

**KARNATAKA LOKAYUKTA**

No. Compt/Uplok/BCD-311/2017/DRE-2 M.S. Building,  
Dr. Ambedkar Veedhi,  
Bangalore-560 001,  
Date: 14.09.2017.

**REPORT UNDER SECTION 12(3) OF  
KARNATAKA LOKAYUKTA ACT, 1984**

Sub: Proceedings initiated against  
1) Shri.Mohammed Zafir Ahmed -  
District Manager, 2) Shri. Babamiya,  
Development Inspector, Karnataka  
Minorities Development Corporation  
Ltd., Bengaluru South Division, Cubbon  
Pet Main road, Bengaluru, regarding  
their misconduct as Government Servant  
- reg.

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An investigation was taken up under Section 9 of the Karnataka Lokayukta Act, on the basis of complaint filed by Shri. Arshad Hussain S/o Ahmed Hussain, Yaseen Nagar, Bengaluru (hereinafter referred to as 'complainant' for short) against 1) Shri.Mohammed Zafir Ahmed - District Manager, 2) Babamiya, Development Inspector, Karnataka Minorities Development Corporation Ltd., Bengaluru South Division, Cubbon Pet Main road, Bengaluru (hereinafter referred to as 'respondents 1 and 2 respectively' for short).

2) Complainant has alleged that the respondent has sanctioned loan under Micro Loan Scheme for self employment to the same persons twice or thrice. The Complainant has obtained the list of beneficiaries under the scheme for the year 2014-15 through RTI Act. It was found that Taj Mahila

Swasahaya Sangha and Sree Madina Sthri Shakti Mahila Sangha have applied for the loan under the scheme for its members. When compared the list of beneficiaries, the members who had obtained loan from Taj Mahila Swasahaya Sangha had again obtained loan in the name of Madina Sthri Shakti Mahila Sangha. Despite knowing the said facts, the respondent has intentionally approved the loan and has disbursed the loan amount to the same persons under different Sanghas for illegal gains. Hence, has prayed to take action against the respondent.

3) Report was called from the Managing Director of Karnataka Minorities development corporation Ltd., who in turn has submitted report dated: 23.03.2017 stating that the respondent has submitted his explanation that due to work pressure the alleged mistake had happened. Further has stated that, he has warned the respondent to take care that such mistakes shall not be repeated. He has submitted copy of the explanation of the respondent no.1 dated: 15.03.2017. In the said explanation respondent no.1 has stated that, the development inspector/Caseworker had not brought the said mistake to his notice. Therefore, respondent no.2 was added as a party and their comments were called. The respondent 1 and 2 have submitted their comments dated: 07.08.2017 and 27.05.2017 respectively.

4) The respondent no.2 in his comments states that he has not signed any documents with respect to the allegations made in the complaint and the same are not within his knowledge. Therefore, He is not responsible for the allegations made in the complaint.

5) The respondent no.1 in his comments dated: 07.08.2017 and also his explanation dated: 15.03.2017 given by him to the Managing Director of Karnataka Minorities Development Corporation Ltd., has stated that under Micro Loan Scheme for the year 2014-15 financial assistance of Rupees Two lakhs was sanctioned to 20 beneficiaries of Taj Mahila Swasahaya Sangha of Govindaraj Nagar on 20.02.2015.

Thereafter, Madina Swasahaya Sangha had applied for financial assistance under the said scheme. The said proposal was approved by MLA of Govindaraj Nagar and same was submitted to the Managing Director, Karnataka Minorities Development Corporation Ltd., for approval of loan. Loan of Rupees one lakh has been approved to the 10 members/beneficiaries of Madina Mahila Swasahaya Sangha. Later, it came to his notice that out of said beneficiaries 9 beneficiaries have already availed benefit of the scheme as member of Taj Mahila Swasahaya Sangha.

