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**BEFORE THE HON'BLE COURT OF ENQUIRY COMMISSIONER &
SPECIAL JUDGE, THRISSUR**

Sub:- CrI.MP 10/2012 of Hon'ble Court of EC & SJ, Thrissur -
Preliminary Vigilance Enquiry Conducted - Report Submission of
-reg.

Ref:- 1. Order in CMP No. 10 of 2012 dated 20.3.2012 of the EC & SJ,
Thrissur.
2. Letter no. T1(QV 5/2012/PKD) 9801/2012 dated 28.03.2012 of
the Director, Vigilance & Anti-Corruption Bureau,
Thiruvananthapuram.

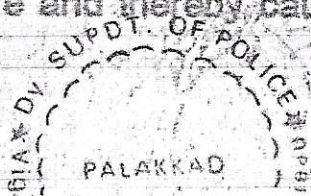
The Enquiry Commissioner and Special Judge, Thrissur had
forwarded a CMP 10/2012 filed by Sri Sulthan Mohammed Shah,
General Secretary, Malabar Cements Employess Association (INTUC)
vide reference cited 1st above to this unit for conducting preliminary
enquiry. A preliminary enquiry in the form of Quick Verification was
conducted by an officer of this unit as ordered by Director, Vigilance and
Anti-corruption Bureau vide reference cited 2nd above and report was
submitted.

The petitioner of this CMP Sri Sulthan Mohammed Shah is an
employee of Malabar Cements Ltd. and the respondents are former MDs
and former Manager (Materials) of Malabar Cements Ltd. The facts
revealed in the quick verification are summarized below.

The gist of allegations raised by the petitioner in the CMP are as follows:

1. Contract for supply of Dry Fly Ash

The brief of allegation is that due to the intentional omission from
the part of the concerned officers of MCL resulted in the encashing of
the Bank guarantee amount of ₹ 50 lakhs by the fly ash contractor
and fly ash was purchased at an exorbitant price by violating tender
procedure and thereby caused a total loss of ₹61.72 lakhs to MCL
etc facts.



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2. Contract for transportation of Dry Fly Ash

The brief of allegation is that fly ash was transported without inviting tenders and there by MCL suffered a loss of ₹5.3 lakhs and also there was violation of mandatory tender procedure in the transportation of dry fly ash by causing the MCL a further loss to the tune of Rs.2.96 lakhs etc. facts.

3. Purchase of Lime stone.

Brief of allegation is that, due to termination of long term contract and subsequent contract entered with M/s Venkiteswara Cements and also due to the dilution of quality of limestone, the Company suffered a loss of ₹ 19.94 crore.

4. Transport contract of lime stone

Brief of allegation is that contract for transport of lime stone was awarded by violating all known procedures.

5. Contract for loading and unloading

Brief of allegation is that due to favourite action like increase of slab, MCL had suffered a huge loss.

6. Differentiated treatment to officers.

Brief of allegation is that MCL management awarded undue and illegal promotion to certain staff of MCL and harassment and humiliation by the MCL management forced certain staff to go out of service from MCL.

7. Purchase of Poly propylene laminated bags.

Brief of allegation is that MCL management had purchased inferior quality bags thereby causing the company to suffer the substantial loss.

8. Sale of Scrap

Brief of Allegation is that due to corrupt deal from the part of the MCL management in the sale of scrap, the company lose several lakhs of rupees.

9. Purchase of imported coal

Brief of allegation is that due to the dilution of quality and relaxation of specifications in the purchase of imported coal made by the MCL management caused huge loss to the company.

10. Supply of liner plates

Brief of allegation is that the company had purchased very inferior quality liner plates, diaphragm plates, and grinding media and thereby caused premature failure and damage to other equipments making MCL suffer heavy loss etc. facts.

It is alleged that Sri K.S. Sreenivas IAS, Sri Ramesh Chandrabanu IPS (Rtd) who were Managing Directors of MCL and Sri Muraleedharan, Manager (Materials) during the alleged periods are responsible for the irregularities and loss sustained to MCL.

A thorough verification was conducted in each allegation raised by the petitioner to find out the veracity of the allegations by questioning 18 witnesses including respondents and by perusing all the records and files related to the allegations. But no evidence could be obtained to substantiate the allegations and it is revealed that the petitioner has raised only biased allegations with ulterior motive. The details of preliminary enquiry conducted are described in detail – allegation wise – in the verification report enclosed.

The enquiry revealed that there was huge increase in the profit of MCL during the tenure of both Sri K.S. Sreenivas IAS and Sri Ramesh Chandrabanu IPS (Rtd). It was also revealed that MCL Employees Association (INTUC) originally decided to complain against the CAG audit remarks against the company during the regime of LDF rule in Kerala. The general body entrusted Sri Sulthan Muhammed Shah to follow up the matter. But it is evident that Sri Sulthan Muhammed did not have any role in the preparation of petition filed before EC & SJ, Thriessur. He simply signed the petition prepared by the Advocate. The petition has no emphasis on the CAG audit remarks; on the other hand it emphasises ^{SUPDT} on other purchases with intention to target Sri K.S. Sreenivas IAS and Sri Ramesh Chandra Banu IPS. The documents

produced before the Court along with the CMP were collected by another person Sri Rangorath Gokul Prasad, from MCL through RTI Act. After the receipt of CMP in this unit, Sri Rangorath Gokul Prasad and Sri Isaac Verghese has sent letters stating that this petition should be enquired in the same manner as the Vigilance Cases VC 7/2008/PKD, 8/2008/PKD, 3/2008/PKD and 1/2009/PKD were investigated. They have also remarked that the verification conducted on some of the allegations against Sri K.S Sreenivas IAS in QV 2/2009/PKD by this unit as per direction of Hon'ble Lok Ayuktha was not proper. It is alleged that Sri K.S Sreenivas was given clean chit without conducting proper verification. Many of the allegations in the petition before Lok Ayuktha are repeated in this CMP also.

