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# Chandrababu Naidu

## Emperor of Corruption

### The Corrupt, Ineffective, Untruthful and Undemocratic Rule

Chandrababu Naidu's four and half years rule in Andhra Pradesh is marked by corruption, incompetence, untruthfulness and undemocratic attitude. Thanks to Naidu's active support, corruption and extortion have peaked and reached to colossal levels; so much so that even sand reaches and temple lands are not being spared. The only area in which Chandrababu Naidu has managed to achieve rapid growth is: high volume corruption. His rule is replete with bribes, commissions, cuts, kickbacks and all imaginable forms of wheeling and dealing. Indeed, Mr. Naidu has amassed more illicit wealth in this four and half years than his all previous ministerial stints put together.

This rampant corruption was flagged by several organisations including the National Council for Applied Economic Research (NCEAR), a prestigious think-tank based out of New Delhi, Centre for Media Studies (CMS), another prestigious think-tank from the national capital and the Comptroller and Auditor General of India (CAG). The NCAER's State Investment Potential Index-2016 declared AP number one corrupt state in the country. The CMS corruption study of 2017 ranked the state as the number two corrupt state. The CAG annual reports have been flaying Chandrababu Naidu's misrule, highlighting several instances of blatant corruption and lethargic governance delivery. The waterman of India, Rajendra Singh, in his recent visit to the state in October 2018, described Amaravati scam a bigger scam than Rafael scam.

During the 2014 election campaign, Chandrababu Naidu promised AP people to build a capital city of global standards for the newly carved state. However, in practice, he has thrust upon them a real estate scam of global scale. With the intention to benefit his ministers, lawmakers and cronies, he has breached his oath of secrecy and leaked the location of the prospective capital. To depress the real estate value in Amaravati region, he has set the rumour mills in motion through his friendly media outlets saying the new capital would come up either at Nuzvid of Krishna district or at Acharya Nagarjuna University of Guntur

district. As people flocked to buy lands in these two areas, the real estate value of Amravati region fell sharply. Making the most out of this condition, Chandrababu Naidu, his benamis and cronies have moved in for the kill, duped gullible farmers and bought as much land as possible in and around the prospective capital region.

Amaravati was announced as the new capital on December 28, 2014, only after the concluding the deceitful land purchases by the cronies and benamis of the CM; subjecting the farmers of the region to untold loss. And as per the scheme, the benamis have benefitted immensely in this process.

Chandrababu Naidu has then started a process called land pooling- which was supposed be voluntary, but anything but voluntary, and taken thousands of acres of land from unsuspecting farmers. He then started gifting huge tracts of this land to his favorite companies- which were mostly from Singapore where the Chief Minister has considerable business interests- at lower rates to bag massive kickbacks. Under Babu's watch, the land records of more than one lakh acres have gone missing in Vizag district. In the capital region, thousands of crores of rupees are being wasted on temporary buildings, which are being built with questionable quality by the CM's handpicked contractors. Sand mafia gangs are ruling the roost across the state.

Irrigation projects are overflowing with corruption. Flouting rules with impunity, Chandrababu is assigning contracts to his chosen companies on the 'nomination' basis. Contractors have been handed tailor-made GOs to facilitate corruption! Scoffing at EPC (Engineering, Procurement, Construction) regulations, the Chief Minister has been generously dishing out cheques to his handpicked contractors, even when not needed, from the state coffers. The AP Reorganization Act has made it clear that the construction of the Polavaram project was the responsibility of the central government. However, Chandrababu, having sensed a money-spinning opportunity, took the project into his hands and then

immediately jacked up the estimated cost of the project from the previous Rs. 16,000 crore to Rs. 50,000 crore. Babu's handpicked contractors have been awarded contracts against kickbacks, while proxies front the project as sub-contractors.

In Chandrababu's rule, corruption is flowing openly from distilleries to wine shops, while venal deals on a scale unheard of are blackening AP's reputation in the purchase of coal. Even the temple lands have not been spared. Sadavarti lands in Tamil Nadu and the lands of the famous Kanakadurga temple in Vijayawada are being sold for a song, clearly after striking payoff deals.

During the tenure of the late Dr. Y.S. Rajashekhara Reddy, 80% work of the irrigation projects got completed. Chandrababu has proved to be so inefficient that the rest of the 20% of work is still unfinished, even after four and half years of time and Rs. 30,000 crore expenditure. Arogyasri programme which has once made the quality health care accessible to the poor and the middle-class now languishes in a comatose state.

The famed 108 ambulance service-which has once saved thousands of lives with its uninterrupted, free of cost services- has fallen into a state of disuse. Doctors are complaining about the long-pending dues to the hospitals. A call to 104 would bring medicines to the doorstep of the elderly during Dr. YSR's time, but today, in contrast, drivers of 104 and 108 services are not even paid their salaries. Chandrababu's government has failed in implementing the much-celebrated fee reimbursement scheme, which was a brainchild of Dr. YSR, through which hundreds of thousands of students have benefited.

Even as the waters of Krishna and Godavari rivers are being diverted by Telangana, Chandrababu played a mute spectator fearing repercussions of the note-for-vote case. He was totally silent on the Centre's promise of Special Status to AP for four long years and making noise only after coming out from BJP-lead alliance at the centre.

Chandrababu betrayed farmers by defaulting on his much-touted loan waiver scheme. As the government has failed to pay up even one-third of the interest to banks, the farmers have become 'defaulters' for no fault of theirs and are being denied the fresh loans. Farmers' loans are not being rescheduled and they are finding themselves being sucked deeper into the quicksand of debt. Despite farmers are being subjected to such untold suffering, Chandrababu Naidu has not discussed their plight in any of his cabinet meetings so far. He has betrayed the people of AP on almost all of his poll

promises... the waiver of farm loans, the loan waivers to DWCREA groups, a job for every household and monthly unemployment allowance of Rs. 2,000, among others. Chandrababu has been making false claims of having brought the investment of Rs. 15 lakh crore to AP, while the RBI in a report stated that more than 26,000 industries have been shut down during his three-year tenure. The report also states that the costs of power supply have gone up and that industrialists are feeling intimidated by the widespread corruption in the state.

Babu government has weakened the elected local governments by transferring the total administration powers with the ruling party-controlled Janmabhoomi Committees. These committees have the final say on all the important matters of village administration and welfare schemes. Chandrababu has plumbed to new depths of immorality by giving development funds to TDP constituency coordinators in the constituencies represented by YSRCP MLAs! How much more undemocratic and partisan a government can become? Instead of allotting more lands to Tribal people and Dalits, the government took back the lands assigned to them by the previous governments! Grave injustice is being done to Tribal people as the government is denying setting up of an Advisory Council for the Scheduled Tribes. The reason behind this reluctance is six out of seven ST MLAs are from YSRCP and the CM doesn't want to acknowledge them by placing them on an official body.

Chandrababu has used his ill-gotten monies to dismantle political opposition. He has enticed YSRCP lawmakers by offering them Rs. 20 crore to Rs. 30 crore cash, ministerial berths and other positions. Driven by greed, he so far admitted 21 MLAs, one MLC of the YSRCP and made four of them the cabinet ministers. He also has tried to destabilise Telangana government by buying the votes of three MLAs from the ruling TRS to get his party candidate elected to Telangana Legislative Council. During this process, he was caught red-handed on the audio-video tapes. A Chief Minister indulging in a brazen attempt to 'buy' legislators and getting exposed in the bargain through audio-video tapes, still clinging on to power and escaping the jail term is truly unprecedented.

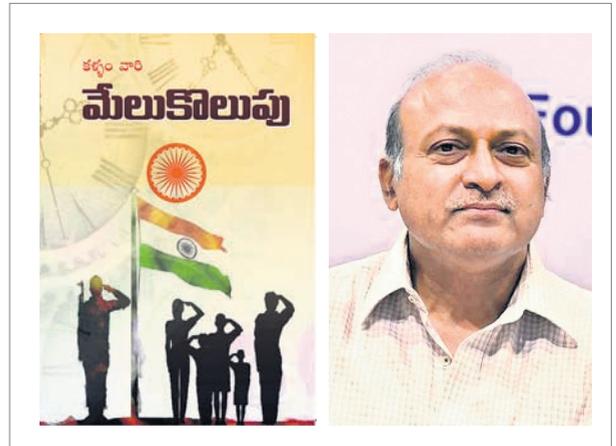
***For sure, this tenure of him will go down in the annals of history as the most corrupt, incompetent, untruthful and undemocratic rule the AP has ever seen. The intellectuals, democrats and youth should come forward and get rid of this obnoxious rule!*** ◆

# Dangerous Levels of Corruption in AP!

## Former Chief Secretary Ajeya Kallam on Chandrababu Naidu's rule

- In Andhra Pradesh, the corruption of Chandrababu and Co. knew no limits. In the last four and half years, they have amassed about Rs. 3 lakh crore.
- They have made commissions of Rs. 20,000 crore in irrigation projects alone!
- They have taken control of all the natural resources. Anybody who objected this rapacious conduct were totally silenced.
- In the name of developing a global city, Chandrababu Naidu has been running a massive real estate business.
- In the name of investments, the CM has filled his own coffers.
- To satisfy his desire for propaganda, he has spent hundreds of crores of rupees.
- Chandrababu has destroyed all the institutions and institutionalised corruption.

These are not the allegations of any political opponent of Chandrababu Naidu, nor were they made for any political traction. These were the statements of a former Chief Secretary Ajeya Kallam, who has extensive administrative experience and known for his integrity. Being an insider of AP government, he has seen unfettered corruption of Chandrababu Naidu. He has seen the way the selection process of capital city location twisted to suit the real estate interests of the Chief Minister. And he has seen the way Chandrababu has turned every financial transaction of the



government into an opportunity for the bribe.

Ajeya Kallam tried to persuade the CM not to loot the state by writing his objections on the files of the proposals. However, earnest words of this sincere public servant did not move Chandrababu Naidu. Of course, the officials can only give prudent advice to the heads of the governments but cannot go beyond a point. However, they are free to speak their minds once they are out of service. That's why Ajeya Kallam has refused to consider post-retirement positions offered to him by the CM and started creating awareness about the rampant corruption of Chandrababu Naidu.

As part of this, Ajeya Kallam has been touring the state, addressing the public meetings and explaining the kind of legal plunder that is going in the state. He has penned a book titled "Melu Kolupu", which translates into 'the awakening call'. This honest civil servant calls on the youth and intellectuals of the state to question the ongoing exploitation in the state. Here are some of the excerpts from his speeches and interviews.

I am not talking about the present rulers' obnoxious corruption only now. I did my best to prevent the corruption of present rulers even when I was in service. I have written (notes) in the files flaying the embezzlement proposals. They are not satisfied with their loot and are trying to rob the state further by fielding their heirs in the coming elections. If people, especially the youth, don't question them, nobody can save the state. That's why, unable to put up with these horrendous episodes, as a thinking citizen who is concerned about the societal welfare, I am trying my level best to awaken the youth. I have penned "Melu Kolupu" with that specific objective. It is time for the intellectuals and youth to play a key role in safeguarding the systems before the society is fully corrupted by these selfish people.

### **How Atrocious is This?**

In the state, the corruption has spread its tentacles and taken hold of all the systems. We have fallen to the lowest level; nothing gets done without a bribe in Andhra Pradesh. More than 40 percent of funds allocated to irrigation projects are being appropriated. Out of the allocated Rs. 50,000 crore funds for irrigation projects, Rs. 20,000 crore has been swallowed.

There are plenty of examples to assert that the present rulers are robbing off everything except the air. For instance, Rs. 1 crore was released for development of a tank in a village in West Godavari district, a TDP leader who undertook the contract had dug up the topsoil and sold it for Rs. 60 lakh.

The state government has been misusing thousands of crores of rupees of public funds. One-third of Rs. 20,000 crore of employment guarantee scheme funds has been appropriated. The government bigwigs have bought 5 lakh cell phones at the price of Rs. 7,500 per piece, while that phone is available for Rs. 4,000 in the market. They thus have pocketed Rs. 150 crore. In the guise of IT development, land worth Rs. 400 crore has been gifted to Franklin Templeton for mere Rs. 13 crore.

In Andhra Pradesh, crores of rupees of public funds are being misused in the name of so-called 'struggles'. Struggle against the central government, struggle to develop the state...etc. Have we ever seen governments organising protest events with public money in the last 50 years? When Siva Nadar of HCL wanted to start a company in Tirupati, what was the

### **Assembly Became MLAs' Auction Hall**

Assembly has become an auction hall for purchases of MLAs. 23 opposition MLAs have defected to the ruling party. You don't have to have any proofs in incidents of this sort. Speaker can disqualify them. But, the (AP) speaker is undermining the assembly system by protecting the defectors. Four of these defectors today have cabinet positions.

need to bring him to Amaravati and handover 49-acre land worth Rs. 700 crore and provide Rs. 2,233 crore worth incentives for the span of 12 years?

### **Is this the Quality of a Building Built at Rs. 11,000 Per Sq. Foot?**

The temporary secretariat building which was constructed at a whopping Rs. 11,000 per sq. foot- is leaking even for light rains. This is the proof that the quality of the building is nothing but a sham and the funds were feasted on.

The government has paid Rs. 700 crore to a media organisation in the last four years. The funds that are supposed to be spent on the peoples' welfare are being spent on phony activities such as Dharma Porata Deeksha, Nava Nirmana Deeksha, Pushkarams, foreign trips in special flights and construction of camp offices.

CM Chandrababu Naidu has spent his ill-gotten monies on the assembly elections in Gujarat, Karnataka and Telangana. Everybody should question these unethical activities.

### **Why Didn't I Question while in Service?**

Some of you may wonder why I didn't raise these questions while I was in service. Indeed, I did raise. I have firmly questioned all the proposals of plunder that have come to my table. I have faulted the proposal to involve private companies' consortium of Singapore in the development of the capital city. I have written six paragraphs-long objections (to the proposal) in the file. Not only this, I have questioned every questionable proposal that came to my table. I have written down my questions, suggestions and observations in the files unhesitatingly. However, bureaucrats can only make suggestions to the government. They cannot do anything beyond a point. In the end, it's the rulers who call the shots. In

our state, all these problems are arising because the agenda of rulers is clashing with the agenda of people.

### **Real Estate Business in the Name of Capital City**

It's truly appalling that the government has been running a real estate business in the name of developing a world-class capital city. The centralisation of power is a flawed approach. The very idea of the large metropolis is irrational. This doesn't help people in any manner and only encourages the real estate business. It is unethical to keep people under the impression that only large cities attract large corporations and making fortunes from the ensuing real estate business.

### **Rs. 20,000 Crore Irrigation Funds Swallowed**

The Chief Minister is taking 6 % commission from the irrigation projects. The Chief Minister, ministers, ruling party leaders and contractors together are appropriating about 40 percent of the allocated funds. According to the state government, Rs. 50,000 crore was spent on irrigation projects, and Rs. 20,000 crore of it has fallen prey to the institutional corruption.

### **Commissions Without Works**

In Andhra Pradesh, all the contracts are being awarded to a few companies, which include Megha Engineering, Navayuga, Rithwik Projects, Transstroy and Progressive Constructions Pvt. Ltd. which belong to TDP leaders such as Rayapati Sambasiva Rao, C.M. Ramesh and Kavuri Sambasiva Rao. These companies do nothing. They just sub-contract the contracts against 8 percent commission.

In Neeru-Chettu Programme, not only the works below Rs. 10 lakh were distributed among the TDP leaders on nomination basis, they also have clubbed two works and gave Rs. 20 lakh worth works on nomination basis. Massive corruption is taking place in Neeru-Chettu works.

### **Pretending Civil Works**

TDP leaders have been claiming bills for digging farm ponds, which they never had. Across the state, 600 people have made Rs. 500 crore each, 50 people made Rs. 100 crore each and another 50 people made more than Rs. 50 crore, in this fashion. If we consider

only the 600 people who made Rs. 500 crore each, **they alone had made Rs. 3 lakh crore.**

### **Neither Fiber Nor Grid**

When the center wanted to undertake the fiber grid project, state had requested the centre that it would take up instead. However, Rs. 400 crore fiber grid project can be seen nowhere today. Neither there is fiber nor grid. The government is selling the set top boxes at Rs. 4,000 per piece while they are available for Rs. 2,000 in the market.

### **Public Funds are Being Splurged**

In Andhra Pradesh, the corruption knows no limit. When the people question this corruption, the ruling party leaders reply that their party workers should also eat. But, how come anybody who doesn't serve the people and only plunders them can be termed a party worker? The Chief Minister is spending tonnes of money in the name of the protocol; almost 10 times more money than the protocol expenses in the united Andhra Pradesh.

On one hand, they say the state is suffering due to the paucity of funds and on the other, they have been splurging money phony events such as Dharma Porata Deeksha, Nava Nirmana Deeksha, Pushkarams, foreign trips in special flights and construction of camp offices.

From that ill-gotten money, the ruling party spent Rs. 200 crore on Nandhyal by-election. This by-election was recognised as the costliest by-election in the country's history.

While I was studying agriculture during 1970 in Bapatla, I have heard about rain guns under the micro-irrigation methods. We have shown them to our farmers in 1994 during the Israel trip. Now, the rulers are propagating as if they have invented the rain guns and making kickbacks in their purchases. Now, nobody knows where those rain guns are.

### **Destruction of Governance Systems**

It is the duty of the people to question the rulers who are destroying the systems. I have seen the green revolution during my childhood. Back then, systems have helped the bureaucrats to act autonomously. The present-day developments mirror the decaying values.

While 12 Chief Ministers attended the swearing-in ceremony of Karnataka CM Kumara Swami, how come public money of Rs. 8.75 lakh was spent on AP

CM's single day stay in Bangalore? AP CM was costliest among the 12 CMs. Though the monarchies have died out long ago, they are still continuing in the guise of modern democracy.

The state government which is not able to give subsidies, loans and the minimum support price to farmers is happily giving the high-value lands and thousands of crores of rupees incentives to five-star hotels and airline companies.

The government has issued an order on 27-11-2018 to provide Rs. 18 crore subsidy to IndiGo airlines and Rs. 3 crore were already released. Why are they running flights by giving incentives to airline companies? Is it because the ruling party ministers, MLA and leaders go to Singapore? Or else is it for the Singapore consortium which was given 1,600 acres in the capital city?

### **Is This Pro-people Governance?**

There is a heavy corruption in implementation of weaker sections housing scheme in the state. While the KCR government is paying Rs. 800 per sq. foot, AP government is paying anyway between Rs. 1,900 and Rs. 2,700. Chandrababu has taken corruption to its peaks in destroyed the governance systems.

The government must have the approval of assembly for every paise that it spends. But, how could they spend Rs. 27,000 crore without obtaining any permission, after having a discussion in the House and further conducting voting? The CAG has faulted this malpractice. How could they borrow Rs. 60,000 crore loan in the name of non-budget in a state which has revenue deficit? When the state is in deficit, why don't you control expenditure? Why do you need temporary buildings at the cost of Rs. 60,000 crore? If these buildings were built at Rs. 100 crore, the public funds wouldn't have been looted.

### **MLA Tax**

The state has become the fiefdom of MLAs. Nothing can happen without their knowledge. They are deciding the employees' postings and transfers against bribes. MLA tax is there in many constituencies of the state. Even if you want to set up a medical store, you need to pay tax the local MLA. The excessive power of Janmabhoomi Committees has devastated the panchayat raj system. In the name of free sand, new plunder was instigated. They say sand is free but are selling it at a very high price. Since our neighboring state Telangana has fewer rivers, they don't have as much sand as we have. When that state gets Rs. 3,000 crore revenue on the sales of sand, our state should get not less than Rs. 10,000 crore revenue. However, we have zero revenue. The elected representatives and contractors are gulping it down. In short, institutional plunder is going on in the state.

**- Ajeya Kallam at a conference on decaying political values at Pendurthi, Visakhapatnam district on 16 August 2018.**

In the rule of Chandrababu Naidu, the interests of private players and his party leaders have taken precedence over the interests of people. The present-day self-serving politics are causing a disgusting sensation. What do I get? What does my party get? This is their sole motto.

**- Ajeya Kallam at the inaugural function of "NavyandrathoNaaNadaka", which was penned by another former Chief Secretary I.Y.R. Krishna Rao at Vijayawada on 25 November 2018.**

One day of the Chief Minister's tour costs Rs. 25 lakh. If CM tours the cyclone-affected areas like this, the police and government machinery revolve around him and wouldn't truly help the victims.

It's not correct on the part of the CM to tour cyclone-affected areas like this for political gains. During the 1997 Konaseema cyclone, the then CM Jalagam Vengala Rao alerted the officials, had talks with the centre and secured required funds.

In 1990, when Andhra Pradesh was affected by a cyclone, erstwhile Chief Minister Marri Chenna Reddy was in abroad. He had successfully coordinated the state machinery and ensured the timely aid.

**- Ajeya Kallam at a media interaction in**

## Recent Scams of Chandrababu

(In Rs. in Crores)

Sum of Irrigation Scams: **1,01,422.42**

Indiscriminate Loot in Water Resources Department	56,750
Polavaram Project Drained	25,000
Red Carpet for C.M. Ramesh	4,834
Opposition of Two Chief Secretaries Could Not Stop Corruption in Irrigation Department	3,000
Needless River Linking, Indiscriminate Loot	3,000
Coterie Contractors Profited	2,000
Siphoned Off in Soil Embankment Works	1,590.47
EPC Out, Additional Funds In!!	1,500
Megha Bags Purushottapatnam, Kondaveeti Rivulet Tenders	930.5
Pattiseema Project- Exclusively for Kickbacks	710
Chintalapudi Extension Works Fell Prey to CM	573
Uravakonda CLDI Inflated	400
Totapalli Project Costs Shot Up	352.68
Four-fold Plunder in Mid Pennar	320
C.M. Ramesh Gets Bonanza	200
Scam Involving CM in Telugu Ganga	100
Kickbacks to Minister in Handri-Neeva	78.82
Pogonda Scam	43.97
Minister's Relative First Among Contractors	38.98

Sum of Land Scams: **1,74,757.17**

Massive Land Scam in Vizag Exceeding	1,00,000
Yellow Mafia Swallows the State	58,933
Inam Lands Grabbed	5,907
Capital Land to Corporate Companies	3,245
IT Minister Grab Daspalla Hills	1,500
Gitam Land Grab in Vizag	1,000
Sadavarti Choultry Lands Alienated..!	978
12.52 Acre in Vizag Given Away to Lulu	905

<b>Minister Grabs Vizag Suburban Lands</b>	<b>604</b>
<b>High-Value Lands to Franklin Templeton</b>	<b>400</b>
<b>RTC Land in Guntur Given Away Under Swiss Challenge</b>	<b>350</b>
<b>A Friend in Deed</b>	<b>338</b>
<b>Lands to NTR Trust in All Districts</b>	<b>133.5</b>
<b>508 Acres into Repalle MLA's Pocket</b>	<b>101.72</b>
<b>Gitam Land Grab in Vizag</b>	<b>100</b>
<b>6.19 Acres Gifted to Lingamaneni</b>	<b>69</b>
<b>'Bonda-giri' in Bezwada</b>	<b>50</b>
<b>Gift to Galla Family</b>	<b>40</b>
<b>Siphoned Off Mortgaged Lands of Banks Gifted to Lingamaneni</b>	<b>39.15</b>
<b>Mukteshwara Temple Grabbed</b>	<b>25</b>
<b>93 Cents for Vijayawada Party Office</b>	<b>25</b>
<b>Gift to TDP Leader</b>	<b>13.80</b>

**Value of Amaravati Real Estate: 1,66,000**

<b>'Capital' Benefit!</b>	<b>1,00,000</b>
<b>Swiss Challenge Scam in Capital</b>	<b>66,000</b>

**Major Scams: 1,60,903.6**

<b>AgriGold Scam</b>	<b>35,000</b>
<b>Neeru Chettu Plunders</b>	<b>34,399</b>
<b>Siphoned Off in Power Purchases</b>	<b>21,000</b>
<b>Nomination Domination</b>	<b>12,332.3</b>
<b>Gone with the Wind Power!</b>	<b>11,625</b>
<b>Scam in Tenders for Permanent Buildings</b>	<b>9,000</b>
<b>Kickbacks from Liquor Syndicates</b>	<b>8,391.6</b>
<b>Central Funds to TDP Leaders</b>	<b>5,817</b>
<b>Massive Scam in Energy Department</b>	<b>4,000</b>
<b>Chandrababu's Splurge in Four Years!</b>	<b>2,615.76</b>
<b>Short Tenders for Five Towers</b>	<b>2,176</b>
<b>Amaravati Bond - Total Loss to State</b>	<b>2,000</b>
<b>Corruption Ails Health Department</b>	<b>1,827</b>
<b>MedTech Park Becomes Hotbed of Corruption</b>	<b>1,723</b>
<b>The 'Powered' Heritage</b>	<b>1,200</b>

'Temporary' Robbery	1,031
Feeding on the Poor	800
Pushkaram Funds Gone Godavari Way!	750
Gone With Krishna	736
Corruption Lines in APTransco	675
Thermal Projects of Favoritism	670
Changing of High-Tension Electric Lines	380
Works on Nomination Basis	367.72
Benami Bags Fibregrid Project	333
SDF Funds GO Straight to TDP Leaders!	301.5
The CCTVs Scam	270
Ruling Party MP's Rate Prevails	240
Chief Minister Loots in Fibre Grid Contracts	220
Solar Golmaal!!	155
Land Levelling Scam	152.94
In the Name of Tourism Star Hotels Get All the Incentives	150
Gross Mismanagement of Medical Devices	120
Theft in the Name of Rain Guns	103
Pocketed in the Name of Jnanabheri Conferences	100
Chandranna Kanuka	100
Lokesh Swindles in the Name of Village Roads	80
Buttermilking the State	39
Cost of Babu Propaganda	23.72

### **Mining Scams: 14,502**

Sand Mafia Plunders AP	7,950
Minister's Sketch for Granite Mines	2,000
Illegal Mining in Minister's Area	1,962
Limestone Looted	1,000
One-time Settlement for Illegal Mining	1,000
Mining Barytes Commissions	390
Imported Coal Lasts Long!	200

**Total**

**6,17,585.19**

# Important Words and Abbreviations

<b>YSRCP</b>	:	Yuvajana, Shramika, Rythu Congress Party
<b>TDP</b>	:	Telugu Desam Party
<b>BJP</b>	:	Bharatiya Janata Party
<b>CRDA</b>	:	Capital Region Development Authority
<b>ADP</b>	:	Amaravati Development Partners Private Limited
<b>GO</b>	:	Government Order
<b>APIIC</b>	:	Andhra Pradesh Industrial Infrastructure Corporation
<b>APMDC</b>	:	Andhra Pradesh Mineral Development Corporation
<b>APLMA</b>	:	Andhra Pradesh Land Management Authority
<b>CCLA</b>	:	Chief Commissioner of Land Administration
<b>GPA</b>	:	General Power of Attorney
<b>APGenco</b>	:	Andhra Pradesh Generation Corporation Ltd.
<b>APTransco</b>	:	Andhra Pradesh Transmission Corporation Ltd.
<b>CAG</b>	:	Comptroller and Auditor General
<b>NTPC</b>	:	National Thermal Power Corporation
<b>Discoms</b>	:	Distribution Companies
<b>CBI</b>	:	Central Bureau of Investigation
<b>IGRS</b>	:	Information Gathering and Retrieval System
<b>APZ</b>	:	Agricultural Protection Zone

**Poramboke Lands:** These lands are not assessed to revenue records and they are outside the revenue accounts. The government vacates people from these lands; they are not entitled to compensation.

**Assigned Lands:** The lands are the lands that were assigned to the SC, ST and other weaker section farmers. These are basically small land entitlements, which range between 0.50 cents to 1-acre.

**Lanka Lands:** These are riverbank lands that can be cultivated for most of the time in the year. These lands were allocated mostly to the SC and ST farmers and they have been their sole source of livelihood.

**Jaribu Lands:** This is another name for river bank lands.

**Jirayath Lands:** These are drylands; cultivation of these lands mainly depends on annual rainfall. The jirayat land is used for seasonal crops.

**Tehsildar:** Tehsildar is a mandal level revenue official. In Andhra Pradesh, the Mandal Revenue Officer (MRO) position rechristened as Tehsildar in 2006.

**AgriGold:** AgriGold is a company that has collected deposits on the line of Sarada Chit funds and Sahara Corporation and defaulted on the repayment. It has collected deposits from more than 40 lakh small investors from south Indian states and Orissa.

**Kharif and Rabi:** These are two important cropping seasons. The Kharif season is between July and October. Rabi cropping season is between October and March (winter).

**Choultry:** This is a resting place or an inn for travelers, pilgrims or visitors to a site, typically linked Hindu, Buddhist, Jain temples.

**Swiss Challenge:** This is a method of public procurement. Under this method, an entity can submit an unsolicited bid to a government or public authority for a specific project. If the government likes the project idea, then, the government would publish the bid details and invites third parties to match or exceed the bid. The best bidder will win the project.

**EPC Method:** The Engineering, Procurement, Construction method, or EPC method, is a form of contracting arrangement that makes the contractor responsible for all the activities from design, procurement, construction to commissioning and handover of the project to the owner. This method doesn't allow mid-way escalation of project costs and considered as one of the safest contracting methods for civil works.

# IRRIGATION PROJECTS SWALLOWED



# Rs. 56,750 Crore

## Indiscriminate Loot in Water Resources Department

### ***Expenditure in four and a half years...***

**Neeru-Chettu Programme**

**- Rs. 15,149 Crore**

**Polavaram - Rs. 9,727 Crore**

**Pending Projects - Rs. 37,246 Crore**

**Total - Rs. 62,132 Crore**

***Amount siphoned away in commissions - Rs. 32,000 Crore***

***Sand soil excavated and sold - Rs. 24,750 Crore***

***Total - Rs. 56,750 Crore***

### **CLAIMS**

"With the exception of Polavaram and Uttarandhra Sujala Sravanthi, work of pending projects would be completed with Rs. 17,368 crore. Additionally, 35.04 lakh acres of ayacut would be provided with water. The state would be turned into a fertile region."

**- Chief Minister Chandrababu Naidu on July 28, 2014, in the White Paper on irrigation projects.**

### **FACTS**

Expenditure incurred by the Water Resources Department on different irrigation projects was to the tune of Rs. 62,132 crore. Out of this, Rs. 15,139 crore was spent on Neeru-Chettu (Water and Tree) scheme, Rs. 9,727 crore on Polavaram project and Rs. 37,246 crore on other pending projects. More than half of this amount, i.e. approximately, Rs. 32,000 crore was siphoned off in commissions. As for Neeru-Chettu Programme, works were awarded to the handpicked cadre of the ruling party on nomination basis and they, in turn, looted another Rs. 24,750 crore by selling soil and sand, which they have got by digging the canals and desilting the tanks and other water bodies. Thus, the total loot in the Water Resources department became a staggering Rs. 56,750 crore (32,000 + 24,750)!

Will anyone spend Rs. 10,000 on a work that can be done for Rs. 100? Will anyone ever borrow for wasteful spending? No sane person or organisation would do that. But, Chandrababu Naidu government has been doing exactly that, with the sole aim of bagging massive commissions. The collusion between the Chief Minister and contractors has caused a massive hike in the costs of irrigation projects. After hiking the estimated costs to Rs. 58,107.86 crore, Chandrababu Naidu has borrowed funds from nationalised banks through the AP Water Resources Development Corporation (APWRDC) with the pretext of the need for funding to complete the projects. For this, he had amended the APWRDC Act, 1997, to increase the limit of borrowing by the corporation.

Besides Pattiseema and Purushottapatnam lift irrigation projects, all the other projects were commenced during the time of late Dr. Y.S. Rajasekhara Reddy. After coming into power, in a white paper, Chandrababu Naidu government stated that all the pending projects- barring Polavaram and Uttarandhra Sujala Sravanthi in North Andhra- would be completed within the budget of Rs. 17,368 crore. However, the reality is not a single project was completed after spending a massive Rs. 62,132 crore; which testifies for the massive corruption under Chandrababu.

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Water Resources Department – NTR Telugu Ganga Project - 2<sup>nd</sup> Revised Administrative Sanction for an amount of **Rs.6671.625 Crores** – Orders - Issued.

**WATER RESOURCES (Projects-II) DEPARTMENT**

**G.O.MS.No. 16**

**Dated: 09-03-2018.**

**Read the following:**

- 1) G.O.Ms.No.2, I&CAD(PW-TGP.I) Department, dated:02.01.1996
- 2) G.O.Ms.No.70,I&CAD(MAJ.IRRGN.V)Department, dated:20.03.2007.
- 3) From the CE, NTR Telugu Ganga Project, Lr.No.CE/NTR-TGP/TPT/ P&M/ AEE4/ 11966, dated:23.07.2016, 09.09.2016, 22.02.2017, 15.05.2017, 15.07.2017 and 05.10.2017.

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**ORDER:-**

In the reference 1<sup>st</sup> read above, Government have accorded part administrative approval for an amount of Rs.1805.00 Crores for Telugu Ganga Project. In the reference 2<sup>nd</sup> read above, Government have accorded Revised administrative approval for Telugu Ganga Project for an amount of Rs.4,431.96 Crores.

- 2) In the reference 3<sup>rd</sup> read above, the Chief Engineer, NTRTGP has stated that the Telugu Ganga Project is an Interstate Project formulated to irrigate an ayacut of 5.75 Lakhs Acres in drought prone areas of Kurnool, Kadapa, Chittoor Districts of Rayalaseema and upland areas of SPSR Nellore District by utilizing 29 TMC of Krishna Flood water and 30 TMC of Pennar Flood waters, besides conveying 15 TMC of Krishna water to Chennai City with a view to provide drinking water to Chennai city of Tamilnadu. The main components of the project are almost completed except balance works on distributary system, lining & improvements in certain reaches on main canal from 1996

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Water Resources Department – Poola Subbaiah Veligonda Project- (1) Deletion of **Tunnel- I from Km 15.200 m to Km 18.800** and **Tunnel- II from Km 10.750 m to Km 18.787** (2) Sanction for an amount of **Rs.292.15 Crores** in deleted portion of **Tunnel-I** and for an amount of **Rs.720.26 Crores** for deleted portion of **Tunnel-II with SoR 2017-18**; and (3) Permission for calling Tenders under Non EPC system (L.S Contract) for the part of balance work of **Tunnel-I and Tunnel-II** – Orders - Issued.

**WATER RESOURCES (Projects-II) DEPARTMENT**

**G.O.MS.No. 21**

**Dated: 22-03-2018**

**Read :**

From the Chief Engineer(P), Ongole, Letter No.CE&DWRO/ PKM DIST/OGL/DEE2/ATO/21/2005/VGP/P-I/Vol. 9 & 10, dated:20.11.2017, 29.12.2017 & 22.01.2018.

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**ORDER:**

In the reference read above, the Chief Engineer (P), Ongole has stated that the works of P.S.Veligonda Project (i) Tunnel-I of Package-I was entrusted to M/s SABIR SEW & PRASAD (JV), Hyderabad on EPC for an amount of Rs.624.60 Crores dated:20.08.2005 and EoT was sanctioned up to 31.08.2018 (ii) Tunnel-II of Package-V was entrusted to M/s HCC-CPPL(JV), Hyderabad on EPC for an amount of Rs.735.21 Crores dated:21.06.2007 and the EoT was sanctioned up to 31.05.2019. The CE(P), Ongole has further submitted that after prolonged correspondence the agency could not achieve the required milestone programme. During the video conference held by the Hon'ble Chief Minister of Andhra Pradesh regarding review of works on the status of Tunnel- I & II, it was instructed to entrust the balance works to another agency by inviting tender duly deleting from the scope of original agency. Seven days notice was issued to the two agencies to gear up the progress of work duly informing that failing which action will be initiated as per terms & conditions of Agreement. Even though the notice was served, the agency has not accelerating the rate of progress to achieve the target.

*GOs issued by the Government in 2018, hiking the estimated costs of Telugu Ganga and Veligonda projects.*

## Misuse of Clause 60 (C)

As soon as TDP came to power, it removed the previous contractors by abusing clause 60 (C) of APDSS, which allows the removal of existing contractors in case of delays in project execution. Once the previous contractors removed, the government hiked the estimated costs of balance works even when the prices of steel, cement, diesel and other commodities came down. The government then awarded contracts of remaining works to its crony contractors, who would give kickbacks and commissions. It's no coincidence that only a few companies have netted all the contracts and a good number of contracts were given even on nomination basis.

Overruling the objections from two Chief Secretaries, I.Y.R. Krishna Rao and S.P. Tucker, the government issued GO No: 22, which favoured the release of additional funds to the contractors if they make a request for the same. This GO has violated the basic principles of Engineering Procurement and Construction (EPC) method, which doesn't allow any interim escalation of the costs of the civil contracts. Then the government issued GO No: 63 approving the release of additional funds to contractors. The government did not stop there-it had issued orders bringing the works taken up by contractors after April 01, 2013, under GOs 22 and 63, so

that the contractors could get additional funds even in retrospective effect. As a result, the estimated costs of the remaining works rose sharply and the budget assigned for irrigation projects proved insufficient. The government then used the APWRDC to borrow heavily and settled the bills of contractors for commissions.

## Work to Coterie Contractors

After axing the original contractors and hiking the costs of projects, works were awarded to contractors who agreed to pay commissions on nomination basis. The tender notifications were tweaked suitably to ensure that coterie contractors were given most of the work. This has been the pattern for four and half years.

Along these lines, the contracts were awarded in large measure to C.M. Ramesh-owned Rithwik Projects, HES Infra owned by Finance Minister Yanamala Ramakrishnudu's in-law Putta Sudhakar Yadav, BSPSAL owned by Bollineni Seenaiah, RK Infra owned by a TDP leader from Kadapa, Megha, NCC, Navayuga, Surya Constructions and a few other firms, for heavy commissions.

Rithwik Projects got the lion's share of works related to Handri-Neeva, Galeru-Nagari, Vamsadhara and Veligonda projects. Most of the works related to Pattiseema, Purshottapatnam, Kondaveetivagu and

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

I&CAD Department – Major Irrigation Projects – Review & Package-wise study of works to examine the need for contribution of the works/ or to invite fresh bids by updating the estimates – Recommendations of the Expert committee – Certain guidelines – Orders – Issued.

IRRIGATION AND CAD (REFORMS) DEPARTMENT

G.O.Ms.No.22

Dated:23-02-2015.

Read the following:-

- 1) G.O.Ms.No.13, I&CAD(PW:Reforms) Deptt., dated:07.02.2014.
- 2) Govt.Memo.No.9184/Reforms/A1/2011, dated:26.05.2014.

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**ORDER:**

In the reference 1<sup>st</sup> read above, orders were issued to implement certain instructions on the recommendations of the Group of Ministers.

4. In supersession of the orders issued in the reference 1<sup>st</sup> read above, Government after careful examination of the above recommendations, hereby issues the following instructions for implementation:-

- i. Price variation be allowed for Labour, Machinery and other materials with effect from 01.04.2013.
- ii. Distributory work shall be deleted from the scope of the contractor and executed separately, whenever a new agreement is signed in pursuance of these orders, if the tender premium is not agreed on the distributory network rates as per Memo.No.34843/Reforms/A1/2006, dated:04.01.2010.
- iii. As and when extra structures needed as well for extra quantities, beyond the original scope of work, the EPC Code shall be followed.
- iv. The requirement of dewatering shall be considered by State Level Standing Committee and High Power Committee headed by Chief Secretary/Secretary wherever extraordinary circumstances due to unprecedented floods or wherever canal flow was required to be continued beyond normal crop season.
- v. Whenever and wherever controlled blasting is needed or has been resorted to beyond what is permitted in the Contract (like in case of law & order situations arising if normal blasting was resorted to) shall be allowed by State Level Standing Committee and High Power Committee as per actual ground situation and as per recorded evidence

*Parts from GO No 22, which facilitates blanket increases in project costs, issued the Government of Andhra Pradesh on 23.02.2015.*

Uravakonda micro-irrigation schemes and a major share of Handri-Neeva works were given to Megha Engineering. The lion's share of Polavaram and Chintalapudi projects were given to Navayuga, BPSAL was awarded the works linked to Polavaram Right Canal and Krishna Pushkarams and Surya Constructions got Polavaram Left Canal works, on nomination basis. All for huge kickbacks.

The estimated costs were hiked indiscriminately, as was revealed in the CAG reports of the financial years of 2015-16, 2016-17 and 2017-18. By 2017, to pay for the bill of the contractors, the government has borrowed Rs. 4,000 crore at an interest rate of 7.90% from banks through the APWRDC. Besides that, the Water Resources Department sought the release of an additional Rs. 30,000 crore from the government. Again, the government has asked the APWRDC to borrow the amount.

The borrowing frenzy has attracted objections from the Finance

Department. The Department has questioned the government's rationale to borrow at higher interest rates when funds were available at lower rates of

***The following are projects which according to the socio-economic survey of 2013-14 could be completed at very little cost:***

1. Pushkara Lift Irrigation Scheme
2. Thadipudi Lift Irrigation Scheme
3. Venkatanagaram Pumping Scheme
4. Vamsadhara
5. Thotapalli
6. Gundlakamma
7. Telugu Ganga
8. Handri-Neeva
9. First Phase of Galeru-Nagari
10. Musurumilli
11. Errakalva

interest in the open market. The World Bank, Asian Development Bank (ADB), Japan International Cooperation Agency (JAICA) and other international lending agencies could be approached for loans and such borrowing would be treated as foreign funding for projects. However, instead of opting for cheaper loans, the state government borrowed Rs. 30,000 crore through APWRDC during 2018-19 and 2019-20, according to a clear design. The CM has been raising huge loans through the state agencies for huge kickbacks.

The socio-economic survey of 2013-14 had revealed that most of the work on 11 projects had been completed during the tenure of late Dr. Y.S. Rajasekhara Reddy. If the remaining 5% works were completed, a total of 2,03,628 acres would be irrigated. In 2014, the officials had submitted a report to the government stating that these 11 projects could be completed at a cost as little as Rs. 780 crore.

Had the government been committed to serving people, it would have completed these projects long ago. Instead, the government messed up the process

intentionally. It first axed the original contractors, replaced them with the loyal ones who heavy commissions. These new contractors had no responsibility whatsoever to complete the works as they were paying heavy bribes to the CM. As a result, the works on these projects remain incomplete. Though not a single acre is newly irrigated during his time, Chandrababu remains unfazed. He is trying tricks such as restarting the projects that were already dedicated to the nation. He is trying to show the projects that already completed as his achievements.

### Shrinking Irrigation Basin

The AP has 199.04 lakh acres of cultivable land. Of this, 104.20 lakh acres are being irrigated through the water from different sources. Over the last four and half years, however, the irrigated land has been shrinking. According to the records of the Water Resources Department, only 76 lakh acres are being irrigated today. There is not a grain of truth in the AP state government's claim that more than 18,000 acres have been irrigated additionally. The government conceals the fact that lakhs of acres in the Krishna delta region have withered over the last four and half years.

## The Jacked Up Costs of Irrigation Projects in the last four and half years

S.No.	Project Name	Initial Estimation	Increased Estimation
1.	Vamsadhara	933.90	1,616.23
2.	Tarakarama Thirtha Sagaram	220.4	471.31
3.	Mahendra Tanaya	127.00	466.28
4.	Janjavathi	70.55	107.03
5.	Pushkara Lift Irrigation Scheme	608.04	674.52
6.	Musurumilli	207.00	223.34
7.	Surampalem	44.37	69.74
8.	Tadipudi Lift Irrigation Scheme	526.17	944.01
9.	Chintalapudi Lift Irrigation Scheme	1,701.00	4,909.80
10.	Gundlakamma	592.18	753.83
11.	Gorakallu	420.84	840.34
12.	Galeru-Nagari First Phase	2,155.45	2,800.82
13.	Siddhapuram Lift Irrigation Scheme	89.72	116.51
14.	Handri-Neeva First Phase	2,774.00	4,317.00
15.	Handri-Neeva Second Phase	4,076.00	7,340.86
16.	Yadiki Canal System	548.82	768.90
17.	Mid Pennar South Canal	124.41	509.16
18.	Dharmavaram Branch Canal	15.63	32.94
19.	Polavaram	1,6010.45	5,8319.06
20.	Poganda Reservoir	85.51	129.48
21.	Uttarandhra Sujala Sravanti	801.03	2,022.20
22.	Telugu Ganga	4,460.64	6,671.62
23.	Veligonda Tunnels	1,359.81	1,956.30
<b>Total</b>		<b>37,952.92</b>	<b>96,060.78</b>



# Rs. 25,000 Crore

## Polavaram Project Drained

Project Estimates Hiked from Rs. 16,000 Crore to Rs. 57,940 Crore

Plans to Siphon off Rs. 25,000 Crore

Works Still at Foundation Stage

CM, Water Resources Minister Get Kickbacks

Works Assigned to Sub-Contractors

### Tall Claims

**"We will complete Polavaram project by 2018 Kharif season and provide water for irrigation through gravity."**

This was the claim of AP Chief Minister Chandrababu Naidu while taking the oath of office on June 08, 2014. After four and half years and four kharif seasons, the Polavaram project has yet to progress from its foundation stage. Meanwhile, the estimated costs of the project have been hiked from Rs.16,010.45 crore to Rs. 57,940.86 crore. If there is progress on any count for Polavaram project, it is only in the project estimates.

Chandrababu Naidu snatched Polavaram project from the centre despite the AP State Reorganisation Act, 2014 clear mandate that it should be completed by the central government. Though he had claimed that his decision would help speed up the project construction, it was the kickbacks that he actually was energized about.

### Greedy CM

Once taken over the project, Chandrababu jacked up the estimated costs of the works and awarded them to his favoured contractors and sub-contractors, for huge kickbacks. The contracts of Head Works, Right and Left Canals were assigned to crony contractors through rigged tenders and on nomination basis. The collusion of the government and contractors has undermined the quality of project and awfully slowed down the speed of project.

Thus, the greed of the Chief Minister brought down the state's largest multi-purpose project. His fondness

#### GOVERNMENT OF ANDHRA PRADESH A B S T R A C T

Polavaram Irrigation Project- Conducting detailed investigation, preparations of hydraulic particulars, designs and Engineering, preparation of estimates and excavation of main canal, formation of banks including canal lining and construction of CM & CD works of Polavaram Left Main canal from Package Nos. 1 to 8 under EPC Turn Key system- Revised administrative sanction-Accorded – Orders – Issued.

#### WATER RESOURCES (PROJECTS.I A2) DEPARTMENT

G.O.MS.No. 117

Dated: 06-12-2016

Read the following:

3. Government, after careful examination hereby accord Revised Administrative sanction for an amount of Rs.3645.15 Crores (Rupees Thirty six hundred forty five crores and fifteen lakhs only) against the 1st RAS of Rs.1954.74 Crores for the work "Conducting detailed investigation, preparations of hydraulic particulars, designs and Engineering, preparation of estimates and excavation of main canal, formation of banks

*GO No. 118 Issued to Increase Estimated Costs of Polavaram Right Canal from Rs. 2,240.69 Crore to Rs. 4,375.776 Crore.*

#### WATER RESOURCES (PROJECTS.I A2) DEPARTMENT

G.O.MS.No. 118

Dated: 06-12-2016

Read the following:

4. Government, after careful examination hereby accord Revised Administrative sanction for Rs.4375.776 Crores (Rupees Forty three hundred seventy five Crores and seventy seven lakhs sixty thousand only) against the 1st RAS of Rs.2240.69 Crores for the work "Conducting detailed investigation of Polavaram Irrigation Project Right Main Canal – from (1) KM.0.000 to Km.14.800 2) Km.14.800 to Km.38.199 3) Km.38.199 to Km.71.500 4) KM.71.500 to Km.105.100 (5) Km 105.100 to Km 133.800 (6) Km 133.800 to Km 156.500 and (7) Km 156.500 to Km 174.00 (7 Packages) – Including sub-soil exploration, preparation of HPs, Designs of CM&CD works, excavation of main canal, construction of CM & CD works along the main canal including land acquisition" subject to correctness of the provisions, Rates and Price Adjustment calculations as per Agreement conditions and Govt Orders and cess reimbursement subject to final orders of the Hon'ble High Court.

*The GO No. 118, which increased the estimated cost of balance works from Rs. 2240.69 crore to Rs. 4375.776 crore.*

for kickbacks and commissions has jeopardized the project's completion. Today, the Polavaram officials are of the opinion that water cannot be released even in 2019 kharif, let alone 2018 kharif season.

## Vision Sabotaged

It was late Y.S. Rajasekhara Reddy who envisioned Polavaram project and began the work in earnest in 2005. After securing all the necessary permissions, work began at a fast pace at an estimated cost of Rs. 10,151 crore. An amount of Rs. 5,135.87 crore was spent and most of the work including the lining work of the Right Canal was completed at that time. Work on the Left Canal was completed to the extent of 145 km.

The benefits of Polavaram are vast and its completion would immensely boost the economy of the north and central Andhra districts. On completion of this project, 8 lakh acres can be newly irrigated and the ayacut can be stabilised for 13.08 lakh acres in the Krishna Delta region. The Godavari Basin would get water for three crops in a year. As to drinking water and industrial needs, Polavaram project can provide potable water to Visakhapatnam city and 540 villages and take care of the complete industrial needs of Visakhapatnam city.

However, the project came to a standstill after the sudden demise of Dr. Rajasekhara Reddy. Post-bifurcation, the centre had declared Polavaram as a national project and promised to complete it by bearing 100% expenses. The centre has established the Polavaram Project Authority (PPA) for this purpose. However, instead of entering into an agreement with the PPA for completion of the project, Chandrababu Naidu pressurised the centre to hand it over to him.

## National Level Scam

All the works of Polavaram Headworks were assigned to sub-contractors; against heavy commissions to the Chief Minister and Water Resources Minister. The Right Canal works were almost completed by 2009 and there was a little work remains to be completed in 6th and 7th Packages. Chandrababu Naidu removed the original contractors and assigned these contracts at higher costs to RSV and BASPCL, both the companies belong to aides of Chandrababu Naidu. The government took up 181.50 km excavation work of Left Canal in 2005 at the cost of Rs.1,954.74 crore. The work was divided into 8 Packages and assigned to different contractors. After 65% of the works on the project had been completed, on December 6, 2016, the government issued orders hiking the estimated costs to Rs. 3,645.15 crore.

On the pretext of not completing works in Package 5,

## It was Not Okay Then, But it's Okay Now!

In 2013, Chandrababu Naidu, while he was the leader of Opposition, had objected to Transstroy being handed a contract of Rs. 4,054 crore, saying that the firm lacked the requisite experience and financial wherewithal. However once Rayapati Sambasiva Rao, the owner of Transstroy joined the TDP, Chandrababu Naidu did not pay heed to PPA's objections about Transstroy's lack of competence to undertake the project.

On September 07, 2016, the state government secured the project and immediately jacked up the estimated cost of Headworks to Rs. 5,535.41 crore. Using Transstroy as a front, it assigned all the works to subcontractors for huge commissions. ECRF foundation works were given to L&T-Bower, cofferdam (jet grouting) to Keller, soil-related work to Triveni, Gates to BKem and concrete works to Putzmeister and Penta.

However, colossal failure of Transstroy, which was predicted, lead to handing over all the works to Navayuga Constructions, on nomination basis, in 2018. Fresh estimates suggest that these works are valued at Rs. 11,000 crore. The Transstroy was awarded these works on EPC basis. However, while reassigning the works to Navayuga, the government set aside the EPC method and brought in the lumpsum open method. As a result, each time contractors submit bills for modifications, they have to be paid additional funds without any questions asked. This would further hike the costs of projects, which means higher kickbacks for the CM and his ministers.

the government sacked the initial contractor under clause 60(C) and then turned over works worth Rs. 142.88 crore to HES Infra, which belongs to Putta Sudhakar Yadav, a TDP leader, TTD Board Chairman and a close relative of the AP Finance Minister Yanamala Ramakrishnudu. As per the revised estimates, the total cost of these works would be over Rs. 350 Crore. The contractors of Packages 1, 3, 4 and 8 were also sacked under 60-C for not completing the assigned works in time.

In 2017, the government decided to supply water to Yeleru through the Purushothapatnam lift irrigation scheme and accordingly, took up works on the

Polavaram Left Canal. Because both the Water Resources Department and Finance Departments refused to approve the handing over of high-value works on nomination basis, the remaining Rs. 92.14 crore worth work in Package 1, Rs. 53.263 crore and Rs. 102.85 worth works in Package 4, Rs. 80.74 crore worth works- a total of Rs. 328.52 crore worth works- were given to contractors just on the word of Chandrababu Naidu!

Works in Package-1 were awarded to Surya Constructions, RSR-Sagittal (works in Package-4) ACAL-RKICPL (joint venture), Arcane Projects (works in Package-8), and works in Package-3 to other contractors. As per the revised estimates, the total value of these projects would be Rs. 1,045 crore. In these transactions, the Chief Minister made huge kickbacks. Similarly, in 2015, temporary works amounting to Rs. 523 crore to channel water from the Pattiseema lift irrigation project to Krishna Delta area was awarded to a favoured company on nomination basis.

The TDP leaders and officials also have made money from the land acquisition process of Polavaram project by deceiving the Adivasi landowners, who form a good number of the displaced. The TDP leaders and officials lined their pockets in a big way with the compensation

amounts, running into thousands of crores of rupees by duping the poor Tribal people. The same is the story with huge amounts meant for resettlement of the displaced.

### **Progress in Jacking Up Costs**

So far, only 53.90 % of the work of the Polavaram project is completed. Of these, 37.68% works of the reservoir were completed, Right Canal works fully completed and the Left Canal works were completed between 210.927 km and 164.74 km. The value of these works is over. Rs. 14,902.34 crore. In these four and half years, Rs. 9,766.47 crore has been spent and of this Rs.6,727.26 crore has been reimbursed by the centre. To date, ECRF Dam work related to the main dam has not been completed. There is no clear timeline as to when they should be completed. Of the 45 designs related to the Head Works of the reservoir, 25 are non-existent. Chandrababu Naidu government failed to complete the project on schedule intentionally and increased the estimated costs from Rs. 16,010.45 crore to Rs. 57,940.86 crore, citing the delay that he has caused in the first place. All these facts reflect the sincerity of Chandrababu Naidu's efforts to complete this project.



# Rs. 4,834 Crore Red Carpet for C.M. Ramesh

## Unstoppable Extortion

### First Notification Rules

Sl. No.	Name of work	Estimated cost (Rs. in lakhs)	Min. experience (Rs. in lakhs)	Min. turnover (Rs. in lakhs)	Min. work done (Rs. in lakhs)
1	Construction of Head regulator across Kundu river, excavation of flood flow canal from Kundu river near Nagaraja patti (V) of Peddapuram (M) to Penna river near Peddapatti patti (V) of Proddur (M) in Kadapa District including construction of CH & CP works, Construction of Sub-surface Dams across Penna river to Supply Drinking water to Proddur town and other Mandals of Kadapa District	Rs. 3754.81	14.46	20,208	1877.24

The bidder should have verifiably completed the similar nature of work, which includes Sub-surface Dams of value not less than Rs. 300 Crore in any one year during the financial years 2006-07 to 2015-16.

The experience and year-wise turn over certificates issued by Engineer-in-charge of Government Department undertaking are below the rank of Executive Engineer or equivalent and envisaged by the Supervising Engineer or equivalent shall be produced. Similarly in respect of work on hand, the certificate issued by the Executive Engineer and envisaged by Supervising Engineer giving details like work wise balance cost of work to be done, probable date of completion etc., should be furnished. The statements - I to VI(A) are to be filled in by the bidders based on the certificates issued by the Engineer's. The statements VI(B) to VI are to be furnished by the bidder under self declaration. Failing to submit any one or all the statements to VI with Check slip the tender will be treated as incomplete and summarily rejected.

- The works shall be completed within 18 months from the date of agreement.
- The companies that have completed sub-surface dam works worth a minimum of Rs. 3.81 crore in a year between the years of 2006-07 and 2015-16 are eligible to participate in the tender.
- The companies that have a minimum of Rs. 37.54 crore annual turnover, the experience of minimum of 14.46 lakh cubic meter earthwork and 20,208 cubic meter cement work in the last ten years are eligible to participate in the tender.
- The companies shall also submit a bank letter confirming the cash deposit of Rs. 18.77 crore.

### Second Notification Rules

SPECIAL CONDITIONS:					
The intending bidders in the same name and with having good experience as Original Agency in similar works under State Central Government in terms as indicated below only are eligible to tender for the work. To qualify for the award of the contract, Each bidder as a P1 contractor in his name in any of the financial years during preceding ten financial year i.e. 2006-07 to 2015-16 should have as detailed below:					
Sl. No.	Name of work	Quantitatively completed similar work of value not less than (Rs. in lakhs)	EMW/ EWE and Setting banking	CC	Liquid assets Credit facilities
1	Construction of Head regulator across Kundu river, excavation of flood flow canal from Kundu river near Nagaraja patti (V) of Peddapuram (M) to Penna river near Peddapatti patti (V) of Proddur (M) in Kadapa District including construction of CH & CP works, Construction of Sub-surface Dams across Penna river to Supply Drinking water to Proddur town and other Mandals of Kadapa District	Rs. 3754.81	14.46	20,208	1877.24

Minimum and year-wise turn over certificates issued by Engineer-in-charge of Government Department (underlining are below the rank of a Engineer or equivalent and envisaged by the Supervising Engineer or equivalent shall be produced. Similarly in respect of work on hand, the certificate issued by the Executive Engineer and envisaged by Supervising Engineer giving details like work wise balance cost of work to be done, probable date of completion etc., should be furnished. The statements - I to VI(A) are to be filled in by the bidders based on the certificates issued by the Engineer's. The statements VI(B) to VI are to be furnished by the bidder under self declaration. Failing to submit any one or all the statements to VI with Check slip the tender will be treated as incomplete and summarily rejected.

The rule pertaining to sub-surface dam works was removed as it could attract legal objections and the rest of the rules were continued in the second notification.

### Third Notification Rules

QUALIFICATION CRITERIA:		
A) To qualify for award of the contract, each bidder in his name should have completed during the last ten years from 2006-07 to 2015-16 (Specified financial years i.e., they should be immediately preceding the financial year in which tenders are invited), satisfying the qualifications shown below including that specified, only are eligible to tender:		
(a)	Satisfactorily completed as a prime Contractor, similar works of value not less than Rs. 500 Crore in any one year.	
(b)	Executed in any one year, the following minimum quantities of works -	
(i)	EMW and formation of embankment	: 3,50,176 Cum
(ii)	CC/ RCC	: 30,312 Cum
(c)	Each bidder should further demonstrate:	
(i)	Availability (either credit or bond) to be provided against mobilisation advance of the Key critical equipment for this declaration/understanding on their own behalf (page number: words Rs. 100).	
Sl. No.	Equipment	Qty required
1	Excavator	1.00 cum
2	Excavator	0.5 cum
3	Water tanker	5000 litres
4	Concrete mixer	0.15 cum
5	Crusher	20 cum
6	CMC/ Vibratory roller	1 to 10 T
7	Tractor	75 hp
8	Compaction Pump	100 hp
B) Availability of the key personnel with adequate experience as required should be indicated based on the requirement for the work to be undertaken.		

- The works shall be completed within 12 months from the agreement date.
- The companies that have done a minimum of 21,70,176 lakh cubic meter earth work and 30,312 cubic meter cement work between 2006-07 and 2015-16 are eligible to participate in the tender. The companies must have done a minimum of Rs. 56.31 crore worth works in the last ten years.
- They shall also submit a letter from the banks confirming the cash deposit of Rs. 28.15 Crore.

C.M. Ramesh, a TDP MP and benami of Chandrababu Naidu is literally ruling the AP Water Resources Department, with the active support of the Chief Minister. The CM is directly awarding contracts to Ramesh by circumventing the competitive bidding processes. In order to award contracts to his crony contractors, the CM had removed several contractors by taking advantage of the 60(C) clause of the APDSS. Then, hiked the estimated costs of the balance works and gifted these fresh contracts to his crony contractors.

