

(1)

Karnataka Lokayukta
(Under Section 7 of the Karnataka Lokayukta Act, 1984)

CASE
NUMBER COMPT/LOK/BD/2905/2017

District : Shimoga

BY :

1. SUO MOTO,

Police Inspector, KLA, Shimoga ADGP, Karnataka
Lokayukta, Bengaluru Ltr. No. LOK/INV(G)/CTL-
37/CR-9/2014 Shimoga Dated: 20/09/2017 Order
of Honble Lokayukta Date: 07/10/2017

COMPLAINANT/S

AGAINST :

① **K. KODANDARAM,** *No charge sheet filed*

District Manager, Food, Civil Supplies and
Consumer Affairs Department, Shimoga District,
SHIMOGA.

② **V.V. NARASIMA MURTHY,** *(22.11.1973)*

Retd. Senior Deputy General Manager, Food, Civil
Supplies and Consumer Affairs Department,
Bengaluru, BENGALURU District.

③ **C.K. SHIVANNA,** *(20.12.1956)*
Chief Executive Officer, Lake Development
Authority, Parisara Bhavan, Church Street,
BENGALURU.

④ **G.S. NAGARAJ,** *private person*

Owner, Suraksha Warehousing Corporation,
Channamumbapura, Navule, Shimoga District,
SHIMOGA.

⑤ **RAMACHANDRA RAO G.** *(1.11.1953)*

Assistant Conservator of Forest, Forest Department,
Karya Yojane Vibhaga, BELLARY. *Retd*

⑥ **H.S. NAGARAJ,**

Senior Assistant, Food, Civil Supplies and
Consumer Affairs Department, CHITRADURGA.

⑦ **V. LINGAIAH,**

Senior Assistant, Food, Civil Supplies and
Consumer Affairs Department, SHIMOGA.

RESPONDENT/S

Allegation/Grievance
Brief : Dereliction of Duty.

Received From : By I/w 11433/17-18 Dated: 21/09/2017

Received On : 07-10-2017

[Signature]
Seal and Signature

Complaint stands
allotted to : SRAPP2

COMPT/LOK/BD/2905/2017-SRAPP-2

KARNATAKA LOKAYUKTA, BENGALURU

Date: 09.08.2019

O R D E R

1. This is a complaint registered suo-motu on the basis of the investigation report submitted by the Additional Director General of Police, Karnataka Lokayukta, Bengaluru (hereinafter referred to as '**ADGP**' for short) who had enclosed copy of the investigation report submitted by the Police Inspector, Karnataka Lokayukta, Shivamogga (hereinafter referred to as '**I.O.**' for short) in Crime no. 9 of 2014 of Karnataka Lokayukta Police Station, Shivamogga alleging commission of offence punishable u/s 407 of IPC and Section-13(1)(c) of Prevention of Corruption Act, 1988 against Sri K. Kodandaram, District Manager, Food, Civil Supplies and Consumer Affairs



3

Department, Shivamogga and 6 others (hereinafter referred to as '**Respondents**' for short).

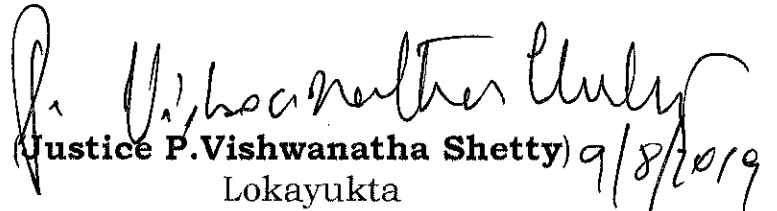
2. On registration of the complaint comments of the respondent no. 2, 5 and 6 were secured on the observation note prepared on the investigation report and the comments of those respondents are placed on record.
3. The defence of the respondents is not only of total denial of the allegations made against them but they have contended that there is no dereliction of duty on their part and that the loss of paddy stored at M/s Suraksha Warehousing Corporation was destroyed due to natural reasons which were beyond their control.
4. On perusal of the material placed on record the scrutiny officer i.e., Senior Assistant Public Prosecutor-1 (hereinafter referred to as '**SRAPP-1**' for short) has put up scrutiny notes opining that



this is a fit case to make a recommendation U/Sec. 12(1) of Karnataka Lokayukta Act, 1984 for recovery of loss caused to the State from respondent no. 4 to 6.

5. I have perused the notes put up by SRAPP-II as well as the material placed on record and on discussion of the matter in details, I find it appropriate to make a recommendation against respondent no. 4 to 6. The report recommending action under section 12(1) of Karnataka Lokayukta Act, 1984 is signed. Office to send the report to the Competent Authority and await compliance.

List this matter on **12th of November, 2019.**



Justice P. Vishwanatha Shetty 9/8/2019
Lokayukta
State of Karnataka

6. SRAPP-II

5

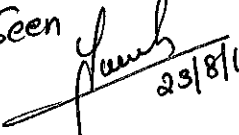
Sr.APP-2)

As per O.M.No. LOK/RGR/Compts.
LOK & UPLOK/2019 dated 7th June 2019
this case is transferred to ARLO-5 section.


Sr.APP-2.

C/W ದ. 23/08/19

ಈ ಕಡಲೆನಿಖೆ Sr.APP-2.
ಇವುಗಳಿಗೆ ಈ ದಿನ ದ. 23/08/19
ಸಂಖ್ಯೆ ARLO-5 ಇವು ಸ್ವೀಕೃತ,
ಬಾಹಿರಾಳವೆ
ಯೋಗ್ಯರ, ಅನಾನು ಸ್ವೀಕೃತ
R. 23/08/19

Seen

23/8/19.

C/W

ಇದರಲ್ಲಿ ಅಧೀನ.
ಕೆಂಪುಗಿರಿ (ಕ್ರ.)
ಆರ್.ಎ.ಎ.ಎ.ಎ. ಸರಬರಾಜು,
ಅಧಿಕಾರ, ವಿಸ್ತಾರಗಳ ಸ್ವೀಕೃತ
ಕಾನೂನು ಯೋಜನೆ ಸ್ವೀಕೃತ
ಇವುಗಳಿಗೆ ದ. 21/09/19ರ.
ದತ್ತ ಬಂಧುಗಳಿಗೆ
R. 08/11

BD/2905/2017

Dt. 12/11/2019

As per O.M. NO. LOK/RGR/Compt.LOK&UPLOK/2019 dated 07/06/2019 this case is transferred from Sr.APP-2 Section.

ARLO-5

107. The Under Secretary to the government written a letter dated 21/09/2019 to the Managing Director, KFCSCCL, wherein directed the Managing Director to KFCSCCL to submit 12(1) compliance report. 12(1) compliance report not received from the competent authority.

108. As per the circular No. 2/2019 dated 31/08/2019 by Hon'ble Registrar, KLA, Bengaluru, issue reminder to the competent authority to submit 12(1) compliance report by 30/12/2019.

[Handwritten signature]
~~ARLO-5 12/11/19~~

copy
completed
+14/10

BD/2905/2017

Dt. 31/12/2019

The under secretary to the government written a letter 26/11/2019 to the managing director KFCSCCL, wherein a directed the managing director KFCSCCL to submit 12(1) compliance report. But the 12(1) compliance report not received from the competent authority.

C/W

ಇಕಾರಿರವೆ ಅಧೀನ.
ಕಿಂಞು ಓವರ್ಸೀ. ಅಧೀನ.
ನಾಗರಿಕ ಸರಬರಾಜು
ಇಲಾಖೆ. ವ್ಯವಹಾರಗಳ
ಯಲಿ ಕಾನೂನುಬಾಹಿರವಿರಾತ್
ಇಲಾಖೆ ಇವರಿಗೆ. ಡಿ.
26/11/19ರ. ಶುಕ್ರ
ಬುಧನು. ಶುಕ್ರ. 12. 30/12

As per the circular No. 2/2019 dated 31/8/2019 by the Hon'ble registrar KLA, Bangaluru, issue reminder to the competent authority to submit 12(1) compliance report by 18/2/2020.

[Signature]
ARCO-5 31/12/2019

CC-1
Completed
+ 2/1

C/W
ವಿವಿಧಾಂಗಿಕ ವರದಿಗಳಿಗಾಗಿ
ಇವುಗಳನ್ನು 16/01/2020
ರೀಡ್ ಮಾಡಿ ಕೊಡಬೇಕು

BD/2905/2017
Dt. 26/02/2020

R. 17/02

111. Letter dated 16/01/2020 received from the Managing Director, Karnataka Food and Civil Supplies Corporation Ltd., wherein it is stated that criminal case No. 46/2014 has been registered against the respondent No. 4 before the Hon'ble JMFC Court, Shivamogga. Since, the said criminal case has been dismissed criminal petition No. 3605/2019 has been filed before the Hon'ble High Court Karnataka and the said petition is pending for disposal. It is further stated that the civil suit O.S.No. 128/2018 filed against the respondent No. 4 before the Hon'ble Sr. Civil Judge and CJM court Shivamogga for attachment of property of the respondent No. 4 is pending for trial. The DCC Bank Shivamogga has issued public auction notice for auction of the immovable property of respondent No. 4 hence writ petition No. 58490/2017 has been registered before the Hon'ble High Court of Karnataka. As against the

respondent No. 5 private complaint has been filed in complaint No. 451/2018 before the Hon'ble Judicial Magistrate First Class, Shivamogga and the matter is pending for trial. As against respondent No. 6 civil suit in O.S.No. 128/2018 filed before the Hon'ble Additional Civil Judge and CJM Court, Shivamogga for attachment of property of respondent No.4. The said case is pending for trial.

112. In this case 12(1) compliance report not received from the competent authority.

113. Hence, as per the circular No. 2/2019 dated 31/08/2019 by Hon'ble registrar KLA, Bangaluru, issue reminder to the competent authority to submit 12(1) compliance report by 11/05/2020.

