 12.6), it was resolved to revise the Master Plan. Accordingly, incorporating recent developments, the task of revising the Master Plan using QB-Data obtained from NRSC, Hyderabad, along with necessary documents, was entrusted to M/s CURIP. Based on this information, M/s CURIP prepared and submitted the base map of the local planning area. The map, which included link roads, peripheral roads, and the expressway, was sent to the Public Works Department for verification. In the 28th General Meeting held on 21.01.2011, it was resolved to also examine the quality and accuracy of the base map.

For finalization of the base map, details such as the total extent of land in the BMIC project, survey numbers, boundaries, villages, and a 1:5 scale map showing all proposed components (link roads, peripheral roads, expressway, townships, interchanges, toll plazas, etc.) were sought from the Public Works Department on 09.01.2019. However, the information has not yet been received.

In the last 20 years have elapsed since the preparation of the Master Plan and the required information has not been received; the Urban Development Department was requested to convene a meeting with the PWD and KIADB to provide the necessary maps and road alignment details without delay. The Government informed us that the Legislative Assembly Committee is investigating the BMIC project alignment, and the proposal will be examined after the Committee's report.

Meanwhile, in a meeting chaired by the Additional Chief Secretary, Urban Development Department, on 24.09.2016, it was resolved that the PWD should provide the road alignment to BMICAPA as per the current development and the

Framework Agreement. A letter was also sent from this office to the PWD, but no information has been received to date. Hence, the base map has not been finalized.

This matter was also discussed in the 62nd Meeting of the Authority held on 01.02.2019 (Subject No. 20). The delay in revising the Master Plan was noted due to non-receipt of information from the PWD regarding the peripheral road, link road, and full expressway alignment. As per the agreement dated 19.08.2009 with M/s CURIP, the Master Plan preparation was to be completed by 25.02.2011.

Given the delay and the need to prepare a fresh base map, it was agreed in the meeting that the agreement with M/s CURIP should be cancelled. Accordingly, the Authority resolved unanimously to bring the matter to the Government's notice and seek suitable orders for cancellation of the agreement. A proposal was submitted to the Government on 07.03.2019.

In the 64th General Meeting held on 20.01.2020 (Additional Subject No. IV (6)), detailed discussions were held regarding revision of the Master Plan approved on 12.02.2004. Since the plan period ends in 2022, it was unanimously resolved to initiate the process of preparing a revised Master Plan, directing the Member-Secretary to begin the work.

As the revision requires execution through specialized contractors, the tender process was to be initiated. However, since the earlier agreement with M/s CURIP had not yet been cancelled by suitable Government order, fresh tenders could not be floated. Therefore, a letter was sent to the Principal Secretary, Urban Development Department, on 22.05.2020 seeking orders for cancellation.

Subsequently, Government Letter No. NPA:114: Maiapra :2019 (e-file), dated 05.09.2020, referring to the meeting held on 16.06.2020 chaired by the Secretary, Urban Development Department, opined that the agreement with M/s CURIP should be cancelled after examining the legal aspects under the contract.

Accordingly, a letter was sent to M/s CURIP on 30.09.2020 seeking their opinion regarding cancellation. M/s CURIP responded that the Master Plan could not be completed due to non-availability of road alignment details, but if alignment details were provided or if the ODP alignment was adopted, they could complete the Master Plan. This matter was submitted to the Government for consideration on 18.11.2020, as noted in the audit.

**6. Meeting of the Authority: -**

During the current year, a total of three meetings were conducted by the Authority. The details of these meetings are as follows.

| Meeting date | Meeting no |
|---|---|
| 12.07.2024 | 81 |
| 23.09.2024 | 82 |
| 23.01.2025 | 83 |

**7. Approved Budget for FY 2024–25:**

As per Section 68(B) of the Karnataka Town and Country Planning Act, 1961, and Rule 22 of the Karnataka Planning Authority Rules, 1965, the budget for the forthcoming financial year must be prepared in six copies in the prescribed Annexure-4 and submitted to the Government for approval within the month of January.

For the financial year 2024–25, the budget of the Planning Authority was approved in the 79th General Meeting held on 19-02-2024 under Subject No. 1(2). Subsequently, the Authority submitted the budget to the Additional Chief Secretary, Government, through its letter No. BMICAPA/Administration Budget/202425/1006 dated 14-10-2024, seeking Government approval. However, the letter of approval from the Government has not yet been received by the Authority.

The details of the approved budget and actual figures for FY 2024–25 are as follows.

| Detail | As per Budget (₹) |
|---|---|
| Opening Balance | 4,01,11,301.00 |
| Receipts | 57,52,35,000.00 |
| Total | 61,53,46,301.00 |
| Expenditure | 61,48,50,000.00 |
| Closing Balance | 4,96,301.00 |

| Detail | Income (₹) | Expenditure (₹) |
|---|---|---|
| Budgeted | 57,52,35,000.00 | 61,48,50,000.00 |
| Actual | 64,13,80,812.00 | 62,98,61,126.00 |
| Difference | -6,61,45,812.00 | -1,50,11,126.00 |

Upon examination of the above budget, it is observed that in the financial year 2024–25 there exists a significant difference between the budget income and the actual income. Similarly, there is a considerable difference between the budget expenditure and the actual expenditure.

As per Paragraphs 11 and 180 of Volume I of the Budget Manual, it is directed that estimates should be prepared as close as possible to the actual achievement of targets. This rule has not been adhered to.

It is therefore instructed that, based on the income and expenditure figures of the past three years, the budget estimates should be prepared scientifically to ensure accuracy and reliability.

**08. Classified Receipts and Expenditure Register:**

During the financial year 2024–25, the Authority maintained the Classified Receipts and Expenditure Register relating to the receipts collected and the expenditure incurred, and produced it for audit. It has been instructed that the register must be maintained in the prescribed format in accordance with the rules. As per the certified details furnished by the Authority, the particulars of classified receipts and expenditure have been attached to this report in Annexure-03.

**09. Submission of Annual Accounts in Time:-**

Under Section 68(C)(1) of the Karnataka Town and Country Planning Act, 1961, every Planning Authority is required to prepare annual accounts in prescribed forms. For 2024-25, opening balance statements relating to civic amenity sites and other assets were required to be prepared and incorporated in the balance sheet, and depreciation was required to be determined as per Government-prescribed norms. Further, amounts relating to civic amenity sites transferred during 2024-25 were required to be entered at market value in accordance with Government guidelines. Such register was produced for audit.

