

KARNATAKA LOKAYUKTA

Compt/Lok/BD-2732/2016/ARE-5

Multi-storied Building,
Dr.B.R. Ambedkar Veedhi,
Bengaluru.Dated 4th January 2018.**REPORT UNDER SECTION 12(3) OF THE KARNATAKA
LOKAYUKTA ACT, 1984**

Sub: Proceedings initiated against:

- 1) Shri. Y.Sampath Kumar, the then Principal, Acharya Mahila First Grade College, Gowribidnur, Chikkaballapura District and 2) Shri. A.N. Balaram, Honorary Secretary, Rastriya Grameena Vidya Samste, Gowribhidanur Town, Chikkaballapura District - regarding their misconduct as public servants - reg.

On the basis of the letter dt: 25.7.2016 submitted by the ADGP, Karnataka Lokayukta, Bengaluru along with the final report submitted by Dy.S.P., Karnataka Lokayukta, Chikkaballapura in Cr.No.7/2013 for the offences punishable u/s 7, 13(1) (d) r/w Sec.13 (2) of P.C. Act, 1988 and sections 120(B), 465, 468 and 471 of IPC for taking action against (1) Shri. Y.Sampath Kumar, the then Principal, Acharya Mahila First Grade College, Gowribhidanur, Chikkaballapura

District and 2) Shri. A.N. Balaram, Honorary Secretary, Rashtriya Grameena Vidya Samste, Gowribhidanur Town, Chikkaballapura District (hereinafter referred to as respondent No.1 and 2 respectively), suo-motu investigation U/s 7(1)(b) of the Karnataka Lokayukta Act, 1984 has been taken against respondent No.1 and 2 by the Hon'ble Lokayukta.

2. Brief facts of the Case are that:-

(a) On 9.5.2011 Sri. Jayaramaiah, Retired Principal, Muneswara Extension, M.B. Road, Gowribhidnur (hereinafter referred to as Complainant) has given Complaint before Lokayukta Institution, Bangalore against Respondent Nos.1 and 2 and said Complaint was referred to S.P., Karnataka Lokayukta, Chikkaballapura by S.P., City Division on account of jurisdiction. Shri. Jayaramaiah has made 8 allegations in the Complaint. The 8th allegation is that grant of Rs.63,43,000/- was received from U.G.C. But, the Respondent No.1 – Shri. Y. Sampathkumar, the then Principal, Acharya Women's Degree College, Gowribidanur has shown as Rs.61,43,000/- as the grant received from UGC. Thereafter, an amount of Rs.40,00,000-00 has been received

from UGC for construction of hostel for girls. Respondent has entrusted the work to one Babu without calling for tender. As per Rules, work had to be entrusted to CPWD or PWD or civil engineering Division in the college. The construction work of college executed is of very bad standard and Respondent No.1 has misappropriated the amount granted by UGC and Respondent No.1 has written account by himself without entrusting the work of writing account to others and he has done injustice to students also.

(b) That Complainant verified the records and documents and found that an amount of Rs.40,00,000 has been released by UGC on 1.11.2010 towards 1st installment for construction of Girls hostel and said amount is credited to the account of Respondent No.1. Building Committee consisting of 1.Y.Sampathkumar- Principal, 2.K.Varahamurthy, Lecturer, 3. Ashwatha Reddy, HOD, 4. Prof.Ilango, 5.Chandrashekara Reddy, HOD, 6.A.N.Vijayakumar, Supdt. 7.Chandrashekar, PWD Engineer was formed for the construction of Hostel building and the documents for having formed construction committee were sent to U.G.C. On 12.2.2011 new construction committee has been formed by Respondent No.1 consisting of 1.A.N.Ramaiah

Shetty- President of Construction Committee, 2. A.N.Balaram, 3.N.R.Radhakrishna Gupta, 4.E.Sathishkumar, 5.G.V..Krishnamurthy, 6.V.Ramesh, 7.M.S. Adinarayana Shetty, 8. M.T. Narasimhamurthy. On 18.2.2011 decision has been taken by the Committee to purchase construction materials required for the building and in the meeting Respondent No.1 and G.R.Shankaranarayanappa were also present. Persons who are not eligible to become members of the Committee have been selected as Members of the Committee by Respondents. Quotation has been called for on 23.11.2010 for labour contract and 4 persons have given quotation and labour contract has been given to Contractor Babu. Quotation has been called for supply of soil on 22.9.2011 and 4 persons have given quotation and the quotation of Venkatachala has been accepted. On 16.2.2011 quotation for supply of jelly has been called for and Venkatachala, Padmavathi Transport and Lakshmipathi have submitted quotations. On the same day quotation for supply of cement has been called for and Lakshmi Enterprises and Lakshmi Hardware have submitted quotation. On 12.2.2011 quotation for supply of sand has been called and Venkatachalapathi and Lakshmipathi have given their

quotations. But approval has been given for purchase of cement from A.R.Narayanasetty and Sons for which A.R.Ramaiah Shetty-the President of Construction Committee is the owner. Approval has been given to Sri.Sai Steels, Hindupur to purchase steel. Approval for purchase of Jelly has been given to purchase from Venakatachala or Palani. Approval for purchase of sand has been given to Venkatachala/Lakshmipathi. In the meeting held on 7.7.2011 Respondent No.2 has issued letter to Respondent No.1 to purchase steel from Sai Steels, Hindupura to purchase cement from A.R.Narayanashetty and Sons and to purchase sand, jelly and bricks from Venkatachala. In the meeting held on 10.10.2011 decision has been taken to lift the soil from the hostel building and for purchase of concrete hollow blocks from Thirumala Hollow block. On 12.12.2011 fresh construction committee has been formed.