For quite a few projects, the Chief Minister used the same modus operandi of removing the existing contractors, jacking up the estimated costs and award

the new contracts to Rithwik Projects. Thanks to Babu's favoritism, so far, Rithwik Projects of Mr. Ramesh bagged quite a few contracts worth Rs. 4,834 crore.

As to HNSS second phase, Chandrababu has removed the contractors of 4th, 5th and 6th packages. He then revised the estimated cost of balance works from Rs. 235 crore to Rs. 568 crore and awarded the contract to Rithwik Projects on quotation basis. The 87th package of Vamsadhara second phase was also subjected to the same fate. The initial contractor was axed for his 'execution delays', the government hiked the balance work costs to Rs. 221 crore from previous Rs. 47 crore, and awarded it to Rithwik Projects.

When the Finance Department refused to grant consent for these nominated contracts, the Water Resources Department has issued a tender notification with twisted rules. Even if any other company was ready to participate in the tender process, the Department had ruled out their participation. It would disqualify them by citing some testy conditions of the technical bid. Then, the contracts were successfully gifted to the chosen contractors.

In the 27th package of Galeru-Nagari project, the value of balance works was only Rs. 11 crore. However, the cost has shot up to Rs. 112.83 crore once the contractor of the package was removed.

After awarding to Rithwik Projects, the bills of this contract were halted for some time due to the disputes between C.M. Ramesh and the Water Resources Minister Devineni Umamaheswara Rao regarding percentages in the cut. In retaliation, Ramesh wrote to the CM about the way the minister was benefitting his favoured contractor to the tune of Rs. 54 crore in the Auvku tunnel works of Galeru-Nagari project. To rein in the conflict and avoid further damage, the CM has brokered a compromise between the two. Since then, the clout of C.M. Ramesh had gone up in the Water Resources Department.

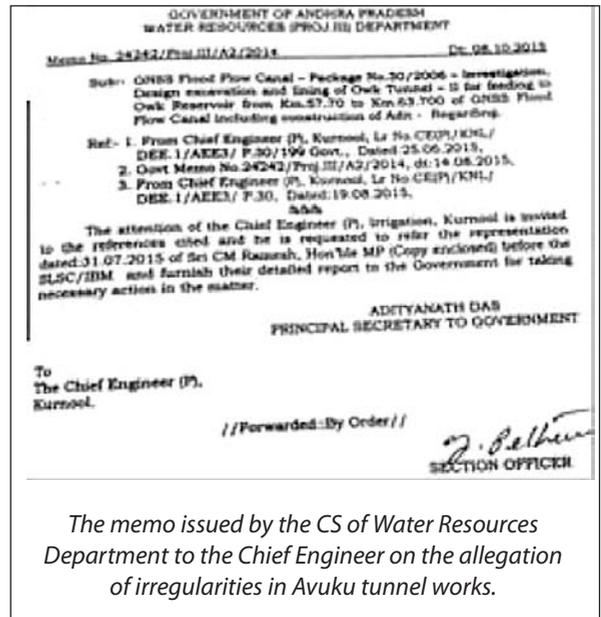
The balance work of the 29th package of Galeru-Nagari project has also eventually landed in the hands of Rithwik Projects. The work which was worth Rs. 8.93 crore was retendered with an increased estimated cost of Rs. 83.95 crore, 10 times higher to the original cost. Needless to mention, this contract was also gifted to Rithwik Projects by flouting the existing rules.

### Handri - Neeva Looted

For the HNSS second phase, the government has called for tenders for 36A and 36B packages. The 36A package was for the widening of Perur branch canal (between 1.820 km and 3.270 km) and providing irrigation water to 65,600 acres in Rayadurgam and Uravakonda constituencies by constructing distributaries under Malyam canal. The 36B was for providing water for 15,000 acres by constructing the right canal from Jeedipally Reservoir and the distributaries. The estimated costs of 36A and 36B were Rs. 233.40 crore and Rs.18.69 crore, respectively.

To ensure a 'smooth award' of the projects to Rithwik, the government did not upload the details of the 36A package on its website. The details of the 36B package were shown for both 36A and 36B tenders. Until the completion of tender schedules, the details of 36A were not made available to contractors.

These details were available only for Rithwik Projects



and HES Infra, the only companies that have submitted the bids with higher quotes. Among the two, Rithwik has had the lower quote. This is a clear indication for the government bias towards Rithwik and in fact the government had already made up its mind to award the contract to the company; and merely ran the tenders' drama.

### Same Method...

Indeed, these two packages were actually a single package- i.e. 36th package- and Om-Ray joint venture won the contract of this package in 2005. It had completed the works worth Rs. 51.72 crore. The contractor requested the government for additional funds, as mandated by GOs. 22 and 63, to complete the remaining works. Though Chandrababu gave additional funds to his favoured contractors with the pretext of speeding up the pace of the projects, he turned down the request by Om-Ray and removed them from the contract. The balance works cost was hiked to Rs. 252.09 crore, the package was divided into two packages- 36A and 36B and they were awarded to Rithwik Projects.

Previously, under the 36 package, a total of 63 km works- 21 km Malyala branch canal, 17 km Hagari branch canal and the distributaries of 25 km- were completed. Only another 32 km works remained. According to the experts, the balance works wouldn't cost more than Rs. 100 crore under any circumstances. This means the Chief Minister has pocketed about Rs. 150 crore from these two contracts.

# Rs. 3,000 Crore

## Opposition of Two Chief Secretaries Could Not Stop Corruption in Irrigation Department

Scam in the Name of Cost Escalation, to the Tune of Rs. 6,000 Crore  
The Cut that was Given as a Return Gift of Rs. 3,000 Crore

1. In the reference 1<sup>st</sup> read above, the Government have accorded Administrative approval for Rs.1305.00 Crores for HNSS Phase I works.

2. In the reference 2<sup>nd</sup> read above, the Government have accorded 1<sup>st</sup> revised administrative approval for Rs.2774.00 Crores for HNSS Phase I works.

7. The Government after careful examination of the proposal of Chief Engineer (Projects), Ananthapuramu hereby accord 2<sup>nd</sup> Revised Administrative Approval for HNSS Phase I for an amount of Rs.4317,49,00,000/- (Rupees Four thousand Three Hundred Seventeen crores and forty nine lakhs only) along with approval of additional entrustment of miscellaneous works to the existing agencies.

2. In the reference 2<sup>nd</sup> read above, the Government have accorded 1<sup>st</sup> revised administrative approval for Rs.4076.00 crores for the construction of Handri Niva Sujala Sravanthi Project.

3. In the references 3<sup>rd</sup> and 4<sup>th</sup> read above, the Chief Engineer, NTR TGP, Tirupati has requested the Government to accord 2<sup>nd</sup> Revised Administrative approval for HNSS Phase II for an amount of Rs.7340.86 Crores. The Chief Engineer, NTR TGP, Tirupati has informed that the present proposal of seeking 2<sup>nd</sup> Revised Administrative approval is due to the following reasons:

4. The Government after careful examination of the proposal of Chief Engineer, NTR TGP, Tirupati hereby accord 2<sup>nd</sup> Revised Administrative Approval for an amount of Rs.7340,86,70,000/- (Rupees Seven thousand Three hundred and forty Crores Eighty six Lakhs Seventy thousand only) along with deletion under 60 C of APDSS and entrustment to various Agencies for the work of "HNSS Phase II".

5. The Government after careful examination of the proposal of Chief Engineer (Projects), Kurnool hereby accord 2<sup>nd</sup> Revised Administrative Approval for an amount of Rs.2800,82,50,000/- (Rupees Two thousand Eight hundred Crores Eighty two Lakhs and Fifty thousand only) for the work of "GNSS Phase I" along with approval for deletion and entrustment of works under 60 C of APDSS.

*Some parts of the GOs 153, 154 and 156 which have finalised the additional payments.*

After coming into power in 2014, Chandrababu Naidu has removed the existing contractors from the works of Galeru-Nagari Sujala Sravanthi (GNSS), Handri-NeevaSujalaSravanti (HNSS), Gorakallu and many other projects. Then he had jacked up the costs of the projects many times and called for new tenders

without even obtaining administrative approvals for them. While tenders have been called for 25 packages of different projects, in a strange coincidence, all of them were won by the companies of the ruling party leaders.

While most of the tenders were won by Rithwik

Projects, the company of C.M. Ramesh, a TDP MP and Chandrababu's close confidant, the remaining few have ended up with the companies of other cronies. It was visible that the favoured contractors have bagged all the contracts by forming a ring with the active support of the Chief Minister.

Thus, the CM had prepared the ground for a daylight robbery of Rs. 6,000 crore. In all packages, mobilization advances were issued, about 50 % of bills were paid before taking any administrative approvals. As the officials of Finance Department started raising objections to this illegal process, the Chief Minister and the Water Resources Minister have coerced them to silence. Indeed, the payment of advances and bills without administrative approvals was against the law and would attract the audit objections.

Highlighting these intentional lapses, the media has published extensive, well-researched stories on the corruption in Water Resources Department. To dodge media criticism, the government has sought to legalize the Rs. 6,000 crore scandals and came out with the so-

called 'new cost escalation' proposals. However, two previous Chief Secretaries- I.Y.R. Krishna Rao and S.P. Tucker- have refused to sign the escalation proposals as they were a total sham.

To counter the opposition of Chief Secretaries, the Chief Minister Chandrababu Naidu and his son Nara Lokesh have brought forth a new route called 'cabinet approval'. To the horror and shock of bureaucrats, the highly corrupt cabinet has 'approved' the thoughtless cost escalation proposals. Despite the 'approval' of the cabinet, the Chief Secretaries refused to sign these proposals. Due to their opposition, the proposals have gone back to the cabinet thrice.

A proposal going back to the cabinet thrice due to opposition from the Chief Secretaries could be the first of its kind incidents in the history of independent India. Two Chief Secretaries refusal to give consent to the government proposals indicates the dangerous levels of corruption of Chandrababu Naidu's regime. It is learnt that Rs. 3,000 crore- half of Rs. 6,000 crore- was taken as his cut by the Chief Minister.

# Rs. 3,000 Crore

## Needless River Linking, Indiscriminate Loot

Rs. 6,020 Crore for First Phase of Godavari-Penna Linkage  
Rs. 3,000 Crore Kickbacks to the Chief Minister

Chandrababu Naidu is in a hurry to sanction as many contracts as possible to his benamis and cronies. In this process, he is focusing on smaller projects despite the fact they would lose their relevance once the original, bigger projects are constructed. For instance, Patti Seema project would lose its relevance once the Polavaram project completed. Now, Chandrababu Naidu has taken up one more of such projects- Godavari-Penna linkage project; only to have one more contract for his cronies. Here is the full story.

The water availability has gradually come down in Andhra Pradesh and Telangana because of two reasons. The first reason is the construction of new dams in upper riparian states such as Maharashtra and

Karnataka and the increased water usage is the second reason. River linkage is one of the ideas that Andhra Pradesh government is presently considering to face the water shortages.

As part of the project, the AP government has started its efforts to divert water from the Godavari to Krishna. It has entrusted Vyapkos, a central government organisation that specializes in irrigation projects, with the responsibility of survey, feasibility study and preparation Detailed Project Report (DPR).

### Vyapkos Report

Vyapkos, after an extensive study, suggested the roadmap for river linking project between Godavari

and Penna rivers. Here are the details:

1. From the upper side of Polavaram reservoir, 3.50 TMC water has to be lifted and shifted through a canal every day.
2. This Godavari water has to be sent across Krishna river through an aqueduct that would be built on the upper side of a reservoir that is going to come up on Krishna river at Vaikuntapuram.
3. Then the water will have to be stored at the reservoir that is going to be built at Bollapalli with 200 TMC capacity.
4. From Bollapalli Reservoir, the water can be sent to Nagarjuna Sagar Right Canal.
5. From Nagarjuna Sagar Right Canal, the water can be further shifted to Somasila Dam, which is on Penna river, through a dedicated canal. En route, the water can fill the reservoirs of Gundlakamma, Muppavaram, Chinnipadu and Uppuluru in Prakasam district and provide Godavari water to this entire ayacut.

Thus, a total of 320 TMCs water can be diverted from the Godavari and make it available to Sagar Right Canal, Penna delta and the drought-prone regions of Prakasam district. To divert Godavari waters to Penna, a canal, which includes some tunnel part, to the extent of 701 km has to be constructed. This channel must have the additional capacity to shift 4.9 TMCs a day.

According to Vyapkos, this plan would cost Rs. 80,000 crore. Since, the estimated cost is a bit higher, Vyapkos suggested taking up this project in five phases.

## Report Doesn't Matter!

Despite a very clear recommendation from Vyapkos, the state government has taken its own decision as to the Godavari-Penna linkage project. It has distorted the recommendations and gave nod for the first phase of the linkage. According to the state government understanding, already 8,500 cusecs water is being lifted from Patti Seema Lift Irrigation Scheme into Polavaram Right Canal. Another 7,000 cusecs water will have to be lifted into Polavaram Right Canal, that water could be sent to Prakasam barrage through Patti Seema canal.

After the transportation losses and en route usage, 14,000 cusecs would reach Prakasam Barrage. From this water, 7000 cusecs could be released to Krishna Delta and the remaining 7,000 cusecs could be lifted from Harichandrapuram in two phases and released into Sagar Right Canal at 80 km point. This water would reach the ayacut. In order to make this happen, a canal of 56.5 km length and pressure mines through 10.09 km are required.

The government gave its nod for these works at an estimated cost of Rs. 6,020.15 crore on June 13, 2018. Tender notification was issued and the contract was given a favoured contractor. However, if once the Godavari-Penna linkage is done according to the Vyapkos original recommendations, the present project taken up by the state government at the cost of Rs. 6,020.15 crore will go waste!



# Rs. 2,000 Crore Coterie Contractors Profited

Rs. 4,000 Crore Burden Imposed by GO: 22 and GO: 63

Chandrababu Naidu time and again broke rules to serve the interest of his cronies. This is one such of examples. He insisted on pushing a proposal through the cabinet though it was in violation of rules. The proposal was supposed to favour contractors at the expense of state exchequer. He asked the cabinet on January 20, 2017, to approve the issuance of GO: 22 and GO: 63, which would ensure the release of additional funds to contractors of newly undertaken projects, in violation of engineering and procurement (EPC) rules. However, with the media highlighting the glaring irregularities and violations in the proposal, he backed off for the time being. But exactly after 87 days, he made sure that the cabinet approved the proposal that paved way for large scale corruption.

These two atrocious GOs- 22 and 63 have burdened the state by Rs. 20,000 crore while gave additional funds to the contractors who are close to the CM. By issuing these GOs, Chandrababu Naidu gifted himself at least Rs. 2,000 crore. Here is the complete story.

## He Did What He Opposed When in Opposition

On February 7, 2014, as the Opposition leader Chandrababu strongly opposed GO: 13 issued by Kiran Kumar Reddy government in undivided Andhra Pradesh. The GO proposed to increase the irrigation projects' costs vis-a-vis the costs of the prices of steel, cement, diesel, labour and material. Chandrababu mounted strong criticism against the GO and alleged the government of having struck backroom deals with contractors. This GO was set aside by Governor E.S.L. Narasimhan temporarily during the President's rule.

Once TDP came to power, Chandrababu Naidu, who had backroom deals with contractors, overruled the objections of the Water Resources Department, Finance Department and has also completely ignored the suggestions of then Chief Secretary I.Y.R. Krishna Rao.

On March 22, 2015 the AP government issued GO: 22

subject to the following conditions:

1. The total value of work as per execution exceeds 25% more than IBM estimate value
2. The quantity of at least one major item of work such as earthwork or concrete items exceeds 50% more than the quantity in the IBM estimate.

ఫిబ్రవరి 22, 2018న డివోసికా రెండో నివేదికలోనూ కొత్త ప్రాజెక్టులకు అదనపు నిధులు ఇవ్వాలంటూ చేసిన సిఫార్సులు

The matter is placed again before the BoCEs for deliberation. After detailed discussions, the members have opined that as per the EPC method of contracting the services, the agencies are not entitled for extra payment due to normal variations in quantities during execution. The members have also opined that in the situations where variations are abnormal wherein the total value of work executed exceeds 25% more than IBM estimated value and any major component of the work such as earthwork or concrete items exceeds beyond 50% over IBM quantity, which might occur due to the reason that estimated IBM value is based on line estimate, it may be difficult to the contractor to absorb such huge variations and hence the recommendations made earlier by BoCEs with certain riders is justifiable.

Hence, the BoCEs reiterate the same recommendation made earlier on the subject.

*The GOCE report dated November 29, 2017, which batted for the additional funds to the new projects.*

making provision for the sanction of additional funds to contractors. To put this GO into affect, he issued GO: 63 on June 12, for sanction of funds to bills for additional expenses. These two GOs have burdened the state exchequer by Rs. 20,000 crore.

These GOs were meant to be applicable only to the projects that were undertaken before April 1, 2013. However, this rule was also changed thanks to the pressure from C.M. Ramesh. He had claimed that without additional funding for Rs. 169.71 crore, it would be impossible to complete the Kuppam Branch Canal, a part of Handri Neeva Sujala Sravanthi, by his company Rithwik Projects. He gave an ultimatum to the government that his company would halt work on the project unless additional payments were made.

Instead of taking action against Rithwik Projects as per EPC procedure and impose fines, the AP government gave in and took the side of Rithwik Projects instead. In the same fashion, all the coterie contractors resorted to hard bargaining saying that it was not viable for them to continue their work on the

project.

Once the kickback amounts were settled, CM Chandrababu Naidu exerted tremendous pressure on the State Level Standing Committee (SLSC) to bring the new projects under the purview of GOs 22 and 63. Without these GOs, the projects could have been completed by now as well as Rs. 20,000 public funds would have been saved.

### Pressure on BOCE

The SLSC clearly stated that GOs 22 and 63 were not applicable to new projects and they were against established rules. The Chief Minister then directed the SLSC that the proposals should be placed before the Board of Chief Engineers (BOCE) Committee. On November 29, 2017, at a meeting of the BOCE, succumbing to pressure, the Committee submitted a report stating that projects taken up after April 01, 2013 could also be brought under the purview of the two GOs. Chief Minister Chandrababu exerted pressure on the Water Resources department and Finance Department to implement the recommendations of BOCE.

# Rs 1,590 Crore Siphoned Off in Soil Embankment Works

Estimated Cost Hiked from Rs. 809 Crore to Rs. 2,400 Crore  
Rs. 1,590.47 Crore Swindled in the Bargain  
Huge Kickbacks to CM and Water Recourses Minister



This is yet another corrupt chapter in Polavaram project. Chandrababu Naidu jacked up the estimated costs of Polavaram Earth-Cum-Rock-Fill (ECRF) Dam

soil embankment work by three times from Rs. 809.53 crore to over Rs. 2,400 crore. Then the contract was awarded to Ratna Infrastructure. This company

belongs to M.M.L. Narasimha Rao, who is a close confidant of the Water Resources Minister Devineni Umamaheswara Rao.

Interestingly, the work was given on a nomination basis purely based on Chandrababu's oral orders. The entire handing over of the project took place without the approval of either the Polavaram Project Authority (PPA) or the Water Resources Department or the Finance Department. Here are some interesting facts about this contract.

- According to the 2015-16 costs, the costs of Earth-Cum-Rock-Fill (ECRF) Dam were estimated at Rs. 1,417.73 crore, out of which Rs. 608.2 crore was spent and Rs. 809.53 crore yet to be spent. However, at this point in time, the costs were jacked up thrice times to Rs. 2,400 crore. The Chief Minister and the Water Resources Minister were the principal beneficiaries.
- As the ECRF Dam yet not completed, Chandrababu Naidu tried hard to cover up this failure by announcing the completion of the Dam works right after the completion of the work of the diaphragm wall, which forms the foundation for ECRF Dam. The CM has unveiled a huge pylon to celebrate this occasion.
- With the handing over of ECRF Dam works to Ratna Infrastructure, all the works of Polavaram Head Works were given to sub-contractors. The principal contractor of Head Works Transstroy thus confined itself to the role of a commission agent.

## Huge Kickbacks

The ECRF Dam stores the water of Polavaram project. Once water levels reach 194.6 TMCs, the excess water would be diverted into the river through the spillway. Two cofferdams have to be built in order to construct the ECRF in three parts- 564 metre-long Gap 1, 1750 metre-long Gap 2 and 140 metre-long Gap 3- and divert the Godavari flow through the spillway. While one cofferdam of 2,050-meter length should be built on the upper side, another cofferdam of 1,417-metre length would be built on the downside of the dam.

According to the 2015-16 prices, the value of these works was Rs. 1,417.73 crore. Already an amount of Rs. 462.2 crore has been spent on construction of the ECRF foundation wall. Another Rs. 146 crore bills were claimed for cofferdam foundation construction (jet grouting works). This means a total of Rs. 608.2 crore was spent on foundation work alone. The Chief Minister pocketed kickbacks from L&T-Bauer (foundation wall work) and Keller (for coffer dam-related works). At this rate, the costs of ECRF Dam, cofferdam works amounts to only Rs. 809.53 crore. However, the cost estimates were increased three-fold to over Rs. 2,400 crore.

## L&T, Shapoorji Pallonji Out

At first, the Chief Minister had decided to award the ECRF works to L&T on nomination basis. However, as the kickbacks couldn't be agreed upon with L&T, Transstroy brought in another sub-contractor Shapoorji Pallonji into the picture. Meanwhile, the Water Resources Minister Devineni Umamaheswara Rao interfered and sought the contract for Ratna Infrastructure, a construction company owned by his friend M.M.L. Narasimha Rao. The minister could successfully get the contract awarded to Ratna Infrastructure once the commission percentage was settled.

According to the rules outlined in the PPA gazette notification, contractors cannot be awarded works on nomination basis without permission from the authority. Chandrababu was well aware of this rule as the Water Resources Department officials informed him of the PPA rule in a meeting. Despite having the full knowledge, Chandrababu Naidu insisted on handing over the contract to Ratna Infrastructure on nomination basis on LumpSum (LS)-open method. Though the CM was aware that the LS-open method would empower the contractors to keep on submitting bills for additional amounts and government would be liable to pay them, he pushed for this new arrangement only for huge kickbacks.

# Rs. 1,500 Crore

## EPC Out, Additional Funds In!!

The Additional Funds Paid to Contractors Rs. 3,000 Crore  
The Amount of Commission Rs. 1,500 Crore

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

I&CAD Department – Major Irrigation Projects – Review & Package-wise study of works to examine the need for contribution of the works/ or to invite fresh bids by updating the estimates – Recommendations of the Expert committee – Certain guidelines – Orders – Issued.

*The GO: 22, a great boon to contractors.*

IRRIGATION AND CAD (REFORMS) DEPARTMENT

G.O.Ms.No.22 .

Dated: 23-02-2015.

Read the following:-

Chandrababu Naidu's government has issued the GO MS No: 22 to grant additional funds to contractors. This controversial GO has permitted the state government to escalate the costs of ongoing projects that were awarded even under the EPC (Engineering, Procurement and Construction) method, which doesn't allow any escalation under any circumstances.

Chandrababu successfully overrode the EPC provisions with the GO No:22, which not only allowed for cost escalations but also with a retrospective effect from 2013. This GO was a great favour to the ruling party contractors and it has inflicted a heavy loss to the exchequer; that too when the prices of commodities like petrol, steel, diesel, cement and sand were on the downside.

To benefit the contractors, Chandrababu Naidu has killed several other prudential

procedures too. Though this was a burden on state exchequer, it has worked perfectly for him as he could eventually get massive kickbacks from the contractors. For the first time, the CM has applied the Standard Scheduled Rates (SSR) to concrete works. Because of this decision, the rate of cubic meter concrete went up from Rs. 2,500 to Rs. 4,000. The government has again increased the cubic meter rate further by another Rs. 3,000 to Rs. 7,000 within a few weeks.

The GO:22 has made reckless provisions for the additional funds to labour, sand, machinery, dewatering, controlled blasting, digging for hard soils, among others and none of them require additional payments according to the EPC norms. This decision has burdened the state exchequer by Rs. 3,000 crore and a half of this amount had gone into the pocket of the Chief Minister.

# Rs. 930 Crore

## Megha Bags Purushottapatnam, Kondaveeti Rivulet Tenders

Estimated Cost of Two Projects Rs.1,861 Crore

Kickbacks (a clear 50%) Rs.930.5 Crore

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Purushottapatnam Lift Irrigation Scheme – Lifting flood water of 3500 cfs from river Godavari @ Km.40.8 of left Bank to join @ Km.1.7 of Polavaram Irrigation Project Left main canal for Irrigating Polavaram Left Canal ayacut upto Km.57.88. Supplementation to Yeleru ayacut and to fill up Yeleru reservoir by lift for providing water for domestic and industrial needs of Vizag city as a part of Uttarandhra Sujala Sravanthi to achieve early benefits – Administrative sanction for Rs.1638.00 Crores – Orders – Issued.

WATER RESOURCES (PROJECTS-I A2) DEPARTMENT

G.O.MS. NO.100

Dt.14.10.2016

Read the following.

Short tender was called for Purushottapatnam Lift Irrigation Scheme without mentioning it in the official gazette.

3) Foreign Contractors are not eligible for participating the bid.

4) The Bids are limited for participating to those individuals, firms, companies, joint ventures,

Chandrababu who brags about his preference for foreign companies has strangely barred them from participating in the tender of Purushottapatnam Lift Irrigation Scheme.

Megha Engineering, which has bagged several projects including Pattiseema Lift Irrigation Scheme, was given two more contracts- Purushottapatnam Lift Irrigation Scheme (of Rs. 1,648 crore) and Kondaveeti Rivulet Floodwater Diversion Project (of Rs. 213 crore), which was taken up to prevent flooding in the capital city region. The combined value of these two projects was Rs. 1,861 crore and 50 percent of it i.e. Rs. 930.5 crore was a kickback to the Chief Minister.

In order to award the contract to Megha Engineering, Chandrababu Naidu used many tricks. Favouritism began with the government giving only 15 days time to bid for the contract. While only two companies- Megha and Navayuga- participated in the tender bidding, the government has disqualified Navayuga citing the lack of bid capacity and by default, Megha was recommended as the single eligible bidder.

Since there was a clamour in the media about the single bidding, the government has called for a fresh tender, however, again giving only a week's time for bidding. Again the same two companies submitted the bids, and while this time around, Navayuga has qualified for bidding and Megha bagged the contract by quoting 4.55 percent excess (the tender price). However, under an arrangement, Navayuga was given the civil works and the Chief Minister stood to gain from both the companies, by way of kickbacks.

Chandrababu Naidu had played the key role in changing the tender rules, getting the pre-determined bids from the two chosen companies and finally awarding the works to both the companies. He got his cut from both the companies. However, to avoid doubts, he also made the HES Infra Pvt. Ltd., another crony company, submit the third bid. Incidentally, HES Infra belongs to Putta Sudhakar Yadav, a TDP leader and close relative of the AP Finance Minister Yanamala Ramakrishnu.

### Another Bonus: Megha gets Kondaveeti Rivulet Works

Megha has emerged as the L-1 company for both the projects: Purushottapatnam Lift Irrigation Scheme and Kondaveeti Rivulet Floodwater Diversion project. The High-Power Committee headed by the erstwhile AP Chief Secretary S.P. Tucker has approved the awarding of contracts both the projects to Megha Engineering. Interestingly, both the tenders had a rule against the participation of the companies from abroad. The foreign companies were also barred from forming joint ventures with Indian companies! Besides that, the government tweaked the tender rules in such a way that only Megha and Navayuga could possibly participate in the tender. The favouritism was at its absolute best!

# Rs. 710 Crore

## Pattiseema Project- Exclusively for Kickbacks

After the Escalation, the Cost of Pattiseema Project has Gone Up To Rs. 1,600 Crore

The Kickback for the Chief Minister Rs. 450 Crore

Amount Pocketed by the Contractor by Changing the Project Design Rs. 260 Crore

GOVERNMENT OF ANDHRA PRADESH  
IRRIGATION & CAD (PROJECT) DEPARTMENT

Memo.No. 52/Proj.IA2/2015

Dated: 20-01-2015

The attention of the Engineer-in-Chief, ISPP, Dowlaiswaram is invited to the reference 3<sup>rd</sup> cited, and it is hereby permitted to relax the 5% cap limit over the ECV for this work only and to finalise the tender and complete the scheme at the earliest duly utilising the present working season. Suitable disincentives may be put in place if the completion of the work in accordance with the envisaged milestones are not achieved. The tender premium over and above 5% shall be payable only if the work is completed as per agreed milestone within the original agreement period without any EOT. eg., if the agreement value is 7 % excess then 2% will be payable only if the work is completed as per originally agreed time without EOT, otherwise ECV will get restricted to 5% only.

*The memo said 5 % additional amount shall be paid to the contractors if they complete the works within the deadline.*

Polavaram project is a great boon to the state Andhra Pradesh. Instead of completing it in time, Chandrababu Naidu brought forth the Pattiseema project, which was a small part of the Polavaram project. The cost of this temporary, no-storage project was estimated to be a whopping Rs. 1,300 crore and the contract was awarded to Megha Engineering, a company that is close to Chandrababu Naidu. All this was done for the sake of kickbacks. The Chief Minister and the contractor made Rs. 710 crore out of this project. Here is the story.

To begin with, some of the important conditions in the tender schedule were twisted in favour of a few chosen companies. Though the estimated project value (EPV) was Rs. 1,300 crore, the bid of the L1 contractor i.e. Megha Engineering was Rs. 1,600 crore, which was 21.9 % higher than the EPV. Still, the company was given the contract by converting the remaining 16.9 % (quoted 21.9 % -5 % possible excess) into the bonus for

completing the project in time! However, the matter of the fact was- the same one year period was the given deadline in the tender schedule. That effectively means the contractor was being overpaid 16.9 % of the contract amount for just completing the work in time!

What more? The bonus clause was not even a part of the contract when the tenders were called. Chief Minister Chandrababu Naidu has got this provision added to the contract to get additional kickbacks. The Chief Minister and his son Lokesh have escalated the cost of Pattiseema project to Rs. 1,600 crore and pocketed about Rs. 710 crore. It is learnt that the kickbacks were the reason for the government's generosity towards the contractor.

### Open Exploitation

The number of motor pumps has come down from 30 to 24 and Pipelines have come down from 15 to 12. Costs have come down, but not the project value!! Megha Engineering downscaled the project cost,

thereby augmented its profits. The company has changed project design without obtaining required permissions from state government and started working. The Chief Minister also found merit in the contractor's 'design' as it also serves his purpose i.e. he could get his cut from the 'savings'!

The initial contract between the state government and Megha Engineering was to lift 8,500 cusecs of water by creating a cluster of 30 motor pumps and 15 pipelines. However, the company has got reduced the number of motor pumps to 24 and pipelines to 12. This effectively brought down 20% of the estimated cost i.e. Rs. 260 crore due to the economies of scale.

Generally, when the number of the pipelines and motor pumps comes down, the actual cost of the project should also have come down. But, it did not. Despite such blatant discrepancy, the AP government

has approved the changed design without raising any objections. This means the government and the contractor had complete understanding and pocketed the taxpayers' money.

Megha has sent its new proposal, after bringing down the motor pumps and pipelines, to the Central Designs Organisation (CDO) on July 27, 2015. However, even before getting this design approved, the company had placed an order with a Chinese company for 24 motor pumps. This indicates the contractor's level of confidence as to getting approval for his new design.

The contractor was supposed to lay 15 lanes of the pipes of 3-meter diameter. However, he laid 12 lanes of 3.2-meter diameter pipes. Chandrababu government raised no objections and approved all of the changes, for obvious reasons!

## Rs. 573 Crore

### Chintalapudi Extension Works Fell Prey to CM

Rs. 223.03 Crore 'Additional' for 3rd, 4th Packages

Rs. 350 Crore Kickbacks Secured

CM's Total Share- Rs. 573.02 Crore

Business as usual, the AP CM Chandrababu Naidu has awarded the extension works of Chintalapudi Lift Irrigation Scheme to his favoured contractors. While Navayuga bagged the contract of the 4th package worth Rs. 1,608 crore by quoting 4.49% excess (i.e. Rs. 1,678.75 crore), Megha Engineering got the 3rd package worth Rs. 652 crore by quoting 4.40 % excess at Rs. 681.27 crore.

The officials who requested anonymity told that these contracts could have been awarded at 5% lower to the EPV, had the Chief Minister not formed the ring and rigged the tender bidding process. This means an additional burden of Rs. 223.02 crore on the state exchequer. Needless to say, this amount will directly go the Chief Minister as kickback. What else? This is additional to Rs. 350 crore that was already pocketed by Chandrababu Naidu while commencing the Chintalapudi Lift Irrigation Scheme extension works. In



*Chintalapudi canal that is left half-done.*

total, he had made Rs. 573.02 crore out of this project.

#### Saga of Exploitation

The extension works of Chintalapudi Lift Irrigation Scheme were initially taken up at the cost of Rs. 2,488 crore. Chandrababu Naidu- without considering the

objections of the Finance Department- has taken out a portion of work worth Rs. 228 crore and gifted it to a coterie contractor. He divided the remaining Rs. 2,260 crore works into two packages. He colluded with Navayuga and Megha and a decision was made to hand over these contracts to these companies.

### **As Per the Plan...**

Then the Water Resources Department had issued the tender notification on June 2, 2017. As the CM formed the ring with two companies, only those two companies have participated in the tender process. According to the schedule, the technical bid was opened on June 22, 2017, and the financial bid was opened on July 1, 2017. For the 3rd package works, while Navayuga quoted 4.8 % excess, Megha quoted 4.40% excess. For 4th package works, Megha quoted 4.77 % excess and Navayuga quoted 4.49% excess. The Megha and Navayuga, which were L1 for the 3rd and 4th packages respectively, have bagged the tenders.

## **Rs. 400 Crore Uravakonda CLDI Inflated**

**Estimated Cost of the Uravakonda CLDI - Rs. 805.77 Crore  
Half of it Had Gone for Commission**

*The Uravakonda Community Lift-cum-Drip Irrigation (CLDI) has reportedly been a massive case of corruption. A favoured contractor was awarded the contract at an excess quote of 4.57%. The Water Resources Department officials confirm that huge kickbacks changed hands during the awarding of these works.*



### **Rs. 36.82 Crore of Additional Burden on Exchequer**

Jeedipally Reservoir is located in Uravakonda constituency of Anantapur district. The government, on September 5, 2017, sanctioned Rs. 899.20 crore for Uravakonda CLDI project. With this project, the government wanted to irrigate 20,201 hectares by lifting 1.69 TMC water from the Penna Ahobilam Reservoir and Midpennar Reservoir.

Even before the tender notification was issued, the Chief Minister came to an understanding with the contractor in question and tweaked rules to ensure the successful award of the contract to the handpicked contractor. With the tweaked rules, the

Handri-Neeva officials issued a tender notification on December 22, giving the project works on an EPC-Turnkey basis at an estimated cost of Rs. 805.77 crore with a deadline of 18 months. As per the rules, the works had to be split into four packages and tenders must have been called for accordingly.

However, due to pressure from TDP leaders, tenders were called for only one package and the technical bids were opened on 16 March, 2018. MEIL, NCC, HES submitted their bids. The financial bids were opened on March 2. The MEIL with 4.57% excess quote, NCC with 4.78% excess quote and the HES with 4.89% excess quote stood as L-1, L-2 and L-3.

Later, the Handri-Neeva officials forwarded the proposals to Commissionerate of Tenders (COT) on

April 30, 2018 recommending MEIL (L-1) as the contract winner. Had the works been split into four packages, there would have been a lot of competition among contractors to complete the works and they would have been completed at a lower cost. Besides that, the exchequer was burdened to an extent of Rs. 36.82

crore as the works were given to a single bidder at an excess quote of 4.57%. As it is, the estimated cost of this project was hiked at the very beginning of the project. It is being said that the CM and Water Resources Minister were recipients of huge kickbacks in this scam.

# Rs. 352.68 Crore

## Totapalli Project Costs Shot Up

Initial Estimation Rs. 774.90 Crore  
Increased Estimation Rs. 1,127.58 Crore

Chandrababu Naidu has almost doubled the estimated cost of Totapalli project from Rs. 774.90 crore to Rs. 1,127.58 crore, a 45.51 percent hike. This hike came at the fag end of the project; which effectively means the cost was increased to benefit the contractors.

Totapalli Regulator was built by the British on River Nagavali in 1908. It has been showing the signs of the wear and tear. The state government took up a project to build a 2.509 TMC-capacity reservoir 500 meters up from the present construction and supply water for 1.20 lakh acres through a canal of 117.89 km length. This Accelerated Irrigation Benefit Programme (AIBP) was commenced by late Dr. Y.S. Rajasekhara Reddy.

The initial estimated cost of this project was Rs. 450.23 crore and 85 percent works were completed by 2009. Later, in 2012, the government has increased it to Rs. 774.90 crore. By 2014, 90 percent of the project works were completed.

Chandrababu Naidu, true to his form, has failed to complete the remaining 5 percent works, but, made a lofty claim of completing the project and 'dedicated' it to the nation on September 10, 2015. Presently, the project is able to irrigate about 1 lakh acres because of the works that were done by the previous government. Completing the remaining works would help irrigate the remaining 20,000 acres. However, so far, the TDP government could not achieve even this little.

The contractors- out of the natural desire for higher profits- have requested the government to provide them



with the additional fund based on the inflation and the proportion of completed work. The Chief Minister- who should have insisted on getting the remaining fraction of the work done- readily ceded to their request and pressurized the officials for making the additional payments.

Under the strain, the Water Resources Department officials have accepted to release additional funds, as per the GO: 22 and GO: 63. To that effect, the estimated cost was revised to Rs. 1,127.58 crore. The state government has accepted the proposal of the department. That means that the government has paid Rs. 352.68 crore to the contractors for the work that they have already done. A huge amount of these funds have changed hands and undoubtedly the CM has had his cut.

# Rs. 320 Crore

## Four-fold Plunder in Mid Pennar

Estimated Cost Rs. 101.61 Crore

Escalated Cost Rs. 421.87 Crore

Kickbacks Rs. 320 Crore

Two MPs of Telugu Desam Party- J.C. Diwakar Reddy and C.M. Ramesh- had clashed over their share in the commissions of Mid Pennar South Canal modernization works. True to his form, the Chief Minister has settled their differences and pocketed Rs. 320.06 crore. For this, he has hiked the estimated cost of the balance works from Rs. 101.61 crore to Rs. 421 crore. He then awarded the contract to one of his preferred contractors.

To ensure the smooth handover of the contract, Chandrababu Naidu got the rules framed in such a way that only two of his favoured companies would qualify for the tender. However, unexpectedly seven other companies also have competed with the favoured companies. They refused to back off from the bidding despite warnings from J.C. Diwakar Reddy.

This has prompted the 'furious CM' to enter

into the scene and get the tender bids of those companies disqualified by pressurizing the officials of the High-Level Committee (HLC). He instructed the HCL officials not only to disqualify these companies from the present bidding but also blacklist them so that they wouldn't be able to participate in future tenders.

### Rules to Rob

The tender notification was issued on February 3, 2017. However, the 'issues' with the seven companies and the clashes of the ruling party MPs have delayed the finalization of the technical bid and as a result, the tender deadline was extended thrice. After all the disputes were settled, the technical bid was opened on March 30, 2017, and the contract had gone to Nagarjuna Construction Company, which is a company that toes to the CM's line.

# Rs. 200 Crore

## C.M. Ramesh Gets Bonanza

Estimated Cost Rs. 570 Crore Inflated to Rs. 720.26 Crore  
 Finance Department Highlighted the Gross Irregularities  
 in Tender Process in Second Tunnel of Veligonda  
 A Key TDP Leader Siphons off Crores Through  
 Commissions According to a Pre-Meditated Plan



As per GO: 94 in March, 2018,  
 Shashi Bhushan Kumar,  
 Secretary, waterworks  
 department, called for tenders.

Sl. No.	Particulars	Amount	Remarks
1	Original Estimate	735.21	Construction of Aqueduct
2	Additional Estimate	15.00	for the year 2017-18
3	Revised Estimate	750.21	for the year 2017-18
4	Actual Expenditure	720.26	for the year 2017-18
5	Balance	29.95	for the year 2017-18

The finance ministry clearly  
 stated in its directive that the  
 regulations would not be bent  
 to favour any single contractor.

- viii) Liquid assets/Credit facilities/Solvency certificate from Nationalized/Scheduled Banks of value not less than Rs: 95.09 Crores. The certificate should be in the prescribed format as per G.O.Ms. No. 9/1 & CAD (PW- COD) Dept., Date: 01-07-03.
- ix) The tenderer should be profit making after tax in any 3 financial years during the last 5 financial years.
- x) The Tenderer should not be under Corporate Debt Restructuring (CDR)/Strategic Debt Restructuring (SDR) as on the date of bid submission. In this regard, a certificate from Statutory Auditor shall be uploaded by tenderer.
- xi) Joint ventures not allowed.
- xii) The tenderer is subjected to be disqualified, if he is found to have misled or furnished false information in the forms/ statements/ Certificate submitted in proof of qualification requirements or record of performance such as abandoning a work, not properly completed in earlier contracts, inordinate delays in completion of the works, litigation history, financial failures, participated in the previous tendering for the same work and had been debarred from tendering.

Special conditions in violation  
 of GO:94 in favour of CM  
 Ramesh's firm.

Succumbing to the pressure from the Chief Minister Chandrababu Naidu, the estimated costs of the second tunnel work of Veligonda project were hiked from Rs. 570 crore to Rs. 720.26 crore. The CM had already decided to allot the work to one of his beloved cronies' firm, Rithwik Projects of MP C.M. Ramesh. The finance department flagged the irregularities in the tender bidding process of the project, which had drawn up rules to favour

C.M. Ramesh's firm. This was a clear violation of GO 94. HCC-CPPL (JV) had bagged the contract of the second tunnel work in 2007 for Rs 735.21 crore. However, the work which should have been completed by 2012 remained incomplete till 2015. The contractors were asked to complete the job by December 2016 after sanctioning Rs 17.29 crore additional funds for the work. This was also done in violation of rules.

Still, the work was not completed by the end of 2016.

As the initial contractor had failed to complete the works within the deadline, the government removed him under clause 60 (C) and took up the remaining work- between 10.750 km and 18.787 km. The Internal Benchmark Committee set the value of these works at Rs. 299.48 crore. But, owing to pressure from the Chief Minister, the estimated costs of balance works were hiked to Rs. 720.26 crore. The Chief Minister had decided in the very beginning that the works should be given to his aide C.M. Ramesh. On May 08, 2018 the tender notification was issued with the revised value of Rs. 570.58 crore.

However, at this stage, the Finance Department flagged the irregularities in the Veligonda project and faulted the government for issuing a tender notification in violation of GO No: 94 to favour a particular

contractor. The Department clearly stated that rules should not be drawn to favour a certain contractor or/and against another. The GO No: 94 had put the Chief Minister in a bind and he was asked to adhere to it while issuing tender notifications.

The Principal Secretary of Water Resources Department, Shashi Bhushan Kumar, issued orders to chief engineers on March 09, stating that GO: 94 should be complied with. However, the Principal Secretary did not take any action against the project CE and SE, who issued the tender notification. Instead, he just had forwarded the twisted tender notice that favoured Rithwik Projects. By doing so, he violated his own orders, due to the pressure from the CM. Finally, Rithwik Projects secured the second tunnel work at 4.65% excess quote.

## Rs. 100 Crore

### Scam Involving Chief Minister in Telugu Ganga

Preliminary Estimate of Telugu Ganga is Rs.180.48 Crore  
Enhanced Estimated Costs are Rs. 280.27 Crore

CM and his cabinet are making the most of the irrigation projects. On March 9, 2018, the Chandrababu Naidu increased the estimated cost of the Telugu Ganga project from Rs.172.99 crore to Rs. 180.48 crore. Within three months, on June 8, 2018, the cost estimates were further increased to Rs. 280.27 crore. That means the government has increased the estimated cost by Rs.99.79 crore within three months. Evidently, Rs.100 crore had changed hands in this transaction.

#### Deceptive Estimates

The AP government issued



orders estimating the cost of the Telugu Ganga project at Rs. 4,460.64 crore on March 20, 2007. About 95 percent of the works were completed by March 2018. Though the balance works were only 5 percent, the Chandrababu Naidu government has increased the estimated cost to Rs.6,671.62 crore! Orders were issued to this effect on March 9, 2018. The CM wanted to take advantage of the hiked estimated cost and distributed contracts among his party leaders. The government has decided to take up lining work of Telugu Ganga main canal up to 18.20 km, incomplete lining work between 18.20 km to 42.566 km and the lining work of link channel between Banacherla Cross Regulator and Velugodu balancing reservoir, until 7.380 km. These works should cost not more than Rs.172.99 crore as per the estimates of 2007. However, as per the new order in March 2018, these works were valued at Rs.180.48 crore.

### Chief Minister's Orders

The Water Resources Department officials had given in to the pressure of the Chief Minister and increased the project estimated cost to Rs. 280.27 crore. The Chief Minister further ordered that the tender notification should be issued to favour one of his cronies, C.M. Ramesh, a TDP Rajya Sabha member. Officials issued orders accordingly on July 16, 2018, with the revised estimated the cost at Rs. 239.03 crore. An open tender notification was issued with the deadline of 18 months.

### Facilitating Work to TDP MP

Generally, for the lining work of canals, only experienced contractors who can use Pavers are considered eligible to bid. However, in this case, tender rules were changed saying that along with Pavers, the short creating technique should be used. This rule was included in the tender as Rithwik Projects of C.M. Ramesh had experience in this method.

**Rs.  
12.16  
Crore  
per KM!**

The only tenders that had to be re-done were related to the lining work up to 18.20 km of Telugu Ganga Main Canal. In the lining work between 18.200 km and 42.566 of the Main Canal, only 800 to 900 meters long lining work was left. Besides this, another 650 Meters of work in BCR channel remained to be completed. If this were to be taken into account, only 19.650 km-long lining

work remained to be done.

Engineering experts say that estimated costs cannot go beyond Rs.7 crore per km. The government's estimated costs, however, show that the per kilometre cost was Rs.12.16 crore! The government further decided to pay the contractor an additional amount of Rs.36.29 crore towards labour cess, GST and other charges!

# Rs. 78.82 Crore

## Kickbacks to Minister and Contractors in Handri-Neeva

Estimated Costs Hiked from Rs.17.10 Crore to Rs. 95.20 Crore  
Bowling to Pressure, Water Resources Department Released Funds  
Overruling the Finance Department's Objections

Irregularities abound in Handri-Neeva Sujala Sravanthi (HNSS) project. The estimated project cost of the balance works in eight packages of HNSS was hiked from Rs.17.10 crore to Rs. 95.92 crore and then the work was awarded to Rithwik Projects. The Water Resources Department actively approved the cost hiking process and expressed its willingness to pay the jacked up bills; for the sake of kickbacks. The Water Resources Minister Devineni Umamaheswara Rao distributed the Rs. 78.82 crore- which he got in the project- among the contractors. Here are the full details.

In the second phase of the HNSS project, the contractors of packages 21, 22, 27, 28, 29, 62, 63 and 64 were removed under Clause 60-C by Chandrababu Naidu. The total value of works in these eight packages was Rs. 521.39 crore and of this, work worth Rs. 504.29 crore had already been completed. Only Rs. 17.10 crore worth work left.

As per the EPC norms, if any estimated cost is inflated to more than five times the original estimate, government approval for such an enhancement is mandatory and binding. However, in this case, the estimated costs of the balance works in the eight packages were hiked from Rs.17.10 crore to a staggering Rs.95.92 crore. In each package, the estimated costs rose sharply by 22% and yet government approval was not obtained.

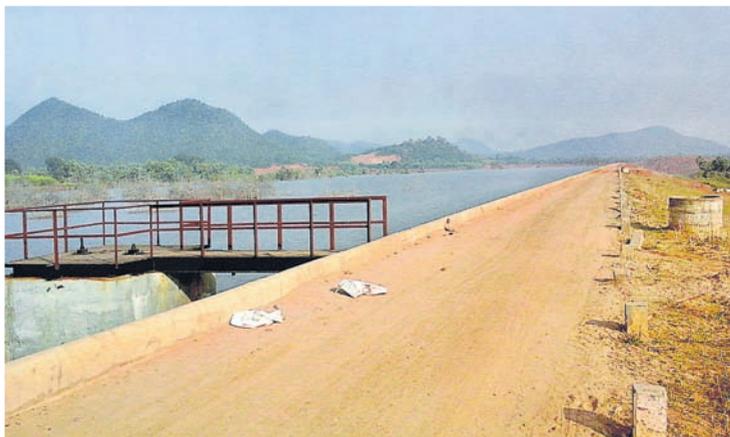
On April 4, 2015, a few favoured contractors chose by the TDP government were handed over the works. Contractors who had completed their work sought payment, but the Finance Department said that the funds could not be released without specific government approval as mandated. However, the Water Resources Minister Devineni Umameswara Rao exerted pressure on the officials and ensured that the Water Resources Department gave its approval to the bills for payment.

### Rs.6.63 Crore Additional Payment for Nominated Works

In phase two of HNSS project, the work of 59th package (digging in Punganuru branch canal from 150 km to 173 km) was initially awarded to APR Constructions. But, the company was removed by using Clause 60 (C) as it had refused to cough up the kickbacks. The balance work of 2.8 km tunnel digging was assigned to Rithwik Projects, a company owned by TDP MP C.M. Ramesh after hiking the estimated costs to Rs. 69.91 crore. That too, the contract was awarded on nomination basis. Rithwik Projects has pocketed another Rs. 6.63 crore by submitting a proposal stating that for the job undertaken it had used a Jumbo Jack Hammer instead of a Boomer. The government gave its approval to this dubious proposal and released Rs. 6.63 crore to the company owned by Chandrababu Naidu's close associate.

# Rs. 43.97 Crore Pogonda Scam

Pogonda Reservoir has become a major source of corruption for the ruling Telugu Desam Party (TDP). The Pogonda Reservoir is being built near Chintalagudem village of Buttaigudem mandal, West Godavari district. This project was initially envisaged and commenced by late Dr. Y.S. Rajasekhara Reddy in 2007. A reservoir with a capacity of 2,27,738 million cubic feet was to be constructed over the Bineru river near Chintalagudem. The project work was assigned to a contractor with an estimated cost of Rs. 18.20 crore. The reservoir was to irrigate 4,000 acres on completion. Dr. YSR had proposed that funds should be assigned under the ST Sub Plan.



However, the designs of the reservoir were modified following the suggestions from the Chief Engineer of Geological Survey of India (GSI) and the committee of Central Designs Organisation (CDO). These modifications were made because Bineru river floods during the rainy season would have strong currents. The new designs have augmented the estimated costs to Rs 85.51 crore. Accordingly, a GO was issued on January 1, 2014. This project can start supplying water if the construction of distributaries is completed. However, the Water Resources Minister D. Umamaheswara Rao has refused to complete this tiny work. He has done so with the plan to pocket ST Sub Plan funds. Here are the details.

## In the Guise of Contractor

Soon after assuming office, the Water Resources Minister eyed Pogonda Reservoir and entered into a secret deal with the existing contractor. According to the plan, the contractor submitted a proposal on 18 January 2016, requesting additional funds to complete the project. In the proposal, the contractor stated that he was given the works based on 2011-12 estimations and had to spend an additional amount of Rs. 43.97 crore due to the design changes and ever escalating inflation.

The Water Resources Minister has immediately approved the proposal and pressurised the officials to release the funds from the ST Sub Plan. The state-level standing committee (SLSC) turned down the proposal stating that the estimated costs were revised in 2014 following the design changes. An angry minister sent back the same proposals to the SLSC and brought the Chief Minister into the picture. This has changed everything. The SLSC finally caved in and forwarded the proposal to the chief engineer's committee.

The Chief Engineers' Committee, which has scrutinized the proposal, refused to accept the proposal and backed the view of the SLSC. It suggested that a decision could be taken on additional funds once considering the applicability of GO: 22 since the contract date was already over. However, owing to pressure from the minister, this report was deliberately misinterpreted by the officials of the water resources department. The minor irrigation engineer forwarded a proposal to the government on August 1, 2017, recommending the release of a total of Rs. 43.97 crore additional funds- Rs. 30.87 crore for additional work and Rs. 13.10 crore under GO: 22. The government has approved the proposal on November 30 and as the result, the minister lined his pockets with these additional funds.

# Rs. 38.98 Crore

## Minister's Relative

### First Among Contractors

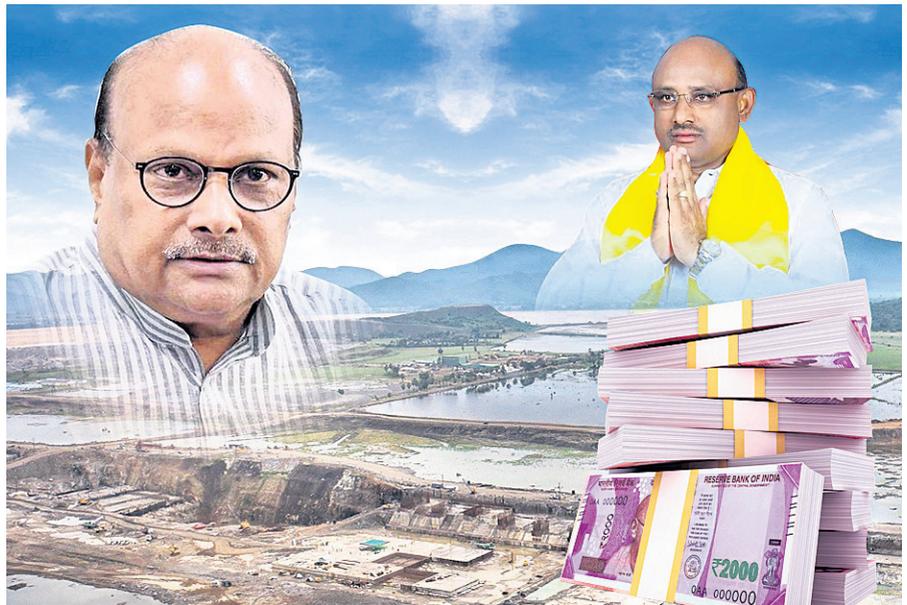
Polavaram Left Canal Works Awarded on Nomination Basis  
Agreed for Rs. 142.88 Crore, paid Rs. 181.86 Crore  
Rs. 38.98 Crore Pocketed

The state government has gifted Rs. 38.98 crore to Putta Sudhakar Yadav, TTD Chairman and a close relative of the state Finance Minister Yanamala Ramakrishnudu. It has awarded the 5th package works of Polavaram Left Canal worth Rs. 142.88 crore to HES-PSK, a joint venture belongs to Mr. Sudhakar Yadhav on nomination basis on November 30, 2016.

The Chandrababu Naidu government has gone against its own laws to award this contract. However, the worst was not over yet. Though HES-PSK had agreed to complete the works within the given budget, the government paid another Rs. 38.98 crore without any reason. During this process, it did not care for the objections raised by the State-Level Standing Committee (SLSC) and Internal Benchmark Committee (IBM).

### Inexperience Valued

Indeed, PSK has never worked on the irrigation projects. However, it could form a joint venture with HES Infra. Then they have ensured the removal of the existing contractor for 5th package works of the Left Canal. Then pressurized the officials to hand over the contract of remaining work in the 5th package i.e. the lining, causeway, concrete works to HES-PSK on



nomination basis.

This effort of the minister- to award Rs. 142.88 crore worth work to an inexperienced company- was resisted by SLSC and IBM. However, these objections hardly made any difference. The government has issued a GO on awarding the contract to HEC-PSK on November 30, 2016. Though the company has agreed in writing that it would complete the work within the budget, it later sought Rs. 38.98 crore additional funds to complete the work. Yanamala followed up this file and ensured the compliance from the officials. The Department officials have forwarded a proposal to make Rs. 39.98 crore additional payment, on May 6, 2018.

# Polavaram Project Undermined

## Polavaram Project Authority Report

**The Polavaram Project Authority (PPA) penned a scathing report criticising Chandrababu's arbitrary style of functioning and the resultant corruption in the project. The PPA has submitted the report to Nitin Gadkari, the Union Minister for Water Resources.**

**According to the official sources, the report submitted by PPA highlighted the following points:**

- As per the PPA gazette notification issued by the Centre, on 28 May 2014, under Section 9(1), a contractor was to be sacked and a fresh tender was to be called for, if works were to be cancelled and freshly assigned, the permission of PPA is mandatory. The PPA accordingly wrote to the state government on September 8, 2015, reminding this clause. However, the AP government completely ignored the PPA's objections and went about its business in an arbitrary manner.
- Although the Polavaram Left Canal work, under the 6th package, was not being completed by the contractor even after the lapse of four and half years, Chandrababu Naidu government neither penalised nor sacked the contractor. In contrast, the contractor who had taken up work under the fifth package was sacked and the remaining work assigned to another firm on nomination basis. Works of 1st, 3rd, 4th, 7th and 8th packages were given to new contractors on nomination basis. When this was flagged through a letter stating that permission was not obtained, there was no response from the state government.
- A tender notification was issued on November 27, 2017, removing the old contractor and without obtaining due approval from the PPA. The work was related to the spillway and spill channel in head works; and the work was valued at Rs. 1,395 crore. The centre wrote to the AP government on 29 November 2017, directing the cancellation of these tenders. The state government responded writing that it would not take any unilateral decisions in this matter in future.
- However, the state government conveniently forgot the promises it made to the centre and PPA. It handed

over work valued at Rs. 1,243.67 crore relating to spill channel and the spillway after obtaining permission from the PPA. The remaining work valued at Rs. 921.87 crore was assigned again to the same contractor. It is also learnt that works relating to Earth-Cum-Rock Fill Dam (ECRF) and cofferdam were given to a new contractor without obtaining the mandatory permissions.

- As per GO 94, issued on July 1, 2013, under EPC (engineering procurement and construction) method, when a work is given on basis of tender, it cannot be given to another contractor on Lump Sum Open method without cancelling the initial contract. Contrary to this rule, jobs related to Polavaram Head Works were given on a nomination basis.
- Though the works of the Left Canal and Right Canal had been completed, there was no corresponding progress with respect to work on the reservoir. The state government is neither honest nor committed when to implement the designs. To help the government in the preparation of designs, a Dam Design Review and Preparation Committee was constituted. Still, there have been delays in the implementation of designs as the government is unresponsive.



# Polavaram-Free Lunch!

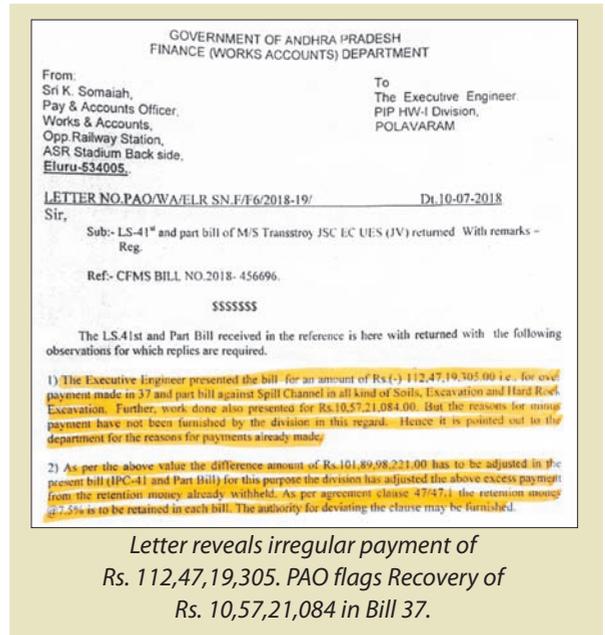
Rs. 150 Crore Worth Bills Claimed Without Doing Any Work

The AP media reported on March 24, 2018, the soil work bills of Rs. 150.93 crore were claimed without doing any such work. These reports were later confirmed by media reports. The Pay and Accounts (PAO) Department and Auditing Department have confirmed that a payment of 112.47 crore was claimed by merely creating fake records of the soil works that were never done.