Handwritten signature
ARLO-5 26/2/2020

CC7
complied
+ 18/3

CIW

ನಿರ್ದೇಶನ ಪ್ರಾಧಿಕಾರಿಯವರು.
ಅನುಪಾಲನಾ ವಾಕ್ಯವನ್ನು
ಬಾಬುರಾಯನವರಿಗೆ
ಸವಗನಿಸಿ. ಯುಎಸ್
ಅಧಿಕಾರಿ. ಕೂಲಿ
ಕೆಆರ್ ವಾಕ್ಯವನ್ನು

BD/2905/2017

Dt. 11/05/2020

114. 12(1) compliance report not received from the competent authority.

115. Hence, as per the circular No. Uplok -2, ^{31/08}compts circular / 2019 dated 12/12/2019, issue reminder to the competent authority to submit 12(1) compliance report 15/07/2020.

Handwritten signature
ARLO-5 11/5/20

P.08/05.

CC7
complied
+ 5/6

BD/2905/2017
Dt. 23/07/2020

C/W
ಶಿಕ್ಷಣ ಪ್ರಾಧಿಕಾರದಿಂದ.
ಅನುಚಾಲನಾ ಯೋಜನೆ
ಒಂದಿರಬಹುದು
*ಯೂನಿವರ್ಸಿಟಿ ಯೂನಿವರ್ಸಿಟಿ
ಆಯೋಜನೆ ಕೂಡ
ಕರ್ನಾಟಕ ಯೂನಿವರ್ಸಿಟಿ
D. 14/07

115. On account on Covid-19 pandemic, lockdown declared by State Government and as per the circular NO. ಕಲೋ/ಆಡಳಿತ-1/60/2019-20 ದಿ. 14/07/2020 office has been closed from 15/07/2020 to 21/07/2020. Hence, case called today.

116. 12(1) action taken report not received from the competent authority

117. Hence, as per the circular No. 2/2019 dated 07/05/2020 by Hon'ble registrar, KLA, Bangalore, issue reminder to the competent authority to submit 12(1) compliance report by 28/09/2020.

Jacob
ARLO-5 23/7/20

CC
complied
4/18

C/W
ಶಿಕ್ಷಣ ಪ್ರಾಧಿಕಾರದಿಂದ.
ಅನುಚಾಲನಾ ಯೋಜನೆ
ಒಂದಿರಬಹುದು
*ಯೂನಿವರ್ಸಿಟಿ ಯೂನಿವರ್ಸಿಟಿ
ಆಯೋಜನೆ ಕೂಡ
ಕರ್ನಾಟಕ ಯೂನಿವರ್ಸಿಟಿ
D. 25/09

BD/2905/2017
Dt. 28/09/2020

118. 12(1) action taken report not received from the competent authority.

119. Hence, as per the authorization in circular No. ~~uplok-2/compts~~ circular/2019 dated 12/12/2019, issue reminder to the competent authority to submit 12(1) compliance report by 17/11/2020.

Jacob
ARLO-5 28/9/20

CC
complied
4/10

CIW

ಸರ್ಕಾರ ಪ್ರಭುಕಾರಿಯಿಂದ
ಅನುಪಾಲನಾ ಪಠ್ಯ
ಬಂಜರುಬಗಲಿ
*ಯಾವೆರ.ಯುಂಟಿನ್
ಆದೇಶ. ಕೋಲ
ಕರ್ನ.ಯುಂಟಿನ್
D. 13/11

BD/2905/2017
Dt. 17/11/2020

120. In spite of issuance of repeated reminders, 12(1) compliance report not received from the competent authority.

121. Hence if my Lord approves, final reminder may issued to the competent authority to submit 12(1) compliance report by the next date of hearing.

Call on 04/01/2021.

Submitted for kind orders.

[Signature]
ARLO-5 17/11/20.

122. Hon'ble Lokayukta

[Signature]
20/11/2020

24
completed
26/11

CIW

ಸರ್ಕಾರ ಪ್ರಭುಕಾರಿಯಿಂದ
ಅನುಪಾಲನಾ ಪಠ್ಯ
ಬಂಜರುಬಗಲಿ
*ಯಾವೆರ.ಯುಂಟಿನ್
ಆದೇಶ. ಕೋಲ
ಕರ್ನ.ಯುಂಟಿನ್

D. 02/01

* ಸರ್ಕಾರದ ಅನುಪಾಲನಾ ಪಠ್ಯ
ಆದೇಶ. ನಾಗರೇಶ್ ಸರಬರಾಜಿಂಗ್
ಬ್ರಹ್ಮಕರು. ವಾಣಿಪರಾಧಿಗಳ ಮೇಲೆ
ಕಾನೂನು. ಯಾವೆರ.ಯುಂಟಿನ್
ಇವರಿಂದ. 07/10/20 ರ.ಆರ್.ಆರ್.
ಬಂಜರುಬಗಲಿ D. 02/01

BD/2905/2017

Dt. 04/01/2021

123. Letter dated 30/12/2020 received from the Under Secretary, Department of Food and Civil supply, Bangalore. But, 12(1) compliance report not received from the competent authority.

124. Hence, as per the authorization in circular No. 2/2019 dated 31/08/2019 by Hon'ble Registrar, KLA, Bengaluru, issue reminder to the competent authority to submit 12(1) compliance report by 04/03/2021.

[Signature]
~~ARLO-5~~ 4/1/21

BD/2905/2017

Dt. 04/03/2021

125. Letter dated 12/01/2021 received from the Managing Director, Karnataka Food & Civil Supplies Corporation Ltd.,

126. Hence, as per the authorization in circular No. 2/2019 dated 31/08/2019 by Hon'ble Registrar, KLA, Bengaluru, case is adjourned to 17/03/2021 to peruse the record and to put up further scrutiny note.

[Signature]
~~ARLO-5~~ 4/3/21

BD/2905/2017

Dt. 17/03/2021

127. As per the authorization in circular No. 2/2019 dated 31/08/2019 by Hon'ble Registrar, KLA, Bengaluru, case is adjourned to peruse the record and to put up further scrutiny note by 30/04/2021.

[Signature]
~~ARLO-5~~ 17/3/21

C/M

ಶ್ರೀಕಾಂತ್. ಅಭಿಷೇಕ
ಕೊಯಲಿಂಗ್ & ಫುಡ್
ನಾಗರೀಕ ಸ್ವರಬಾಹಿಣಿ.
ಉಪಾಧಿಕಾರಿ, ವ್ಯವಹಾರಗಳು
ಯಲ್ಮೆ, ಕೆ.ಎಂ.ಎಸ್. ವ್ಯವಹಾರ
ಇಲಾಖೆ ಇವರಿಂದ. ಓ.
30/12/2020 ರ. ಅಪ್ರ
ಹಿಂಬಿರುತ್ತಿ
R, 02/01

C/T
Completed
A

C/M

ಶ್ರೀಕಾಂತ್ ಕ್ರಾಂತಿಕಾರಿ
ಅನುಪಮಾ ವರದಿ
ಒಂಬರೂಪಾಬೆಳ್ಳಿ
ಯಾವರಿ, ಬೆಂಗಳೂರು.
ಅಧೀನ. ಕುಲ
ಕೆ.ಎಂ.ಎಸ್. ವ್ಯವಹಾರ
R, 03/03
* ಪ್ರಧಾನ, ವ್ಯವಹಾರಕರು
ಇವರಿಂದ. ಓ 12/01/2021
ಅಪ್ರ ಒಂಬರೂಪಾಬೆಳ್ಳಿ
R, 03/03

Sr.APP-2
20/12/2017

- 3) The police inspector, Karnataka Lokayukta, Chitradurga submitted letter dated 16.12.2017 stating that the respondent no.6 is not working in the said address. Hence, the address of the respondent no.6 has not been found by them. Therefore, the observation note was not served on respondent no.6.
- 4) The police inspector, Karnataka Lokayukta, Dharwad in his letter dated 14.12.2017 stated that the observation note served to respondent no.2 on 12.12.2017.
- 5) The police inspector, Karnataka Lokayukta, Shimoga stated that in his letter dated 5.12.2017 that observation note was served on respondent no.5 on 2.12.2017.
- 6) Respondents 2, 5 and 6 have not submitted their comments.
- 7) It is noted in the report forwarded by the ADGP in which the address of respondent no.6 has given as "Bhavani Krupa", Near Bandari Gas, Main Road, Gandhinagar, Shimoga Town and in the rented house of Smt.Subhadramma w/o Dr.H.Shivanandappa.
- 8) Hence, if approves,
 - a) The police inspector, Karnataka Lokayukta, Shimoga be directed to serve observation note to the respondent no.6 to the above said address. Of Respondent no.6.
 - b) Reminder may be issued to respondents 2 and 5 to submit their comments.Submitted for kind orders.
Call on 10/01/2018.

[Handwritten Signature]
20/12/17
Sr.APP-2

9) Hon'ble Lokayukta)

[Handwritten Signature]
20/12/2017

[Handwritten Signature]

10/1/18
L-2 time
R-5
P.P. H.A. 20/1/18

Sr.APP-2
10/1/2018

10) Put up on 16/01/2018.

R-6 ನವರ ವರದಿ
10/1/18 ನಲ್ಲಿ ಅರ್ಜಿಯಲ್ಲಿ
ಅಧಿಕಾರಿಗಳಿಗೆ

Machairwal
Sr.APP-2, 10/1/18

16/1/18

ಅಧಿಕಾರಿಗಳಿಗೆ
ಅರ್ಜಿಯಲ್ಲಿ
ಅಧಿಕಾರಿಗಳಿಗೆ

11) Respondent no.5 submitted his comments.

12) Respondent no.2 written a letter dated 20.12.2017 in which he has stated that he has undergone angioplasty and Doctors implanted 2 stents in his heart and hence requested to grant time to submit his comments.

13) The notice to the respondent no.6 served to him. Respondent no.6 requested, time submit his comments.

