ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ವಿಶೇಷ ರಾಜ್ಯ ಪತ್ರಿಕೆ

ಭಾಗ – ೪ಎ Part – IVA	ಬೆಂಗಳೂರು, ಸೋಮವಾರ, ೦೮ ಸೆಪ್ಟೆಂಬರ್, ೨೦೨೫ (ಭಾದ್ರಪದ ೧೭, ಶಕವರ್ಷ ೧೯೪೭) BENGALURU, MONDAY, 08 SEPTEMBER, 2025 (BHADRAPADA 17, SHAKAVARSHA 1947)	ನಂ. ೫೪೭ No.547

GOVERNMENT OF KARNATAKA

No. FD-CAM/50/2025

Karnataka Government Secretariat,
M. S. Building,
Bengaluru, Date: 03.09.2025.

NOTIFICATION

In exercise of the powers conferred by section 21A of the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (Karnataka Act 30 of 2005), the Government of Karnataka hereby makes the following scheme, namely:-

SCHEME

1. Title and commencement. - (1) This Scheme may be called the Incentivization for Whistleblowers and informants providing original information leading to attachment of assets of Financial Establishments Scheme, 2025.

(2) This scheme shall come into force with effect **from the date of its publication in the Karnataka Gazette.**

2. Definitions.- (1) In this Scheme, unless the context otherwise requires,-

(a) "Act" means the Karnataka Protection of Interest of Depositors in Financial Establishments Act, 2004 (Karnataka Act 30 of 2005);

(b) "Absolute attachment" shall have the same meaning as in sub-section (2) of section 5;

(c) "Asset" means anything of any value, whether tangible, or intangible moveable or immoveable that can be liquidated;

(d) “Benami transaction" shall have the same meaning as in the Prohibition of Benami Property Transactions Act 1988 (Central Act 45 of 1988);

(e) “Form” means the Form appended to this Scheme;

(f) "Informant" means an individual who voluntarily furnishes Original Information to the Competent Officer as specified in Form I;

(g) "Informant Reward Committee " means the Committee constituted under clause 11 of this Scheme;

(h) “Informant Reward Authority" means the Competent Authority, not below the rank of Secretary to Government, to grant reward under clause 12 of this Scheme;

(i) "Original Information" means information about the activities and assets of a defaulting Financial Establishment and includes the directors, partners, promoters, managers or members and former directors, partners, promoters who have demitted office or resigned from the establishment or any other person who is suspected to be complicit in the activities of the Financial Establishment,-

(a) not known to the Competent Authority or Investigating Officer appointed by the Government or from any other source, except where the informant is the original source of the information;

(b) is credible and directly relatable to the activities of the defaulting financial establishment, for identification, attachment and realization of the assets of such defaulter.

(c) is an attested document.

(d) is not based on hearsay.

(e) is not proven after enquiry, to be false, misleading or malicious.

(j) "Reserve price" means the price fixed by a Competent Authority below which the asset shall not be sold or auctioned; and

(k) "Whistle blower" means a person who provides information about illegal, unethical, or harmful activities about the financial establishment in public interest and is not a person participating in or complicit in the activities of the financial establishment acting fraudulently.

(2) Words and expressions used, but not defined in this Scheme shall have the same meaning as respectively assigned to them in the Act.

3. Applicability and scope.- This Scheme shall regulate the sanction and payment of reward to a whistle blower or to an informant who provides Original Information disclosing deposit-related illegal activities, which directly leads to the identification and attachment of assets owned by a financial establishment and its colluders or about the assets of a defaulting Financial Establishment and its colluders and such information results in the absolute attachment and collection of unrecovered monies or assets in cases where,-

(i) the asset is acquired after the date of initiation of the defaulting Financial Establishment and the defaulter is an individual, company, cooperative society, Limited liability Partnership, Trust or Non Governmental organization (NGO) or whether owner, promoter, partner, director, manager or member or any other person of the said Financial Establishment which,-

(a) is not traceable or is absconding;

(b) has made or is attempting to make a malafide transfer within the meaning of section 13;

(c) has made or enabled "benami" transaction or carried out large cash transactions;

(d) has obtained returns in excess of the total deposit made in all schemes operated by the Financial Establishment;

(e) has derived benefit from any assets vested under section 3 of the Act without authority of the special court.

