KARNATAKA LOKAYUKTA

COMPT/UPLOK/GLB/1960/2020/ARE-20

M.S. Building,
Dr. B.R. Ambedkar Veedhi,
Bengaluru, dated: 10-5-2022

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

Sub: Proceedings initiated against Sri. Shivasangappa S/o. Gurulingappa Kumasagi, District Manager, Karnataka Minorities Development Corporation, Kalaburgi District about his misconduct as Government servant – reg.

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This is suo-moto investigation taken up U/Sec.7 of Karnataka Lokayukta Act, 1984 against Sri. Shivasangappa S/o. Gurulingappa Kumasagi, District Manager, Karnataka Minorities Development Corporation, Kalaburgi District (herein after referred to as respondent) on the basis of charge sheet and its enclosures submitted in Cr.No.2/2015 of Karnataka Lokayukta Police Station, Kalaburgi (Spl. Case No.4/2018) by the Police Inspector, KLA, Kalaburgi.

2. It is alleged in the charge sheet that respondent has amassed wealth which is 147.25% disproportionate when compared to his known source of income during the check period from 25-8-1988 to 30-1-2015 and he made acquisition of properties without taking prior permission of Competent Authority. Therefore an observation note dated 19-10-2020 was issued to the respondent with instruction to him to show-cause as to why action should not be initiated against him for

violating Rules 21(4), 23(2) and 23(3) of the Karnataka Civil Services (Conduct) Rules-1966, with the following details;

(a) On 16/2/2012 respondent had purchased a site property bearing No.60/2 of HIG-1(west wing) totally measuring 360.00 sq.mtrs situated at 100 HP, KHB Akkamahadevi colony (airport land) Biddapur, Gulbarga in his name for a sum of Rs.11,62,512/- which was registered at the office of Sub Registrar Gulbarga vide document No.13262/2011-12.

(b) On 07/09/2007 respondent had purchased a property bearing site No.43, totally measuring 1200 sq.ft situated in land Sy. No. 19 part of Biddapura Gulbarga in his name for a sum of Rs.50,000/- which was registered at the office of Sub Registrar, Gulbarga vide document No.5292/2007-08.

(c) On 10/11/2009 respondent had purchased a property bearing site No.76, measuring 30X40 situated in land Sy. No. 2/1 of Malewadi Village, Gulbarga in his name for a sum of Rs. 25,000/- which was registered at the office of Senior Sub Registrar Office Gulbarga vide document No.7489/2002009-10.

(d) On 14/07/2010 respondent had purchased a property in his name bearing site No.32, totally measuring 1200 sq.ft situated in Sy.No.26/1 of Shirasagi Village, Gulbarga Taluk & District for a sum of Rs.72,000/- which was registered at the office of Senior Sub Registrar Gulbarga vide document No.3850/2010-11.

(e) On 07/03/2005 respondent had purchased a landed property in his name bearing Sy.No.56/1/2, totally measuring 4-00 acres situated at Balondagi Village, Afzalpura Taluk, Gulbarga District for a sum of Rs.1,50,000/- which was registered at the office of Sub Registrar Afzalpura vide document No.2226/2004-5.

(f) On 12/02/2004 respondent had purchased a property in the name of his wife Smt. Lakshmi, bearing site No.25, in Sy.No. 27/2 or 27,28 and 30/AA totally measuring 2200 sq.ft situated at Shirasagi Village of Gulbarga for a sum of Rs.1,30,000/- which was registered at the office of Sub Registrar Gulbarga vide document No.7911/2003-04.

(g) On 30/10/2012, respondent's wife Smt. Lakshmi had acquired site bearing No.11/1, HIG- I, E/W totally measuring 360 sq.mtrs situated at KHB, Akkamahadevi colony, old airport land, Biddapur, Gulbarga through a registered gift deed dated 30/10/2012 which was registered at the office of Senior Sub Registrar Gulbarga, vide document No.9129/2012-13 dated: 30/10/2012 and having constructed a house building worth of Rs.75.37/- Lakhs as per the valuation report submitted by the Assistant Executive Engineer, PWD and IWTD, Sub-Division, Kalaburgi.

(h) On 12/02/2004 respondent had purchased a property in his wife's name Smt. Lakshmi bearing site No.23, 24 and 21, 22 (Portion) in Sy.No. 27/2 or 27, 28 and 30/AA totally measuring 237 sq.ft situated at Shirasagi Village of Gulbarga for a sum of Rs.1,50,000/- which was registered at the office of Sub Registrar Gulbarga vide document No.7912/2003-04.