3. The investigation records in Cr.No.7/2013 of Karnataka Lokayukta Police Station, Chikkaballapura discloses that:

(i) an amount of Rs.40 lakhs has been granted under U.G.C. Special scheme for construction of Women's hostel for Acharya Women's College and said amount has been credited to

bank account of Principal –Respondent No.1 on 4.12.2010. The construction Committee which was formed earlier has been cancelled on 12.2.2011 by Respondent No.1 and new committee has been formed. A.N.Ramaiah Shetty- who is made the President of the Committee is the brother of Respondent No.2.

(ii) One of the Engineers of the College should be made a member of construction committee but, no such engineer is made a member in the construction committee formed on 12.2.2011.

(iii) No meeting of the construction committee has been held from 4.12.2010 to 12.2.2011.

(iv) On 14.12.2010 an amount of Rs.3,32,850-00 has been paid to Sri.Sai Steel , Hindupur towards purchase Iron and steel. But no quotation has been called for supply of Iron and Steel and the owner of Sai Steel, Hindupur is the relative of Hon.Secretary-Respondent No.2.

(v) Owner of Sri.Lakshmi Enterprises -Sanjay is the son of Respondent No.2 and he has supplied cement for Rs.4,49,000 for the construction of hostel building and Respondent No.2 has


purchased cement through Respondent No.1 from Sri.Lakshmi Enterprises in order to help his son.

(vi) A.N.Krishnamurthy is the owner of Sri.Lakshmi Hardware and he is the brother of Respondent No.2. Without calling for quotation rods have been purchased from Sri.Lakshmi Hardware for Rs.3,63,430-00. but in construction committee meeting held on 7.7.2011 decision is taken to purchase rods from Sri.Sai Steel, Hindupur. On 14.10.2010 amount has been transferred to the account of Sri.Sai Steel, Hindupur towards purchase of building materials.

(vii) A.N. Ramaiah shetty is the brother of Respondent No.2 and he has supplied cement for Rs.93,500/- on 22.8.2011.

(viii) Rods worth Rs.3,48,367/- have been purchased from E.C. Sridhar, the brother of Satishkumar, who is the member of Committee without calling for quotation.

(ix) Jelly has been purchased from Padmavathi Transport without holding committee meeting and without taking the opinion of Engineer Lakshminarayan.



(x) On verification of accounts it is found that about 8 lakhs has been received from Babu who is building labourer and he is known to Respondent No.2 since several years. Labour contract has been given to Babu who is not qualified and who is not having any licence to carry on labour contract.

(xi) Signature of Venkatachala has been forged on the letter pad of Padmavathi Transport.

(xii) No quality test report has been obtained in respect of cement, sand, brick, steel and other material used for construction at the time of laying foundation for the building.

(xiii) No Engineer was present in any of the construction committee meeting. Therefore construction committee meetings have been held in the absence of Engineer. The Engineer who is in-charge of supervising the construction has to be present in the meeting and verify whether the rates are in accordance with PWD price list and then Signed for the purchase of materials.

(xiv) In the order dt: 13.7.2011 issued by the Principal Secretary, Education department (Higher Education), it is clarified that while using grant which exceeds Rs.1 lakh

provision of KTPP Rules has to be followed by calling tender , but no tender has been called for procuring materials

(xv) PWD Engineer has given report dt: 21.1.2012 stating that if the good standard materials are used for construction, an amount of Rs,27,58,358-00 would have been required. But an amount of Rs.40 lakhs has been spent for construction and thereby an amount of Rs.11,18,239-00 has been misappropriated by the Respondent.

4. The records collected by I.O. during investigation and the final report submitted by I.O. in Cr.No.7/2013 prima facie show that Respondent No.1- Y.Sampathkumar, the then Principal Acharya Women's First Grade College, Gowribidanur has received Rs.40 lakhs from UGC on 1.11.2010 towards construction of hostel building for Acharya Women's first grade college and Respondent No.1 and Respondent No.2 -A.N.Balaram in collusion with each other have cancelled the Building construction committee on 12.11.2011 which was formed on 20.1.2008 and formed new committee in violation of UGC Rules . That Respondent No.1 and 2 have placed purchase order without following KTPP Rules and tender and created bogus bills as if

entire Rs.40 lakhs has been spent towards construction of the hostel building. Though the amount required for construction with good standard materials is only Rs.29,50,283/-, Respondents have shown expenditure for Rs.40 lakhs towards construction and thereby misappropriated Rs.9,26,151/- (Rs.29,50,283 - required for construction + Rs.1,23,566/- the value of remaining stock of materials = Rs.30,73,849/- - Rs.40,00,000/- = Rs.9,26,151/-).

