

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE K. BABU

Friday, the 5th day of July 2024 / 14th Ashadha, 1946

WP(C) NO. 14599 OF 2020 (Y)

PETITIONER:

M.S.ANIL, AGED 43, S/O. SASIDHARAN, MANNATHAMPARAMBU, MARARIKKULAM
NORTH P.O., CHERTHALA, ALAPPUZHA, PIN-688 523.

RESPONDENTS:

1. STATE OF KERALA, REPRESENTED BY CHIEF SECRETARY, GOVERNMENT
SECRETARIAT, THIRUVANANTHAPURAM - 695 001.
2. DIRECTOR, VIGILANCE AND ANTI-CORRUPTION BUREAU, PMG, OPPOSITE VIKAS
BHAVAN BUS DEPO, THIRUVANANTHAPURAM - 695 001
3. STATE POLICE CHIEF, POLICE HEADQUARTERS, VAZHUTHACAUD, VAZHUTHACAUD
P.O., THIRUVANANTHAPURAM - 695 010.

Writ petition (civil) praying inter alia that in the circumstances stated in the affidavit filed along with the WP(C) the High Court be pleased to issue an interim order directing the respondents to appoint a Special Investigation Team headed by an honest and efficient officer to investigate into Crime No.5/2016 of VACB, Thiruvananthapuram, pending final disposal of the Writ Petition (Civil).

This petition petition again coming on for orders upon perusing the petition and the affidavit filed in support of WP(C) and this court's order dated 09.01.2024 and 03/06/2024 and upon hearing the arguments of SRI.D.ANIL KUMAR, Advocate for the petitioner and of DIRECTOR GENERAL OF PROSECUTION for Respondents, the court passed the following:

K.BABU, J.

**W.P.(C) No.14599 of 2020 and
Crl.M.C.No.5539 of 2020**

Dated this the 5th day of July, 2024

ORDER

Heard both sides.

2. The Investigating Officer submitted a report narrating the status of the investigation. The report reads thus:-

“ BEFORE THE HONOURABLE HIGH COURT OF KERALA AT ERNAKULAM

W. P. (C) .No.14599 OF 2020

M.S Anil : Petitioner

Vs.

State of Kerala : Respondent

**REPORT FILED BY THE SUPERINTENDENT OF POLICE, VIGILANCE & ANTI-CORRUPTION BUREAU,
CENTRAL RANGE, ERNAKULAM IN WP(C) No.14599 OF 2020 AND CRL M.C No. 5539 OF 2020 REGARDING
THE PRESENT STATUS OF INVESTIGATION IN VC-05/2016/SRT**

I, Dr.J. Himendranath IPS, Superintendent of Police, Vigilance & Anti-Corruption Bureau, Central Range, Ernakulam, do hereby submit that I am the present investigating officer of this case and I am submitting herewith the report with current status and progress in VC-05/2016/SRT.

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|---|---|
| I Crime No. | : VC 05/2016/SRT |
| 1 Station | : VACB, Southern Range, Thiruvananthapuram |
| 2 Section of law | : U/s 13 (2) r/w (1)(c) (d) of Prevention of Corruption Act 1988 and 120 (B) 420, 468, 471 & 34 IPC |
| 3 Directorate order No. for registration of case | : No. E 1(VC 05/16/SRT) 24826/2016 dated 28/04/2018 |
| 4 Vigilance Court/other. | : The Hon'ble Court of Enquiry Commissioner & Special Judge (Vigilance), Thiruvananthapuram, Date: (FIR) 14/07/2016 |

Accused Persons

A1. Sri.VellappallyNatesan
A2. Sri.Dr. M N Soman
A3. Sri.K K Mahesan

General Secretary, SNDP, Yogam
President, SNDP, Yogam
State Coordinator, SNDP Yogam Micro Finance Wing

A4. Sri.Dileepkumar

Former M D, KSBCDC

(Original 4thAccused (A4) was Sri. M. Najeeb Former M.D, KSBCDC removed from the list of accused as per Order of the Hon'ble High Court of Kerala in CrI.M.C No.5393/2016 on 11-04-2018.)

1. The case was registered against the officials of the SNDP Yogam and former KSBCDC Managing directors for colluding in order to misappropriate government loan of Rs 15.85 Crores that was allotted over 8 instances during the years from 2003 to 2014 under the Microfinance scheme aimed at aiding the marginalised community members through the SNDP Yogam. According to the documents submitted by the SNDP Yogam to the KSBCDC, these loans were distributed to 2775 SHGs through various Taluk Unions encompassing all 14 districts within Kerala.