14) Hence, if approves, reminder may be issued to the respondent no.6, to submit his comments.

submitted for kind orders.
Call on 31/01/2018.

Machairwal
Sr.APP-2, 16/1/18

15) Hon'ble Lokayukta)

Approved
[Signature]
16/1/2018

R-2 ವರದಿ observation
Note Reply R: 17/1/18 ನಲ್ಲಿ
ಅಧಿಕಾರಿಗಳಿಗೆ ಅಧಿಕಾರಿಗಳಿಗೆ
R-2 Reply ನವರ ವರದಿ
ಅಧಿಕಾರಿಗಳಿಗೆ
H. N. ...

29/1/18

R-6 ದುರ್ದೃಶ್ಯವಾಗಿ
ನೋಡು ಸುಳಿ 29/1/18 ರ
ಸುಳಿ ಸುಳಿ ಸುಳಿ ಸುಳಿ ಸುಳಿ

BD/2905/2017/Sr.APP-2

16) Respondent no.6 submitted his comments.

17) Respondent no.6 stated in his comments as under:

i. There is a criminal case registered against him for the loss of paddy stored in Suraksha warehouse in the year 2011-12 under MSPO. The shortage of the paddy as per the document submitted by him is around 85,000 quntals. The complaint is also registered before the Hon'ble Lokayukta on the same subject matter and is investigating by the Hon'ble Lokayukta.

ii. According to the respondent no.6 the disciplinary enquiry was conducted to him for the above said misconduct by the disciplinary Authority and Disciplinary Authority has passed order dated 4.5.2015 punishing the respondent no.6 under Rule 8(viii) of KCS (Conduct) Rules, 1966, KCS (CCA) Rules, 1957. The punishment awarded to him is withholding of 2 years increments without cumulative effect and the service conditions of the respondent no.6 may be will be subjected to the result of the criminal case instituted against him by the Karnataka Food and Civil Supplies Corporation Limited.

18) Respondent no.6 produced the annexures to substantiate the contentions taken by him vide annexure -1 to 21.

19) If approves, Police Inspector, Karnataka Lokayukta, Shimoga may be directed to produce the documents along with the charge sheet morefully referred in his report dated 17.6.2015 pertaining to Cr.No.9/2014.

Submitted for kind orders.

Call on 16/02/2018.

[Signature]
Sr APP-2. 31/1/18

20) Hon'ble Lokayukta)

Approved
[Signature]
1/2/2018

[Signature]
[Signature]

16/2/18

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ಸುಳಿ ಸುಳಿ ಸುಳಿ ಸುಳಿ ಸುಳಿ

Sr.APP-2
16/2/2018

21) Dy.S.P., Karnataka Lokayukta, Shimoga has submitted charge sheet and documents, ^{to day} Prays time to prepare final scrutiny note.

Submitted for kind orders.

Call on 26.2.2018.

22) Hon'ble Lokayukta)

Approved
[Signature]
19/4/2018

[Signature]
Sr. App - 2
16/2/18.

Sr App-2 : (22) As per the instruction of Registrar, KLA, this case is put up on. 2/5/2018

2/5/18
R-2 ಮುಕ್ತ ನಂ: 23/3/18
ಈ ಕೇಸ್ ನಲ್ಲಿ ಸಾಕಷ್ಟು ದಾಖಲೆ
ಇಲ್ಲದ ಕಾರಣವಾಗಿ ಕೋರ್ಟ್
ನಲ್ಲಿ ಸಲ್ಲಿಸಲಾಗಿದೆ
[Signature]

[Signature]
17/3/18.
Sr. App-2

BD/2905/2017Sr.APP-2**FINAL SCRUTINY NOTE**

23) On the basis of a report of the Additional Director General of Police in Karnataka Lokayukta at Bengaluru, along with investigation papers filed by the Dy.Superintendent of Police of Karnataka Lokayukta at Shimoga (hereinafter referred to as Investigating Officer – I.O for short), alleging that 1) K.Kodandaram, District Manager, Food, Civil Supplies and Consumers Affairs Department, Shimoga District, 2) V.V.Narasimamurthy, Retd.Senior Deputy General Manager, Food, Civil Supplies and Consumer Affairs Department, Bengaluru,Bengaluru District, 3) C.K.Shivanna, Chief Executive Officer, Lake Development Authority, Parisara Bhavan, Church Street Bengaluru, 4) G.S.Nagaraj, Owner, Suraksha Warehousing Corporation, Channamumbapura, Navule, Shimoga district, Shimoga, 5) Ramachandra H Rao G., Assistant Conservator of Forest, Forest Department, Karya Yojane Vibhaga, Bellary, 6) H.S.Nagaraj, Senior Assistant, Food, Civil Supplies and Consumer Affairs Department, Chitradurga and 7) V.Lingaiah, Senior Assistant, Food, Civil Supplies and Consumer Affairs Department, Shimoga (hereinafter referred to as 'respondents 1 to 7' for short), being public/government servants, have committed misconduct, when approached by Sri.Y.B.Chandrakanth S/o Late Bheemappa, Jyothirao

Street, 4th Cross, Vidyanagar, Shimoga (hereinafter referred to as 'complainant' for short), an investigation was taken up by the Hon'ble Lokayukta after invoking Section 7(2) of the Karnataka Lokayukta Act, 1984, as misconduct was found to have been committed by the respondents from records.

24) The brief facts of the case are:

- (a) The Government of Karnataka by its order dated 17.10.2011 order no.ಅನಸ 26/ಅರ್ಪಿಆರ್/2011 directing the Food and Civil Supplies Department, Shimoga to purchase the paddy under MSPO Scheme from the farmers for the purpose of distribution of rice through PDA system. The said order was in force till 31.3.2012. The respondent nos.2, 5 and 6 were involved in the purchase transportation and supervision of the storage of paddy and purchased from the farmers in the year 2011-12 as per the orders of Government of Karnataka.
- (b) The respondent no.2 while working as Sr.Dy.Manager in Food and Civil Supplies Department, Shimoga in the year 2011-12, the Managing Director, Food and Civil Supplies Department, Bangalore directed the respondent no.2 through written order to stay and supervise the storage and purchase of paddy in the scientific manner and the respondent no.2 approved to store the purchased paddy in the unscientific godowns namely M/s Suraksha Ware House Corporation belonging to 4th respondent and the said godowns used for storage of paddy, was selected by the respondent no.5 who was working as District Manager, Food and Civil Supplies Department,

Shimoga at that point of time. Thus, the respondent no.2 without applying mind caused loss of paddy to the extent of 89,641.08 quintal to the Government.

- (c) The respondent no.5 while working as District Manager, Food and Civil Supplies Department, Shimoga in the year 2011-12 purchased 10,55,290.44 quintals of paddy in the year 2011 under the scheme of MSPO from the farmers and stored the purchased paddy in M/s.Suraksha Warehouse Corporation belonging to 4th respondent in violation of the circular issued by the Managing Director, Karnataka Food and Civil Supplies, Bangalore vide Circular dated 18.10.2011 and also the directions of District Task Force Committee.
- (d) The respondent no.5 selected the godowns and stored purchased paddy in MSPO scheme in the year 2011-12 in M/s Suraksha Warehouse Corporation wherein no facility of fumigation, aeration to the paddy bags and also have not given possession of the paddy bags to the officials of Karnataka State Food Corporation or to the officials of Food Corporation of India as per the directions of the chief Office vide Circular dated 18.10.2011.
- (e) The respondent no.5 appointed 6th respondent namely Sri.H.S.Nagaraju, Sr.Assistant in the department of Food and Civil Supplies Corporation for the purpose of looking after the huge quantity of paddy stored in the various godowns belonging to M/s Suraksha Warehouse Corporation and failed to take periodical reports in respect of storage of paddy from the 6th respondent.

- (f) The respondent no.5 entered into an agreement of rent with M/s Suraksh Warehouse Corporation on 29.3.2012 without calling fresh tenders for the year 2011-12 and he had continued the earlier tender pertaining to the year 2010 and he had not taken the approval from the District Task Force Committee and from the chief office of Karnataka State Food Civil Supplies for the purpose of storing the paddy in M/s Suraksha Warehouse Corporation and thus violated the circular dated 18.10.2011 issued by the Managing Director, Karnataka Food and Civil Supplies, Bangalore. The respondent no.5 entered into an agreement with M/s Suraksha Warehouse Corporation on 29.3.2012. The clause 9 of the said agreement specifically says that M/s Suraksha Warehouse Corporation do not show the short fall in paddy as dry waste etc during the period of storage and he had not taken any steps to recover the paddy of 85,586.84 quintals from M/s Suraksha Warehouse Corporation belonging to 4th respondent.
- (g) The respondent no.5 kept 45,009.25 quintals of paddy in SWC godown, Davangere and released 44,612.60 quintals of paddy for the purpose of hulling through Food and Civil Supplies Department, Davangere and shown 396.59 quintals of paddy as dry waste. Hence, he had caused loss of 396.59 quintals of paddy to the Government.
- (h) The respondent no.5 kept 2,23,406.43 quintals of paddy in godowns of Chitradurga District and released 2,19,748.78 quintals of paddy through Food and Civil Supplies Department, Davangere for the purpose of hulling of paddy

and 3657.65 quintals of paddy as dry waste and short fall. Thus, he had caused loss of 3657.65 quintals of paddy.