It has been instructed that, taking into account the above aspects and in accordance with Government orders, annual receipts and payments accounts and balance sheet should be prepared by a Chartered Accountant and forwarded to this office.

The audit for 2024-25 was conducted by examining the cash book, bank passbooks, subsidiary registers, and monthly receipts and expenditure statements prepared and placed before the Authority's monthly meetings. It has been

instructed that the monthly receipts and expenditure statements be approved in the Authority's meeting and submitted to Government.

**10. Submission of Administrative Annual Report within Prescribed Time:-**

Under Section 68-D of the Karnataka Town and Country Planning Act, 1961 and Rule 29 of the Karnataka Planning Authorities Rules, 1965, the annual report should be prepared in prescribed Annexure-5 and submitted to Government by 30 June. It was noticed that the annual report for 2023-24 was submitted belatedly on 29.07.2024. The report observes that in future it must be submitted within the prescribed time.

**11. Details of Bank Accounts. -**

The Authority has opened a total of **06 accounts** with the State Bank of India, Multistoried Building Branch, and Bengaluru. The details are as follows.

| Sl. No. | Details of accounts | Bank | Account no |
|---|---|---|---|
| 1 | Betterment Fee and General Account | SBI | 54034600702 |
| 2 | Account related to lake conservation fee | SBI | 64212820608 |
| 3 | Account relating to Slum development charges | SBI | 64212820472 |
| 4 | Account related to Regularization/improvement Compounding Fee | SBI | 64025267109 |
| 5 | Account related to Park Fee | SBI | 38337941831 |
| 6 | Account related to TDR (Transferable Development Rights) Fee | SBI | 377387637 |

## 12. Bank Account Transaction Details;(Account-wise)

| SL. No. | Account Details /Nos | 01.04.2024 Opening Balance | 2024-25 Year receipt | Interest/F DR Maturity | Transfer | Total | 31.03.2025 Total Expenditure | 31.03.2025 Closing balance for cash book | 31.03.2025 Closing balance for pass book | Difference amount |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | General Account 54034600702 | 3113292 6 | 72900 | 488959658 | 0 | 641069682 | 629538277 | 11531406 | 11817526 | 286121 |
| 2 | Lake Rejuanaration cess accoount 64212820608 | 2696444 | 60100 | 393262 | 0 | 31170656 | 310100 | 30860556 | 30860556 | 0 |
| 3 | Slum Cess 64212820472 | 1495507 | 12800 | 73991 | 0 | 4456348 | 12800 | 4443548 | 4443249 | 300 |
| 4 | Akrama sakrama 64025267109 | 267044 | 0 | 7268 | 0 | 274312 | 0 | 274312 | 274312 | 0 |
| 5 | Park 38337941831 | 59608 | 0 | 1623 | 0 | 61231 | 0 | 61231 | 61231.5 | 0 |
| 6 | TDR 3777387637 | 4314 | 0 | 112 | 0 | 4246 | 0 | 4246 | 4246 | 0 |

13. **Financial Position and Cash Book Maintenance**:-

In Government offices, the maintenance of the cash book is detailed in Paragraphs 328 to 332 of the Karnataka Financial Code, 1958, and compliance with these provisions is mandatory.

Every officer who receives money on behalf of the Government must maintain a cash book, recording all transactions as they occur. The Head of Office must sign the entries as a mark of verification.

As per Government Order No. UDD 16 CAR 2006 dated 21-02-2006, the institution is required to maintain its cash book under the Double Entry Accounting System from 01-04-2006, and it has been found that the Authority has complied with this requirement.

However, during audit scrutiny for FY 2024–25, it was observed that financial transactions were recorded collectively in a single cash book rather than being maintained separately for each bank account. The audit has opined that separate cash books should be maintained for each bank account.

On examination of the Authority's bank accounts, it was found that the financial transactions for FY 2024–25 relating to Betterment Fee, Lake Conservation Fee, and slum improvement Fee were operated through the State Bank of India, Multistoried Building Branch, and Bengaluru. The financial position of the Authority for FY 2024–25 is detailed below.

**(In Rupees)**

| | |
|---|---|
| Opening Balance as on 01-04-2024 | 3,56,55,663.00 |
| Receipts during 2024–25 | 64,54,98,310.00 |
| **Total:** | 68,11,53,973.00 |
| Total Expenditure | 63,39,78,674.00 |
| Closing Balance as per Cash Book (31-03-2025) | 4,71,75,299.00 |

| | |
|---|---|
| Closing Balance as per Passbook (31-03-2025) | 4,74,61,120.00 |
| **Difference** | 2,85,821.00 |

The details of the institution's overall financial position are enclosed in Annexure-1, and the reconciliation statements are provided in Annexure-2 along with this report.

**14. Audit Minute Book:-**

The audit minute book was not maintained and was not produced for inspection. It has been instructed that the book be compulsorily maintained and produced in the next audit. Each year, the details of audit report paras must be entered in the register, and compliance replies recorded and submitted to the competent authority for settlement of objections.

## Part-2

**15. Register Grants:-**

2024-25 managed the grant fee for the year 2024-25 1 and presented it for review. Authority 1985 Act 11 responsibility has to be taken and handled. Any grant from the Government to the said authority 2024-25It has been informed that it will not be released in the year, Grant charge is directed to be maintained as per rules.

Authority Act 1985 Section 16(1) total amount according to the running budget-Classify the details of the expenditure, The details were recorded in the classification register and presented for audit, It is not possible to mention the deficiencies by calculating the regular management of the deposit and how many receipts and payments were fixed from which subjects as per the budget and whether the receipts and payments were made accordingly and whether the amount was paid more than the expected cost according to the audit in the budget. Therefore, it has been told to record the details in the prescribed form and present them for further audit.