(i) On 28/03/2012 respondent had purchased a landed property in his wife's name Smt. Lakshmi bearing Sy.No.43/6, totally measuring 4 acre 35 guntas situated at Mashala Village, Afzalpura Taluk & Gulbarga District for a sum of Rs. 2,69,000/- which was registered at the office of Sub Registrar Afzalpura vide document No.4783/2011-12.

(j) On 1/09/2014 respondent had purchased a landed property in the name of his son Sri Veeresh bearing Sy.No.31/5, Katha No.100 measuring 4 acres 5 guntas situated at Belagumpa(k) Village, Gulbarga Taluk & District for a sum of Rs.1,96,000/- which was registered at the office of Sub Registrar Gulbarga vide document No.6452/2014-15.

(k) On 28/3/2012 respondent had purchased a landed property in the name of his son Sri Veeresh bearing Sy.No.43/4, measuring 4 acres 35 guntas situated at Mashala Village, Afzalpura Taluk & Gulbarga District for a sum of Rs.2,69,000/- which was registered at the office of Sub Registrar Afzalpura vide document No.4782/2011-12.

In relation to the purchase/ acquisition of immovable properties shown at above noted item Nos.(a) to (k), respondent had not obtained prior permission from the prescribed authority nor intimated the purchase/acquisition of properties, as required under Rule 23(2) of the Karnataka Civil Services (Conduct)

Rules, 1966. Respondent has not intimated the sources of income for purchase of the immovable properties during the relevant period.

(l) During search of respondent's residence, gold ornaments totally weighing 377.800 grams worth of Rs.10,36,750/-, silver ornaments totally weighing 1147.500 grams worth of Rs.31,200/- and hard cash of Rs.5,40,000/- were found.

(m) Respondent had purchased a Two Wheeler vehicle bearing Chasis No.090804006524 for Rs. 22,250/- in the name of his daughter Miss. Shruthi S Kumasagi.

In relation to purchase/acquisition of above movable properties stated in above noted item Nos.(l) and (m), respondent had not obtained previous sanction from the prescribed authority nor intimated the purchase/acquisition of properties, as required under Rule 23(2) of the Karnataka Civil Services (Conduct) Rules, 1966. Respondent has not intimated the sources of income for purchase/acquisition of the properties during the relevant period.

(n) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c.No.0876671100003223, respondent had raised Gold loan of Rs.2,87,000/-.

(o) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c.No. 0876671100003667, respondent had raised Gold loan of Rs.1,57,000/-.

(p) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c. No. 0876671100005517, respondent's wife Smt. Lakshmi Shivasangappa, had raised Gold loan of Rs.2,47,000/-.

(q) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c.No.0876671100005425, respondent's wife Smt. Lakshmi Shivasangappa, had raised Gold loan of Rs.3,00,000/-.

(r) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c.No.0876671100008228, respondent's wife Smt. Lakshmi Shivasangappa, had raised Gold loan of Rs.1,60,000/-.

(s) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c.No.0876671100009034, respondent's wife Smt. Lakshmi Shivasangappa, had raised Gold loan of Rs.2,08,000/-.

(t) As per the Bank Statement furnished by IDBI Bank, Gulbarga Branch in relation to A/c. No. 0876671100010609, respondent's wife Smt. Lakshmi Shivasangappa, had raised Gold loan of Rs.2,15,000/-.

In relation to the above, loan transactions, respondent not obtained previous sanction from the prescribed authority for raising the loans nor intimated the raising of loans to the Prescribed Authority, as required under Rule 21(4) of the Karnataka Civil Services (Conduct) Rules, 1966.

3. Despite service of observation note to the respondent on 9-11-2020, respondent has failed to submit his comments to the observation note. Kalaburgi Karnataka Lokayukta Police have submitted the service details of the respondent which discloses date of birth of the respondent as 8-6-1962 and therefore he would retire from the service <u>in the Month of June-2022.</u>

4. Rule 21(4) of KCS (Conduct) Rules-1966 reads as under;

"Rule 21(4): Investment, lending and borrowing:

(1).....
(2).....
(3).....

(4) (i) No Government servant shall except with the previous sanction of the Government and save in the ordinary course of business with a bank or a firm standing duly authorized to conduct banking business either himself or through any member of his family or any other person acting on his behalf;

(a) Lend or borrow money as principle or agent, to or from any person within the local limits of his

authority or with whom he his likely to have official dealings, or otherwise place himself under any pecuniary obligation to such person; or

(b) Lend money to any person at interest or in a manner whereby return in money or in kind is charged or paid."