- (i) In Shimoga District the respondent no.5 kept 7,83,874.76 quintals of paddy in the various godowns of M/s Suraksha Warehouse Corporation and released 6,98,287.92 quintals of paddy for hulling. There is deficit of 85,586.84 quintals of paddy and thus he had caused loss of 85,586.84 quintals of paddy to the Government.
- (j) The respondent no.5 in aggregate of the loss caused in storing the paddy in Davangere SWC godown as at 396.59 quintals and in Chitradurga District is 3657.65 quintals and in Shimoga District the loss of paddy is 85,586.84 quintals and hence he had caused total loss of paddy of 89,643.08 quintals. If the rate of paddy per quintal is taken at Rs.1,080/-, the loss caused by the respondent no.5 is 9,68,14,520/-.
- (k) The respondent no.6 while working as Sr.Assistant in KSFC, Shimoga in the year 2011-12 and he was appointed by the 5th respondent to look after the huge paddy stored in the various godowns including the godowns of M/s Suraksha Warehouse Corporation, Shimoga belonging to 4th respondent. The respondent no.6 have not given periodical reports and day to day reports to 5th respondent regarding the storage of the paddy made in the said godowns and he had caused 89,643.08 quintals of paddy approximately valuing at Rs.9,68,14,526/- due to dereliction of duty and negligence in discharging his duties.

25) On the basis of report of I.O., an observation note was prepared and sent to respondents 2,5 and 6 to submit their comments.

26) Respondent no.2 submitted his comments on 17.1.2018. Respondent no.5 submitted his comments on 8.12.2017. Respondent no.6 submitted his comments on 29.1.2018.

27) The respondent no.2 V.Narasimhamurthy submitted his comments dated 17.1.2018. The respondent no.2 contends that he has no role played in the purchase of the paddy under MSP operations and the Managing Director, Karnataka Food and Civil Supplies Corporation has not issued any written order to stay and supervise the storage of paddy in Shimoga and even no such order has been marked to him. He further stated that the Managing Director of Karnataka Food and Civil Supplies Corporation in the first week of March 2013 deputed the team of officers and officials to Shimoga to inspect and paddy to procure in the year 2011-12 and he himself is one of the person to inspect the said godowns along with the team of persons. The respondent no.2 further contends that he has no powers to grant approval for the storage of paddy in M/s Suraksha Warehouse Corporation belonging to G.S.Nagaraju, and such power is vested with Managing Director. Atlast, the respondent no.2 submitted that he retired from service of KSFC on 31.1.2014 on attaining age of superannuation and the disciplinary action

cannot be initiated and continued against retired employee in the absence of specific provision in the service rules. The respondent no.2 submitted the documents along with the comments and the Medical discharge summary from the department of Cardiology etc in support of his contention.

28) Respondent no.5 Ramchandra H Rao G submitted his comments on 8.12.2017. He submitted that he retired on 31.12.2015. He originally belonging to the department of Forest and as per the Government Order ಸಂ.ಅಪ/ಜಿ/171ಅಪಸೇ/2010 ದಿ.6.9.2010 to Food and Civil Supplies Corporation Limited, Shimoga as District Manager. As per the circular no.ಕಅ:ನಾಅ.ಸಾನಿ./ಸಂ/ಬೆಂಜೆ.ವರಟು/ಭತ್ಯ/2011-12/4030 ದಿ.18.10.2011 the purchase of paddy started from 9.11.2011 at the paddy purchase centre and completed the process of purchase on 31.3.2012. The total paddy purchased is 10,52,290.44 quintal and stored in accordance with the directions of the District Task Force and as per the circular dated 18.10.2011. There was no CWC and KSWC godowns available at that time for the purpose of storage of paddy and hence the paddy was stored in M/s Suraksha Warehouse Corporation, Shimoga and the storage of paddy in the said M/s. Suraksha Ware Housing Corporation was brought to the notice of the Deputy Commissioner, Shimoga. The M/s. Suraksha Ware Housing Corporation, Shimoga arranged the godowns for the

storage of paddy except Amunji Gowdown and in Karnataka Aranya Nigama. The owners of the Amunji Gowdown requested the rent is to be paid by KSFC and accordingly the rent was paid with the permission of the Deputy Commissioner. The respondent no.5 Ramachandra H Rao G. submits that respondent no.6 H.S.Nagaraju has given the details regarding medication and quality of paddy as he was working as Quality Inspector and submitted the proper reports. The General Manager, KSFC by his letter No.ಕಅ.ನಾಸನಿ-ಸಂ-ಬೆಂಚೆ-2011-12/5378 ದಿ.23.11.2011 has directed to continue for the year 2011-12 with M/s Suraksha Warehouse Corporation and he delivered the charge of his office on 28.9.2012 to Sri.K.Kodandarama, the respondent no.1. The shortage of the paddy as alleged in the observation note is due to natural calamities and he has not violated circular dated 18.10.2011 issued by KSFC. The respondent no.5 Ramachandra H Rao G denied the allegations against him.

29) Respondent no.5 Ramachandra H Rao G produced the documents along with his comments.

30) The letter No.ಕಅನಾಸನಿ/ಸಂ/ಬೆಂಚೆ/2011-12/5378 ದಿ.23.11.2011 is quoted by respondent no.5 has not been produced by him to substantiate his contention.

31) The M/s. Suraksha Ware Housing Corporation and the gowdown relating to M/s. Suraksha Ware Housing Corporation, Shimoga

has no facilities for storing of the paddy in a scientific way or manner. The area Manager who inspected the said godown gave a report on 9.1.2015 vide report no.QC/1(5)/2013-14 as under:

- i. No blocks were made inside the godown to avoid the infestation. The godowns length area, ground levels for rain water causing damages.
- ii. Many leakage points were noticed on the roof of all the godowns.
- iii. No proper ventilations have been provided good aeration.
- iv. The general hygienic conditions at godowns are not at all good.
- v. The godown shutters are also not fitted giving gap of 5 to 6 inches from the ground.

32) The above report clearly shows that the District Manager Sri. Ramachandra H Rao G had a duty to store the said paddy in the year 2011-12 in a scientific manner. 8,83,923.90 quintals of paddy stored in M/s. Suraksha Ware Housing Corporation and in the godowns related to it. 85,000 quintals were found noticed as shortage. According to the directions of the FCI, there is loss of 1% of paddy is to be allowed as storage loss. Therefore, the contention of respondent no-5 that the loss of paddy in M/s. Suraksha Ware Housing Corporation is more than 8% and therefore the shortage of paddy is not due to natural reasons such as

temperature, moisture etc, but the loss of paddy is due to storing the said paddy in M/s. Suraksha Ware Housing Corporation and related to gowdown unscientifically. The said gowdowns have no proper facilities of aeration and ventilation. The respondent no.5 duty bound to see even before enter into an agreement with M/s. Suraksha Ware Housing Corporation, the suitability of gowdown to preserve paddy in scientific manner.

33) Respondent no.5 did not produce any document to show that he periodically obtained the reports from H.S.Nagaraju, Quality Inspector and same is uploaded to the General Manager, KSFC. Therefore, he failed in his duty to properly supervise and obtained periodical report from respondent no.6.

34) The respondent no.5 produced the order sheet proceedings in which he obtained the approval of the Deputy Commissioner. The respondent no.5 while taking the approval from the Deputy Commissioner to store the paddy in M/s. Suraksha Ware Housing Corporation did not appraise the facility available in M/s. Suraksha Ware Housing Corporation and the gowdowns related to it. It is specifically mentioned by the Deputy Commissioner that the paddy should be stored in scientific gowdowns only. The respondent no.5 stored the paddy in unscientific manner in M/s. Suraksha Ware Housing

Corporation and godowns related to it. As a result of storing paddy in unscientific godown, the loss of paddy is increased to the tune of Rs.89,000 quintals.

35) It is noted that as per the circular dated 18.10.2011, it is mentioned that the District Manager has to discuss with the local KSWC/CWC officials at the time of obtaining the private godowns for rent for the purpose of storage of paddy. The respondent no.5 Sri. Ramachandra H Rao G has not produced any proceedings showing that he discussed with the local SWC and KSWC officials before entering into agreement with M/s. Suraksha Ware Housing Corporation. Again the circular further states that after obtaining the godowns on rent, the said godowns be under the control of KSWC and CWC officials during the period of storage of paddy. The respondent no.5 Ramachandra H Rao G has violated the para 10 circular dated 18.10.2011.

36) The respondent no.5 entered into an agreement with M/s. Suraksha Ware Housing Corporation on 29.3.2012. He did not obtain the recommendation of the Deputy Commissioner as to the fixation of the rent for the storage of paddy in M/s. Suraksha Ware Housing Corporation and the godowns related to it in accordance with the para 10 of the circular dated 18.10.2011. Therefore, the contentions taken by

the respondent no.5 in his comments is not acceptable and the materials shows that he committed misconduct and dereliction of duty.

37) Sri.H.S.Nagaraju respondent no.6 stated in his comments that he faced an enquiry already conducted by his department with respect to shortage of paddy to the tune of 85,000 quintals in M/s Suraksha Ware House Corporation, Shimoga. He also submitted the documents pertaining to his enquiry conducted by the disciplinary authority. On going through the said documents, Managing Director, KSFC has suspended the respondent no.6, reserving disciplinary enquiry by his order ಸಂ./ಕಅನಾಸನಿನಿ/ಅಡಳಿತ/ಸಿಬ್ಬಂದಿ/356/2012-13/7269 dated 19th March 2013. The said document is marked as annexure - A. The show cause notice was issued by Managing Director, KSFC vide Show cause notice dated 22.8.2013 to the respondent no.6 H.S.Nagaraju regarding the shortage of paddy stored in the year 2011-12 to the tune of 85,000 quintals stored in M/s Suraksha WareHouse Corporation, Shimoga. The articles of charge sent to the respondent no.6. The first charge as seen from the record against Sri.H.S.Nagaraj is that the said H.S.Nagaraj did not report the shortage of 85,000 quintals of paddy stored in M/s Suraksha WareHouse Corporation, Shimoga, after physical verification to the higher authorities from time to time while he was working as Quality Inspector.