However, the Chief Minister has put tremendous pressure on the PAO officials to hush up the criminal act by merely going for the recovery. As a result, Rs. 10.57 crore were exempted from the payments of bills made to the contractor in question. Rs. 101.89 crore would still need to be recovered. However, the Chief Minister blocked the further recovery process and pressurised the officials to make payments to the contractor. Realizing that the entire matter could recoil on him, PAO of Eluru K. Somaiah stated in a communication to the EE of Project Head Works (Reservoir) on 10th earlier this month, that bills of the contractor in question could not be settled. Here are the details as to how hundreds of crores public money were looted without doing any work.

Soil works related to Polavaram spillway, spill channel, approach channel, pilot channel and foundation digging needed to be done at Rs. 10.49 Crore. After securing the project, the reservoir work was entrusted to sub-contractors. Soil excavation work was entrusted to Triveni Earth Movers, a sub-contractor. In irrigation project related works the estimated cost of a cubic metre soil work is Rs. 92.60 as per 2015-16 rates. Additional payment would be made in the case of rocky soil.

When AP Chief Minister Chandrababu Naidu made his 20th visit to the site on October 03, 2017, 7.59 crore cubic metres had been excavated as per records. Another 2.96 crore cubic metres were left, the records stated. In reality, however, 5.96 crore cubic metres of soil work had been completed. Even though 1.63 crore cubic metres of soil work had not been completed, it was shown as having been done, due to pressure from the Chief Minister. Rs. 150.93 crore was additionally paid to



contractors and found its way to the Chief Minister.

## Auditing Department Faults Violations

After media reports highlighted the loot in Polavaram soil works, the PPA and Auditor-General had conducted a site inspection. It was revealed that by Rs. 112,47 crore were swindled by claiming payment of soil works that were never taken up. A report was submitted to the AP government recommending recovery of excessive payments and strict action to be taken against erring officials.

## Rs.61.66 Crore Loot Prevented

Even when soil works were not needed in Polavaram, Rs. 66.59 lakh cubic metre work was added. Though no work was done, the Chief Minister prepared the ground to swindle Rs. 61.66 crore, but the report of the PPA and Auditor-General put a stop to this loot.

# Endless Corruption in Polavaram

## CAG Censures Chandrababu Government

The Comptroller and Auditor General of India (CAG) heavily come down on the corruption in the works of Polavaram project. It pointed out that Chandrababu Naidu government showered its largesse on the headworks contractor, but failed to secure any progress in the work. The central auditing body took a strong exception for not establishing a dedicated department for quality assessment and control until the state government entered into an agreement in July 2017 with the Central Soil and Material Research Station (CSMRS).

### Reward Instead of Penalty!

The expert committees of both the centre and the state government emphatically stated that Transtroy (JV), a firm owned by TDP MP Rayapati Samabasiva Rao, did not have the expertise and skill set to undertake the Polavaram Head Works contract. As it was predicted, there was no progress in the works of headworks till 2016 September. The government which was supposed to penalise the contractor for execution delays did exactly the opposite. The CAG faulted the Chandrababu government for increasing the estimated costs of the headworks to Rs. 1331.91 crore on September 8, 2016, which was two long years before the contract deadline to benefit the contractor, in an unprecedented manner.

### Government Funds to Dumping Yard Too

As the government has increased the estimated cost, it was supposed to collect Rs. 66.59 crore in lieu of performance security from the contractor. However, the government gave him an exemption instead. Violating rules, it has bought the steel worth Rs. 25.37 crore and supplied it to the contractor. Moreover, the government, instead of the contractor, has paid import duty of Rs. 5.72 crore on the equipment imported by the contractor despite no such obligation.

### Advances Galore

The government first gave the contractor Rs. 404.86 crore mobilisation advance, which had to be collected along with 11% interest from the 21st bill onwards. However, the government kept on postponing the recovery. Further, the government gave Rs. 95 crore mobilisation advance again when the diaphragm wall works worth Rs. 422.20 crore were given to sub-

contractors. This was one more gross violation of rules.

### Spate of Irregularities in Canals

A host of irregularities have taken place in the works of the Left and Right canals of Polavaram. Without the permission of Polavaram Project Authority (PPA), the estimated costs of these works were jacked up to Rs. 8,021 crore. The government has issued orders to this effect on December 6, 2016. Despite the execution delays and too many rule violations, Chandrababu Naidu has refused to penalise the contractor. Instead, the government went out of its way to be generous to him and hiked up the estimated costs. It is pertinent to point out that instead of the contractor the government bore the expenditure at a cost of Rs. 38.12 crore for transport of pipelines and electricity poles in the canal works.

### Irregularities in Land Acquisition and Resettlement

As per the guidelines of Central Water Board, the DPR of an irrigation project has to be prepared with the assistance of the National Remote Sensing Agency (NRSA). For Polavaram, however, it was done on the basis of Geological Survey of India (GSI) pictures. Initially, the government stated that 54,448.69 acres land would be submerged and 44,574 families would be dislocated. However, these calculations altered all of the sudden. According to the recent estimate, the submerged land would be 1,03,585.21 acres and the number of displaced families would be 1,05,601. This massive increase of the numbers has baffled the people. The state government so far did not the accounts for Rs. 1,407.64 crore - which was spent on the land acquisition and resettlement - to the PPA. Here are some of the questions raised by CAG.

- ← The PPA which was established to complete the Polavaram project expeditiously under the State Reorganisation Act. What is the reason behind the state government's reluctance to enter into an agreement with that organisation?
- ← Instead of penalising the contractor, the state government jacked up the estimated costs to Rs. 1,331.91 crore two years before the project deadline. Was that doing an undue favour to the contractor?
- ← The accounts of Rs. 1,407.64 crore, which was spent on the land acquisition and resettlement have not been submitted to the PPA so far. What does that indicate in not corruption?

# LANDS WERE GULPED DOWN



# Rs. 1,00,000 Crore Massive Land Scam in Vizag

## Records of One Lakh Acres Disappeared!



Government lands which were mortgaged by ParuchuriBhaskara Rao, a relative of AP HRD Minister Ganta Srinivasa Rao, in Vemulavalasa of Visakhapatnam district.



Clear proof of Bhaskara Rao's mortgage of the government lands and land of others belonging to survey nos: 122/9, 10, 11, 12.

సర్వే సంఖ్య	సర్వే నెం	వ్యక్తి పేరు	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం									
1	22-	10	0.4700	0.0000	0.4700	ప్రభుత్వ భూమి	0.00	శేట్ల	...	0.0000	9999	ప్రభుత్వ భూమి (ప్రభుత్వ భూమి)	ప్రభుత్వ భూమి (ప్రభుత్వ భూమి)	0.4700	అన్యథా భూమి

సర్వే సంఖ్య	సర్వే నెం	వ్యక్తి పేరు	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం	సర్వే విస్తీర్ణం									
1	22-	12	1.0400	0.0000	1.0400	ప్రభుత్వ భూమి	0.00	శేట్ల	...	0.0000	9999	ప్రభుత్వ భూమి (ప్రభుత్వ భూమి)	ప్రభుత్వ భూమి (ప్రభుత్వ భూమి)	1.0400	-

Houses for the weaker sections on the land of survey no: 122/11, mortgaged by ParuchuriBhaskara Rao in a bank.

"Records of one lakh acres have gone missing due to Cyclone Hudhud." - **Statement of Vizag district collector on May 30, 2017.**

When Cyclone Hudhud affected Vizag city in October 2014, no government official ever mentioned about land records gone missing, but after three years, we can see them making strange statements about the 'missing land records'. During the Hudhud, there were only strong currents of wind and there were no floods. How come the land records from a few government offices got blown away by

these strong winds? Indeed, this mysterious disappearance of the records points to a massive scam involving more than one lakh acres land in Visakhapatnam district. It is quite clear that the ruling party leaders used Cyclone Hudhud to cover their tracks. In Visakhapatnam district, the value of an acre land is around Rs. 25 crore. That makes the value of one lakh acres of land encroached upon by the ruling party leaders would be more than Rs. 1 lakh crore!

Thanks to the increased media coverage of the

Vizag land scam and the widespread discussion among people, the CM became desperate and took a few damage-control measures. However, it would not have been possible for the ministers or government officials to tamper with revenue records at such a massive scale without the active backing of the Chief Minister.

Incidentally, during the Hudhud, the Chief Minister took over the power of RDOs from the Revenue Minister and stayed in Vizag city during the cyclone. Now, the district collector stating that the records tampered during the Hudhud time clearly indicates the role of the Chief Minister in the Vizag land scam. A scandal of this scale clearly points to the role of the CM and not just that of the ministers and administrators.

Because of his role, the CM forced a compromise upon two warring ministers, Ganta Srinivasa Rao, who has the most active role in the scam, and Ch. AyyannaPathrudu, who was exposing the land scam due to his rivalry to Srinivasa Rao. The Chief Minister has also tried to divert the public attention by appointing a three-member Special Investigation Team (SIT), which simply was a waste of time and a drain on the exchequer. Despite the SIT submitting its report in August 2018, the state government just sat on it and did not initiate any actions based on the report. All these developments indicate the active role of the CM in the massive Vizag land scam.

Precisely because of this reason, the Chief Minister has refused to hand over the case to Central Bureau of Investigation (CBI) and also attempted to play it down by limiting the scale of the scam to mere 256 acres. While the entire state was appalled at the sheer scale of the scam, the CM has tried to turn the issue into a clash between two ministers; this has shocked the people further. Though the Deputy Chief Minister announced the setting up of an open inquiry, the CM turned it into an internal matter by appointing a SIT with three government officials. This act is nothing but a reflection of the CM's guilt and wily intent.

Visakhapatnam is one of the most beautiful cities in India. But, now, it is known for the massive land grab of the TDP leaders. The leaders of the ruling party have been grabbing land wherever possible,

## Farmers' Lands Grabbed by TDP Leaders

Village	No. of Acres
Sowbhagyapuram (Pendurthi mandal)	120
Darbhandha (Anandapuram mandal)	114
Kommadi (Vizag Rural mandal)	116
NerellaValasa (Bheemili mandal)	114
Gadigundam (Anandavaram mandal)	69

## Land Records Claimed to have Gone Missing in Hudhud

Mandal	No. of Acres
Bheemili	4,500
Pendurthi	3,500
Anakapalli	6,500
Yalamanchili	4,000
Vizag city	300

and so far they could take possession of more than one lakh acres. The government officials who were supposed to protect the ordinary citizens worked hand in glove with the ruling party in this act of betrayal. From Secretariat official to a panchayat secretary, everyone was a part of this sinister plot. A host of officials, police officers at various levels, ministers, MLAs, ruling party leaders-all of them have come together to form a mafia and have tarnished the brand image of the rising city of Vizag.

The TDP leaders tampered with government records extensively and took possession of the lands. Wherever the tampering was not possible, they just have grabbed the land with help of other means including the land pooling. Alarmed by the sheer scale of the scandal, the people of Vizag, with the help of opposition parties, have protested these brazen acts. Thanks to their efforts, several land scams have surfaced in Bheemili, Anandapuram, Visakhapatnam Rural and Pendurthimandals.

Even in the land pooling, the government has shown its nepotism and it was quite biased towards

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Municipal Administration & Urban Development Department – Visakhapatnam Urban Development Authority (VUDA) Land Pooling Scheme (formulation and implementation), Rules, 2016\* - Notification – Issued.

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**MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (H1) DEPARTMENT**  
**G.O.Ms.No.290** **Dated 14.11.2016**

**Read the following:**

- Letter Roc.No.56/2013/Estate/I-1/SDT, dated 28-08-2016 of Vice-Chairman, Visakhapatnam Urban Development Authority
- AP Metropolitan Region & Urban Development Authorities Act, 2016 (Act 5 of 2016).
- G.O.Ms.No.273, MA&UD (H1)Dept. dated 01-11-2016

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**ORDER:**  
The Government have enacted the Andhra Pradesh Metropolitan Region and Urban Development Authorities Act, 2016 (Act 5 of 2016) duly repealing the AP Urban Areas (Development) Act, 1975.

*GO. 290 issued on Vizag land pooling.*

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Municipal Administration & Urban Development Department - Andhra Pradesh Metropolitan Region and Urban Development Authorities Act, 2016 (AP Act No.5 of 2016) - Implementation of Development Schemes - Authorization to Visakhapatnam Urban Development Authority – Orders - Issued.

G.O.MS.No. 304 Dated: 25-11-2016  
Read the following

- AP Metropolitan Region & Urban Development Authorities Act, 2016 (Act 5 of 2016)
- G.O.Ms.No.290, MA & UD Department, Dated : 14.11.2016
- From the V.C, Visakhapatnam Urban Development Authority, Lr.Roc.No.56/2013/Estate/I-1, dated 13-11-2016

a) Proposals to be taken up in the first spell:

Sl. No	Name of the village & Mandal	Sy.No.	Zeroyithi land Ac.Cts	Assigne d land Ac.Cts	Govt land Ac.Cts	Total in Ac.cts	ig id
1	2	3	4	5	6	7	ig
1	Sowbhagya rayapuram (V) Pendurthi (M)	116/1, 121/1,2, 123/2, 124/1,2, 125/1,2, 99	--	60.94	68.00	128.94	
2	Dabbanda (V), Anandapuram (M)	141,19/2, 20, 24/1 to 4, 148/3 to 6, 141/1 to 8, 143/1 to 4, 144/1 to 4, 145/2 to 10, 146/1 to 7, 15, 147/1 to 8, 148/1 to 14	25.88	65.35	23.00	114.23	in in
3	Kommadi (V), Visakhapatnam (R)	38, 42, 28/2, 39/2, 40, 141, 143, 83/1, 2, 3, 4, 5, 6, 7, 84/1, 2, 3, 4, 5, 6, 141/1, 2, 142/1, 2, 143/1, 2, 40/1, 1, 106, 40/1C, 151/2, 152/1, 2, 153/1	39.80	48.84	28.00	116.64	
<b>TOTAL</b>			65.68	175.13	119.00	<b>359.81</b>	

*GO. 304, which has allowed the government to take assigned lands from the land owners as part of land pooling.*

its party leaders. For the newly proposed Bhogapuram airport, which will replace the present airport in Vizag, the land pooling was done in the most absurd manner possible. While the lands of influential people were exempted from the pooling, the lands of the poor farmers were overtaken forcibly. After acquiring the land, the government has been allocating it to its favoured companies with the help of GOs.

## Loans Against Govt. Lands

After coming into the power, the ministers and MLAs of Vizag district focused completely on the Revenue Department. They have made sure that pliant RDOs and Tehsildars were appointed in their respective areas. Ganta Srinivasa Rao was very active in getting the revenue officials of his choice appointed in the district. In the name of his relatives, he has occupied the lands across the district, left, right and centre. Though some lands were in the name of other farmers, the minister used his influence and got crores of rupees bank loans against those lands for his relatives.

For instance, Paruchuri Bhaskara Rao, a relative of the minister, got a loan from Indian Bank against a government land. He has mortgaged 726 sq. yards land of survey no: 122-11, 4.33 acres of survey numbers: 122-8, 9, 10, 11, 12, 13, 14, 15, and 0.271 acres land of survey no: 124-1, 2, 3, 4; all of which are located in Vemulavalasa village of Anandapurammandal. In these lands, the government has pooled 59 cents from the survey no: 122-9.

Bhaskara Rao owns only 7 cents of land in this survey number. He doesn't have any land in the other survey numbers either. However, his writ ran large since the sub-registrar and tehsildar offices of Bheemili, Anandapuram, Visakhapatnam Rural have become the dens of corruption since 2014.

## Disappearance of Land Records

As an increasing number of land scams and tampered records became public, the district officials came up with the strange, gone-with-the-Hudhud statements. The district collector Praveen Kumar claimed that thousands of lands records had gone missing. According to him, 16,735 out of 2,45,896 Field Measurement Books (FMBs) and 379 out of 3,022 RSRs have gone missing. Out of 3022 clear village maps, 233 have disappeared. The collector claimed that these records had gone missing during the Hudhud cyclone.

While Hudhud struck the Visakhapatnam coast on October 12, 2014, there were only powerful currents of wind, but there were no floods nor was there any inundation. Not a single government record mentioned the inundation or destruction of land records in tehsildar offices. If nothing had happened to buildings, how come the records stored in those very buildings have gone missing? That too, only the records from select buildings have gone missing. The officials have started making statements about missed records only after the appearance of a series of news reports in the media about the massive land scam. The timing of the statements was also truly intriguing.

**Statement showing the Dist. wise particulars of Waqf land in Andhra Pradesh state.**

Sl No	Name of the Dist.	Total Extent	Lands taken by the Govt. under inam abolition Act / Resume of lands	Land Acquired by the various Dept.'s	Alienation of land by the Waqf Board.	Waqf land lost in court cases.	Total (4 to 7)	Existing total available land.	Encroachments	free from encorachment	Lands involved in court cases.	Recovery of land under process
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Kurnool	22599.89		1910.42			1910.42	20689.47	3758.58	16930.89		833.95
2	Cuddapah	1960.27		47.61			47.61	1912.66	371.46	1541.20	25.00	98.20
3	Anantapur	10339.96	6797.00	86.00			6883.00	3456.96	290.45	3166.51		80.00
4	Chittoor	6671.00		11.00			11.00	6660.00	5162.99	1497.01	268.74	159.22
5	Srikakulam	1671.22	1115.14				1115.14	556.08	264.69	291.39		49.73
6	Vizayanagaram	10.34						10.34	0.00	10.34		0.00
7	Visakhapatnam	7800.61		2598.20			2598.20	5202.41	4399.87	802.54	629.97	210.62
8	East Godavari	1749.37		18.43			18.43	1730.94	1608.61	122.33	121.21	293.30
9	West Godavari	967.98						967.98	608.67	359.31	56.86	294.44
10	Krishna	2246.16		298.50	125.16		423.66	1822.50	1010.02	812.48	436.65	157.88
11	Guntur	3642.76		144.28	53.58	329.22	527.08	3115.68	467.78	2647.90		323.78
12	Prakasam	4321.91						4321.91	3457.72	864.19	106.00	215.00
13	Nellore	1279.50					0.00	1279.50	1152.22	127.28	112.01	0.00
	<b>Total</b>	<b>65260.97</b>	<b>7912.14</b>	<b>5114.44</b>	<b>178.74</b>	<b>329.22</b>	<b>13534.54</b>	<b>51726.43</b>	<b>22553.06</b>	<b>29173.37</b>	<b>1756.44</b>	<b>2716.12</b>

*The white paper of the state government on the status of Waqf lands in different districts of the state.*

## Land Pooling - A Handy Official Weapon

In Andhra Pradesh history, no other party has used the land pooling method at this proportion to pressurise the ordinary farmers to give up their lands. In Visakhapatnam district, land pooling was used in an oppressive manner to take the lands of the people. In this instance, the drama of land pooling has started as the TDP leaders eyed 120 acres in Sowbhagya Puram, 114 acres in Dharbanda village of Anandapurammandal, 116 acres in Kommadi of Visakhapatnam Rural mandal, 114 acres in Nerellavalasa village of the Bhemmilimandal and 69 acres of Gadigundam village of Anandapurammandal.

Then, some of the TDP cadres had filed applications to the government expressing their willingness to hand over their lands to the government. These farmers met Chandrababu Naidu's son Lokesh and told him that they were ready to surrender their lands for the pooling and requested him to issue a GO. All this has happened as part of the sinister plan. In the interim period- between the request and issuance of the GO, the TDP leaders have

bought a huge number of D-patta and assigned lands. They could buy these lands at the cheapest possible rates by frightening the land-owners that their lands would be taken by the government as part of imminent land pooling and they would get only Rs. 2 lakh per acre compensation. Once purchases were done, the government came out with GO no: 304, which was in favour of the new owners.

It was only when the people got the exact picture. Now, the farmers of those areas are fighting for the return of their lands. Meanwhile, the Visakhapatnam Urban Development Authority (VUDA) issued the land pooling notification and completed further formalities. The VUDA in its board decisions made it clear that it had received proposals from the CMO and decisions were taken based on the CMO proposals. The government then issued GO 290 confirming the VUDA decisions. Thus, the pooling was used to fool the farmers of Vizag district.

## Waqf Lands Grabbed

The TDP leaders have indulged in land-grabbing of waqf lands on a big scale. Incidentally, most of these waqf lands happen to be in the constituency of Ganta

## 16,735 FMBs Gone Missing

In Vizag district, the land records of 379 villages have gone missing. According to our records, there should be 2,45,896 FMBs. However, only 2,29,161 FMBs are available now and 16,735 FMBs have gone missing. (According to the collector, these missing FMBs contain the records of 1 lakh acres.)

**- Praveen Kumar,  
Vizag District Collector**



## Demanded Probe Six Months Ago

I had warned people about the TDP land scams six months ago. I demanded in the Assembly that an Inquiry by a sitting judge be instituted. Had the government ordered a probe then itself, the situation wouldn't have come this far. The state government junked the open inquiry and appointed a government team to probe the scam. With such a team investigating the scandal, there can be no hope for justice.

**- Vishnu Kumar Raju, BJI**



## Lawmakers and Leaders Robbing Land

In Visakhapatnam district, the land grabbing has been going on unfettered. It has the full support of the elected representatives and politicians. The people of Vizag are ready to kick the land grabbers out of the



district. I speak the truth without any fear and I am ready to even forego my position.

**- Ch. Ayyanna Patrudu, R&B  
Minister**

Srinivasa Rao, which seems to be no coincidence. The records of 2.36 acres of prime land located adjacent to Bheemili national highway and 15 acres in Kasimkota, Pedagantyada and Gajuwaka areas have been tampered with. In Devada village of Pedagantyadamandal, Waqf board had 5,307 acres; of which about 1,993 acres land is no more with the board. In Bayyavaram of Kasimkotamandal, 222 out of 262 acres, in Bheemili of Bheemunipatnam 27.29 out of 30 acres, six acres in Sitapuram, 2.84 acres in S. Rayavaram, 8.62 acres in Seethampeta and 2.35 acres of Yalamanchili were encroached upon. While the government departments have encroached upon 2,072 acres, the TDP has grabbed another 2,226 acres.

## Even Assigned Lands Not Spared...

In Mudamaka village of Pendurtimandal, 955 acres of assigned land is located in the survey numbers of 1, 38 and 76. This land was allotted to 450 farmers 40 years ago by the government of the day, which also gave them the pattas. Since then, the farmers of Mudamaka and its nearby village Govindapuram have been growing cashew orchards on these lands. Once the TDP came to power in 2014, the ruling party leaders started scheming to take over these lands.

In 2015, they got the insider information about the land pooling plans of VUDA. Before the decision was formally announced, TDP leaders, such as MLA Bandaru Satyanarayana Murthy, have made their moves. They conned the farmers with a sustained propaganda that they were going to lose their lands in the imminent land pooling and they would get a compensation mere Rs. 2 lakh per acre.

The ruling party thugs have enticed the petrified farmers with the 'offer' of Rs. 10 lakh per acre. Confused and caught in a bind, the farmers took Rs. 1 lakh to Rs. 2 lakh advances and transferred their entitlement rights to the ruling party leaders. About 320 farmers sold 500 acres for a mere Rs. 10 crore during this deceptive drive.

Indeed, the rate fixed by VUDA for these lands was Rs. 1 crore per acre. Still, the farmers sold their lands only for Rs. 10 crore. While the TDP thugs were buying the remaining lands, media exposed the fraud with its series of exclusive stories. The farmers of Govindapuram village were alerted by these stories and there was an instant farmers' revolt in the area. Despite the resistance from the farmers, the ruling party thugs have removed the cashew orchards of the farmer and laid the roads and took over the lands.

**Yellow Mafia  
Swallows  
of the State**



# The Encroachment

**Rs. 58,933 Crore**

62,736 Acre land grabbed by  
TDP leaders across the state

*TDP leaders grabbed 62,736 acres land across the state in the last four and half years. The value of these lands would be not less than Rs. 58,933 crore as per prevailing market rates. Beginning with the party workers and going up as high as the benamis of the chief minister, land grabbing has become the norm. With the objective of buyout the upcoming elections by pumping massive amounts of funds, land grabbing began with the new capital, Amaravati, has now extended to all districts.*

*This land grabbing activity does not exclude any land let it be Temple lands or Graveyards or Lakes, and not to speak the assigned lands of Dalits. Lands grabbed in this manner were pledged in banks to obtain crore of rupees as loans. Additionally, lands were grabbed in Amaravati new capital region through insider trading and in Visakhapatnam by tampering with records. Here are the details district-wise land grabbing by the ruling party leaders.*

## Land Grbbed by TDP Leaders in Different Distrcits of the State

District	Land (Acres)	Value (In Cr.)
Visakhapatnam	10,000	50,000
Chittoor	2,543	4,045
Vizianagaram	1,000	1,500
YSR Kadapa	5,744	856
Anantapur	30,000	750
Kurnool	1,000	500
Prakasam	7,362	228
Guntur	1,600	250
Krishna	60	220
East Godavari	200	200
Nellore	2,738	169
West Godavari	92	115
Srikakulam	397	100



*This is the granite hill illegally occupied by minister Kala Venkatrao's relatives.*

1

Srikakulam

## Minister's Relative Dugs up Granite Hill

Minister Kimidi Kala Venkat Rao's relatives cast their eyes on a granite hill in Vangara Mandal in Srikakulam district next to the Madduvalasa project. When Kala Venkatrao's sister-in-law Cheepurupalli MLA Mrinalini was the minister, there were serious allegations that a close relative of theirs was involved in quarrying. Instead of carrying out his mining activity at a place near Pattuvarthanam village in Vangaramandal which he had taken on lease, he started excavating five acres of land near Pandavula Konda.

The mining officials seized the quarry following media reports on the activity in this region. However, the place is still in the grip of the Kimidi family. The estimated value of granite here is said to be close to Rs. 10 crore. When the place was seized there were close to 60 granite slabs. However, now only a couple of them remaining. This is a clear indication of the extent of illegal mining

activity that has taken place here.

Large-scale land acquisition is underway in Kovvada of Etcherla constituency represented by Kala Venkatrao where a nuclear energy plant is expected to come up. TDP leaders siphoned off compensation to the extent of Rs. 9 crore in the name of their proxies.

Nearly 100 acres of government land was grabbed with fake documents. The names of Gorle Vijaykumar, Gorle Lakshman Rao and Kalishetty Sahadevudu feature prominently in this context. The ground was prepared to grab government land worth Rs. 5 crore in SM Puram Konda of Etcherla mandal by Srikakulam ZP chairman Chowdary Dhanalaxmi, former TDP district president Chowdary Babji's son Avinash. TDP leaders also grabbed 38 acres of lands in minister K. Atchannaidu's constituency, Tekkali. The land is valued at Rs. 2 crore.

Kakinada City MLA Vanmadi Kondababu plotted to grab 47 acres of land worth Rs. 5 crore located at Survey No. 231 in Thoorangi near Kakinada in the name of his relatives. The MLA is going all out to acquire the land which belongs to Akula Gopaiah educational society and which had legally acquired the land through Anakapalli settlement court.

Moreover, he helped his followers grab another piece of land belonging to the same society which was located in Survey No.230/2. A police case was booked against MLA Vanamadi's brother Vanamadi Sathanarayana and his son, corporator Vanamadi Umashankar for digging up land in Malaxmipuram on a highway built with government funds claiming ownership.

However, with pressure from higher-ups in the government, the case was watered down. In the case of three acres of assigned land in Kovvuru road, an acre of land was grabbed from the beneficiaries by exerting pressure on them and converted into residential plots and sold off, it is alleged. 3.73acre land belonging to Lakshminarasimha Swamy temple at Korukunda in Rajahmundry rural has also been grabbed by TDP leaders.

In Vemagiri panchayat of Kadiyam mandal, a TDP leader started digging 80 cents of government land for gravel in Survey No. 172 claiming it to be his own.

Ramachandraswamy mutt (Uttaradi Mutt) owns 410 acres of land in P Agraharam of Thondangi mandal in Tuni constituency. The mutt had leased out the land to local farmers for cultivation of crops. After bribing revenue officials, TDP leaders got these farmlands registered in the names of their family members. About 80-acre land was registered online in the name of TDP mandal party president, Annavaram temple trustee Yadla Bethaludu, family members of Vice-president of TDP department of commerce Sidha Muthyalu.

This land is located in P Agraharam Panchayat in Survey No. 31,32,33 to 59 of Thondangi mandal. As per market price, these lands are valued at Rs. 25 crore. The details are as follows...

Survey No.33/1, 33/2 Ganga Bhavani, W/O Sidha



*Testimony for illegal digging of a TDP leader in Vemagiri village of Kadiyam mandal, East Godavari.*

Muthyalu 16.50 acres Survey No. 33/3,33/4 Sidha Achiyamma 42 acres Seven acres were grabbed by Sidha Muthyalu while Yedla Bethaludu grabbed 8 acres in Survey No. 33/1, 31/591 Yedla Srinivasa Rao grabbed 4 acres while Geddam Srikanth illegally grabbed 6-acre land.



*Government RCC road damaged by MLA Vanamadi's family members*

Land grabbing is rampant in TDP starting with the TDP president of Vizianagaram down to other party leaders. These leaders have forcibly occupied land belonging to the poor, even including Tribal people. These lands are grabbed apart from all the hills, and fish ponds in Poosapatirega, Saluru, Nellimarla, Cheepurupalli and Bobbili. They are enjoying the fruits of land grabbing by converting these lands into gardens and orchards. In Survey No.4/3 of Bobbadipeta mandal, a layout over five acres has been designed in land located right near Vizianagaram town. This land, which was merged into the Vizianagaram municipality is in the jurisdiction of Ward No. 26, where a yard of land is valued at Rs. 10,000 to Rs. 15,000. After grabbing the land illegally, they are trying to sell these plots after regularisation. It is learned that they have struck a deal with the councillor of the ruling party. They grabbed a lion's share of the land near Erravani canal next to the layout. Without the permission of revenue and municipal authorities, they are building two approach roads to the layouts. The local councillor reportedly threatened farmers who protested against this illegal activity. Local residents lodged a complaint with the grievance cell of the collectorate following which revenue authorities determined the limits of the layout. However, the TDP men changed these limits arbitrarily. A realtor has illegally occupied two acres of Wasteland in Varahalagadda of Parvathipuram. It is said that the land is valued at Rs. 2 crore. He changed the course of the stream and merged the reclaimed land into his real estate project. Similarly, even when ruling party MLC Dwarapureddy Jagadish forcibly occupied 20 cents of land to build his house, officials looked the other way in Varahalagadda of Paravthipuram. The MLC's brother Dwarapureddy Rammohan Rao also filled up the canal to half its area with sand and reclaimed the land to grab it illegally. In the bargain, he reduced the canal to a small stream. Six acres of government land located in Survey No.383 of Karlam village of Cheepurupalli mandal have been illegally grabbed by the husband of TDP MPTC Kella Ramarao. He is now using cultivating the said land. Government land of 2.65 acres located in survey No. 75, next to mandal parishad office in Nellimarla is estimated to be worth over Rs. 10 crore. Mansas Trust, run by former union minister Ashok Gajapathiraju occupied this land illegally and has even put up



*Land grabbed by district TDP president  
Mahanti Chinnam Naidu*

signboards to this effect. In Malyada of Nellimarla mandal, 1.65 acres of government land has been occupied illegally by TDP leader Gedhala Sathyam. 24 acres of D Patta land in Kollaivalasa of Poosapatirega mandal has been grabbed by Visakhapatnam's Chitti Raju along with TDP people's representative. Similarly, 150 acres of D Patta land in Pedabathavalasa revenue limits have been illegally grabbed by TDP leaders. Eight acres of D patta land belonging to Dalits worth Rs. 4 crore in Survey No.1 of Uppulapukonda limits have been grabbed by Valireddy Sriramulu Naidu. Locals say that government D Patta lands, where were meant for the poor have been grabbed. This grab was done by TDP president Mahanti Chinnam Naidu and the extent of this grab is about 18.50 acres. 20 cents in Survey No.12914-P, 15.03 acres in Survey No. 12913, 0.30 cents in Survey No. 1303, 3 acres in Survey No. 1236-P in Kollaivalasa revenue limits of Poosapathirega mandal has been grabbed by Chinnam Naidu. He is growing guava and coconut in the name of his family members in these grabbed lands. Since he is the MPP of Poosapetarega mandal, local revenue officials have chosen to ignore his land grabbing activities. 40 acres of land belonging to the village deity have been grabbed by former Saluru MLA Bhanjdev and his brother. This land which belongs to the government and the local village deity has been turned into a fish pond. While RP Bhanjdev submitted an application asking for 15 acres of land in Survey No.142of Viswanathapuram revenue limits to set up a fish pond, his brother AP Bhanjdev also put in an application for ten acres and forty cents in the same Survey number for a fish pond. Since 2015, they have been breeding fish for commercial use.

However, revenue web land clearly states that 25 acres of land in both Survey numbers belong to the state government. AP Bhanjdev is carrying out agricultural activity in six acres under Survey No.121. It is clearly stated that this land belongs to the local village deity.

4

Visakhapatnam

**Visakhapatnam, District of Land Grabbers**

After TDP came to power, Visakhapatnam has turned into the district of land grabbers. Government land and land assigned to the weaker sections apart from land allocated for the national highway have all been grabbed and pledged to banks for crore of rupees. The government was compelled to appoint a special investigation team to probe allegations of land grabbing. However, the findings of the SIT have not seen the light of the day. Cases have been filed against Tahsildhar BV Rama Rao and Sankar Rao along with Inspector of Survey Ganeshwar Rao for helping Anakapalle TDP MLA Peela Govind and his family members for tampering with land records.

While the MLA and his family members got away scot-free in this land record tampering scam, the others had to go to jail. Visakhapatnam RDO Venkateswarulu was suspended. Of 312 acres which were owned by freedom fighters and victims of political injustice, 250 acres were assigned to ineligible people using fake NOCs. There are allegations that Chief Minister Chandrababu Naidu's son Nara Lokesh along with a local minister's son and another minister have drawn up an elaborate plan to grab 700 acres of land assigned to the poor in Pedagoddupalli of Nakkapalli mandal and Mudapaka of Pendurthi mandal.

They tried to grab 350 acres of land which had pattadar passbooks and title deeds by offering Rs. 50,000 as advance. A close relative of minister Ganta Srinivas Rao, Paruchuri Bhaskar Rao, illegally occupied 20 acres of D Patta land in Krishnapuram of Padmanabham mandal and 11.34 acres of government land in Anandapuram.



*Land, located at Anandapurammandal under Bheemili constituency, pledged in the bank by minister Ganta Srinivasa Rao's relative Paruchuri Bhaskar Rao.*

Ganta Srinivasa Rao's close associate, Kasi Viswanath bought 50 acres of assigned land, which was meant for SCs in Bheemili for a throwaway price. Another associate of Ganta Srinivasa Rao, N Swamy grabbed 3.76 acres in Survey No. 294 and 4.40 acres in Survey No. 294/2 and built sheds there.

In Padmanabhammandal, TDP president Surisetty Appa Rao grabbed 130 acres of Inaam lands using fake documents.

55 acres of land on the outskirts of Anakapalle was converted into non-agricultural land and turned into a real estate venture. It is rumoured that Anakapalle TDP MLA Peela Govind is behind this entire activity.

Litigation has deliberately been created involving 1.12 acres of land belonging to a disabled person, Chinnarinayudu, located at Sharada Colony in Anakapalle mandal. Land worth Rs. 8 crore was grabbed for a meagre Rs. 1.50 crore when the victim came to seek justice. What is worse is that without paying the amount for the transaction, the victim is being made to run around and being threatened.

5

West Godavari

**West Godavari...No Piece of Land Spared**

TDP MLAs, ZPTCs, MPTCs, TDP village presidents, Sarpanches and even Janma Bhoomi Committee members are resorting to indiscriminate land grabbing in West Godavari district. TDP MLA from Unguturu GanniVeeranjaneyulu set his sights on Gopinathapatnam lake in Unguturu mandal. This lake was filled up with soil excavated at the time of digging of the Polavaram canal.

Agricultural land measuring 76 cents worth crore of rupees was registered as if a poor Dalit farm worker had purchased it by producing false documents. Cases under SC/ST Act were foisted against farmers who had already been cultivating these lands.

The MLA continues to be in possession of this land although it is in the name of benamis.

TDP MLA and government whip Chintamaneni

Prabhakar bought 125 acres of land in the name of members of a community in Denduluru. Forest land was also encroached upon in the process.

A lake in Sunkavarithota was grabbed by a Venkatapuram ward member near Eluru. The huge lake land was converted into plots and sold.

In Vinayaknagar of Eluru, a common site was illegally occupied and buildings constructed and sold for high profits.

Similarly, vacant lands were occupied by a local MPTC from NTR colony in Indira colony and Sundaraiah colony. False certificates were created to sell plots for Rs. 1 lakh to Rs. 1.50 lakh each.

Followers of local people representatives forged documents of revenue wastelands in road Nos. 9, 10 and 11 in Sanivarapupeta Sri Ramnagar and occupied them illegally.

Local TDP leaders divided revenue lands in Tangellamoodi Beedi colony and Nallagattu areas after



*Land grabbed in Gopinathapatnam of Unguturumandal.*

grabbing them. A pre-owned land which was lying vacant for several years was grabbed by a leader of Jr NTR Fans Association along with Venkatapuram MPTC.

About 25 acres of government lands near Eluru have been encroached upon.

6

Krishna

## Graveyards Disappear in Krishna District

TDP leaders are not even sparing graveyards in Krishna districts. A Hindu graveyard spread over 10.84 acres in Survey No.185 is located on in Gopalnagar near Machilipatnam bypass road.

There were allegations in the past that a close associate of the chief minister and people's representative grabbed prime land by the road and converted it into plots which he sold for lakh of rupees. District Collector B. Lakshmikantham ordered a probe into the matter after it was brought

to light by the media. The matter continued to hang fire after the encroachers approached the court to settle the issue.

The current market value of the land is estimated to be around Rs 36 crore. Upputeru is the only path to Kolleru lake for water to flow from Krishna and West Godavari districts into the sea.

The irrigation officials had in the past leased out drainage land located in Survey No 42 in Kalidhindi-mandal near Uppeteru to farmers. Since dredging work



*Land located at Singhnagar Vijayawada, registered illegally in TDP MLA Bonda's wife Sujatha's name.*

needed to be carried out in Upputeru, the government stopped the lease of these lands to farmers. However, TDP leader Namburi Lachiraju is using these 9 acres of lands for agriculture. The lands are valued at Rs. 2 crore.

Of the 44.60 acres of land in Survey No. 133 of Peddikunta lake in Kodurupadu near Hanuman Junction rural mandal, over 40 acres of land has been encroached upon. Local TDP leader Shaikh Khalifa is believed to have grabbed this land, according to locals.

Officials have turned a blind eye as the leader has

the support of ministers and MLAs. Though he has occupied land reclaimed from the lake illegally and has constructed a building there, the officials are not at all concerned.

### Vijayawada Under Bonda's Grip

5.16 acres of land in Vijayawada's Singh Nagar belongs to the family of freedom fighter Kesireddy Suryanaryana. This land is valued at Rs. 50 crore. TDP corporator, Ganduru Mahesh, promised to get a loan

sanctioned to an individual by taking his signatures. He then got the land owned by the freedom fighter registered in the name of the man using those signed papers. Later, the same land was registered in the name of TDP MLA Bonda Umamaheshwar Rao's wife Sujatha using those forged documents. The CID has established that corporator Ganduru Mahesh and Bonda's close associate MagantiBabu played a key role in the entire transaction. The CID also listed MLA Bonda's wife Sujatha as Accused No.8 in this land grabbing episode.

7

Guntur

## Seeing is Encroaching

TDP leaders have been grabbing lands indiscriminately with the covert support of revenue and police officials. TDP built its state office in Guntur by grabbing precious land belonging to the local municipality.

In 1999, the party built its district office. It took 1,000 yards belonging to the local municipality located in Survey No. 826 next to Pichukulagunta in Arandalpet at that time on lease. After some time, they grabbed another 1,637 sq. yards of land in Survey No.12/3 adjacent to it and built a boundary wall. The market price of this land encroached for TDP office is valued at Rs. 40 crore. Surendrababu, a close associate of MLA Anagani Sathya Prasad occupied government land in Repalleconstitency and got it registered as his own under Form 1-B. The government owns 416.26 acre of land in Survey No.875 spread over Kesanavaripalem, Jampanevaripalem, Yaminemnaripalem, Parishavari-palem, Narravaripalem and Nakshatranagaram villages under Nizampatnammandal. TDP leaders and workers got these lands registered in their names.

The Tahsildar gave away 15.13 acres of forest lands in Survey No. 583 in Chintalarevu to six TDP partymen. After news reports highlighting illegal pattas granted to some individuals surfaced on December 3, 2014 government machinery jolted into action to do some damage control and announced the scrapping of pattas of forest land wrongly given to these ruling party members.

Similarly, a contractor built a luxurious house for a ruling party leader spread over 25 cents of land owned by the Venugopalaswamy temple in Vaddavalli Raghuramanagar of Sattennapalli. Though the officials were well aware of the ownership of the temple lands, they did not make any effort to stop the illegal



Government land encroached upon in Dindi village in Nizampatnammandal of Repalle constituency.

encroachment.

There are widespread allegations that local MLA Dhoolipala Narendra had encroached upon 10 acres of land which had been allocated to Sangam Dairy in order to encourage the dairy industry. The MLA then passed this land on to Dhoolipalla Veeraiah Chowdary Memorial Trust.

The MLA's close associate Katta Pulaiah Chowdary grabbed 3.89 acres of wasteland in Survey No.274 of Peddakakani and got the GP in the name of three others.

Officials, though, still remain aloof when it comes to illegal encroachments by ruling party leaders. Names are being changed in the Adangal (important revenue record of ownership) and later the followers of the ruling party leaders fence the area to grab the land with the help of police officials who often threaten the victims who object to this illegal occupation. Even when such victims go to court, officials who have to help them with authentic records are far too few.

8

Prakasam

## TDP Leaders Grab Farmers' Lands in Prakasam district

While some TDP leaders are grabbing government land in Prakasam district, others are encroaching upon land owned by poor farmers with the covert support of officials. Later they are getting the land grabbed by them to be registered in their names. As a result, the original owners who have lost these lands also lose the record of ownership and are left high and dry. TDP leaders encroached upon 118 acres in Vellampalli under the revenue limits of Narasingapuram in Tripuranthakammandal of Yerragondapalem constituency. The details are as follows... Around 118 acres of land in Valleepalli limits bearing the survey numbers 110, 11D10, 11D5, 1D7, 11D9, 1CD, 16, 171, 173, 18, 1818, 1853, 1856, 1D2, 211, 2111, 213B, 22, 221, 238, 232, 25, 2635, 2642, 264, 3, 301, 3010B, 305, 306, 31, 32, 34, 35, 351, 36, 85. These lands are in the possession of P. Lakshminarasimharao. 90 acres of these lands were registered in the names of 70 farmers of Lellapalli and Vellampalli between the years 1980-1990. From then on, farmers have been cultivating these lands. A year ago, Lakshmi Narasimha Rao's daughter-in-law Ramana Kumari, started doing the rounds of revenue office claiming ownership of these lands and seeking online records in her name. At first, revenue officials refused to transfer the ownership of lands owned by farmers into the name of Ramana Kumari. It was later learnt that an important TDP leader bought the entire chunk of land for Rs. 50 lakh. That was enough to get these lands registered in the name of the TDP leader, and he first used Ramana Kumari as his proxy. With the Tripuranthakam revenue officials refusing to oblige, he got the revenue minister's secretariat to call up the district collector and RDO. It is learned that the revenue



Punnamma showing the registered document

minister had exerted a lot of pressure on the district collector at one point. On the orders of the district collector and the RDO, the entire expanse of 118 acres of land was transferred into the name of Ramana Kumari by Tahsildhar Jaipal online. Later these lands were registered in the name of Sathya company head Veerasathya, who belongs to Peddameeram village in West Godavari district. The registration was done in Vijayawada. Farmers who learnt about this staged a protest in front of the offices of the Tahsildar, RDO and district collector. The Tahsildar told the protesting farmers that he was forced to do the registration online under extreme pressure from district collector and RDO. It is learned that the company under whose name the land was registered is a proxy entity of a TDP minister. At the same time, the company under whose name it is registered is in the process of getting the online records changed.

9

Nellore

## Land Irregularities in Nellore

Land belonging to water resources department has been grabbed left, right and centre by TDP party members in Nellore city and across Sri Potti Sriramulu Nellore district. While MLAs and MLCs grabbed land and created fake ownership documents in some places, elsewhere in the district, close associates of ministers

are indulging in land grabbing.

Kovuru TDP MLA Polamreddy Srinivasulu Reddy readied documents to get 21 acres of government land registered in the names of his father and aunt. The current price of this land is said to be in crore.

There are 200 acres of government restricted lands

near Paidrukatta of Kodavaluru mandal, Kammapalem panchayat in Bodduripalem of Kovuru constituency. 20.76 acres of this has been encroached upon. The lands in the following survey numbers have been grabbed. 1.51 acres in survey No. 664-2A, .500 acres in survey No. 658-2A, 7 acres in survey No. 651-1, 1.55 acres in survey No. 656-1A, 0.40 cents in survey No. 664-2B, 0.93 acres in Survey No 656-1B, 1.90 acres in Survey No 664-1, 2.07 acres in Survey No. 657-2, 2.13 acres in Survey No 656-3, 2.57 acres in Survey No 656-2 These lands were grabbed by none other than Kovuru MLA Polamareddy Srinivasula Reddy's father Polamreddy Venkureddy and mother-in-law Kotam Reddy Padmavathi. 1.51 acres in survey No. 664-2A, .500 acres in survey No. 658-2A, 7 acres in survey No. 651-1 and 1.55 acres in survey No. 656-1A have been registered in the name of Polamreddy Srinivasula Reddy's father Venku Reddy in revenue records. 0.40 cents in survey No. 664-2B, 0.93 acres in Survey No 656-1B, 1.90 acres in Survey No 664-1, 2.07 acres in Survey No. 657-2, 2.13 acres in Survey No 656-3 and 2.57 acres in Survey No 656-2 have been registered in the name of his mother-in-law Kotam Reddy Padmavathi in form 1B as per revenue records. Tehsildar Venkateswarulu validated the same in form 1B on April 18 this year. A pattadar passbook to this effect



*The restricted government land grabbed by Polamreddy in the name of his father and mother-in-law.*

was also issued. YSRCP leader Nallapareddy Prasanna Kumar Reddy has been waging a legal battle against this irregularity. TDP MLC Beeda Ravichandra's brother is carrying out aquaculture after grabbing 30 acres of assigned land in Labbipalem of Pattapupalem under Isukapalli Panchayat in Alurumandal. TDP leaders and their followers are forging pattas or ownership title deeds for vacant land in Sullurupeta, Kavali, Udayagiri, Venkatagiri and Sarvepalli constituencies of the district extensively. Currently, 30% of about 93,500 acres of CJAF lands assigned to Dalits in the districts are in possession of TDP leaders.

10

YSR  
Kadapa

## **Agastheswara Property in Kadapa District Grabbed**

Ruling party leaders grabbed land to the extent of 25 cents belonging to Agastheswara temple in Proddatur of YSR Kadapa district in Survey Nos: 450-AB, 451-AB and 452-AB. The market value of these lands currently stands at about Rs. 3 crore. Pattupogula Pulayya, a TDP leader grabbed 6.52 cents of these lands and built a huge mansion in the area. He is a close associate of the Nandyala TDP in charge Varadarajulu Reddy. The Endowments department filed a case in the Tribunal after a house was built in the encroached space. The tribunal issued a directive that the illegal construction should be demolished. But, officials of the endowments departments have been dragging their feet on the matter. 13 people have occupied the land illegally, but the Endowment authorities seized only the homes of C. Lakshminaryanamma and V. Chinnapullayya who lacked the patronage of ruling party leaders while sparing the others who had the support of the government.



*Pattupogula Pulayya's house in Agastheswara temple land.*

11

Chittoor

**Chittoor Mutt Land Worth Rs. 1,960 Crore Grabbed**

**The ongoing constructions in the encroached land that belongs to a Mutt. This is an illegal layout of a Planning Board Member.**



Hathiramji Mutt owns 109 acres of land at Survey No 13 in Avilala of Tirupati rural region. On the one side, it is close to Tirupati and on the other, it is on the national highway right on the Poothalapattu-Naidupeta road. An Ankanam of land here is over 1.50 lakh which means that the estimated value of this land is about Rs. 1.962 crore. Relatives of an MP, who is well known as a patron of Arts and also a close associate of Andhra Pradesh Chief Minister Chandrababu Naidu and a member of State Planning Commission grabbed prime land. Pradhyumna who as JC had put his foot down on illegal



encroachments is now reluctant about taking firm steps.

12

Anantapur

**Endless irregularities in Anantapur**

About 30,000 acres have been illegally occupied across Anantapur district by TDP leaders in the name of their relatives with forged documents. Some TDP leaders have got hundreds, even thousands of acres of land registered in the name of their party workers. The estimated worth of these lands is put at hundreds of crore.

TDP leaders used forged documents and grabbed 1500 acres in Survey No. 37 of Jala canal like they did in Koripalli, Tarimela and Akuledu of Singanamala constituency. Similarly, they also grabbed over 500 acres of government land in Jallapalli, Gutukooru, Maratla, Kammuru, Kooderu villages in Uravakonda constituency.

The Rapthadu constituency boarders Anantapur Corporation area, over which TDP minister Paritala Sunitha holds sway. A cent of land in this area is estimated at Rs. 6lakh-10lakh. Basically, an acre is worth Rs. 60 lakh to a crore approximately.

4.90 acres of land were allotted to the poor in 2013 near Somuladoddi. Minister Paritala Sunitha's follower Pamurayi Venkatesh grabbed the land and planted flags bearing her name.

Officials keep mum while land grabbers have a field day everywhere in the district. After greasing the palms of concerned officials, they got consent from them to grab these lands. It is also being said that some



*File Photo: Flags bearing the names of Parithala and Pamurayi Venkatesh in Somuladoddi limits.*

officials connive with ruling party leaders and guide them to grab the land, making it seem official.

13

Kurnool

## Indiscriminate Land Grabbing Across Kurnool

14 acres of government land located in Survey Nos 452, 106, 35, 114 of Gonegandla mandal in Kurnool district has been grabbed by former TDP convenor T Nageshwar Rao aka T Nagesh Naidu, who took a loan from a co-operative bank mortgaging this land. Police, who came to know of this matter, rather late in the day, filed a case against him. The five-decade-old Pothurajuswamy temple located in Sharaf Bazaar of Yemmigannuru has 6.83 acres of land on either side of the bypass road with four lanes (Adoni-Kurnool). The R&B department of the state government acquired 0.95 acres of this for building the bypass road and also gave compensation for this. Since the acquisition involved land belonging to a temple, the compensation was deposited with the court. At present, the temple owns 2.53 acres in survey No.4401 and 3.35 acres in survey No.4403. This land was illegally registered in the name of K.E. Prathap by Bariki Hanumanthu, Bariki Gopal, BarikiBhupal and Chinna Gopal. Incidentally, K.E. Prathap is the managing partner of Pawan Developers and constructions to whom the land has been turned over. As per procedure, revenue officials should get any land registered after obtaining and verifying Pattadar title deed, revenue adangal which reveals authentic ownership record, non-assignment land verification



*Land belonging to Pothuraju Swamy Temple (trees can be seen on the other side of the highway).*

and other such documents. In this case, however, none of these were scrutinized or taken into account. This registration was done in brazen violation of the law as a case with respect to the temple land is being heard in the Endowments Tribunal at Hyderabad.

There's no end to TDP leaders' land grabbing in Kurnool if one were to narrate instances. The ones cited here add up to the proverbial tip of the iceberg. It is being said that over Rs. 500 crore worth land to the extent of 1,000 acres is under the illegal occupation of TDP leaders across Kurnool.

# Rs. 5,907 Crore

## 24,614 Acres of Inam Lands Grabbed!

*Inam lands should be enjoyed only by those who are serving the temples and charitable trusts. They would not have any right to transfer or sell those lands.*

*- Andhra Area Inam  
(Abolition and Conversion) Act, 1956*

*It is illegal to grant ryotwari pattas to inam lands and registration of these lands in the name of others is a crime. Such instances, if any, do not hold good and are not considered valid.*

*- Supreme Court judgement, 1996*

*Ryotwari pattas granted to inam lands are not valid. Those lands should be enjoyed by the people who are serving specified organisations only during their service period.*

*- An act made by the AP government in 2013*

*Ryotwari pattas shall not be given to inam lands. The sale-purchase transactions of those lands should be banned.*

*- AP High Court judgement December, 2015*

Ruling Telugu Desam Party (TDP) leaders violated court judgements and breached well-defined laws to grab inam lands. They have been brazenly taking possession of the prime lands across the state. To benefit them, the TDP government is all set to amend the concerned Act to hand over 24,614 acres of inam land worth Rs.7,384 crore to the land grabbers. During the process, the government has thumbed its nose at the higher courts' order as to list of properties banned from sale or transfer (POB list).

### Proposals to Amend Law

Accepting the request of Raja Gopal Sreeram, TDP MLA from Jaggaiahpetta constituency, who eyed inam lands, the state government had appointed a committee of officials. The government has directed the committee to amend the existing inam lands law to permit the registration of inam lands to those who have ryotwari pattas for those lands during the process. The committee prepared the amendments accordingly and

forwarded them to the law department for consideration.

### Scam of Thousands of Crores

Seeking to benefit from the prospective amendment, to take possession of the inam lands through legal route, some TDP leaders and lawmakers have been obtaining ryotwari pattas (to inam lands) in their names of their benamis. Then, they have created documents to show that the lands were bought from those benamis. Some TDP leaders openly bought the inam lands despite that was illegal.

As the government has amended the 2013 act and got the inam lands out of the POB, the leaders who grabbed 24,614 acres of inam lands are about to make thousands of crores of rupees by selling those lands.

### Inam lands of Charitable trusts/ Temples sold to others

District	Area (in acres)
East Godavari	1,554.16
West Godavari	984.10
Krishna	3,511.88
Guntur	6,774.43
Prakasam	3,602.80
YSR Kadapa	3,524.50
Kurnool	4070.12
Anantapur	404.24
Chittoor	188.25
<b>Total</b>	<b>24,614.48</b>

# Rs. 3,245 Crore

## Corporates Gifted Valuable Lands in Capital Area

Land worth Rs.4 Crore an Acre Given Away for Rs. 50 Lakh

927 Acres of Land Worth Rs. 3,708 Crore, Given Away for Rs. 463 Crore



**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT DEPARTMENT – Andhra Pradesh  
State Capital Region Development Authority – Recommendations of Group of  
Ministers(GoM) for allotment of 200 Acres of land to SRM University in Capital Area –  
Accorded - Orders- Issued.

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MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (CRDA.2) DEPARTMENT

G.O.Ms.No.296 Dated.16.11.2016

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**ORDER:**

In the GO 5<sup>th</sup> read above Government have approved the allocation of land to the following six (6) Organizations in capital area in principle and also instructed the Commissioner, APCRDA to take further necessary action:

Sl.No	Organization	Extent decided(Acres)	Price decided(INR lakhs per Acre)	Land holding
1	Indo-UK Institute of Health	150(50+100)	50	Free hold
2	VIT	200(100+100)	50	Free hold
3	National Institute of Design	50	Free of cost	Lease hold
4	AP HRD	25(within the Government Complex)	Free of cost	Lease hold
5	Tirumala Tirupati Devasthanam	25	50	Free hold
6	CITD	5	Free of cost	Lease hold

*The Go No. 296 which allocated lands to corporate companies in the capital city.*

The Chandrababu Naidu government is generously gifting the land which it forcefully taken from farmers under the guise of 'construction' of capital city, to multinationals and other corporate entities for a dirt-cheap price. Claiming to bring reputed educational institutions to the area, he is actually giving away land to his crony firms at a rate much lower than the fixed price of Rs. 4 crore.

### Cronies Get Better Treatment

Chandrababu Naidu had already allotted 1,300 acres to 75 firms out of which 8 firms were given 927 acres at the price of Rs. 50 lakh an acre. It is now preparing the ground to give land away to 32 more

companies.

The price of an acre of land in the area is decided AS Rs. 4 crore during the land allocation to Start-up Area Project. Going by this price, the government should get Rs. 3,708 crore for the 927 acres of land, but, it has only gained Rs. 463 crore as the CM had given this land for mere Rs. 50 lakh an acre.

Chandrababu Naidu extending preferential treatment to select corporate entities has short-changed the state treasury to the extent of Rs. 3,245 crore. He has decided to give the land to these companies on lease at first, on free hold (without any conditions for a lease of 99 years) and on outright sale after. And then he allotted land to public-sector units on lease basis and to corporate

entities on a freehold system.

The beneficiaries of this largesse of 927 acres included BRS Medicity Healthcare and Research Private Limited, Indo-UK Institute of Health, SRM, VIT, Amrutha University, Basavatarakam Cancer Hospital, Xavier School of Management, Hyderabad Eye Institute, among others. They were given a 99 year lease period each.

When the start-up area project was being looted by Singapore-based entities, the government fixed the cost of land at Rs. 4 crore an acre. The matter seemed fishy from the very beginning judging from the throwaway prices at which land was given. It became apparent that there was a very elaborate design behind the whole process of allotment.

Allegations were levelled against the CM for having gifted away precious land to these corporates for kickbacks. Interestingly, the government is developing roads, providing power and water supply in the lands gifted to the corporates for a song, spending the tax-payers' money. These companies therefore, came forward to buy hundreds of acres considering the low price and the fact that everything was being provided on a platter by the government.

### Bidding Process Ignored

The directives of the Supreme Court and the guidelines of the Centre strongly hold that a government is not supposed to give land on lease for more than a period of 33 years. However, the AP government under Chandrababu Naidu, changed the rules completely to bypass these directives and to give land away on a 99-year lease.

Even if land is to be allotted a process of bidding is supposed to be followed and the highest bidder should be given the land. Throwing all norms to the winds, the AP government gave handpicked corporates and private firms land at throwaway prices. Experts say that these firms will protect their own interests and will not serve the people of the state in any way.

According to the Land Acquisition Act, 2013, land acquired from farmers should not be given to private companies/corporate firms. The AP government under Chandrababu Naidu, however, deceptively claims that provisions of this Act do not apply to this instance. Objections are being raised over the fact that the AP government gave these lands away at throwaway prices to these corporate and private entities even before the farmers from whom it acquired them, registered these lands in the name of the government.

## Capital Land Allocation

Organisation	Land Allotted	Method of Allotment
BRS Medicity Healthcare and Research Pvt. Limited	100 acres	Freehold
Indo-UK Institute of Health	150 acres	Freehold
VIT Group of Educational Institutions	200 acres	Freehold
SRM University	200 acres	Freehold
Amrutha University	200 acres	Freehold
Basavatarakam Cancer Hospital	15 acres	Freehold
Xavier School of Management	50 acres	Freehold
Hyderabad Eye Institute	12 acres	Lease
<b>Total</b>	<b>927 Acres</b>	

# Rs. 1,500 Crore

## IT Minister Grabs Daspalla Hills



TDP Zonal Office Constructed on Survey No: 1196

Back in 2001, the erstwhile TDP government issued a GO stating that Daspalla Hills was a government land. The district collector also issued a gazette notification confirming this status. Incredibly enough, the AP CM Chandrababu Naidu, his son Lokesh and their stooges are now arguing that this is no government land and have started constructing buildings on it. They are also fabricating evidence for the ownership rights. Here is the story.

### Facts of the Scam

The ownership status of Daspalla Hills has been in disputes since 2000. Out of 85.70 acres land located in the survey numbers 1027, 1028, 1196 and 1197, 62.97 acres land was recorded as government land. The value of this land is estimated to be over Rs. 1,500 crore. However, Rani Kamala Devi of Daspalla staked her claim to this land and approached the High Court in 2001 stating that those lands were her inheritance. However, the then TDP government issued GO no. 657 on October 10, 2001, stating that the land belonged exclusively to the government. The land

was also classified as "hill assessed waste dry".

