



### ಕರ್ನಾಟಕ ವಿಧಾನ ಪರಿಷತ್ತು

ಚುಕ್ಕೆ ಗುರುತಿಲ್ಲದ ಪ್ರಶ್ನೆ ಸಂಖ್ಯೆ : 973 (1135)  
 ಸದಸ್ಯರ ಹೆಸರು : ಡಾ|| ತೇಜಸ್ವಿನಿ ಗೌಡ  
 (ವಿಧಾನ ಸಭೆಯಿಂದ ಚುನಾಯಿತರಾದವರು)  
 ಉತ್ತರಿಸಬೇಕಾದ ದಿನಾಂಕ : 22-12-2021.  
 ಉತ್ತರಿಸುವ ಸಚಿವರು : ಮಾನ್ಯ ಮುಜರಾಯಿ, ಹಜ್ ಮತ್ತು  
 ವಕ್ಫ್ ಸಚಿವರು.

ಕ್ರ. ಸಂ.	ಪ್ರಶ್ನೆಗಳು	ಉತ್ತರಗಳು
ಅ.	ರಾಜ್ಯದಲ್ಲರುವ ವಕ್ಫ್ ಆಸ್ತಿಯ ಎಷ್ಟು : (ಜಿಲ್ಲಾವಾರು ವಿವರ ನೀಡುವುದು)	ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಕ್ಫ್ ಆಸ್ತಿಯ ಜಿಲ್ಲಾವಾರು ವಿವರ ಅನುಬಂಧ-1ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.
ಆ.	ರಾಜ್ಯದ ವಕ್ಫ್ ಬೋರ್ಡ್ (ಮಂಡಳಿ)ನ ವಹಿವಾಟನ್ನು ಕಾಲಕಾಲಕ್ಕೆ ಆಡಿಟ್ ಮಾಡಿಸಲಾಗುತ್ತಿದೆಯೇ; ಈ ಬಗ್ಗೆ ವರದಿಯನ್ನು ಸರ್ಕಾರಕ್ಕೆ ಸಲ್ಲಿಸಲಾಗಿದೆಯೇ;	ಹೌದು, ವಕ್ಫ್ ಕಾಯ್ದೆ 1995 (ತಿದ್ದುಪಡಿ ಕಾಯ್ದೆ 2013) ಕಲಂ 80ರನ್ವಯ ವಕ್ಫ್ ಮಂಡಳಿಯ ವಾರ್ಷಿಕ ಲೆಕ್ಕಪತ್ರಗಳನ್ನು ಸರ್ಕಾರದಿಂದ ನೇಮಿಸಲ್ಪಟ್ಟಂತಹ ಲೆಕ್ಕ ಪರಿಶೋಧನಾಧಿಕಾರಿಗಳಿಂದ ಪರಿಶೋಧನೆ ಮಾಡಬೇಕಾಗಿರುತ್ತದೆ. ಕರ್ನಾಟಕ ರಾಜ್ಯ ಲೆಕ್ಕಪರಿಶೋಧನೆ ಮತ್ತು ಲೆಕ್ಕಪತ್ರಗಳ ಇಲಾಖೆಯ ಅಧಿಕಾರಿಗಳು ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿಯ 2012-13 ರಿಂದ 2018-19 ಸಾಲಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಪರಿಶೋಧನೆ ಪ್ರಕ್ರಿಯೆಯನ್ನು ಮಾರ್ಚ್ 2021 ರಲ್ಲಿ ಪ್ರಾರಂಭಿಸಿರುತ್ತಾರೆ. ಆದರೆ ಕೋವಿಡ್-19 ತುರ್ತು ಲಾಕ್‌ಡೌನ್‌ನಿಂದಾಗಿ ಸದರಿ ಪ್ರಕ್ರಿಯೆಯು ಸ್ಥಗಿತಗೊಂಡಿರುತ್ತದೆ. ಮಾನ್ಯ ಮಹಾಲೇಖಪಾಲರು (C&AG) ಕಛೇರಿಯ ಅಧಿಕಾರಿ ರವರು ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿಯ 2016-17ನೇ ಸಾಲಿನ ವರೆಗಿನ ಲೆಕ್ಕಪತ್ರಗಳ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ಪೂರೈಸಿರುತ್ತಾರೆ. ಮತ್ತು ಸದರಿಯವರು ಪತ್ರ ಸಂಖ್ಯೆ: Pr.AG(Audit-1)/AMG-I/C-1/CA/2021-22/33 ದಿನಾಂಕ: 23-07-2021 ರ ಮುಖೇನ ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿಯ 2017-18 ರಿಂದ 2020-21ನೇ ಸಾಲಿನವರೆಗಿನ ಲೆಕ್ಕಪರಿಶೋಧನೆಯನ್ನು ಕೈಗೊಳ್ಳಲು ದಾಖಲೆಗಳ ವಿವರಗಳನ್ನು ಸಲ್ಲಿಸುವಂತೆ ಸೂಚಿಸಿರುತ್ತಾರೆ ಪ್ರಯುಕ್ತ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿಯ ಪತ್ರ ಸಂಖ್ಯೆ KSBA/Cash/C&AG/Auditor/02/2019-20 ದಿನಾಂಕ: 28-07-2021ರ ಮುಖಾಂತರ ಕೋರಿರುವ ಮಾಹಿತಿಯನ್ನು ಸಲ್ಲಿಸಲಾಗಿರುತ್ತದೆ.