4. Whistle-blower or Informant eligible for reward.- (1) A person shall be considered to be an “Whistleblower” eligible for reward in accordance with this Scheme if he furnishes Original Information disclosing deposit-related illegal activities, of a Financial Establishment, which directly leads to initiation of action under the Act.

(2) A person shall be considered to be an informant eligible for reward in accordance with this Scheme if he furnishes Original Information disclosing deposit-related illegal activities, which directly leads to the identification and attachment of assets of financial establishment and its colluders or in relation to the asset of a defaulter concerning the "money trail" of deposits received.

(3) The claim of reward shall be confined to cases where recovery of dues realization of the sale proceeds of the asset may be made in pursuance of the information so provided by the Informant. The information provided must be supported by documents pointing to the ownership or transfer of the asset with reasonable connection to the money trail and shall be specific and actionable.

5. Submission of Information.- (1) The information shall be submitted by the informant in Form-I along with a statement or declaration in Form-II to the Information Reward Committee in a sealed envelope super scribing - "Information for grant of reward under Recovery Proceedings" in person.

(2) If information is not accompanied by a claim for reward, it may be submitted online at the official exclusive e-mail ID to be notified for this purpose.

6. Examination of Information (1) Upon receipt of Original Information, the Information Reward Committee shall verify the details so provided. If the details are complete in the specified formats, the Information Reward Committee shall enter or cause to be entered the information into the register kept for the said purpose. In case the details are not submitted in the specified forms or information is incomplete, the Information Reward Committee shall within one week's time from receipt of such incomplete details, advise the informant to furnish the complete details as specified. Upon receipt of complete details and entering the same into the register, the Information Reward Authority shall forward within a week of the information so received along with documents and forms to the Competent Authority having jurisdiction.

(2) Upon receipt of complete information by the Competent Authority having jurisdiction in the case, the same shall be examined further to decide the nature of actionable information. At this stage the Competent Authority shall get the valuation of the asset done and ascertain the legal title to the property and get information about encumbrances if any. The informant shall provide further documents or information or render assistance, if any, required by the Competent Authority.

(3) Then the Competent Authority shall submit the details to Informat Reward Committee directly. The Original Information along with documents shall be kept in the safe custody by such Officer as required by the Recovery Officer having jurisdiction in the case.

(4) An Informant Code shall be assigned to the Informer, which shall be secret and all correspondence and documentation shall be according to the said Informant Code.

(5) Where Original Information is furnished by the informant in the expectation of a reward, the informant shall be required to appear before the Information Reward Committee or the Competent Authority or the concerned District Magistrate, at the option of the informant as and when called upon to sign the Forms I and II again for the purpose of ascertaining his identity and veracity of the information so provided. No reward shall be admissible if the informant refuses to appear or refuses to provide required information or documents etc.

7. Undertaking by the Informant.- When an informant furnishes any information or documents in the expectation of a reward, following written undertaking shall be taken from him which shall be part of Form-II, namely:-

(1) That he is aware that the information or documents furnished by him does not ipso facto confer on him the right to any reward and that he shall be bound by the decision of the Information Reward Authority in this regard.

(2) That he is aware that the extent of reward depends on the precision of the information and realised value of the asset based on the documents furnished by him.

(3) That he shall provide further documents or information or render assistance, if any, as and when required.

(4) That the reward shall pertain only to the dues recovered or realized which are directly attributable to the information supplied by him.

(5) That the provisions of sections 212, 217 and 248 of the Bharatiya Nyaya Sanhita, 2023 (Central Act 45 of 2023) have been read by him or explained to him and he is aware that if the information furnished by him is false and is intended to cause harm or injury to any other person directly or indirectly, then, he shall be liable to prosecution.

(6) That he accepts that the "Information Reward Authority" is under no obligation to enter into any correspondence regarding the details of any recovery as a result of his information.