However, as Nara Lokesh, the IT minister and son of the Chief Minister, wanted these lands, a layout was prepared in the name of 49 industrialists, who have allegiance to the ruling party. Having sensed the possibility of encroachment, the then district Collector Yuvraj Singh had issued an extraordinary gazette notification (RC Number 3795/ 2008/E1) in which he reiterated that Daspalla lands belong to the state government. This no-nonsense approach of the honest officer attracted the TDP government's wrath and he was immediately transferred out of Vizag.

### Watchman Sells Land for Rs. 20 Crore!

The saga of corruption took an even more curious turn with the TDP bigwigs propped up a watchman named DasariAppa Rao from the 19th ward of Vizag as a land-owner. They claimed that the disputed lands were allotted to Mr. Appa Rao and then he sold 2,736 sq. yards land (of survey no: 1196) to a woman named DatlaSanthi. Incidentally, Mr. Appa Rao who was supposed to have sold this land for Rs. 20 crore still gets his monthly ration by standing in the queue!

### TDP Office on Disputed Land

Finally, the disputed lands were occupied by Nara Lokesh. He has constructed his party zonal office in about 2000 sq. yards land of the survey no: 1196. This land was leased to TDP way back in 2001 for 25 years. Here, a simple question for the ruling party is-if it was private land, how could the then TDP government could lease out that land? If it is government land as per the previous GOs and gazette notifications, how come it has fallen into the hands of private parties now? None of these questions have elicited satisfactory answers from the government. The Daspalla Hills land was grabbed by the state IT minister with the help of fake documents!

# Rs. 1,000 Crore Govt. Gifted Land to Encroacher

## In Vizag, CM's Relative Rewarded for His Wrongs

Proceedings of the District Collector, Visakhapatnam  
Presented by the Assistant Commissioner, IAS

Subj: Lands - Government. Bench - Visakhapatnam District - Allocation of Government lands in favour of certain Government Departments - Request for release from vesting State / Central Government to hand over advance possession - Orders - Issued - Registered.

ORDER:-  
The Deputy Director, Social Welfare, Visakhapatnam, Project Officer, ITDA, Padana, Project Director, AP Housing Corporation Ltd, Visakhapatnam, Dy. Commissioner of Income Tax, (HQ-2), Visakhapatnam, Regional Director, EPWD, Visakhapatnam, Vice Chairman, VUDA, have filed applications for allotment of Govt land mentioned herein as follows: Sl. No. of Records No. 35/37/38 of Sub-division (S) of Visakhapatnam (City) District for various purposes such as construction of their Office buildings, residential apartments and hostel buildings etc.

Sl. No.	Name of the beneficiary department	Extent AC Ha	Purpose
1	Govt. Welfare Department	95.00	Construction of College hostel for BSc.
2	DC, ITDA Padana	84.00	Construction of one post modern, modern and one 1000 bedded
3	Project Director, AP State Housing Corporation, MHA, Urban Development, Visakhapatnam	84.00	One Level Worker Quarters Housing Office & Washing Center.
4	DC, ITDA Padana	84.00	Construction of other building and residential quarters.
5	Regional Director, India - Gandhi University	05.00	Construction of Regional Centre building.
6	Vice Chairman, VUDA, Visakhapatnam	07.00	Construction of Hostel Building for post metric students (Girls).
<b>TOTAL</b>		<b>35.00</b>	

25/07/2014/ASSNO 8-REVENUE

Sl. No.	Beneficiary	Extent AC Ha	Purpose
5	Regional Director, India - Gandhi University	05.00	Construction of Regional Centre building.
6	Vice Chairman, VUDA, Visakhapatnam	07.00	Construction of Hostel Building for post metric students (Girls).
<b>TOTAL</b>		<b>12.00</b>	

The above requisitioning departments have further stated that the budget is readily available with them for immediate processing of the proposed works. These departments are assuring advance possession of the land pending regular allotment / transfer of the land which is to be processed in accordance with the provisions of GO No. 571, Revenue (Assignment) Department, Dt: 14.9.2012. Further all the requisitioning departments are Central / State Government departments and facilitating advance possession of the land will ensure expeditious completion of the work without lapse of the budget already sanctioned.

As the land is urgently required by the concerned departments as explained above and pursuant to the instructions of the Spl.CS to Govt B CCLA, AP, Hyderabad vide ref. J# mentioned above, the Taluadar, Visakhapatnam is directed to hand over advance possession of the above land to the departments concerned and send regular intimation proposal/GO No. 571, Revenue (Assignment) Department, Dt: 14.9.2012.

The Deputy Director, Social Welfare, Visakhapatnam, Project Officer, ITDA, Padana, Project Director, AP Housing Corporation Ltd, Visakhapatnam, Dy. Commissioner of Income Tax, (HQ-2), Visakhapatnam, Regional Director, EPWD, Visakhapatnam, Vice Chairman, VUDA, have filed applications for allotment of Govt land mentioned herein as follows: Sl. No. of Records No. 35/37/38 of Sub-division (S) of Visakhapatnam (City) District for various purposes such as construction of their Office buildings, residential apartments and hostel buildings etc.

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Lands - Visakhapatnam District - Cancellation of the Proceedings No.N3/298/2014 of CCLA, A.P., dated.26.02.2014 for alienation of Government lands in favour of certain Government Departments and handing over possession of lands and consequential Proceedings Re.No.5285/2005/E2, dated.26.02.2014 of the District Collector, Visakhapatnam to handover advance possession of the same lands to the Departments - Orders - Issued.

REVENUE(ASSIGNMENT-II) DEPARTMENT

G.O.MS.No. 165 Dated: 15-05-2017  
Read the following

- From the Dist. Collector, Visakhapatnam Lr.Re.No.5285/2005/E2, dt.-26.01.2016.
- From the Spl CS & CCLA Lr.No.Assn.I(2)/B3/123/2010, dt.15.06.2016.

ORDER

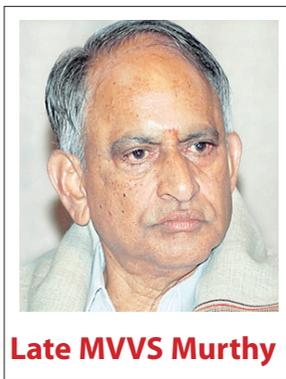
Under the circumstances reported by the District Collector, Visakhapatnam and the Special Chief Secretary & Chief Commissioner of Land Administration, A.P., Vijayawada in the references 1<sup>st</sup> and 2<sup>nd</sup> read above,

*The orders issued by Principal Secretary, Revenue, cancelling the GO, which allocated the land for construction of offices to different government departments.*

A copy of the GO issued in February 2014, clearly shows the allocation of 35 acres of land in Rishikonda for the construction of offices of different government departments.

A small mistake by a common man would land him in jail. However, the wrongs of the rich seldom attract punishment. If the wrong-doer is a relative and benami of the CM, even the most grievous deeds of him would be praised as noble deeds and the government would issue GOs in support of his 'exemplary deeds'. This is what precisely happening in Vizag.

Late M.V.V.S. Murthy, a former TDP leader and founder of Gitam University, had taken possession of the 55.24-acre land, located in Rishikonda area of Vizag city in survey nos: 35, 37 and 38. Previous government has allocated this land to government departments for the construction of offices and educational institutes. The TDP coming into power in 2014 had become a boon to Mr. Murthy, who then legalised his illegal occupation. Chandrababu government, in a bizarre U-turn, yielded to the claim of the land grabber and



**Late MVVS Murthy**

canceled its previous GO which had allocated the land in question to government departments. It also has cleared the decks to hand over the land, which is worth more than Rs. 1,000 crore, to the land vulture.

### The Official Land Grab

Gitam University, which has encroached upon the government land, later took possession of the land legally through a Government Order.

Once TDP coming into power, Murthy had petitioned the government requesting for allocation of land that was under his encroachment. The Chandrababu government responded swiftly and positively; with the CM himself overseeing the preparation of the file for land transfer. Thus, the CM has gifted away the valuable lands despite stiff resistance from the officials at all levels. The

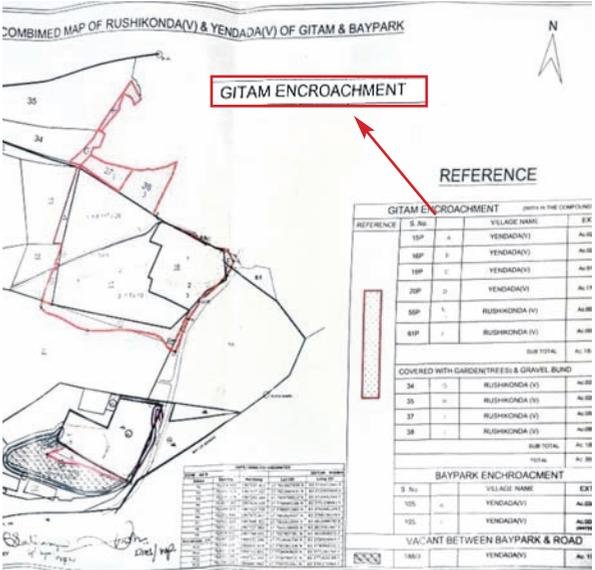
government's absurd decision got exposed when it came under the media lens.

### Land Allocated to Government Offices

All the previous records of government clearly show that these were government lands and couldn't be allocated to Gitam University. Despite the clear status, Mr. Murthy could erect considerable pressure on the officials. With the intention to save these lands, then CCLA issued an order in 2014 allocating five acres for an SC hostel, six acres for two hostels for post-matric students, six acres for weaker sections housing scheme and training centre, another six acres for Income Tax Department, five acres for IGNOU regional centre and seven acres for hostels of post-matric girl students.

### Tehsildar Report Confirmed the Land Grab

The District Collector, RDO and Tehsildar had made it clear that the 55.24-acre valuable land was grabbed by Gitam University. This encroachment was further confirmed by a survey done by an Assistant Director, Survey and Land Records. The Tehsildar submitted a full-fledged report to the state government on October 8, 2015, confirming the land grab with the help of Google maps. Despite the clear evidence, Mr. Murthy's proximity to the CM ensured the withdrawal of the government's previous GO, making way for a formal handover of the land to its grabber.



**COMBINED MAP OF RUSHIKONDA(V) & YENDADA(V) OF GITAM & BAYPARK**

**GITAM ENCROACHMENT**

**REFERENCE**

REFERENCE	S. No.	VILLAGE NAME	EXT.
15P	1	YENDADA(V)	Ac.04
16P	2	YENDADA(V)	Ac.04
19P	3	YENDADA(V)	Ac.04
20P	4	YENDADA(V)	Ac.11
55P	5	RUSHIKONDA (V)	Ac.08
61P	6	RUSHIKONDA (V)	Ac.08
SUB TOTAL			Ac.15

**COVERED WITH GARDENTREES & GRAVEL BOUND**

S. No.	VILLAGE NAME	EXT.
34	RUSHIKONDA (V)	Ac.08
35	RUSHIKONDA (V)	Ac.08
37	RUSHIKONDA (V)	Ac.08
38	RUSHIKONDA (V)	Ac.08
SUB TOTAL		Ac.15
TOTAL		Ac.30

**BAYPARK ENCROACHMENT**

S. No.	VILLAGE NAME	EXT.
105	YENDADA(V)	Ac.08
105	YENDADA(V)	Ac.08
VALUANT BETWEEN BAYPARK & ROAD		Ac.11
1863	YENDADA(V)	Ac.11

*A part of the report by Visakha Rural Tehsildar who confirmed the encroachment of 55.24 acres government lands in Yandada, Rishikonda villages of survey nos: 15P, 16P, 19P, 20P, 55P, 61P, 34, 35, 37, 38 by Gitam University.*

From  
Smt. Manisha Tripathi, B.Tech.,  
Assistant Director,  
Dist. Survey and Land Records,  
Visakhapatnam.

To  
The District Collector,  
Visakhapatnam.

Sir,

Rc.No. A3/ 1235 /2015 Dt. 10.2015

Sub:- Survey of encroachment of Gitam College and Bay park -  
Explanatory sketch submitted - Reg.

Ref:-1. Instructions of the Joint Collector, Visakhapatnam  
2. Rc.No. A3/ 1235 /2015 Dt. 15.7.2015 of this office.

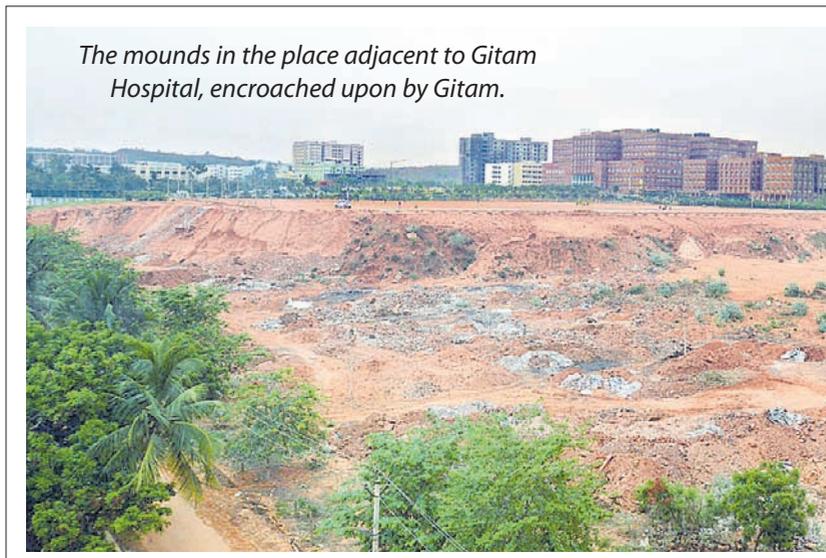
\*\*\*

I invite kind attention to the reference cited and submit that the Gitam College lands and Bay park lands have been surveyed in Rushikonda and Yendada by the Gecon surveys under the supervision of the Deputy Inspector of Survey, RDO Office, Visakhapatnam and Special Surveyor, Visakhapatnam (Rural) and Sri RSV Prasad, Deputy Surveyor and they submitted explanatory sketch.

The sketch and google map are herewith submitted for favour of perusal and further action.

Yours faithfully,  
*[Signature]*  
Assistant Director.

*The letter was written by the Assistant Director of Survey and Land Records to Vizag Joint Collector about Gitam encroachment of government lands in Rishikonda.*



*The mounds in the place adjacent to Gitam Hospital, encroached upon by Gitam.*



Hindustan University, campuses of several IT companies including TCS, resorts, star hotels and gated communities are located adjacent to these lands.

Right after his coming into the power, the ruling party MLA Kommalapati Sridhar wrote the CM seeking the sale of the lands of Sadavarti Choultry on the pretext that the lands were being encroached upon. The CM office responded to his letter positively and forwarded it to the Endowments Department on September 12, 2014. The AP government has issued orders on April 6, 2015 (Memo No: 28228) for the sale of 83.11 acres of land and the lands were auctioned on March 28, 2016. This order was followed up a dubious auction, in which the lands were purchased by none other than the family of Chalamalasetty Ramanujaya, the chairman of Kapu Corporation and TDP leader from Krishna district.

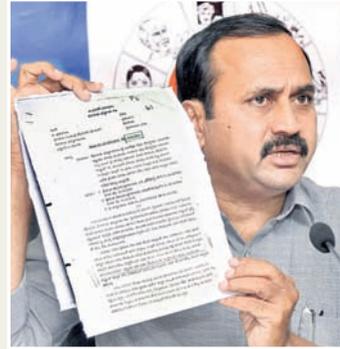
### **Acre is Only Rs. 50 lakh!!**

The value of an acre land in Thalambur area is Rs. 6 crore per acre according to the government's estimation. In the ventures of private real estate companies in the same locality as seen from the photograph, the value of 200-yard plot is around Rs. 55 lakh. This means the market value of the land is Rs. 13 crore per acre. Giving the problem of encroachments as the pretext, the Executive Officer of the choultry proposed to sell off the lands at the upset price of Rs. 50 lakh per acre and the officials of the Endowments Department accepted his proposal without any question.

### **Not an Auction, but Loot!**

Generally, in any auction, the sale takes place only when the bidders come up with a better price than that of the upset price. Or else, the government would cancel the auction and call for a fresh one. However, in the auction of Sadavarti lands that was conducted on March 28, 2015, exactly opposite to the general principles of auction took place. The officials stated that there were no buyers for the upset price and took the highest bid- which was far below the upset price- into consideration and confirmed the sale.

Endowments Department allots even a small shop by way of e-auction, however, these high-value lands were sold through a skewed auction. Thus, the 83.11-acre land was sold for just Rs. 22.44 crore i.e. Rs. 27 lakh per acre. The valuable lands were purchased



### **High Court Shocks Babu**

The AP government's challenge in High Court that it was ready to give Sadavarati lands to whosoever pays additional Rs. 5 crore (to the auctioned price) got a fitting reply from Alla Ramakrishna Reddy, the opposition YSRCP MLA. Mr. Reddy's response to the government's challenge was immediately accepted by the court and he was given four weeks time to deposit Rs. 27.44 crore (the auctioned price of Rs. 22.44 crore + additional Rs. 5 crore). This turn of events has stunned Chandrababu Naidu and his son Lokesh, who have tried hard to gift away the choultry lands to their benamis. Here is the series of developments in this case.

Alla Ramakrishna Reddy filed a PIL in the AP High Court objecting the scandalous sale of Sadavarti lands through a dubious auction. He sought a CBI investigation into the episode and a fresh auction of the lands so that the government could secure a better price. However, the AP government objected the case and submitted that Rs. 22.44 crore was the best price it could get for the lands that are under encroachment. The government further challenged the opposition MLA that it could sell him the lands if he was ready to pay the additional amount of Rs. 5 crore to the auctioned price. Having heard the arguments of both sides, the bench which was headed by the Assistant Chief Justice asked the MLA if he was ready to accept the government's challenge. The court also gave him the relaxation that if he was financially sound, he could get a party who can buy the land at the stated price. Accepting the challenge, Ponnabolu Sudhakar Reddy, the counsel of the MLA, submitted to the court on July 3, 2017, that they were up for the challenge and Rs. 27.44 crore would be paid within four week's time. By the time of publication of this book, the opposition MLA has made the entire payment and awaiting the further orders of the court.



*The campuses of IT companies which are located adjacent to Sadavarthi lands. The YSRCP fact finding team which recently visited the lands can be seen in the picture.*

at a throw-away price by Chalamalasetty Ramanujaya's family along with five other people - Mandala Sanjeeva Reddy, M. Sunitha Reddy, Chavali Krishna Reddy, M. Suryakiran Mouli, D. Pavan Kumar and R. Sivarama Krishna Rao. However, this auction was later cancelled by the AP High Court due to visible irregularities in the auction process.

### **Bigwigs Behind the Scam**

According to the information from an officer of the Endowments Department and the lawyer who has been working on the cases of Sadavarti choultry lands, the value of 83.11 acres land could be around Rs. 500 crore; even as per the government valuation of Rs. 6 crore per acre. The prevailing market value is Rs. 13 crore, which puts the total value of the land around Rs. 1,000 crore. It is evident that all these transactions took place through the benamis of the Chief Minister and his son for the illegal gains at the cost of public exchequer.

### **Again TDP leaders!**

Due to the legal fight of Mr. Alla Ramakrishna Reddy, the YSRCP MLA, the AP High Court had cancelled the first auction, which has been fraught with several discrepancies. The second auction was conducted on September 18, 2017, at TTD Kalyana Mandapam in Chennai. While the first auction was dominated by Kapu Corporation chairman and TDP leader Chalamalasetty Ramanujaya, the second auction was dominated by

Badvelu Srinivasulu Reddy, a follower of Minister Adinarayana Reddy.

He has tried to buy the lands at Rs. 60.30 crore. Another TDP leader Varadarajula Reddy also participated in the auction. However, the scheme of the TDP leaders once again came forth, they did not show further interest in owning the land. The highest bidder has failed to pay Rs. 60.30 crore within the stipulated time. The second bidder has shown interest to pay the amount and take the lands.



*The compound wall which is adjacent to the Sadavarthi lands.*

# More Rules, More Irregularities!!

Once the Sadavarti land scam surfaced and the public interest litigation petitions were filed in the AP High Court, the state government has scrambled to come up with a proper response. It explained the court that it took the decisions that it had taken were meant to save the choultry lands and it could not get any better price than the secured price. The government said that it was ready to sell the lands to anyone who was willing to pay Rs. 5 crore more than the bid price.

Responding to the explanation of the AP government, a construction company named PLR Projects came forward to take to pay Rs. 5 crore more than the bid price and conveyed its willingness to the government. The government, to dissuade the company from going ahead with its proposal, tried to create hurdles by citing quite a few rules.

The Commissioner of Endowments wrote to PLR Projects stating that the lands could be re-auctioned only if the company deposits Rs. 28.05 crore within 72 hours. Even in the past, when the company evinced its interest, the Commissioner had asked the company to deposit Rs. 22.22 crore, the highest bid, and an amount of 25% over and above that.

Besides that, he also claimed that Sadavarti lands were under encroachment and the government would do nothing in the future to vacate those encroachments. The commissioner made it clear that it was the sole responsibility of the company to take care of the encroachments. He further said the government would only give the sale confirmation and won't take up the registration of the lands, which would have to be coordinated with the Tamil Nadu Registrations Department. In short, he tried to discourage the company with quite a few bureaucratic stumbling blocks, which were invented for this sole purpose.

However, the PLR Projects confirmed that it was up for the challenge. The company said it was ready to deposit Rs. 28.05 crore as demanded by

the government within 72 hours. However, it wanted the government to register the lands in the company's name. The company also expressed its willingness to participate in a fresh auction. In such a case, the company had asked to treat it on par with other competitors. It questioned as to why it was being singled out and asked to deposit Rs. 28.05 crore to participate in the auction. It said it would pay Rs. 10 lakh as EMD like any other bidder did during the previous auction and participate in the auction.

The company stated it had no objection to government handing over of the land to the highest bidder. It hoped that the fresh auction could attract more competitors and fetch a better price for Sadavarti lands. PLR Projects gave an assurance that it would pay Rs. 28.05 crore as the minimum price and hence, there was no fear of decreased price for the lands.

However, the government did not respond to the offer suitably. While a private company had come forward to help the government in securing a better price for its lands, the government snubbed the company with its unreasonable conditions and went on creating new impediments to it. The government's stand that it won't help in vacating the encroachments and won't register the lands seemed the strangest aspect in this bizarre saga.

If the lands were really under encroachments, the government could as well slap cases on the trespassing parties and can auction the lands to secure the best possible price. However, the Chandrababu government doesn't seem to have any such positive ideas. It was only trying to ensure that nobody else would participate in the auction so that these lands could be gifted to the leaders in the ruling party. If there is one single art that the TDP government has mastered, it is was subverting rules for illegal activities, with land-grabbing at the top of the list and thereby routing huge kickbacks into the pockets of its leaders.

# Rs.905 Crore

## Lulu Gets 12.52 Acre in Vizag

AP CM Chandrababu Naidu gifted away the prime land worth Rs. 905 crore to Lulu group, a UAE-based business conglomerate which has interests in the hospitality sector. The group proposed to build a five-star hotel, convention hall and a shopping mall in Visakhapatnam. Generally, the government allocates lands to the businesses in backward regions, with the hope invigorating the growth of those regions. However, in this case, Lulu group was given prime land and heavy concessions to build a five-star hotel. To give land to Lulu, the government had taken back the land from the CMR group. What more? The government even bore the costs of registration, stamp duty, capital gains and other such expenses from the state treasury! By doing so, the state government has imposed a burden of Rs.171.27 crore on the exchequer. The CM himself got involved in this decision and overruled the objections of Law Department, vice-chairman of Vizag development authority and the Visakhapatnam collector. Here are further details.



mega convention centre and shopping mall spread over 9.12 acres at an initial cost of Rs. 750 crore near the RK Beach Front in Visakhapatnam. To initiate the process, Chandrababu Naidu visited the convention centre built by the Lulu group in Kochi. He himself conducted negotiations with the group, during the course of which they have decided that if an additional 3.40 acres belonging to CMR group were to be added, the convention centre could join the RK Beach Front. The Chief Minister decided that land had to be acquired from the CMR group and given to the Lulu group. He conducted negotiations with the CMR group personally to this effect.

On July 19, 2017, he has passed orders transferring the 3.40 acre belonging to the CMR group to Lulu group. In lieu of the land taken, the CMR group should be given government land elsewhere. In compliance with the CM's orders, the Visakhapatnam collector and other officials conducted negotiations with the representatives of the CMR group.

### Special Favours for Lulu

A cabinet meeting presided over by the CM decided to hand over 12.52 acres of prime land on the RK Beach Front to Lulu group at a nominal rate of Rs. 50 lakh per acre. This land belonged to the AP Industrial Infrastructure Corporation (APIIC) and was of Rs. 905 crore worth. This land was given to Lulu group on an annual lease of Rs. 4.51 crore on a lease cum development basis. As if this was not enough, the government gave another 3.40 acres of land that was already assigned to the CMR group. It didn't end there. The CMR group then was given 4.85 acres of government land in lieu of the land taken from it for allotment to Lulu group. The most interesting aspect of this episode is the keenness shown by the CM to finalise this transaction.

### Chief Minister's Wheeling and Dealing

The Lulu group proposed to build a five-star hotel,

### Rs.171 Crore Burden on Exchequer

The district collector of Visakhapatnam made it clear that the 3.40 acres land belonging to CMR group on RK Beach Front was valued at Rs. 246.84 crore. The collector also pointed out that the value of 4.85 acres of land being given to CMR group in lieu of this land was Rs. 321 crore. The VUDA, the Department of Roads and Buildings and Greater Visakhapatnam Municipal Corporation had decided to register the land in the name of CMR group. The AP government had to pay capital gains tax to the extent of Rs. 64.20 crore, the registration and stamp duty of Rs. 24.07 crore, the cost difference of the land taken from CMR to the extent of Rs. 75 crore and Rs.8 crore towards the function hall on RK Beach Front owned by the CMR group.

The government paid no attention to the fact that an additional burden of Rs.171.27 crore was being imposed on the state treasury because of this deal. The kickbacks of the deal were powerful enough to undermine the public interest.

# Rs. 604 Crore

## Minister Grabs Vizag Suburban Lands

Land pooling had paused due to continuous media stories...  
and VUDA secretary transferred

*The AP HRD Minister Ganta Srinivasa Rao made about Rs. 604 crore by conning the farmers of Vizag district. He bought 358 acres of the assigned lands through his benamis at cheaper rates and had them surrender those lands for pooling so that he could get a huge compensation. He took advantage of the Visakhapatnam Urban Development Authority's (VUDA) plan to construct houses in suburban areas of the city. He advanced small amounts to the poor owners of the assigned lands and entered into agreements with them. Then he got the GO MS No: 290, the land pooling GO, issued on November 14, 2016. Next, he got issued GO No: 304, which stated that the present landowners and agreement holders can also offer the lands for the pooling. It was pretty clear that the CM was behind this GO.*

Assigned lands shouldn't be enjoyed by the people other than original beneficiaries. Sale purchase transactions of these lands are not valid. The minister bought about 358 acres of assigned lands (through his benamis). This wouldn't have been possible without the support from the Chief Minister.

### Here is the timeline of this atrocious development -

- The minister has purchased 358.47 acres of assigned land with the aid of his benamis at cheaper prices.
- As these lands are proposed for land pooling, the minimum price a sq. yard these lands went up to Rs. 15,000

GOVERNMENT OF ANDHRA PRADESH ABSTRACT						
Municipal Administration & Urban Development Department- Andhra Pradesh Metropolitan Region and Urban Development Authorities Act, 2016 (AP Act No.5 of 2016) - Implementation of Development Schemes - Authorization to Visakhapatnam Urban Development Authority - Orders - Issued.						
G.O.MS.No. 304				Dated: 25-11-2016 Read the following:		
1. AP Metropolitan Region & Urban Development Authorities Act, 2016 (Act 5 of 2016)						
2. G.O.Ms.No.290, MA & UD Department, Dated : 14.11.2016						
3. From the V.C, Visakhapatnam Urban Development Authority, Lr.Roc.No.56/2013/Estate/I-1, dated 13-11-2016						
a) Proposals to be taken up in the first spell:						
Sl. No	Name of the village & Mandal	Sy.No.	Zeroyithi land Ac.Cts	Assigned land Ac.Cts	Govt land Ac.Cts	Total in Ac.cts
1	Sowbhagya-rayapuram (V) Pendurthi (M)	116/1, 121/1,2, 123/2, 124/1,2, 125/1,2,99	--	60.94	68.00	128.94
2	Dabbanda (V), Anandapuram (M)	14/1, 19/2, 20, 24/1 to 4, 140/3 to 6, 141/1 to 2, 143/1 to 4, 144/1 to 4, 145/2 to 10, 146/1 to 7,9,10, 147/1 to 4, 148/1 to 14	25.88	65.35	23.00	114.23
3	Kommadi (V), Visakhapatnam (R)	38, 42, 28/2, 39/2, 40/1a1,1a3, 53/1A,2,3,4A,5,6A,7, 54/1A,2A,3A,4A,5A,6, 161/1,2, 162/1,2, 163/1TO3, 40/1B1 to 1B6, 40/1C, 151/2,4, 152/1,2, 153/1	39.80	48.84	28.00	116.64
<b>TOTAL</b>			65.68	175.13	119.00	<b>359.81</b>

*GO. 304, which was issued on November 14, 2016, has specified the villages in which the land pooling would be done. Incidentally, the TDP leaders have bought lands in these villages.*

- The VUDA gave 1210 sq. yards plot for each acre of pooled land and the value of this plot was Rs. 1.80 crore.
- Thus, the total compensation that the minister could get was more than Rs. 645.24 crore.
- However, the farmers were given only Rs. 2 to Rs. 12 lakh per acre and the minister had spent only Rs. 40 crore to buy the lands.
- But, the minister has pocketed Rs. 604 crore (Rs. 644 crore - Rs. 40 crore)

# Rs. 400 Crore

## Franklin Templeton Scam

- Franklin Templeton got 40-acre land for mere Rs. 30 crore while the market price was Rs. 406 crore
- Initially, the land was given on lease, but it was later changed into an outright sale
- The AP Govt. refused to pay heed to the advice of APIIC, which asked the government to allocate 10 acres at Rs. 2.70 crore per acre.
- Franklin Templeton got a shady history of job promises; it made promises of job creation while taking land in Hyderabad but failed to fulfill it

Andhra Pradesh (AP) government has allocated about 40-acres of high-value land to Franklin Templeton Investments (FTI) in Visakhapatnam at a throwaway price. While the market value of this land is about Rs. 400 crore, the company could get it for mere Rs. 13 crore. The government has bent the rules for this allocation and refused to pay heed to the prudent advice of the AP Industrial Investment Corporation (APIIC) on land price and the quantum of land allocated. This transaction smacks of a scam. Here is the full story.

### FTI in AP

The AP CM Chandrababu Naidu has visited the FT headquarters at San Francisco and invited the company to invest in the state. He also assured the company that it would be given 100-acre land in the coastal area. Following this promise, he has allotted 40 acres land of APIIC to the financial services company. The APIIC under the Chief Secretary has raised quite a few objections at the allocation level itself. The industrial development body has made it clear that the company headquarters in San Francisco was in 10 acres and it would be imperative allocate 10 acres land initially and



could be increased in the future if need be.

The APIIC has further argued that the market price of the land is Rs.10.16 crore and it is giving to companies at the price of Rs. 2.70 crore and FTI should be given land at least at that price. However, the government was quite adamant and the Principal Secretary of IT Department K. Vijayanand has issued GO No: 2 allocating the land. With this GO, the AP government has ordered the allocation of 25 acres to FTI and 15 acres to Innova Solutions Inc. at

a concessional price of Rs. 32.50 lakh per acre. In the GO, the government has projected that FTI will bring 2,500 high-end jobs to the state with this project and also gave relaxation to the company to use 30 percent of the land for commercial purposes.

### **Much Better Deal for FTI**

The land price difference is not the only problem in this episode. Chandrababu Naidu has further sweetened the deal by issuing another GO to further relax the rules. Initially, the company was asked to implement the project within two years. However, in the fresh GO, the government has increased the project implementation

time from two years to seven years. The GO also has converted land holding type from lease to outright sale and ordered the APIIC an immediate sale of the land to the company. Generally, companies don't get full rights over the land before the implementation of the project in question. Even in the case of the sale, the sale deed won't be handed over to the companies until the full implementation of the project. However, through this GO, the government has not only extended the project implementation time from two years to seven years but asked the APIIC to sell the land to the company at a throwaway price, which was not even one percent of its market price.

# **Rs. 350 Crore**

Rs. 100 Crore Worth RTC Land in Guntur Given Away Under Swiss Challenge

Rs. 250 Crore Worth Prime RTC Land in Gannavaram Gifted to HCL

Rs. 20 Crore Worth RTC Land in Narsaraopet Grabbed by Kodela's Son

Ganta, Narayana Cast Their Eye on RTC Owned Land in Visakhapatnam

Tracts of prime land in towns and cities owned by Andhra Pradesh State Road Transport Corporation (APSRTC) are being given away to corporate entities by the AP government. The cronies of Chandrababu Naidu heavily benefitted out of this covetous decision. The APSRTC has 1,960 acres of land in 13 districts of AP. As per revenue records, the RTC lands are valued at Rs. 15,000 crore, but, the market value would be more than Rs 50,000 crore. The Telugu Desam Party is going all out to give away the RTC lands to its leaders and their benamis. In different parts of the state, the RTC has so far given 33 acres land to different entities for 49 years lease under the BOT (Build, Operate, Transfer) model. The remaining land is also on the line of distribution, to industrialists and IT companies. As a part of this, 28 acres land in Gannavaram was transferred to a private company.

### **Nara Lokesh's Dirty Lease Game**

The RTC owns 8,643 sq. yards of lands (approx 1.80 acre) near the main bus stand in Guntur, right next to the

regional manager's office. The prevailing market rate in this area is said to be over Rs 1.5 lakh per yard and going by this, the value of this piece of land would be over Rs. 100 crore. If this land was to be put to commercial use, hundreds of crores can be made from it.

The RTC has supplied the tenders to companies favoured by the AP government under its fake Swiss Challenge method, after modifying rules accordingly. It did not stop at that, but also decided the lease rates to benefit these companies. In other words, the Swiss challenge method is a way of framing rules to ensure that a favoured company gets the tender. In this case, Siddapradha company from Vijayawada, known to be close to Nara Lokesh, was the lone participant in the tender. Since it fulfilled all eligibility criteria as laid down by RTC, in a clear one-sided affair, hundreds of crore worth prime land was given away on a 49-year lease to this company.

### **How Was it Done**

The RTC management took into account only the turnover of the company while awarding the tender



under the Swiss Challenge method. Customarily, engineering experts and officials take into account the requisite experience in construction, as also the value of projects undertaken by the company in question while awarding a contract. They said that if a company had a turnover of Rs. 5 to Rs. 10 crore, it would be eligible to undertake a project. The company which took the land on lease showed a turnover of Rs. 8.45 crore. The single bidder was handed over the tender.

### **Gannavaram Lands Gifted to HCL**

During NTR's tenure as the CM, he allocated 28 acres of land for the APSRTC Training Centre in Survey No.20/1 of Gannavaram and issued GO No.117 to this effect. The APSRTC took up construction of building on this land. However, as the government had decided to handover this land to HCL, it made the district collector of Krishna district to submit a report stating that these lands were not being utilised. Eventually, Rs. 250 crore worth prime land was given away to HCL.

### **Kodela Son's Shady Deal**

The AP Speaker Kodela Sivaprasad Rao's son Kodela Sivarama Krishna grabbed Rs. 20 crore worth prime land owned by RTC in Narsaraopeta, through his proxies. He blocked other tenders and ensured that his proxies would be sole participants in the tender of this prime land. Here are the details.

The APSRTC has a depot and a garage in Narsaraopeta on the Guntur-Kurnool highway. Right next to this garage is a piece of land of about 60 cents in which APSRTC staff quarters are situated. Once the TDP came to power, Speaker's son eyed this prime land and

drew up an elaborate design to grab it. He chose this land for the construction of a multiplex. To this end, he has exerted pressure on RTC officials to get their staff quarters vacated so that the corporation could call for tender to develop this land on a BOT (build, operate, transfer) basis. Once tenders were called for, he threatened others from participating in the bidding process. Thus, he secured valuable land worth Rs. 20 crore at a token rent of Rs. 1 lakh per month. Additionally, he also ensured that the APSRTC incorporated a clause in the agreement stating that he would not have to pay a rupee till the construction was completed.

### **Ganta, Narayana Eye Prime VisakhaLands**

Minister Ganta Srinivasa Rao and Narayana started making their moves to grab prime land in Visakhapatnam worth hundreds of crore owned by APSRTC. Incidentally, both the ministers are relatives too. Together, they have prepared the ground to build a shopping complex in Maddipalem and Narsipatnam. On minister Ganta Srinivasa Rao's instructions, RTC officials went backwards to send speedily a report on land owned by the corporation in Maddipalem and Narsipatnam.

The RTC owns 8.7 acres of land in Maddipalem of Visakhapatnam district where each yard is estimated to cost Rs 1 lakh. By this estimate, this land (38,400 yards) is worth Rs. 384 crore. However, owing to the pressure exerted by the minister, the RTC put the cost of this land at Rs. 70 crore. Similarly, APSRTC owns 2 acres of land in Narsipatnam, where a cent of land is worth Rs. 10 lakh. These two acres (200 cents) is worth Rs. 20 crore, but RTC put the value of this prime land at Rs. 5 crore only.

# Rs. 338 Crore

## A Friend in Deed

The Land Value is Rs. 363 Crore  
Palmed Off for Mere Rs. 25 Crore

### GOVERNEMENT OF ANDHRA PRADESH ABSTRACT

Lands- Visakhapatnam District- Alienation of Govt.land to an extent of Ac.50.00 in Sy.No.409 in Madhurawada Village Visakhapatnam Rural Mandal in favour of APIIC on payment of Market Value @Rs.50,00,000/- per acre, for formation of Industrial Park subject to certain conditions- Orders – Issued.

### REVENUE (ASSIGNMENT -II) DEPARTMENT

**G.O.MS.No. 428**

**DATE: 12.11.2015**

**READ the following:-**

1. From the District Collector, Visakhapatnam Rc.No.2025/2012/E2, Dated 10-10-2015.
2. From the CCLA, AP Letter No.Assn.I(2)/1190/2015, Dated 19-10-2015.

The GO that allocated 50 acres land to eCentric Solutions Pvt.Ltd., the company of Lokesh friend Sridhar, in Vizag.

The state government gifted a land worth Rs. 363 crore to the company of a friend of Nara Lokesh for just Rs. 25 crore. Though Andhra Pradesh Industrial Infrastructure Corporation (APIIC), it has allotted the land to eCentric Solutions Pvt. Ltd., the company of one Mr. Sridhar, a friend of Lokesh, in Madhurawada village of Vizag Rural mandal, going against the rules.

Though the AP Land Management Agency (APLMA), which functions under the CCLA, had decided the value of an acre land as Rs. 7.26 crore, the state cabinet set this valuation aside and brought down the land value to Rs. 50 lakh (per acre). The market value of this land is said to

be thrice to the price determined by the APLMA.

The land management agency recommended the APIIC that the 50-acre land has to be allocated at the price of Rs. 363 crore (Rs. 7.26 crore per acre) through its resolution passed on October 16, 2015. However, the cabinet decided to transfer the land to APIIC, which did the further transfer to the eCentric Solutions, at cheaper rates. To this effect, the Revenue Department issued GO No: 428 on November 12, 2015. The APIIC allotted the land to eCentric Solutions for just Rs. 25 crore. Because of this cabinet decision, the state exchequer lost Rs. 338 crore.

# Rs. 133 Crore

## Lands to NTR Trust in All Districts

The value of the lands that were allocated to NTR Trust in three districts is more than Rs. 133.5 crore.

GOVERNMENT OF ANDHRA PRADESH ABSTRACT	
Panchayat Raj & Rural Development Department – Zilla Praja Parishad, East Godavari District – Allotment of Zilla Praja Parishad land Sy.No.60/1 of Madaline Village of Kakinada Urban for construction of NTR Trust Bhavan on lease basis for a period of 99 years – Permission accorded – Orders –Issued.	
PANCHAYAT RAJ & RURAL DEVELOPMENT (PROG.III) DEPARTMENT	
G.O.RT.No. 918	Dated:22.09.2015 Read the following:
1. Representation from Sri P.Satyanarayana Murthy, General Secretary, Telugu Desam Party, East Godavari District, Kakinada, dt.27.12.2014	
2. From the CEO, ZPP, Kakinada, Rc No.H3/1227/1967, dt.31.12.2014	
3. From CPR&RE, Lr No.757/CPR&RD/D1/2015, dt.08.05.2015.	
4. G.O.Ms No.215, PR&RD (Pts.III) Deptt, dt.25.06.2001.	
5. G.O.Ms No.323, PR&RD (Pts.III) Deptt, dt.29.10.2001.	
<i>The GO that allocated land to NTR Trust in Kakinada.</i>	

No one knows the land value better than the AP CM Chandrababu Naidu. That's why he has been grabbing the land in different names. This time, he has made a move to grab the land in the name of his party trust. A few months ago, he approved the applications that were by the NTR Trust for allocation of land. Interestingly, these applications were made by Chandrababu himself, when he was the opposition leader, in the capacity of the Trust chairman. That means the same man had applied for the lands when in opposition and gave the nod once coming into power.

With these approvals, the NTR Trust has got high-value lands in Srikakulam, Kakinada and Kadapa. In the heart of Srikakulam town- two pieces of land- 1.29 acres of survey no: 700-1 and 0.71 acres of survey no: 701-1 were allocated to NTR Trust. This land was allocated to the trust despite being previously earmarked for the needs of the municipal corporation. The land was leased to NTR Trust for 99 years at annual lease fee of Rs. 25,000! Likewise, the 2000 sq. yards land that is located in the heart of Kakinada city was also gifted to NTR Trust. The

market value of this land is about Rs. 25 crore. In Kadapa city, one-acre land located right in the centre of the city was allotted to the Trust for mere Rs. 10 lakh. The market value of this land is about Rs. 50 crore.

### In Guise of Political Party

Chandrababu is going to extend the same method to the rest of the state. As the further step, he issued a GO on July 21, 2016, allocating the lands to national and regional political parties in the state capital as well as district headquarters. These lands would be allocated on 99 years lease against a nominal rent. Generally, the governments allocate land to all the national and regional political parties that are recognised by the Election Commission.

However, Chandrababu government abandoned this tradition by coming up with a rule- that the land allocation would be proportionate to the number of seats the parties have won in the Assembly. In addition to this, the rules issued by the government also ensured that no other party except TDP would get significant benefit from this arrangement.

The following are the rules issued by the Revenue Department a few months ago. According to the rules- -

- The party that won more than 50 percent seats can get four acres land in the capital city and two acres lands each in district headquarters. (Obviously, only TDP belongs to this category.)
- The parties that won the seats between 25 percent and 50 percent can get up to half-acre land in the capital city and 1000 sq. yards land in district headquarters. (YSRCP alone is in this category.)

(YSRCP lost the power with 5-lakh vote difference while winning 67 seats despite being the first time party. Despite such performance, Chandrababu shows

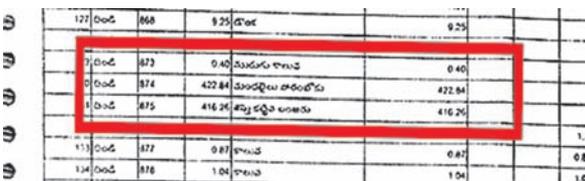
surprising levels of contempt towards the opposition. This twisted rule is an indication of his hatred.)

- The parties that won the seats below 25 percent or at least one seat can get 1000 sq. yards land in the capital and 300 sq. yards land in the district

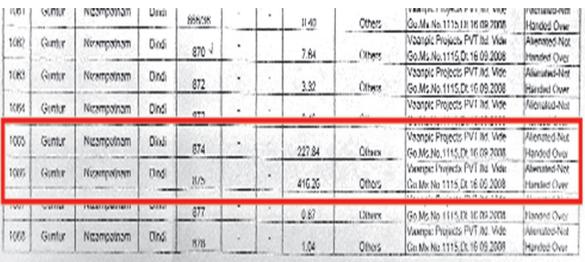
headquarters.

- The land would be first leased for 33 years and the lease can be renewed for another 99 years.
- Because of these rules, only TDP, YSRCP and BJP are going to get the land.

# The Rs. 100 Crore 508 Acres into Repalle MLA's Pocket



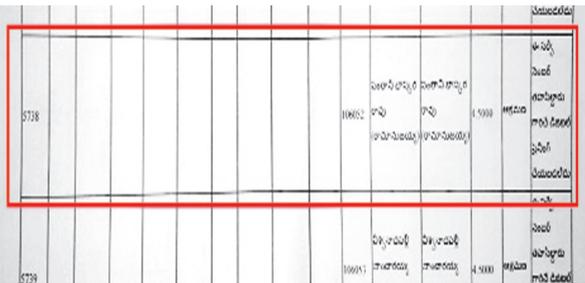
2011 Record showing 422 acres in survey no: 874.



2016 Record showing only 227.84 acre land in survey no: 874.



Record showing land in the names of the family members of Kesana Surendra Babu in the sub-divisions of survey no: 875. Surendra Babu is a confidant of MLA Satyaprasad



The lands that are recorded in the names of the family members of Kuchinapudi market yard Chairman, Panthani Muralidhara Rao

Land grabbing has become the most important political activity of ruling Telugu Desam Party in the state. The Chief Minister Chandrababu Naidu has given free rein to his party leaders and MLAs to grab the lands so that they can become financially invincible so that his party could win the coming elections unchallenged! This lenience of the CM has given raise numerous land scams across the state.

Indeed, not grabbing lands has become sin for the ruling party leaders.

Ardently following his party's single-point agenda, Repalle MLA A. Satyaprasad grabbed 313.60 acres land of the survey no:875 and 195 acres land of the survey no: 874. In total, he has grabbed 508-acre land worth Rs. 101.72 crore. In this operation, he has made full use of the expertise of the Revenue

Department. Here is the story.

## The Success Story

There is 416.26-acre government land (survey no: 875) in Nijampatnam mandal of Guntur district. The government had earmarked this land for the VANPIC project, which is presently in a suspended mode due to certain legal issues. Despite earmarking, the land was not allotted to the project. However, since the allocation was done, it cannot be subjected to any sale/purchase transactions.

However, the local revenue officials have flouted the rules and divided the survey no: 875 into eight sub-divisions. Out of the 416.26-acre land, the officials have shown 231.54-acre land into 'assessed waste dry' (AWD) belonging to the government (under the survey no: 875). The same officials have shown another 313.60-acre land in the names of private individuals in 1B adangal (i.e. land record) again under the same survey numbers.

The total amount of land (231.54 + 313.60) they have shown the survey no: 875 indeed exceeds the actual amount of the land i.e. 416.26 acres available in that survey number. The officials could be that open and that blatant.

The 313.60-acre land was shown in the eight newly formed subdivisions, they are: 89.60 acres in survey no: 875 (1), 61 acres in survey no: 875 (2), 57.50 acres in survey no: 875 (3), 52.50 acres in survey no: 875 (4), 30 acres in survey no: 875 (5), 12.50 acres in survey no: 875 (6), 8 acres in survey no: 875 (7) and 2.50 acres in survey no: 875 (8).

The revenue officials have stated in the 1B records that, these individuals have got the lands either through inheritance or DK-pattas or encroachment or purchase! Interestingly, all these individuals are quite close to the MLA Satyaprasad. The market value for an acre land in this area is Rs. 20 lakh, that puts the value of 313.60-acre land would be Rs. 62.72 crore. Another 195 Acres

## Gobbled up Under New Format

Besides the 313.60-acres, another 195 acres land located in survey no: 874 was grabbed by using a new format of revenue record. In the 22A (Prohibited

Properties) records of 2011, 422.84 acres of survey no: 874 were shown as government land. However, the records of 2016 show only 227.84 acres as government land earmarked for the VANPIC project. What could have happened to the remaining 195 acres in this survey number?

Here is the trick. Recently, the old survey numbers were replaced by the new numbers and the MLA has taken advantage of this change. However, according to the rules, a committee should be formed to consider any change in the survey numbers. But, the revenue officials have changed survey numbers without appointing any committee. They have divided the survey no: 874 into survey nos: 1126, 1128, 1129, 1132...etc. Thanks to these new survey numbers, 195 acres disappeared from the records all of the sudden. Those 195 acres are now being shown as land with title deeds and has been recorded in the names of proxies of the MLA in 1B adangal. The value of this land is Rs. 39 crore and the market value would be much higher.

### The following are the names recorded in the adangal (land record) -

- Pantani Muralidhara Rao, Kuchinapudi Market Yard Chairman
- His sons, daughter-in-law and close relatives
- SVRM College former principal
- SVRM College Director Kesana Surendra Babu and his family members
- Satyadeva Prasad, Surendra Babu's brother who is working as DE in APIIC, Visakhapatnam
- Family members of Satya Prasad
- All these people enjoy great proximity to MLA Satyaprasad. Obviously, a land grab of this scale could not have been carried out without the active support of the government.?

# Rs. 100 Crore Gitam Land Grab in Vizag

Late MVVS Murthy Encroached Upon 7.61 Acres  
Land Allocated for the Housing of the Poor.

Andhra Pradesh is being rocked by land scams which are taking place with the active support of those in the highest echelons of the government. Late M.V.V.S. Murthy, a former TDP leader and relative of Chandrababu, who grabbed 55.24-acre land at Rishikonda, had taken over another land that was allocated to Rajiv Swagruha Corporation for the purpose of the housing of the poor. Murthy had simply taken possession of the land and subsequently shot off a letter to the state government seeking the handing over of the land. And the government was more than willing to oblige him for the reasons that can be easily made out by all of us.

There have been complaints that 55.24 acres of Gitam University land actually belongs to the government. The state government is encouraging this daylight robbery by gifting Mr. Murthy with the 55.24-acre Rishikonda land, which was already in his possession. Land grabbing itself is a big crime and rewarding the grabber as is the case here, amounts to abetment of the crime by the government. Chandrababu Naidu is doing this crime with utmost confidence that nobody can question him.

## Collector Urges Swagruha Corporation to Save Its Lands

Gitam University has brazenly occupied 7.61 acres land allocated to Rajiv Swagruha Corporation in 2009. It has not only occupied this large tract of land worth Rs. 100 crore but also asked the government to hand it over. However, Yuvraj Singh,

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Lands – Visakhapatnam district – Alienation of Govt. Land to a total extent of Ac.57-73 Cts covered by Sy.No.20 & 16/3 (p) of Yendada village, Visakhapatnam Rural Mandal – Allotment in favour of A.P.Rajiv Swagruha Corporation Ltd., for construction of affordable Housing under Rajiv Swagruha programme on payment of value as per the pricing policy guidelines issued in GO Ms.No.1440, Revenue (Assn.V) Dept., Dated 4.12.2008 – Orders – Issued.

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**REVENUE (ASSIGNMENT -I) DEPARTMENT**

G.O.Ms.No. 219 Date : 20 -02-2009  
READ: the following:-

1. From the Dist.Collector, Visakhapatnam Lr.Rc.No.1641/ 2007 E2.,a Dated 29.10.2008.
2. From the CCLA, Hyderabad Lr.No.B3/ 1433/ 2008,Dated 24.12.2008.

*GO 219, allocating land to Rajiv Swagruha Corporation in 2009 for housing the poor in Vizag.*

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1. Land alienated to Rajiv Swagruha :	Ac.7.61cts (Sy.No.16 Ac.1.95cts: Sy.No.20 Ac. 5.66cts)
2. Lands advance possession to the Tourism Dept:	Ac. 5.60cts (Sy.No.20)
3. Lands advance possession given to Marine police	Ac.0.35cts (Sy.No.55)
Total	Ac.13.56 cts

At this juncture, I submit that, the land already allotted to Rajiv Swagruha Corporation vide G.O.Ms.No.219, Dtd.20-2-09 and it is not possible to re-allocate to the GITAM University by the Revenue Department even though they are under encroachment. Further the Rajiv Swagruha Corporation may be directed to take steps for protect their lands.

*Collector's letter of January 1, 2016, stating that it was not possible to give Rajiv Swagruha lands to Gitam and urging the Rajiv Swagruha Corporation to step in and take over the allocated land for proper use .*

then Vizag Collector and honest officer, made it clear that the 1.95 acres of survey no: 16 and the 5.66 acres of survey no: 20 were allotted to Rajiv Swagruha Corporation on February 20, 2009, through GO No: 219 and the transfer of this land to Gitam was not possible. He also wrote to the CCLA stating that it would be impossible to reverse the government's decision and hand over the land to a



*Gitam University buildings in the land that was allocated for Rajiv Swagruha Corporation.*

private university. He also suggested to Rajiv Swagruha Corporation that it should wrest the land from Gitam University and make proper use of it.

However, late Mr. Murthy succeeded in his efforts as he had the strong support of Chandrababu Naidu. The CM oversaw the flagrant violation of rules and ordered the officials concerned to prepare proposals to take the land back from the housing corporation and hand it over to his benami. As part of this process, Chandrababu government transferred the district Collector Yuvraj Singh within four months of his joining of duties in Vizag.

### **Does Govt. Give Land to Poor Squatters?**

Government officials are faulting the TDP government's decision to cancel the land allotment to government departments and weaker sections' housing society to benefit a private university. They are questioning why the government should give land at a nominal price to a private university which is collecting exorbitant fees. Would Chandrababu government show similar benevolence towards the poor and needy who were squatting on government land and demanding its handover?

# Rs. 69 Crore

## 6.19 Acres Gifted to Lingamaneni

Market value: Rs. 102 Crore Given away for Rs. 33 Crore

This is the 6.19-acre land that is opposite to Acharya Nagarjuna University. This land is under bank hypothecation. Before the state bifurcation, in 2014, this land was valued at Rs. 35.59 crore. Post bifurcation, with this area falling under the capital region, the land value has shot up to over Rs. 102 crore. Despite such high value, the chief minister is selling off this land for mere Rs. 33 crore. Here are the details.

The AP CM Chandrababu Naidu and Lingamaneni Ramesh formed a great bonding in grabbing the capital region lands. Indeed, their bond goes back to more than 15 years. Way back in 2003, Chandrababu handed over lands on the Vijayawada- Guntur highway to Lingamaneni Ramesh. Indeed, these lands were acquired for the housing of the low and middle-income group people. This favouritism testifies for Lingamaneni's proximity to Chandrababu.

### For Public Purpose?

In 2001, Chandrababu decided to allocate 115.91 acres of land for the 'Sites and Services' scheme of the Vijayawada-Guntur-Tenali-Mangalagiri Urban Development Authority (VGTM UDA). This scheme was meant for housing for the people of low and middle-income groups. He then has picked the land that sits in between Namburu, Kaza and Konteru villages. This land indeed belongs to Associated Cement Company (ACC) and right opposite Acharya Nagarjuna University. The government has acquired this land in 11 months through three notifications.

### In Guise of Housing Scheme...

Instead of using the land for the housing development, the VGTM-UDA has palmed off the land to the Lingamaneni group within months. As part of the plan, the UDA has issued an auction notice for these lands (RC No.365/2001 dated 13.03.2003) and called for bids on 27.03.2003. Though the AP High Court had stayed the auction, the state government sold the 115.91 acres land to the Lingamaneni real estate



company for mere Rs. 8 crore.

This land would have fetched over Rs. 100 crore way back then, had it been developed and sold, according to officials in the know of things. Though the experts cautioned the government against the sale-which has defeated the purpose of land acquisition- Chandrababu Naidu did not pay heed to their advice.

### IJM-Rain Tree Park

It is an open secret that AP CM has business interests in Singapore and Malaysia. It was said that because of his business interests, Chandrababu Naidu had allotted land for IJM-Malaysian Township in Kukatpally Housing Board in Hyderabad. Incidentally, in Amaravati too, the IJM-Rain Tree Park Apartments came up on the 115.91-acre, which VGTM-UDA gave away to Lingamaneni Lingamaneni real estate company. Apart from the amassing wealth in the sale of apartments, the group is renting out its flats to the government at very higher rental rates.

### Lingamaneni...the Capital City Limit

The lands of Lingamaneni Ramesh were kept out of the scope of land pooling because of his proximity to the chief minister. Lingamaneni has literally set the limits for the state capital. Though his lands are located just a few metres from the inner ring road, they were kept outside the purview of the land pooling.

# Rs. 50 Crore Loot

## 'Bonda-giri' in Bezwada

Freedom Fighter's Land Grabbed Using Fake Documents  
5.16 Acres Registered in MLA's Wife's Name

*Notorious TDP MLA Uma Maheswara Rao cast his eye on 5.16 acres of land in Vijayawada worth over Rs. 50 crore. Because the owners are straightforward, down-to-earth, simple people Bonda thought it would be an easy task to take over the land. Bonda Uma Maheswara Rao forged fake documents name of his wife to show her as the owner of the land. The MLA's men then proceeded to intimidate, assault the rightful owner's legal heirs, this led to the legal heirs to be driven away. Once the matter became public and the APCID registered a case, the MLA began to show his authority. He threatened the rightful owner of dire consequences if he did not fall in line.*



### Freedom Fighter's Family Struggling

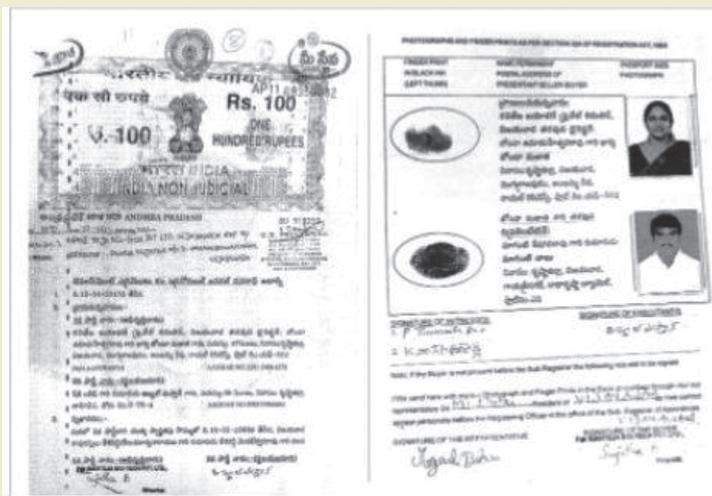
Kasireddy Suryanarayana of Mogulrajapuram in Vijayawada is a freedom fighter and was jailed in Kurnool prison for three years during the freedom struggle. In 1952, the AP government gave him 10.16 acres of land in Singh Nagar. Kasireddy Suryanarayana has two sons, Ramakrishna and Venkateswara Rao. The latter did not get married, while the former is married and has children. While members of his family sold some of the lands in instalments, they still owned 5.16 acres. Suryanarayana's older son, Venkateswara Rao died in 2013, while his younger son passed away in 1981. Fake documents were created claiming that the property had been distributed in 1983. TDP MLA of Vijayawada Central, Bonda Umamaheswara Rao, cast his eye on this land, which is worth more than Rs. 10 crore per acre as of now and the total value of this land would be over Rs. 50 crore. Bonda swung into action and forged documents with the help of revenue and registration officials. He created counterfeit documents of agreement stating that both the sons of

Suryanarayana had distributed the land among themselves in 1983.

However, while both the sons of the freedom fighter died In 1981, forged documents show that the distribution took place in 1983.

While Suryanarayana's younger son Ramakrishna, died in 1981, his older son, Venkateswara Rao, died in 2013. Later, this was changed to state that Venkateswara Rao sold his share of land to Abdul Mastan and Ramireddy Koteswara Rao. Then, they forged documents claiming that this land had been given on development to TDP MLA Bonda Umamaheswara Rao's wife Sujatha and five others. Registration to this effect was done in the Gandhinagar Sub-Registrar's office in Vijayawada. A boundary wall was erected and a shed built inside the compound with the MLA's men keeping watch.