ಇ.	ಆಡಿವ್ ವರದಿಯಲ್ಲಿ ಕಂಡು ಬಂದಿರುವ ಪ್ರಮುಖ ಅಂಶಗಳಾವು; ಯಾವುದಾದರೂ ನ್ಯೂನತೆ ಲೋಪದೋಷಗಳು ಕಂಡು ಬಂದಿವೆಯೇ;	ಮಾನ್ಯ ಮಹಾಲೇಖಪಾಲರು ವಕ್ಫ್ ಮಂಡಳಿಯ 2016-17ನೇ ಸಾಲನವರೆಗಿನ ಲೆಕ್ಕ ಪರಿಶೋಧನೆಯನ್ನು ಸೂರೈಸಿ ಸಲ್ಲಿಸಿರುವ ವರದಿಯಲ್ಲಿ ಸೂಚಿಸಿರುವ ಪ್ರಮುಖ ಅಂಶಗಳ ಮತ್ತು ನ್ಯೂನತೆಗಳ ವಿವರವನ್ನು ಅನುಬಂಧ-2 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.
ಈ.	ಲೋಪದೋಷಗಳು ಕಂಡು ಬಂದಿದ್ದಲ್ಲಿ, ವಹಿಸಲಾಗಿರುವ ಕ್ರಮಗಳಾವುವು;	ಮಂಡಳಿಯ ಲೆಕ್ಕಪರಿಶೋಧನಾ ವರದಿಯ ಪ್ರಮುಖ ಲೆಕ್ಕಪರಿಶೋಧನಾ ತಃಖ್ತೆಗಳಿಗೆ ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿ ವತಿಯಿಂದ ಕೈಗೊಂಡ ಕ್ರಮದ ಬಗ್ಗೆ ಅನುಪಾಲನಾ ವರದಿಗಳನ್ನು ಅನುಬಂಧ-3 ರಲ್ಲಿ ನೀಡಲಾಗಿದೆ.
ಉ.	ವಕ್ಫ್ ಮಂಡಳಿಯ ಮುಸ್ಲಿಂ ಸಮುದಾಯದ ಏಳಿಗೆಗಾಗಿ ಕೈಗೊಂಡಿರುವ ಪ್ರಗತಿಪರ ಕಾರ್ಯಗಳಾವುವು?	ವಕ್ಫ್ ಮಂಡಳಿಯ ಮುಸ್ಲಿಂ ಸಮುದಾಯದ ಏಳಿಗೆಗಾಗಿ ಕೈಗೊಂಡಿರುವ ಪ್ರಗತಿಪರ ಕಾರ್ಯಗಳು ಈ ಕೆಳಕಂಡಂತಿವೆ. 1. ಪೇಶ್ ಇಮಾಮ್ ಮತ್ತು ಮೌಜನಾರವರಿಗೆ ಗೌರವಧನ 2. ವಕ್ಫ್ ಅಸ್ತಿಗಳ ಸಂರಕ್ಷಣೆ 3. ಪ್ರಮುಖ ಯಾತ್ರಾ ಸ್ಥಳಗಳ ಮೂಲಸೌಕರ್ಯ ಯೋಜನೆ. 4. ವಕ್ಫ್ ಸಂಸ್ಥೆಗಳ ದುರಸ್ತಿ ಮತ್ತು ಜೀರ್ಣೋದ್ಧಾರಕ್ಕಾಗಿ ಸಹಾಯಾನುದಾನ 5. ಖಬರಸ್ಥಾನಗಳಿಗೆ ಮೂಲಭೂತ ಸೌಕರ್ಯ

ಸಂಖ್ಯೆ: MWD 313 LMQ 2021

(ಶಶಿಕಲಾ ಅ.ಜೊಲ್ಲೆ)

ಮುಜರಾಯಿ, ಹಜ್ ಮತ್ತು ವಕ್ಫ್ ಸಚಿವರು.

## ಅನುಬಂಧ-1

ವಕ್ಫ್ ಆಸ್ತಿಗಳ ನವಂಬರ್ ಮಾಹಿತಿ 2021ರ ಅಂತ್ಯಕ್ಕೆ ಸಾಧಿಸಿದ ಜಿಲ್ಲಾವಾರು ಪ್ರಗತಿ

ಕ್ರ. ಸಂ.	ಜಿಲ್ಲೆಯ ಹೆಸರು	ವಕ್ಫ್ ಆಸ್ತಿಗಳ ವಿವರ	ಕ್ರ. ಸಂ.	ಜಿಲ್ಲೆಯ ಹೆಸರು	ವಕ್ಫ್ ಆಸ್ತಿಗಳ ವಿವರ
1	2	3	4	5	6
01	ಚಿತ್ರದುರ್ಗ	535	1	2	5
02	ದಾವಣಗೆರೆ	730	17	ರಾಯಚೂರು	2689
03	ಶಿವಮೊಗ್ಗ	816	18	ಬೀದರ್	3822
04	ಚಿಕ್ಕಬಳ್ಳಾಪುರ	822	19	ಯಾದಗಿರಿ	1425
05	ಕೋಲಾರ	1025	20	ಕಲ್ಬುರ್ಗಿ	5814
06	ತುಮಕೂರು	1154	21	ಬಳ್ಳಾರಿ	1630
07	ಬೆಂಗಳೂರು (ಗ್ರಾ)	541	22	ಕೊಪ್ಪಳ	1585
08	ರಾಘನಗರ	763		ವಿಭಾಗವಾರು ಒಟ್ಟು	16965
09	ಬೆಂಗಳೂರು (ನ)	1415	23	ಹಾಸನ	574
	ವಿಭಾಗವಾರು ಒಟ್ಟು	7801	24	ಚಿಕ್ಕಮಗಳೂರು	517
10	ಬೆಳಗಾವಿ	2621	25	ದಕ್ಷಿಣ ಕನ್ನಡ	1782
11	ಬಾಗಲಕೋಟೆ	1419	26	ಕೊಡಗು	395
12	ಹಾವೇರಿ	3235	27	ಚಾಮರಾಜನಗರ	336
13	ಧಾರವಾಡ	2451	28	ಮೈಸೂರು	936
14	ಗದಗ	1341	29	ಮಂಡ್ಯ	633
15	ಉತ್ತರ ಕನ್ನಡ	1429	30	ಉಡುಪಿ	609
16	ವಿಜಯಪುರ	4134		ವಿಭಾಗವಾರು ಒಟ್ಟು	5782
	ವಿಭಾಗವಾರು ಒಟ್ಟು	16630		ನಿವೃತ್ತ ಒಟ್ಟು	47178



O/o the PRINCIPAL ACCOUNTANT GENERAL (G&SSA),  
KARNATAKA, AUDIT BHAVAN, BANGALORE-560001



Audit Enquiry No. 01

Dated: 26/07/2021

Sub: Calling for records in connection with Compliance audit of Minority Welfare department.