2. It is respectfully submitted that, pursuant to the instructions of this Honourable Court during the last hearing on 03.06.2024, the details regarding the allegations suitable for prosecution are outlined below. Based on the investigation conducted thus far, **21 counts of allegations have been identified, wherein irregularities have been found. These include 16 counts of allegations related to the issuance of fraudulent utilization certificates and 5 counts of allegations concerning the misappropriation of government funds by officials of the SNDP Unions.**

Summary of Allegations and Corresponding Evidence on fake Utilization Certificate

Sl No:	Investigation Conducted Regarding	Evidence Against Suspected Persons
1	Rs 20 Lakhs to SNDP Mundakayam High Range Taluk Union 2006 (Part No:58)	The investigation revealed that the addresses in the certificate do not belong to the mentioned union, indicating a fake Utilization Certificate. The names and addresses given in the Utilization Certificate were verified and found to be false.
2	Rs 10 Lakhs to the SNDP Idukki Taluk Union in 2008. (Part No:111)	The investigation revealed that only 12 SHGs were genuine, while the others were fake. The names and addresses given in the Utilization Certificates were verified and found to be false.
3	Rs 10 Lakhs to the SNDP Idukki Taluk Union in 2006. (Part No:60)	The investigation revealed that the addresses of at least 8 SHGs were not in the Idukki district, indicating a bogus certificate. The names and addresses given in the Utilization Certificates were verified and found to be false.
4	Rs 15 Lakhs to the SNDP Kattapana Taluk	The investigation revealed that none of the

	Union in 2008. (Part No:112)	addresses belonged to the Kattapana Taluk Union. The names and addresses given in the Utilization Certificates were verified and found to be false.
5	Rs 15 Lakhs to the SNDP Kattapana Taluk Union in 2006. (Part No:59)	The investigation revealed that the addresses belonged to the Kottayam district. The names and addresses given in the Utilization Certificates were verified and found to be false
6	Rs 20 Lakhs to the SNDP Peringottukara Taluk Union in 2006. (Part No:98)	The investigation revealed that the addresses in the U/C were fake. The names and addresses given in the Utilization Certificates were verified and found to be false.
7	Rs 8 Lakhs to the SNDP Mukundapuram Taluk Union in 2008. (Part No:99)	The investigation revealed that the addresses in the U/C were fake. The names and addresses given in the Utilization Certificates were verified and found to be false
8	Rs 6 Lakhs to the SNDP Chelakkara Taluk Union in 2006. (Part No:97)	The entire U/C was found to be fake. The names and addresses given in the Utilization Certificates were verified and found to be false.
9	Rs 5 Lakhs to the SNDP Nattika Taluk Union in 2004. (Part No:96)	The entire U/C was found to be fake. The names and addresses given in the Utilization Certificates were verified and found to be false.
10	Rs 10 Lakhs through the SNDP Chittoor Taluk Union in 2005. (Part No:3)	The names and addresses given in the Utilization Certificates were verified and found to be false.
11	Rs 2 Lakhs through the SNDP Palakkad Taluk Union in 2005. (Part No:1)	The entire U/C was found to be fake. The names and addresses given in the Utilization Certificates were verified and found to be false.
12	Rs 10 Lakhs through the SNDP Palakkad Taluk Union in 2006. (Part No:2)	The names and addresses given in the Utilization Certificates were verified and found to be false.
13	Rs 10 Lakhs to the SNDP Ambalapuzha Taluk Union in 2004. (Part No:16)	The investigation revealed that the loan amount was actually distributed among 34 SHGs, indicating that the U/C submitted was fake. The names and addresses given in the Utilization Certificates were verified and found to be false
14	Rs 2 Lakhs to the SNDP Kuttanad Taluk Union in 2006. (Part No:11)	The investigation revealed that those SHGs did not belong to the Kuttanad Taluk Union, indicating a fake U/C. The names and addresses given in the Utilization Certificates

		were verified and found to be false.
15	Rs 25 Lakhs to the SNDP Adoor Taluk Union in 2008. (Part No:39)	The names and addresses given in the Utilization Certificates were verified and found to be false
16	Rs 3 Lakhs to the SNDP Pathanamthitta Taluk Union in 2003. (Part No:36)	The names and addresses in the Utilization Certificate do not belong to the same union.