(7) That he accepts that the payment of reward is ex-gratia at the discretion of the authority competent to grant rewards and he has no right to challenge the correctness of the decision in any court of law;

(8) That the information provided by him is Original Information as understood in this Scheme.

(9) That he is not a person complicit in the activities of the Financial Establishment.

(10) That any disclosure he makes is for benefit of depositors not complicit with or colluding with defaulting financial establishment and not for private gain.

8. Reward Amount.-

(1) The reward for Whistle blowers may be granted in single stage. The reward amount shall depend on the directly attributable original information supplied/received by the Whistleblower resulting in initiation of action under Act and reward amount shall be as approved by the "Informant Reward Authority" and shall not exceed Rs. 2,00,000 (Rupees two lakh only)

(2) Reward Amount for Informants,-

(i) The reward for Informants may be granted in two stages. such as, Interim and Final. The Interim reward amount shall not exceed two per-cent of the reserve price of the asset regarding which information was furnished or Rs. 2,00,000 (Rupees Two lakh only), whichever is less, as approved by the "Informant Reward Authority" from time to time.

(ii) Final reward amount shall not exceed five per-cent of the dues recovered and recovery of which is directly attributable to the Original Information supplied by the informant or Rs. 5,00,000 (Rupees Five lakh only), whichever is less or such higher amount as approved by the "Informant Reward Authority" from time to time.

9. Stage of Reward. - (1) Any proposal or recommendation and approval for Interim reward may be made only if the asset regarding which information was furnished is found to be unencumbered and reserve price of the same is fixed after attachment.

(2) Any proposal or recommendation and approval for Interim reward may be made only if the asset regarding which information was furnished is found to be encumbered and then the award amount shall be decided based on the residual realizable value of that particular assets (Reserve Value less encumbered loans if any).

(3) Any proposal or recommendation and approval for Final reward may be made after realization of the sale proceeds of the asset for which information was received.

10. Reward as Ex-gratia payment.- (1) Reward in accordance with these Scheme is discretionary and shall be in the nature of ex-gratia payment subject to the provisions of this Scheme and shall be granted at the discretion of the authority competent to grant reward. The decision of “Informant Reward Authority" shall be final.

(2) The reward under this Scheme shall not be assigned to any other person by the informant. The “Informant Reward Authority” may however grant reward to heirs or nominees of an informant in the event of his death before payment of the reward.

11. Constitution and Functions of Informant Reward Committee.- (1) For the purpose of recommending the eligibility of reward and the amount thereof, there shall be constituted an Informant Reward Committee comprising of the concerned Competent Authority having jurisdiction in the matter who shall be

Head of the Committee, Public Prosecutor of the District or Taluka and Accounts Officer of the respective sub-Division nominated by the Informant Reward Authority shall be the members of the Committee.

(2) The Informant Reward Committee shall submit its recommendations to the Informant Reward Authority" on the following matters, namely:-

(i) Eligibility of Whistle-blower or Informant for reward.

(ii) Determination of amount of reward payable to Whistle-blower or Informant.

12. Competent Authority to Grant Reward.- The Informant Reward Authority shall be the Competent Authority to grant the reward by passing an order in this regard and for all purposes of the Scheme shall be the Special Officer and Competent Authority (SPLOCA) appointed by the Government. The Competent Authority shall pass the order based on the recommendation made by the Informant Reward Committee.

13. Circumstances for determining the Amount of Reward.- In recommending the reward amount, the Informant Reward Committee shall consider the following, namely:-

(1) The accuracy of the information given by the Whistle-blower or Informant particularly but not restricted to the veracity of the documents provided;

(2) The originality of the information within the meaning of clause 2 (i);

(3) The bonafide of the information provided by the Whistle-blower or Informant with particular reference to whether the Whistle-blower or Informant is colluding with the Financial Establishment;

(4) The extent and nature of the assistance rendered by the Whistle- blower or Informant;

(5) The risk and trouble undertaken and the expense incurred by the Whistle-blower or Informant in securing and furnishing the information / documents;

(6) The quantum of work involved in utilizing the information; and

(7) The quantum of value realized which is directly attributable to the information and documents supplied by the informant.