**16. Physical verification:-**

| | | |
|---|---|---|
| **1.** | **Cash on hand balance** | Audit Commencement Date Rs.259 on 06.05.2025/-<br>Rs. 200 * 1 — 200<br>Rs. 50 * 1 — 50<br>Rs. Coins — 9<br>**A total of Rs. — 259** |
| **2.** | **Postage stamps:** | Audit Starting Date: 06.05.2025 Postage stamps worth Rs.466.00 will be valid. |
| 3. | **Receipt books, in stock** | On Audit Date 06.05.2025 Receipt inventory was checked and total 12 receipt books are in stock and Receipt Book No: 41 to 52 are matching the final mark of the inventory book. |
| **4.** | **Akrama sakrama** | Audit Date: 06.05.2025 Illegal valid application forms physically verified, total application number: (0136202 to 0136300) 99 forms will match the final mark of the inventory book. |
| **5.** | **Physically verified** | It was found that an investment of Rs.60,00,00,000/- was made for the year 2024-25 as on the initial date of audit 06.05.2025. Physically verified the invested investment papers. |

**17. Postage stamps:-**

In the year 2024-25 Bangalore-Mysore Infrastructure Corridor Area Planning Authority was having initial Balance / Details of purchased and used postage stamps are as follows.

| Postage stamp face value | Amount |
|---|---|
| Opening Balance | **2,144.00** |
| Receipts | 10,000.00 |
| Total | **12,144.00** |
| Expenditure | 11,288.00 |
| Closing Balance | **856.00** |

**18. Loans:-**

Bangalore-Mysore Infrastructure Corridor Area Planning Authority, Bangalore office in the year 2024-25 Loan received Accumulated interest, Loan taken in previous year, Account No. seeking submission of loan balance containing details and documents of principal and interest and outstanding principal and interest transactions:- No well asked to present before through account enquire letter No. 03/2025-25 date:-06-05-2025 is answered by the authority 2024-25 that for the year , it has been explained in writing that no loan transaction has taken place in the authority.

**19. Deposits:-**

For New Year 2024-25 seeking to produce advance notice through account enquire letter No.04/2025-26 date:-06-05-2025 is answered by the authority has been explained in writing that no deposit transaction has taken place in the authority.

**20. Advances:-**

For new year 2024-25 seeking to produce advance notice through account enquire letter No.06/2025-26 date:-06-05-2025 is answered by the authority 2024-25 and has been explained in writing that no advance transaction has taken place in the authority.

**21. Temporary advance:-**

For petty purchase and minor vouchers payments a temporary advance of Rs.55,856.00 was utilized the vouchers were examined This amount is taken into the cash book cost and the remaining amount is checked to be re-adjusted for the advance amount. Details are as follows.

**(Rs.In)**

| | |
|---|---|
| Opening Balance as on 01.04.202 | 541.00 |
| 2024-25 Advance drawing | 57,514.00 |
| Total | **58,055.00** |
| 2024-25 adjustment drawing | 55,856.00 |
| Balance outstanding as on 31-3-2025 | 2,199.00 |

## 22. Inventory and distribution details of receipt book:-

2024-2In line 5 Bangalore-Mysore Infrastructure Corridor was the starting stone in the Area Planning Authority / Details of purchased and fully used receipt books are as follows.

| Sl. no | Detail | No |
|---|---|---|
| 01 | Opening Balance as on 01.04.202 | 04 |
| 02 | 2024-25 Receipt drawing | 16 |
| 03 | Total: | **20** |
| 04 | 2024-25 utilized drawing | 08 |
| 05 | 31-03-202 Closing Balance | 12 |

## 23. Partially used Receipt book:-

**2024-25 one Receipt book uses partially used as follows**.

| Cr. No | Receipt no | 2024-25 last used receipt book | Date |
|---|---|---|---|
| 1 | 40 | 1953 | 29.03.2025 |

**24. Collection of Fees through Printed Receipts:-**

Under Section 15-A of the Karnataka Town and Country Planning Act, 1961, read with Rule 37-A of the Karnataka Town Planning Authorities Rules, 1965, fees and cesses are required to be collected at the rates prescribed in Government Notification No. UDD/23/TTP/2020F dated 21.06.2021.

On verification, it was noticed that the scrutiny fee, betterment fee, lake conservation fee, sewerage cess, and metropolitan transport cess collected by the Authority are still being collected through printed manual receipts. Such receipt books are difficult to print, stock, issue, and preserve in compliance with rules. Since different fees and surcharges are collected through DD, details such as instrument number, date, bank, and amount must be entered manually both in figures and words, which is prone to human error.

This may also delay reconciliation of collections with bank pass sheets. As most Government departments, boards, corporations, and local bodies now collect taxes and fees through Government-prescribed or in-house software, and as the Authority's financial transactions are increasing day by day, audit has opined that it is necessary and appropriate - indeed the need of the hour - to develop software suited to the Authority's requirements for fee collection, in order to ensure transparency and accuracy in accounting.

**25. 2024-25 Details of applications received and disposed of in respect of various forms in the office of Bangalore Mysore Infrastructure Corridor Area Planning Authority**

A register containing particulars of applications received and disposed of pertaining to various forms for the financial year 2024–25 has been duly maintained in the office of the Bangalore–Mysore Infrastructure Corridor Area

Planning Authority. The following information is hereby furnished for the purpose of audit.

**i) Land conversion cases:**

Deputy commissioner, Bangalore Mysore Infrastructure Corridor Area Planning Authority is receiving proposals from the to give an opinion on the land conversion of lands falling within the local planning area, Check the said cases as per Bangalore Mysore Infrastructure Corridor Area Planning Authority MP & Zonal Regulations, Opinions are being given to the Deputy commissioner for land conversion. In the present year the Revenue Department has proposed conversion of agricultural lands to non-agricultural purposes in this authority 584 cases received and given opinion by this authority.

**ii) Layout approval cases:-**

Bangalore-Mysore Infrastructure Corridor Area Planning Authority receives proposals, seeking layout approval for proposed land use in converted lands. After technically reviewing the applications received in this way in the authority as per the rules, the proposal was placed in the meeting of the authority and the administrative approval of the meeting was obtained. As per the Karnataka Town and country planning act 1961 of Section -17 Provisional approval is being accorded. As per the order / circulars issued by the government from time to time, the owner of the residential layout shall hand over all the civil works in the layout i.e. road, CD works and drainage works, park / open space and civic amenities site to the authority. The applicant submits a certificate from the concerned department to the authority starting that the layout has been fully developed and an application seeking the 100% release of site. After the authority inspects and ensures that the said layout has been fully developed as per the approved layout plan. Steps are being taken by the authority to release 100% of the sites in the layout as per rules. In current year 44 provisional layout, single sites approval and 22 final layout approvals has been given.