The following records/documents may please be furnished to audit party early in connection with Transaction Audit from the year 2016-17 to 2020-21.


1. Government order sanctioning commencement of office.
2. List of sanctioned and working strength -- both permanent and contract basis.
3. Details of grants received from Government of Karnataka and Government of India.

Year	Opening Balance	Receipts	Total	Expenditure	Closing Balance	Interest earned	Whether interest has been remitted.
2019-20							
2020-21							
Total							

4. Details of Utilization certificates submitted to Government against grants received.
5. Details of Bank accounts held by the office along with copy of latest bank pass sheet.


Sl. No.	Name of Schemes	Name of the Bank	A/c type	A/c No.	Closing balance	Interest earned	Whether the scheme is in operation
1							
2							
3							
Total							

6. Copy of the latest Act & Rules.
7. List of schemes operated by the office.
8. Action Plan, Annual Accounts, MMR -- MPIC for the last 3 years.
9. Details of last audit conducted by Accountant General at all levels -- Head office, District and Taluk levels.

  
Inspecting Officer / AP - 08

To,  
The Chief Executive Officer, Karnataka State Board of Wakf, 6, Cunningham Road,  
Bengaluru- 560 052.

Audit

  
26/7/21



# ಕರ್ನಾಟಕ ರಾಜ್ಯ ವಕ್ಫ್ ಮಂಡಳಿ

## KARNATAKA STATE BOARD OF AUQAF

(Established by the Government of Karnataka)

"Darul Auqaf" # 6, Cunningham Road, Bengaluru-560 052

Tel: 080-22264 594 / 22264 595 Fax: 080-22255 663

Website: www.karwaqf.org // e-mail: info@karwaqf.org.



No: KSBA/Cash/C&AG/Audit/02 / 2019-20

Date: 28-07-2021

To,  
Inspecting Officer/AP-03  
O/c the Principal Accountant General (G&SSA)  
Karnataka, Audit Bhavan,  
Bengaluru 560001

Sir,

Sub: Calling for records in connection with Compliance audit of Minority Welfare Department (Karnataka State Board of Auqaf).  
Ref: Audit Enquiry No.01 dated 26-07-2021.

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With reference to the above cited subject the details sought by your Office is as under:

Sl.No	Particulars	Reply
01	Government order sanctioning commencement of Office.	The Karnataka State Board of Auqaf is formed and established under Central Act. Hence no question of Government order sanctioning commencement of Office is required.
02	List of sanctioned and working strength - both permanent and contract basis.	Annexure - 1
03	Details of grants received from Government of Karnataka and Government of India.	Annexure - 2
04	Details of Utilization certificates submitted to Government against grants received.	Annexure - 3
05	Details of Bank accounts held by the Office along with copy of latest bank pass sheet.	Annexure - 4

Ruwanja  
Mantla S.  
29.07.2021.

06	Copy of the latest Act & Rules.	Submitted earlier vide letter no. KSEBA/Cash/C&AG/Audit/02/2019-20 dated: 13-03-2020, no further amendments have been done in the Act and Rules.
07	List of schemes operated by the Office.	Annexure - 5
08	Action plan, Annual Accounts, MMR-MPIC for the last 3 years.	Annexure - 6
09	Details of last audit conducted by Accountant General at all levels - Head office, District and Taluk levels.	The last audit conducted by Accountant General at Head office level is upto the financial year 2016-17. The District level office do not have separate D.D.O, as the Chief Executive Officer is the D.D.O for the Karnataka State Board of Auqaf. There are no Taluk level offices under the Karnataka State Board of Auqaf.

Yours Sincerely

  
**Chief Executive Officer**  
**Karnataka State Board of Auqaf**

Copy to:

- 1) Chief Accounts Officer, Karnataka State Board of Auqaf for information.
- 2) Assistant Secretary (Finance), Karnataka State Board of Auqaf for information.

ಅನುಬಂಧ - 2

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Office of the Principal Accountant General (G&SSA), Karnataka  
'C' Block, New Building, P.B.No.5398,  
Bengaluru -560 001  
Ph.22379335 Fax:080-22380014

No.Pr.AG(G&SSA)/OAD-Spl. Cell/A/2017-18/ 126

Dt.: 21.11.2017

To

The Principal Secretary to Government of Karnataka,  
Minorities Welfare, Waqf and Haj Department,  
Vikasa Soudha,  
Bengaluru - 560 001



Sir,

Sub: Inspection Report on the accounts of the Chief Executive Officer, Karnataka State Board of Auqaf, Bengaluru, for the years 2013-14 to 2016-17, U/S 14(1) of CAG's (DPC) Act 1971.

The audit of the accounts of the Chief Executive Officer, Karnataka State Board of Auqaf, Bengaluru for the years 2013-14 to 2016-17, was taken up by this office under section 14 of Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. I am to forward herewith the Inspection Report on the accounts of the above institution with a request to furnish replies to this office within one month from the date of receipt of this report. A copy of the Inspection Report is also furnished to the institution for information.

The receipt of the report may kindly be acknowledged.

Yours faithfully,

*sd*

Sr.Audit Officer/OAD-Spl Cell

Copy to:  
✓ The Chief Executive Officer,  
Karnataka State Board of Auqaf,  
Darul Auqaf, No 5, Cunningham Road,  
Bengaluru- 560 001

*Bear Jha*  
Sr.Audit Officer/OAD-Spl Cell

## SECTION-A

### I. **Loss of Rs. 400.45 lakh due to fraudulent transfer of funds invested in fixed deposits.**

The Chief Executive Officer (CEO) vide his orders dated 26-11-2016 had directed to invest Rs. 1,71,00,000 and Rs. 2,29,45,465 available in the Muzrai funds and funds of Khalifathur Rehman Dargah respectively in his name in Vijaya Bank, Chintamani Branch, Kolar for a period of 1 year. Two cheques bearing Nos. 839236 and 839237 were drawn on 26-11-2016 which was later personally handed over to the bank officials on 7-12-2016. Instructions were also issued by the Chief Accounts Officer (CAO) of the Board to the bank on 2-12-2016 to invest the same in the name of the CEO and send the fixed deposit receipt early. When the cheque was cleared on 20-12-2016, the Board requested for the fixed deposits. However the Bank in its email and letter dated 30-12-2016 addressed to the CEO informed that they had transferred the proceeds to M/s Ajay Trading Corporation's account bearing No. 146500301000157 on 21-12-2016. It was further stated that the same was done as per the instructions of the Chief Accounts Officer to the bank issued on 5-12-2016. The Board however denied vide its letter dated 30-12-2016 of having issued any such instructions for transfer of funds to the above firm and also claimed that the letter was forged. It also demanded for re-credit of the funds back to its accounts.