Sri Sulthan Muhammed Shah admitted that he had accepted ₹ 25,000 from Sri V.M Radhakrishnan during 2011 for union fund. This proves that Sri Sulthan Muhammed Shah has inappropriate connections with Sri V.M Radhakrishnan, who is a black listed contractor of Malabar Cements Ltd. There are reports that the draft of this CMP was seized by CBI during the raid conducted in the house of Sri V.M Radhakrishnan. Many documents proving the unholy nexus among Sri Isaac Varghese, Sri Rangorath Gokul Prasad and Sri V.M Radhakrishnan with some officials of MCL were obtained by CBI during their search. The above facts give reasonable suspicion that a conspiracy was hatched among Sri Sulthan Muhammed Shah with Sri V.M Radhakrishnan, who is an accused in the Vigilance Cases VCs 7/2008/PKD, 8/2008/PKD, 3/2008/PKD and 8/2011/PKD, in the preparation and filing of this petition.

The complaint against Sri Ramesh Chandra Banu is with intention to save Sri Prakash Joseph, Legal Officer who has acted against the interests of MCL assisting the firm of Sri V.M Radhakrishnan in invoking the bank guarantee. Sri Ramesh Chandra Banu who was an upright officer all through his career as IPS officer retired from service without any allegations. The complaint also serves the purpose as warning to honest officers against taking charge in high level positions at MCL.

This petition is undoubtedly filed with intention to threaten the witnesses and thwart evidences in the charge sheeted and under

Investigation Vigilance Cases of this unit. Sri K.S Sreenivas IAS and Sri Muraleedharan are witnesses in vigilance cases connected with MCL. It was also aimed to prepare defence document if something adverse is found against these officers in this verification, which can dilute the trust worthiness of the witnesses during the trial of the cases.

The complainant Sri Sulthan Muhammed Shah stated that he is withdrawing the complaint filed in the Court. The General Body of MCL employees Association (INTUC) decided to withdraw the complaint after recognizing that the complaint was filed against the interests of the union. This shows that his colleagues have identified the unholy nexus of Sri Sultan Muhammed Shah with accused in Vigilance Cases and misuse of union for personal gains. All the witnesses cited in the CMP were office bearers of union represented by the complainant. They did not stand with the petition filed by Sri Sultan Muhammed Shah.

Verification so far conducted into the above allegations did not reveal any irregularities or ulterior motives from the part of Managing Directors during that period. It is proved beyond doubt that the allegations are levelled against Sri K.S Sreenivas IAS, Sri Ramesh Chandra Banu and Sri M. Muraleedharan with ulterior motive to save the accused in Vigilance Cases VC 7/2008/PKD, 8/2008/PKD, 3/2008/PKD and 1/2009/PKD. All the three officers have shown high level of integrity and sincerity during their career in MCL. None of them have any black marks during their entire career with respect to any form of misconduct. The allegations levelled against them are false and baseless.

Based on the findings during the verification, it was recommended that no further action is required against the respondents listed in the CMP.

The Superintendent of Police, Vigilance and Anti-Corruption Bureau, Central Range, Ernakulam agreed with the recommendations of Enquiry officer.

The Director, Vigilance and Anti-Corruption Bureau, Thiruvananthapuram after scrutiny of the report, has agreed with the recommendation of the verification officer. The DySP, VAGB, Palakkad was directed to file a report before the Hon'ble Enquiry Commissioner and Special Judge, Thrissur with the above recommendations.

VIGILANCE
PALAKKAD

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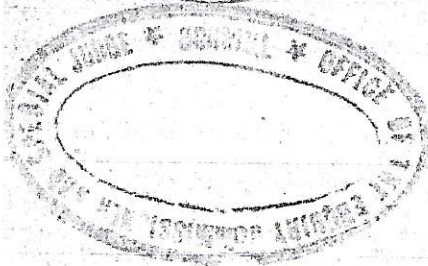
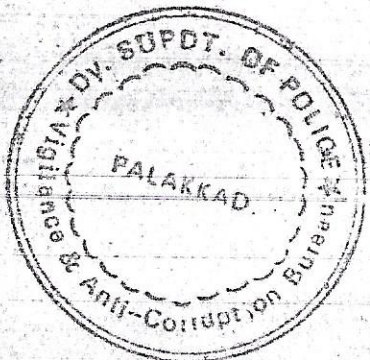
In the light of the above mentioned facts, it is most humbly submitted that prosecution by VACB is not needed against the respondents in this petition and further action in this file may kindly be dropped.

The original CMP, ~~Copy~~ Quick Verification Report and copy of letter from The Director, Vigilance and Anti-Corruption Bureau, Thiruvananthapuram are enclosed here with.

Submitted,

02.05.2013
Palakkad

M.K. Gopalakrishnan
M.K Gopalakrishnan,
Deputy Supdt. of Police,
VACB, Palakkad.



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03/05/13

MANAGER
Office of the Enquiry Commissioner and
Special Judge (Vigilance)
THIRISSUR - 20

ISSUED UNDER RTI ACT 2005

G
PUBLIC INFORMATION OFFICER
VACB, PALAKKAD