**iii) Commencement certificate cases.:-**

Bangalore Mysore Infrastructure Corridor Area Planning Authority will technically examined the application submitted for commencement certificate under section 15 of the Karnataka Town and Country Panning act, 1961 for construction of building in local planning area. After that the application are being sent to the concerned local bodies for further appropriate action with the opinion of the authority. In the current year commencement certificate has been issued for total 93 cases including LB PAS -20 and 73 others.

**iv) Change of Land use cases:**

As per the Law, Land owners, desiring to develop land for new purpose other than the specified land use in the master plan submit an application to the Bangalore Mysore Infrastructure Corridor Area Planning Authority along with the necessary documents for land use change. If the application is considered suitable for the project sought to be changed as per the guidelines issued by the government along with the documents and there is public interest in it. If there is no conflict with any rules, a notice in this regard is published in the local newspaper for public information and objections are invited from the public (given a minimum period of 15 days). If objection are received from the public they are examined and reviewed in the meeting of the authority regarding the land use change a resolution is recorded and a decision is made giving appropriate reasons for making or not making the land use change the cases were land use change is recommended in the authority's meeting will be submitted to the government through the Director of Town and Country Planning for government approval. In the current year total of 50 change of land use proposal under section 14(A) and 69(2) of Karnataka Town and Country Planning act, 1961 have been placed and decided in the meeting. As per the meeting decision further action has been taken. The report opined were examined in relation to the said matter and the approval of the master plan has not been examined as it is related to technical approval and it is not possible to accurately estimate the green zone and yellow zone of the layouts. The

report opines that if any plan given in the green zone the member secretory of the authority will be directly responsible.

**26. Investments:-**

Karnataka Government Order No. FD 91 TAR 2022, Date: 02.07.2022, Government Department Corporations/Boards/Local Bodies /Authorities and autonomous bodies have been notified of their Guidelines / instructions are given. Which must be followed while investing the surplus Fund (Investment of Surplus Fund)
In interest – bearing deposits.

As per the said circular bank accounts will be considered for "**Only Sweep-in, Sweep-Out Deposit Account Must be considered for Operation of Funds in banks"** guidance is provided.

In the said circular, it has been directed by the government order to deposit in the bank offering the highest interest rate by obtaining the interest rates notified on the official websites of various public / eligible scheduled banks for investments, of than less Rs. 1 crore and in case of investment of an amount exceeding 1 crore it has been directed to invest in the bank offering the highest interest rate by obtaining competitive rates in e-bidding through e-procurement. It has also been directed that the investment of the said deposits should not be continued for a period exceeding one year (No investment shall be made in the instruments, the maturity period of which exceeds one year, including cases of residential maturity from the date of investment)

The amount to be invested must be transferred to the bank account through RTGS/ e-payment and single fixed deposit (FDRs) must be obtained from the bank for each investment audit letter NO.5/2025-26 Dated:6.05.2025 has been issued requesting the submission of explanation and documents regarding the investment. The explanation and documents have been submitted for audit, and

it has been found in the audit that the investment is being made through e-tender as per Karnataka Government Order No. FD 91 TAR 2022, Date: 02.07.2022, Bangalore Mysore Infrastructure Corridor Area Planning Authority, Bangalore office has on investment amount of Rs. 60,00,00,000.00 by the end of the year 2024-25, the details of the investment are as follows.

(Rs.in)

| Cr. No | Date of Deposit | Bank Name | Deposit Certificate No | Amount of deposit (Rs.In) | Period and rate | Maturity Date | Maturity amount (Rs.In) |
|---|---|---|---|---|---|---|---|
| 01 | 25-09-2024 | Union Bank of India, Rajajinagar | 499 102 | 11,00,00,000.00 | 7.80%/ 01 Year | 25-09-2025 | 11,88,34,243.00 |
| 02 | 25-09-2024 | Union Bank of India, Rajajinagar | 499 103 | 15,00,00,000.00 | 7.80%/ 01 Year | 25-09-2025 | 16,20,46,696.00 |
| 03 | 03-03-2025 | Canara Bank Koramangala | 4073 68 | 34,00,00,000.00 | 7.85%/ 01 Year | 03-03-2026 | 36,74,86,016.00 |
| Total amount is Rs | | | | **60,00,00,000.00** | | | **64,83,66,955.00** |

Appendix comprehensive details of investments-04 given in.

## 27. Details of Posts Sanctioned to the Authority:

The Bengaluru-Mysuru Infrastructure Corridor Area Planning Authority, Bengaluru was established and came into existence on 05.10.1999. The first meeting of the Authority was held on 25.01.2000, wherein the nature and scope of various activities were determined, and the resolutions adopted have been duly verified. For the purpose of functioning within the current Planning

Authority, a total of 8 Group-A and Group-B posts were sanctioned and temporarily extended as per Government Order No. UDD/110/NYS/2010, Bengaluru dated 30.07.2010. The said posts were further temporarily extended subject to the terms and conditions specified in Government Order No. UDD/286/APA/2007 dated 30.05.2007 from 27.02.2011 for a period of one year or until the completion of work of the Bengaluru Authority, whichever is earlier. Subsequently, as per Government Order No. UDD/29/NYS/2012, Bengaluru dated 09.04.2012, the extension was granted for another year from 27.02.2012.