As the Bank failed to respond, a police complaint was registered on 2-1-2017 and the case is now under investigation by the COD.

Regarding the present status, the Board replied that investigation is in progress. The status of the case may be intimated to audit.

### II. **Non-compliance of EPF/ESI remittance to the authorities (Rs.41.73 lakh) and loss of revenue due to non-recovery of TDS (2%) (Rs.12.53 lakh) on gross bill of outsourced agency –**

Government vide its Notification No. MWD-319-WES.2011 Bangalore dated: 12.12.2013 has notified Karnataka Waqf (amendment) Regulations 2013 which mentions staffing patterns for the Board consisting of various cadres for determining cadre strength in Board Headquarters and District Offices. A total of



355 posts were sanctioned by the Board which is led by a CEO as Admin head. Out of these, 229 posts were sanctioned for FDA, SDA, DEO, Driver, Group I and lift operator. As per the staff disposition statements made available to audit out of 355 sanctioned posts, 175 (48%) were vacant and 49% of vacancies were in clerical cadre (229 No.). The Board had filled up vacancies from outsourced agencies and 89 personnel in the Board including District Offices 79% outsourced for which Government approval is not forthcoming. The expenditure on this account is met from Waqf Fund of the Board.

As per the decision of the Board, clerical cadre and security personnel were engaged from outsourced agencies. The Board in its resolution dated 01.03.2010 instructed the CEO to Comply/verify EPF/ESI claimed made by the agency and ensured its correct remittance to the concerned authorities and also urged the CEO to comply the provision of Karnataka Minimum Wages Act. The Board periodically revised the wages of these cadres from time to time.

Accordingly, CEO of the Board had engaged the agency for the deployment of personnel as detailed below;

Name of agency	Nature of service outsourced	No. Of person	Year	Gross wage	EPF/ESI from Gross wage	TDS @2%	No. of Months	Total amount of EPF/ESI
I. Ace concept Bangalore	FDA	4	2010-13	7265	559	20923	36	80496
	SDA	13		5790	559	54194	36	261612
	DEO	2		5790	559	8337	36	40248
	DRIVER	-		-	-	-	-	-
	ATTENDER	17		4790	559	58629	36	342108
	Total	36				1,42,083		7,24,464
	FDA	36	2013-14	9260	559	80906	12	241488
	SDA	54		7790	559	100958	12	362232
	DEO	16		7790	559	29913	12	107328
	DRIVER	5		11518	559	13821	12	33540
	ATTENDER	47		6790	559	76591	12	315276
	Total	158				3,01,289		10,59,864
	FDA	20	2014-16	11265	559	108144	24	268320
	SDA	23		9790	559	108081	24	308568
	DEO	11		9790	559	51691	24	147576
DRIVER	3	11518		559	16585	24	40248	
ATTENDER	29	8790		559	122356	24	389064	
Total	86				4,06,857		11,53,776	
FDA	15	2016-17 (to date)	12618	559	68137	18	150930	
SDA	11		12020	559	47599	18	110682	
DEO	11		12020	559	47599	18	110682	

	DRIVER	6		11240	559	24278	18	60372
	ATTENDER	40		10008	559	144115	18	402480
	Total	83				3,31,728		8,35,146
2. Target security services, B LR	Security	06	13-14 to date	11084	1233	71824	54	399492
					Grand Total	12,53,781	-	41,72,742

On review of the payment /Bills it was noticed that out of the payment made to the agency, it had to remit EPF and ESI to the concerned authorities, which was not insisted by the Board (10/17). This led to extending undue advantage to the agencies to the tune of Rs.41.72 lakh on account of non-remitting EPF / ESI share of outsourced employees. Besides this TDS @2% had to be deducted from the gross Bill of the agency as per section 194-C of IT Act 1961. Non compliance of these by the Board had resulted in loss of revenue to Government to the tune of Rs.12.53 lakh. Further the ACE Concept was paid service tax at the rate ranging from 10.30% to 12.30% on its service charges, remittance of which to the authorities had not been ensured by the Board. Meanwhile, ACE Concept (11/16) had expressed its intention to discontinue its services charging the Board on of its non co-operation to the issue of Compliance of Minimum Wages Act, which implied that Board had deliberately ignored the Compliance of Minimum Wages Act, which resulted in denial of assured benefit to outsourced employees.

The sanctioned strength of the vacancies and its engagement through outsourced was based on the approval of the Board on 01.03.2010. Regarding non-compliance of the minimum wages act on deduction of EPF etc., it was not complied due to insistence of the staff on gross salary without deduction.

The reply is not acceptable as gross salary is paid to the agency which included components of ESI/EPF. Further the reply is silent on non-recovery of income tax and non-ensuring remittance of Service Tax.

III. **Loss of revenue due to non-realisation of rent (Rs. 52.41 lakh) and resultant loss due to adoption of differential rates of rent (Rs.56.99 lakh)- Rs.109.40 lakh**

CEO, Waqf Board had renewed lease agreement with existing lease holder M/s Digicall Services Private Ltd., (third floor tenant) for a period of two years with effect from 01.08.2012. The area consisting of 4007.38 sq ft. situated on the third floor portion of Waqf Board building was leased out Rs 45 sqft and monthly rent of Rs.1,80,332/- In addition to this, maintenance charges at Rs.15000/- per month should be paid along with the rent. After a protracted correspondence on the matter, the tenant was asked to vacate the premises as desired by the Board on account of its requirement for expansion activities. The tenant vacated the premises on 06.02.2015 without paying the rent from 01.08.2013 to date of vacation and the Board had considered to file a case in the court of law (10/2017) for the recovery of rent which works out to Rs.23,51,191/- ((Rs.3351,191 -SD amount Rs.10,00,000).