38) The respondent no.6 submitted his detail reply dated 21.10.2013 admitted that in the year 2011-12 the paddy purchased and stored in M/s Suraksha WareHouse Corporation, Shimoga and he was appointed as Quality Inspector to lookafter the stored paddy. The said reply given by respondent no.6 is marked as annexure-B. The Managing Director and the Disciplinary Authority in his order dated 23.11.2013 vide letter ಸಂ./ಕಅನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2013-14/462 has appointed the retired District Judge Sri.Vasantha H.Mulasavalagi as Enquiry Officer in accordance with Rule11 of Karnataka Civil Services (Classification, Control and Appeal) Rule, 1957. The said document is marked as annexure-D.

39) Sri.Vasantha H.Mulasavalagi, Retired District and Session Judge and the Enquiry Officer in Enq.no.ಕಅನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2013-14/4621 dated 23.11.2013 submitted a report against respondent no.6 H.S.Nagaraju to the Disciplinary Authority as the respondent no.6 found guilty of charges contemplated in articles of charge. The said report dated 25.9.2014 is marked as annexure-E document.

40) The Disciplinary Authority in his order dated 4.5.2015 vide order ಸಂ.ಕಅನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2015-16/471 has punished the respondent no.6 H.S.Nagaraju, Quality Inspector for the withhold of 2 increment without cumulative effect and the period of suspension was treated as

leave and the said penalties is subjected to the judgement of the criminal case filed against him. The said order is marked as annexure-F.

41) The complainant Chandrakanth Y.B. who gave a complaint before this Hon'ble Authority on 17.7.2013, which is registered as Compt/Lok/BD/1560/2013/ARE-9 against respondents for the loss of paddy in the year 2011-12. In his complaint he has stated that Sri.H.S.Nagaraju, Quality Inspector, Shimoga was suspended from service for the loss of paddy in M/s Suraksha WareHouse Corporation, Shimoga. This Hon'ble Authority by its order dated 12.8.2014 disposed of a complaint with a direction to ADGP, Karnataka Lokayukta, Bangalore for appropriate action. Accordingly, the Police Inspector, Karnataka Lokayukta, Shimoga registered the present suo moto case against the respondents herein.

42) It is clear that the respondent no.6 H.S.Nagaraju found guilty for the misconduct by the Disciplinary Authority as discussed above. Therefore, the enquiry on the same facts against respondent no.6 H.S.Nagaraju in this case is not permissible under law. Therefore, the enquiry against respondent no.6 H.S.Nagaraju is to be dropped for the above said reasons.

43) The Dy.S.P., Karnataka Lokayukta in his report clearly stated that there is an order passed by the General Manager, KSFC appointed

the 2nd respondent for inspection and to audit the storage of paddy purchased in the year 2011-12, Shimoga vide order no.ಕಾಅನಿ/ಬೆಂಬೆ/ಭತ್ತ/ಸಿಆರ್/2015-16/19 dated 18.4.2015. There is no written order directing the respondent no.2 to present in Shimoga at the time of purchase and storage of paddy by General Manager, KSFC is produced. (Page no.48 and 49 of the I.O. report). Therefore there is no document to substantiate the said allegation.

44) The respondent no.2 retired on 31.1.2014. As per the provisions of KCSR Rule 214(2)(b)(ii) clearly states that enquiry cannot be conducted against retired officials after the lapse of 4 years from the date of retirement. The period of 4 years starts from date of retirement to the date of delivery of articles of charge. The respondent no.2 retired from service in January 2014 and 4 years has been lapsed. Therefore, respondent no.2 V.V.Narasimhamurthy is entitled to benefit of Rule 214(2)(b)(ii) of KCSR and he may be dropped from this proceedings and enquiry.

45) The respondent no.1 Sri.Kondandarama, District Manager, KSFC took a charge from the respondent no.5 Sri.Ramachandra H Rao G. The investigating officer report at page 84 clearly states that he did not involve in the process of purchase of paddy, storage of paddy. He reported to the duty at the stage of release of paddy for the purpose of

hulling. Therefore, the Investigating officer in his report did not recommend for the disciplinary enquiry (page 84 of the report) and also did not file charge sheet against the respondent no.1. Therefore, the respondent no.1 Kondandarama, District Manager, KSFC is to be dropped from the proceedings as there is no allegations against him.

46) The respondent no.3 P.K.Shivanna, IFS and he was incharge Managing Director of KSFC and presently working as Chief Executive Officer, Development of Task Authority. He became incharge Managing Director of KSFC at the stage when the paddy is to be released for hulling. He was not acting as Managing Director of KSFC at the time of purchase, storage of the paddy. Soon after he took charge and issued show cause notice to M/s Suraksh Warehouse Corporation on 9.5.2013, 25.6.2013 and 30.9.2013 to restore the shortage of 85,000 quintals of paddy to KSFC as per the terms of agreement (page 62 of the report). The investigating officer has not recommended for the disciplinary enquiry and also did not file charge sheet against said respondent no.3 Shivanna - Managing Director is to be dropped from this proceedings and enquiry.

47) The respondent no.4 G.S.Nagaraju is the owner of M/s Suraksha Warehouse Corporation, Shimoga and he is a private person. The complaint against private person is not maintainable. Therefore, the proceedings against him ~~can~~ ^{is} be dropped, without prejudice to the recovery of loss _{an.}

48) Respondent no.7 Sri.V.Lingaiah, Sr.Assistant, KSFC, presently dismissed from service. He reported to the duty at the stage of releasing the paddy for hulling. He did not involve in the process of purchase and storage of paddy for the year 2011-12 (page 89). Therefore, the Investigating officer did not recommend for departmental proceedings and also did not file the charge sheet against him. The said respondent no.7 Sri.V.Lingaiah is to be dropped from the proceedings.

49) The respondent no.5 failed to maintain absolute integrity besides devotion to duty and acted in a manner unbecoming of public/government servant and therefore liable for disciplinary action. Hence, respondent no.5 has committed misconduct as per rule 3(1)(i) to (iii) of Karnataka Civil Services (Conduct) Rules, 1966.

50) Since said facts and material on record prima-facie show that the respondent Sri. Ramachandra H Rao G has committed misconduct as per Rule 3(1) of KCS (Conduct) Rules, 1966, now, acting under Section 12(3) of the Karnataka Lokayukta Act, recommendation is made to the Competent Authority to initiate disciplinary proceedings against the respondent no.5 and to entrust the enquiry to this Authority under Rule 14-A of Karnataka Civil Services (Classification, Control and Appeal) Rules, 1957.

51) The respondent no.5 Ramachandra H Rao G. appointed as Asst.Conservator of Forest coming under the Ministry of Forest. He was deputed to the department of Food and Civil Supplies Corporation Limited (KSFCS) as District Manager and reported for duty on 16.7.2010. The respondent no.5 handed over the charge of District Manager, KSFCS to Sri.Kodandarama – respondent no.1 by the order of Managing Director, KSFCS. The Rule 15(1) of Karnataka Civil Services (CCA) Rules, 1957 is extracted as under:-

“Where the services of a Government Servant are lent to the Central Government, any State Government or to a local or other authority (hereinafter in this rule referred to as “the Borrowing Authority”), the Borrowing Authority shall have the powers of the Appointing Authority for the purpose of placing him under suspension and the Disciplinary Authority for the purpose of taking a disciplinary proceeding against him:

[Provided that the Borrowing Authority shall not take any disciplinary proceedings against such Government Servant or place him under suspension without the prior approval of the Lending Authority.]”

52) As per the rule, the approval is to be taken from the lending authority (Department of Forest) for the purpose of conducting disciplinary enquiry.

53) The respondent no.5 stated in his comments that he retired on 31.12.2015. The period of 4 years from the date of retirement has not been completed as on this day with respect to the respondent no.5.

Therefore, the benefit under Rule 214(2)(b) of KCSR is not available to the respondent no.5 and therefore he is liable to face enquiry for the misconduct.

54) The storage of the paddy of 85,000 quintals etc is to be recovered from M/s Suraksha WareHouse Corporation, Shimoga as per the terms of the agreement between Ramachandra H Rao G and M/s Suraksha WareHouse Corporation, Shimoga vide agreement dated 29.3.2012 in accordance with law.

55) If approves,

a. Report under section 12(3) of Karnataka Lokayukta Act may be sent against the respondent no.5 Sri.Ramachandra H Rao G to the Government.

b. Report under section 12(1) of Karnataka Lokayukta Act may be sent to the Government for the recovery of paddy of 85,000 quintals or the value of paddy from M/s Suraksha WareHouse Corporation as per agreement dated 29.3.2012 between M/s Suraksha Warehouse Corporation, Shimoga and Government representative Ramachandra H. Rao G - respondent no.5, in accordance with law.

Submitted for kind orders.

M. K. Kulkarni
Sr.APP-2.

56) **Hon'ble Lokayukta)**

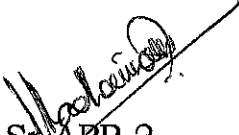
55 (a) (b) approved. However, before a report under rule 12(3) K.L.A. is sent to the govt, the observation note may be prepared and sent to Rep.no.5 and an opportunity may be given to them against the proposed report under rule 12(3) of K.L.A. on 17/5/2017

Sr.APP-2

57) As per the order dated 17.5.2018 draft observation note is prepared and the same is placed in the file for kind perusal and approval.

58) If approved, observation note may be sent to the respondent no.5 Ramachandra Rao G. to submit his comments/objections through Police Inspector, Karnataka Lokayukta, Shimoga.

Submitted for kind orders.


Sr APP-2.