Furthermore, as per Government Order No. UDD/52/NYS/2013 dated 10.04.2013, the posts were extended for one more year from 27.02.2013. Thereafter, pursuant to Government Order No. UDD/26/NYS/2016, Bengaluru dated 10.06.2016, a total of 08 technical posts and 18 posts of various cadres created temporarily in the Bengaluru-Mysuru Infrastructure Corridor Area Planning Authority, as detailed in the proposal, were extended for a period of two years with effect from 27.02.2018 and 19.02.2018 respectively. By Government Order No. UDD/74/MNI/ 2022, Bengaluru dated 29.08.2022, temporary sanction was accorded to 21 posts out of the 27 posts listed below. The details are as follows:

| Sl. No. | Details of Posts | Posts Created | Working Strength | Excess / Vacant |
|---|---|---|---|---|
| 1 | Additional Director of Town and Country Planning | 01 | 01 | - |
| 2 | Joint Director of Town and Country Planning | 01 | 01 | - |
| 3 | Deputy Director of Town and Country Planning | 02 | 01 | - |

| | | | | |
|---|---|---|---|---|
| 4 | Assistant Director of Town and Country Planning | 04 | 03 | - |
| 5 | Town Planners | 04 | 02 | - |
| 6 | Junior / Assistant Town Planners | 04 | 00 | - |
| 7 | Draftsman | 02 | - | - |
| 8 | First Division Assistant (FDA) | 01 | 01 | - |
| 9 | Stenographer | 01 | 00 | - |
| 10 | Typist | 01 | 01 | - |
| 11 | Group 'D' Employees | 03 | 03 | - |
| 12 | Accounts Assistant | 01 | 01 | - |
| 13 | Drivers | 02 | 02 | - |
| | **Total** | **27** | **16** | **-** |

**28. <u>Details regarding Remittance of Pension Contribution:</u>**

In accordance with Rule 427 of the Karnataka Civil Services Rules (KCSRs), the pension contribution of officers and staff working on Foreign Service deputation has been verified as per the salary disbursement register for the year 2024-25. Based on the salary paid from April-2023 to March-2024, the pension contribution (1/8th of the average salary), leave salary contribution (11% of average salary), and the new pension contribution (10% employee contribution and 10% government contribution of the total amount of Basic Pay + Dearness Allowance) must be credited to the respective funds. The Authority has not produced the details of the pension contributions transmitted to the Accountant General during the year 2024-25.

**29. Payment of Betterment Fee to the Planning Board:**

Pursuant to Section 18 of the Karnataka Town and Country Planning Act, 1961, the Planning Authority is required to remit 5% of the total betterment fees collected every year as a contribution to the Karnataka State Urban Planning Board, Bengaluru. Accordingly, during the financial year 2024-25, a total betterment fee of Rs. 8,83,01,950/- was collected, out of which the 5% share amounting to Rs. 44,15,098/- was paid to the State Planning Board via Demand Draft No. 833180 dated 15.05.2025. The relevant documents were produced at the time of the review. The Demand, Collection, and Balance (DCB) details of the betterment fee for the year 2024-25 are as follows:

(In Rs.)

| | |
|---|---|
| Opening Balance as on 01-04-2024 | 0.00 |
| Amount payable during the year 2024-25 | 44,15,098.00 |
| **Total** | **44,15,098.00** |
| Payment made during the year 2024-25 | 44,15,098.00 |
| **Balance as on 31-03-2025** | **0.00** |

**30. Non-remittance of Cess Amount to the Government:**

In terms of Section 18A of the Karnataka Town and Country Planning Act, 1961, and Rule 37-C of the Karnataka Planning Authorities Rules, 1965, the cess has been collected at the rates prescribed under Notification No. UDD/3/TTP/2015 dated 25.02.2020 and UDD/23/TTP/2020(E) dated 21.06.2021 for the purposes mentioned below. The collection details are as under:

**(In Rs.)**

| Sl. No. | Description of Cess | Amount Collected in 2024-25 | Collection Charges at 5% | Amount to be Remitted |
|---|---|---|---|---|
| 1 | Water Supply System Development Cess | 57,42,040.00 | 2,87,102.00 | 54,54,938.00 |
| 2 | Ring Road Development Cess | 57,42,040.00 | 2,87,102.00 | 54,54,938.00 |
| 3 | Mass Rapid Transit System Development Cess | 82,44,230.00 | 4,12,211.00 | 78,32,019.00 |
| **Total** | | **1,97,28,310.00** | **9,86,415.00** | **1,87,41,895.00** |

Excluding the 5% collection fee of Rs. 9,86,415/- out of the total amount of Rs. 1,97,28,310/- collected during the current year, the remaining balance of Rs. 1,87,41,895/- is required to be remitted to the Government. The Authority stated that the Government has not provided the explicit Head of Account/account details for remitting the said cess amount, and hence the said amount has been deposited into a separate bank account opened for this purpose. Therefore, until clear details regarding the Head of Account are obtained from the Government and the amount is successfully remitted, the sum of Rs. 1,87,41,895/- is placed under audit objection.

**31. Non-payment of Goods and Services Tax (GST) on Office Rent:**

Since the Authority does not own its own site and building, it is currently operating its office from a private building leased on a monthly rental basis from Sri R.G. Prasad. During the year 2024-25, a total sum of Rs. 1,08,64,52/- inclusive of GST (18%) was paid towards office rent, and the details were

furnished for audit. An Income Tax deduction of 10% amounting to Rs. 1,18,648/- was deducted from the bill amount, and a net amount of Rs. 1,08,64,52/- was paid to the building owner. Out of the total bill amount of Rs. 10,05,484/-, rent was paid without deducting 2% GST TDS, resulting in a loss of Rs. 20,110/- to the organization.`

(In Rs.)

| Sl. No. | Bill Amount | GST (18%) | Total Amount | Income Tax (10%) | Net Paid Amount | GST TDS to be Deducted (2%) |
|---|---|---|---|---|---|---|
| 1 | 2,24,911 | 40,484 | 2,65,395 | 26,540 | 2,38,855 | 4,498 |
| 2 | 2,24,911 | 40,484 | 2,65,395 | 26,540 | 2,38,855 | 4,498 |
| 3 | 2,77,831 | 50,010 | 2,77,831 | 32,784 | 2,95,057 | 5,557 |
| 4 | 2,77,831 | 50,010 | 2,77,831 | 32,784 | 2,95,057 | 5,557 |
| **Total** | **10,05,484** | **1,80,988** | **10,86,452** | **1,18,648** | **10,67,824** | **20,110** |

As per the above table, the short-deducted amount is recommended to be recovered from the building owner and remitted to the Government, and until the compliance details are submitted, the sum of Rs. 20,110/- is ordered for recovery.