Similarly, Pharma Leaf India Ltd. (2<sup>nd</sup> Floor tenant) had been on lease at 2<sup>nd</sup> Floor of the Board building occupying 3838 sqft and lease period of the lessee was renewed for three years with effect from 1<sup>st</sup> April 2010 at a rate of 28.50 per sqft per month for the carpet area plus Rs.10000/- as maintenance charges. The total monthly rent plus maintenance charges works out to Rs.119383/- (Rs.109383+Rs.10000): The agreement also provides for 5% annual increase in the rent during the lease period. The lessee had cleared the rent up to March 2016 at the rate of Rs.141046//pm (Rs.131046+Rs.10000) and had not cleared the rent during subsequent period till this date (09/2017) which works out to Rs 28,90,194/- (inclusive of maintenance charges and annual increment of 5%) which has led to loss of revenue to Board as detailed below.

F.Y 2016-17 (1,480,98 +10,000)x12	=18,97,176/-
F.Y 2017-18 (uto sept)(1,55,503+10,000)x6	=9,93,018
	28,90,194/-

Subsequent renewal has not been undertaken (from 01.04.2014).From the above, audit observed that

- On no occasion Board obtained fair rent certificate issued by PWD which is the competent authority to fix the fair rent value
- The Board has applied conflicting rate per sq ft in respect of two tenants' i.e. Rs.45/sqft for third floor tenant (M/s Digicall Services Private Ltd.) and Rs.28.50/sq ft for second floor tenant (Pharma Leaf India Ltd). On account of adopting differential rate at Rs.16.50/sqft on 3838 sq ft to its second floor premises which works out to Rs.63327/- pm from 01.04.2010 and Board has lost rental revenue to the tune of Rs.5699430/- (up to September 2017) which led to unintended benefit to 2<sup>nd</sup> Floor tenant.
- The Board has arrived at the area to be leased out without being measured by PWD authorities in the absence of which correctness of measurement of area could not be ensured in audit.
- The second floor tenant has not been offered a fresh renewal (from 01.04.2014) as the Board has not considered further renewal and the tenant has offered fresh rate of Rs.35 per sq ft which was yet to be considered by the Board
- The location of building (Cunningham Road) which is considered a prime locality in Bengaluru and the rate per sq ft might be reasonably high and the fixation of rate without taking these factors into consideration by the Board has no logic besides without the scrutiny from PWD.
- The contents of the lease agreement has no provision for levy of interest on delayed payment of rent which deprived the Board from earning revenue to that extent.

In view of the stated facts, delay in realising the rent has caused loss of revenue to the tune of Rs. 52.41 lakh and Rs. 56.99 lakh on account of adopting differential rate per sq ft. for second floor tenant.

The Board has agreed to comply the issue on fixing rent in consultation with PWD and also levy of interest on delayed payment of rent in its rent agreement.

**IV. Loss to Government due to addition of fictitious names in the list of honorarium to Pesh Imams & Mouzins – Rs.4.59 lakh**

Based on favourable decision pronounced by Hon. Supreme Court of India, (5/93) in Writ Petition No.715/1990 on the issue of payment of remuneration to Pesh Imams and Mouzin of the Masjid. The duties of these personnel defined as-

-Pesh Imam means a person appointed by the Management of a Mosque to lead a congregational prayers.

- Mouzins means a person appointed/nominated/volunteer to call for Salath and to carry out such other duties as assigned from time to time by the management of Waqf.

After considering the direction of Hon. Supreme Court of India, the Government vide its order no.MWD.1541WES.20, Bangalore dated 28.04.2011 had finalised the rates of honorarium as detailed below.

Sl.No	Designation	Honorarium	Medical Allowance
1	Aalim & Moulvi	Rs.3000	100
2	Hafeez	Rs.2850	100
3	Nazira	Rs 2700	100
4.	Mouzin	Rs.2400	100

This order was withdrawn and corrigendum was issued vide no. MWD.98.WES 2013 Bangalore dated 21.05.2014 and GO No. MWD 98 dated 10.07.2014 which has finalised following amounts of honorarium to –Pesh Imams Rs.3100/pm - Mouzin Rs.2500/pm.

The above amounts were further revised to Rs.4000/pm (Pesh imams) and Rs.3000 (Mouzin) vide GO no. MWD 51.WES.2017, Bangalore 15.05.2017. The conditions governing the payment of honorarium (GO dated 21.05.2014) are

- Honorarium paid to the persons working in masjid which are registered with Waqf Board and the annual income is below Rs.1 lakh

- The management of masjid should have got registered with Waqf Board, if not, action plan should have got approved within one year. The applicants details should be forwarded by the committee and their service particulars to masjid should be maintained by the committee.
- Honorarium would be released on quarterly basis. Committee should forward UC and service certificate.
- These honorarium is paid till such time the management of the Masjid committee attains its financial viability/capacity and crosses above 1 lakh.

Review of records revealed that following amounts of grants/cheques received by the Board under Head of account 2225-03-08-059 (plan) which are operated through bank accounts maintained at J&K Bank, Infantry Road branch Axis bank, RT Nagar branch (since closed), SBM/SBI Cunningham Road branch, Yes Bank, Kasturba Road branch, ICICI bank, Jayanagar branch, IndusInd Bank, Malleswaram Branch i.e in Six Bank.