14. Prohibition of Reward in Certain Cases.- No reward shall be granted if,-

(1)The Whistle-blower or Informant is a Government servant who furnishes information or evidence obtained by him in the course of his duties as a Government Servant;

Explanation: For the purpose of this clause a Government Servant means a person employed as an employee by the Central or any State or any Union Territory Government or Statutory Authority or Nationalized Bank or any local authority or any public sector undertaking, corporation, body, corporate or establishment, set up or owned by the Central Government or any State Government or any Union Territory Administration.

(2) The Whistle-blower or Informant is required by law to disclose the information; or

(3) The Whistle-blower or Informant has access to the information on the basis of an agreement with or as a contractor for or employee of any Authority under section 3 of the Act or as an acquaintance or relation of an employee of the said Authority.

(4) Information has already been provided by any other Whistle-blower or Informant or by any Authority under section 3 of the Act.

15. Information to be held in confidence.- The information and the identity provided by the Whistle-blower of Informant or the reward paid to him shall be held in confidence and shall not be disclosed except in compliance with the specific order or direction of the Special Court, and only in a manner that preserves such confidentiality.

16. Protection to whistle blower / informant.- Government may provide protection to the whistle blower or the informant against any physical threat, harassment or victimization by the Financial Entity, in case of need and if specifically sought by the whistle blower / informant.

17. Maintenance of records and communication.- (1) Informant Reward Authority shall maintain the record of each whistle blower or informant, the details of cases in which he has furnished information, extent to which information has been found reliable and useful, the reward, if any, paid to the informant in the past etc,.

(2) The outcome of rejection or approval of information or amount of reward, if any, shall be recorded by the Information Reward Authority in the register kept for this purpose.

(3) A communication, if found necessary, may be made by the Information Reward Authority to the informant acknowledging the suitability of information so provided or intimation of rejection of his information with brief reasons thereto or reward if any to be paid etc,.

18. Reward.- The amount of reward granted to the whistle blower or informant under this Scheme shall be paid from the appropriate Head of Account.

THAAWARCHAND GEHLOT
GOVERNOR OF KARNATAKA

By Order and in the name of
the Governor of Karnataka,

(SIGN/-)

Dr. Vishal R
Secretary to the Government,
Finance Department
(Fiscal Reforms)

FORM-I

(See clause (f) of rule 2 and sub-rule (1) of rule 5)

Form of Statement provided by the Whistle Blower or Informant for furnishing Information

Sr. No.	Particulars	Details
1.	Full Name of the Whistle blower or Informant (separately for each informant if there are more than one informant) in capital letters)	
2.	Father's Name	
3.	Date of Birth	
4.	Permanent Address of the Whistle blower or Informant along with a copy of Proof	
5.	Current Address of the Whistle blower or Informant (if different from Permanent Address) along with a copy of Proof	
6.	Landline Phone No.	
7.	Mobile No.	
8.	E-mail ID	
9.	ID proof issued by any Govt. Agencies viz. Passport / Voter ID Card etc. along with copy of proof	
10.	PAN Card Number and Copy of the PAN Card	
11.	Job Description of the Whistle blower or Informant	
12.	Name and address of Defaulter in respect of whom the information is furnished	
14.	Full particulars of nature and extent of assets of the Defaulter	
15.	Particulars and List of documents /Information furnished, if any	
	(a) In original	
	(b) Copy only	

16.	Source of Information :	
	(a) Whether the information has been acquired personally in the capacity of an employee or partner or relative of the Defaulter	
	(b) Whether information has been acquired through some other person	
17	Briefly state (attach evidence, if any)	
	a. How you have come to know about the information	
	b. Special efforts, if any, made	
	c. Risks and trouble undertaken	
	d. Expenditure, if any, incurred	
18.	Information earlier provided under these Guidelines, if yes, then details of the same	
19.	Whether any reward is expected by the Whistle Blower or Informant (Yes/No)	
20.	Particulars of Bank account in which payment of reward is to be made (Bank Account No., Bank Name, Branch, IFSC Code, Beneficiary Name, etc.)	