5. Rule 23 of KCS (Conduct) Rules-1966 reads as under;

"23. Movable, Immovable and Valuable, Property: (1) Every Government Servant shall on his first appointment to any Service or post and thereafter at the interval of every twelve months 1 [ending on 31st March]1 submit a return of his assets and liabilities and of all members of his family in such form as may be prescribed by the Government giving the full particulars regarding:-6

(a) the immovable property inherited by him or any member of his family or owned or acquired by him or any member of his family on lease or mortgage, either in his own name or in the name of any member of his family or in the name of any other persons;

(b) shares, debentures and cash including bank deposits inherited by him or any member or his family or similarly owned, acquired or held by him or any member of his family;

(c) other movable property inherited by him or any member of his family or similarly owned, acquired or held by him or any member of his family;

(d) debts or other liabilities incurred by him or any member of his family directly or indirectly.

Note I: Sub-rule (1) shall not ordinarily apply to 2 [Group D]2 Servants but the Government may direct that it shall apply to any such Government Servant or Class of such Government Servants.

Note II: In all returns the value of items of movable worth less than 3 [Rs.5000] 3 may be added and shown as a lumpsum. The value of articles of daily

use as clothes, utensils, crockery or books need not be included in such returns.

Note III: Every Government Servant who is in service on the date of commencement of the Rules shall submit a return under this subrule on or before such date as may be specified by the Government after such commencement.

(2) No Government Servant or any member of his family shall, except with the previous knowledge of the prescribed authority, acquire or dispose of any immovable property by lease, mortgage, purchase, sale, gift or otherwise either in his own name or in the name of any member of his family:

Provided that the previous sanction of the prescribed authority shall be obtained by the Government Servant if any such transaction is –

(i) with a person having official dealing with the Government Servant, or

(ii) otherwise than through a regular or reputed dealer.

["Provided further that nothing in this sub-rule shall apply to the transactions entered into by a member of the family of the Government Servant out of his or her own funds (including Gifts, Inheritance, etc.,) as distinct from the funds of the Government Servant himself / herself, in his or her own name and in his or her own right.

(3) Every Government Servant shall report to the prescribed authority every transaction concerning movable property owned or held by him or any member of his family either in his own name or in the name of a member of his family, if the value of such property exceeds [the monthly basic salary of the Government Servant]

: Provided that the previous sanction of the prescribed authority shall be obtained if any such transaction is –

(i) with a person having official dealings with the Government Servant; or

(ii) Otherwise than through a regular or reputed dealer.

["Provided further that nothing in this sub-rule shall apply to the transactions entered into by a member of the family of the Government Servant out of his or her own funds (including Gifts, Inheritance, etc.,) as distinct from the funds of the Government Servant himself / herself, in his or her own name and in his or her own right."]

[(3-A) Every Government Servant shall report to the prescribed authority every transaction concerning cash received by him or by any member of his family from sources other than the Government Servant's Salary and Allowances, Insurance or Provident Fund if such cash exceeds 8 [the monthly basic salary of the Government Servant]

(4) The Government or the prescribed authority may at any time, by general or special order, require a Government Servant to furnish, within a period specified in the order, a full and complete statement of such movable or immovable property held or acquired by him or any member of his family or on his behalf or by any member of his family as may be specified in the order. Such statement shall if so required by the Government or by the prescribed authority include the details of the means by which, or the source from which such property was acquired."

6. The materials on record prima-facie show that the respondent has acquired movable and immovable properties in his name, in the name of his wife and son and further he raised loans in his name, in the name of his wife and son without obtaining prior permission of the Competent Authority nor intimating the same to the Competent Authority

and thereby he being a Government servant has committed misconduct under Rule 3(1)(i) to (iii) of Karnataka Civil Services (Conduct) Rules, 1966 by not maintaining absolute integrity, devotion to duty and acted in a manner unbecoming of Government Servant and violated Rules 21(4), 23(2) and 23(3) of the Karnataka Civil Services (Conduct) Rules, 1966.

7. Therefore by invoking the power vested U/Sec.12(3) of Karnataka Lokayukta Act 1984, recommendation is made to the Competent Authority to initiate disciplinary proceedings against the respondent under relevant provision of law as applicable by the Disciplinary Authority itself.

8. Further, as per Section 12(4) of Karnataka Lokayukta Act, 1984, the Competent Authority shall intimate to this Authority **within one month** from the date of receipt of this report, as to the action taken or proposed to be taken on the basis of this report. Since the respondent would retire from the service on 30-6-2022.

Connected records are enclosed.

10/5/22

(JUSTICE B.S. PATIL)
UPALOKAYUKTA-1
STATE OF KARNATAKA