Year	No. of beneficiaries	OB inc.inter est	Grants received	Total	Expnd.	CB	remarks
2013-14	Nil	889.32	300	1189.32	0	1195.28	Balance deposited in FD and SB in the above banks
2014-15	8386	1195.28	3510	4705.28	1708.54	2996.74	
2015-16	10075	2996.28	2295	5291.74	1927.34	3364.40	
2016-17	11613	3364.48	4875	8239.40	4457.78	3781.62	

From the above following points are observed;

- The receipt of grants is operated in six banks which is violation of guidelines issued by the Government and in particular the latest guidelines issued by the Finance Department vide order no. FD./TAR/2017 date;30.01.2017, where in it was instructed to obtain prior permission of government for operating the multiple accounts in different Banks for a single scheme. As on date an amount of Rs.2727,31,766/- is held in SB accounts and an amount of Rs.1294,00,000/- are in FDs (two banks).
- The Board has no information on the exact no. of Masjid though the Govt. order instructed the Board to list out the exact no.of Masjids whose income is less than one lakh. However, the Board continue to finalise the applicants on the request.

➤ As per information available there are total no. of 8874 Masjid, out of which 1103 Masjids registered as voters whose annual income is above one lakh . Hence, 7771 Masjids (8874-1103) are belonging to less than one lakh income group. However the Board has finalised 11613 applicants as eligible for honorarium (Pesh Imam & mouzin) as the, concerned section of the Board Office has no information on exact no. of Masjids and is sanctioning the honorarium on the basis of applications received. A total of 11613 beneficiaries' have been paid honorarium of Rs.8093.66 lakh upto 2016-17. In the absence of exact list of Masjids bifurcating the no. of Pesh Imam and Mouzins, the correctness of the total applicants paid honorarium by the Board could not be ensured in audit.

➤ The list of beneficiaries finalised by the Board are first sent to bank along with bank details of individual applicants. The bank on confirming the details, effects the transfer of honorarium through NEFT or in case of discrepancies the Bank returns back the list pointing out any discrepancies for rectification which is again forwarded to the Bank after attending rectification, if any.

➤ During July 2015 Bank returned the list requiring rectification. At the time of sending corrected list fictitious names of 15 beneficiaries got included by unknown source and forwarded to the bank (J&K- A/c N0. 500000002) through email id of the Board and the bank honoured the list and adjusted amount to the so called fictitious name.

It was noticed that the above list was forwarded to the bank as corrected before actually finalising it by the Board which means the list forwarded by the earlier mail was fraudulent list. The matter came to the notice of the board (314<sup>th</sup> meeting dated 31.12.2015) and FIR was filed to the Police authority for investigation. The progress of investigation is not forthcoming (10/17).

➤ A total of 15 fictitious cases were noticed involving an amount of Rs.4.59 lakh which was already withdrawn by the fictitious account holders which is under investigation. The

complete software security is not in place to avoid such type of fraudulent activities which has resulted in loss to Government to the tune of Rs.4.59 lakh which is yet to be recovered (10/17).

Hence entire transaction of these grants and disbursement under the "PESH IMAM Scheme" may be investigated in detail and the matter may be brought to the notice of the government.

It was replied that multiple bank accounts are operated for smooth transferring of honorarium to individual imams as the number of beneficiaries are huge and the Board has agreed to obtain permission in this regard. Further the Board has accepted suggestions of Audit and agreed to maintain the list of Masjids whose income limit is less than one lakh and also it was accepted by the use of its e-mail by some non-device and fraudulent list of 15 account holders is sent to the Bank which led to credit of Rs. 4,59,300 to the accounts and the police complaint was filed which is under investigation and also assured that the scientific method will be adopted by linking the Aadhar numbers of the beneficiaries to the Bank account.



**SECTION - A**

**I. Loss of Rs.400.45 lakh due to fraudulent transfer of funds invested in fixed deposit:**

1. The then Chief Executive Officer, Karnataka State Board of Auqaf, had drawn two Account payee" cheques vide cheque no:839236 and 839237 both dated 26-11-2016 drawn on "Vijaya Bank, Chintamani Branch" for an amount of Rs.2,29,45,465/- and Rs.1,71,00,000/- **with a specific instruction behind the cheque as drawn towards opening of Fixed Deposit in Chief Executive Officer's name.** Chief Accounts Officer, Karnataka State Board of Auqaf, had also enclosed a covering letter dated 02-12-2016 seeking opening of a fixed deposit for one year against the funds transferred to Vijaya Bank through Account Payee cheque.
2. However, when the Cashier of Karnataka State Board of Auqaf, contacted the Vijaya Bank, Chintamani branch on 29-12-2016 enquiring for the Fixed deposit receipt, the Branch Manager of Chintamani Branch sends an e-mail dated 30-12-2016 stating that as per the instructions given in letter no: KSBW/CASH/1/FD/WF/2009-10 dated 05-12-2016 the realized proceeds of the cheque were credited to "Ajay Sharma Trading Corporation" who holds A/C No. 146500301000157 on 21-12-2016. The above mentioned letter dated 05-12-2016 is not issued by Karnataka State Board of Auqaf.
3. It can be noticed that this act of the Branch Manager is fraudulent, opposed to all banking norms and instructions issued by Chief Executive Officer and the Reserve Bank of India from time to time for the following reasons:
  - (a) The letter stated to be issued was not officially received by Vijaya Bank Branch.
  - (b) No verification has been done by the branch as the Account payee cheques were issued with a specific endorsement towards opening of a Fixed Deposit and transfers of such money to third parties practically were not permissible.
  - (c) The fraudulent transactions have been effected with the connivance of the officers of the Vijaya Bank, Chintamani branch by transferring a huge amount to a newly opened account which is against the KYC norms and also the instructions of RBI from desisting transfer of money through Account Payee cheque to third party.

(d) The letter alleged to have been submitted to Vijaya Bank, had all the requisite information to cross check the veracity. No basic precaution was taken before undertaking a transaction which is not normal and on the face of it, it looks fraudulent. The overriding instruction by way of a letter when the account payee cheque signed by higher authority who had clearly instructed to appropriate the money towards opening of a fixed deposit is in clear connivance with the employees of Vijaya Bank.