Since, the name of the Sangha and the banks maintaining their accounts were different and approved by concerned MLA, it was not possible for him to find out that the member/beneficiaries of both Sangha are same. Further states that a declaration was also obtained from the beneficiaries to repay the loan amount if it is found that they have already availed loan from the Karnataka Minorities Development Corporation Limited. Accordingly, the loan amount of Rs.90,000/- along with interest of 3,000/- has been recovered from the said 9 beneficiaries. By stating that the mistake had

happened due to rush of work has prayed to drop him from the proceedings.

6) On perusal of records, the respondent no.1 has clearly admitted that loan under the said scheme was sanctioned to Taj Mahila Swasahaya Sangha on 20.02.2015 and loan to Madina Mahila Swasahaya Sangha was sanctioned on 20.03.2015. The 9 members of Madina Mahila Swasahaya Sangha were sanctioned with loan for the second time. The time gap of grant of financial assistance is about one month. The complainant has produced the list of beneficiaries obtained under RTI Act. On perusal of list it is found that 9 beneficiaries i.e., Khyerun Bi, Shamshad, Fairoz Unnisa, Resham Banu, Nazima Banu, Fayazunnisa, Dilshad, Tasleem Khanam and Afiza who are the members of Madina Swasahaya Sangha are also member of Taj Mahila Swasahaya Sangha. By showing different business/self employment, loans have been sanctioned under Micro Loan Scheme for the same persons twice. Micro loan scheme has been formulated with the novel object of providing self employment to the deserved beneficiaries. The object of the scheme itself has been defeated by the negligent attitude of the respondents. The respondents being the responsible officer who are duty bound for proper implementation of the scheme are trying to find reasons for their fault committed. The lame excuses stated by the respondents cannot be considered. Moreover, the recovery of loan amount will not absolve the misconduct committed by the respondents. Since the time gap of the sanction of loan is too short & he is duty bound to verify proper beneficiary, the explanation of the respondent no.1 that

due to rush of work and other reasons, he was not able to ascertain the said lapses cannot be accepted at this stage.

7) Respondent no.2 states that he has not signed any documents and the allegations are not within his knowledge. He has not denied working as Development inspector at relevant point of time i.e. from January 2015 to march 2015 during which loan has been granted twice for the same beneficiaries. The respondent no.1 has clearly stated the respondent no.2 being the development inspector has not brought the said mistake to his notice. Respondent no.2 has not produced any documents to show that he has not signed the said file at any point of time. Moreover he is duty bound to verify the proper beneficiary under the scheme. Therefore, it is to be inferred that the respondent no.2 is also negligent in his duties.

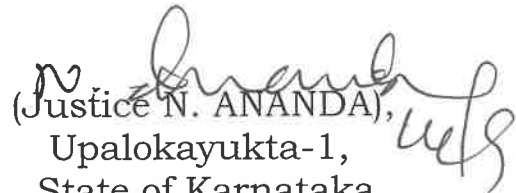
8) Under the circumstances, there are prima-facie materials against respondent no.1 and 2 for their misconduct with respect to sanction of Micro Loan to the same beneficiaries twice. Therefore, the comments of respondents 1 and 2 cannot be accepted at this stage. Hence, the respondents 1 & 2 have failed to maintain absolute integrity, devotion to duty and have acted in a manner which is unbecoming of a Government Servant for which they have made themselves liable for departmental action.

9) Accordingly, now, acting under Section 12(3) of the Karnataka Lokayukta Act, recommendation is made to the Competent Authority to initiate disciplinary proceedings against the respondents 1 and 2 i.e., **Shri. Mohammed Zafir Ahmed** - District Manager (Date of Retirement **31.07.2018**) & **Shri. Babamiya**, Development Inspector, Karnataka Minorities

Development Corporation Ltd., Bengaluru South Division, Cubbon Pet Main road, Bengaluru (Date of Retirement **31.05.2032**) and entrust the inquiry to this Authority under Rule 14-A of the Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

10) Further, as per Section 12(4) of Karnataka Lokayukta Act, 1984, the Competent Authority is required to intimate to this Authority within one month from the date of receipt of this report, the action taken or proposed to be taken on this report.

Connected records are enclosed.

  
(Justice N. ANANDA),  
Upalokayukta-1,  
State of Karnataka.