Koteswara Rao had originally approached TDP MLA, Bonda Uma Maheswara Rao's follower, corporator Mahesh to give him a loan against his house which he was willing to pledge. Koteswara Rao was taken to the Gandhinagar Sub-Registrar's office in Vijayawada and made to sign on a



*Documents forged in the name of Bonda Uma Maheswara Rao's wife Bonda Sujatha.*

few documents. Later, he was told that he can't be given the required loan. However, the documents signed by Koteswara Rao would come into play later.

These documents were then used to say that Koteswara Rao purchased this piece land from Venkateswar Rao, freedom fighter Suryanarayana's son. Documents were further forged stating that Koteswara Rao had given this land on development to MLA Bonda Umamaheshwar Rao's wife, Sujatha and five others. A document giving them the power of attorney was duly registered. Abdul Mastan, another person mentioned in the transaction along with Koteswara Rao, is in a state of chronic illness and is unable to speak.

### Sandal Came to Light

When Freedom fighter Suryanarayana's grandson Sureshbabu (Ramakrishna's son) went to their land last March, to his shock he discovered a fence there. The MLA's men attacked him claiming that the land belonged to them following which Suresh Babu filed a complaint with the Singh Nagar police station. With no action being taken on his complaint, he approached the CID wing six months ago.

The CID, in turn, started an investigation after filing a case. They took Koteswara Rao, who signed the documents giving the land on development into custody and questioned him. Koteswara Rao replied that he knew nothing about this land and there was no question of his involvement in any registration.

On being shown his signatures on documents, he revealed to CID that he had been to the sub-registrar's office on the subject of a loan which he sought from one

of the MLA's followers. He said that his signatures were misused for this purpose without his knowledge. Following this revelation, CID registered a case against MLA Bonda's wife Sujatha, his primary associate Maganti Babu and six others.

### Bonda Associates Threatened Koteswara Rao

With Koteswara Rao becoming a key player in this land-grabbing matter for MLA Bonda, his associates started threatening him with dire consequences.

They offered him a huge amount to get out of the case or face the repercussions. Fearing for life, Koteswara Rao sought police protection in a letter to Vijayawada police commissioner Gautham Sawang on January 28, 2018.

Bonda Umamaheshwar Rao's family grabbed our land. This land was given by the government to my grandfather Suryanarayana, a freedom fighter. When an MLA who's meant to be protecting citizens resorts to grabbing the land of freedom fighters in the name of his wife, who do we turn to? The government should render justice to us.



*-Kesireddy Sureshbabu*

# Rs. 40 Crore Gift to Galla Family

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

Lands- Chittoor District – Alienation of land to an extent of Ac.21.69 cts (Ac.18.94 cts in Sy No.692/5 etc and Ac.2.75 cts in Sy No.137/3) in Karakambadi Village of Renigunta (M) on payment Market Value @ Rs.22,50,000 per acre, in favour of M/s Mangal Industries Ltd. for establishment of Industry, subject to certain conditions – Orders – Issued.

### REVENUE (ASSIGNMENT. V) DEPARTMENT

G.O.MS.No.

Dated: 12-11-2015  
Read the following:

1. From the District Collector, Chittoor, Rc. No. E1/9345/2008, dt. 22.10.2009.
2. From the District Collector, Chittoor, Rc. No. E1/5148/2010, dt. 21.09.2015.
3. From the CCLA. AP. Hyderabad, Lr. No. Assn.III(2)/147/2015, dt. 06.10.2015.
4. From the CCLA. AP. Hyderabad, Lr. No. Assn.III(2)/1425/2015, dt. 19.10.2015.

-:0:-

ORDER :

*The GO that allocated the land to  
Mangal Industries, which belongs to the Galla family.*

Chandrababu government has allocated the prime land in the famous temple town Tirupati to Mangal Industries of Galla Jayadev, a TDP MP, at a throwaway price. The land is located in Karakambadi area on Kadapa-Tirupati Highway and its actual value is Rs. 43.38 crore. However, as part of his land gifting to his party leaders, Chandrababu Naidu has allocated this land to Mangal Industries for just Rs. 4.88 crore, following the GO No: 430, issued by the Revenue Department on November 12, 2015.

It is very difficult to acquire land in Karakambadi

area as it is very close to the major transit points- Renigunta Airport, Tirupati Bus Stand, Tirupati Railway Station, Mangalam Bus Depot and Renigunta Railway Station. The market value of this land is Rs. 2.5 crore per acre, however, the government allocated it for mere Rs. 22.50 lakh per acre.

Galla Aruna Kumari, the mother of Galla Jayadev and a former minister, could not get this thing done while she was a minister in Dr. Y. S. Rajasekhara Reddy's cabinet. However, Chandrababu did her this favour without having any second thought.

# Rs. 39.15 Crore

## Siphoned Off Mortgaged Lands of Banks Gifted to Lingamaneni

The TDP leaders are gobbling up every inch of land in the capital area of Amaravati. Another sordid aspect of these leaders' activities- which so far focused on grabbing the lands of small and medium farmers- came to light. Now, they have started swallowing the valuable lands in the capital region mortgaged to banks.

### For a Lower Bid in the Auction...

In 2014, a Hyderabad-based company applied for a loan from the Banjara Hills branch of Syndicate Bank and offered 3 acres of its land- of survey numbers 230, 231- located in ChinnaKakani village in Guntur district as the security. After due process, the bank officials have sanctioned a loan of Rs. 9 crore. However, due to the unfavourable market conditions, the company's business took a beating.

When the bank officials pressurised the company to pay up Rs. 36.37 lakh as interest, the firm deposited Rs. 20 lakh and informed the bank that it had entered into an agreement with another company for the development of its 3-acre land, which it had mortgaged to the bank. The company stated that it would clear the entire amount soon.

Lingamaneni's followers cast their eye on this piece of land. Incidentally, the Lingamaneni firm owned 10 acres right next to that land. The chief minister and a cabinet colleague, along with Lingamaneni drew up an elaborate design to siphon off hundreds of crores of rupees by developing a greenfield township in the 13 acres land.

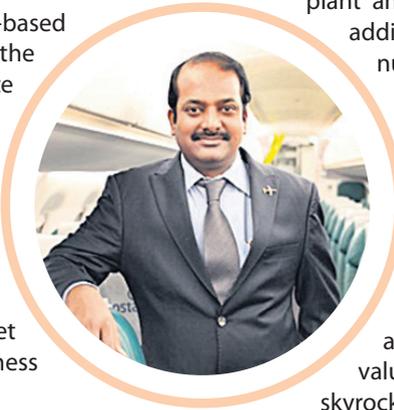
In violation of rules, they exerted pressure on bankers forcing them to put the three acres land for auction. The bank on its part did not attempt to recover the dues with due diligence. While the bank was to get Rs.11.87 crore, it gave away the land to Lingamaneni for mere Rs. 10.85 crore. The bank employees themselves admit that this land is worth over Rs. 50 crore in the open market.

### Auction in spite of offer to clear loan!

A Hyderabad-based company submitted a loan application to the Syndicate Bank, Ongole branch, in 2014, seeking Rs. 31.75 crore to buy a spinning mill. It offered 27.25 acres located in Doddavarappadu village of Prakasam district, as security. The value of the land was estimated at Rs. 26.01 crore, while the value of the plant and machinery was put at Rs. 15 crore. As an additional guarantee, 6.19 acres of land- in survey numbers 213/A, 214 situated in an area facing the Nagarjuna University on the Guntur-Vijayawada national highway- was also offered. In 2014, before the bifurcation of the state, the bank had valued this land at Rs. 35.59 crore. The company had also offered a personal guarantee of Rs. 13.13 crore and corporate guarantee of Rs. 42 crore.

Following the bifurcation and announcement of the capital city, the real estate value of the land offered as additional guarantee skyrocketed. In June 2015, the land was valued at Rs. 75 crore. However, stating that the company was not paying its loan dues, the bank sent a notice on February 18, 2016, and declared the loan as a non-performing asset. The company paid Rs. 10 crore stating that it had the capacity to clear the entire loan amount and sought additional time for clearing the remaining amount.

Lingamaneni planned to grab this land especially since it was flanked on both sides by his own land. The buzz is that the chief minister and another minister exerted pressure on the bank to auction the land. Accordingly, the bank had auctioned the land that offered as the additional guarantee by the company. The present market value of this land is about Rs. 102 crore. The bank in its notice offered to sell this land for a meagre Rs. 33 crore. Instead of trying to sell the land at market rates and get a higher amount, the bank has prepared the ground to palm off the land to Lingamaneni. Interestingly, the bank chose to ignore the value of 27.25 acres of land offered as primary guarantee situated in Doddavarappadu, not to speak of the value of the plant and machinery.



# Rs. 25 Crore

## Mukteshwara Temple Land Grabbed

50.31 Acres Leased at Rs. 10 Lakh a Year

After successfully taking control of Sadavarti Choultry lands, Chandrababu Naidu government has eyed the lands of one more Temple. This time, the government gave Rs. 25 crore worth endowment lands located by the Krishna river in Krishna district to a former TDP minister. In the pretext of tourism development, the government palmed off 50.31 acres of land belonging to Mukteshwara Swamy located in Mukthyala village of Jaggayyapeta mandal, Krishna district, on a long-term lease to the former minister. The details are-

According to endowment officials, 170 acres of agricultural land in Mukthyala and neighbouring villages belong to Bhavani Muktheswara Swamy temple. 50.31 acres of this land is located by the river in the village under survey numbers 149 and 150. The former TDP minister submitted an application to the government to develop a tourist resort on these lands. The file was moved quickly through government offices because of the clout the applicant had. The former minister in question is related to an MLC who had worked as a secretary in the NTR Trust Bhavan, Hyderabad earlier and is known to be his political guru.

The issue was discussed in the cabinet, however, it was put on hold for some time as the matter became public. However, the government has prepared the ground to quietly give away this land to the former minister. Ignoring the officials at field level, some key officials in the endowments department took favourable decisions to toe the line of the higher-ups in the government, according to sources in the department.

### Lease Amount Rs. 20,000 Per Year

Proposals were prepared to give 50.31 acres of land on a 33-year lease at Rs. 20,000 per acre amounting to Rs. 10 lakh a year. A provision was added stating that the lease agreement could be



renewed on request. Local villagers state that the former minister owns about 200 acres land next to the temple land. Strangely, the TDP leader sought temple land from the government for his tourism project. This proposal came in for widespread criticism saying that the former minister was trying to grab temple land and merge it with his own, in the garb of a tourism project.

### Playing With the Sentiments of Devotees

Official circles are aghast at the government's proposal to give temple lands to a tourism project. Non-vegetarian food and liquors are already being served in many resorts to attract domestic and international tourists. There is seething resentment and palpable anger against the government's decision to allot the lands of Bhavani Muktheswara Swamy temple to the TDP leader in the guise of a tourism project.

# Rs. 25 Crore

## Valuable Land for TDP Office

Annual rent of Rs. 1,000 only • Lease of 33 years with a provision to extend it by another 99 years

**The value of an acre land in Autonagar of Vijayawada is about Rs. 1 crore. The AP government chose such a prime location to lease out the land to ruling Telugu Desam Party (TDP) at an annual rent of Rs. 1,000 for the period of 33 years, extendable by another 99 years. The land which was supposed to be allocated to industries was gifted to the party.**

In Autonagar of Vijayawada, the Water Resources Department has 93 cents (4,500 yards) land, which is worth over Rs. 25 crore. The city TDP president had submitted an application seeking this land for the party, according to the GO: 340 issued in July 2016.

The Water Resources Minister Devineni Umamaheshwara Rao responded promptly to this application and cleared the proposal. The state IT Minister, Nara Lokesh laid the foundation stone for the proposed building.

### 3.35 Acres in Amaravati

In the state capital of Amaravati, land worth crores of rupees was given away to the ruling party for a nominal price. About 3.35 acres valuable land in Atmakur village of Mangalagiri mandal, Guntur district, was given for the construction of the TDP office for Rs. 1,000 annual rent. The Guntur district collector forwarded the application submitted by the Atmakur TDP leaders to the Chief Commissioner of Land Administration (CCLA). The Andhra Pradesh Land Management Authority (APLMA), which functions under the CCLA, examined the proposal and forwarded it to the AP government for approval. The Chandrababu government promptly gave its nod to the proposal. Thus, the party has acquired more than four acres prime land effortlessly. This would be in addition to the land that would be allocated by the state government.

# Rs 13.80 Crore

## Gift to TDP Leader

15-acre Land Near Tirupati Worth Rs. 5 Crore Allotted for Mere Rs. 1.20 Crore

The state government is gifting away valuable government lands indiscriminately to its leaders across the state. It gave away valuable land to TDP vice-president Koduri Balasubramanyam for constructing Elite Super Specialty Hospital. The government directed district authorities to give him land within Tirupati limits, which are worth Rs. 15 crore at Rs. 1.20 crore. Dr. Manmohan Singh, Special Chief Secretary of Revenue Department has issued the GO MS No.266 on May 23, 2018.



### Ministers or Lobbyists?

Karakambadi is located on the highway between Tirupati and Mangalam, right next to it is the Amararaja factory and nearby is government land. The government decided to allocate 15 acres of government land located here in Survey No. 774/3 to build 500-bed Elite Super Specialty Hospital. Though the government had claimed that the market value of the land in question was Rs. 35 lakh, the actual price of an acre here is over Rs. 1 crore!

But, Dr. Balasubramanyam lobbied with ministers Nara

Lokesh and Amarnath Reddy to get the land allocated to him at a meagre price of Rs. 8 Lakh per acre. As a result, 15 acre of land was allotted at a puny price of Rs. 1.20 crore instead of the original Rs. 15 crore. And this allotment has caused a lot of resentment within the party ranks. There was widespread criticism that bigwigs in the

TDP government received huge kickbacks in this sordid affair. The GO spelt out that the land should be utilised within a period of three years and that groundwater resources should not be disturbed. It also said that the land should be used only for the purpose for which it was sanctioned.

# Government Targets Assigned Lands

Chandrababu government has made the assigned lands of the poor an important target

The government sets to collect 20,603 acres assigned lands for industrial purposes

***"We will stop all the GOs issued by the previous governments as to the taking over of the lands of the poor. We will repel the policy to hand over the lands assigned to the poor to the private organisations. We will gather the data of the all the assigned lands that were taken back from the Dalits in the name of industrialization. We will render justice to Dalits. We buy land and allot two acres land to all the landless Tribal families."***

***- The promise of TDP in TDP Manifesto 2014 on the assigned and patta lands given to the poor.***



The TDP has defaulted on this poll promise on the assigned and patta lands, which mostly belong to the poor BC, SC and ST farmers. In the pretext of industrial development, the party has been targeting the assigned and patta lands. It wants to retake the assigned and patta lands and gift them to the crony

capitalists, who are loyal to the Chief Minister Chandrababu Naidu.

The government is all set to take the lands for industrial nodes at Visakhapatnam, Machilipatnam, Srikalahasti-Erpedu and Donakonda. For these nodes, the government is pooling 22,015.27 acres of patta lands,

20,603.65 acres of assigned lands and 18,696.46 acres of other lands. The government has already identified these lands and issued orders to the district collectors to transfer the collected lands to the AP Industrial Infrastructure Corporation (APIIC).

### Law Means Nothing?

According to AP Assigned Lands (Prohibition of Transfers) Act, 1977, nobody can purchase the assigned lands of the poor. If anybody buys them, the government shall confiscate those lands. Such

confiscated lands shall be reassigned to the same poor farmers if they were alive, otherwise, the government can assign the lands to somebody else. However, the state government is showing scant regard for the law. It is even going against the promises that it has made in its election manifesto, in which the ruling TDP had promised to purchase lands and distribute among SCs and STs. However, the government has so far spent nothing on this scheme and even taking back the lands, which would be their sole source of income in most of the cases.

## Land Grabbing Details

### Land to be collected for four industrial nodes (in acres)

Industrial Node	Mandal	Assigned Land	Government Land	Patta Land	Total
Visakhapatnam	Rambilli	--	241.15	1,143.30	1,384.45
	Nakkapalli Phase-I	--	2,151.23	2,390.30	4,541.53
	Nakkapalli Phase-II	--	2,89.76	1,646.85	1,936.61
Machilipatnam	--	--	--	12,114.86	12,114.86
Donakonda	--	5,690.73	7,640.64	3,785.23	17,116.60
Srikalahasti	Erpedu				
	Thottembedu	7,744.83	2,937.40	322.98	11,005.21
	Thottembedu	7,168.09	5,436.28	581.75	13,184.12
	BN Kandriga	--	--	--	--
<b>Total</b>		<b>20,603.65</b>	<b>18,696.46</b>	<b>22,015.27</b>	<b>61,313.38</b>

# No More Lease!

## Selling the Lands Outright!

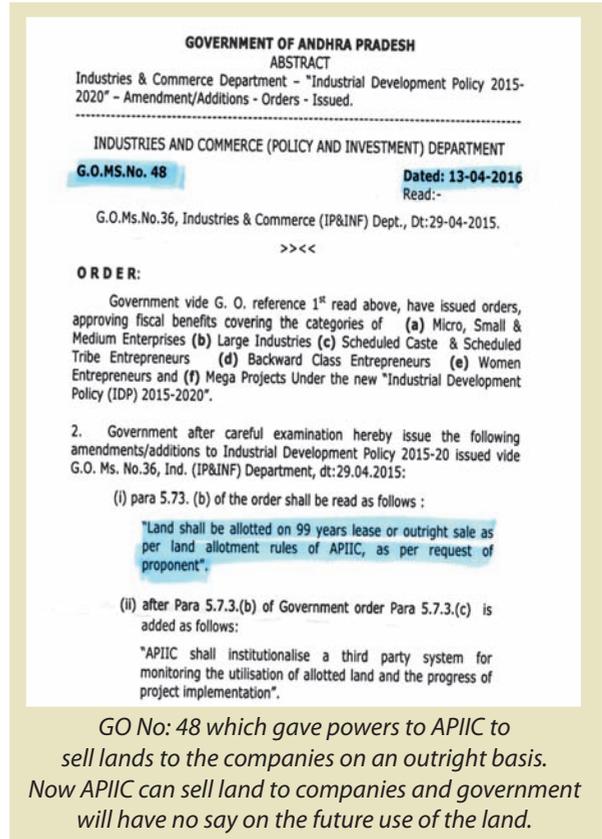
To enable his cronies to take possession of valuable government lands, Chandrababu had enhanced the maximum lease period from 33 years to 99 years. Not satisfied with this, with a mala fide intention to give away lands to his cronies with absolute freehold rights, he has brought the concept of 'outright' sale into the scene.

In the guise of industrial promotion, Chandrababu government is forcibly taking away the lands of the poor farmers and selling them off to business houses for kickbacks. By using the Andhra Pradesh Industrial Infrastructure Corporation (APIIC), the government is gifting the lands at dead cheap prices. On April 4, 2016, Chandrababu has issued the GO No: 48, which enabled the APIIC to sell off the lands to companies on an outright basis, instead of giving them on the lease. This was how the government shifted its stands.

First, the state government has accepted to lease lands for 99 years for the tourism projects. This was notified through the new industrial policy of the state. Then the government announced on April 29, 2015, that the meeting of the State Investment Promotion Board, which was presided over by the Chief Minister, could consider the idea of selling off the lands to the companies on an outright basis. In the meeting, some the industrialists complained the CM that it was difficult to start projects in the state unless the land was sold on an outright basis. After listening to their complaint, Chandrababu wasted no time. He took a decision to sell the lands to companies on an outright basis instead of leasing them. This decision was approved by the state cabinet on April 2, 2016. As several senior bureaucrats including Chief Secretary opposed this proposal, the CM amended the Industrial Policy itself. The meeting of the Empowered Committee of the Secretaries, which was chaired by the Chief Secretary, also opposed this decision. However, Chandrababu proceeded with this decision by issuing GO No. 48.

### Industrialists Queue Up for Lands

Generally, companies can have the absolute right over the land only when they buy in the open market. However, the Chandrababu government made their life easy by acquiring the lands at cheaper prices from



farmers misusing APIIC and selling them off to industrialists at cheaper prices. This is an important design of Chandrababu's government to give away as many valuable lands in the state as possible to his cronies so that they can make huge money, for eventual kickbacks.

The APIIC has gone berserk once the government has issued the GO No. 48, which has enabled the corporation to sell the lands to companies on an outright basis. In Kakinada, it sold off the 1,563 acres of land to a company, to which the land was previously allocated on the lease basis. Now, the company wants no-taps-attached registration for the land.

The APIIC also sold 69.56 acres of land to four cell phone companies at the rate of Rs. 20 lakh per acre. It sold 19.28 acres to a cell phone company, 15 acres to

another company, another 15 acres to another company and another 19.28 acres of to another industrial group. In Gudivalli village of Anantapur district, APIIC sold 25 acres of land at Rs. 10 lakh rate on an outright basis.

In Kurnool district, the government earlier allocated 623 acres of land to a company for the purpose of establishing a food processing park. Now, that company is also demanding for outright sale. A high official confirmed that the government is going to sell the land to the company. According to the officials, now several companies are making a beeline for the lands in Andhra Pradesh; only to make the best out of Babu's deal-making capabilities.

## Farmers' Lands for Sale!

A higher official expressed concern about the way the state government is selling off the farmers' land. Even according to the SEZ Act, the lands shall be leased to business houses, but, now Chandrababu government is selling the lands that are acquired from the farmers at cheaper prices. This could turn into a huge problem in years to come as the government won't have any control over the future use of the land and the companies can very much convert the land into real estate or any other purpose.

# Assigned Lands Alienated

Chief Minister Chandrababu Naidu has seen a great business opportunity in the assigned lands, which were given to Dalit farmers long ago by previous governments. He has prepared a pukka plan to get these lands at cheapest rates possible.

Though the land pooling notification clearly stated that the assigned lands would also be compensated on par with other lands, a concerted propaganda was run in the villages of capital city region saying that the assigned lands would not be given any compensation. Fueling these fears, the state government has ordered the CRDA Commissioner N. Srikanth on June 12, 2015, to return the cheques that were supposed to be distributed among the tenant farmers of assigned and riverbank lands. The CRDA, a depraved organisation which is instrumental in implementing the real estate schemes of CM Chandrababu Naidu in the capital region, has immediately sent back the cheques to the government. This decision of the government has sent shockwaves among the farmers of assigned lands and once again showed that the government was ready to take back their lands without paying any compensation.

The negative signals from the government and

the well-coordinated propaganda have sent the farmers of the assigned lands into a panic mode. They immediately sold their lands at depressed prices ranging between Rs. 5 lakh and Rs. 40 lakh per acre.

Land (1)	Category (2)	
	Dry	Jareebu
<b>Patta</b>		
Residential	1000 Sq.Yds	1000 Sq.Yds
Commercial	200 Sq.Yds	300 Sq.Yds
<b>Assigned</b>		
Residential	800 Sq.Yds	800 Sq.Yds
Commercial	100 Sq.Yds	200 Sq.Yds
<b>Yearly payment for 10 years (Rs)</b>	30000	50000
<b>Yearly increase (Rs)</b>	3000	5000
<b>One time additional payment for gardens like lime/sapota/guava (Rs)</b>	50000	

*The land pooling orders issued by the government on January 1, 2015, which has announced the package for assigned lands.*

	Dry	Jareebu/ Semi urban
Residential	10 00 Sq.Yds	10 00 Sq.Yds
Commercial	200 Sq.Yds	450 Sq.Yds

(iii) All the Assignments made after 18-06-1954, shall be allotted per acre as follows:

	Dry	Jareebu/ Semi urban
Residential	8 00 Sq.Yds	8 00 Sq.Yds
Commercial	100 Sq.Yds	200 Sq.Yds

*The package announced for assigned lands after the ruling party operatives have concluded their land deals on February 17, 2016.*



registrations pertained 480 acres of assigned land. They also have made another 350 pending registrations pertained to sale transactions of 650 acres of the assigned lands. According to available statistics, the TDP leaders have bought 348.46 acres of assigned land. They also have bought another 1,200 acres through purchase agreements.

These leaders have tricked the innocent Dalit farmers and got the lands at cheaper prices. Today the same land values about Rs. 1.75 crore per acre, this effectively means the ruling party operatives have profited about Rs. 2,775 crore by making illicit transactions in assigned lands. By doing so, they also have deprived the poor Dalits of their fortunes.

### **Land Pooling Notification Binned**

In the 29 villages of the capital city region, there was a total of 2,028 acres of assigned land. Out of this, 1,278 acres of land was assigned in 1954. The remaining 750 acres were assigned to SC, ST, OBC farmers in several phases. Most of the assigned lands

are small plots, often an acre, half an acre and below.

The initial orders of the government said compensation would be given only assigned patta lands. The orders have made a further distinction between the lands that were assigned before and after 1954. While the lands that were assigned before 1954 were given 1,000 sq. yard residential plot and 200 sq. yard commercial plot for each acre of arid land, an acre of assigned Jareebu land got 1,000 sq. yard residential plot and 450 sq. yard commercial plot. For the lands that were assigned after 1954, the arid land farmers got given 800 sq. yard residential plot and 100 sq. yard commercial plot per acre and the Jareebu landowners got 800 sq. yard residential plot and 200 sq. yard commercial plot for each acre of their land.

***However, this order was not in effect for until the TDP operatives completed their deals in assigned lands.***

## **Now, We Compensate You Generously!**

The TDP government has once again declared compensation package in December 2015, this time a more generous one, once its leaders have concluded the purchase deals of the assigned lands. The Chief Minister has taken this decision in a high-level review meeting in Vijayawada on December 13, 2015. He has given the full entitlements to the new owners of assigned lands. The CM had issued an order to the Chief Commissioner of Land Administration (CCLA) to this effect.

Eventually, the government has decided to regularize the sale transactions of the assigned lands and announced the compensation package on March 17, 2016. It was clear that these decisions were made in order to benefit his son Nara Lokesh and other members of his inner circle who bought assigned lands on a massive scale. The new rules would enable the new owners of the assigned lands- read TDP ministers, MLAs and MPs- to pocket all the compensation.

# Great Land Mutation Scam

## Another Major Land Scam in State

*First it was the Amaravati land scam, then Visakhapatnam land grabbing scandal, followed by Sadavarthy land scam... A series of land scams have left Andhra Pradesh shell-shocked. However, a new land scam that can outstrip all the past scandals is taking place in the state. The ruling party leaders are grabbing massive amounts of government lands in the name of 'deemed mutations.' The TDP leaders are running this staggering scam with the help of obedient field staff and officials of the revenue department. To ensure the cooperation from the revenue department, the TDP leaders are using all methods at the disposal, including coercion.*



In the span of four months, a total of 1.17 lakh deemed mutations of the government lands took place and this shows the extent of land grab that has been taking place by the ruling party leaders in the state. Let us see what these deemed mutations are and how they have become a boon to the ruling TDP leaders.

### **Mutation...Deemed Mutation**

Mutation is nothing but the altering the land ownership records as per the recent developments. In revenue parlance, the change of the name of the owner in the land title deed and possession book (Adangal) is called mutation. The MeeSeva centres routinely get a lot of mutation applications every day. The concerned Tehsildar has to review the applications, verify the claims against available records and either confirm or reject the application within 21 days. If the official in question has failed to act upon the application within 21 days, then that application would be considered as 'automatic mutation and considered as 'deemed mutation'.

When the ownership of land changes either due to inheritance or sale, the new titleholder applies for the change of the name of the owner in the land records. Some people even file mutation applications to take hold of the government lands by submitting counterfeit documents. For instance, let us say the government has 10 acres land in the survey no: 120 of Paritala village in Nandigamamandal of Krishna district according to revenue records. A person named Narayana submits a mutation application claiming the ownership of the land stating that it is his ancestral property. The Tehsildar has to scrutinize his application and act on it after checking the records within one month. He has to reject the

application if the information submitted is false. In the case of genuine applicants, substantiated by revenue records, the Tehsildar should carry out the changes (mutation).

If a revenue official approves of an application and carries out these changes (mutation) with his signature and if any irregularities found in the matter, action can be initiated against him, on inquiry. If an application is not processed within one month, the mutation is deemed to have been carried out as per government directives. Revenue officials claim that the Tehsildar cannot be held responsible in the cases of deemed mutations which is why a number of ruling party leaders are exerting pressure on the Tehsildars to put government lands in the deemed mutation category.

### **This Loophole is Their Strength**

If an application lies pending beyond one month, then it gets automatic approval under the deemed mutation category and the revenue records reflect this change. This clause has come as a boon to TDP leaders who are now getting government lands registered in their name. The ruling party leaders are on a revenue records altering spree across the state, thereby grabbing the valuable government lands.

### **Tehsildars Under Extreme Pressure**

Ruling party leaders have come under severe criticism for exerting heavy pressure on Tehsildars, to grab government lands. In chief minister's native district Chittoor, a mandal level leader of the ruling party told a local Tehsildar that he would 'take care' of him and sought him to register 10 acres of government land in

his name. He is believed to have told Tehsildar, "You may have to follow protocol and incur other expenses, record the 10 acres of government land under my name and I will protect you." The Tehsildar replied, "It would be improper on our part to register government land in your name based on fake documents. We will get caught if there is an inquiry in the future."

The leader added: "You have nothing to worry. Keep the application pending for a month after which it will automatically fall into the deemed mutation category in revenue records and you can then add my name giving me ownership rights in the revenue records." The helpless Tehsildar did as he was told.

When this incident was brought to the notice of a senior official in the Revenue Department, he observed that the deemed mutation GO itself was flawed. The official said, "The GO should state that applications for mutations should be scrutinized and cleared within a given period. This GO is contrary to that principle."

### Story is Same in Every District of AP

Two TDP leaders in Nellore district grabbed government land in the name of their benamis. Following the footsteps of their leaders, their supporters too have grabbed the government lands. Reliable sources say that a TDP leader grabbed 50 acres of land in the name of his benamis in Sabbavarammandal of Visakhapatnam district. Nellore district has also seen many such cases of land grabbing. Similar cases of land grabbing were reported from Prakasam, Kurnool, Chittoor and Visakhapatnam districts on a large scale.

Of the total number of mutations which were done in Nellore, 29.53% were said to fall under the deemed mutation category, officials point out. There have been many such cases of land grabbing in Prakasam district. There have been 25.74% deemed mutations here. In Chittoor district, 19% of mutations do not have the seal of approval of the officials concerned. Over the last four months, 1.17 lakh deemed mutations have taken place in different districts of the state. These changes were

## Details of Mutations District Wise Implemented by District Tehsildars

District	Mutations Implemented by Tehsildars	Deemed	Total
West Godavari	50,580	2,415	53,265
Krishna	43,196	4,058	47,253
East Godavari	46,877	4,520	51,397
Anantapur	64,411	6,561	70,972
Guntur	47,835	6,216	54,051
Vizianagaram	79,791	11,342	91,133
Srikakulam	93,875	16,222	1,10,097
Kurnool	44,042	8,798	52,840
YSR Kadapa	27,229	5,976	33,205
Visakhapatnam	52,984	12,199	65,183
Chittoor	64,429	15,080	79,509
Prakasam	45,312	15,702	61,014
Nellore	19,003	7,962	26,965
<b>Total</b>	<b>6,79,834</b>	<b>1,17,051</b>	<b>7,96,884</b>

made without going into the questions of ownership and the proof of ownership. A senior IAS official commented that even if an inquiry were to take place in the future, the explanation would be that it was done without any necessary proof.

### 1.17 Lakh Mutations in 4 Months

Revenue officials are increasingly worried about the deemed mutations scams. They fear that this scam could overtake the massive Visakhapatnam land scam. In 3-4 months, as many as 1.17 lakh mutations have taken place in the deemed category. Recently, at a review meeting conducted by senior officials of the revenue department, deemed mutations has become a hot topic. The Tehsildars were told that it was wrong on their part to take refuge behind the GO in question to keep applications pending for more than a month to facilitate automatic mutation. "Make sure this does not happen in future. This is not the right approach," the officials have warned Tehsildars. Even though there is no official word on this, revenue officials feel that a massive land scam in underway and irreparable damage has already been caused.

# Unprecedented 'River-Grabbing' by CM!

## 150-Acres River Space Grabbed Plan to Build Resorts, Pubs and Multiplexes



*A fence with plastic wires and red flags installed by land grabbers right in the middle of the river, near Tummalapalem, Tallayapalem and Uddandarayanipalem, warning the fishermen not to come that way.*

Chandrababu Naidu and his party leaders have grabbed not only lands, hills and tanks but the river too. In an unprecedented development, the ruling party leaders- with the active backing from the Chief Minister- have encroached upon a three-acre islet in the midst of River Krishna and about 150-acres space around it. They have tried to expand the islet into a bigger island through land reclamation process. Here is the full story.

A few businessmen, who belong to the ruling Telugu Desam Party (TDP) took control of the 3-acre islet in March 2017, which is in the River Krishna, located very near to Tummalapalem, Tallayapalem, Uddandarayanipalem and Guntupalli villages. This islet is considered a part of the riverbed and is used by the villagers for general recreation purposes. However, some TDP leaders cast their eyes on the islet and wanted to convert it into an island by widening it further so that they could make an entertainment hub with multiplexes, pubs, club and a resort on that island. This fancy idea had the backing of the Chief Minister and the Water Resources Minister. Once the plan was hatched, they have created a fencing, encircling about 150 acres river space with plastic wire and red flags. Once the fencing came up, the movements of fishermen were prevented by the encroachers. The fencing was protected by goons, bouncers and dogs.

The river grabbers imported land reclamation machinery from abroad so that they dug up the sand from the riverbed and enhance the size of the islet within no time. This machinery was deployed on the islet for quite some time. When the villagers and fishermen

complained about this weird development to Sridhar Babu, then Chairman of the Capital Region Development Authority (CRDA), he came up with confusing answers. He claimed the route was closed for the security of the Chief Minister! Indeed that place has nothing much to do with the movement of the Chief Minister. According to reliable sources, the encroachers have the unflinching support of the CM and the Water Resources Minister. That's why they could encroach upon an islet and its surrounding river space so brazenly. The confusing response of CRDA Chairman only shows that they were acting at the behest of the government bigwigs.

### Unprecedented!

Never have we seen people grabbing a river itself. When we questioned this deed, the security people claimed Chandrababu has his share in this. They also have challenged us to try and do whatever we could to stop them. Ever since some unidentified persons installed the red flags, we are not being allowed to go that side. About 500 families earn their livelihood through fishing. They say that the government is going to develop the occupied river space into an island with the help of imported machines from Japan and Singapore. How should we live here if our movement is restricted?

**- Abraham, Fisherman, Guntupalli**



### River will Disappear!

In the name of a new capital, our agriculture has been destroyed. Now, they are getting ready to fill the riverbed and establish resorts and pubs. Four months ago, some people had tried to occupy 250 acres of land. They had to back off due to the collective resistance of our village. Now, the same persons are coming aggressively to encroach upon river space.

**- Nadigam Suresh, Farmer, Uddandarayanipalem**



# Land Acquisition by Babu's Regime

## 2,01,030 Acres

The following are the details of the lands that are notified either to be acquired to pooled by the state government in 13 districts of the state

District	Acquisition/Pooling	Acres	Remarks
Visakhapatnam	VUDA (Pooling)	543.15	GO issued
Vizayanagaram	Tarakarama (Acquisition)	2,200	Acquisition completed
	Bhogapuram (Acquisition)	2,600	Notification
Srikakulam	Sompeta Thermal Plant (Acquisition)	972.69	Acquisition completed
	Bhavanapadu Port (Acquisition)	4,923.15	Notification
	Kovvada Nuclear Power Plant (Acquisition)	2,438.27	Notification
East Godavari	Purushottapatnam (Acquisition)	207	70 Acres pending
West Godavari	East Godavari displaced people (Acquisition)	2000	Decision
	Highway (Acquisition)	1100	Notification
Guntur	Capital (Pooling)	33,500	Pooling completed
	Additional land for capital (Pooling)	14,000	Notification
	Anantapur road (Pooling)	5,500	Notification
Krishna	Bandar Port (Acquisition)	30,000	Notification
Kurnool	Industrial Hub(Acquisition)	30,000	Acquisition completed
	Amaravati-Anantapur Road(Acquisition)	3,000	Survey being done
Prakasam	NIMS (Acquisition)	14,500	12,300 Pending
	Donakonda Industrial Corridor (Acquisition)	25,886	Acquisition completed
	Amaravati-Anantapur Road (Acquisition)	7,000	Survey being done
Nellore	Damavaram Airport (Acquisition)	2,700	Notification
Anantapur	Bell (Acquisition)	913	Acquisition completed
	Customs and Excise Academy (Acquisition)	529	Acquisition completed
	Kia Motors (Acquisition)	599.39	Acquisition completed
YSR	---	---	---
Chittoor	National Highway-4 (Acquisition)	457	Acquisition completed
	Express Highway (Acquisition)	2,454	Acquisition completed
	Industries (Acquisition)	4,785	Acquisition completed
	Handri-Neeva (Acquisition)	3,091	Acquisition completed
	Kuppam branch canal (Acquisition)	732	Acquisition completed
	Ceramic industry (Acquisition)	3,200	Acquisition completed
	Yerpedu Industrial Zone (Acquisition)	1,200	Acquisition completed
<b>Total</b>		<b>2,01,030.65</b>	

# AMARAVATHI

## THE CAPTURED CAPITAL!



# Amaravati

## World Class City or World Class Scam?

Amaravati- the new capital of Andhra Pradesh- is supposed to be a global city of 21st century. However, today it has become a scandal of global standards thanks to the greed of AP Chief Minister, N. Chandrababu Naidu. In the name of developing a world-class capital, Naidu has run a world-class real estate scandal amounting to Rs. 1 lakh crore. In this process, he has breached the oath of secrecy by revealing the vital information of the prospective capital city location to his coterie members, much before making the formal announcement; and this amounts to "insider trading".

After disclosing the capital location to his cronies and benamis, Chandrababu has made concerted efforts to bring down the value of lands in Amaravati region so that his men could buy them at cheaper prices. As part of this, the government, with its media leaks, has created hype around Nuzvid and Nagarjuna University as the prospective capital city locations. Fooled by the propaganda, people flocked these areas and bought lands. As a result, the value of lands in Amaravati area has plummeted. Seizing the moment, Chandrababu cronies, his ministers, MLAs, MPs and his party leaders bought lands in Amaravati region at throwaway prices, depriving thousands of farmers of their future fortunes. The capital city location was officially announced on December 28, 2014, only after completion of land purchases by Babu's cronies and this clearly tantamounts to "insider trading" breaching the "Oath of Secrecy".

This multilayered scam was brought out by the media with a series of stories that were supported by irrefutable proofs. In the second phase of land grab, the government took away the fertile, multi-crop lands from the farmers in the name of land pooling, while sparing the lands belonging to his cronies. In return, the farmers were supposed to get the paltry extent of residential and commercial plots in their own villages. However, now, it becomes clear that the farmers are not going to get their compensation any time soon. Chandrababu did not stop with this; he has divided the capital region into different zones and brought down the value of some lands by placing them under Agricultural Protection Zones while propping up the prices of the lands of his cronies by intentionally placing them real estate enabled zones. You can see more details on the Zoning method in the next story.

There is no end to the tales of Chandrababu's open corruption and legal plunder. Though the 5,000-acre land is enough for the development of the capital city, Chandrababu insisted on acquiring 34,000 acres of private land. He did so with the sole objective of taking the lands from the ordinary farmers and handing them over to private players in return for kickbacks. As the constructions started, the scope of scams has further expanded. In the startup area project alone, Chandrababu is going to make about Rs. 66,000 crore. It's up to one's imagination how much more he can from entire Amaravati city.

# Rs. 1,00,000 Crore 'Capital' Benefit!

CM Chandrababu Leaked Critical Information  
of the Capital City Location to his Coterie Members and Benamis  
25,000 Acres Were Bought by the Ruling Party Land Vultures  
Rs.1,00,000 Crore Profit to Nara Lokesh, His Aides and TDP Leaders  
AP Government Real Estate with Farmers' Lands

- Under the guise of building a world-class capital, the AP Chief Minister is running a huge real estate scam. To begin with, he has misled the people of Andhra Pradesh on the prospective location of the capital city with his media leaks, which have projected Nuzvid and Nagarjuna University areas as the prospective capital city locations. However, he has revealed the actual location-Amaravati region- to his cronies and helped them to buy large tracts of land. From his swearing-in on June 8, 2014, to the date of announcement of the new capital city location on December 28, 2014, the cronies of the Chief Minister have bought thousands of acres of land in Amaravati region. Thus, he has helped them to accumulate lands worth Rs. 1 lakh crore at the cost of the fortunes of ordinary farmers. Isn't this the insider trading and the breach of oath of secrecy?
- Due to this informational head start, the TDP leaders could buy large chunks of land in the capital city region much before the formal announcement of the location of the capital city. Most of these purchases were done through the benamis. Besides the benami registrations, one can also find several registered GPAs. (GPA- General Power of Attorney)
- Chandrababu Naidu has not only helped his cronies and party leaders in buying valuable lands but also protected those lands from the so-called 'land pooling'. While the lands of ordinary farmers were taken by hook or crook, the lands of his cronies left untouched. The way the TDP government exempted the lands of Lingamaneni Estate and Ramakrishna Constructions from the land pooling testifies for the bias. Though Lingamaneni Group and Ramakrishna Constructions have bought 804.32 acres and 179.51 acres of assigned land, both of them have not only gone unpunished but also protected from the pooling'. Likewise, Chandrababu had also exempted the 43-acre real estate venture of his party MLA Kommalapati Sridhar from land pooling, for the reasons best known to him.
- Chandrababu has pooled a total of 53,743.49 acres for the capital city from the 29 villages located in Thullur, Tadepalle and Mangalagirimandals. Out of this, 15,010.03 acres are assigned and government lands

STATEMENT SHOWING THE CONSTRUCTION OF BUILDINGS IN UPSTREAM AND DOWNSTREAM OF BARRAGE VIOLATING THE R.C.ACT (NO OBJECTIONS ISSUED)								PATTA LANDS
Sl. No.	Name of the Village & Mandal	Name of the Owner	Sy. No.	Extent	Flood Bank Mileage (km) above barrage and below barrage	Remarks	Name of the river Conservator	
2	Undavalli (V) Tadepalli Mandal	Sri Lingamaneni Ramesh	272/2 & 271	1.314acs	3.2(Upstream)	(Swimming pool) no objection issued with certain conditions vide Dd/ATC/JSIH dated. 16-5-2007 (Building constructed)(Swimming pool) no objection issued with certain conditions vide Dd/ATC/JSIH dated. 16-5-2007 (Building constructed).	B.Suryanarayan a(2007)	

*The note issued by the Water Resources Department, which shows that the Lingamaneni guesthouse was constructed in violation of River Conservation Act.*

and the remaining 38,737.46 acres are private lands.

- The CM has been bragging about his 'land pooling' scheme being totally voluntary. However, in practice, the pooling process was anything but voluntary. Babu has deployed quite a few tricks and conned the farmers to submit their lands for the 'pooling'. The way the assigned and riverbank (lanka) lands- which mostly belong to SC, ST families- were snatched from the poor farmers speaks volumes about the atrocious episode. To acquire the assigned lands, the ruling TDP leaders have spread the rumours of government taking back the assigned and riverbank lands from the present owners without paying any compensation. The government officials, at the behest of the Chief Minister, have further stoked the fears among the poor farmers by concurring with the ruling party's the-government-can-take-back version. The TDP-controlled media and TDP local level leaders played an active role in waging this informational war on the poor peasants. Terrified by this propaganda, the owners of 1,843 acres of assigned land and 1,514 acres of riverbank land sold their land to TDP leaders at cheaper rates. Once these transactions were completed, the TDP government came up with a generous compensation package for these lands in

February 2016; 14 months after the first announcement of the 'land pooling' so that the 'new owners' of the lands would be benefitted.

- Even according to international standards, it costs Rs. 30 lakh for the layout development for an acre land. About 3,000 sq. yard space can be developed on each acre. However, the government proposed to give only paltry extent of 1000-yard residential plot and 200/450-yard commercial plot per acre compensation to the farmers.
- The cronies of Chandrababu who bought Amaravati lands have also been favoured by 'Zoning' system, which was proposed by the Capital Region Development Authority (CRDA). The lands of CM's cronies were placed under real estate enabling zones while the lands of ordinary farmers were thrown into "Agriculture Protection Zone-1", which is supposed to have the least commercial value. While APZ-1 is meant for agricultural purposes, the APZ-2 is meant to host Future Urbanised Developable Area. In APZ-3, almost all types of activities are allowed. The TDP leaders and their benamis have bought about 10,000 acres of land in APZ-3 and proposed urban area even before they were zoned, as seen in the picture with dots.

GOVERNMENT OF ANDHRA PRADESH ABSTRACT			
Municipal Administration & Urban Development Department – The Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 - Notification – Issued.			
=====			
<b>MUNICIPAL ADMINISTRATION &amp; URBAN DEVELOPMENT (M2) DEPARTMENT</b>			
<b>G.O.Ms.No.1</b>		<b>Dated: 01.01.2015</b>	
<b>Read the following:</b>			
Land	Category		
		Dry	Jareebu
Patta	Residential	1000 Sq.Yds	1000 Sq.Yds
	Commercial	200 Sq.Yds	300 Sq.Yds
Assigned	Residential	800 Sq.Yds	800 Sq.Yds
	Commercial	100 Sq.Yds	200 Sq.Yds
Yearly payment for 10 years (Rs)		30000	50000
Yearly increase (Rs)		3000	5000
One time additional payment for gardens like lime/sapota/guava (Rs)		50000	

*The AP Government orders issued on January 1, 2015, which stated that assigned lands would be pooled under the land pooling process.*

GOVERNMENT OF ANDHRA PRADESH ABSTRACT			
RULES – The Andhra Pradesh Capital City Land Pooling Scheme (Formulation and Implementation) Rules, 2015 - Amendment – Notification - Issued.			
MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (CRDA.2) DEPARTMENT			
<b>G.O.MS.No. 41</b>		<b>Dated: 17-02-2016</b>	
<b>Read the following:</b>			
I.	in Sub Rule(2) of rule 5 in the existing table,–		
(1)	against the entry (6) "Assigned" and corresponding entries thereof, the following entries shall be substituted, namely,–		
	*(b) Assigned:		
(i)	All the assignments made to Ex-serviceman / Political sufferers / Freedom Fighters and the purchases made before or after a period of 10 years from the date of assignment shall be allotted per acre as follows:		
		Dry	Jareebu/ Semi urban
	Residential	10 00 Sq.Yds	10 00 Sq.Yds
	Commercial	200 Sq.Yds	450 Sq.Yds
(ii)	All the assignments made prior to G.O.Ms.No. 1142, Revenue Department, Dt. 18-06-1954, irrespective of classification of land which includes de-reserved forest, shall be allotted per acre as follows:		
		Dry	Jareebu/ Semi urban
	Residential	10 00 Sq.Yds	10 00 Sq.Yds
	Commercial	200 Sq.Yds	450 Sq.Yds

*The Government orders issued on February 17, 2016, specifying the compensation for assigned lands after the conclusion of land deals by TDP realtors.*

**Policy Guidelines**

**Extent of Jurisdiction (applicability):**

The policy Guidelines are applicable to the entire APCRDA Region as declared under APCRDA Act, 2014. The provisions of this document are to be read along with the Perspective Plan 2015, report and the policy guidelines mentioned herein. The developments that are lawfully established prior to the coming into force of these policy guidelines shall be allowed to continue as non-confirming uses.

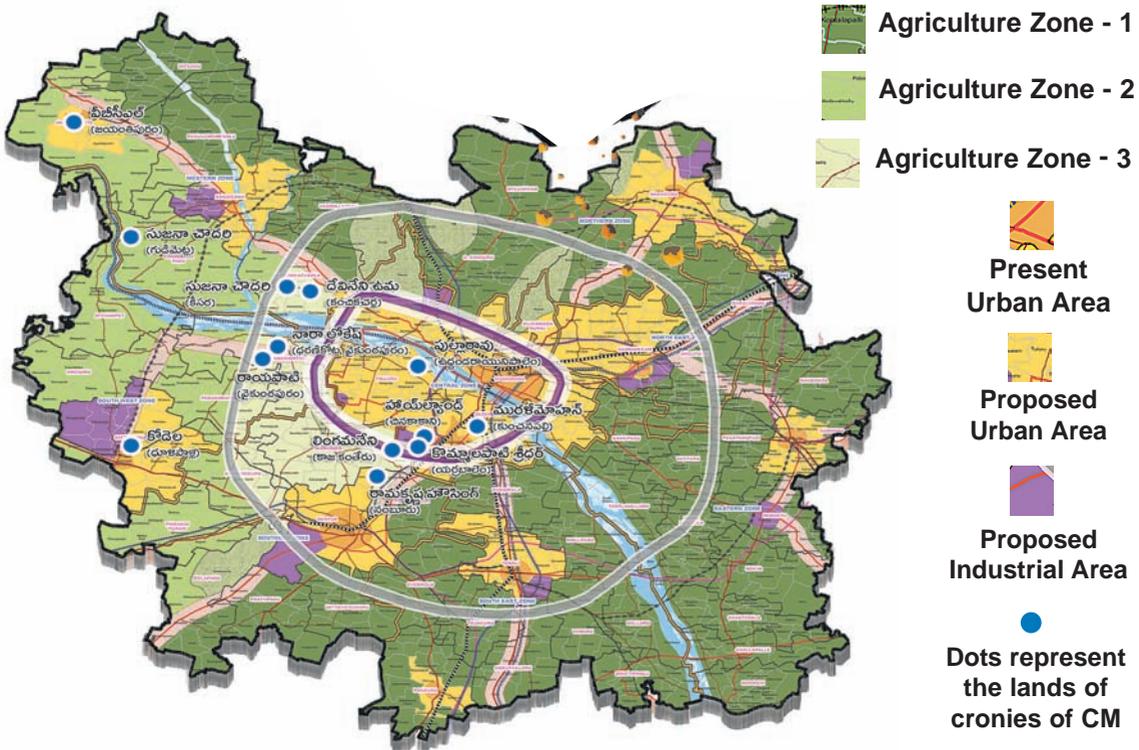
**USES PERMISSIBLE IN VARIOUS LAND USE ZONES**

1. The following Policy Guidelines specify uses that are permissible in each land use zone in the planning area. However these Policy Guidelines are suggestive in nature and may be one of the parameters to grant or refuse the permission by the APCRDA.
2. The Land Use Zone categories proposed in the perspective plan and suggestive policies in each land use zone are given as below:

**LANDUSE ZONE CATEGORIES**

1. Agricultural Zone
  - A. Agriculture Protection Zone - 1
  - B. Agriculture Protection Zone - 2
  - C. Agriculture Protection Zone - 3
2. Urban Zone
  - D. Existing Urban area
  - E. Proposed Urbanized area
3. Industrial Zone
  - F. Industrial (I) Zone
4. Development Corridor Zone
  - G. Development Corridor
5. Infrastructure
  - H. Traffic and Transportation
  - I. Multi Model Integrated Logistic Hub
  - J. Airport Area
6. Protection Zone
  - K. Water Bodies
  - L. Hills and Forest

*The draft policy guidelines of the CRDA that classified the Capital city lands into different zones.*



# The Devil in Detail

The scam- which was started with the CM giving media leaks as to the location of prospective capital city- has several phases. Misleading the people was its major objective.

**Amaravati, the new capital city of sunrise state Andhra Pradesh, is supposed to be a global city of 21st century. However, today it has become a synonym to a scam of global scale thanks to the Chief Minister N Chandrababu Naidu. The scam has started with the media leaks as to the prospective location of the capital city and eventually grown many levels.**

**The scam was incubated by none other than the Chief Minister N Chandrababu Naidu, his son Nara Lokesh, a central minister close to them, several state ministers, the MLAs of the ruling party and their benamis. Making full use of the public office, the fraudsters have snatched away about the 25,000-acre land from the poor, gullible farmers. The first thing these scamsters did was to bin the report of Sivaramakrishnan Committee, which has toured the state extensively, took several factors into consideration and advised on the location of the state capital. This episode of capital scam is nothing but a series of scandals that has become a global scam with several players of the ruling party, government and national and international players involving in it.**

## **Phase -I**

The bigwigs of the government had made up their mind to establish the capital city in Thullur area, which falls between Guntur and Vijayawada. However, they gave leaks to media on a few other possibilities to divert the attention of realtors from this region. First, they have created an impression that the capital city would come

up near Acharya Nagarjuna University (ANU) and then gave huge publicity to Nuzvid as the prospective area of the new capital. Their plan did the trick. While most of the people made a beeline to those areas to purchase plots, the Chief Minister and his men have bought thousands of acres of land in and around Thullur area through their benamis at throwaway prices. Once the state government has revealed its original intention, several farmers and realtors those who bought lands at ANU and Nuzvid areas have incurred heavy losses. The farmers of Amaravati region who sold away their lands at cheap prices have also cried foul. Chandrababu and his benamis, who were privy to this information, have made a few lakhs of crores of rupees through this real estate scam.

## **Phase - II**

After making the high decibel propaganda about the about-to-come-up world-class capital city at Amaravati, the state government has brought forth a scandalous concept called 'land pooling'. The scamsters have decided to pool 38,737 acres of fertile, three-crop land from 29 villages. When the farmers protested the pooling, the government took the help of its friendly media, which has created a near apocalypse atmosphere claiming that the farmers those who refuse to submit their lands for the pooling would be the ultimate losers. Thus, the gullible farmers were coerced into the land pooling. Though the very name suggests that the pooling exercise was voluntary, in practice, it was anything but voluntary. The government has openly used force to collect the lands from several unwilling farmers. On the other hand, the lands of Babu and his stooges were fully protected from the land pooling. For instance, the capital region border stopped exactly 10 meters away from the Lingamaneni Estates, which belongs to Lingamaneni Ramesh, a close aide of Chandrababu Naidu. As the return gift, the Chief Minister

has got a classy guest house and also shares in Lingamaneni Estates.

Chandrababu Naidu has not only ensured full protection to the lands of his benamis but also made sure that all development projects came up near to their lands. The man who initially stated that the land pooling was voluntary has shown his true colours eventually. The farmers who refused to part ways with their lands were harassed by the government in many ways. The standing crop of some of the unwilling farmers was burnt down during midnights, the police instead of searching for culprits have further terrorised the farmers by slapping false cases against them. In some places, the lands of the farmers who refused to surrender lands were leveled by bulldozers without any prior notice to them. Those farmers have busted into tears as they could not identify their land plots after the levelling. The government has also refused permission for agriculture in the 29 villages to discourage agriculture in the capital region. When the villagers went to High Court and got permission, they were denied water and agricultural loans by the government.

### Phase - III

Chandrababu has announced a compensation package to the farmers in lieu of their lands. He has announced both the cash and land compensation to the farmers, according to their contributions of land. Though he did not specify the exact figures, he had offered to provide monetary compensation and the allocation of residential and commercial plots. But, this package has turned out to be a total farce. He later told them that farmers would be given an annual compensation of Rs. 50,000 or Rs. 30,000 for 10 years period based on the type their lands! They were also told that they could not expect the plots of lands in their own villages. The Chief Minister has literally questioned the farmers how they could have such greedy expectations! It was learnt that the government was thinking to allocate the plot from the lowlands and areas that have least commercial value. It was also learnt that the government would come up with several restrictions on the construction of buildings in commercial and residential areas. The Chief Minister, who once promised new houses to the homeless in the capital region, hasn't even shown alternative houses to

those who lost their homes in the process of development of the capital city.

### Phase - IV

Once the land pooling was done, the assigned lands and riverbank lands of Dalits were annexed in a systematic manner. First, the government has created a propaganda wave that it was going to take away the assigned lands without paying any compensation. Several farmers who were worried about this development were further persuaded the government officials and the ruling party leader and made to yield their lands at minimum rates. Chandrababu and his benamis have pocketed away about 1,848 acres of assigned land in this fashion. The government has refused to issue the compensation cheques to the tenant farmers of assigned and riverbank lands in the pretext of various pending litigations on those lands. Once all the assigned and riverbank lands were secured by the CM stooges, a generous compensation package was announced for those lands. The generous package now benefits a lot of ruling party leaders, who bagged these lands. Those who bought an acre of land at Rs. 5 lakh is now stand to get Rs. 1.90 crore for the same!

### Phase - V

The zone classification of the capital region is another scam of global class. The classification was clearly against the interests of the farmers. Because of this classification, the lands prices have tanked all of the sudden in many areas. The plot of land which was once valued at Rs. 4 crore is not being bought for even Rs. 40 lakh. Even the plots of land that are located next to one another have different prices based on the zones that they belong to. The classification information, which was supposed to be secret, has also been leaked to a privileged few, who bought or sold the lands based on this information. Today, the lands of Chandrababu and his men are in the high-value commercial zone and lands of ordinary farmers are in the agricultural zone. Because of this differentiation, the prices of Babu's lands have further skyrocketed at the cost of farmers, whose lands have lost their value overnight. The government is gambling with the lives of the farmers and making a killing out of this game.

# Rs. 66,000 Crore Swiss Challenge Scam in Capital

Rs. 66,000 Crore - The Amount Set to be Siphoned off by Chandrababu and Co.

**Table C- Entitlements to Government**  
(Rs.Crores)

Description	Phase I	Phase II	Phase III	Total
1. Inflows to ADP as per OPP Proposal	1721.60	1775.40	2271.40	5768.60
1. 5% Revenue Share as offered by OPP	71	101	93	265
1. Enhancement of Revenue Share by OPP				
5 % for Phase I	71	-	-	446
7.5% for Phase II	-	152	-	
	-	-	223	

Part of the agreement showing how the Singapore consortium gets Rs. 5,786.60 crore in three phases, while the AP government gets only Rs. 446 crore during same three phases.

... ..

**104.** Recently CRDA has called for bids for allotment of land to Hotels and fixed a minimum offset price of Rs.2 crore per acre for giving on lease hold of 33 years. 11 bids have been received for 6 hotels which are under process. In the present proposal, as per revenue share offered, CRDA is expected to get a value of Rs.26.3 lakhs per acre (Rs.446 crore/1691 acres) for the land. The value of the land proposed to be realised by CRDA in the above proposal is far less than the value of the land fixed by CRDA-Authority/value of the land at which it has been allotted to Educational/Health Institutions/value of the land fixed for allotment to Hotels. An open auction of the land can bring higher value to CRDA. Even the

The letter of then CRDA Principal Secretary Ajay Jain in which he objected the government leasing the land to Singapore consortium at Rs. 26.3 lakh per acre while the same land was being leased out to hotels at the price of Rs.2 crore per acre.

Chandrababu and Co., who have amassed about Rs. 1 lakh crore by taking advantage of their privy to insider information of the exact location of the prospective capital city, are now planning to filch another Rs. 66,000 crore with the pretext of developing Amaravati into a global city. Even the AP High Court objections to this fake Swiss Challenge method have failed to create any impact on the thick-skinned government. It went ahead with the further proceedings despite the Court's stay on it and it has continued to keep the details of the method and the players participating in the tender opaque. The Court's stay order could not change the government's decision of keeping the details of the process opaque.

The cost of this secrecy is Rs. 66,000 crore. Without investing a single paise, a management company-whose details are not known to the public- and the so-called Singapore consortium are set to make a hefty profit of Rs. 66,000 crore! While the management company made up of the benamis of Chandrababu Naidu and Singapore Consortium is formed with the alliance of Ascendas-Singbridge and Sembcorp. The question is- if Chandrababu could

pocket Rs. 66,000 crore in a single project of 1,691 acres, how many lakh crores he could possibly make from the entire capital city that is spread across 54,000 acres?

Besides the initial 54,000 acres, the Chandrababu government is pooling another 14,000 acres and is also urging the centre to hand over the forest land of 31,000 acres. Since the centre is wary of Chandrababu's proposal to gobble forest land, it has appointed a committee on this matter to look into the possible use of forest land by the state government. Chandrababu Naidu has promised to build Amaravati into a global city. Trusting him, a lot of people ranging from ordinary farmers to rich industrialists had donated money and bricks for the new capital. Betraying their trust, Chandrababu is now more focused on making huge kickbacks from each project of the capital city. His approach has turned Amaravati into a humongous real estate project for the ruling party and means virtually nothing to the people of AP.