4. Chief Executive Officer, Karnataka State Board of Auqaf, has already communicated to Vijaya Bank, Manager, vide letter dated 30-12-2016 and her admissions in her reply dated 31-12-2016 that the accounts of 'Ajay Sharma Trading Corporation' has been frozen would not take away the fact that these transfers were done fraudulently and without following the instructions issued by Chief Executive Officer to which concerned bank is responsible to return the funds transferred to this Bank. This act of Bank officers had defrauded Karnataka State Board of Auqaf of a huge amount and has deprived them of their returns to which they are not responsible. Hence, concerned Bank should therefore re-credit the money which was transferred to this branch by Account Payee Cheque immediately.
5. Chief Executive Officer, Karnataka State Board of Auqaf, has also written a letter dated 09-01-2017 providing the bank account details for transfer of funds. A letter was also written on 10-01-2017 seeking the return of the funds which was addressed to the General Manager of Vijaya Bank to which there is only a meek reply that there is an investigation going on by the Bank, which would not be a hindrance to repay the money that was transferred to this branch, which therefore is directed to be done forthwith.
6. That a representation to the Managing Director of your bank dated 27-01-2017 was given by Mr. Mohammad Mohsin, I.A.S, Secretary to Government, Minority Welfare, Haj and Wakf Department, Government of Karnataka who is the Administrative Head, seeking return of the funds. The General Manager of Vijaya Bank has observed that irregularities of the transaction effected against the proceeds of the cheques deposited by Chief Executive Officer, Karnataka State Board of Auqaf.
7. Criminal investigation even though under process against the officers of the bank cannot act as a bar to release the funds belonging to Karnataka State Board of Auqaf, as the Bank has exceeded the instructions issued and officers have secretly and surreptitiously transferred the funds to which the bank as the principle is held

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accountable and therefore have to return the money forthwith with interest to Karnataka State Board of Auqaf.

FIR is lodged against concerned Bank Manager and Assistant Manager along with Syed Siraj Ahmed Cashier of Karnataka State Board of Auqaf, at Chintamani Town Police Station in Crime No: 0002/2017 dated 02-01-2017.

A comprehensive report has been submitted to the Secretary Department of Minority Welfare, Hajj and Waqf along with FIR copy on 04-01-2017, since holiday was declared on 03-01-2017 on account of death of Sri. Mahadeva Prasad, Hon'ble Minister. Developments in the case were brought to the notice of the Secretary Department of Minority Welfare, Hajj and Waqf and Administrator, Karnataka State Board of Auqaf, Bengaluru, in office file no: KSBW/Cash/Misc/1/2016-2017, as and when warranted.

Department Enquiry is ordered against Sri. Syed Siraj Ahmed, Cashier who is accused No.3 in FIR, by appointing District and Session Judge as enquiry officer (enquiry officer has to be changed due the death of first enquiry officer) and Sri. Syed Siraj Ahmed, Cashier also kept under suspension. Department Enquiry is pending for orders.

Police Authorities have taken action on FIR (in Crime No: 0002/2017 dated 02-01-2017 at Chintamani Town Police Station) filed by the Board Officials against the bank branch officials and an Board employee and presently the matter is under investigation by CID (Economic Offences Branch) Bengaluru. The Chief Executive Officer had also visited the CoD Office and met the Enquiry Officer, who is investigating the case, it was stated by the Enquiry Officer that a report is being called for from the State Forensic Science Laboratory regarding forged signatures and the CoD has seized Rs.4,00,000/- (Rupees Four Lakhs Only) from one of the accused and the same is deposited in the court on 24-11-2017 vide PF No.45/2017 dated 04-10-2017.

The Vijaya Bank have dismissed the Manager and Asst. Manager from service, for fraudulently transferring the amount to third parties, vide their letter no. BOB/1465/KSWB/01/19-20 dated 02-11-2019.

Matter is also pending in CCH1 PRL. CITY CIVIL and SESSIONS JUDGE in registration no: 158/2017, CNR No:KABC-449234-2017. In

this case petitioner is Deputy Director of Directorate of enforcement, Bengaluru and respondents are:

- 1) Accused No. 01 SYED SIRAJ AHMED.
- 2) Accused No. 02 VIJAYA PULLIALA.
- 3) Accused No. 03 JAMES PYNGOTTU VESAPY.
- 4) Accused No. 04 M/s VERKEYS REALTIES PRIVATE LIMITED.
- 5) Accused No. 05 SMT A SUSHEELA (the then Manager, Vijaya Bank, Chintamani branch).
- 6) Accused No. 06 P.S MARUKANNAPA (the then Asst. Manager, Vijaya Bank, Chintamani branch).

The matter is posted to 28<sup>th</sup> December 2021, "for framing of Charge or Plea".

8. It is to note that banks which received cheques drawn in their favour which is marked "Account payee" to the account of constituents who are not named payees therein, without proper mandate of drawer will do so at their own risk and will be responsible for the unauthorized payment. This act of Vijaya bank/ branch is in criminal breach of trust and would therefore have to return the money forthwith to Karnataka State Board of Auqaf.
9. It is to note that due to the fraud committed by the employees of the Chintamani Branch an amount of Rs.4,00,45,465/- (Rupees Four Crore Forty Five Thousand Four Hundred and Sixty Five Only) have not been deposited as fixed deposit in Vijaya Bank and has been fraudulently transferred without proper instructions. Therefore, an amount of Rs.4,00,45,465/- (Rupees Four Crore Forty Five Thousand Four Hundred and Sixty Five Only) is returnable forthwith to Karnataka State Board of Auqaf, with applicable interest.

After undertaking lot of correspondence with Vijaya Bank authorities to return the amount, Board has issued them a legal notice dated 06-07-2017, asking them to return the amount with the applicable interest, for which they have in their reply dated: 02-08-2017 submitted that the amount claimed by the Board is under attachment by Enforcement Directorate, hence it cannot be returned. (However, this cannot be accepted because amount got transferred to wrong person fraudulently by Vijaya Bank, Branch officials). Hence, action is taken to file complaint before National Consumer Disputes Redressal Commission, New Delhi, against the Vijaya Bank authorities to recover the amount, with penalty and interest, in complaint No:3129/2017 on dated 25-10-2017. First hearing was scheduled on 15-11-2017 & decision about admitting our appeal could not be taken as Judicial member was absent on that day. Again, during the hearing held on 12-12-2017, our appeal is admitted &

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matter was posted to 19-07-2018. On that day due to absence of Judicial member, hearing was posted to 14-12-18. Even though Vijaya Bank has filed their objections belatedly, copies of the same is not furnished to complainant, Karnataka State Board of Auqaf, the matter was posted for hearing to 20-11-2019, on this day a penalty of Rs.25,000/- was imposed on Vijaya Bank, Chintamani Branch, for delay in filing the objections. This Office has filed evidences before the National Consumer Disputes Redressal Commission, New Delhi. It is obvious that Vijaya Bank is dragging the issue.