5. Observation note was sent to Respondent Nos.1 and 2 for their comments/reply.
6. Respondent No.1- the then Principal, Acharya Mahila First Grade College, Gowribidanur has submitted comments stating that there is no truth in the allegations made by D.Jayaramaiah. The construction of building will be undertaken by the management itself without calling for tender. Quotations were called for, for supply of materials. Quality test reports are submitted by the Engineer. The contractor- Babu is most experience in construction and he has constructed many college buildings. There may be some mistakes in preparing the bills

which are not intentional. The valuation made by the PWD Officers is wrong.

7. Respondent No.2 has submitted comments dt: 26.10.2017. He has stated that allegations made in the Complaint are false. An amount of Rs.40,00,000/- was received by AUUFG College, Gowribidanur from UGC for construction of hostel building. I.O. has not collected any materials in support of the allegations. The building is constructed in accordance with the circulars and guidelines issued by UGC. The materials used for the construction are certified by the Competent Authorities. I.O. has mechanically valued the materials collected at the spot. The documents collected by the I.O. are concocted documents and he has not committed any offence. Further Respondent No.2 has denied that an amount of Rs.63,43,000/- was received from UGC.

8. The documents collected by I.O. during investigation in Cr.No.7/2013 prima facie show that Respondent No.1- Y.Sampathkumar, the then Principal Acharya Women's First Grade College, Gowribidanur has received Rs.40 lakhs from UGC on 1.11.2010 towards construction of hostel building for Acharya

Women's first grade college and Respondent No.1 and Respondent No.2 -A.N.Balaram in collusion with each other have cancelled the Building construction committee on 12.11.2011 which was formed on 20.1.2008 and formed new committee in violation of UGC Rules . That Respondent No.1 and 2 have placed purchase order without following KTPP Rules and tender and created bogus bills as if entire Rs.40 lakhs has been spent towards construction of the hostel building. Though the amount required for construction with good standard materials is only Rs.29,50,283/-, Respondents have shown expenditure for Rs.40 lakhs towards construction and thereby misappropriated Rs.9,26,151/- (Rs.29,50,283 - required for construction + Rs.1,23,566/- the value of remaining stock of materials = Rs.30,73,849/- - Rs.40,00,000/- = Rs.9,26,151/-).

9. In the light of the materials available on record, I am of the view that the comments submitted by the respondents 1 and 2 cannot be accepted and the proceedings against them cannot be dropped at this stage.

10. As observed by me earlier, the facts and materials on record, prima-facie show that the respondent no.1/Shri. Y.

Sampath Kumar, the then Principal, Acharya Mahila First Grade College, Gowribhidanur, Chikkaballapura District has committed misconduct under Rule 3(1) of KCS (Conduct) Rules, 1966 and therefore a recommendation is made against him under Sec. 12(3) of the Karnataka Lokayukta Act, 1984 to the Competent Authority to initiate disciplinary proceedings against him.

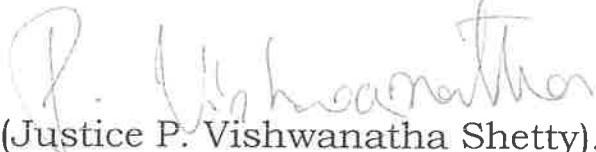
11. So far as the respondent no.2/Shri. A.N. Balaram, Honorary Secretary, Rashtriya Grameena Vidhya Samsthe, Gowribhidanur Town, Chikkaballapura District is concerned, he is not a public servant. The materials available on record show that he in connivance with respondent no.1 acted against the interest of Rashtriya Grameena Vidhya Samsthe. Therefore, he is totally unsuitable to hold any position either as a member of Rashtriya Grameena Vidhya Samsthe or as the Secretary of the said Samsthe henceforth. Therefore, I hereby make a recommendation under Sec. 12(3) of the Karnataka Lokayukta Act, 1984 to the Competent Authority to direct the concerned authorities of the State for his removal from the position of Honorary Secretary of Rashtriya Grameena Vidhya Samsthe and to prevent him from holding any post and also disqualify him from holding any

position in the management of Rashtriya Grameena Vidhya Samsthe.

12. Further I hereby make a recommendation u/s 12(3) of the Karnataka Lokayukta Act to the Competent Authority to direct the officers of the State to recover the loss caused to the Rashtriya Grameena Vidhya Samsthe on account of misappropriation of amount either jointly or severally from Respondents 1 and 2 without further loss of time.

13. The Competent Authority is required to intimate the action taken or proposed to be taken on the recommendation made under Section 12(3) of the Karnataka Lokayukta Act, as required under Section 12(4) of the Karnataka Lokayukta Act, 1984 within 3 months from the date of receipt of this report.

Connected records are enclosed.


(Justice P. Vishwanatha Shetty),
Lokayukta,
State of Karnataka.


17/11/2016