

KARNATAKA LOKAYUKTA

NO: COMPT/UPLOK/BGM/3069/2014/ARLO1

M.S.Building,
Dr.B.R.Ambedkar Veedhi,
Bengaluru,
Date:10/08/2016

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

Sub: Proceedings against 1) Sri.Nagappa Bharamappa Sappali – Chief Executive Officer, Primary Agriculture Credit Co-operative Society, Kajjari and 2)Sri.Chandrashekar M Bhajanthri – Senior Inspector of Co-operative Societies and Co-operative Development Officer, Haveri district, about their mis-conduct as a public/ Govt. servants – reg.

An investigation u/sec.9 of the Karnataka Lokayukta Act, was taken up on the basis of the complaint filed by Sri.Suresh Chikkappa Motebennur r/o Kajjari village and post in Ranebennur taluk of Haveri district (hereinafter referred to as 'complainants' - for short) against 1) Sri.Nagappa Bharamappa Sappali – Chief Executive Officer, Primary Agriculture Credit Co-operative Society, Kajjari and 2)Sri.Chandrashekar M Bhajanthri – Senior Inspector of Co-operative Societies and Co-operative Development Officer, Haveri district (hereinafter referred to as 'respondents no.1 & 2, respectively' for short), alleging that, the respondents have committed dereliction of duties.

2. Brief facts of the case are -

The 298 farmers who were members of Primary Agricultural Credit Co-operative Society, Kajjari, were granted loan of ₹26,00,963/- by Sri.D.Devaraj Urs Backward Classes Development Corporation Limited,

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Bengaluru, under various Schemes. After partial recovery of loan, in the year 2008, as per the order of Central Government, the loan and interest were waived off and a sum of ₹5,95,749/- remained with the Primary Agricultural Credit Co-operative Society, Kajjari. The said society instead of depositing the said amount with Sri.D.Devaraj Urs Backward Classes Development Corporation Limited, Bengaluru (in view of waiver of interest and loan) has treated the said amount as its profit and distributed to various depositors. Hence, the complainant requested for taking suitable action in the matter.

3. After taking up investigation, the complaint was referred to Superintendent of Police, Karnataka Lokayukta, Haveri (hereinafter referred to as, Investigating Officer – 'I.O' as short) for investigation and report. The I.O. has submitted investigation report with the observation that, the respondents have taken the amount of ₹5,95,749/- as the profit of the Society and distributed to the depositors even though the said amount could not be distributed and hence the allegations made by the complainant are substantiated and hence requested to take action against the respondents.
4. The respondents submitted comments to the investigation report and stated that, when they went to deposit the amount to the Sri.D.Devaraj Urs Corporation, they informed them that as per orders dated:13/05/2014, the entire amount of loan and interest has been waived off and hence there is no amount due to be payable to the Corporation. As such the said amount of ₹5,95,749/- was taken as profit of the society and distributed to the depositors.
5. The respondents no.1 and 2 were required to deposit an amount of ₹5,95,749/- towards waiver of loan and interest as per the order of Central

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Government, but instead of depositing the same have illegally distributed the said amount to the depositors and they committed dereliction of duty amounts to misconduct.

6. In the light of the documents collected during the course of investigation, the reply submitted by the respondents are not convincing and acceptable or satisfactory to drop the proceedings against them and there are prima-facie materials showing that the respondents have committed misconduct.
7. The complaint, report of I.O., comments of the respondents, besides the material available on record prima-facie discloses that, the respondents have committed misconduct and dereliction of duty and thereby the respondents have made themselves liable for disciplinary action.
8. The respondent no.1 being Chief Executive Officer of Primary Agricultural Credit Co-operative Society, the Competent Authority requires to initiate action under Co-operative Societies Act.
9. Since the facts and material on record prima-facie show that the respondent no. 2 being a public/ Govt. servant has failed to maintain absolute integrity besides devotion to duty and acted in a manner unbecoming of a Public/ Govt. servant and thereby committed mis-conduct under Rule 3(1) of the KCS (Conduct) Rules, now 1966, now, acting under section 12(3) of the Karnataka Lokayukta Act, recommendation is made to the Competent Authority to initiate disciplinary proceedings against respondent no.2 and to entrust the inquiry to this Authority under Rule 14-A of the Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

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

Connected records are enclosed.

N. Ananda
(JUSTICE N.ANANDA)
Upalokayukta-1,
State of Karnataka. *cafe*

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