The utilization certificates were prepared by Accused 3 and presented to the KSBCDC either by Accused 1, Accused 2 or Accused 3. All agreements between KSBCDC and the SNDP Union were signed by Accused 1 and Accused 2. Moreover, Accused 4 was responsible for verifying the authenticity of the utilization certificates before sanctioning subsequent loans. However, in this case, the Accused 4, with the intent to assist the other accused, had grossly neglected this duty and thereby approved the certificates without proper scrutiny. This facilitated the illegal acquisition of public funds by the other accused individuals.

Cases of Fund Misappropriation

Sl No:	Allegation	Evidence	Accused Identified
1	The investigation involved the distribution of Rs 10 Lakhs to the SNDP Chittoor Taluk Union in 2014. (Part No:4)	Registers maintained at the Taluk Office prove that the union officials did not disburse the loan amount received from the SNDP Yogam. Witness statements corroborate that the funds were used for building construction. . It was revealed that the amount was siphoned off by the then secretary, Sri Falgunan, for constructing an office building.	Sri Falgunan, Former Secretary, SNDP Chittoor Taluk Union
2	The investigation involved the distribution of Rs 10 Lakhs to the SNDP Mananthavady Taluk Union in 2014. (Part No:110)	It was revealed that the Union Secretary and the President withdrew Rs 7,53,600/- from the bank and, instead of distributing it among the SHGs, utilized it for their own use, thus misappropriating the funds. Bank statements and office registers of the Taluk Union prove that the Secretary and the President misappropriated the funds.	1.Sri Prabakaran, Former Secretary, and 2.Sri Purushothaman, Former President, SNDP Mananthavady Taluk Union
3	The investigation involved the distribution of Rs 10 Lakhs	It was revealed that, except for Rs 1 Lakh given to one SHG and Rs 1500 paid as commission to the bank, the Secretary and the President withdrew the remaining Rs 8,98,500/- from the bank and utilized it for	1.Sri Sabu K.S, Former Secretary, and

	to the SNDP Pulpally Taluk Union in 2009. (Part No:108)	their own use.Bank statements and office registers of the Taluk Union prove that the Secretary and the President misappropriated the funds.	2.Sri K.N. Chandran, Former President, SNDP Pulpally Taluk Union
4	The investigation involved the distribution of Rs 10 Lakhs to the SNDP Pulpally Taluk Union in 2014. (Part No:107)	It was revealed that the Union Secretary and the President withdrew Rs 7,75,000/- from the bank and, instead of distributing it among the SHGs, utilized it for their own use, thus misappropriating the funds. Bank statements and office registers of the Taluk Union prove that the Secretary and the President misappropriated the funds.	1.Sri Sabu K.S, Former Secretary, and 2.Sri K.R. Jayaraj, Former President, SNDP Pulpally Taluk Union
5	The investigation involved the distribution of Rs 15 Lakhs to the SNDP Ranni Taluk Union in 2014. (Part No:42)	It was discovered that the Union Secretary and the President withdrew Rs 10 lakh from the bank, fabricated documents indicating that this amount was distributed among members of 2 SHGs, and used it for personal purposes, thereby misappropriating the funds. Bank statements and office registers of the Taluk Union substantiate that the Secretary and the President misappropriated these funds.	1.Sri Santhosh Kumar P.N, Former Secretary, and 2.Sri Vasanthakumar K, Former President, SNDP Ranni Taluk Union

(3)It is respectfully submitted that the Special Investigation Team (SIT) is actively prioritizing and diligently addressing any minor discrepancies in the investigation process as and when brought to light by higher-ups upon scrutiny. The SIT remains steadfast in ensuring the accuracy and integrity of its work. Furthermore, **the SIT submitted an additional final report on allegations in Kasargod district to the respective Vigilance Court, bringing the total number of final reports to 17.** The factual reports that are duly approved by the Directorate, VACB shall be subsequently filed before the relevant Vigilance Courts without any delay.

Under these circumstances, it is most humbly submitted that this Hon'ble Court may be pleased to accept the above Report and appropriate orders may be passed in the interest of justice.

Dated this the 5th day of July, 2024

Sd/-
Dr. J. Himendranath IPS
Superintendent of Police

Vigilance and Anti-Corruption Bureau
Central Range, Ernakulam”

3. The Investigating Officer is directed to complete the investigation within one month.

Post on 07.08.2024.

Crl.M.C.No.5539 of 2020

The learned Special Government Pleader (Vigilance) shall obtain specific instructions on the status of the proceedings against the petitioner.

Post on 07.08.2024.



**Sd/-
K.BABU
JUDGE**

VPK