## 32. Details of Actions Taken by the Authority to Remove Unauthorized Layouts:

Up to the year 2024-25, the Planning Authority has been functioning in accordance with the KTCP Act, 1961. Under the said Act, it is the responsibility of the Authority to issue technical opinions for land conversion, approve

layouts, and grant commencement certificates for construction, as well as to take action to prevent unauthorized layouts and unauthorized constructions. Since the jurisdiction of the Authority extends across sections from Bengaluru to Bidadi, Ramanagara, Channapatna, Maddur, Srirangapatna, Mandya, and parts of Mysuru, and because there are no local offices to carry out regular inspection and vigilance, there is a risk of unauthorized layouts emerging. This deprives citizens of systematic basic infrastructure in authorized layouts and causes potential tax revenue loss to the Government. The audit strongly opines that serious attention and administrative measures must be deployed in this regard.

The layouts and buildings constructed must be verified against the terms and conditions prescribed in the residential layout plans, development plans, and building plan approval letters issued by the Planning Authority. In case of violations, the Authority holds power to impose penalties or cancel the approvals. The Authority has informed the audit that there is a shortage of personnel to inspect and monitor the prevention/demolition of unauthorized constructions and layouts. The audit opines that it is appropriate to discuss this with the administrative wing of the Department of Town and Country Planning to take immediate steps for recruiting additional personnel.

## 33. Details of Layouts Approved by the Planning Authority that have not been Developed despite Completion of 5 Years:

An audit inquiry letter No. 01/2025-26 dated 06.05.2025 was issued seeking information on layouts approved by the Bengaluru-Mysuru Infrastructure Corridor Area Planning Authority that remain undeveloped despite the expiry of 5 years. In response, it was orally stated that no such cases were observed during the current year. The relevant files were not produced for verification. The Bengaluru-Mysuru Infrastructure Corridor Area Planning Authority has issued a public notice regarding the release of sites in private

layouts approved by the Authority from 2005 to 2015. The Government, exercising its powers under Section 71(K) of the Karnataka Town and Country Planning Act, 1961, has issued Notification No. UDD/60/MAP/2018 dated 12.11.2018, directing action in cases where plan approvals were obtained between 2005 and 2015 but the layouts were not fully developed, as follows:

a. Cases where layouts approved during the period from 2005 to 2015 have not been fully developed shall be treated as special cases. All development works in the approved layouts must be completed fully within a period of one year from the date of issuance of this notification, and any pending proposals for the release of remaining sites shall be processed without any penalty fee.

b. After the expiry of one year from the date of this notification, if proposals are received for the release of sites after completing all development works in the approved layout, the concerned Planning Authority shall collect a penalty at the rate of 3% per annum on the guidance value of the sites pending release, and subsequently release the remaining sites.

The details of layouts approved by the Planning Authority that have not been developed despite the completion of 5 years are attached to this report in Annexure-05.

## 34. Details of the Functioning of the B.M.I.C.A.P.A. Institution:

The Master Plan 2021 of the said institution has expired, and the institution is not functioning in accordance with this Master Plan. Although several correspondences have been entered into by the Authority to obtain the original Master Blueprint from the Public Works Department, the approval is not found. Due to this, the core purpose of the establishment of the institution does not appear to be fulfilled. Furthermore, the NICE Road project (as shown in the

Master Plan), which was the genesis for the creation of this Authority, has not progressed. Since the planning area of the Authority falls adjacent to the proposed NICE road, due to the delay in project execution by the Public Works Department and the lack of a structured framework, the intended goals of the Authority have not been realized. Moreover, several years have elapsed since the implementation of the existing Master Blueprint, and it is observed that a substantial amount of land-use conversion under Section 14(1) of the K.T.C.P. Act is continuously taking place within the planning area based on the old blueprint.

**35. Details of Civic Amenity (C.A.) Sites:**

Upon verifying how many Civic Amenity (C.A.) sites were taken into possession during the year 2024-25 in the layouts approved within the Planning Authority's jurisdiction, the details of C.A. sites transferred to the Authority via Relinquishment Deeds during the current year were submitted and are attached as Annexure-06. The audit opines that in respect of layouts approved in urban and rural areas within the planning jurisdiction, the Civic Amenity sites must be taken over, registered through a Relinquishment Deed at the Sub-Registrar's Office, secured by installing name boards in the name of the office, and preserved for public utility. Compliance with Government Circular No. UDD/143/BPA/2013 dated 05.08.2013 is mandatory. To date, a total of 92 C.A. sites have been transferred to the Authority, and their total value stands at Rs. 20,49,50,115.00/-.

**36. Non-recording and Certification of Market Value/Guidance Value in the C.A. Sites Register:**

An inquiry letter No. 11/2025-26 dated 06.05.2025 was issued requesting the production of a certified register recording the registration details of

roads/drains/parks/hospitals/ playgrounds and C.A. sites registered in favor of the Authority at the Sub-Registrar's office, along with their current market values. In this connection, the Member Secretary submitted the layout approvals, civic amenity details, and park areas approved up to the year 2024-25. Upon verification, it was found that the market values as per guidance rates and all relevant details have been duly recorded in the C.A. Sites Register. The details are provided in Annexure-07.

## 37. Acquisition of Land Reserved for Parks and Open Spaces within the Authority's Jurisdiction:

No action has been taken so far to acquire the land reserved for parks and open spaces within the planning area of the Authority as designated in the Master Plan. As this forms a core component of the Planning Authority, its implementation is highly essential. The Authority replied that an area of 33,173.9 sq. meters within its jurisdiction has been reserved for the designated purpose, but land acquisition has not been carried out and no development works have been executed. However, the audit opines that action must be taken to acquire and develop the land earmarked for the construction of parks using the betterment fees and other revenues collected by the Authority or by requesting additional grants from the Government. The details of the areas reserved for parks and open spaces transferred to the respective local bodies are provided in Annexure-08.

## 38. Non-deduction of GST in Outsourcing Employee Salary Bills:

Human resource services were procured from KEONICS for the official use of the Bengaluru-Mysuru Infrastructure Corridor Planning Authority, and a sum of Rs. 16,72,680/- was paid from March 2023 to October 2023. An Income Tax deduction of 2% amounting to Rs. 33,455/- was made, and a net amount of Rs.