59) Hon'ble Lokayukta)

ರೂಪಾ ಬಿಳಿಬಾಳೆ
ಅಧ್ಯಕ್ಷರು

11/6/18

ಅಧ್ಯಕ್ಷರು
observation note
ನೋಡಲಾಗಿದೆ; P.I.
K.A. ರಾಜೇಶ್ವರಿ ಮಠ
ಶಿಮೋಗಾ ಅಧ್ಯಕ್ಷರು
ಅಧ್ಯಕ್ಷರು ಅಧಿಕಾರಿ,
ಶಿಮೋಗಾ

ಅನುಮೋದಿಸಿ
11/6/2018

Sr.APP-2
11/06/2018

60) The Police Inspector, Karnataka Lokayukta, Shimoga written a letter dated 31.5.2018 stating that observation note dated 22.5.2018 sent to the respondent no.5 for submitting his explanation is served on respondent no.5 personally on 31.5.2018. The respondent no.5 has ~~not~~ ^{not} submitted his explanation to the above said observation note. However, 15 days has been given for his explanation from the date of receipt of observation note. The said 15 days from 31.5.2018 has not been completed. Therefore, the explanation of respondent no.5 may be awaited.

61) If approved, the explanation of the respondent no.5 may be awaited till 21.6.2018.

Submitted for kind orders.

[Signature]
Sr APP-2.
11/6/18

62) Hon'ble Lokayukta)

[Signature]
11/6/2018

21/6/18
R-5's report
observation note of
21/6/18 to reply
adhyakshya adhyakshya
adhyakshya adhyakshya

Sr.APP-2
21/06/2018

63) Respondent no.5 Sri.Ramachandra H.Rao G submitted his explanation to the observation note dated 22.5.2018 explaining the circumstances which results in the loss of paddy stored in M/s.Suraksha Warehouse Corporation. Further he retired on 31.12.2015.

64) Since Sri.Ramachandra H.Rao G retired on 31.12.2015 the examination of the Rule 214(2)(b)(ii) of KCSR is to be examined with reference to the date of incident and hence detailed fresh FSN is to be prepared.

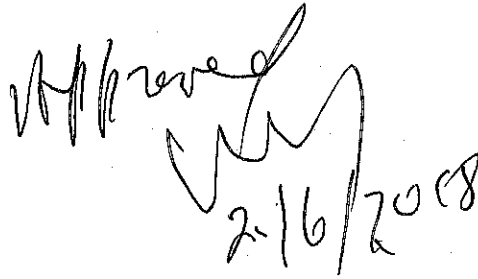
65) If approved, fresh FSN will be prepared after examining 214(2)(b)(ii) of KCSR.

Call on 25/06/2018.

Submitted for kind orders.


Sr.APP-2.
21/6/18

66) Hon'ble Lokayukta)


21/6/2018

FINAL SCRUTINY NOTE

69) On the basis of a report of the Additional Director General of Police in Karnataka Lokayukta at Bengaluru, along with investigation papers filed by the Dy.Superintendent of Police of Karnataka Lokayukta at Shimoga (hereinafter referred to as Investigating Officer - I.O for short), alleging that 1) K.Kodandaram, District Manager, Food, Civil Supplies and Consumers Affairs Department, Shimoga District, 2) V.V.Narasimamurthy, Retd.Senior Deputy General Manager, Food, Civil Supplies and Consumer Affairs Department, Bengaluru,Bengaluru District, 3) C.K.Shivanna, Chief Executive Officer, Lake Development Authority, Parisara Bhavan, Church Street Bengaluru, 4) G.S.Nagaraj, Owner, Suraksha Warehousing Corporation, Channamumbapura, Navule, Shimoga district, Shimoga, 5) Ramachandra H Rao G., Assistant Conservator of Forest, Forest Department, Karya Yojane Vibhaga, Bellary, 6) H.S.Nagaraj, Senior Assistant, Food, Civil Supplies and Consumer Affairs Department, Chitradurga and 7) V.Lingaiah, Senior Assistant, Food, Civil Supplies and Consumer Affairs Department, Shimoga (hereinafter referred to as 'respondents 1 to 7' for short), being public/government servants, have committed misconduct, when approached by Sri.Y.B.Chandrakanth S/o Late Bheemappa, Jyothirao

Street, 4th Cross, Vidyanagar, Shimoga (hereinafter referred to as 'complainant' for short), an investigation was taken up by the Hon'ble Lokayukta after invoking Section 7(2) of the Karnataka Lokayukta Act, 1984, as misconduct was found to have been committed by the respondents from records.

70) The brief facts of the case are:

- (a) The Government of Karnataka by its order dated 17.10.2011 order no.ಅನಸ 26/ಆರ್‌ಪಿಆರ್/2011 directing the Food and Civil Supplies Department, Shimoga to purchase the paddy under MSPO Scheme from the farmers for the purpose of distribution of rice through PDA system. The said order was in force till 31.3.2012. The respondent nos.2, 5 and 6 were involved in the purchase transportation and supervision of the storage of paddy and purchased from the farmers in the year 2011-12 as per the orders of Government of Karnataka.
- (b) The respondent no.2 while working as Sr.Dy.Manager in Food and Civil Supplies Department, Shimoga in the year 2011-12, the Managing Director, Food and Civil Supplies Department, Bangalore directed the respondent no.2 through written order to stay and supervise the storage and purchase of paddy in the scientific manner and the respondent no.2 approved to store the purchased paddy in the unscientific godowns namely M/s Suraksha Ware House Corporation belonging to 4th respondent and the said godowns used for storage of paddy, was selected by the respondent no.5 who was working as District Manager, Food and Civil Supplies Department,

Shimoga at that point of time. Thus, the respondent no.2 without applying mind caused loss of paddy to the extent of 89,641.08 quintal to the Government.

- (c) The respondent no.5 while working as District Manager, Food and Civil Supplies Department, Shimoga in the year 2011-12 purchased 10,55,290.44 quintals of paddy in the year 2011 under the scheme of MSPO from the farmers and stored the purchased paddy in M/s.Suraksha Warehouse Corporation belonging to 4th respondent in violation of the circular issued by the Managing Director, Karnataka Food and Civil Supplies, Bangalore vide Circular dated 18.10.2011 and also the directions of District Task Force Committee.
- (d) The respondent no.5 selected the godowns and stored purchased paddy in MSPO scheme in the year 2011-12 in M/s Suraksha Warehouse Corporation wherein no facility of fumigation, airtightness to the paddy bags and also have not given possession of the paddy bags to the officials of Karnataka State Food Corporation or to the officials of Food Corporation of India as per the directions of the chief Office vide Circular dated 18.10.2011.
- (e) The respondent no.5 appointed 6th respondent namely Sri.H.S.Nagaraju, Sr.Assistant in the department of Food and Civil Supplies Corporation for the purpose of looking after the huge quantity of paddy stored in the various godowns belonging to M/s Suraksha Warehouse Corporation and failed to take periodical reports in respect of storage of paddy from the 6th respondent.

- (f) The respondent no.5 entered into an agreement of rent with M/s Suraksh Warehouse Corporation on 29.3.2012 without calling fresh tenders for the year 2011-12 and he had continued the earlier tender pertaining to the year 2010 and he had not taken the approval from the District Task Force Committee and from the chief office of Karnataka State Food Civil Supplies for the purpose of storing the paddy in M/s Suraksha Warehouse Corporation and thus violated the circular dated 18.10.2011 issued by the Managing Director, Karnataka Food and Civil Supplies, Bangalore. The respondent no.5 entered into an agreement with M/s Suraksha Warehouse Corporation on 29.3.2012. The clause 9 of the said agreement specifically says that M/s Suraksha Warehouse Corporation do not show the short fall in paddy as dry waste etc during the period of storage and he had not taken any steps to recover the paddy of 85,586.84 quintals from M/s Suraksha Warehouse Corporation belonging to 4th respondent.
- (g) The respondent no.5 kept 45,009.25 quintals of paddy in SWC godown, Davangere and released 44,612.60 quintals of paddy for the purpose of hulling through Food and Civil Supplies Department, Davangere and shown 396.59 quintals of paddy as dry waste. Hence, he had caused loss of 396.59 quintals of paddy to the Government.
- (h) The respondent no.5 kept 2,23,406.43 quintals of paddy in godowns of Chitradurga District and released 2,19,748.78 quintals of paddy through Food and Civil Supplies Department, Davangere for the purpose of hulling of paddy

and 3657.65 quintals of paddy as dry waste and short fall. Thus, he had caused loss of 3657.65 quintals of paddy.

- (i) In Shimoga District the respondent no.5 kept 7,83,874.76 quintals of paddy in the various godowns of M/s Suraksha Warehouse Corporation and released 6,98,287.92 quintals of paddy for hulling. There is deficit of 85,586.84 quintals of paddy and thus he had caused loss of 85,586.84 quintals of paddy to the Government.
- (j) The respondent no.5 in aggregate of the loss caused in storing the paddy in Davangere SWC godown as at 396.59 quintals and in Chitradurga District is 3657.65 quintals and in Shimoga District the loss of paddy is 85,586.84 quintals and hence he had caused total loss of paddy of 89,643.08 quintals. If the rate of paddy per quintal is taken at Rs.1,080/-, the loss caused by the respondent no.5 is 9,68,14,520/-.
- (k) The respondent no.6 while working as Sr.Assistant in KSFC, Shimoga in the year 2011-12 and he was appointed by the 5th respondent to look after the huge paddy stored in the various godowns including the godowns of M/s Suraksha Warehouse Corporation, Shimoga belonging to 4th respondent. The respondent no.6 have not given periodical reports and day to day reports to 5th respondent regarding the storage of the paddy made in the said godowns and he had caused 89,643.08 quintals of paddy approximately valuing at Rs.9,68,14,526/- due to dereliction of duty and negligence in discharging his duties.

71) On the basis of report of I.O., an observation note was prepared and sent to respondents 2,5 and 6 to submit their comments.

72) Respondent no.2 submitted his comments on 17.1.2018. Respondent no.5 submitted his comments on 8.12.2017. Respondent no.6 submitted his comments on 29.1.2018.