## Facts of the Scam

Chandrababu government, which had taken

34,000 acres land from farmers, has allotted 1,691 acres land to a Singapore consortium for the startup area project. Out of this, 371 acres have been earmarked for roads, parks, sewerage and other public amenities. In the remaining land, 1,070 acres are to be developed and sold as plots and 250 acres would be given to Singapore consortium for free of cost in two phases.

1. The Singapore consortium and the Capital City Development Management Company (CCDMC) will form the Amaravati Development Partner (ADP), to which the government has handed over 1,691 acres land. The minimum rate of an acre was Rs. 4 crore, which means that the AP government has given 1,691 acres land worth Rs. 6,764 crore for free of cost to the ADP.
2. The state government will spend Rs. 5,500 crore on water facilities, stormwater drains to prevent inundation and other basic amenities. Besides that, it will also invest Rs. 221.9 crore in ADP as the equity of the CCDMC. This takes the government investment to Rs. 12,485.9 crore (Rs. 6,764 crore + Rs. 5,550 crore + Rs. 221.9 crore) in the startup area project. Despite such a huge investment, the CCDMC gets a meager 42 percent share, which is perplexing.
3. The Singapore consortium which is investing a mere Rs. 306 crore ends up with a 58 percent share as per this plan. Besides that, the consortium will also get 250 acres of land in two phases free of cost.

In the guise of management company handrababu Naidu's plan will be implemented under the cloak of the 'management company'. The company could show in its accounts that it had sold the land for a little over the reserve price of Rs.4 crore. For instance, for an acre of land sold at Rs. 4.35 crore or Rs. 4.50 crore, the declared price could be white money; the company could sell the land at a much higher price since the present market rate of the land is Rs. 20 crore. Since these transactions are done by a management company controlled by Chandrababu, there is no need for transparency. So, the company can sell the land for about Rs. 20 crore and show a nominal price in its accounts. The remaining black money will go to Chandrababu and Lokesh. This was the modus operandi adopted by Chandrababu in the



Emmar real estate scam, which took place in Hyderabad during his last tenure. If they want, Chandrababu and his benamis can get the entire extent of land through this system of their management company.

In prime areas of Amaravati, the value a sq. yard land is about Rs. 40,000. This puts the market value of an acre land to Rs. 20 crore. The CM himself declared that the land value will go up to Rs. 50 crore in the next 20 years. Going by his own calculations, Chandrababu and the Singapore companies can get Rs. 53,500 crore by selling 1,070 + 250 acres. The Singapore consortium can make Rs. 12,500 crore by selling their part of the 250-acre land at Rs. 50 crore per acre. This means Chandrababu and his benamis are clearly going to make a minimum amount of Rs. 66,000 crore. If he can make such a staggering sum in a single project of 1,691 acres, how much money he is going to make from the 34,000-acre capital city is beyond anybody's imagination!

### **Startup Area Project- Total Loss to AP Govt.**

To this project, the government has given the 1,691-acre land worth Rs. 6,764 crore. (1,691 acres x Rs. 4 crore). Besides this, the government is spending another Rs. 8,637 crore on the project. Here is the breakup of numbers: the government will spend Rs. 5,500 crore on the development of infrastructure and basic amenities, provides bank guarantees for Rs. 3,137 crore loans and will invest Rs. 221.9 crore as share amount of the CCDMC. This total expenditure amount Rs. 8,637 crore will be exempted from the white money that ADP would get by selling plots; and the remaining amount will be shared between the CCDMC and Singapore consortium at the ratio of 42:58. In other words, the so-called 'management company' will be a conduit to siphon off the black money and account for the white money. Despite the

heavy investment, the state government is going to get nothing out of this project. The most interesting part of the project is - the Singapore companies are not going to invest a single penny nor are they going to construct a single building. They will develop 1,070 acres land into plots and sell them. They will also develop 8 lakh sq. meters commercial real estate on the 250-acre land that they got and sell that as well.

## If Global Tenders Were Called!

Had the government called for a global tender at

### A Cheap Deal!

#### Rs. 6,623 Crore Loss to Exchequer

The government has shown its double standards in the allocation of land in the capital city region. While it had allocated the land to several organisations at Rs. 4 crore per acre, it drastically brought down the price to Rs. 12.02 lakh for Singapore consortium. While the government has allocated land to quite a few organisations include SBI, LIC, NABARD, FCI, Syndicate Bank, Bank of India, New India Insurance Company, Hindustan Petroleum and Indian Oil Corporation at Rs. 4 crore price, it has brought down that price to Rs. 12.02 lakh for the Start-up Area project, which is almost owned by the Singapore Consortium and some unknown entities.

Chandrababu government has not only reduced the land price but it also waived the stamp duty and the power of attorney stamp duty to the tune of Rs. 47.05 crore. Chandrababu quite a few times has announced that the land would be allocated to the Start-up Area project for the common price of Rs. 4 crore per acre. However, in practice, he did exactly the opposite. He has allocated 1,691-acre land to the Start-up Area project for mere Rs. 140.62 crore. Had he made the allocation for the prevailing price, the land would have fetched Rs. 6,764 crore to the government. However, the undersell has caused a direct loss of Rs. 6,623.38 crore to the state exchequer!

Rs. 4 crore minimum price (for 1,691 acres), it could have got Rs. 6,764 crore. In such a scenario, the government would not also have to spend Rs. 5,500 crore on the development of basic amenities, the need for equity of Rs. 221.9 crore wouldn't arise and the question of a bank guarantee for Rs. 3,137 crore bank loans would also become redundant. Thus, the government could have benefited and there wouldn't be any burden on public exchequer, the burden which eventually would be transferred to the people in the form of higher taxes.

### Deceptive Agreements

The AP state government continues to con the people of the state with its deceptive agreements. It has changed the law to benefit the Singapore companies. It has altered its previous GO stating that it doesn't have to enter into agreements with the companies that have participated in the Swiss Challenge.

### Why New Company?

The Ascendas-Singbridge and Sembcorp of Singapore have formed the Singapore Consortium and participated in the Swiss Challenge. The government had issued a GO in 2018 allocating 1,691-acre land to the consortium. The GO has clear policy instructions that the state government should enter into the royalty, development and shareholder agreements with these companies. However, a new company named Singapore Amaravati Investment Holdings PET Ltd. was formed to remove all the responsibilities from these companies. This new company was registered in Singapore in 2017. The latest GO, (GO NO: 84) made it clear that all the agreements must be entered with this new company. The Law and Finance Departments have raised objections as entering into the agreement with the company that hadn't take part in the Swiss Challenge goes against the GO. 179. However, the state government did not bother to care for those objections. It had issued GO:84 overriding the GO. 179.





*The lands bought by Heritage Foods in Kanteru village of the capital region.*



locations of the capital city with the help of his captive media. At least three places Nagarjuna University area of Guntur district, Nuzvid mandal of Krishna district and Eluru city in West Godavari were propagated as the prospective locations.

These hoaxes have boosted the land rates in the respective areas as the people have flocked to buy lands in those locations. Once Chandrababu and his cronies completed the land purchases in Amaravati region, he has announced the location of capital city region on December 28, 2014. This decision of the government has created a sudden surge in the land prices in Amaravati region. The price of an acre land has shot up to Rs. 3 crore to Rs. 5 crore from previous Rs. 5 lakh. This has helped the cronies of Chandrababu Naidu made huge fortunes at the expense of ordinary farmers.

### **Exemption from Pooling**

The AP government had issued the notification for land pooling on January 1, 2015. It has merged a total of 29 villages from Tullur and Mangalagiri mandals of Guntur district. However, Kanteru village of Tadikonda mandal- in which the lands of Heritage Foods and Lingamaneni Estate- was not added to this list of villages.

The land pooling range covered Nidamaru village of Mangalagiri mandal, but stopped right at the boarder of Kanteru village. Thus, Chandrababu Naidu has ensured that their lands were fully protected from the land pooling. It is a known fact that Lingamaneni Ramesh and his brother Venkata Surya Rajasekhar are quite close to the AP CM. The latter indeed has converted the illegal palace of Lingamaneni Ramesh into his official residence. While the AP government was adamant about taking the lands of ordinary farmers at any cost, the lands of the bigwigs were completely protected.

### **Inner Ring Road Aligned with Heritage Interests**

As part of the master plan of capital city, a 250-foot wide inner ring road was proposed and that road is going right in front of Heritage lands. The road is going through survey no: 27/3 in Kanteru village. The lands of Heritage and Lingamaneni

Estates now conveniently sit on the opposite sides of this road, however, they were not pooled for the road. This clearly shows that the alignment of the outer ring road was drawn to serve the interests of the CM and his cronies.

## Within a Month

Heritage Foods has started buying lands in Kanteru village a month after Chandrababu Naidu became the CM of Andhra Pradesh. Here is the series of incidents...

- Heritage Foods has purchased lands in Kanteru village. It has bought these lands in different survey numbers from different parties.
- On July 7, 2014, Heritage Foods bought 7.21 acres land located in survey numbers 27/3B, 22/2A, 63/1, 62/2B and 27/3A. These lands were purchased for Rs. 67.68 lakh from Movva Srilakshmi, who is a Vijayawada resident and got these lands under GPA a little recently.
- On September 8, 2014, the company bought 2.46 acres land of survey numbers 56 and 63/2B for Rs. 19.68 lakh. These lands belonged to another resident of Vijayawada Chiguripati Venkata Giridhar. He also got these under the arrangement GPA not so long ago.
- On the same date, the company also bought 4.55 acre land of survey numbers 56 and 63/1, 63/2B for Rs. 36.40 lakh. These lands were bought from two companies - Lingamaneni Projects Private Ltd. and Lingamaneni Infocity Private Ltd.
- Thus, Heritage Foods has bought a total of 14.22 acres in Kanteru village for mere Rs. 1,23,76,000. Though all these lands were under the purview of Tadikonda Subregistrar office, the registrations were strangely done in Pedakakani Subregistrar office.

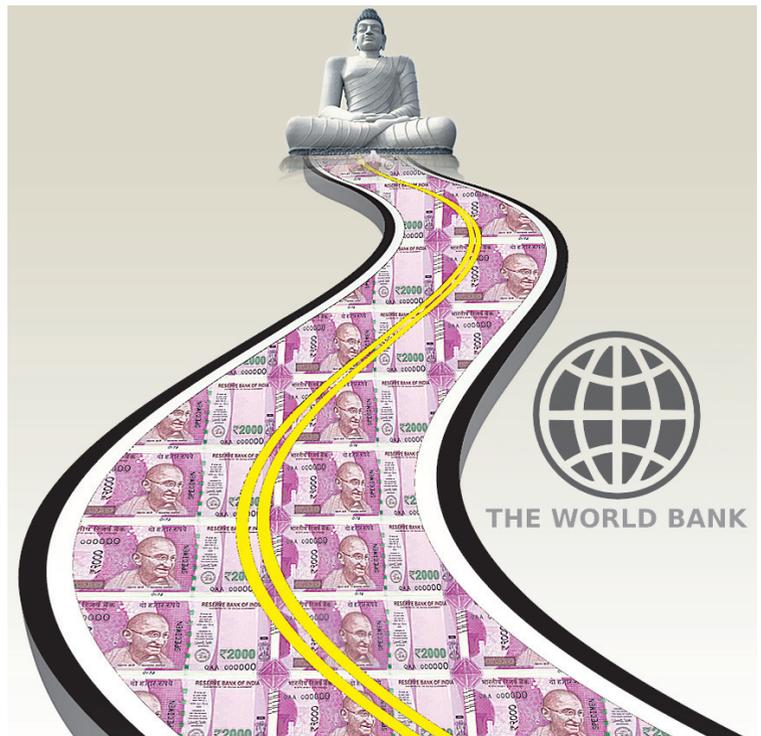
# World Bank Pulls Up Chandrababu Govt

## No Transparency in Tenders of Capital City Roads

There is no transparency in the tenders of roads of the capital city and it appears that gross irregularities have taken place, said the World Bank in its sharp reaction to Chandrababu Naidu government's tender process for Amaravati roads. The World Bank has sought details on discrepancies and irregularities in tenders from Capital Region Development Authority (CRDA).

When it has received the details, the World Bank was shocked at the explanation of the CRDA. The urban development body said it took six monthstime for them complete the tender process and it would take another six months if these tenders were to be cancelled and fresh ones are to be called; and this could result in an increase of the estimated costs.

The World Bank had in principle agreed to lend Rs. 3,300 crore for the development of roads in the capital city. It



is widely known that farmers in the region told an inspection team of the World Bank that their agricultural land was forcibly taken away from them. The inspection team had told World Bank in its report, to reject the loan till problems of these farmers were resolved and that there was truth in their complaints.

The World Bank has approved 30% work of the development of capital roads. However, the CRDA has called for the tenders for 100% work and awarded the contracts as well. CRDA only later did inform the Bank of this development. This entire process has left the World Bank shell-shocked. On November 20, 2017, the World Bank sent several questions to the Amaravati Development Corporation (ADC), which functions under the CRDA.

The Bank questioned how it could give the works of all three packages at 5% excess to the same joint venture company. As per EPC (engineering, procurement and construction) procedure, if an excess of 5% is quoted, tenders would have to be cancelled and called again. The World Bank expressed its astonishment at the AP government had gone ahead in spite of this clause.

It also has raised serious objections to the rates being quoted similarly in all three packages. The Bank has questioned if the tender process was transparent enough and pointed out to the irregularities and violations have taken place and questioned the Amaravati Development Corporation Ltd. as to whether it had taken note of such violations and irregularities or not?

### Three Roads to One Company

World Bank had approved Rs. 713.70 crore loan for development of three roads in the capital city. They are: E-6 road under package 5, E-12 road under package 6 and S-11 road under the package 7. In a questionable move, the ADC awarded the contracts of all three works- Rs. 275.09 crore worth work of E-6, Rs. 226.67 worth work of E-12 and Rs.279.37 crore worth work of N-11- to one joint venture named NCC-RVR Project Ltd.

The ADC has not only awarded the contracts of three packages to NCC-RVR Project Ltd. but also awarded it at 5% excess cost. When ADC has forwarded these details to World Bank officials, they have questioned the ADC how it could award the contracts of all three packages to a single joint venture company that too at 5 percent excess rate. The Bank officials made it clear that they believe that irregularities had taken place in the tender process and sought a detailed explanation from the CRDA. While answering to the World Bank, the chief engineer of ADC came up with a weird explanation. He said, it took six months for them to complete the tender process and the estimates of tenders had been based on 2016-17 schedule costs, and it would take another six months if these tenders were to be cancelled and fresh ones are to be called.

He also stated that the overall cost-including labour, material and labour- if the tender process is to be undertaken once again. Officials say that with no clearance coming from the World Bank on this, there is uncertainty about the future of this project.



# Capital Culprits

## 1. P. Narayana

**Position:** The Minister of Municipal Administration, Urban Planning and Development



**Land Purchased :** 3,129 Acres (including assigned lands)

**Amount Paid :** Rs. 432 Crore

**Present Value :** Rs. 10,000 Crore and above

### Benamis:

**Akula Munisankar:** He is an electrician in Narayana Medical College, Nellore, and a distant relative of P. Narayana. He is related through marriage to the minister and is a brother-in-law to the minister.

**Ravuri Sambasiva Rao:** He is the brother-in-law of P. Narayana and his 'Man Friday'. Sambasiva Rao is the caretaker of all the financial affairs of the minister.

**Potturi Prameela:** She is a confidant of Narayana and manages Narayana group colleges in Karnataka and Tamil Nadu.

Apart from these important benamis, several employees of Narayana group and confidants of the minister bought lands and took part in the scam.

**Areas of Land Purchase:** Mandadam, Lingayapalem, Rayapudi, Uddandarayunipalem, Borupalem of Thullur mandal near Core Capital region.

## 2. Sujana Chowdary

**Position:** MP, Rajya Sabha



**Land Purchased :** 700 Acres

**Amount Paid :** Rs. 35 crore

**Present Value :** Rs. 700 crore

### Benamis:

**Yalamanchili Jatin Kumar:** Brother of Sujana Chowdary

**Sri Kalinga Green Tech Chemicals:** This company belongs to Harshananda, who is a personal assistant to Jatin Kumar.

**Yalamanchili Janardhana Rao:** Father of Sujana Chowdary

**Y. Sivaramakrishna:** Brother of Sujana Chowdary

**Areas of Land Purchas:** Gudimetla of Chandarlapadu mandal, Keesara, Veerullapadu of Kanchikacherla mandal of Krishna district and Mangalagiri mandal of Guntur district.

### 3. Nara Lokesh

**Position:** Son of Chandrababu Naidu and IT & Panchayat Raj Minister



**Land Purchased** : 500 Acres

**Amount Paid** : Rs. 50 crore

**Present Value** : Rs. 650 crore

#### Benamis:

**Vemuri Ravikumar Prasad:** A friend of Lokesh

**Vemuri Anuradha:** Wife of Vemuri Ravikumar

Lands were purchased in the names of Goshpadi Greenfields Pvt. Ltd., Future Space India Pvt. Ltd. and Net India Pvt. Ltd.

**Areas of Land Purchase:** Dharanikota and Vaikuntapuram of Amaravati mandal.

### 4. Prathipati Pulla Rao

**Position:** Minister for Agriculture



**Land Purchased:** 196 Acres (including assigned lands)

**Amount Paid** : Rs. 39 crore

**Present Value** : Rs. 784 crore

#### Benamis:

**Gummadi Suresh:** A confidant of Pulla Rao

**Venigalla Raja Reddy:** A confidant of Pulla Rao

**Venkayamma:** Wife of Venigalla Raja Reddy

**Areas of Land Purchase:** Venkatapalem, Mandadam, Uddandarayunipalem and Rayapudi of Thullur mandal.

### 5. Ravela Kishore Babu

**Position:** Former Minister for SC, ST Welfare and Empowerment

**Land Purchased:** 55 Acres



(including assigned lands)

**Amount Paid** : Rs. 5.5 Crore

**Present Value** : Rs. 82.5 Crore

#### Benamis:

**Ravela Santi Jyothi:** Wife of Kishore Babu

**Maitri Infra:** A company of Tella Srinivasarao, a confidant of Ravela Kishore Babu

**Areas of Land Purchase:** Kuragallu and Navuluru of Mangalagiri mandal.

### 6. Murali Mohan

**Position:** Member of Parliament

**Land Purchased** : 53 Acres

**Amount Paid** : Rs.16 Crore

**Present Value** :Rs. 212 Crore

**Area of Land Purchase:**

Kunchanapalli of Tadepalle mandal.



### 7. Kommalapati Sridhar

**Position:** MLA of Pedakurapadu

**Land Purchased** : 42 Acres

**Amount Paid** : Rs.1.26 Crore

**Present Value** : Rs.210 Crore

**Areas of Land Purchase:** Lands adjacent to Amaravati Township at Yerrabalem village. These lands were exempted from the land pooling and Nara Lokesh got the shares in the venture as quid pro quo .



## 8. Kodela Siva Rama Krishna

**Position:** Son of AP speaker Kodela Siva Prasad Rao

**Land Purchased** : 17.3 Acres  
**Amount Paid** : Rs. 93 Lakh  
**Present Value** : Rs. 18.4 Crore



**Benami**

**Sasi Infra:** This company belongs to Siva Rama Krishna's personal assistant Gutta Naga Prasad

**Area of Land Purchase:** Dhulipalla of Sattenapalli mandal

## 9. Dhulipalla

### Narendra Chowdary

**Position:** MLA of Ponnur

**Land Purchased:** 3.89 Acres  
(Encroachment of another 50 acres rivulet poramboke land unofficially)

**Present Value** : Rs. 5 Crore

**Benami**

**Devara Pulliah:** A close relative of Dhulipalla Narendra Chowdary

**Area of Land Encroachment:** Nambur



## 10. Payyavula Keshav

**Position:** Ruling party MLC

**Land Purchased** : 4.09 Acres  
**Amount Paid** : Rs. 12.27 lakh

**Present Value** : Rs. 8 Crore

**Benami:**

**Payyavula Vikrama Simha:**



Son of Payyavula Keshav, GPA was made before the announcement of Capital region and the registration was done after that.

**Area of Land Purchase:** Inavolu

## 11. Lingamaneni Ramesh

**Position:** A confidant of CM Chandrababu Naidu

**Land Purchased** : 804 acres  
**Profit** : Rs 4,000 Crore



He has purchased 168 acres at the price ranging between Rs. 10 lakh and Rs. 40 lakh and clubbed them into a single estate.

The entire Lingamaneni Estates has been exempted from land pooling. The border of the capital region has stopped in Kaza village just 10 meters away to Lingamaneni Estates.

In return, Chandrababu Naidu has got Lingamaneni Guest House and Lokesh was given shares in Lingamaneni Estates. About 300 acres of land of poor farmers has been encroached upon and clubbed into Lingamaneni Estates.

## 12. M.S.P. Rama Rao

**Position:** Relative of CM Chandrababu Naidu

**Land** : He was allocated 498. 83 Acres

**Amount Paid** : Rs. 4.98 Crore

**Present Value** : Rs.300 Crore

The lands were allocated in Jayanthipuram of Jaggayyapeta mandal to Visakha Bottling Company Fertilizers and Chemicals Ltd.

Jaggayyapeta was brought under the range of the CRDA to enhance the value of these lands.

# A World Class Scam

## A Perfect Drama of an Opportunist Legal Plunder

### Director: Babu / Actors: Benamis

- Chandrababu is the director and Lokesh is the producer of this drama.
- Capital city lands were snatched away by the cronies of Babu and their benamis.
- Narayana, Sujana Chowdary, Murali Mohan, Prathipati Pulla Rao, Devineni Umamaheswara Rao, Ravela Kishore Babu...and quite a few other cronies have benefitted from the real estate transactions that were made possible due to the insider information they had privy to.
- Narayana (3,600 acres), Sujana Chowdary (700 acres), Nara Lokesh (500 acres), Prathipati Pulla Rao



(196 acres) have profited in thousands of crores of rupees.



### All Started with Media Leaks

- Sivaramakrishnan Committee recommendations on the location of the capital city have been ignored.
- The ruling party has spread misinformation through its media outlets, which hyped Nuzvid and Nagarjuna University areas as the prospective capital locations. This has created a real estate buzz in those areas. As a result, the land prices of Amaravati area have plummeted.
- When realtors and the general public were busy buying lands in these two areas, Babu and his cronies purchased huge tracts of land in Amaravati region at throwaway prices.
- Once the true location of the capital city announced, the gullible realtors and the people who bought lands around Nuzvid and Nagarjuna University areas incurred heavy losses. The farmers who sold their lands in Amaravati area realised that they were entrapped.
- By then, Chandrababu, his stooges and their benamis made a killing of Rs. 1 lakh crore.



## Babu Promises, Then Fails

- To entrap the farmers of the capital region, Chandrababu made several false promises.
- He boasted that he was going to build a world-class capital city.
- He promised to waive off the farm loans up to Rs. 15 lakh for the farmers of the capital city region. But, later, he backtracked from the promise and even commented, "Farmers cannot become this greedy. When did I tell them that I would waive off all the farm loans? I did whatever I have promised to do."
- He promised a monthly pension of Rs. 2,500 to tenant farmers and farm labourers of the capital region, but none got the pension so far.
- Chandrababu promised the skill training and jobs to the unemployed youth of the capital region. He got them trained by a nameless company and finally told them that there were no jobs.
- Many a time, he said that not even a single village would be removed; now three villages are going to be wiped out.
- He promised fee reimbursement to all the students, but not even a single student received the reimbursement so far.

## Land Pooling - A Scandal of Global Scale

- Chandrababu has executed a major scandal in the name of 'Land Pooling'.
- He decided to collect 38,737 acres fertile, multi-crop land from 29 villages.
- Initially, most of the farmers refused to part ways with the land, their sole source of livelihood.
- Chandrababu has used several tactics to trick the reluctant farmers. He made benamis of his party leaders voluntarily offer their 5,000 acres of land for land pooling. He then used his media friends to create a propaganda wave to make farmers believe that those who refuse to surrender their lands would be the ultimate losers. This did the trick. The government and its media could make the farmers cede their lands 'voluntarily'.
- He also used the caste card to 'pool' the land. He divided the resisting farmers based on the caste lines by sending the ministers from the respective castes to counsel the farmers and finally they were made to give away their lands.
- Though the government said the land pooling was a voluntary process, it was anything but voluntary. While the government openly used force to collect the lands from reluctant farmers, the lands of Babu and his cronies were fully protected from the pooling. For instance, the capital region limit stopped exactly 10 meters away from the Lingamaneni Estates, which belongs to Lingamaneni Ramesh, a close aide of Chandrababu Naidu. As a return gift, the Chief Minister got a palace-like guest house and shares in Lingamaneni Estates.
- Babu not only ensured the full protection of the lands of his cronies and their benamis but also ensured that the development projects are established near their lands.



## Compensation - an Open Fraud

- Chandrababu announced the cash compensation and two plots of land (one residential and one commercial), for every acre of land given by the farmers. Now, there is no clarity as to the location of the plots or the time frame within which the allocation will be completed.
- Chandrababu was never clear on the compensation amount and finally said he would give an annual amount of Rs.50,000 or Rs. 30,000 for 10 years period based on the land type. Taking advantage of the supposed ambiguity on the differences between dry (jirayat) lands and wet (jareebu) lands, the government is creating further entanglements in deciding the status of the lands so that it could delay the payment of compensation.
- Chandrababu initially promised to give residential and commercial plots to the farmers in their own villages. After completion of the land pooling, he is questioning the farmers how could they expect to be

rehabilitated in the same village?

- He also promised to provide housing to every homeless family in the capital city region. However, he hasn't provided houses to those who lost their homes due to the inauguration ceremony of the capital city, let alone the giving homes to the homeless.
- Chandrababu told the farmers that the residential and commercial plots they were going to own would make them millionaires overnight. However, now, the farmers are being allotted plots in lowland areas, which have no commercial value.
- Chandrababu once promised to give first preference to the residential and commercial buildings of farmers. However, he is now imposing several restrictions on the construction of buildings in commercial and residential plots that are going to be allotted to the farmers.



## Cases, Threats and Harassment

- Chandrababu-who initially said the entire land pooling process was voluntary- showed his true colours eventually.
- The farmers who refused to surrender their lands were constantly harassed by the government. In some cases, the standing crop of the unwilling farmers was set afire. The police instead of identifying and arresting the culprits slapped false cases against the very farmers who lost their crops and silenced them.
- In some places, the crops and plantations of farmers were levelled by bulldozers without any prior notice. Many farmers were unable to identify their land plots after the levelling and busted into tears.
- The government refused to permit agricultural activities in the 29 villages of the capital region. This was done to discourage the agriculture in the region. When the aggrieved farmers approached the High Court and secured permission, the state government killed the court order by denying them the irrigation water and agricultural loans. The government did not even permit the soil fertility tests.



## Assigned Lands of Dalits Grabbed

- The lands of Dalits were robbed off by the ministers, MLAs and the ruling party leaders.
- First, the government created a propaganda that the government was going to take away lands assigned to Dalits without paying them any compensation.
- Dalit farmers who panicked by this propaganda were further pressurised by the TDP leaders and were finally made to yield their lands at the rates starting from Rs. 5 lakh per acre. Chandrababu and his cronies pocketed about 1,848 acres of assigned and riverbed lands in this fashion.
- Once all the assigned and riverbed lands were secured by the CM and his party men, a generous compensation package was announced for surrendering those lands. The package benefitted the TDP leaders who have bagged these lands. Those who bought an acre land at Rs. 5 lakh is now going to get Rs. 1.90 crore for the same!

	Dry	Jareebu/ Semi urban
Residential	10 00 Sq.Yds	10 00 Sq.Yds
Commercial	200 Sq.Yds	450 Sq.Yds

(ii) All the Assignments made after 18-06-1954, shall be allotted per acre as follows:

	Dry	Jareebu/ Semi urban
Residential	8 00 Sq.Yds	8 00 Sq.Yds
Commercial	100 Sq.Yds	200 Sq.Yds

**The GO that was showing the compensation**

**At the End...:** In the name of building a world-class capital city, Chandrababu and his cronies have made about Rs. 1 lakh crore. The state government has, so far, organized three inaugural ceremonies for the capital city. Still, the lackluster efforts of state government failed to get any support from the central government. Prime Minister Modi, who was the chief guest of one of the inaugurations, was expected to announce a package for the new capital. However, instead of the package, he gave the state only four earthen pots filled with mud.

# The Captured Capital



Andhra Pradesh new capital is now in the clutches of land vultures, which also hold high offices in the government. Not just a few, but the entire ruling Telugu Desam Party- led by its supremo Chandrababu Naidu- has attacked the new capital city and grabbed substantial amounts of lands. At the expense of poor and gullible farmers, they could these lands registered in their names and of their benamis.

Chandrababu Naidu has hidden the decision that was taken in the very first cabinet meeting as to the location of the new capital city and intentionally created confusion among the people with his oft-changed statements and media leaks about the prospective location of the capital city. He has terrified the Dalits by spreading the rumours that the government was going to take back assigned

lands without paying any compensation. The 'enterprising' party leadership has used all means at the disposal and succeeded in making the poor Dalit farmers give up their lands, which in many cases the only source of livelihood to those farmers. Thus, they could buy at least 25,000 acres land in 29 villages- which are now part of the new capital region- at very low rates.

Once the location of the capital region announced, the prices of the lands in Amaravati area have skyrocketed overnight. An acre land which was bought at Rs. 4 lakh is now valued at Rs. 4 crore. This is the story of Chandrababu and Co. who have pocketed Rs. 1 lakh crore through a scandal that rivals the major scams in the history of Independent India. What is presently known is only the tip of the iceberg!



# Nara Lokesh

## His Benami Inc.

**Benamis:** Vemuri Ravi Kumar Prasad and Vemuri Anuradha

**Purchased Land:** 500 acres

**Amount Paid:** Rs. 50 Crore

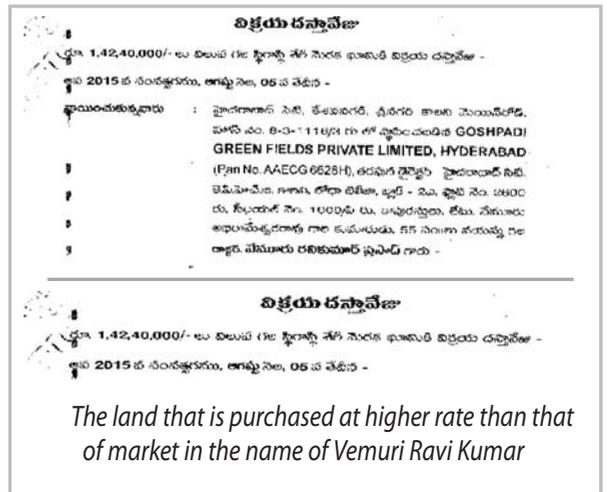
**Present Value:** Rs. 650 Crore

The Chief Minister's son Nara Lokesh has taken up 'execution leadership' of the capital scam. He has purchased about 500 acres of land in the name of different companies with the help of his benami Vemuri Ravi Kumar Prasad in the capital region. They initially have entered into agreements with the farmers by paying the advance and went for registration once the capital region was announced. Here is the story of 'China Babu' who successfully fooled the people by abusing his position!

### 500 Acres of Foresight

Before the first announcement on the location of the capital region on September 4, 2015, Lokesh has bought several acres of land near Core Capital region through his benami Vemuri Ravi Kumar Prasad. In Amaravati mandal, he could purchase a total of 500 acres.

Ravi Kumar Prasad and his wife Anuradha bought the lands of survey numbers: 59/A2/1, 59/A2/2A, 59/A2/2B1, 59/A2/3A, 59/A/2, 59/B, 61/1A in Dharanikota and the lands of some 25 survey numbers in Vaikuntapuram village for Goshpadi Green Fields Pvt. Ltd., Future Space India Pvt. Ltd., Net India Pvt. Ltd., among others. They could buy these lands for a nominal rate ranging from Rs. 5 lakh to Rs. 9 lakh per acre. They gave token advances initially and went for registration on August 5, 2015,



against the payment of the remaining amount. However, their greed hasn't stopped there.

### Black became white

Lokesh has further used this occasion to convert his black money, which he had made after coming into power. In Dharanikota and Vaikuntapuram villages, the land price was between Rs. 7 lakh to Rs. 12 lakh, but Ravi Kumar Prasad and his Wife, who purchased lands for different companies, have shown the value of an acre at Rs. 71,20,108. This means they have inflated the original price 10 times during the registration. This effectively means they

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

GAD - NRI – Dr. Ravikumar P Vemuru, MD – Appointed as Advisor to Non-Resident Telugu Affairs including Services and Investments –Terms & Conditions - Orders – Issued.

**GENERAL ADMINISTRATION (NRI) DEPARTMENT**

**G.O.Rt.No.408**

**Dated:20.02.2016**

Read the following:

*The GO of AP Government that shows the appointment of Vemuri Ravi Kumar Prasad as the Government Advisor (Non-resident Telugus' Affairs and Investments)*

have converted a huge amount of black money into white.

### **Who is Ravi Kumar Prasad?**

Ravi Kumar Prasad is none other than the brother of Vemuri Hari Krishna, who had stolen the Electronic Voting Machines (EVMs) and tried tampering with them. Hari Krishna was the in-charge of the social media campaign of Telugu Desam Party (TDP) during 2014 elections. He also held a key position in Heritage Foods and TDP. After coming into power,



Chandrababu appointed Hari Krishna as a member of E-governance Authority, Electronics and IT Agency and Innovation Society. He was also the member of the Assessment and Supervision Committee for the tenders of the first phase of Fiber Grid Project, which was of Rs. 333 crore value.

Ravi Kumar Prasad coordinated the US tour of Chandrababu before the 2014 elections. In return, he was appointed as the AP Government Advisor (Non-resident Telugus' Affairs and Investments) on September 9, 2015.



# Sujana Chowdary's Land Robbing

**Benamis:** Sri Kalinga Green Tech Chemicals and Y. Siva Ramakrishna

**Purchased Land:** 700 Acres

**Amount Paid:** Rs. 35 Crore

**Present Value:** Rs. 700 Crore

Sujana Chowdary has been in the news recently for all the bad reasons. Finally, his karma seems to have caught up with him. His specialisation in taking hundreds of crores of rupees for his companies and defaulting on them won't seem to work anymore. The recent raids of the Enforcement Directorate (ED) and the further refusal of the Delhi High Court to stay ED summons have shown his original colour the country.

However, it was his capacity to cheat made him a close aide of the AP Chief Minister Chandrababu Naidu. Impressed with his 'financial prowess', Naidu has not only made him the member of Rajya Sabha but also placed him the Modi cabinet. Mr. Chowday has defaulted Rs. 100 crore to banks and bought 700 acres in Amaravati region with that money. He also has been trying to encroach upon another 130 acres of forest land during 2014-15.

## Brother's PA is Benami

Harshananda, the personal assistant of Yalamanchili Jatin Kumar, brother of Sujana Chowdary, has incorporated a company named Sri Kalinga Green Tech Chemicals. This company has bought land in Gudimetla village of Chandarlapadu mandal, Krishna district. It has bought 126.44 acres of land belonging to survey numbers- 399-7, 402-1A, 403-4,5,6, 404-1,5,6,9B, 11,12, 410-2, 412, 413, 415, 416, 417,-4, 427, 428-1,2, 429, 431, 432-1, 433, 434 and 437 at the rate of Rs. 5 lakh per acre. Now, an acre costs Rs. 50 lakh here. This means the



*The documents of land purchased by former central minister Sujana Chowdary in Gudimetla of Kanchikacharamandal, Krishna district.*

ruling party MP who was privy to the crucial information has defrauded the farmers of Gudimetla to the tune of Rs. 56.89 crore. Near to lands bought by Mr. Chowdary, there is 130-acre forest land and the fraudster has been trying to encroach this land. The villagers of Gudimetla have complained about these efforts, which indeed were restricting their movement into the forest lands.

## Exploitation Uninterrupted

Sujana Chowdary's exploitation has spread out to Veerulapadu and Kanchikacharamandals. He has 'adopted' Ponnavaaram village of Veerulapadu mandal; and he bought 5.39 acres of land of survey number 38-1 in the name of his father Y. Janardhana Rao and 3.5 acres of land of survey number 41 in the name of his brother Y. Siva Rama Krishna. He also bought 3.60 acres of land of survey number 116/3 at Keesara.

He used the same modus operandi to buy 700 acres in Chandarlapadu, Kanchikacharla and Veerulapadumandals of Krishna district and Mangalagiri mandal of Guntur district. After the location of the capital was declared, when scribes questioned the correctness of his land deals, he openly stated that he had money and questioned what was wrong in him buying land in the capital region. This shows he was aware of critical information about the location of the capital region.



# Murali Mohan The Real Benami

**Purchased Land: 53 Acres Amount Paid: Rs. 16 Crore  
Present Value: Rs. 212 Crore**

Can you recollect the 'real estate business' of Jayabheri group in and around Hitech City? The group that belongs to Telugu Desam Party (TDP) MP Murali Mohan was fully patronized by Chandrababu Naidu back then. Now, Murali Mohan is once again being patronized by Chandrababu Naidu in the new capital city region.

## Adjacent to the Core Capital...

Murali Mohan who benefitted from huge real estate projects in the Hitech City area in Hyderabad has shifted his focus to Amaravati after the bifurcation of Andhra Pradesh state. He has focused on lands adjacent the Kolkata-Chennai Highway, which goes through Guntur and Vijayawada region.

His Jayabheri group has started a residential project in about 2.775 hectares (about 7 acres) land at Kunchanapalli of Tadepallemandal. The venture is next to a national highway and very near to core capital region and is located in the lands of eight survey numbers including 81/3C, 80/4B and 81/2.

For this project, Yarlagadda Ravi Kiran, Geetanjali, Nikhil Aditya, Sridheera and Best Fortune Company have

the Registrar of Firm bearing registration No.144 of 2009 having its regd. office at H.No.40-9-90/4, 2nd lane, Sai Nagar, Vijayawada, Krishna Dist represented by its Partners (a) Smt.Yarlagadda Geethanjali, W/o, Yarlagadda Ravi Kiran, (b) Sri Yarlagadda Ravi Kiran, S/o Sri Yarlagadda Purnachandra Rao both R/o H.No.40-9-97/A, 2nd lane, behind Benz Company, Sai Nagar, Vijayawada, Krishna Dist, Andhra Pradesh and (c) Sri Vallepalli Sita Ramamohana Rao (AADHAAR No.942561868073), S/o Sri Lakshmana Rao, aged 62 years, R/o H.No.9-349, 4<sup>th</sup> Lane, Rajendra Nagar, Gudivada, Krishna District, Andhra Pradesh [PAN AAZF6598F].

[Hereinafter to be called as the **PARTIES OF FIRST PART** which expression wherever the context admits herein shall mean and include all its heirs, legal representatives etc.,]

### IN FAVOUR OF

**M/s JAYABHERI PROPERTIES PRIVATE LTD.**, having its office at Plot No.1, Jayabheri Enclave, Rear Botanical Garden, Gachibowli, Hyderabad, represented by its Director Sri Kishore Duggirala, (AADHAAR No.379941630457) S/o Sri Sivarama Krishnalaal, aged 59 years, resident of A-24, Film Nagar, Hyderabad [PAN AAACH5296R].

*The MoU of Jayabheri Group for construction of residential flats.*

bought lands from the landowners. The officials of Capital Region Development Authority (CRDA) have hastily issued permissions to Jayabheri project on July 21, 2015, at the CM's behest.

The group has already sold more than half of flats to NRIs. Murali Mohan also purchased another 53 acres land near to this project at the cost of Rs. 30 lakh per acre. It is learnt that he was going to use this land to build star hotels, shopping malls and a convention centre.

# Ravela... Traitor of Dalits



**Benami:** Ravela Santhi Jyothi, wife of the former minister  
**Purchased Land:** 55 acres **Amount Paid:** Rs. 5.5 Crore  
**Present Value:** Rs. 82.5 Crore

## విక్రయ దస్తావేజు

రూ. 3,32,000/- (అక్షరాలా మూడు లక్షల ముప్పది రెండు వేల రూపాయలు)లు విలువ చేయ స్థిరాస్తి శేరి మెరక భూమికి విక్రయ దస్తావేజు.

ఆన 2015 సంవత్సరము ఆగస్టు నెల 05వ తేదిన:

### ప్రాయింతుకున్నవారు

**రావెల శాంతిజ్యోతి గారు** వయస్సు 47 సం॥లు భర్త రావెల కిషోర్ బాబు గారు  
 MIG-9, సత్రంపాడు, ఏలూరు టౌన్, పశ్చిమగోదావరి జిల్లా.

### ప్రాయింతుచియ్యినవారు

**తెనాలి రూబేను గారు** వయస్సు 92 సం॥లు తండ్రి (లేటు) భూషణం గారు  
 డోరు నెం. 4-59రు, కృష్ణాయపాలెం గ్రామం, మంగళగిరి మండలం, గుంటూరు జిల్లా.

### స్వభావము

ఈ దిగువ పెద్దూలు దాఖలా ఆస్తి నా పూర్వీకుల వలన సంపాదించబడి వార్ల అనంతరం వారసత్వ చట్ట రీత్యా నాకు సంక్రమించి అతదాది నేటి వరకు నా పూర్తి స్వాధీన సమపూర్ణ అనుభవ హక్కు భుక్తములందు నిర్వివాదముగా యుండియున్నది.

**తెనాలి రూబేను నిశాన**

*The sale agreement document of the land bought by Ms. Ravela Shanthi Jyothi, wife of the former minister.*

The former Social Welfare Minister Ravela Kishore Babu has competed with his then cabinet colleagues in buying the assigned lands from poor, Dalit farmers. While other ministers were buying lands through benamis, the minister has bought a total of 55 acres of assigned land in the name of his wife RavelaSanthi Jyothi. In this process, he has disregarded the A.P. Assigned Lands (Prohibition of Transfers) Act, 1977. In the capital region, most of the assigned lands were in the hands of Dalits. By targeting the assigned lands, Ravela has done irreversible injustice to them.

To cause a panic sale of assigned lands in the capital region, the government has spread the rumours that the assigned lands would be taken back by the government without any compensation. This

had terrified the Dalits and compelled them to sell their lands in a panic at around Rs. 10 lakh to Rs. 15 lakh per acre.

A Dalit farmer named Tenali Rubenu had 0.83-acre assigned land (survey no: 563/3) and it was his sole source of livelihood. Ravela Kishore Babu has bought this land and got registered in the name of his wife RavelaSanthi Jyothi on August 5, 2015, in Mangalagiri sub-registrar office. He also got General Power of Attorney (GAP) on 25 acres of assigned lands. He bought another 0.75 acres of land (Survey no: 613/2) through his confidant Tella Srinivasa Rao's company Maitri Infra and got it registered on October 16, 2015. It is learnt that Ravela Kishore Babu bought a total of 55 acres of assigned lands and patta lands.

# Rs. 295 Crore Dowry to CM's Relative

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

LANDS – Krishna District – Modification of the orders issued in G.O. Ms. No. 523, Revenue (Assn.II) Department, dated 28.9.2013 read with G.O. Ms. No. 547, Revenue (Assn.II) Dept., dt. 24.10.2013 to the extent that the APIIC in turn to allot the land to an extent of Ac. 498.93 cents in Sy. No.93 of Jayanthipuram (V), Jaggaiahpet (M), Krishna District to VBC Fertilizers & Chemicals Limited for setting up of Urea Plant - Orders – Issued.

### REVENUE (Assn.III) DEPARTMENT

G.O.MS.No. 269

Dated : 15.07.2015  
Read the following:

*The GO that Allocated 498.83 Acres of Land in JaggayyapetaMandal to Balakrishna's in-law, Who is a Benami to Chandrababu.*

## GOVERNMENT OF ANDHRA PRADESH

### ABSTRACT

MA&UD Dept - The Andhra Pradesh Capital Region Development Authority Act, 2014 – Declaration of A.P. Capital Region - Amendment – Orders - Issued.

### MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (M2) DEPARTMENT

G.O.MS.No. 207

Dated:22.09.2015  
Read the following:

*The GO that Brought Jaggayyapeta under CRDA Purview After Two Months of the Land Allocation.*

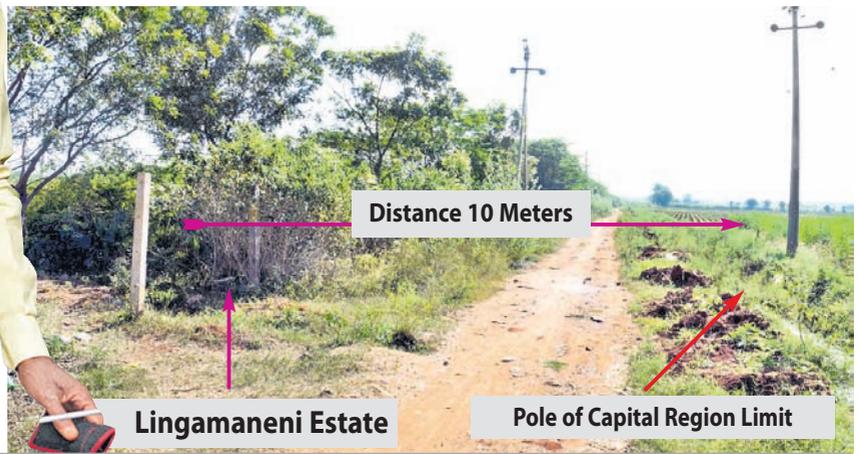
This is the heights of the CM's abuse of the public office. He has allocated 498.93-acre land located at Jayanti Puram of Jaggayyapeta mandal to a company belonged to the in-law of Balakrishna, who is an in-law to the Chief Minister. The land worth Rs. 300 crore was allocated to VBC (Visakha Bottling Company) Fertilizers, Chemicals Ltd. only for only Rs. 4.98 crore.

The VBCFCL belongs to M.S.P. Rama Rao, an

in-law of Balakrishna. Mr. Rama Rao is the son of former MP M.V.V.S. Murthy and Balakrishna's second daughter was married to the son of Rama Rao. Chandrababu Naidu has brought Jaggayyapeta under the purview of Capital Region Development Authority (CRDA) with the sole objective to augment the value of the land allocated to Mr. Rama Rao's company. An order was issued to this effect on September 22, 2015.



# Quid pro quo with Lingamaneni



Chandrababu Naidu- who has grabbed fertile, three-crop lands from the farmers for development of the capital region- did not take a single inch land from his friends and benamis. The limits of the capital region have stopping exactly 10 meters away from Lingamaneni Estate is an irrefutable proof for Naidu's favoritism. In return, Lingamaneni Ramesh has gifted the CM a guest house, that was built on the riverbank lands against the environmental rules. It was an open secret that the CM and his family members have shares in Lingamaneni Estate. Can anybody cite a better example for quid pro quo than the Chief Minister protecting the lands of private persons and accepting gifts in return?

## **Babu'sBond withLingamaneni**

Lingamaneni Estates owner Lingamaneni Ramesh Babu is one of the close confidants of the CM Chandrababu Naidu. It was learnt that he had arranged a special flight to Chandrababu's family for their foreign tour after the general elections. Lingamaneni group and his family members own 632 acres of land in Kaza village of Managalagirimandal

and Kanteru village of Tadikonda mandal. When Chandrababu Naidu and the then Union Minister for Urban Development M. Venkaiah Naidu gave statements that the capital city was going to come up between Guntur and Vijayawada, Ramesh successfully lobbied against the decision and convinced the Chief Minister for the change of the location.

## **Rs. 4,000 Crore Profit to Lingamaneni**

Once the deal was finalised with Lingamaneni, the CM gave clarity on the location of the capital region. Then Lingamaneni bought another 168 acres of land between June 8 and September 4 of 2014 at a cost of Rs. 10 lakh to Rs 40 lakh per acre. He converted the 804.32 acres of land located adjacent to Kaza and Kanteru villages into an estate and completely stopped the movement of people through that land by erecting a fence, establishing check posts and fixing CCTV cameras.

The TDP leaders themselves are openly accepting that the CM's family has got shares in Lingamaneni Estate. The Chief Minister in tandem made sure that

not even a cent of Lingamaneni Group lands are taken in the land pooling. Nidamaru village which is under the pooling scheme has become the last village of CRDA. The limits of CRDA stopped 10 meters away from the fencing of Lingamaneni Estate. The prices of flats in Lingamaneni Estate have gone up overnight due to its proximity to the capital region. Now the value of an acre land of this estate is around Rs. 5 crore, this effectively means Chandrababu has benefitted Lingamaneni Ramesh about Rs. 4,000 crore with his favoritism. The CRDA Master Plan was devised in such a way that not an inch land of Lingamaneni Group was affected.

### **This is the Real Quid Pro Quo**

The Chief Minister has helped the Lingamaneni Group to sell its 700 villas and plots in its IJM Apartments at quite high prices by withholding the statement on the location of the capital city. Once all the villas and plots were sold, the government issued the statement that the new capital would be coming at Thullur village. For this coordinated delay of the final statement, some shares of Lingamaneni Group were transferred to the CM's family members. Besides that, the guest house that was built illegally on the banks of River Krishna without any permission was gifted to the Chief Minister. Then the government on its part has spent Rs. 100 crore to develop this guest house further. It was called as 'unofficial guest house of CM' until December 25. When the Chief Engineer of Roads and Buildings Department objected to a proposal to fix electric appliances worth Rs. 2.27 crore in that house, the government was left with no option and issued a GO converting the illegal guest house into 'temporary official guest house' on December 25. Even, the TDP leaders have conceded that this was the real quid pro quo.

### **800 Acres Land**

#### **Exempted from Pooling**

Lingamaneni Agro Developers Pvt. Ltd. and Lingamaneni Info City Pvt. Ltd. were the first forms of Lingamaneni Group. Then, they were converted into Lingamaneni Estate. Lands were purchased in Kaza, Nidamaru and Kanteru villages in the names of Lingamaneni family members Lingamaneni Poorna

Bhaskara Rao, Lingamaneni Swarna Kumari, Lingamaneni Ramesh, Lingamaneni Sumana and Lingamaneni Prasanthi.

### **Here are the survey numbers of the lands purchased by Lingamaneni Group**

- **Lingamaneni Info City Pvt. Ltd:** Account No: 100039, Survey Nos: 221-1B, 219-2, 297, 286-2, 298, 356-B, 360, 365, 366, 368-B and 375-C.
- **Lingamaneni Agro Developers Pvt. Ltd:** Account No: 100126, Survey Nos: 163-3, 187/B, 226-2, 257-A3, 260-A, 260-B, 260-C, 262-A, 262-B and 358-1B.
- **Lingamaneni Estates Pvt. Ltd:** Account No: 100157, Survey No: 206-A.
- **Lingamaneni Prasanthi:** Survey Nos: 228-2C, 229-A, 229-B, 276 and 277.
- **Lingamaneni Swarna Kumari:** Account No: 1488, Survey Nos: 238, 239, 240-1 and 240-2.
- **Lingamaneni Sumana: Account No:** 1488, Survey Nos: 278, 279-A, 279-B, 280, 283-1 and 287-5.
- **Laukya Housing Pvt. Ltd. MD Lingamaneni Sumana:** Account No: 2372, Survey Nos: 372-2A, 372-A.

*Besides these, Lingamaneni Ramesh-in the position of the Director of White City Projects International Pvt. Ltd.- bought several acres of land belonging to survey numbers of 3350, 3009, 2900, 4893, 4526, 4117, 64/79/2014, 2801, 2237, 2057. He also bought lands in Kaza village which are in the survey numbers of 219/2, 365 and 221/18.*



# One Benami

## Sufficient Proof for the Land Grab in the Capital City

The capital city land scam is open and ubiquitous. One doesn't need to dig deep to obtain the evidence for the involvement of the CM and his cronies in the scam, it is just out there for everyone to see. This scandal was scripted and directed by Chandrababu Naidu under the guise of developing a world-class capital city. It dwarfs any great land scams in the world. Had the Chief Minister and his party was fair to the people, thousands of farmers wouldn't have lost their livelihoods and prospective fortunes.

The cronies of Chandrababu and their benamis abused their power to wreak havoc in the lives of the farmers of the capital area. The Minister for Municipal Administration and Urban Development (MA&UD), P.

Narayana, who has been playing an active role in the CRDA affairs, personifies the scandal. The minister bought land plots across the capital region; irrespective of the size of the land plot. Be it 45 cents, 50 cents, 87 cents... he bought them all. These land bits were bought in the names of his employees, relatives and even domestic maids. The minister now has a footprint in all 29 villages in the capital region. Chandrababu Naidu was so impressed with Narayana's penchant for land that he entrusted him with the responsibility of the entire capital region. Thus, Narayana became the commander-in-chief of all TDP leaders and MLAs who have interests in the capital region.



# Narayana.. Narayana

**Purchase Land: 3,129 Acres**

**Amount Paid: 432 Acres**

**Present Value: Rs. 14,400 Crore**

The Municipal Administration & Urban Development Minister P. Narayana, who is an important mandarin in the affairs of the capital region, has proactively purchased the lands in and around the Amaravati region before the capital city location was announced. Until 2014, Narayana was known only as the owner of a large education group. He got his present MLC and Minister positions because of his heavy donations to the ruling Telugu Desam Party during the dry years as well as the election year 2014. Overwhelmed by his financial power, Chandrababu Naidu stripped the powers of Revenue Minister K. E. Krishnamurthy and gave the charge of the capital region affairs to Narayana.

Narayana has toured the capital region extensively and conducted several gramasabhas to convince the farmers to submit their lands for land pooling. With the help of sarpanches and local TDP leaders, he gathered the full details of the assigned and riverbank lands, which were assigned to poor Dalit and BC farmers. Through the local leaders and officials, he had spread the rumors that the government was going to wrest the assigned and riverbank lands from their present owners without paying any compensation. When the farmers frenzied, the minister sent in his army of benamis across the capital region and bought lands, irrespective of its location and size. Thus, he has bought a total of 3,129 acres in the name of his

benamis at the cost per acre ranging between Rs. 10 lakh and Rs. 15 lakh. As the landholdings are smaller in this region, he even bought a 25 cents plot.

## **Total of 3,129 Acres**

Narayana has displayed all his craftiness in the capital land purchases. Initially, he paid only Rs. 2 lakh per acre and entered into secret agreements with the farmers in the name of his benamis. He paid the remaining amount and got the general power of attorney (GPA) of those lands transferred to his benamis only after Chandrababu officially confirmed that the government would acknowledge ownership rights to the most recent owners of the lands.

This statement was particularly important for the assigned and riverbank lands. Finally, those lands were registered in the names of several of his employees and relatives. To ensure the secrecy, he made use of representation system of online registration. In this format of registration, the seller doesn't need to meet the buyer directly and don't even have to know who the actual buyer of the land is.

## **Too Many Benami Transactions**

AkulaMunisankar, RavuriSambasiva Rao and PotturiPrameela are some of the important benamis of Narayana. Munisankar bought 1.50 acres of land (Survey No: 126) in Mandadam village- which is very

close to the core capital area- at the cost of Rs. 2.25 crore from Nootaki Narasimha Naidu, according to the villagers. While the government rate was Rs. 6 lakh per acre, the registration documents showed the price at Rs. 9 lakh. Likewise, Munisankar bought 0.37 acre (survey no: 15/1) from BorugaddaRamprakash of the same village; 0.56 acre (survey no: 109/1) from BodipudiVenkataramana in Lingayapalem; 0.45 acre (Survey No: 140/A) from Kottapalli Radha Rani in Lingayapalem; 0.28 acre (survey no: 188) from Kottapalli Radha Rani in Lingayapalem; 0.75 acre (survey nos: 119/A, 119/F) from Shaik HasrafUnnisa and others in Rayapudi; 0.87 acre (survey nos: 354/1A, 354/1B) from Lambu Venkateswarlu and 0.25 acre (survey no: 360/1) from VelagaletiRamadevi. Thus, he has purchased about 30 acres of land in bits and pieces. Minister's brother-in-law RavuriSamabasiva Rao bought about 0.32 acres (survey no: 465/3B) in Mandadam and in total he has bought 29 acres land. PotturiPrameela bought 15 acres with the same modus operandi. She bought 0.98 acre (survey nos: 51/B, 51/C), 0.45 acre (survey no: 95/C) in Uddandarayanipalem, which is very close to Thullur.

However, none of the aforementioned people have the financial wherewithal to buy such huge chunks of land. Besides these three, the minister has used quite a few of his employees and relatives. A senior official who mans the CRDA affairs told Sakshi that the minister owns a total of 3,129 acres land in the capital region.

## 400 Acres for Sure!

Narayana has mainly focused on Borupalem village of Thullurmandal as the village was not under the land pooling scheme. He bought about 50 acres of assigned land in this village alone; and bought another 50 acres of riverbank land in the Rayapudilankas between the survey numbers of 250 and 400.

Talking to Sakshi, TokalaPeturu, TokalaAnkulu, Memdem Nageswara Rao, MemdemKoteswara Rao, BulledduChinnappa, Valaparla Ramaiah, LaalaadiAadeyya and LaladiSundara Rao from Borupalem and Rayapudi villages have confirmed that they had sold the lands to Narayana and handed over the documents to his benamis. It is learnt that Narayana was behind the GO, which wants to give residential and commercial plots to farmers in the same village. Some senior officials said Narayana would get a minimum of 400 acres of land in the capital region as the compensation.

# Magic in Bits

## The land that was purchased in the name of Avula Munisankar

Registration and Stamp Department  
STATEMENT OF ENCUMBRANCE ON PROPERTY

Date: 02-03-2016 17:35:47 App No: 09522 Statement No: 171556

SE/SENT: Name not mentioned having searched for a statement giving particulars of registered acts and encumbrances affecting the said property.