**The matter is posted for final hearing on 18th April 2022.**

Appeal was also filed before the Appellate Tribunal for Money Laundering, New Delhi, against the attachment order of Enforcement Directorate, Adjudicating Authority dated 20-06-2017 in Appeal No:1878/2017. Matter was posted for hearing on 27-10-2017. Next date of hearing was scheduled on 05-01-2018. Since counsel for Enforcement Directorate has not filed objection, next hearing was posted to 24-04-2018. On this day Enforcement Directorate has filed objection and matter was posted to 04-10-2018, on this date written submissions had been filed by the appellant, next hearing was posted to 04-12-2018, on this day, written application was filed by the Chief Executive Officer seeking release of funds belonging to the Board, the appellant on this day sought time to seek appropriate instructions from the Enforcement Directorate seeking release of the funds, the matter was posted for hearing to 07-02-2019, on this day the pleadings in the above said matter were completed and the hearing was posted on 10-04-2019 for disposal. The matter was disposed of on 10-04-2019 and judgement was issued by the Enforcement Directorate on 18-06-2019 in favour of the Chief Executive Officer, Karnataka State Board of Auqaf, stating at para 42 of the Judgement that ***"in the light of the impugned order dated 20-06-2017 is set aside qua the appellant. Consequently PAO is also quashed against the appellant who is not involved in money laundering in any matter nor the appellant in its hand any proceed of crime"***.

**II. Non – compliance of EPF/ESI remittance to the authorities (Rs.41.73 lakh) and loss of revenue due to non- recovery of TDS (2%) (Rs.12.53 lakhs) on gross bill of outsourced agency**

The Karnataka State Board of Auqaf is a statutory organization and autonomous body with independent drawing and disbursing officers. The Board has in advance acknowledged all these problems and only then decided to award the contract to the agency to supply office staff for day to day administrative activities. Accordingly, an agreement was entered into with the contractor including the payment towards EPF, ESI and P. tax and payment were made in terms of the order dated.19<sup>th</sup> March 2010.

The agreement also incorporated a clause (6) "the agency shall strictly follow the requirements such as minimum wages act, ESI rules provident fund rules and other labour laws and will be solely responsible for any violation" As such the Waqf Board has followed the provisions of the EPF Act 1952 and ESI Act 1948 by ensuring the payments to the contractor for onward remittances.

As accepted by the outsource agency in its quoting and in Memorandum of Understanding Rs.450/- per employee was released towards the PF, ESI and other service charges, It was found that, the outsource agency has not made remittances towards PF, ESI to the concerned accounts. The Assistant Audit Officer (O/o Accountant General) and officers from the Waqf Board jointly visited the office address of the agency and found that, the agency has closed down its activities in the said premises.

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**Reply to Audit Para**

**Para No.III.** Loss of revenue due to non-realization of rent (Rs.52.41 lakh) and resultant loss due to adoption of differential rates of rent (Rs.56.99 lakhs) - Rs.109.40 lakhs.

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**M/s. Digicell Teleservices Pvt Ltd**

The Tenant vacated the premises on 06.02.2015 without paying the rent from 01.08.2013 to date of vacation and the Board has filed a P.P.Case vide bearing No.PP/59/BNU/2016. In this case the Competent Officer and Additional Chief Executive Officer has passed the Order on dated 08.03.2021 U/s 7(1) of the KPP Act 1974 for recovery of arrears of rent and damages.

**M/s Pharmaleaf India Pvt Ltd.,**

The monthly rent has been re-fixed at the rate of Rs.1,71,774/- (Rupees One Lakh Seventy One thousand seven hundred and seventy four only) and monthly maintenance charges at Rs.15,894/- (Rupees Fifteen thousand eight hundred and ninety four only) with effect from April 2019.

The tenant M/s. Pharmaleaf has vacated the premises during the month of June 2021.

*Relva*

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**IV. Loss to Government due to addition of fictitious names in the list of honorarium to Pesh Imams & Mouzins – Rs.4.59 lakh.**

**Compliance Report**

An anonymous device has used the Board's email id [info@karwakf.org](mailto:info@karwakf.org) 27.11.2015 and fraudulent list of 15 different Account No's and IFS codes are sent to the J & K Bank's email id ([bnglor@jkbmail.com](mailto:bnglor@jkbmail.com)). As usual the Bank has processed the same beneficiaries and released the payment from Board's Account No. 0183040500000002 assuming that the list was sent by the Board.

The sent mail was deleted, further conversation with the Bank representative it was came to light that there's an addition of 15 different Account Numbers which are not in the Board's beneficiaries list. Also an amount of **Rs. 4,59,300/- (Rupees Four Lakhs Fifty Nine Thousands and Three Hundred Only)** was credited to these Accounts.

Further this office has collected the information of those 15 fraudulent accounts and filed an FIR against the culprits at the High Grounds police station, Bengaluru, vide FIR No. 377/2015 U/sec. 408 420 R/w. Sec. 34 of IPC the culprits were arrested and the investigation is under progress and the Charge sheet has been filed before the Hon'ble 4<sup>th</sup> A.C.M.M. Court vide C.C. No. 18066/2018.

An amount of **Rs.2,33,100/- (Two Lakhs Thirty Tousands and One Hundred Only)** have been recovered by the Police in cash vide P.F. No. 16/2018, and the same has been remitted to the Board's Account of State Bank of India Cunningham Road Branch Bengaluru on 27.03.2018.

The matter is pending before the High Grounds Police Station for further enquiry and recovery of Government Funds.