73) The respondent no.2 V.Narasimhamurthy submitted his comments dated 17.1.2018. The respondent no.2 contends that he has no role played in the purchase of the paddy under MSP operations and the Managing Director, Karnataka Food and Civil Supplies Corporation has not issued any written order to stay and supervise the storage of paddy in Shimoga and even no such order has been marked to him. He further stated that the Managing Director of Karnataka Food and Civil Supplies Corporation in the first week of March 2013 deputed the team of officers and officials to Shimoga to inspect and paddy to procure in the year 2011-12 and he himself is one of the person to inspect the said godowns along with the team of persons. The respondent no.2 further contends that he has no powers to grant approval for the storage of paddy in M/s Suraksha Warehouse Corporation belonging to G.S.Nagaraju, and such power is vested with Managing Director. Atlast, the respondent no.2 submitted that he retired from service of KSFC on 31.1.2014 on attaining age of superannuation and the disciplinary action

cannot be initiated and continued against retired employee in the absence of specific provision in the service rules. The respondent no.2 submitted the documents along with the comments and the Medical discharge summary from the department of Cardiology etc in support of his contention.

74) Respondent no.5 Ramchandra H Rao G submitted his comments on 8.12.2017. He submitted that he retired on 31.12.2015. He originally belonging to the department of Forest and as per the Government Order ಸಂ.ಅಪ/ಜಿ/171ಅಪಸೇ/2010 ದಿ.6.9.2010 to Food and Civil Supplies Corporation Limited, Shimoga as District Manager. As per the circular no.ಕಅ:ನಾಅ.ಸಾನಿ./ಸಂ/ಬೆಂಬೆ.ವರಟು/ಭತ್ತ/2011-12/4030 ದಿ.18.10.2011 the purchase of paddy started from 9.11.2011 at the paddy purchase centre and completed the process of purchase on 31.3.2012. The total paddy purchased is 10,52,290.44 quintal and stored in accordance with the directions of the District Task Force and as per the circular dated 18.10.2011. There was no CWC and KSWC godowns available at that time for the purpose of storage of paddy and hence the paddy was stored in M/s Suraksha Warehouse Corporation, Shimoga and the storage of paddy in the said M/s. Suraksha Ware Housing Corporation was brought to the notice of the Deputy Commissioner, Shimoga. The M/s. Suraksha Ware Housing Corporation, Shimoga arranged the godowns for the

storage of paddy except Amunji Gowdown and in Karnataka Aranya Nigama. The owners of the Amunji Gowdown requested the rent is to be paid by KSFC and accordingly the rent was paid with the permission of the Deputy Commissioner. The respondent no.5 Ramachandra H Rao G. submits that respondent no.6 H.S.Nagaraju has given the details regarding medication and quality of paddy as he was working as Quality Inspector and submitted the proper reports. The General Manager, KSFC by his letter No.ಕಅ.ನಾಸನಿ-ಸಂ-ಬೆಂಬೆ-2011-12/5378 ದ.23.11.2011 has directed to continue for the year 2011-12 with M/s Suraksha Warehouse Corporation and he delivered the charge of his office on 28.9.2012 to Sri.K.Kodandarama, the respondent no.1. The shortage of the paddy as alleged in the observation note is due to natural calamities and he has not violated circular dated 18.10.2011 issued by KSFC. The respondent no.5 Ramachandra H Rao G denied the allegations against him.

75) Respondent no.5 Ramachandra H Rao G produced the documents along with his comments.

76) The letter No.ಕಅನಾಸನಿ/ಸಂ/ಬೆಂಬೆ/2011-12/5378 ದ.23.11.2011 is quoted by respondent no.5 has not been produced by him to substantiate his contention.

77) The M/s. Suraksha Ware Housing Corporation and the gowdown relating to M/s. Suraksha Ware Housing Corporation, Shimoga

has no facilities for storing of the paddy in a scientific way or manner. The area Manager who inspected the said gowdown gave a report on 9.1.2015 vide report no.QC/1(5)/2013-14 as under:

- i. No blocks were made inside the gowdown to avoid the infestation. The gowdowns length area, ground levels for rain water causing damages.
- ii. Many leakage points were noticed on the roof of all the gowdowns.
- iii. No proper ventilations have been provided good aeration.
- iv. The general hygienic conditions at gowdowns are not at all good.
- v. The gowdown shutters are also not fitted giving gap of 5 to 6 inches from the ground.

78) The above report clearly shows that the District Manager Sri. Ramachandra H Rao G had a duty to store the said paddy in the year 2011-12 in a scientific manner. 8,83,923.90 quintals of paddy stored in M/s. Suraksha Ware Housing Corporation and in the gowdowns related to it. 85,000 quintals were found noticed as shortage. According to the directions of the FCI, there is loss of 1% of paddy is to be allowed as storage loss. Therefore, the contention of respondent no.5 that the loss of paddy in M/s. Suraksha Ware Housing Corporation is morethan 8% and therefore the shortage of paddy is not due to natural reasons such as

temperature, moisture etc, but the loss of paddy is due to storing the said paddy in M/s. Suraksha Ware Housing Corporation and related to gowdown unscientifically. The said gowdowns have no proper facilities of aeration and ventilation. The respondent no.5 duty bound to see even before enter into an agreement with M/s. Suraksha Ware Housing Corporation, the suitability of gowdown to preserve paddy in scientific manner.

79) Respondent no.5 did not produce any document to show that he periodically obtained the reports from H.S.Nagaraju, Quality Inspector and same is uploaded to the General Manager, KSFC. Therefore, he failed in his duty to properly supervise and obtained periodical report from respondent no.6.

80) The respondent no.5 produced the order sheet proceedings in which he obtained the approval of the Deputy Commissioner. The respondent no.5 while taking the approval from the Deputy Commissioner to store the paddy in M/s. Suraksha Ware Housing Corporation did not appraise the facility available in M/s. Suraksha Ware Housing Corporation and the gowdowns related to it. It is specifically mentioned by the Deputy Commissioner that the paddy should be stored in scientific gowdowns only. The respondent no.5 stored the paddy in unscientific manner in M/s. Suraksha Ware Housing

Corporation and godowns related to it. As a result of storing paddy in unscientific godown, the loss of paddy is increased to the tune of Rs.89,000 quintals.

81) It is noted that as per the circular dated 18.10.2011, it is mentioned that the District Manager has to discuss with the local KSWC/CWC officials at the time of obtaining the private godowns for rent for the purpose of storage of paddy. The respondent no.5 Sri. Ramachandra H Rao G has not produced any proceedings showing that he discussed with the local SWC and KSWC officials before entering into agreement with M/s. Suraksha Ware Housing Corporation. Again the circular further states that after obtaining the godowns on rent, the said godowns be under the control of KSWC and CWC officials during the period of storage of paddy. The respondent no.5 Ramachandra H Rao G has violated the para 10 circular dated 18.10.2011.

82) The respondent no.5 entered into an agreement with M/s. Suraksha Ware Housing Corporation on 29.3.2012. He did not obtain the recommendation of the Deputy Commissioner as to the fixation of the rent for the storage of paddy in M/s. Suraksha Ware Housing Corporation and the godowns related to it in accordance with the para 10 of the circular dated 18.10.2011. Therefore, the contentions taken by

the respondent no.5 in his comments is not acceptable and the materials shows that he committed misconduct and dereliction of duty.

83) Sri.H.S.Nagaraju respondent no.6 stated in his comments that he faced an enquiry already conducted by his department with respect to shortage of paddy to the tune of 85,000 quintals in M/s Suraksha Ware House Corporation, Shimoga. He also submitted the documents pertaining to his enquiry conducted by the disciplinary authority. On going through the said documents, Managing Director, KSFC has suspended the respondent no.6, reserving disciplinary enquiry by his order ಸಂ./ಕಾನಾಸನಿನಿ/ಅಡಳಿತ/ಸಿಬ್ಬಂದಿ/356/2012-13/7269 dated 19th March 2013. The said document is marked as annexure - A. The show cause notice was issued by Managing Director, KSFC vide Show cause notice dated 22.8.2013 to the respondent no.6 H.S.Nagaraju regarding the shortage of paddy stored in the year 2011-12 to the tune of 85,000 quintals stored in M/s Suraksha WareHouse Corporation, Shimoga. The articles of charge sent to the respondent no.6. The first charge as seen from the record against Sri.H.S.Nagaraj is that the said H.S.Nagaraj did not report the shortage of 85,000 quintals of paddy stored in M/s Suraksha WareHouse Corporation, Shimoga, after physical verification to the higher authorities from time to time while he was working as Quality Inspector.

84) The respondent no.6 submitted his detail reply dated 21.10.2013 admitted that in the year 2011-12 the paddy purchased and stored in M/s Suraksha WareHouse Corporation, Shimoga and he was appointed as Quality Inspector to lookafter the stored paddy. The said reply given by respondent no.6 is marked as annexure-B. The Managing Director and the Disciplinary Authority in his order dated 23.11.2013 vide letter ಸಂ./ಕಾನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2013-14/462 has appointed the retired District Judge Sri.Vasantha H.Mulasavalagi as Enquiry Officer in accordance with Rule11 of Karnataka Civil Services (Classification, Control and Appeal) Rule, 1957. The said document is marked as annexure-D.

85) Sri.Vasantha H.Mulasavalagi, Retired District and Session Judge and the Enquiry Officer in Enq.no.ಕಾನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2013-14/4621 dated 23.11.2013 submitted a report against respondent no.6 H.S.Nagaraju to the Disciplinary Authority as the respondent no.6 found guilty of charges contemplated in articles of charge. The said report dated 25.9.2014 is marked as annexure-E document.

86) The Disciplinary Authority in his order dated 4.5.2015 vide order ಸಂ.ಕಾನಾಸನಿನಿ/ಕಾಶಿ/46/2012-13/2015-16/471 has punished the respondent no.6 H.S.Nagaraju, Quality Inspector for the withhold of 2 increment without cumulative effect and the period of suspension was treated as

leave and the said penalties is subjected to the judgement of the criminal case filed against him. The said order is marked as annexure-F.