VILLAGE: LINGAYAPALEM OR LINGAYAPALEM, SURVEY No: 109/1, Bounded by NORTH: CHINTALA VENKAT VARA KARAKATTA, EAST: AVULA SESHADHAR LAND, WEST: KALASAGAR KRISHNA LAND

Search has been made in Book 1 and in the indexes relating thereto S.R.O. TADODDINA for years 33 from 01-01-1 and encumbrances affecting the said property, and that on each search the following details of encumbrances appear:

Sr. No.	Description of property	Reg. Date File No.	Amount & Cost Value Cur. Value	Name of Parties Beneficiaries (LES) Easement (LES) Claimant (LES)
1/3	VILLICOL: LINGAYAPALEM/LINGAYAPALEM W-B: D-0 SURVEY: 109/1 EXTENT: 56 Acres BUILT: 05Q, FT Boundries: [N]: CHINTALA VENKATRAO LAND [S]: CHIRAK HARI KARAKATTA [E]: AVULA SESHADHAR LAND [W]: KALASAGAR KRISHNA LAND Link Doct:1887/2015 of SRO 708	(R) 09-07-2015 (E) 09-07-2015 (P) 09-07-2015	0181 Sale Deed Mst. Value: Rs. 900000 Cur. Value: Rs. 900000	1. (E)JODIPUDI VENKATARAMANA 2. (L)AVULA MUNI SANKAR
1/2	VILLICOL: MANDADAM/MANDADAM W-B: D-0 SURVEY: 151/A EXTENT: 32 Acres BUILT: 05Q, FT Boundries: [N]: KONDAPATI VENKATRAO LAND [S]: CHIRAK KARAKATTA [E]: CHIRAK DONKA [W]: DUNNA SARASANI ETC LAND Link Doct:1877/2015 of SRO 708	(R) 21-07-2015 (E) 10-07-2015 (P) 10-07-2015	0101 Sale Deed Mst. Value: Rs. 225000 Cur. Value: Rs. 225000	1. (E)BORUGADDA RAMPRAKASH 2. (E)KALAPALLA SESH KUMAR 3. (L)AVULA MUNI SANKAR
1/2	VILLICOL: LINGAYAPALEM/LINGAYAPALEM W-B: D-0 SURVEY: 140/A EXTENT: 45 Acres BUILT: 05Q, FT Boundries: [N]: POKURU SUBBA RAO LAND [S]: MOTTURURI SETARAMANAH LAND [E]: VEDAPALLA DALA KRISHNA LAND [W]: POKURU PEDIA SUBBA RAO LAND Link Doct:1787/2013 of SRO 714	(R) 18-07-2015 (E) 18-07-2015 (P) 18-07-2015	0101 Sale Deed Mst. Value: Rs. 225000 Cur. Value: Rs. 225000	1. (E)KOTIPALLI RADHA RANI 2. (L)AVULA MUNI SANKAR
3/38	VILLICOL: LINGAYAPALEM/LINGAYAPALEM W-B: D-0 SURVEY: 119/A EXTENT: 3 ACRES BUILT: 05Q, FT Boundries: [N]: KONDAPATI VENKATA SUBBA BALANCE LAND [S]: KONDAPATI CHANNA PRASAD LAND [E]: KONDAPATI UDDANDARAYANIPALEM RAO LAND Link Doct:1877/2015 of SRO 714	(R) 09-07-2015 (E) 16-07-2015 (P) 16-07-2015	0101 Sale Deed Mst. Value: Rs. 600000 Cur. Value: Rs. 1500000	1. (E)KONDAPATI VENKATA SUBBA I 2. (E)KONDAPATI SIVANATH CHOWRY 3. (L)AVULA MUNI SANKAR
1/1	VILLICOL: RAYAPUDI/RAYAPUDI W-B: D-0 SURVEY: 119/A 119/F EXTENT: 12.28 Acres BUILT: 05Q, FT Boundries: [N]: KANICE GALLUR ETC LAND [S]: KONDAPATI RAMANAH LAND [E]: MUSURURI JAGANNATH RAO, SHANK BAITHE ETC LAND [W]: KULARI RANA TILASAGARA ETC LAND Link Doct:1877/2015 of SRO 708	(R) 25-07-2015 (E) 24-07-2015 (P) 24-07-2015	0101 Sale Deed Mst. Value: Rs. 1500000 Cur. Value: Rs. 700000	1. (E)JODIPUDI HEMAPRIYANESHA 2. (E)JODIPUDI KASAPALLA 3. (E)KONDAPATI ADALA RAU 4. (E)JODIPUDI MAHEBIB 5. (E)JODIPUDI SANEI 7. (E)JODIPUDI SHANKER 8. (L)AVULA MUNI SANKAR
1	VILLICOL: RAYAPUDI/RAYAPUDI W-B: D-0 SURVEY: 354/1A 354/1B EXTENT: 87 Acres BUILT: 05Q, FT Boundries: [N]: KANICE KANAKANNA LAND [S]: KALALE RAMANADAYALLELU LAND [E]: MANDADAPU SUBBA RAO LAND [W]: ERE BALANAH LAND	(R) 25-07-2015 (E) 23-07-2015 (P) 23-07-2015	0101 Sale Deed Mst. Value: Rs. 1500000 Cur. Value: Rs. 700000	1. (E)JODIPUDI VENKATESWARLU 2. (E)JODIPUDI RAMSABU 3. (E)JODIPUDI SIVANASA RAO 4. (L)AVULA MUNI SANKAR

LAKE: MANDADAM OR MANDADAM, SURVEY No: 126, Bounded by NORTH: ERE BALANAH 0.09 ACRE LAND, SOUTH: CHIRAK DONKA IT: CHINTALA PRASAD LAND, PORANBONA, WEST: ILIYA RANA KRISHNA LAND

Search has been made in Book 1 and in the indexes relating thereto S.R.O. HANGALAGUDA for years 33 from 01-01-1983 to 01-01-2016 and encumbrances affecting the said property, and that on each search the following details of encumbrances appear:

Sr. No.	Description of property	Reg. Date File No.	Amount & Cost Value Cur. Value	Name of Parties Beneficiaries (LES) Easement (LES) Claimant (LES)	Particulars of Property Area (Sq. Ft.)
VILLICOL: MANDADAM/MANDADAM W-B: D-0 SURVEY: 126/1 EXTENT: 25 Acres BUILT: 05Q, FT Boundries: [N]: BALANAH ETC LAND [S]: CHIRAK DONKA [E]: CHINTALA PRASAD LAND, PORANBONA [W]: ILIYA RANA KRISHNA LAND Link Doct:126/1/1987 of SRO 708	(R) 20-07-2015 (E) 17-07-2015 (P) 17-07-2015	0101 Sale Deed Mst. Value: Rs. 200000 Cur. Value: Rs. 200000	1. (E)MADHURU HANNAVARA MATHEW 2. (E)KONDAPATI RAMANAH RAO 3. (L)AVULA MUNI SANKAR	0/0	5876/2015 (1) of SR TADODDINA (714)
VILLICOL: RAYAPUDI/RAYAPUDI W-B: D-0 SURVEY: 360/1 EXTENT: 25 Acres BUILT: 05Q, FT Boundries: [N]: HULLALA HANDEENKONCH CHOWRY ETC LAND [S]: VELAGALETI RAO KANALA LAND [E]: VELAGALETI RAO KANALA LAND [W]: LINGAYETTI ANNAHARA RAO LAND Link Doct:1877/2015 of SRO 708	(R) 21-07-2015 (E) 21-07-2015 (P) 21-07-2015	0101 Sale Deed Mst. Value: Rs. 200000 Cur. Value: Rs. 200000	1. (E)VELAGALETI RAO KANALA 2. (L)AVULA MUNI SANKAR	0/0	522/2015 (1) of SRO TADODDINA (714)
VILLICOL: RAYAPUDI/RAYAPUDI W-B: D-0 SURVEY: 360/1 EXTENT: 25 Acres BOUNDRIES: [N]: HULLALA HANDEENKONCH CHOWRY AND KANALA LAND [S]: HULLALA LAKSHMANNA RAO'S LAND [E]: HULLALA LAKSHMANNA RAO'S LAND [W]: HULLALA LAKSHMANNA RAO'S LAND Link Doct:1877/2015 of SRO 708	(R) 20-10-2014	0101 Settlement in the name of Mst. Value: Rs. 200000 Cur. Value: Rs. 200000	1. (E)VELAGALETI JAGANNATHAN RAO 2. (E)VELAGALETI HANDEENKONCH	0/0	1137/2014 (1) of SR PANGALURU (708)

The Land that was Purchased in the Name of RavuriSamabasiva Rao

1/3	VILLICOL: MANDADAM/MANDADAM W-B: D-0 SURVEY: 465/3B EXTENT: 32 Acres BUILT: 05Q, FT Boundries: [N]: KONDAPATI VENKATRAO LAND [S]: CHIRAK KARAKATTA [E]: CHIRAK DONKA [W]: DUNNA SARASANI ETC LAND [E]: GALLI RAVI KUMAR LAND [W]: VALAGALALA AGROACHAN LAND SOLD TO OTHERS Link Doct:1887/2015 of SRO 708	(R) 06-08-2015 (E) 06-08-2015 (P) 06-08-2015	0101 Sale Deed Mst. Value: Rs. 750000 Cur. Value: Rs. 190000	1. (E)KOTIPALLI LILLI PUSHPAM (P) 2. (E)JODIPUDI GONALA RAO (G) 3. (L)AVULA MUNI SANKAR
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The Land Purchased in the Name of Prameela

VILLICOL: LINGAYAPALEM/LINGAYAPALEM W-B: D-0 SURVEY: 151/A EXTENT: 32 Acres BUILT: 05Q, FT Boundries: [N]: POKURU SUBBA RAO LAND [S]: MOTTURURI SETARAMANAH LAND [E]: VEDAPALLA DALA KRISHNA LAND [W]: POKURU PEDIA SUBBA RAO LAND Link Doct:1877/2015 of SRO 714	(R) 02-07-2015 (E) 02-07-2015 (P) 02-07-2015	0101 Sale Deed Mst. Value: Rs. 225000 Cur. Value: Rs. 225000	1. (E)JODIPUDI SIVANASA RAO 2. (L)POTTURI PRAMEELA	0/0	484/2015 (1) of SRO TADODDINA (714)
VILLICOL: LINGAYAPALEM/LINGAYAPALEM W-B: D-0 SURVEY: 119/A EXTENT: 3 ACRES BUILT: 05Q, FT Boundries: [N]: KANICE GALLUR ETC LAND [S]: KONDAPATI RAMANAH LAND [E]: MUSURURI JAGANNATH RAO, SHANK BAITHE ETC LAND [W]: KULARI RANA TILASAGARA ETC LAND Link Doct:1877/2015 of SRO 708	(R) 08-07-2015 (E) 08-07-2015 (P) 08-07-2015	0101 Sale Deed Mst. Value: Rs. 200000 Cur. Value: Rs. 1500000	1. (E)JODIPUDI HEMAPRIYANESHA 2. (E)JODIPUDI KASAPALLA 3. (E)KONDAPATI ADALA RAU 4. (E)JODIPUDI MAHEBIB 5. (E)JODIPUDI SANEI 7. (E)JODIPUDI SHANKER 8. (L)AVULA MUNI SANKAR	0/0	473/2015 (1) of SRO TADODDINA (714)

# The Three Benamis



## Avula Munisankar

AvulaMunisankar is a distant relative of the minister. He previously worked as a contract lecturer in VRC College, Nellore. He was given the responsibility of electric works of Narayana Medical College after Narayana became the minister. The college sources said that they didn't have any information of Munisankar and he would directly take money from Narayana whenever he needed. He is from a middle-class family and lives in a rented apartment near Narayana Medical College. How such a small-time employee could buy lands worth crores of rupees is the question that needs to be answered.

## Ravuri Sambasiva Rao

He is the brother-in-law of Narayana and his man Friday. Nellore residents said that Narayana bought a good number of assets in the name of Sambasiva Rao. Narayana has purchased the lands in the capital region in his name once again.

## Potturi Prameela

PotturiPrameela manages Narayana Colleges in Karnataka and Tamil Nadu states. She belongs to a middle-class family. How could she purchase several acres of land in the capital region without having a strong financial background is remain an unanswered question.



# Payyavula Descends

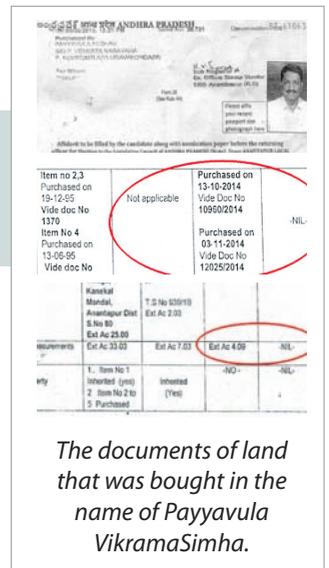
**Land Purchased: 4.09 Acres**  
**Amount Paid: Rs. 12.27 lakh**  
**Present value: Rs. 8 crore**

Payyavula Keshav, the ruling party MLC, is a clear example for the favoritism Telugu Desam Party (TDP). The party leaders who had access to the official information have abused their position to build their fortunes at the cost of the ordinary farmers. To begin with, Chandrababu Naidu, confused the people as to the prospective location of the capital city by suggesting more than one locations. However, he gave sufficient clarity to his party leaders on the location.

This informational advantage made the ruling party MLC Payyavula Keshav to descend upon the capital region. He toured the villages and assessed the best location that offers the land at a cheaper price and would give best returns in the future. He finally bought land in Inavolu village, which is adjacent to the core capital region. He bought 4.09 acres (Survey Nos: 48/3, 49/3) of land on October 13, 2014, got registered in the name of his elder son PayyavulaVikramaSimha. He has

shown in the registration documents that he had bought land at the cost of Rs. 3.07 lakh per acre, but the same land now costs Rs. 2 crore. This means his land price had gone up by at least 50 percent within a year.

This same Payyavula Keshav always accuses the opposition party being jealous of the government's achievements. Many a time, he said the government was building a 'people's capital' and the opposition party could not bear it. Now, he must answer why he had deceived the farmers of the capital region by taking advantage of his privy to the crucial information on the location of the capital region.



*The documents of land that was bought in the name of Payyavula VikramaSimha.*

# Rama... Rama... Krishna... Krishna

*Real Estate Venture: 179.54 Acres*

*Assigned Lands: 54 Acres*

The collusion between the realtors and the heads of the government created a conducive atmosphere for a high-volume corruption in the state of Andhra Pradesh. After taking heavy bribes, the CM has approved a real estate venture which has come upon the assigned lands of Dalits. Here are the details.

A real estate company named Ramakrishna Housing Pvt. Ltd. came up with a venture on 179.54 acres of land next to Acharya Nagarjuna University near Guntur. The venture was on the Kolkata- Chennai National High Way and was under the administrative purview of Kaza village of Nambur mandal. The company has bought 94 acres of land of survey numbers between 78 and 107 in Kaza village. It acquired the remaining 76 acres too in the same village.

In this process, the company has acquired 54 acres of assigned lands that belong to Dalit farmers. Though these lands could not be registered, the company bribed the officials of Pedakakani sub-registrar office and got the lands registered. Since there was no objection from the registration office; the Vijayawada-Guntur-Tenali-Mangalagiri (VGTM) Urban Development Authority gave the permissions for commercial development of these lands. The company started selling villas and plots within no time thanks to its vast network of marketing staff and of heavy publicity.

## **Some of the farmers of Nambur village who sold their assigned lands to Ramakrishna Housing Pvt. Ltd.**

<b>Name</b>	<b>Land Sold (In acres)</b>
Namburu Vijaya Bhaskar	2.00
Namburu Subbamma	1.65
Matangi Subbamma	0.30
Namburu Chinna	1.00
Matangi Maarthamma	0.30
Namburu Maha Lakshmaiah	3.00
Kolakaluri Sambaiah	0.30
Namburu Raju	1.00
Kokkalgadda Ruthamma	1.50
Bulla Aarogyam	0.30
Namburu Slaman	0.30
Namburu Rosaiah	1.00
Namburu Yohanu	1.00
Namburu Koteswaramma	0.50
Namburu Subba Rao	0.50
Chilaka Nagewara Rao	0.60
Namburu Yohanu	0.70
Namburu Nagendram	1.00
Nambur Aadeiah	1.00

## **Huge Share to 'Chinna Babu'**

However, the scenario changed after the announcement of the location of the capital city. A police officer from the CM visited the company and warned the management that its venture could be considered for the pooling as it has a considerable amount of assigned land. The sullen company worked out a compromise with the CM with help of a central minister.

As the result, the company's prime property was no more considered for the pooling but also got the full backing of the government. This development has altered the fortunes of the company for once and all. It has hiked the value of a sq. yard of land from Rs. 4,000 to Rs. 25,000 within no time.

This entire scandal came to light when some of the Dalit farmers under the leadership of David, a farmer from Nambur, filed a complaint about the existence of assigned lands in the venture with Guntur district collector. However, the further

inquiry produced no result and there were allegations that the government suppressed the probe at the behest of Nara Lokesh, who said to have received a huge share in the venture. When Sakshi daily sought the explanation from Mangalagiri Tehsildar on this issue, she confirmed that there were canals and poramboke lands in the real estate venture.

# Dhulipalla's Poramboke Lands



**Encroached land: 50 acres**  
**Registered Land: 3.89 acres**

Ever since the capital city location was announced, the illegal land grabbing by the MLAs, MPs and the leaders of the ruling party knew no limits. Be it government lands, assigned lands, riverbank lands, rivulet lands or poramboke lands, the TDP leaders left no land untouched. They have created fake documents, bribed the staff of revenue and registration departments and got the lands registered in the names of their benamis. It was that simple!

The 'success story' of Ponnur MLA Dhulipalla Narendra Kumar exemplifies the legal plunder by the ruling party lawmakers in the capital area region. After the announcement of capital city location, the prices of the lands that are adjacent to Kolkata-Chennai highway have gone up overnight. This has 'incentivised' the MLA to eye the rivulet lands in Nambur village of Pedakanimandal.

## Registrations Under Pressure

Narendra Kumar moved pawns tactically to get 3.80 acres of rivulet land (survey no: 274). By using his influence, he got registered in the name of his benami and close relative DevaraPullai. For this, he had pressurised the revenue officials and created land purchase documents numbered 2638, 2639 and 2640 in

the names of his benamis to create the link.

According to these documents, the first buyer was Pullaiah's son D. Sambasiva Rao. Then he 'sold' this land to Upputuri Kiran Kumar, Adusumilli Ravi Kiran and Venna PedaAchhi Reddy. With this, the link documents were created. Later, these three people have 'sold' the land to Sambasiva Rao's father DevaraPullaiah.

Under the pressure from the MLA, the officials have divided the land into three survey numbers viz. -274/B6, B7 and B8 and registered them in the name of Pullaiah. The present market rate of the land would be up to Rs. 5 crore.

## Encroachment of 50 Acres Poramboke Land

The MLA has also encroached upon 50 acres of poramboke land in Nambur village of PedaKanimandal and is converting it into agricultural land with the help of his men. These men have dug bore wells in the lands. The MLA had called up the Village Revenue Officer of Nambur and ordered him to grant permissions for the borewells on the encroached land. The entire village knows that these are poramboke lands, but nobody spoke out lest they are attacked and subjected to harassment.



*The Documents of the Rivulet Land Appropriated by Dhulipalla Narendra in the Name of One of his Relatives.*



# Kodela's Son, the Rising Star of the Land!

**Land Purchased: 17.3 acres**  
**Amount Paid: Rs. 93 lakh**

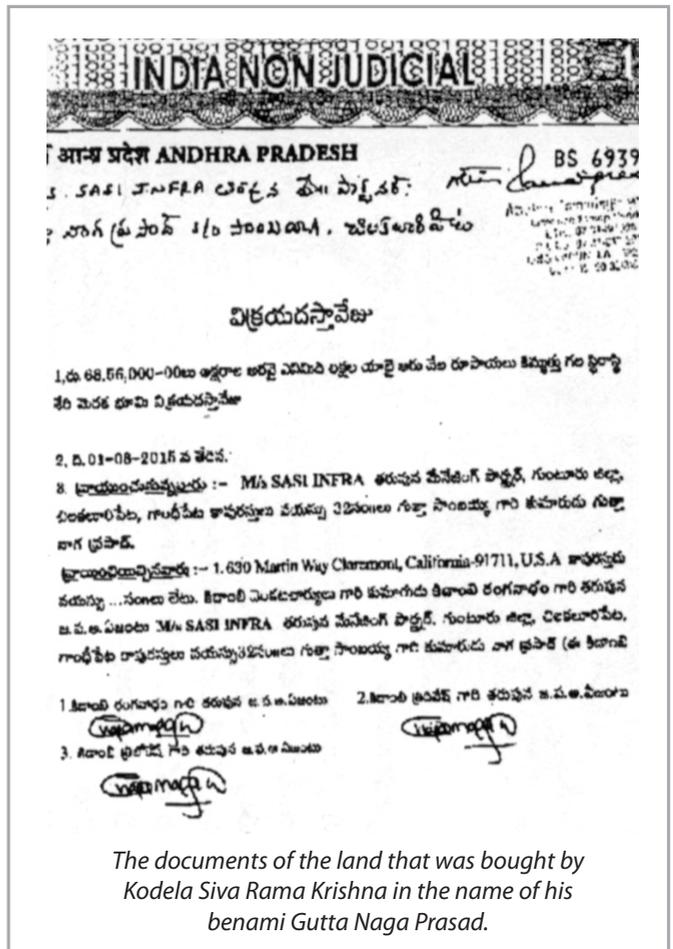
**Present Value: Rs.18.4 Crore**

Kodela Siva Rama Krishna, the son of AP Speaker Kodela Siva Prasad Rao, has developed his own style of land grabbing. He identifies the litigated lands, coerces one of the parties to sell off the land at a cheaper price and simply owns the land. With his mafia style of land grabbing, he is giving nightmares to the people from Narasaraopet and Sattenapalli assembly constituencies. Siva Rama Krishna formed special teams to identify the litigated lands in the capital city limits. These teams gather information about the litigated lands and produce one of the parties at Siva Rama Krishna. Then, with his various tactics, he would 'convince' the party to sell the land at a cheaper price and get it registered in the names of his benamis.

For instance, there was a dispute between two brothers about 17.3 acres land in survey numbers 167-1A, 167-1C, 168-1 and 168- 3 in Dhulipalla village of Sattenapalli mandal. Sensing the opportunity, Siva Rama Krishna summoned one of the brothers and bought the land from him for just Rs. 8 lakh per acre while the market rate was about Rs. 1.5 crore. Though a case was pending in the court as to this land, the revenue officials hardly cared for that and registered the land in the name of Sasi Infra, in which Gutta Naga Prasad- an aide of Siva Rama Krishna, was a managing partner. Siva Rama Krishna used the same tactic, forcible occupation, to usurp several acres of land in Narasaraopet and Sattenapalli constituencies.

## Who is Gutta Naga Prasad?

Gutta Naga Prasad is from Poluru village of



*The documents of the land that was bought by Kodela Siva Rama Krishna in the name of his benami Gutta Naga Prasad.*

Yuddanapudi mandal in Prakasam district. He was from an ordinary family and completed his B.Tech. When Kodela Siva Prasad's elder son Satyanarayana died in a



road accident, he became close to Kodela's family. Kodela Siva Prasada Rao offered him a job when he was the Chairman of Basavatarakam Indo-American Cancer Institute, Hyderabad.

It was learnt that Mr. Siva Prasad has used Naga Prasad as a benami and secured contract works in the hospital and got them executed. Once Mr. Siva Prasad resigned from the chairmanship of the hospital, Naga Prasad became his personal assistant. After Kodela became

the AP Speaker, Naga Prasad began working as the personal assistant of his son Kodela Siva Rama Krishna. He also works as a manager in Honda showroom in Guntur. Naga Prasad lives in a rented house in Chilakaluripet and manages the affairs of Kodela family in Narasaraopet and Sattenapalli constituencies. How could a middle-class man like Naga Prasad buy the land worth almost Rs. 1 crore? Everybody knows the answer.

## Kommalapati Sridhar... Totally Illegal!



**Land  
Purchased:  
42 Acres**

**Amount  
Paid:  
Rs. 1.26 Crore**

**Present  
Value:  
Rs. 210 Crore**

This is a classic example of Chandrababu Naidu's favoritism and the rowdiness of his party MLAs in the capital city region. Once the location of the capital city revealed, eyeing massive profits, the ruling party MLA Kommalapati Sridhar- who owns a huge real estate venture in the capital city region- has stopped transferring the ownership rights of the plots to the 3,000-odd owners, to whom he sold the plots seven years ago. Ever since the announcement, Sridhar openly told the plot owners they should forget about their plots. He has colluded with the Chief Minister and got his lands exempted from the land pooling process. In return, the MLA gave a large share in his project to Lokesh, the son of Chandrababu.

### Denial of Rights

Kommalapati Sridhar's company Abhinandana Housing Private Ltd. has been in real estate business in Guntur-Vijayawada area for quite some time. The

company bought 42 acres land in Yerrabalem village, located in survey numbers between 485 and 500. The sale of flats that were constructed on this land began in 2009. Each subscriber paid the initial amount of Rs. 25,000 and paid the remaining amount in monthly installments by 2012.

However, once he collected the full money, Sridhar had shown his true colours. He branded all the subscribers who failed to pay even one installment as defaulters and refused to register the plots to most of them. Meanwhile, the venture permissions were stopped as Yerrabalem came under the land pooling range. When some members approached Sridhar about their plots, he promised them to allocate land in some other venture and finally gave them nothing. When the plot owners protested, he used his political clout and silenced them. It was learnt that he defrauded to the tune of Rs. 15 crore in the Yerrabalem venture.



# Open Fraud and Deception...

## The Farmers' Response



### It was a Panic Sale!

I have read all the stories of land grabbing in Sakshi daily and they were completely true. In the beginning, when we refused to give our lands for land pooling, the government terrified us. They warned us that our lands could be taken back forcibly if we refuse to surrender them voluntarily. The ruling party leaders and the government officials made us believe that we wouldn't even get the lowest price- Rs. 20 lakh per acre- if we submit out lands for pooling. Having seen the adamant attitude of the government, we have sold our lands. Now the value of the same land has gone up to Rs. 1.40 crore per acre. This was quite unfortunate. - **Kommareddy Picchi Reddy, Nidamaru, Mangalagiri mandal.**



### Government Duped Us

Ever since the government announced the location of the capital region, it has been conning us left, right and centre. As we were reluctant to give our lands, the government used several tactics to frighten us. Due to this pressure, we have sold our lands at cheaper rates. The ministers and the ruling party leaders who bought our lands made us believe that we wouldn't get the right compensation in the land pooling and bought our lands at throwaway prices. We have incurred heavy losses as we sold the lands at such atrocious prices.

- **Koppolu Venkateswarlu, Bethapudi, Mangalagiri mandal.**



### It's All a Drama

The stories that appeared in Sakshi daily on Wednesday are 100 % accurate. Before the announcement of capital region location, the MPs, MLAs and ministers came here, scared us and bought our lands at cheap rates. Now, they keep on changing their versions and playing dramas. We have lost a lot financially. There should be a probe into the real estate transactions of bigwigs who bought lands from the ordinary farmers in the capital region.

- **Jonna Sivasankar, Undavalli, Tadepalli mandal.**



### They Forced Us!

Ours were fertile and multi-crop lands. We were threatened by the government and ruling party leaders when we refused to give away our lands. We were forced to sell the lands at lower prices. Now we are duped.

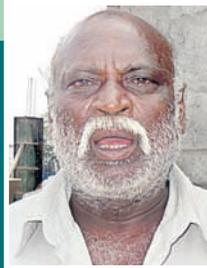
- **Bethapudi Sambaiah, Nidamaru, Mangalagiri Mandal.**



### **No Compensation to Assigned Lands, We Were Told**

The government delayed the announcement of the compensation to assigned lands. It has announced the compensation after we had sold all of our lands. Because of this, we have lost a lot. I have sold my 83 cents land for Rs. 39 lakh. The same land is now worth about Rs. 1.20 crore. It is really difficult for us to digest this fact.

**- Ravuri Prabhu Das, Kuragallu, Managalagiri Mandal.**



### **It was a Distress Sale!**

We sold our lands as we were told that they would be any way taken from us for land pooling without paying any compensation. I have sold half an acre of my land at Rs. 18 lakh and now it costs about Rs. 70 lakh. I am not able to put up with this fraud.

**- Chenchu Rama Rao, Kuragallu, Managalagiri mandal.**



### **Leaders Cheated Us**

I bought land in Rayapudi at the cost of Rs. 40 lakh. Government officials scared me that the land would be pooled for the capital city and a road would be constructed through it. The TDP leaders asked me to sell the land for the same price. When I accepted, they have brought down the price to Rs. 35 lakh. The men of TDP MLAs decided land prices here. I have lost my fortune due to the deception of the TDP leaders.

**- Dasari Anjaneyulu, Undavalli, Tadepalle mandal.**



### **They Deflated the Land Prices**

An acre land was about Rs. 5 crore before the announcement of the capital region. But the TDP leaders confused us about the land rates. When the farmers wanted to sell the land, they could not get the price of even Rs.1 crore. The ruling party leaders bought lands at lower rates. We want to go to the court on this blatant fraud.

**- Meka Prabhakar Reddy, Penumaka, Tadepalle Mandal.**



**Chief Minister Chandrababu Naidu in Lingamaneni guesthouse**

*Andhra Pradesh Chief Minister Chandrababu Naidu giving an interview to Shekar Gupta in the illegal guesthouse gifted to him by Lingamaneni Ramesh. The AP government previously declared the same building illegal as it was built on riverbank land, breaching the environmental laws. However, the CM made it an official guesthouse and legal once it was gifted to him.*

# Lingamaneni Ramesh

## King of Encroachments

**Very Close to the CM!**



## Who is Lingamaneni Ramesh?

He is not only the boss of defunct Aircosta airlines but also a land grabber who captured the banks of River Krishna and built a huge palace over it. This palace was classified as an illegal building by the AP government as the construction was breaching quite a few environmental laws. However, this status has changed overnight once Ramesh gifted the palace to the Chief Minister as a return gift for the favours that he had

received from the government. The CM happily took the guest house, ignoring its illegal status, and made it his official guesthouse!

With the support of CM, Lingamaneni Ramesh took hundreds of acres of land into his custody between Guntur and Vijayawada cities. Then he built a fence around these occupied lands. His efficiency was so impeccable that the capital city region limit came quite close to his estate and then turned the other way!

The stories of Chandrababu Naidu benamis are surfacing one after another as the AP media probed the land transaction in the capital region. Sakshi daily- through a series of stories- has presented an irrefutable proof for the link between Chandrababu Naidu and Lingamaneni Ramesh. To get this proof, the daily had not made any special effort, which generally should be the case. The poor farmers who lost their lands to Lingamaneni Ramesh volunteered to share the evidence, which has shown the way he had grabbed the lands of poor farmers and clubbed it into his estate.

The government was quite adamant about collecting the irrigated and multi-crop lands from the small farmers, however, it was very generous when it came to the Lingamaneni Estate lands. Here is the story

The beginning of  
Lingamaneni Estate  
at Kaza village.



This is the end of Nidamaru village.  
The CRDA limit ends here.

that details the fondness the CM has got for Lingamaneni Ramesh.

### Long Ago...

In the early 1930s, limestone reserves were found in about 300 acres area in Kaza village. This land was leased to the Mumbai-based Associated Cement Company for 99 years in 1937. Then, on behalf of MDWH Bennetts Company, Kurmaraju Gopala Swamy entered into agreements with the farmers and obtained only sale contracts from them. In these contracts, there was a provision which stated that the farmers could restart agriculture in their respective lands until the end of the lease period if the cement company stopped mining on the land. Once the lease period over, the rights of the lands shall return to the legal heirs of the farmers who originally owned the lands. All these details were mentioned in the sale contracts. The ACC has stopped mining on these lands long ago as it had closed down its local unit. However, once the unit is closed, things haven't moved as they were supposed to be and have gone wrong completely.

### Once Chandrababu in Power...

Lingamaneni occupied these lands. Once Chandrababu came to power, Lingamaneni had used political clout to coerce the farmers. The farmers had to sign empty stamp papers and Lingamaneni and Co. wrote some cooked up content on those papers and bagged the lands worth Rs. 1,500 crore.

Lingamaneni converted these lands into an 'estate' by ring fencing the land, deploying security guards and installing CCTV cameras. Now the land value in this area is about Rs. 5 crore per acre. The entire episode came out as some of the farmers from Kaza village who still possess the sale agreement papers wanted to find their lands. When they tried spotting their lands, they came to know that they were located inside the Lingamaneni Estate.

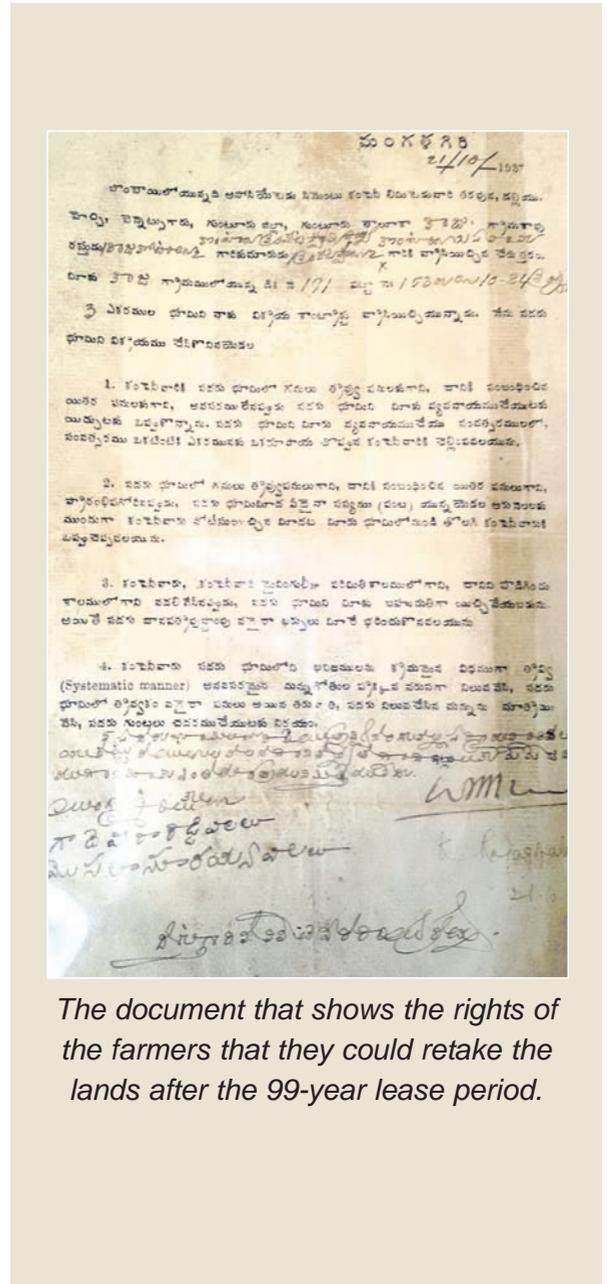
### Irrefutable Evidence with Farmers...

The farmers said though they were the rightful owners, they were not being allowed to visit their lands as they were located in Lingamaneni Estate and they were being stopped by the private army of Lingamaneni Ramesh.

Though farmers have complained about the activities of this land mafia, the revenue officials did not respond to their problem. No revenue or police official has the guts to go against the will of the CM in Andhra

Pradesh. According to the farmers, Lingamaneni had occupied 300 acres of land of the survey numbers of 191, 192, and 226, among others.

As Sakshi daily published a series of stories on manipulative land transactions of other TDP leaders, the farmers approached the newspaper and shared the evidence. Their contribution has helped Sakshi nail down the industrialist-cum-land grabber who is very close to the Chief Minister.



The document that shows the rights of the farmers that they could retake the lands after the 99-year lease period.



# A Ravan in Every Lanka

**They have always eyed the assigned and lanka (riverbed) lands from the very beginning**

**13** is the number of lankas (tracts of riverbank lands) the in the capital city region. While 6 lankas are situated near Rayapudi, 2 belong to Undavalli. Mandadam, Lingayapalem, Tallyapalem, Uddandarayanipalem and Venkatapalem villages have one each.

**2159.17** acres of lanka (riverbank) and assigned lands were being cultivated in these villages. Out of this, 574.93 acres were assigned lands and 1,584.24 acres were lanka lands.

**2,028** acres of assigned land was being cultivated in the capital city region. In this, 1,278 acres of land was assigned in 1954. The remaining 750 acres were distributed to SC, ST, BC farmers in later phases.

**3,097**

**acres of riverbank and assigned lands were bought by TDP leaders in the names of their benamis.**



*A file photo of Lanka land in Guntur District*

While Ravan abducted Sita in Ramayana with his cunning, the present day Ravans have snatched the riverbank lands from poor farmers. Using their powerful connections, the ruling party leaders have made the strategic moves to get the lands that they were never supposed to.

To ease the business of this land mafia, the AP government first removed lanka (riverbank) lands from the land pooling scheme. Then, terrified the small farmers with a Goebbels' campaign that the government was planning to take back the riverbank lands without any compensation. The government officials and media outlets of the ruling TDP leaders have fueled this campaign and created panic among the farmers of riverbank lands.

Fully supported by the government, the ruling party leaders descended upon the riverbank villages and bought riverbank lands paying between Rs. 5 lakh to Rs. 35 lakh per acre. Once these transactions were over, the government announced a generous compensation package for the riverbank lands!

### **First, Exempted from Notification**

In the capital region, there are 13 lankas and all of them were being used for cultivation. There was 574.93-acre assigned land and 1584.24-acre lanka land in the capital region. The government distributed these lands among poor Dalit farmers between 1954 and 1976. They were given titles for these small holdings that ranged

from 77 cents to one acre.

These Dalit families built their lives around these land holdings and for most of them, the land offered a dependable livelihood and hope. However, the trouble started with the issuance of orders for land pooling in 29 villages of the capital region.

The land pooling orders stated that only assigned and patta lands would be pooled in the capital region. Chandrababu Naidu made sure that those orders did not mention lanka lands. The absence of any reference to lanka lands created confusion among the owners of the lands. The confused farmers became vulnerable and started selling off their lands.

### **Real Vultures**

The ministers Narayana, Prathipati Pulla Rao and Devineni Umamaheswara Rao- who extensively toured the villages of the capital city region for three months during the land pooling process- took advantage of this confusion. With the cooperation of the CM, they have ensured the omission of riverbank lands in the land pooling orders and instructed their men to spread the rumours that the government was planning to take the lanka lands back without paying any compensation. The misinformation campaign created a panic among the farmers in 13 lanka villages. The TDP local leaders visited each house of the farmers of lanka lands and counselled them that they (farmers) had no option but to sell their lands off. The farmers were pushed to a state where they

felt they had no option but to give up their lands.

Once breaking the will of the farmers, the local leaders signalled the ministers and the ministers sent in their benamis to buy off the lanka lands. According to the information shared by Dalit farmers to Sakshi daily, Nara Lokesh, the son of Chandrababu Naidu, bought lanka lands in Uddandarayunipalem and Lingayapalemlankas, DevineniUmamaheswara Rao and Prathipati Pulla Rao bought in Thallayapalem and Venkatapalemlankas, Narayana bought in Rayapudilankas, Balakrishna's relative M.S.P. Rama Rao bought lands in Mandadam and Undavallilankas.

Prathipati Pulla Rao alone bought 96.4 acres of lanka lands in the name of his benami Gummadi Suresh. However, he has got only 1.01 acres of land registered at Mangalagiri sub-registrar office. As the registration officials rejected to register the remaining land, the minister entered into sale agreements with farmers. The other ministers also have entered into sale agreements with the farmers. However, the land vultures took possession of the documents, passbooks and assignment documents issued by the government.

### Scandal of Rs. 2,500 Crore

Once Nara Lokesh bought the lanka lands, the Capital Region Development Authority (CRDA) issued land pooling notification for 1,093 acres in Rayapudi village limits and 162.50 acres in Undavallilankas. However, this notification did not mention the survey numbers of the lands to be pooled for the fear that the farmers could come to know the ownership status. The CRDA officials themselves have stated such issuance of notification without details was against law. Since the government has agreed to pool these lands too, their value has now gone up to Rs. 1.75 crore per acre. The CM recently ordered the Chief Commissioner of Land Administration that the new owners of lanka (riverbank) lands should be given all the benefits instead of the

The collage contains the following documents:

- Fingerprint Card:** A card with two fingerprints and handwritten details:
 

Sl. No.	FINGER PRINT IN BLACKINK (LEET THUMB)	NAME & PERMANENT POSTAL ADDRESS OF PRESENTANT/SELLER/BUYER	PASSPORT SIZE PHOTOGRAPH (BLACK & WHITE)
1	[Fingerprint]	గుమ్మడి సురేష్ 8/0 రివర్ బంక్ L.T.C colony Krishna Heday Flat 504 2nd floor రీ యాల్ఫ్ సున్ను చౌకదార	[Photograph]
2	[Fingerprint]	8/0 రివర్ బంక్ అంబేద్కర్ నగర్ (V)	[Photograph]
- 100 Rupee Stamp:** A stamp from India Non-Judicial, value Rs. 100, used for registration.
- Notification:** A government notification regarding land pooling in the CRDA area.
- Table:** A table with columns for survey numbers and land details. One entry shows a survey number of 1.01.

The documents of lanka lands bought by Gummadi Suresh, a benami of Prathipati Pulla Rao.

original owners. It is learnt that through this decision, the CM wants to make his son Nara Lokesh and his ministers who bought these lands richer by Rs. 2,500 crore.



### **TDP Leaders Bought Lanka Lands**

Most of the Dalit farmers from lanka villages are illiterates. My elder brother also sold 77 cents land. They have blindly trusted the ruling party leaders. Out of the fear of government's takeover, they have gone for a panic sale. Brahma Reddy of Mangalagiri, Gummadi Suresh of Vijayawada bought 150 acres land in my village for Nara Lokesh, Balakrishna, ministers Narayana, Devineni Umamaheswara Rao and MP GallaJayadev. As lanka lands were also being pooled now, their price has gone up.

**- Tirumanpalli Jayaprakash, Thallayapalem Lanka.**



### **Sold My Land Out of Fear**

The one-acre lanka land was our sole source of livelihood. As TDP leaders told me that the government would take over my land, I have sold it for Rs. 22 lakh. Meanwhile, marriage was fixed a family member of mine. I took Rs. 5 lakh as advance. They told me that the remaining amount of Rs. 17 lakh would be paid only when I submit my land for the pooling. Now, the government wants to take lanka lands in the land pooling, the land price has gone up to Rs. 1.50 crore. Because of the ruling party fear tactics, I have lost a fortune of Rs. 1.28 crore.

**- Mandala Mary Babu, Uddandarayanipalem Lanka.**



### **They Scared Us!**

In our villages, the ruling party leaders ran a massive propaganda saying that we were going to lose our land. When we approached the government officials, they told us that the government has every right over the land as they were once given by the government. Then, I felt that there was no option and sold my 90 cents land for Rs. 16 lakh. Now, the same land is worth about Rs. 1.50 crore. I sold my land as the government has failed to announce its policy on assigned lands in time.

**- Nandigam Nagendramma, Uddandarayanipalem.**



### **I was a TDP Supporter, Still Got Cheated**

I had 1.40-acre land in lankas and I was a strong backer of the ruling TDP. My party leaders have told me that the government would take over our lands without paying us any compensation. As I trusted them, I sold my land for Rs. 40 lakh. I got Rs. 10 lakh as advance. Now, since the government has announced that it would take lanka lands in pooling, the land price has gone up to Rs. 1.5 crore per acre. I am a panchayat board member from the ruling party and they could still deceive me. This is something I cannot digest easily.

**- Suddapalli Koteswara Rao, Uddandarayanipalem Lanka.**



### **Officials Scared Us**

The CRDA officials told us that we would not receive compensation for our assigned lands in case the government takes them over. That was why we sold the land as and when the buyers were available. Because of this fear, I have sold 3 acres of my land for Rs. 45 lakh (per acre). Now, the value of an acre land is almost Rs. 2 crore and I have lost the fortune because of government's fraudulent maneuvers.

**- Puli Subba Rao, Uddandarayanipalem.**

### **Wouldn't have Sold Land if Package was there**

The government gave us an acre land 10 years ago. Since then, it was our only source of livelihood. When I was working in a field, I overheard people saying that the government was going to take over the assigned lands. I feared that Chandrababu Naidu would take away my land, that's why I sold it for Rs. 20 lakh. Now, the same land value is about Rs. 1.5 crore. Had the government announced lanka land policy bit earlier, I wouldn't have sold my land.

**- Mandal Philip, Uddandarayanipalem**

# Narendra Kumar Did not Stop

Being tipped off about the Capital city location, the ruling party MLA Dhulipalla Narendra Kumar did not stop with encroaching upon the rivulet poramboke lands in Nambur village of PedaKakaniMandal, he also bought 3.58 acres of land (0.72 acres of Survey No: 69-1) and 2.86 acres of Survey No: 69-2) in Inavolu village, which is quite close to Core Capital region in the name of his elder daughter Dhulipalla Veera Vaishnavi. He bought this land in 2014 itself for Rs. 3.80 lakh per acre. Thus, he pocketed 3.58 acres of land for Rs. 13.60 lakh. Now the land value in Inavolu is about Rs. 7 crore per acre. It learnt that Mr. Kumar bought a total of 50 acres land in the capital region in the name of his benamis.



**ఆంధ్ర ప్రదేశ్ ప్రభుత్వము, రెవెన్యూ శాఖ**  
**భూమి రికార్డుల వివరములు**  
1-వీ సమాచారం

జిల్లా పేరు : గుంటూరు  
గ్రామం పేరు : చివరేలు

సర్వే సంఖ్య (1)	వడ్డీ పేరు (2)	తండ్రి/తల్లి పేరు (3)	బాధా సంఖ్య (4)	సర్వే సంఖ్య (5)	భూమి వివరం (6)	విస్తీర్ణం (7)	ఇంకా (8)	వడ్డీదారుల పేర్లు (9/10)
1	చివరేలు	చివరేలు	929	69-1	చివరేలు	0.7200	21.42	కోమగోలు
2	చివరేలు	చివరేలు		69-2	చివరేలు	2.8600	21.86	కోమగోలు
					చివరేలు	3.5800		

ఆంధ్ర ప్రదేశ్ ప్రభుత్వం నుండి భూమి వనరుల సూచీ, 03/03/2016 21:06:05 న IP తెలియజేసింది.

Color indicates dispute survey numbers. Color indicates Digitally signed records. The information contained made available through this web site is for information only and cannot be used as certified/authenticated copy for producing in any court or for enforcing any legal claims etc. under the existing relevant Act.

*The documents of land bought by Dhulipalla Narendra Kumar in the name of his daughter.*

# Share of Anjaneyulu is 4.69 Acres!



TDPMLA G. V. Anjaneyulu also has his share in the legal land grab. Having been informed about the location of the capital city, he bought 4.96 acres (2.26 acres of survey number 77-2, 0.97 acres of survey number 121- 7 and 1.46 acres of survey number 137-2) in Inavolu village, which is very close to the core capital region. He bought the land in 2014 in the name of his daughter Gonuguntla Lakshmi Sowjanya. In 2014, he spent only Rs. 3.9 lakh on an acre and

the value of that land had gone upto Rs. 2 crore per acre after the declaration the capital location. Anjaneyulu often states that having the capital city in Guntur district is a great privilege, however, he must also tell how ethical it was to cash in on privileged insider information and deprive ordinary farmers of their fortunes.

**ఆంధ్ర ప్రదేశ్ ప్రభుత్వము, రెవెన్యూ శాఖ**  
**భూమి రికార్డుల వివరములు**  
1-వీ సమాచారం

జిల్లా పేరు : గుంటూరు  
గ్రామం పేరు : చివరేలు

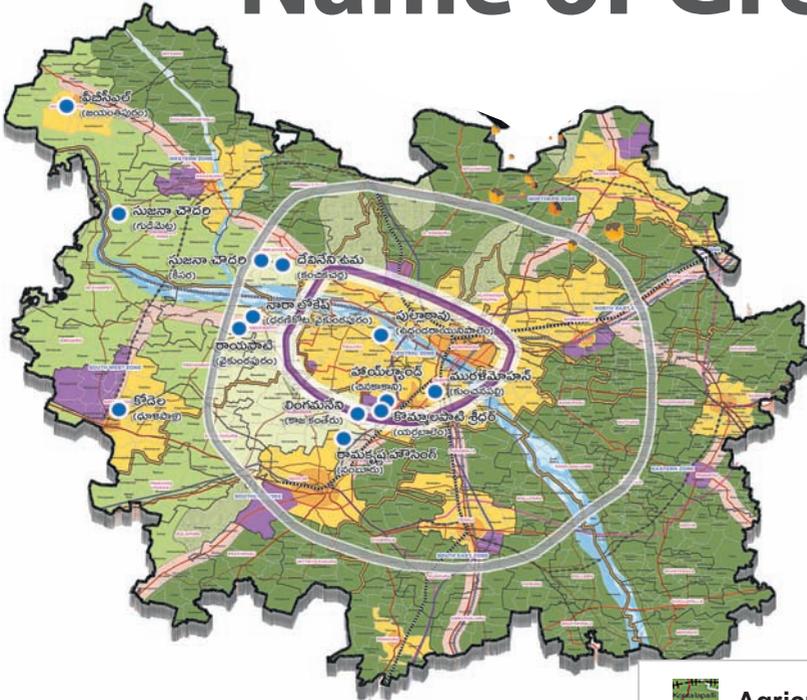
సర్వే సంఖ్య (1)	వడ్డీ పేరు (2)	తండ్రి/తల్లి పేరు (3)	బాధా సంఖ్య (4)	సర్వే సంఖ్య (5)	భూమి వివరం (6)	విస్తీర్ణం (7)	ఇంకా (8)	వడ్డీదారుల పేర్లు (9/10)
	కోమగోలు	కోమగోలు	928	121-7	చివరేలు	0.9700	14.44	కోమగోలు
	కోమగోలు	కోమగోలు		137-2	చివరేలు	1.4600	10.87	కోమగోలు
	కోమగోలు	కోమగోలు		77-2	చివరేలు	2.2600	42.25	కోమగోలు
					చివరేలు	4.6900		

ఆంధ్ర ప్రదేశ్ ప్రభుత్వం నుండి భూమి వనరుల సూచీ, 03/03/2016 19:34:42 న IP number : 117.242.60.

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*The details of the land bought by the TDP MLA G.V. Anjaneyulu in the name of his daughter.*

# Red Zone in the Name of Green Zone



The zone classification is the fifth and final stage of the land grab drama staged by the Telugu Desam Party (TDP) government. The government came up with an idea to divide the capital region into three zones- agricultural, semi-agricultural and commercial zones. While the agricultural zone was strictly for agricultural purposes, the semi-agriculture zone was meant for mixed use and the commercial zone was for commercial purposes.

The CM has had the arbitrary powers to decide which land goes under which zone and the classification was purely based on one criterion- the proximity of the landowners to the ruling party. The CM has introduced this classification to inflate the prices of the lands owned by his son Nara Lokesh, the ministers, MLAs, MPs and his party leaders. The lands of these thieves to account for a significant portion of the commercial zone. The lands of the common people were aligned into the agricultural zones.

-  Agriculture Protection Zone - 1
-  Agriculture Protection Zone - 2
-  Agriculture Protection Zone - 3
-  Present Urban Area
-  Proposed Urban Area
-  Proposed Industrial Area
-  Dots represent the lands of the CM cronies

To strip of any possible value of the lands in agricultural zone, the government had imposed several restrictions on the usage of land in agricultural zone. Whether the lands are fertile or not, they should be used only for agricultural purposes. This classification

has ensured a sudden downfall of the land value in quite a few areas of the capital city region and inflated value of the lands of the TDP leaders.

### **This is Green Zone**

The Capital Region Development Authority (CRDA) is spread across 58 mandals in Krishna and Guntur districts, covering 8,603, 32 sq. kilometers area. In the draft Master Plan, 63.23 percent of the land i.e. 5,940.26 sq. kilometers is shown as Agricultural Protection Zone (APZ). This is equivalent to 15 lakh acres. While APZ-1 is Krishna district, the APZ-2 and 3 are in Guntur district.

While APZ-1 has a heavy agricultural tilt, the APZ-2 and 3 are for mixed use and would host Future Urbanised Developable Area, which is supposed to be developed by the government once it is completed the development of the capital city limit. The TDP leaders and their benamis have bought about 10,000 acres of land in APZ-3 and the proposed urbanised areas, as it is evident from the picture presented with dots. The government has ensured that none of the lands of the ruling party leaders would go into the agriculture zone. The Perspective Plan of the city was prepared to suit the interests of the ruling party leaders and the development projects in the city were aligned with the interests of the TDP land vultures. This means the government would ensure the establishment of all development projects near the lands of TDP leaders.

### **Zone-I is only for Agriculture**

In the APZ-1, only the activities related to agriculture, horticulture, dairy, poultry and fisheries would be allowed. This point was very clearly mentioned in the Perspective Plan. The Urban Development Minister Narayana declared that the APZ-1 was dedicated exclusively to agriculture because the lands in this area were fertile. However, the fact is the lands of APZ-2 and 3 are more fertile than the lands of APZ-1. According to Section 38 of the AP CRDA Act, any changes could be made to Perspective Plan and Master Plan only after 10 and 5 years, respectively. This means it is impossible to make any changes to the Act as to the zone classification in the near future. This provision was incorporated in the act only to benefit the ruling party land vultures.

### **Nominal Development**

Perspective Plan made it clear that only agriculture and agri-related industries shall come up in the APZ-1. This region cannot host either industrial units or service industries. This restriction has rendered this zone

financially unattractive. The ruling party says these lands were earmarked only agriculture purpose in order to increase the value of commercial plots that would be allocated to farmers in the capital city region. However, the farmers in the APZ-1 are set to lose big time with this decision. By making them scapegoats, the TDP government has tried to inflate the prices of the lands of the leaders of the ruling party.

### **Grounded Land Prices, Stalled Transactions**

Before the declaration of zone classification, the land price per acre was about Rs. 3 crore in the villages that fall under APZ-1. Chandrababu Naidu used to claim that he was the *raison d'être* for the augment of land prices when the land prices rose across the capital city region. But, post-classification, the land prices have plummeted in the Agri Zone areas. The government has taken away the fertile lands in the name of developing a global city. It is undertaking the business with foreign firms, however, at the same time, it is also making sure that its own farmers would not benefit from the capital region. It was learnt that the TDP leaders have cashed in on this unfortunate development too. They have bought lands at suppressed rates. They had bought huge tracts of land in the villages of Kankipadu, Vuyyuru, Penuganchiprolu, Jaggayyapeta, Nandigama, Kanchikacherla and Veerullapadumandals.

### **Agitating Farmers**

Farmers of the capital city region were very angry with Chandrababu Naidu's policy flip-flops, particularly with the zoning decision. They have feared that the government was setting up another malicious plot. Demanding the withdrawal of the zoning, they had agitated under the leadership of YSR Congress Party. They have conducted several dharnas and rastarocos in Kankipadu, Vuyyuru, Penuganchiprolu, Jaggayyapeta, Nandigama, Kanchikacherla and G Kondurumandals. Several urban development experts have objected the zone classification of the CRDA, terming it detrimental to the interests of thousands of farmers. In 2016, in only one month, 2,000 objections were registered with the CRDA, which is a serious indication of dissatisfaction among the people. The village panchayats, irrespective of the party affiliation of the elected representatives, have sent formal resolutions to the state government opposing its move. Farmers have warned the government of serious consequences if the government doesn't withdraw its decision.

## **Agricultural Protection Zone- 1**

The government claimed that most of the fertile lands, farmlands and the lands used for aquaculture under CRDA range were brought under this zone. Activities related to agriculture, horticulture, farms, nurseries, dairy and fisheries are allowed in this zone. This zone has spread across both Krishna and Guntur districts.

In Krishna district, Mopidevi, Challapalli, Ghantasala, Movva, Pamidimukkala, Thotlavalluru, Vuyyuru, Kankipadu, Pedaparupudi, Gudivada Rural, Nandivada, Veerullapadu, Vatsavai, Penuganchiprolu, Mylavaram, G. Konduru and Nuzvidmandals are completely included in this zone, while Pamarru, Unguturu, Bapulapadu, Agiripalli, Ibrahimpatnammandals are partially included.

In Guntur district, Prathipadu, Vatticherukuru, Chebrolu, Chunduru, Amruthalur, Kollur, Tenali Rural, Kollipara, Vemuru, Chebrolu, Bhattiprolu mandals completely and Ponnur, Pedakakani and Duggiralamandals are partially included in this zone.

## **Agricultural Protection Zone- 2**

The surrounding areas of the proposed outer ring road and the suburban areas that have the prospects of urbanisation are pooled into this zone. This zone is supposedly established for the future expansion of the city. In Krishna district, complete Chandarlapadumandal, Kanchikacherla and Jaggayyapetmandals are partially included in this zone. In Guntur district, Edlapadu, Phirangipuram, Krosuru and Atchampetmandals completely, Medikonduru and Pedakurapadumandals are partially included in this zone.

## **Agricultural Protection Zone- 3**

The activities that are allowed in Zone-1 and 2 are very much allowed here. The activities that are allowed in the Proposed Urban Area are also allowed in this zone.

In Krishna district, Kanchikacherlamandal is partially included in this zone. In Guntur district, Tadikonda and Medikondrumandals completely and Pedakurapadu and Amaravati mandals partially included in this zone. This zone is located to the west and south of the Capital city.

# Urban Zone for CM and His Cronies

The zoning system of the capital city was a crafty idea, introduced to benefit the Chief Minister and his cronies. The CRDA brought quite a few urbanized areas under the agricultural zones as they belonged to ordinary farmers. However, the villages in which the TDP leaders possessed lands were placed under industrial zones, development corridors and urban zones. The development corridors were proposed exclusively in the mandals that have the lands of the government bigwigs, elected representatives and ruling party leaders. They were proposed in Gannavaram, Bapulapadu, Gudivada, Kanchikacherla, Agiripalli, Pedakakani, Amaravathi, Prathipadu, Amruthalur and Duggiralamandals though these mandals have fertile

lands, which were being used for profitable agriculture. Though Gannavaram and Hanuman Junction areas of Krishna district were agriculturally well-developed, they were placed under urban zones as a significant amount of lands in these areas belong to TDP leaders. The mandals such as G. Konduru, Mylavaram, Nandigama, Jaggayyapeta, which are not conducive for agriculture are bundled into agricultural zones. Likewise, the multi-crop lands that are in and around Amaravati mandal are brought under urban and development corridors. The TDP government has designed the zoning system craftily to create a scarcity of commercial land so that it could inflate the rates of the lands that belong to the cronies of Chandrababu.



## Farmers are in Total Disarray

The land value which was at Rs. 2 crore per acre has come down to Rs.1 crore. This land is our only property, if we cannot convert the land into money, how can we benefit out of it? Our land is located very close to Vijayawada but the land-use restrictions in the name of Green Zone have landed us in trouble.

**- Bommareddy Srinivasa Reddy, Chalivendrapalem village.**

## Made our Future Questionable

I am working in a foundry in Autonagar, Vijayawada. I live in a rented house. We bought 80 cents land in Mutylampadu in 2006. I have sold my land to meet the educational expenses of my kids as well to construct a house and a foundry. I have sold the land for Rs. 80 lakh. I was given Rs.15 lakh advance and an agreement was made. Upon receiving the advance amount, I have started constructing my house in Nidamanuru. Now because of Green Zone restrictions, the land rates have suddenly plummeted in my area. The buyers told me that they could pay not more than Rs. 40 lakh for my land. Otherwise, they want to have their advance back, which is a tricky situation for me. I am not able to figure out a solution.

**- S. Rambabu, Foundry Worker, Vijayawada**



## A Drive to Deprive Us of Our Fortunes!

The government pushed our lands into Green Zone and restricted us by confining the use of our lands only to agriculture until 2050. Such restriction of land use made our lands financially unattractive. We need to sell our lands for our children's education as well as marriage purposes, but now the prices are completely depressed. No one is willing to buy them at higher rates and we cannot sell them at depressed prices.

**- Mandala Veera Reddy, Farmer, Nambur**

# ALL SECTORS SOLD OFF



# Rs. 35,000 Crore AgriGold Scam

40 Lakh Depositors and Agents  
Account Holders Deposits - Rs. 6,850 Crore  
Interest on Deposits - Rs. 3,150 Crore

Lakhs of people including farmers, small-time workers and commoners have deposited their life savings in AgriGold after being lured by the promise of high interest. AgriGold, in turn, purchased thousands of acres of land across the state with the depositors' money. However, in the end, it left them high and dry. In such circumstances, the government ought to have arrested the top management of AgriGold, sell the company's assets and return the money to the depositors, agents and other stakeholders. However, in the case of this scam, the AgriGold management had sold off their assets even before the scandal broke out. It had channelled the money into its private accounts. All this happened with the quiet help of the Chandrababu Naidu government. As a quid pro quo, the AgriGold management sold some major assets of the company to the family members of the Chief Minister and ministers for token amounts. The delay on the part of the AP government in arresting the accused and attaching the assets of AgriGold clearly points to a deep nexus between the Chandrababu Naidu and AgriGold management. The vice-chairman of AgriGold Doppa Rammohan Rao joining the ruling TDP on April 30, 2016, reflects the relationship between the two.

## AgriGold Scam

The AgriGold scam adds up to Rs. 35,000 crore. The hard-earned money of lakhs of depositors



*AgriGold chairman A.Venkata Rama Rao  
with CM Chandrababu Naidu on April 17, 2001*

disappeared overnight because of this scam. Yet, until the intervention of the courts, the Chandrababu Naidu government did not make any arrests. The arrests were made only after the AP High Court admonishing the government for its apathy. The government arrested the chairman and MD of the company in February 2016. Meanwhile, the AgriGold management sold off all its key assets; thanks to the support and protection of the government. It could withdraw the cash deposits of Rs. 570 crore. Till the High Court intervened, on many occasions, the government inquiry did not move forward. In the end, an exasperated High court, frowning on the pace of the investigation, directed the government to change the investigating official.

