



## GOVERNMENT OF KERALA

### Abstract

Local Self Government Department – Report on Inspection conducted by Finance Inspection (NT) Department in Kerala State Backward Classes Development Corporation - Action against Shri. M. Najeeb, former Managing Director [then Joint Director of Urban Affairs] - Finalised - Orders Issued.

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### LOCAL SELF GOVERNMENT (EU) DEPARTMENT

GO(Rt)No: 1051/2014/LSGD. Dated, Thiruvananthapuram, 29.04.2014

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- Read:**
- 1) Report on Inspection conducted in the Kerala State Backward Classes Development Corporation, Thiruvananthapuram by the Finance Inspection (NT) Department.
  - 2) Explanation of Shri.M. Najeeb dated 25.10.2005.
  - 3) Letter No.E1(VE31/03 TVM) 12847/03 dated 06.11.2006 of the Director, Vigilance & Anti Corruption Bureau, Thiruvananthapuram.
  - 4) Memo of charges No.49614/A1/04/LSGD dated 29.11.2006.
  - 5) Letter No.A4-16558/06 dated 21.01.2007 of the Director of Urban Affairs.
  - 6) U.O. (N) No.16950/F1/04/SCSTDD dated 02.03.2009 of the SC/ST Development (F) Department.
  - 7) Showcause Notice No.49614/EU1/04/LSGD dated 14.06.2011.
  - 8) Letter No. VI-20443/04 dated 26.03.2013 of the Director of Urban Affairs, Thiruvananthapuram.
  - 9) Letter No. VI(3)7420/13/GW dated 30.01.2014 of the Secretary, Kerala Public Service Commission, Thiruvananthapuram.

### ORDER

The Finance Inspection Wing had conducted an inspection in Kerala Backward Classes Development Corporation Ltd. on certain allegations

levelled against the Managing Director and submitted report vide reference read as 1<sup>st</sup> paper above. The main allegations against him were the sanctioning of a loan of Rs. 50 Lakhs under Micro Credit Scheme in favour of General Secretary SNDP Yogam, Kollam sanctioning a loan of Rs.31,30,000/- in lump to an organisation which had undergone revenue recovery proceedings in settling an earlier loan of Rs.1,98,500/- (Rs.1,58,500/- as loan and Rs.40,000/- as grant) with out any resolution of the Board, misuse of vehicle, misuse of official telephone etc. The Finance Department has recommended to initiate department level action against Sri. M. Najeeb, Joint Director of Urban Affairs Department who served as then Managing Director KSBCDC.

Shri. M. Najeeb has submitted explanation vide reference 2<sup>nd</sup> above. The Vigilance Department also conducted an enquiry on certain allegation against Sri. M. Najeeb and recommended to initiate action against him as per the reference read as 3<sup>rd</sup> paper above. On the basis of the Inspection report of Finance Department and the Vigilance Report, Memo of charges and statement of allegation referred as 4<sup>th</sup> above has been prepared and the Director of Urban Affairs has been directed to serve it to Sri. M. Najeeb. Sri. M. Najeeb has retired from service on 30-11-2006. Director of Urban Affairs vide reference 5<sup>th</sup> above has reported that Sri. M. Najeeb has not acknowledged the memo of charges.

The SC/ST Development department vide reference 6<sup>th</sup> above has reported the following :

- 1) The loan to Bharat Sevak Samaj was sanctioned without the approval of the Board of Directors. However, this was ratified in the 64th Board meeting held on 28/06/2003.
- 2) The loan amount was released from the District office, of the Kerala State Backward Classes Development Corporation at Thiruvananthapuram.

From the above, it is clear that the Loan to BSS was sanctioned without the approval of Board of Directors, and Sri. M. Najeeb, Joint Director of Urban Affairs Department who served as Managing Director of KSBCDC is responsible for the loss sustained by the Corporation due to the lapse on his part. In the enquiry conducted by the Finance Inspection Wing and Vigilance and Anti Corruption Bureau the following charges have also been provided against Shri.M. Najeeb.

1. Shri.M. Najeeb have sanctioned a loan of Rs.50 lakhs under "Micro Credit Scheme" in favour of the General Secretary "SNDP Yogam", Kollam without observing the guidelines issued by the NBCFDC. Since the Scheme aims at the upliftment of the poorest of the poor under minorities, the role of the Managing Director K.S.B.C.D.C. in having sanctioned a loan of Rs.50 lakhs to the S.N.D.P Yogam cannot be treated as an act done with good faith.
2. Sanctioned a loan of Rs.31,30,000/- to the Bharat Sevak Samaj on 31.3.2003 in lump, which had undergone revenue recovery proceedings in settling an earlier loan of Rs.1,98,500/- (Rs.1,58,500 as loan and Rs.40,000/- as grant).