Date: Signature of the Whistle Blower (s) / Informant(s)
Place:

ID Proof (Copy Attached):

Reward Scheme

Particulars of FE				Particulars of Persons Involved with Each FE			
Sl No	Name of the FE (Include any subsidiaries / affiliates)	Date of Commencing Activities if known	Type of Establishment (Company/Trust/ LLP /Cooperative/Other	Sl No	Name of Owner / Director /Promoter/ Manager / Member etc.,	Address	Contact Number

Reward Scheme (Moveable Assets)

Sl No	Name of the FE (Include any subsidiaries /affiliates) if any	Sl No	Name of Owner/Director/Promoter / Manager / Member etc of Annexure 1	Moveable Asset	Description, material, use, model number, Quantity	Date of Acquisition if known	Malafide Transfer if any (Name & Address of Transferee)	Benami transaction if any (Name & Address of Payer)	Exact Location where assets is kept	Ownership Document if any produced	Appropriate net value after Depreciation

Reward Scheme (Immoveable Assets)

Sl No	Name of the FE (Include any subsidiaries /affiliates) of Annexure1	Sl No	Name of Owner/Director/Promoter / -Manager / Member etc of Annexure 1	Immoveable Asset	Description, Extent, Built-up structure (No. of floors and floor area)	Date of Acquisition by FE	Malafide Transfer if any (Name & Address of Transferee)	Benami transaction if any (Name & Address of Payer)	Exact Location where maintained	Ownership Document if any produced	Likely net Value after Depreciation

FORM-II

(See sub-rule (1) of rule 5 and rule 7)

STATEMENT/DECLARATION OF WHISTLE BLOWER / INFORMANT

I/we declare that,		Signature	Date
i	I/we have read and understood the Scheme for Incentivization of Whistle Blower or Informants who provide original information leading to recovery of assets of Financial Establishments and their colluders,2025		
ii	I / we are aware that the information furnished does not confer the right to any reward and that I/we shall be bound by the decision of the Information Reward Authority in this regard.		
iii	I/we are aware that the extent of reward depends on the precision of the information and realized value of the asset based on the documents furnished;		
iv	I/we shall provide further documents/information or render assistance, If any, as and when required;		
v	I/we are aware that the reward would pertain only to the dues recovered/realized which are directly attributable to the information supplied;		
vi	I / we are aware that the provisions of section 217of the BNS, 2023 have been read by me / us and explained and I/ we are aware that if the information furnished is found to be false and is intended to cause harm/injury to any other person directly or indirectly, then, I/we would be liable to prosecution;		
vii	I/we accept that the Information Reward Authority is under no obligation to enter into any correspondence regarding the details of any recovery as A result of the information provided;		
viii	I / we accept that the payment of reward is ex-gratia at the discretion of the authority competent to grant rewards and I / we have no right to challenge the correctness of the decision in any court of law.		
ix	The information provided by me/us is Original Information as understood in this Scheme		
x	I/we are not depositors or persons complicit in the activities of the Financial Establishment.		

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xi	Any disclosure I/we make is for public benefit only and not for private gain		
xii	I / we accept to appear before the Nodal Officer / the Recovery Officer (strike off what is not applicable)for the purpose of ascertaining my/our identity or veracity of the information so provided.		
xiii	In the event of my death before the reward is paid to me/us, it may be Paid to my/our nominee(s) whose particulars are as under:-		

Name of Nominee	Age	Relation	Permanent Address	Percentage of Reward (if more than one Nominee)

Date: Signature of the Whistle Blower (s) / Informant(s)

Place:

Signature of the Competent Officer before whom the statement/declaration is signed	
Name & Designation of the Officer:	
Date:	
Place:	

[**Note** :If the information is given jointly by more than one informant, the particulars of all such informants are to be captured and this declaration is to be signed by all such informants.]

By order and etc……

ಮುದ್ರಕರು ಹಾಗೂ ಪ್ರಕಾಶಕರು:– ಸಂಕಲನಾಧಿಕಾರಿಗಳು, ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ, ಸರ್ಕಾರಿ ಕೇಂದ್ರ ಮುದ್ರಣಾಲಯ, ಬೆಂಗಳೂರು

THAMMAIAH