16,39,225/-was disbursed. Since the said organization is a Government entity, it was exempted from GST. Subsequently, following the cancellation of exemption under Section 4G of the KTPP Act 1999, all human resource services from the said organization were discontinued from 31.10.2023. In November 2023 and December 2023, human resource services were procured from N.D. Management, and a total bill of Rs. 3,49,132/- along with 18% GST, totaling Rs. 4,11,976/-, was paid. A 2% Income Tax deduction of Rs. 8,240/- was made, and a net amount of Rs. 4,03,736/- was paid. However, the bill was settled without deducting 2% GST TDS amounting to Rs. 6,983/-

In January 2024 and February 2024, human resource services were procured from Prakash T. through a tender process. During the said months, a total bill of Rs. 3,49,132/- along with 18% GST, totaling Rs. 4,11,976/-, was paid. A 2% Income Tax deduction of Rs. 8,240/- was made, and a net amount of Rs. 4,03,736/- was paid. However, 2% GST TDS amounting to Rs. 6,835/- was not deducted from the bill.

(In Rs.)

| Sl. No. | Month | Bill Amount | 18% GST | Total | 2% & 1% Income Tax | Net Amount | 2% GST TDS to be Deducted |
|---|---|---|---|---|---|---|---|
| 1 | 03/2024 | 1,90,356 | 34,264 | 2,24,620 | 2,246 | 2,22,374 | 3,807 |
| 2 | 04/2024 | 2,02,805 | 36,505 | 2,39,310 | 2,393 | 2,36,917 | 4,056 |
| 3 | 05/2024 | 2,12,209 | 38,198 | 2,50,406 | 2,504 | 2,47,902 | 4,244 |
| **Total Amount** | | **6,05,370** | **1,08,967** | **7,14,336** | **7,143** | **7,07,193** | **12,107** |

As per the above table, the GST amount of Rs. 12,107/- which was required to be deducted by the institution from the proprietor has been placed under recovery.

## 39. Deficiencies in the Maintenance of Stationery Stock Register:

The stationery stock and distribution register must be maintained in Form KMF-65, recording the details of stationery items purchased from the Government Press and items distributed. At the end of the year, the Member Secretary or an authorized officer of the Authority must verify and certify the physical balance. During the year 2024-25, the said register was maintained as a general register. Only the receipt section of stationery items has been entered, and information regarding distribution is missing. Consequently, the accounting of purchased stationery items remains improper. Therefore, this report opines that the stationery stock register must be maintained systematically.

## 40. Maintenance and Verification of Movable and Immovable Property Register:

The Authority has maintained and certified the Movable and Immovable Property Register; however, the valuation of properties has not been recorded. It is essential to take necessary action to record the values of properties in the annual accounts.

## 41. Remittance of Amount Collected under Right to Information (RTI) Act to the Concerned Head of Account:

From April 2024 to March 2025, a total of 115 applications were received under the Right to Information (RTI) Act, through which a total fee of Rs. 18,692/- was collected. The fees collected under the RTI Act in accordance with the information requested by applicants must be remitted to the Government designated Head of Account 0070-60-118-0-01. Furthermore, RTI fees cannot be utilized for any other purpose and must be remitted immediately to the

concerned Head of Account. Until the entire amount collected under RTI is remitted to the designated Head of Account and details are produced, the total amount of Rs. 18,692/- is placed under audit objection.

**42. Details of Audit Fees:**

The audit of the accounts of the Authority for the year 2024-25 was undertaken, and the audit fees have been calculated in accordance with Government Notification No. HUD/503/IPC/89 dated 03.04.1991 as follows:

| **Total Receipts** | 64,13,80,812 | **Total Expenditure** | 62,98,61,176 |
|---|---|---|---|
| **Less** | | **Less** | |
| | 0 | Weep in & out- Flexi Account-TDS | 0 |
| Adjustment of Advances | 55,856 | Repayment of Advances | 57,514 |
| Matured Fixed Deposit credited to account | 45,00,00,000 | Fixed Deposit Placed | 60,00,00,000 |
| Bank Interest | 37,45,979 | Refund of Deposits | 0 |
| Deposits Received | 0 | Repayment of Loans | 0 |
| Loans Availed | 0 | Bank Charges | 1,328 |
| Cess Amount | 1,87,41,895 | Cess Remi ttance | 5,12,896 |
| GST TDS | 1,02,714 | GST TDS Remittance | 1,02,714 |
| Slum Development Cess | 0 | Audit Fees Paid | 4,54,161 |
| Betterment Fee Transfer | 44,15,098 | Transfers | 0 |
| **Receipts to be Excluded** | **47,75,74,438** | **Expenditure to be Excluded** | **60,11,28,613** |

| **Net Receipts** | **16,38,06,374** | **Net Expenditure** | **2,87,32,563** |
|---|---|---|---|
| Net Receipts | 16,38,06,374 | | |
| Net Expenditure | 2,87,32,563 | | |
| Amount Subject to Audit Fees | 19,25,38,937 | | |
| Action must be taken to remit a total audit fee of Rs. 3,85,078/- to the Government, calculated at the rate of 20 paise per Rs. 100/- on the total amount of Rs. 19,25,38,937/- . | | | |

**(In Rs.)**

| | |
|---|---|
| Opening Balance as on 01.04.2024 | 0.00 |
| Demand for the year 2024-25 | 3,85,078.00 |
| **Total Demand Rs.** | **3,85,078.00** |
| Payment made during the year 2024-25 (A) | 0.00 |
| Payment of Current Year (B) | 0.00 |
| **Total Payment Rs.** | **0.00** |
| **Balance Outstanding as on 31.03.2025** | **3,85,078.00** |

The audit fees for the current year amounting to Rs. 3,85,078/- remain outstanding and are directed to be remitted to the Government Head of Account:

| **Head of Account:** |
|---|
| 0070 - Other Administrative Services |
| 060 - Other Services |
| 110 - Fees for Government Audit |
| 01 - Audit Fees |

PART - 03

## 43. Details of Audit Report Paragraphs of Previous Years:

An Audit Minutes Register has been maintained as per rules for the audit reports of previous years, and paragraph-wise replies have been prepared in the said register. The copy of the same was approved in the meeting and submitted to the competent authority vide Letter No. BMICAPA/Audit/2024-25/ dated 10.03.2024 along with supporting documents. Since the compliance report with the comments of the competent authority has not been submitted, further action can be taken to submit the compliance report along with their remarks. The details of objections and recoveries are tabulated below:

**Office of the,**
**Joint Director**
**Local Audit circle, 4th Floor,TMCBuilding,**
**'A' Block, BMTC.,**
**Shantinagar,**
**Bangalore-560027**




(Karnataka State Audit and Accounts Department)

**Office of the Joint Director**
**Local Audit Circle,**
**4Th floor,**
**T.T.M.C building,**
**'A' block, B.M.T.C,**
**Shantinagar,**
**Bangalore-27.**

| Sl. No. | Period | Objection & Recovery | | | | Clearance / Settlement | | | | Outstanding / Pending Balance | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Audit Objection | | Audit Recovery | | Objection Clearance | | Recovery Clearance | | Pending Objection | | Pending Recovery | |
| | | Para No. | Amount (₹) | Para No. | Amount (₹) | Para No. | Amount (₹) | Para No. | Amount (₹) | Para No. | Amount (₹) | Para No. | Amount (₹) |
| **1** | **1999–2000 to 2007–08** | — | 0 | 4 | 45,727 | — | — | — | — | — | — | 4 | 45,727 |
| **2** | **2008–2009** | 1 | 134,832 | 4 | 13,739 | — | — | — | — | 1 | 134,832 | 4 | 13,739 |
| **3** | **2009–2010** | — | 14,299,929 | — | 44,395 | — | — | — | — | — | 14,299,929 | — | 44,395 |
| **4** | **2010–2011** | — | 0 | 2 | 17,756 | — | — | — | — | — | — | 2 | 17,756 |
| **5** | **2011–12** | — | 0 | 1 | 513 | — | — | — | — | — | — | 1 | 513 |
| **6** | **2013–14 & 2014–15** | 3 | 20,405,608 | 2 | 767,449 | — | — | — | — | 3 | 20,405,608 | 2 | 767,449 |
| **7** | **2015–16** | 5 | 19,591,904 | 2 | 312,336 | — | — | — | — | 5 | 19,591,904 | 2 | 312,336 |
| **8** | **2016–17** | 2 | 763,397,305 | 1 | 1,950 | — | — | — | — | 2 | 763,397,305 | 1 | 1,950 |
| **9** | **2017–18** | 9 | 322,282,923 | 1 | 417,046 | — | — | — | — | 9 | 322,282,923 | 1 | 417,046 |
| **10** | **2018–19** | 3 | 162,052,983 | 1 | 258,001 | — | — | — | — | 3 | 162,052,983 | 1 | 258,001 |
| **11** | **2019–20** | 4 | 29,29,92,450 | 0 | 0 | – | – | – | – | 4 | 29,29,92,450 | 0 | 0 |
| **12** | **2020–21** | 2 | 8,05,468 | 1 | 52,606 | – | – | – | – | 2 | 8,05,468 | 1 | 52,606 |
| **13** | **2021–22** | 3 | 7,36,905 | 1 | 6,480 | – | – | – | – | 3 | 7,36,905 | 1 | 6,480 |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **14** | **2022–23** | 3 | 1,49,91,559 | 0 | 0 | – | – | – | – | 3 | 1,49,91,559 | 0 | 0 |
| **15** | **2023–24** | 2 | 82,36,115 | 2 | 67,794 | – | – | – | – | 2 | 82,36,115 | 2 | 67,794 |
| **Total** | **Grand Total (Rs.)** | 37 | 16,26,56,009 | 22 | 2,00,57,92 | – | – | – | – | 37 | 16,26,56,009 | 22 | 2,00,57,92 |

## 44. Statement of Outstanding Paragraphs:

**(In Rs.)**

| **Current Year** | **Audit Objection Paragraphs** | | **Recovery Paragraphs** | |
|---|---|---|---|---|
| | **Total No. of Paras** | **Amount** | **Total No. of Paras** | **Amount** |
| Opening Balance as on 01-04-2024 | 37 | 1,62,65,60,091.00 | 22 | 20,05,792.00 |
| Cleared during the year 2024-25 | 0 | 0.00 | 0 | 0.00 |
| **Total** | **37** | **1,62,65,60,091.00** | **22** | **20,05,792.00** |
| Additions during the year 2024-25 | 2 | 1,87,60,587.00 | 2 | 32,217.00 |
| **Closing Balance as on 31-03-2025** | **39** | **1,64,53,20,678.00** | **24** | **20,38,009.00** |

PART - 04

## 45. General Remarks / Opinions:

a. Action should be taken to maintain the accounts of the Authority as

per rules, prepare the annual statements through Chartered Accountants, and obtain final certification before presenting them to the Board.

b.It is highly essential to take immediate action to acquire and develop the lands earmarked and reserved for parks and open spaces as specified in the Master Blueprint.

c. Reconciliation of all cash books must be strictly carried out at the end of every month and at the close of the financial year.

d.It is advised to robustly utilize organizational resources by deploying surplus funds available in bank accounts into sound investments or other developmental activities.

e. It is opined that necessary steps must be taken to ensure that objections and instructions raised during the audit period are not repeated in future years.

f. An action plan must be prepared to execute developmental activities within the planning area out of the various fees collected by the Authority, in accordance with the proposals in the Master Plan.

g.It is highly recommended to communicate with banks to convert savings bank accounts into flexi accounts. This will enable automatic 'sweep-in' and 'sweep-out' mechanisms to convert surplus amounts into fixed deposits from time to time, yielding greater financial returns for the institution.

h.This report strongly recommends taking necessary action to maintain a register for all movable and immovable assets belonging to the Authority and ensure their valuations are systematically recorded in the annual accounts.

i. Verification regarding the registration of land developers under RERA was not observed during the current year. It is appropriate to ensure strict compliance and verification under RERA prior to granting any layout approvals in the future.

j. The Authority is directed to take immediate measures to remit all statutory dues/payments collectible on behalf of the Government into the appropriate treasury accounts.

k.Since the volume of financial transactions of the Authority is increasing year over year, there is an urgent need for responsible permanent staff. Necessary steps should be taken to obtain approval from the competent authority for regular recruitment.

**Joint Director,**
**Local Audit Circle,**
**Bangalore.**