3. Shri.M. Najeeb have committed undue delay in finalisation of accounts of K.S.B.C.D.C. The finalization of annual accounts from 1999-2000 is still pending.
4. Shri.M. Najeeb mis-used the official vehicle of K.S.B.C.D.C. Details of journeys performed during certain periods are not available in the log book.
5. Acquired 80.5 Cents of land for the construction of Head Office building in a prohibited area and incurred an expenditure of Rs.3,00,000/- as preliminary expenses in connection with the soil testing, structure designing, architect fee etc.
6. Mis-used official telephone of K.S.B.C.D.C. The total telephone bill of the Managing Director alone comes Rs.96,421/- (Rs.70,765/- Office Phone, Rs.25,656/- Residential) during the period from 2001-2002 and Rs.60248/- during 2002-2003. In the bill for 2002-2003 the M.D's Mobile Phone charge and residential telephone charges (No.2357395) were not seen included. If it were also included the telephone bill would have been in lakhs.
7. Appointed and posted Shri.B.Sharafuddin in different portfolios without obtaining permission from Government. Shri.Sharafuddin was appointed as Assistant Manager (Systems) vide Order No.E1/1241/Admn. 01/BCDC dated 12.5.2001. In the connected file it was stated that the above posting was based on request of NIC to nominate one staff having P.G.D.C.A./other computer skill.
8. Shri.M. Najeeb did not maintain the log book of his official Vehicle No.KL-01 T 9227 (TYOTA QUALIS) during the period he served as Managing Director, KSBCDC.

The allegation against the accused officer are very grave in nature. Since the Memo of Charges has already been issued to the accused officer, Government had taken a provisional decision to deduct an amount of Rs.500/- from his monthly pension under Rule 3 part III KSR and Show Cause Notice has issued to him as per reference 7<sup>th</sup> above.

The Director of Urban Affairs vide reference 8<sup>th</sup> above has reported that the notice has sent by Special Messenger directly to his residence but it was known that Shri.M.Najeeb was not there and further notice was issued to him by post and received acknowledgement of receipt of Notice. But no reply to Show Cause notice has been received from him.

Shri. Najeeb has not submitted any reply to show cause notice to Government/Director of Urban Affairs. Hence Government decided to proceed action against him on the presumption that he has no defence in the matter. Hence Government decided to confirm the provisional decision to deduct an amount of Rs.500/- from the monthly pension of Shri.M.Najeeb, Retired Joint Director under Rule 3, part III KSRs.

The Secretary, Kerala Public Service Commission vide letter read as 9<sup>th</sup> above has reported that the Commission has examined the case with connected records and agreed to the provisional decision of the Government with a modification i.e. to deduct an amount of Rs.500/- from monthly pension permanently under Rule.3 Part III KSR.

Government have examined the matter in detail and are pleased to finalise the action against Shri. M.Najeeb, Retired Joint Director of Urban

Affairs who served as Managing Director, Kerala State Backward Classes Development Corporation by deducting an amount of Rs. 500/- from his monthly pension permanently under Rule 3 Part III KSR.

**By Order of the Governor,  
A.P.M. MOHAMMED HANISH,  
SECRETARY TO GOVERNMENT.**

To

The Accountant General (A&E)/(Audit), Kerala, Thrissur Branch.  
The Director, Local Fund Audit, Thiruvananthapuram.  
The Director of Urban Affairs, Thiruvananthapuram.  
The Secretary, Kerala Public Service Commission,  
Thiruvananthapuram.  
The Director, Vigilance & Anti Corruption Bureau,  
Thiruvananthapuram.  
Shri.M. Najeeb, Retired Joint Director, Urban Affairs Department  
(Through the Director of Urban Affairs, Thiruvananthapuram)  
Finance Department [vide reference No. 51210/FIW.F2/03/Fin]  
Scheduled Caste/Scheduled Tribes Development (F) Department  
[Vide U.O.(n) 16950/F1/04/SCSTDD dated 15.10.2004]  
Vigilance Department [vide reference No.10847/D1/06/vig.  
dated 22.11.2006]  
✓ The Director, Information Kerala Mission, Thiruvananthapuram.  
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**Forwarded by Order**

  
**Section Officer**