87) The complainant Chandrakanth Y.B. who gave a complaint before this Hon'ble Authority on 17.7.2013, which is registered as Compt/Lok/BD/1560/2013/ARE-9 against respondents for the loss of paddy in the year 2011-12. In his complaint he has stated that Sri.H.S.Nagaraju, Quality Inspector, Shimoga was suspended from service for the loss of paddy in M/s Suraksha WareHouse Corporation, Shimoga. This Hon'ble Authority by its order dated 12.8.2014 disposed of a complaint with a direction to ADGP, Karnataka Lokayukta, Bangalore for appropriate action. Accordingly, the Police Inspector, Karnataka Lokayukta, Shimoga registered the present suo moto case against the respondents herein.

88) It is clear that the respondent no.6 H.S.Nagaraju found guilty for the misconduct by the Disciplinary Authority as discussed above. Therefore, the enquiry on the same facts against respondent no.6 H.S.Nagaraju in this case is not permissible under law. Therefore, the enquiry against respondent no.6 H.S.Nagaraju is to be dropped for the above said reasons.

89) The Dy.S.P., Karnataka Lokayukta in his report clearly stated that there is an order passed by the General Manager, KSFC appointed

the 2nd respondent for inspection and to audit the storage of paddy purchased in the year 2011-12, Shimoga vide order no.ಕಾಅನಿ/ಬೆಂಬೆ/ಭತ್ತ/ಸಿಆರ್/2015-16/19 dated 18.4.2015. There is no written order directing the respondent no.2 to present in Shimoga at the time of purchase and storage of paddy by General Manager, KSFC is produced. (Page no.48 and 49 of the I.O. report). Therefore there is no document to substantiate the said allegation.

90) The respondent no.1 Sri.Kondandarama, District Manager, KSFC took a charge from the respondent no.5 Sri.Ramachandra H Rao G. The investigating officer report at page 84 clearly states that he did not involve in the process of purchase of paddy, storage of paddy. He reported to the duty at the stage of release of paddy for the purpose of hulling. Therefore, the Investigating officer in his report did not recommend for the disciplinary enquiry (page 84 of the report) and also did not file charge sheet against the respondent no.1. Therefore, the respondent no.1 Kondandarama, District Manager, KSFC is to be dropped from the proceedings as there is no allegations against him.

91) The respondent no.3 P.K.Shivanna, IFS and he was incharge Managing Director of KSFC and presently working as Chief Executive Officer, Development of Task Authority. He became incharge Managing Director of KSFC at the stage when the paddy is to be released for

nulling. He was not acting as Managing Director of KSFC at the time of purchase, storage of the paddy. Soon after he took charge and issued show cause notice to M/s Suraksh Warehouse Corporation on 9.5.2013, 25.6.2013 and 30.9.2013 to restore the shortage of 85,000 quintals of paddy to KSFC as per the terms of agreement (page 62 of the report). The investigating officer has not recommended for the disciplinary enquiry and also did not file charge sheet against said respondent no.3 Shivanna - Managing Director is to be dropped from this proceedings and enquiry.

92) The respondent no.4 G.S.Nagaraju is the owner of M/s Suraksha Warehouse Corporation, Shimoga and he is a private person. The complaint against private person is not maintainable. Therefore, the proceedings against him can be dropped, without prejudice to the rights of the Government to recover the loss of the paddy as per the agreement dated 29.3.2012.

93) Respondent no.7 Sri.V.Lingaiah, Sr.Assistant, KSFC, presently dismissed from service. He reported to the duty at the stage of releasing the paddy for hulling. He did not involve in the process of purchase and storage of paddy for the year 2011-12 (page 89). Therefore, the Investigating officer did not recommend for departmental proceedings and also did not file the charge sheet against him. The said respondent no.7 Sri.V.Lingaiah is to be dropped from the proceedings.

94) Having considered the reply of respondent no.5 Sri.Ramachandra H.Rao G to the observation note dated 28.11.2017 and after considering reply or explanation given by Sri.Ramachandra H.Rao G to the observation note dated 22.5.2018 in detail, the respondent no.5 Sri.Ramachandra H.Rao G has given same explanation as was given by him earlier. Therefore, the explanations given by him cannot be acceptable. Therefore, he committed misconduct as per Rule 3(1)(i) to (iii) of Karnataka Civil Services (Conduct) Rules, 1966.

95) It is to be noted that Sri.V.V.Narasimhamurthy - respondent no.2 contended that he retired on 31.1.2014 and he is entitled to the benefit of Rule 214(2)(b)(ii) of KCSR and therefore he contended that the enquiry cannot be conducted against him. Similarly, the respondent no.5 in his comments stated that he retired on 31.12.2015 from the service after attaining superannuation.

96) At this juncture, it is to be examined the Rule 214(2)(b)(ii) of KCSR in the light of the contention of the respondent no.2 Sri.V.V.Narasimhamurthy. The said Rule 214(2)(b)(ii) reads as under:-

“(2) (a) The departmental proceedings referred to in sub-rule (1), if instituted while the Government servant was in service whether before his retirement or during his re-employment, shall, after the final retirement of the Government

servant, be deemed to be proceedings by which they were commenced in the same manner as if the Government servant had continued in service:

Provided that where the departmental proceedings are instituted by Government servant other than Government, that authority shall submit a report recording its findings to the Government.

(b) The departmental proceedings, if not instituted while the Government servant was in service, whether before his retirement or during his re-employment:-

(i) shall not be instituted save with the sanction of the Government;

(ii) shall not be in respect of any event which took place more than four years before such institution; and

(iii) shall be conducted by such authority and in such place as the Government may direct and in accordance with the procedure applicable to departmental proceedings in which an order of dismissal from service could be made in relation to the Government servant during his service."

97) As per the report submitted by the S.P., Karnataka Lokayukta, Shimoga, the purchase of the paddy under MSPO by 5th respondent i.e.

Sri.Ramachandra H.Rao G in the year 2010-11 and 2011-12. The respondent no.5 made an agreement with M/s.Suraksha Warehouse Corporation for storage of paddy purchased under MSPO scheme in the year 2011-12 and stored the paddy in M/s Suraksha Warehouse Corporation and related godowns to it. It is also noticed that the 1st respondent Sri.Kodandarama who took the charge from the 5th respondent Sri.Ramachandra H.Rao G, intimate 3rd respondent Sri.C.K.Shivanna who was Managing Director of KSFC in the year 2013 regarding shortage of paddy in Suraksha Warehouse Corporation. The physical verification was done by the office of KSFC under the leadership of Sri.T.Venkatesh, who was the Chief Manager in KSFC, Bangalore. He gave a report on 13/3/2013 regarding shortage of 85,000/- quintals of paddy in the Suraksha Warehouse Corporation. Therefore, it is clear that the event took place in the year 2010-11 and 2011-12 and came to limelight on 13.3.2013 regarding the shortage of paddy.

98) The provision of Rule 214(2)(b)(ii) specifically says that enquiry cannot be conducted against retired Government official regarding the event which took place morethan 4 years from the date of institution of the enquiry. The enquiry is deemed to be instituted only when the statement of charges is issued to the Government official within the meaning of 214(6)(a) of KCSR. Therefore, the event or the incident in this

case took place in the year 2011-12 and came to notice of the department on 13.3.2013 when physical verification of Stock was made, and report was obtained from Sri.T.Venkatesh, Chief Manager, KSFC, Bangalore. Therefore, the said incident is more than 4 years old as on this date also and hence the benefit of Rule 214(2)(b)(ii) of KCSR is to be given to both respondent no.2 Sri.V.V.Narasimhamurthy and to respondent no.5 Sri.Ramachandra H.Rao G. Therefore, respondent no.2 V.V.Narasimhamurthy and respondent no.5 Sri.Ramachandra H.Rao G are to be dropped from the proceedings by giving benefit of Rule 214(2)(b)(ii) of KCSR.

99) The respondents 1 to 7 namely 1) K.Kodandaram, 2) V.V.Narasimamurthy, 3) C.K.Shivanna, 4) G.S.Nagaraj, 5) Ramachandra H Rao G., 6) H.S.Nagaraj, and 7) V.Lingaiah ^{may be} ~~have been~~ dropped from the proceedings of this case because of the reasons assigned in the pre paras of this report. Since, the respondents 1 to 7 have been dropped from the proceedings of this case, ^{only,} report under Sec.12(1) of Karnataka Lokayukta Act for the recovery of loss of paddy from the owners of M/s Suraksha Warehouse Corporation Sri.Nagaraju is to be sent.

100) The storage of the paddy of 85,000 quintals etc is to be recovered from M/s Suraksha WareHouse Corporation, Shimoga as per the terms of the agreement between Ramachandra H Rao G and M/s

Suraksha WareHouse Corporation, Shimoga vide agreement dated 29.3.2012 in accordance with law.

101) If approved,

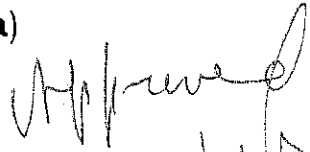
a) the complaint/report submitted by ADGP, Karnataka Lokayukta, Bangalore against respondents 1 to 7 may be closed with notice to the respondents as this case is instituted suo moto by this authority.

b) report under section 12(1) of Karnataka Lokayukta Act may be sent to the Government for the recovery of paddy of 85,000 quintals or the value of paddy from M/s Suraksha WareHouse Corporation as per agreement dated 29.3.2012 between M/s Suraksha Warehouse Corporation, Shimoga and Government representative Ramachandra H. Rao G – respondent no.5, in accordance with law.

Submitted for kind orders.


27/6/18
Sr.APP-2.

102) **Hon'ble Lokayukta)**


9/7/2018

Sr.APP-2
20/07/2018

103) The draft report under Sec.12(1) is prepared and placed before the Hon'ble Lokayukta.

104) If approved, the fair will be placed before the Hon'ble Lokayukta.

Submitted for kind orders.

M. S. Chatterjee
23/5/18
Sr.APP-2.

105) Hon'ble Lokayukta)