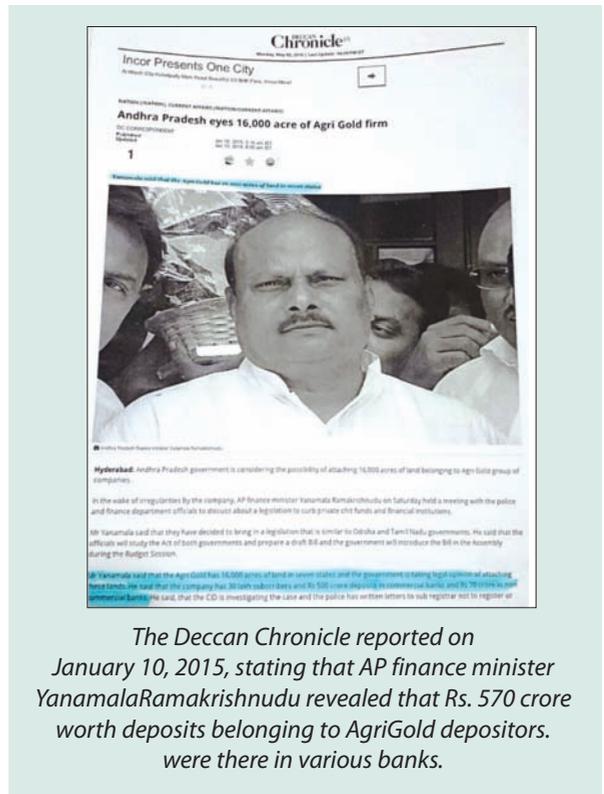
Generally, culprits would face arrests even in minor offenses; however, the perpetrators of a scam of the scale were protected by the government due to their proximity with Chandrababu Naidu. The AgriGold scam (Rs. 35,000 crore) is a much bigger scam- in scale and magnitude- to Sarada scam (Rs. 2,600 crore) of West Bengal. While the inquiry into the Sarada scam was handed over to the CBI, the AgriGold scam was left to the state CID for obvious reasons. From the beginning, the AP government did nothing but water down the case. Moreover, without seizing the assets of the firm, it made the CID officials submit to the court that there was no need to arrest the AgriGold management since they were cooperating with the investigating agency. All these facts add up very clearly to complete the picture.

## First Case in Nellore

On December 24, 2014, AgriGold victims filed their first complaint in the 3-town police station, Nellore. After 2014, 14 cases were registered across the state with respect to the AgriGold scam. In the districts of YSR Kadapa, Nellore, Chittoor, Krishna, East and West Godavari, victims approached the police as also in the states of Karnataka and Telangana where cases were filed. Chandrababu got rattled at the time that the entire matter would end up in the court which might order a CBI probe. Keeping this in mind, on January 5, 2015, he ordered a probe by CID, the agency which is under his direct control. As a result of pressure exerted by Chandrababu Naidu, the CID officials submitted to the High court repeatedly that there was no need for the arrest of AgriGold management.

## Where Did the Deposits Worth Rs. 570 Crore go?

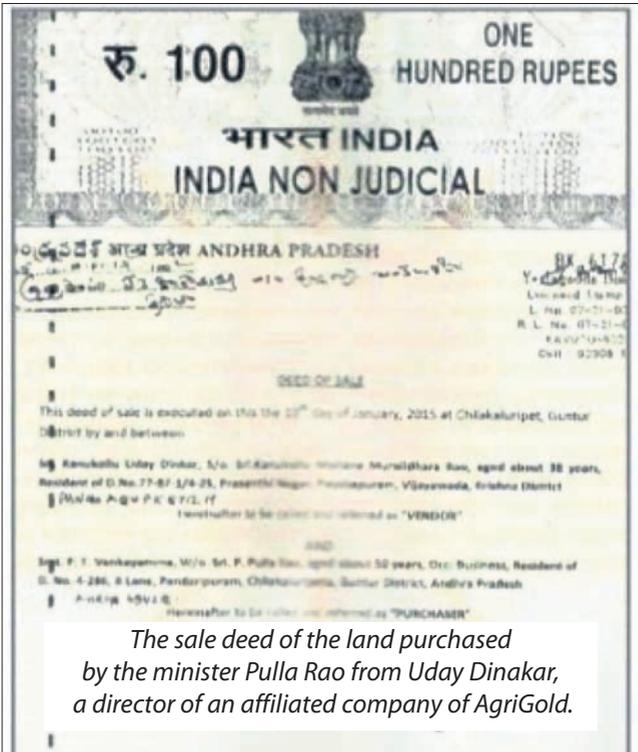
The AP finance minister YanamalaRamakrishnudu told the Deccan Chronicle on 17 January 2015, that deposits related to AgriGold were in commercial banks to the extent of Rs. 500 crore and another Rs. 70 crore in non-commercial banks. He also stated that the Rs. 570 crore would be utilised to reimburse the money to depositors. However, after seizing 22 bank accounts, it submitted to the High Court that only Rs. 6 lakh cash was left in those accounts. The judge was



furious to hear such an irresponsible claim and wondered how Rs. 6 lakh could be left in these accounts. He questioned the government what was it doing when the money from these accounts was being withdrawn or diverted to other accounts.

## Probe for the Heck of It

Around 40 lakh people have lost their valuable savings in the AgriGold scam and have been agitating on the streets. As per the CID's figures, there are 32 lakh depositors and 8 lakh agents. The total scam is valued by the CID at Rs. 35,000 crore. For the protection he has been providing, Chandrababu Naidu has been taking huge amounts as kickbacks from the Arigold management. About 160 victims of AgriGold have committed suicide so far. And when the government gave the promised ex gratia amount of Rs. 5 lakh to some, it did not release the amount for others. Hundreds of agents had to flee their native places. Instead of ensuring speedy justice for the affected, the government is out to protect the accused.

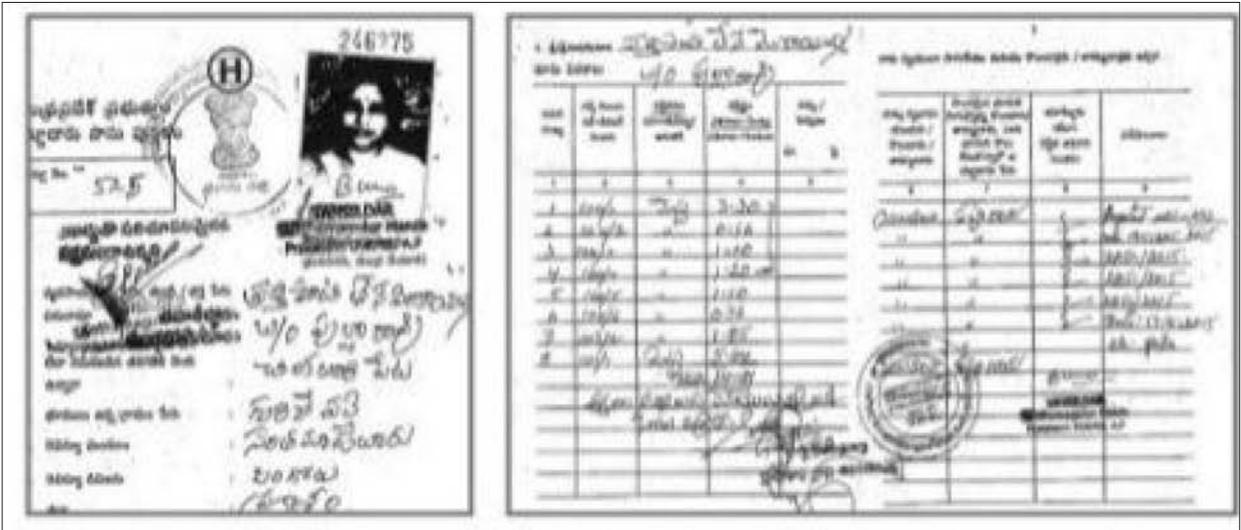


**Many Twists and Turns in the Valuation of Assets...**

AgriGold's total assets as per open market value add up to Rs. 35,000 crore. However, excluding some of its major assets, the CID was made to declare the total value of AgriGold assets as Rs. 10,000 crore. What is even strange is that they brought in the Essel Group in the name of takeover claiming that the assets of AgriGold would be bought for Rs. 4,000 crore. Finally, the AP government advisor Kutumba Rao, the man who has been sabotaging the AgriGold case at government's behest, stated that the value of AgriGold assets was not even Rs. 2,000 crore. In this manner, the TDP government has devalued the assets of AgriGold in a methodical fashion. It is learned that while prime assets have been excluded from the ones declared, others have already passed into the hands of benamis of Chandrababu Naidu. The buzz is that in Bengaluru, Visakhapatnam and other places, the benamis, relatives and wives of leaders got the assets worth Rs. 100-200 crore each. Ignoring all these facts, if the government says that AgriGold has more liabilities than assets, then it would be duping the depositors in an outright manner.

**High Court Fumes at CID**

Two PILs seeking an inquiry into this scam were filed in the AP High Court. On several occasions, the court had



*Pattadar passbook issued in the name of Tene Venkayamma, wife of Agriculture Minister Prathipati Pulla Rao.*

expressed its anger at the functioning of the state's CID in clear terms. It admonished them for backing the AgriGold management and for extending all help to it. The court was particularly displeased with the CID's revelation that only Rs. 6 lakh were left in the bank accounts of AgriGold. It asked the CID to explain where the funds from these accounts had gone? It also sought to know what the CID was doing when these funds were being diverted. What was shocking was the AP finance minister YanamalaRama-krishnudu's statement to the media a few months ago that there were Rs. 570 crore in bank accounts related to AgriGold.

### **Minister Prathipati Bought Lands in the Name of His Wife**

On January 19, a month before the GO on the attachment of AgriGold assets was issued, the AP agriculture minister Prathipati Pulla Rao bought 14 acres of land in the name of his wife Venkayamma from Uday Dinkar, a director of Ram Awas resorts hotels group of the AgriGold chain. While the GO was issued on February 20, 2015, he bought this property on January 19 and therefore these assets did not come under the attachment. In other words, government bigwigs ensured that valuable lands of AgriGold were not a part of the attachment and included only lands of lower value in the attachment.

### **GO No. 23 Does Not Include All Assets**

The AP government issued a GO No. 23 on February 20, 2015, attaching AgriGold assets after facing flak from the AP High court. Interestingly, only some assets were attached under this GO. Even while the probe was on, the vice-chairman of AgriGold, Sitaram Awas (Chairman's younger brother) sold a valuable piece of land on the main road in Tirupati (1 acre 12 cents) on August 10, 2015, for Rs. 14 crore. It is pertinent to point out that this land was also excluded from AgriGold attachment. There was widespread criticism about the delay in the arrest of SitharamAwas, a key player in the scam. When criticism started to mount that Sitharam was being given a long rope by the government due to some backroom deals, the government had no choice but to claim that he had been arrested.

### **CBI Inquiry Needed...**

If AgriGold victims have to get justice, a CBI probe has to be conducted. Once the CBI submits its report and when other assets of AgriGold thereby come to light, all the assets of the firm should be auctioned. The auction of current assets and assets which would come to light later should be conducted by a High Court judge. The government should instil confidence in those who come forward to buy those assets. Otherwise, if prospective buyers are threatened by saying that these lands are under litigation or that they would be put to loss by buying then, there would be no takers for them in an auction. Therefore it is essential that the government create confidence in buyers and only then can justice be rendered to the 40 lakh victims of the AgriGold scam comprehensively.

### **U-turns in Essel Group takeover**

The government resorted to delaying tactics for three and a half years claiming that it would ensure justice to the AgriGold victims. At the same time, it came under criticism that the chief minister was trying to own Haailand, a valuable asset owned by AgriGold for a song. It was at this stage, that the Essel group headed by Subhash Chandra came into the picture with Amar Singh as its mediator.

It is being said that when Essel Group head Subhash Chandra came forward to take over AgriGold last year, some key representatives of the government held discussions with Amar Singh. It is learnt that AwasSeetharam was also present in these talks. However, the sequence of events that took place between the initial statements of the Essel Group that it would take over AgriGold and does justice to the depositors and its announcement eight months later that the firm had more debts than assets raises doubts over the government's intentions.

# Rs 34,399 Crore

## Loss to Treasury from Neeru-Chettu

Bills Paid Over Four Years - Rs. 12,866 Crore

Actual Value of Works - Rs. 3,216.5 Crore

Amount Plundered by Contractors - Rs. 9,649.5 Crore

Sand and Soil Sold by the Contractors - Rs. 24,750 Crore

### GOVERNMENT OF ANDHRA PRADESH ABSTRACT

Water Resources Department – Minor Irrigation – Neeru-Chettu – De-silting of Minor Irrigation Tanks and erstwhile PR tanks – Entrustment of works costing upto 10.00 lakhs and below to the Water Users Associations/ Janmaboomi-Mavooru Committees and the works costing Rs.10.00 lakhs and above to be taken up through e-procurement platform–Orders -Issued.

#### WATER RESOURCES (CAD) DEPARTMENT

G.O.Ms.No. 34.

Dated: 02.03.2016.  
Read the following:

1. G.O.Ms.No.2, Finance ( Works & Projects –F 7) Dept., dt.03.02.2014
2. Govt. Memo No.15711/CAD-2/2014-1, dated:17.12.2014

GO issued hiking nomination works under Neeru Chettu programme from Rs. 5 lakh to Rs. 10 lakh.

above should be executed through traditional procedure of tendering on e-procurement platform.

4. Government, after careful examination of the proposal of the Chief Engineer, Minor Irrigation, Water Resources Department hereby agree to fix the monitory limits for entrustment of Neeru-Chettu de-silting works either to the Water Users Associations or Janmaboomi-Maavooru Committees upto Rs.10.00 Lakhs. Works costing Rs. 10.00 lakhs and above shall adopt e-procurement platform by calling tenders in relaxation of the procedure and financial limit laid down in G.O.Ms.No.2, Finance (Works & Projects-F7) dept., dt.03.02.2014.
5. The Chief Engineer, Minor Irrigation, Water Resources Department, Andhra Pradesh, Hyderabad shall take necessary action accordingly.
6. This order issues with the concurrence of Finance ( FMU.WR-I) Dept., vide their U.O.No. 47027/83/(FMU .WRD.I) /2016, dt.21.02.2016.



Neeru Chettu-Programme was commenced by Chandrababu Naidu in 2015 with the objective of conserving water resources. So far, this programme has cost the state exchequer Rs. 34,399 crore. Of this amount, approximately Rs. 9,649.50 crore have gone to lie in the pockets of TDP leaders; who bagged all the contracts made available under this programme. They have completed only 25% of the works and swindled the funds of remaining 75% of the works.

One of the objectives of this scheme was to supply the soil, excavated from waterbodies, to farmers free of cost. However, the soil ended up in a wrong place as the

contractors have sold it to realtors and brick kilns. Thus , they have made about Rs. 24,750 crore. As to the contract works to rejuvenate the village tanks, the ruling party leaders have mostly have done works at superficial level or they just did claim the bills for the works that were already done. Further, some TDP leaders even did the works in places where they were not even necessary and made money in the bargain. Instead of increasing the green cover, which was the another objective of the programme, they have cut down trees mercilessly. In the name of developing lakes, they dug up tank beds indiscriminately. This is the situation across the state.

Here are the examples.

### District Wise

In Laxmipuram, Chodavaram mandalam of Visakhapatnam district, Rs. 40 lakh of Neeru Chettu scheme funds, Rs. 10 lakh of milk federations funds and Rs. 15 lakh of Visakha dairy funds were spent on a lake that spreads over 600 acres. These works were done by the vice MPP Bhoothanaduni Nanikumar of the TDP. The soil excavated was sold for real estate purposes. Similarly, in work related to PS Peta Road, another TDP leader plotted out six acre of fertile agricultural land. In order to create a slope in the land there, soil from Laxmipuram lake and the old lake of Chodavaram was shifted. After handing over the work to a Panchayat Raj contractor who is a follower of the MLA, the soil excavated from Chodavaram old lake under Neeru Chettu was sold for use in real estate plots.



### Rs. 3 Crore Worth Soil Swallowed

Papididhoddhi cheruvu is a lake spread over 70 acres and is located in FK Palem of Pithapuram mandal in East Godavari district. It has an irrigation basin of 1500 acres. It is being said that over the past three years, this lake was being developed under the supervision of the local MLA's brother at a cost of Rs. 3 crore. However, it is seen that Rs. 3 crore worth soil was excavated with the help of equipment and shifted to brick kilns. At the same time, they claimed money for having employed hundreds of labourers at an annual cost of Rs. 15 lakh.



### Status Quo

The Malidevi drain travels from kanigiri reservoir to Vidavaluru mandal via Kodavaluru in Nellore district. Under the Neeru Chettu programme, Rs. 50 lakh were allocated in 2015 to clear the horseshoe weed and the work was assigned to Kovvur MLA Polamreddy Srinivasulu Reddy's follower Chumukula Chaitanya. Work which should have been completed before the monsoon was taken up in the rainy season. After doing a token job, the funds assigned were siphoned off. The result is that the horseshoe had



not been weeded out and status quo remains.

In the Malkapuram village lake in Dharmavaram mandal of Ananthapuram district, TDP leaders claimed money to the tune of Rs. 6.41 lakh in the name of clearing thorny bushes (shrub). However, these thorny shrubs fill the lake bed as was the situation earlier.



### What Work Did AE Do?

The stream flowing from pampally in Uyyalavada mandal of Kurnool district never overflowed during the rainy season with the support of the minister, an AE by the name Sivaramareddy was assigned work. He, in turn, took up the contract without attending to his regular duties. Rs. 40 lakh was claimed as expenditure towards the development of this rain water drain. No one knows as to where exactly this work was undertaken and completed.



### Loot in Bits

This is the model check dam erected over the bridge between Paidikaluva and pedhaputha villages in Valluru mandal of YSR Kadapa district under the Neeru Chettu programme. The work was split into two segments- that is concrete construction and soil related work. And Rs. 30 lakh was allocated at Rs. 10 lakh per job. These jobs were taken up under the supervision of local MPTC's son and TDP leader from the village. However, due to poor quality of soil used in the construction, in the ensuing rains, the soil embankment got completely washed away on one side.



### Story Repeats Every Year

The work worth Rs. 9 lakh was taken up under the Neeru Chettu programme near a culvert in VN Puram of Kothuru Mandal in Srikakulam district. The hillock was excavated with machinery. However, the silt was not

fully cleared. Instead of removing it from the roots, the silt-clearing job was done at a surface level and funds claimed. Similarly Rs. 54 crore lakh were allocated in 2017-2018. Strictly speaking, the soil should be removed from the lake bed totally, but it was left on the embankment.

### **Lakhs Claimed as Payment to Labourers**

In the financial year 2015-2016, soil and silt excavation work was taken up in Veerapalli tank of Ulavapadu mandal in Prakasam district and Rs. 4.50 lakh were spent. However, labourers had already dug up the soil/silt from the lake under the employment guarantee scheme. After using a JCB to dig around the area excavated by labourers, money was claimed under Neeru Chettu programme. The local TDP leader Narsh benefited to the extent of Rs. 4.50 lakh.

A few farmers in Vadepalem in Avanigadda constituency of Krishna district have been involved in aquafarming. A local TDP leader took up excavation work even when it was not required and did a token job of digging a drain for which he claimed Rs. 10 lakh.

Desilting work was undertaken in three phases in the percolation tank in Yerragunta village of Kanekallu mandal, Anantapur district. Rs. 80 lakh was sanctioned for this and the vice chairman of Rayadurgem market yard Vanna Reddy took up the job himself. He washed his hands off the entire matter after doing a nominal job. A relative of state finance minister Yanamala Ramakrishnudu took up the work of constructing steps on lake bed in Therram mandal of Vizianagaram district. Locals, however, complain that steps leading to the tank were in a better condition before the work and worsened after the work was completed. A TDP leader took up work of Mushtimakula tank in Gollapalli of Palamaneru mandal in Chittoor district. On account of the inferior quality of work done, the embankment built was swept away in the rains of October last year.

### **Is Selling Soil Development?**

SC/ST/BC/Minority communities have been cultivating crops in Guntur districts, Yadlapadu village near Seethamma Cheruvu. In the year 2015-16 under Neeru Chettu programme, digging up of these lands was started and the poor were driven away from here.

**-Syed Subhani, Yadlapadu, Chilakaluripeta, Guntur district**



### **Indiscriminate loot**

Soil is being sold left, right and center and being supplied to brick kilns and layouts in thousands of cubic metres. There is no supervision or control of any sort and bills are being claimed without any check.

**-Konireddy Venkatrao, Pothanapally, Shrungavarapukota mandal, Vizianagaram district**



### **Sold off**

Under the Neeru Chettu programme, soil is meant to be supplied to villagers. But local TDP leaders are selling the land after digging up lakes here. Because I happened to question this, I was not even invited to the inaugural ceremony.

**- Sagiraju Udayakumari, Sarpanch, Chendurthy, Gollaprolu mandal, East Godavari district.**



### **Only to benefit TDP men**

The sarpanch belonging to the ruling TDP took up desilting work related to Pitikayagulla stream and on either side of the stream carried out work on a nominal basis. The result is that even the small puddles which used to be formed due to stagnant water have now been levelled and animals do not have a drop of water to drink.

**- Mallela Shekarreddy, Pitikayagulla, Giddaluru, Prakasam district.**



### **To fill their pockets...**

Neeru Chettu programme is ridden with corruption and officials are not bothered in the least. TDP men in the guise of contractors are acting without any monitoring.

**- Chennakesavulu, CPI leader, Palamaneru, Chittoor district**





### With no Work to Show..

While some TDP leaders did a shoddy job of work assigned to them, others brought pressure on officials to pay them for work not taken up, asking them to create records to that effect. Here are a few instances...

- In 2017, Rs. 40 lakh was sanctioned for work related to four tanks in Devaravalasa Panchayat of Sigadam mandal in Srikakulam district. However, though this work was not done at all, local TDP leaders are exerting pressure on the officials to state that work had been completed and create records accordingly.
- Work to the extent of Rs. 8.5 lakh was taken up under Neeru Chettu Programme for removing silt in canal in Yerraguntla village of Sirivella mandal in Kurnool district. However, a single downpour brought things back to their original condition.
- Crore of rupees were siphoned off in the name of work done in Gorsa, Kothapalli, Nagulapalli, Ramanakkapeta, Komaragiri and fifteen other villages in Kothapalli mandal of East Godavari district.
- Without doing any work related to a canal in Talaminchi of Kodavaluru mandal in Nellore district, money was claimed. A local leader Pitti Suryanarayana complained to the collector, Lokayukta and Vigilance department on this matter. Even though officials of the Vigilance department examined the matter, no action was initiated. However, the collector surrendered the AE irrigation, Ravi Kumar to the government.
- TDP leaders claimed to have used excavating machines and sought crore of rupees for work done according to them in Thonduru of Pulivendula mandal in

YSR district.

- Last year, TDP leaders took up silt clearing work under Neeru Chettu programme in Goodadevi lake in Gudemcheruvu village of Jammalamadugu mandal in YSR district. However, without the permission of irrigation department officials they dug it up using earth moving equipment and this was done in the past. An amount of Rs. 5 lakh was misused on account of this.
- In Moulugunda mandal of Kurnool district, 65 works were selected in Hebbatam, Vandavagili, Chinnahyata, Peddahyata, Ellarathi, Gajjehalli, Lingampalli, Suluvai and Virupapuram villages. The Andhra Pradesh government allocated Rs. 6 crore and in the names of Seshagiri, Basavappa, Eeranna, Venkateswarulu, Rami Reddy and Easwar Goud, the works were claimed to have been completed. In collusion with officials, some TDP leaders ignored quality and claimed Rs. 5 crore without completing even 45 out of the 65 works.
- While 53 works were approved and Rs. 4.58 crore sanctioned to complete them in the minor irrigation sector in Tirupuru mandal of Krishna district, only 30 works were completed though the bills were submitted and claimed for all the works and the entire amount.
- Rs. 9 lakh was allocated for the development of supply channel from Korukonda RTC bus stand to Jambupatnam Balaramaiah lake in East Godavari district. In the 2 km stretch of the canal, nominal work was done and money claimed. Less than a year later, this channel got filled with silt.
- Rs. 22 Lakh worth work was claimed to have been



### Lokesh Cronies Had a Blast

TDP founder late NTR's hometown Nimmakuru has a lake. Incidentally, the village was adopted by Chandrababu Naidu's son Nara Lokesh. A TDP leader have dug up this lake in an uncontrolled manner and siphoned off a huge amount in the name of development. After getting Rs. 8.5 lakh sanctioned from the government in the name of desilting, he dug up the lake to an extent of 10-15 metres though it is stipulated that no excavation can go beyond 3-4 metres. He sold the soil thus excavated to make huge sums of money. The leader in question made over Rs. 70 lakh in this fashion.

### Infighting in Ruling Party

Neeru-Chettu Programme has led to differences between ruling party leaders. Cracks have developed over digging up and soil excavation work in various parts, finally resulting in transfers and sacking of a few people. In Kancherlapalem of Tenali mandal in Guntur district, excavation work was taken up on a lake bed spread across 5 acres. More than 5,600 truckloads of sand were carted away and sold for Rs. 600 a truck. Without the involvement of the TDP sarpanch Katevarapu Niramalakumari, local MPTC Kotha Tulasi's husband made a clean fortune of Rs. 35 lakh. They built a fence-like structure with Rs. 6 lakh around the lake which infuriated the group supporting the sarpanch. As a result, the secretary of the gram panchayat had to be transferred and the field assistant was relieved of responsibilities.

done in the year 2016-17 with respect to Chodavalli lake in Achyuthapuram mandal of Visakhapatnam district. Half of the soil was assigned to the embankment of the temple land of Chodamambika and the remaining quantity of sand was sold for a huge amount. The work was undertaken by MLA Panchakarla Ramesh Babu's follower Vegi Mahesh. There is no basin under this lake, but work was undertaken merely to excavate soil from the lake bed and Rs. 30 lakh was siphoned off in the bargain by selling the soil.

- Under the Neeru-Chettu programme, Rs. 1.6 crore were sanctioned in the year 2016-17 for work related to Peda Cheruvu in Vizianagaram, the work was undertaken by MLA Meesala Geetha's sister without calling for tenders. Sixteen works were taken up by the MLA's sister, but more than 50 lakh rupees were misused in the work.
- Rs. 9 lakh worth was done under Neeru Chettu programme in the year 2015-16 with respect to repair work of Hanuman Cheruvu in Karasanapalli Panchayat of Panjani mandalam in Chittoor district. Instead

# Rs. 21,000 Crore

## Siphoned Off in Power Purchases

Power Purchase Agreement with Simhapuri Energies  
for 12 Years at the Rate of Rs. 4.80 per Unit

Rs. 21,000 Crore Burden on Discoms

Elaborate Plan to Ensure that CM's Aide Gets the Loot

Andhra Pradesh government has approved the purchase of power from Simhapuri Energies owned by Nama Nageshwara Rao, former MP and Chandrababu Naidu's close associate. The government approved the purchase of as much as 400 MW power from this private wind power company.

The AP government did not bat an eyelid before agreeing to Rs. 4.80 per unit, which is unheard of in any market. Moreover, it went in for a power purchase agreement for a period of 12 years. This decision of government has burdened the Discoms, the regional power transmission companies, to the extent of Rs. 21,000 crore.

Discoms vehemently opposed the decision. Experts of the field raised objections before AP Electricity Regulatory Commission as the AP had surplus power and questioned the need to buy additional power at such a high rate. However, the APERC hastily concluded its public hearing, which was more of a ritual, in Hyderabad. On August 10, 2018, the Power Purchase Agreement was signed.

### Kickbacks from Simhapuri

Discoms initially had overestimated the demand for power supply in AP, assuming that a number of industries would be attracted to the state. They prepared to buy electricity from private operators and tenders were called for the purchase of 400 MW of power in January 2016. Simhapuri came forward to supply power at the rate of Rs. 4.35 per unit.

However, it is pertinent here to note that the state already had surplus power. Electricity prices had fallen in the open market. In this background, there was widespread criticism against the government's decision to purchase power from Simhapuri at a steep price. Discoms have started expressing their objections from

this time.

There was all-round criticism in the public hearing conducted by the APERC on the matter. The principal secretary of the Department of Energy, Andhra Pradesh, wrote to APERC in November 2017 that the government would reconsider its decision on buying power from Simhapuri.

Following this, the matter was not taken forward. However, in August 2018, the Energy Department has changed its mind and wrote to the APERC informing its latest decision to go ahead with buying power from Simhapuri, which had participated in the tendering process. Interestingly, while Simhapuri had quoted Rs. 4.35 per unit at the time of bidding, the government agreed to buy power at Rs. 4.80 per unit. The APERC quietly wound up its public hearing on this matter and

### Where's the Need for Power Purchase?

AP produces 67,948 million units while the demand is for 57,018 million units. In other words, there is a surplus of more than 10,000 million units as of now. Discoms indeed requested the AP Power Generation Corporation (APGenco) to stop its production and sell surplus power in the open market. However, not a single unit was sold in the open market outside the state.

The government is supporting private players at the cost of APGenco which is being asked to curtail its production. Genco's production has to forego about 10 million units a day on account of the purchase of power from Simhapuri. Not only will the government end up spending more from the exchequer by paying Simhapuri a higher price, but its decision will also affect Genco's production and thereby cause steep losses to the state.

# Rs. 12,332 Crore

## Nomination Domination

Works Awarded Directly to Companies that Offered Commissions

Finance Department Objections Ignored Cabinet Resolutions Overturn Wrongs

<b>Irrigation Dept.</b>	<b>Rs. 9,125 Crore</b>	<b>Krishna Pushkarams</b>	<b>Rs.254 Crore</b>	<b>Total Rs.</b> <b>12,332.3</b> <b>Crore</b>
<b>Panchayati Raj Dept.</b>	<b>Rs. 1,921 Crore</b>	<b>Godavari Pushkarams</b>	<b>Rs.57 Crore</b>	
<b>Rural Water Supply Dept.</b>	<b>Rs. 350 Crore</b>	<b>Energy Dept.</b>	<b>Rs.50 Crore</b>	
<b>Education Dept.</b>	<b>Rs. 320 Crore</b>	<b>APSRTC</b>	<b>Rs. 30 Crore</b>	
<b>Marketing Dept.</b>	<b>Rs. 225 Crore</b>	<b>R&amp;B Dept.</b>	<b>Rs. 30 Crore</b>	

### GOVERNMENT OF ANDHRA PRADESH

#### ABSTRACT

WRD - PIPRMC- Package No. 7-Earth Work excavation, forming embankment and construction of CM & CD work including investigation, designing and estimation of PIRMC from Km 156.500 to Km 174.000- Estimation of canal in new alignment including excavation and formation of embankment, lining and CM & CD works in the U/s of Balerao tank to entrust the work to the existing agency M/s BSCPL Infrastructures Limited Orders – Issued.

#### WATER RESOURCES (PROJECTS.I A2) DEPARTMENT

G.O.MS.No. 9

Dated: 27-01-2017

Read the following:

From the ENC,PIP, Dowlaiswaram, Lr.No. ENC/PIP/DCE/OT1/AE1/RE/RMC, dated, 08-05-2016, 03-09-2016 and 15-11-2016.

3. The Engineer-in-Chief, Polavaram Irrigation Project has, therefore, requested for according necessary approval for taking up the work for an amount of Rs.56,45,96,650/- and also permission to entrust the above work to M/s BSCPL Infrastructures Ltd. with

*GO. 9, which shows Rs. 56.4 Crore worth Polavaram Project awarded contract to BSCPL Infrastructure on nomination basis*

### GOVERNMENT OF ANDHRA PRADESH

#### ABSTRACT

WRD- PIPLMC – Package No.5 -Conducting detailed investigation, Preparation of Hydraulic Particulars, Designs and Engineering, preparation of Estimates and excavation of Main Canal formation of banks including canal lining and Construction of CM & CD works of Package No.5 from 93.700 to 111.000 + 487 m – Deletion proposals of balance work from original contractor M/s Sabir Dam & Water Works Construction Company, Hyderabad under 60 (c) of PS to APDSS– Entrustment of the balance works to M/s PSK-HES(JV) –Orders-Issued.

#### WATER RESOURCES (PROJECTS.I A2) DEPARTMENT

G.O.Ms.No.113

Dated: 30-11-2016

Read the following:

- 1) From the ENC,PIP, Dowlaiswaram, Lr.No.ENC/PIP/DCE2/OT.2/AE4/Package-5/05, Dt:26-09-2016 and 23-10-2016.
- 2) Govt Memo.No. 19052/43/2016-PROJECTS-I-WRD, dated. 01-11-2016.

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- 4) Entrusting the deleted portion of work of Rs.142.88 Crores to the new agencv M/s PSK- HES

*GO. 113 which shows Rs. 142.88 Crore worth contract awarded to PSK-HEL (JV) on nomination basis.*

**Rule:** Contracts should be given on nomination basis only during natural disasters such as cyclones and drought, which require a war footing response. In such cases, an Executive Engineer level official can assign the works worth Rs. 1 lakh or below and the Superintending Engineer level official can assign the works worth Rs. 5 lakh or below.

**Deviation:** Once in power, Chandrababu wanted to give village tanks desilting and repair works under Water and Tree scheme to his party men on nomination basis on the pretext of speedy completion of works. For this, he increased nomination works relaxation up to Rs. 10 lakh.

**Breach:** In all irrigation projects, from Polavaram to Neeru-Chettu, the nomination has become the

overruling principle. With its help, the Chandrababu government has institutionalized large-scale corruption in a very elaborate manner. The government first gives the contracts to its chosen companies on nomination basis without obtaining the requisite administrative approvals. When the Finance Department refuses to pay the bills citing the absence of administrative approvals, the government obtains the approval through a cabinet resolution. In return, the companies of proxies which bagged the contracts would give huge kickbacks to the CM. In the last three years, Chandrababu gifted contracts worth Rs. 12,362 crore to his favoured companies through nomination route. Using the same method, he struck more deals with his benamis and gifted them the Krishna push-

karams contracts worth Rs. 254 crore. In Madakasira branch canal of the HNSS, though there was no need for another lift (in 52A package), the CM has helped the contractor make another Rs. 52.41 crore by adding it. Thus, he has been giving away thousands of crores worth contracts on nomination basis in return for huge bribes.

### **Babu's Obsession with 'Nomination'**

Chandrababu Naidu has made thousands of crores of rupees by awarding the contracts of Food for Work and Neeru-Meeru (Water and You) schemes on nomination basis when he was the CM between 1995 to 2004. He now has weaponised the nomination method into a much bigger channel of corruption and awarded high-value contracts on nomination basis with total impunity.

During 2014-15, 2015-16, 2016-17, he gifted Neeru-Pragati (Water and Progress) scheme works worth Rs. 2,465 crore to his party leaders on nomination. In 2016-17 alone, he awarded the contracts worth Rs.1,238 crore to his party leaders on this basis. He awarded most of the Polavaram works through this route with the pretext to complete the project at the earliest. The work of 6th and 7th packages of Polavaram right canal ( worth Rs. 578 crore) were given to BollineniSeenaiah, a close associate of Chandrababu, on nomination basis. The 5th package of the left canal work (of Rs. 142.88 crore) was gifted to Putta Sudhakar Yadav, a TDP leader and relative of the finance minister Y. Ramakrishnudu. Chandrababu used Transstroy as a front company to give Rs. 5,535.41 crore worth contracts to companies such as Putzmeister, Penta, Bauer, L&T, Bekain, Keller and Triveni against huge kickbacks from them.

### **Rs. 1,921 Crore in Panchayati Raj Dept.**

In Panchayati Raj Department, the contracts of cement roads, Anganwadi buildings and Mandal Parishad and Nagara panchayat office buildings were given to TDP leaders on nomination basis. The value of these contracts is a whopping Rs. 1,921 crore.

### **Rs. 350 Crore in Rural Water Supply Dept.**

In the Rural Water Supply Department, about Rs. 350 crore worth contracts of drinking water

equipment maintenance were given to TDP men on nomination basis.

### **Rs. 320 Crore in the Education Dept.**

The Education Department has got Rs. 2,600 crore SSA funds. Using these funds, the TDP government gave Rs. 320 crore worth contracts to its favoured companies on nomination basis. The break-up of the contracts is- Rs. 180 crore for uniforms, Rs. 30 crore for teaching aids, Rs. 25 crore for the tabs for DEOs and the DDEOs, Rs. 30 crore for school furniture, Rs. 20 crore for library books, Rs. 30 for digital classrooms and Rs. 5 crore for solar equipment in KGBV schools.

### **Rs. 225 Crore in Marketing Dept.**

The chairmen of the market yards have been swallowing the revenues of these institutions. Now, they have found a route for money making - the contract works of the market yards. The ruling party leaders have bagged almost all the contracts in 191 market yards, spread across the state. These market yards have Rs. 500 crore income and give works worth Rs. 100 crore every year. Two-thirds of this works, i.e. Rs. 75 crore-worth works are being awarded on a nomination basis. That means the works worth Rs. 225 crore were given directly to party leaders in the last four and half years, against huge commissions.

### **Rs. 50 Crore in Energy Dept.**

In Energy Department, three contracts- Rs. 25 crore contract for interior decoration in AP Vidyt Bhavan in Vijayawada, Rs. 5 crore earthworks for power transmission lines and Rs. 20 crore miscellaneous works in Discoms- were given on nomination basis.

### **Rs. 30 Crore in APSRTC**

A total of Rs. 30 crore RTC works were awarded to TDP leaders on nomination basis. The RTC has collected Rs. 60 crore cess, Rs. 1 from each ticket, from ordinary passengers and gave away Rs. 30 crore to TDP leaders on nomination basis. These works have gone to the relatives of the AP's present DGP and then RTC MD NanduriSambasiva Rao. The Rs. 14 crore worth RTC House construction contract was also given on nomination basis.

# Rs. 11,625 Crore Gone with the Wind Power!

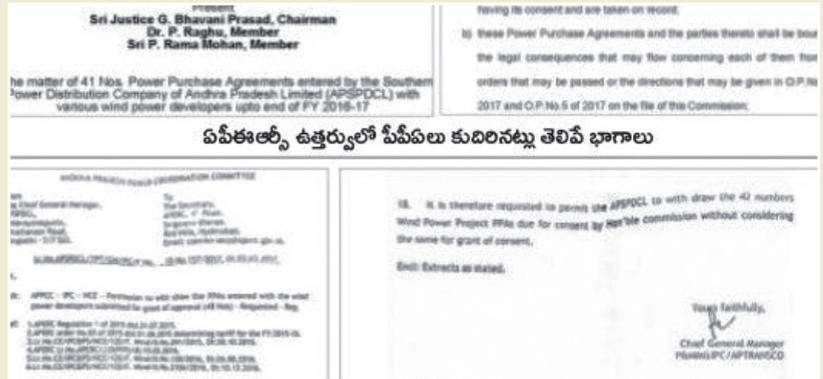
## AP Government Gives Green Signal to 41 PPAs Even When Not Needed

The hasty manner in which the Chandrababu Naidu's government bought wind power has stunned the power sector observers. The experts wrote to AP government on March 3, 2017, expressing their reservations about wind power purchasing agreements due to their excessive price. Though the government stepped back at this point, it turned out later that it was only a temporary move.

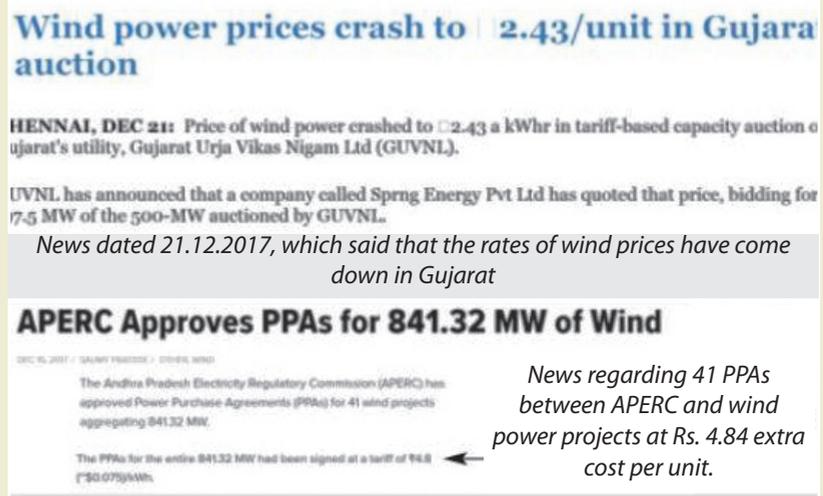
The government eventually gave its green signal to power purchase agreements (PPAs) of wind power and purchased it at more than twice the cost. Why did Chandrababu Naidu permit PPAs at such high costs when wind power was available for a lower cost in Gujarat? Was there a shortage of power in the state? No. Was there a possibility of power shortage in near future? Even this seemed unlikely. What was the hidden reason behind these regular purchases?

### Nod for 41 PPAs...

Overruling the advice of electricity experts, the Andhra Pradesh Energy Regulatory Commission (APERC) went ahead with its permission to 41 PPAs. The demand for electricity had neither on rise nor there any shortage. When the state government went in for private wind PPAs in spite of higher costs, questions were raised. It is learnt that the Chief Minister was behind this decision. He gave consent for the PPAs despite serious objections



Letter from the Chief General Manager of APSDCL to APERC Secretary dated 03.03.2017 permitting wind power projects' PPAs.



News regarding 41 PPAs between APERC and wind power projects at Rs. 4.84 extra cost per unit.

raised by the Energy Department. The AP government behaved in such an unbelievable fashion, despite is a weak financial condition, while neighbouring states such as Karnataka have refrained from entering into such loss-making PPAs and buying power from cheap sources.

## Even When a Unit is Available for Rs. 2.43

Over 6,000 million units of wind power are generated in Andhra Pradesh each year. It was only after 2014, the wind power sector has entered into a competitive phase. As a result, the rates of wind power have eventually come down across the states. When SECI (Solar Energy Corporation of India) called for open bids in Gujarat, the wind power companies came forward to provide 500 MW wind power at the cost of Rs. 2.43 per unit. Spring Energy Pvt. Ltd. and KP Energy Ltd. offered this competitive price. In other words, wind power can be bought at this rate. The Andhra Pradesh government, however, got ready with PPAs for the purchase of power at Rs. 4.84 per unit. This shows that the government is prepared to pay Rs. 2.41 more per each unit!

## Surplus Loot of Rs.11,625 Crore

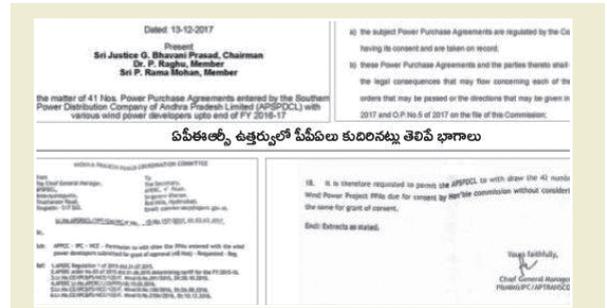
The state government instructed the power supply companies to go in for PPAs for 25 years. It would buy 840 MW of wind power through 41 PPAs and a megawatt is equal to 2.3 million units. That means the wind power companies would thrust 1,932 million units of power upon the Discoms. With Rs. 2.41 being paid additionally per unit, the government would have to make an additional payment of Rs. 465 crore every year, and it would total to Rs.11,625 crore for a period of 25 years.

## Huge Kickbacks

Why the AP government was so keen on paying an additional Rs. 11,625 crore without going through the process of competitive bidding? The buzz is that huge kickbacks had been involved in this transaction. It is believed that the AP State Coordination Committee on Energy/Electricity, which had raised objections earlier, gave in to high-level pressure and lent its consent. It is learnt that it was after private power suppliers met the chief minister that the approval for the purchase of wind power was given.

## Where is the Need for Additional Power?

While 57 thousand million units was the estimated demand in 2017-18, the actual power utilization never went beyond 52 thousand million units. The estimation for 2018-19 also at around 61 thousand million units. APGenco's thermal and hydel units are ready to meet this demand.



*Letter from APSPDCL Chief General Manager to APERC secretary seeking permission for PPA with wind power projects.*

On an average, the state has a demand of 156 million units per day. Out of this, 96 million units of power can be generated through thermal units. Another 48 million units are being purchased from the centre at a very low cost. Hydel units have the scope to generate up to 17 million units. Thus, the overall cost of per unit cost of the power can be kept below Rs. 3.50. Pooling all these sources, indeed, the state can have 5 million units excess. The question as to why the AP government would want to buy additional power when there is no demand has been going unanswered.



# Rs. 1,031 Crore 'Temporary' Robbery

Chandrababu spent Rs. 1,151 crore for a building that is supposed to be completed within the budget of Rs. 120 crore. Instead of spending Rs. 2,000 per sq. feet, he had splurged Rs.19,183. Despite the hefty expenditure, the building couldn't endure even a small rain and has literally become a strainer.



The temporary secretariat building was in water due to a small rain; and its collapsed wall.

Chandrababu government has built a temporary secretariat at an extravagant cost of Rs.19,183 per sq. feet. When the world was stunned at the CM's wasteful spending, his stooges have praised him of having the 'world class' ambitions.

The opposition's cry that the temporary secretariat was only a stop-gap arrangement and didn't deserve such a hefty investment had fallen on deaf ears. However, finally, the opposition stand vindicated when a small rain turned the temporary building into a strainer and rainwater could be seen in all the rooms. This rain has proved that the hefty investment that supposedly gone into the building construction had actually gone into Babu's pocket.

In the temporary secretariat, the CM Block, the Assembly and Council buildings and the buildings for different departments to be built in six lakh sq. feet space in G+1 model. The construction contract was

awarded to Shapoorji Pallonji and L&T. Generally, maximum of Rs. 2,000 could be spent on a sq. foot to construct such buildings and the total cost couldn't have crossed Rs. 120 crore. Several builders are of the opinion that even the most luxurious building doesn't need more than Rs. 5,000 per sq. foot. This cost includes the air conditioning facilities and interior decoration, among others. Going by the construction quality and the facilities available in the temporary secretariat, it wouldn't have cost more than Rs. 2,000 a sq. foot.

The government has already paid Rs. 281 crore for the construction of the building and sent proposals to CRDA for payment of another Rs. 370 crore. The government sought Rs. 500 crore more for the developing of greenery and water distribution system. That makes the total bill for the temporary building at Rs. 1,151 crore, the cost an sq. feet at Rs. 19,183. This episode shows the extent of Chandrababu's corruption.

## Steady Hike of Estimated Cost

According to the first estimate, the temporary secretariat building at Velagapudi village should have been completed at the initial cost of Rs. 181 crore, which was already on the higher side. However, CM Chandrababu and Urban Development Minister, Narayana argued that if the building had to be completed by June 2016, to shift the employees, only Shaporji Pallonji and L&T were capable of completing the task in time. They also increased the estimated cost by another Rs. 40 crore on the pretext of the need to complete the building on a war footing. With this decision, they have shot up the estimated cost to Rs. 221 crore. However, the works were not completed by June 2016. Chandrababu and Narayana have personally supervised the construction work and finally completed; only for the heck of it. Still, the buildings of the CM Office, Assembly and Council were not completed. They increased the estimated cost again by another Rs. 60 crore and paid Rs. 281 crore.

Still, their greed was not satisfied. This time, they have made CRDA send proposals to the Finance Department for another Rs. 370.69 crore. Besides these amounts, another Rs. 500 crore will be spent on roads, greenery, drinking water pipeline from Tullur lift irrigation scheme and other buildings. They have taken the estimated cost from a mere Rs. 120 crore to Rs. 1,151 crore only to pocket Rs. 1,031 crore.

## No Quality...Only Corruption

The state government bureaucrats themselves concede that the temporary secretariat was fraught with corruption. The walls of General Administration Block, from which the CM operates, have already developed cracks. The condition of the lifts and bathroom fixtures speak volumes about the quality of the construction. The employees are totally unhappy about the quality of their new building. Everybody is surprised when they come to know that their CM had spent Rs. 19,183 per sq. feet of this building!

# Rs. 9,000 Crore

## Scam in Tenders for Permanent Buildings

Preliminary Cost estimates - Rs.9,000 Crore  
Rules bent to facilitate two-fold Increase for kickbacks

The AP Chief Minister has now eyed the permanent buildings' complex in Amaravati, after having lined his pockets heavily with kickbacks from his crony contractors whom he awarded the contracts of the temporary building for the secretariat, the assembly and the legislative council. To award these contracts without any hitch, the CM had altered the tender rules and eventually gave them the power to hike the estimated costs.

According to the plan of the Chief Minister, except the chosen contractors, nobody else can get the contracts of the permanent buildings complex worth Rs. Rs. 9,000 crore. CM is also planning to double the estimated costs so that he hid kickback too would double. He has appointed the project management consultancies (PMCs) to ensure that government rules

and regulations do not come in the way of his plans. Even the appointment of PMCs was influenced by the CM. Here is the complete story.

## Modifications to Estimated Costs

The Capital Region Development Authority (CRDA) has invited the letter of intent from the contractors who are interested in participating in the tenders for the construction of permanent buildings complex, which houses the secretariat, assembly, legislative council, Raj Bhavan, High Court and the residences of the CM, ministers, MLAs, MLCs and the government officials.

The CRDA had provided estimations for the construction of 1,02,89,003 sq. feet space- based on the designs provided by the Fosters Partners- to the

contractors and make changes according to their feedback. However, later, with a sudden decision, the government announced that the companies that participated in the pre-bidding process alone are eligible to participate in the tender bidding process of the permanent building's complex!

### **Tender Rules Tweaked to Suit Eligibility of Coterie Contractors**

Generally, once a project's internal estimated cost is determined, the tenders would be called as per the EPC or LS Open method. (Engineering, procurement and construction or Lump Sum Open). However, the Chandrababu-led government, in this case, introduced a whole new method. The government asked interested contractors to submit their proposals for the parts of the building's complex that they would like to construct.

However, it has imposed four conditions. They are: 1. the company must have been into the civil engineering business for the last 10 years. 2. In three between 2012-13 and 2016-17, the company must have undertaken either three projects of similar nature worth Rs. 400 crore each or two projects worth Rs. 600 crore each or one project worth Rs. 800 crore 3. The company must have designed and constructed the buildings in not less than 10 lakh sq. feet. 4. It must have annual profits of Rs. 300 crore in the last 10 years and have minimum Rs. 300 crore cash deposits in the bank. Close scrutiny would reveal that all these conditions were imposed to suit the

coterie contractors of the Chief Minister.

### **Rs. 50 Crore to Each PMC**

In parallel to the tender of permanent building complex, government has also invited tenders for the PMCs. These PMCs will have to monitor the construction of the buildings of state secretariat, HoDs quarters, Raj Bhavan, official residences of CM, Speaker, legislative council chairman, ministers, chief justice of the high court, high court judges and officials. Every building would have its separate PMC. These tender notifications too were tweaked to ensure the appointment of hand-picked PMCs.

It is pertinent to point that PMCs play a key role right from the stage of submitting estimated costs of the proposed complex to handing over the buildings on the completion of the job.

From the fact that the quality of the temporary secretariat, assembly and council building was anything but satisfactory even after hiking the costs from Rs. 358 crore to Rs. 1,030 crore, one can gauge the scale of kickbacks that CM got. It was decided that the construction of permanent building complex should be completed by December 2018.

However, CRDA officials themselves were never sure as to how long this project could take as well as the prospective growth of the estimated costs from present Rs.9,000 crore! Only one thing is certain about this project. It is another milch cow for Chandrababu Naidu, probably the most corrupt Chief Minister in the country.

## **Loot in Temporary Secretariat**

### **CAG Flays CRDA in Audit**

CAG has established that large-scale corruption took place in the construction of the temporary secretariat in Amaravati. The CAG explicitly mentions that contractors have been showered with generous benefits while the treasury has been subjected to massive plunder. It has also faulted the state government for going ahead with the project and granting permissions without a proper survey or investigation. CAG exposed the manner in which the state government not only helped some contractors loot the government treasury, but also how it violated tender regulations and procedures related to

engineering and procurement-construction (EPC).

### **EPC Regulations Flouted**

CAG carried out the first audit with respect to the development of the capital region involving the CRDA in 2017-18. It was established that GO94 issued by the state government in the past clearly violated the guidelines laid down by the Central Vigilance authorities with respect to the tendering process involving the construction of six building in the temporary secretariat.

The government lent its nod to tenders of contractors whose bids were higher. It inflated the internal estimated value from what was uploaded in the initial e-procurement. Though the guidelines on the EPC

procedure are crystal clear saying that no approval can be given beyond a hike of 5%, the government openly flouted these norms. It went so far as to scrap tenders which showed a 5% hike and called for tenders again. Contractors submitted proposals designed to get them a profit of 14% in the construction of buildings in the temporary secretariat. CAG noted that the government held negotiations with contractors who had bid at higher rates violating the 5% ceiling in tenders as stipulated in Vigilance guidelines.

### Talks Instead of Cancellation!

The CRDA called for tenders splitting the job of construction of six buildings into two blocks and three packages. L&T and Shapurji Pallonji were the only two

firms to submit their proposals. These two companies hiked the internal estimated expenditure from 62% to 85% and submitted tenders accordingly.

CAG faulted the government for holding talks with the two firms instead of cancelling the tenders. CAG also raised objections on the manner in which the government hiked the excess tender percentage from 16.24% to 24.75%. CAG revealed that the government flouted all guidelines when it came to payment of bills submitted by these two companies. It also stated that the two firms in question submitted bills at higher costs violating all norms and guidelines. CAG slammed the CRDA commissioner for an excess payment of Rs. 40.80 crore under government orders to the contractors in this matter.

#### First quote estimate submitted by L&T and Shapurji Pallonji in their tenders. (Amount in crores)

	Internal value (company estimated) (1-2 blocks)	Price Quoted	Excess %
L&T	53.74	106.30	85.71
Shapurji	----	103.42	80.68
	Internal value (company estimated) (3-4 blocks)	Price Quoted	Excess %
L&T	52.89	95.86	69.81
Shapurji	-----	101.89	80.50
	Internal value (company estimated) (5-6 blocks)	Price Quoted	Excess %
L&T	53.55	92.44	62.03
Shapurji	----	98.33	73.23

#### Approvals to tenders after negotiations (prices in crores)

	Internal estimate	Approved rate	Excess percentage
1, 2 blocks (Shapurji)	53.74	67.02	24.71
3,4 blocks (L&T)	52.90	66.98	26.64
5,6 blocks (L&T)	53.56	66.98	25.07

# Rs. 8,391 Crore

## Kickbacks from Liquor Syndicates

Andhra Pradesh has a total of 4,380 liquor shops and 800 bars. To sell liquor over the minimum retail price and run their unauthorised shops, belt shop syndicates shell out crores of rupees across 13 districts. The total amount which changed hands through kickbacks in the last four and half years add up to Rs. 8,391.6 crore.

### The Break-up of Kickbacks

Rs. 3 lakh are being collected from each liquor shop per month and being passed on to bigwigs in the government. The Rs. 3 lakh includes-Rs. 1.5 lakh to sell over the stipulated MRP and Rs. 1.5 lakh to run the belt shops. Every month, a total of Rs.131.40 crore is being collected from the 4,380 shops in the state to carry out business in violation of the rules. That puts the total amount of the kickbacks collected over four and half years (54 months), it would amount to Rs. 7,095 crore.

Apart from this, Rs. 3 lakh is collected from each bar for violating trade practices by indulging in brand mixing, among other things. The total amount collected from 800 bars in this fashion would amount to Rs. 24 crore a month and Rs. 1,296 crore over a period of four and a half years through kickbacks. Excise officials claim that this business is being carried out with tacit support from the chief minister.

### Kickbacks for Ministers, MLAs Too

Liquor syndicates pass on crores of rupees to ministers and TDP MLAs for this act of selling over the MRP rate and running belt shops. One can understand the state of affairs from the fact that it was revealed at a review meeting of the excise commissioner that a minister from Srikakulam district was being paid Rs. 2 crore every month by way of kickbacks. The IAS officer in question who had worked as Srikakulam collector and later became excise commissioner made these statements at a review meeting.



### CM Signature is a Joke

One can gauge what a joke the signature of the Chief Minister has become from the fact that the principal secretary, revenue department, Sambasiva Rao's statement that belt shops still existed in the state. Though the chief minister claims that the total number of belt shops in the state has come down, the reverse is true-the numbers have gone up over the past four and a half years. Liquor syndicates have set up an efficient home delivery system as well. Godowns have been converted into belt shops. Cool drink shops and drugstores are also being used to

sell liquor, according to complaints which were made to the call centre set up by the chief minister. Excise officials who went to conduct searches to crackdown on belt shops in the CM's native district Chittoor came under attack.

### Excise Minister Minting Money

The excise minister K. S. Jawahar has been making money from the transfers of officials in the excise department. Crores of rupees have changed hands in transfers and promotions in the excise department. For a posting to one's preferred place, lakhs of rupees change hands. All this activity took place with the excise minister's peshi as the hub. Officials got postings of their choice by paying heavy bribes. For instance, a posting in Visakhapatnam district could be bought for Rs. 50 lakh. This is a reflection of the scale of kickbacks in the excise department. The excise minister Jawahar set aside the transfer rules drawn up by Principal Secretary (Excise), D Sambasiva Rao. Then, he made a total Rs. 5 crore as the graft in transfers and promotions. Setting aside the entire list drawn up by the excise commissioner, the minister transferred officers as per his whim and fancy. He promoted nine deputy commissioners and 20 assistant commissioners and 34 excise superintendents in the excise department. He also transferred these officials to their preferred districts after receiving huge amounts as bribes.

# Rs. 5,817 Crore

## Central Funds to TDP Leaders

Central Funds Released for Panchayats Rs. 11,634.37 Crore

TDP Pocketed 50% of It Rs. 5,817.18 Crore

The AP government has generously distributed the rural development funds provided by the centre amongst its party cadre. While the centre has released Rs. 11,634.37 crore, almost all of it has gone into the pockets of TDP leaders. Chandrababu Naidu has given all the works of local bodies on nomination basis to his party local leaders so that they can gain the much-needed financial muscle.

Out of the Rs. 11,634.37 crore, 50% funds came from the Central Finance Commission and the remaining 50% came from NREGS. From these funds, Rs.9,487.01 crore was allocated for concrete roads, Rs.288.14 crore for panchayat buildings, Rs.147.06 crore for Mandal Parishad buildings and Rs.12.16 crore for Anganwadi buildings. All these works were given on nomination basis to TDP leaders.

The TDP government has been constructing concrete roads in villages under 'Wada, wadala Chandranna' (Chandrababu in Each Locality) scheme from past three years. It claims of having constructed 16,810 km concrete roads under this scheme. These road works were divided into smaller contracts and distributed among the local level leaders of the ruling party

through the Engineering Division of Panchayati Raj Department. These local leaders have pocketed 50% of the funds directly and executed works with the remaining 50% amount. Thus, they have pocketed Rs. 5,817.18 crore (50% of Rs. 11,634.37 crore) between 2014 and 2017.

Generally, the Finance Commission and NREGS funds should be spent through the local bodies and Sarpanches. However, the TDP government has weakened the elected representatives of the local bodies and awarded the works to its cadre through the notorious Janmabhoomi Committees, made up of the local TDP rank and file to substitute the local bodies. These committees have rendered the elected representatives powerless and ensured that they would have no say in the granting of contracts.

Though there was an opportunity to increase labour component in NREGS works to 100%, Chandrababu government has confined it to 60% and using heavy machinery to do the work. Thus, it has deprived the rural poor of the much-needed income and caused the migration of the rural people, in search of work.

# Rs. 4,000 Crore

## Massive Scam in Energy Department

The 'Differences' in Power Purchases From Private Companies is Rs. 15,000 Crore  
The Money that Paid as the Bribe is Rs. 4,000 Crore

Under the rule of Chandrababu Naidu, the AP Energy Department has become a hotbed of corruption. According to an estimate, about an Rs. 15,000 crore scam has taken place in power purchases from the private players. From that amount, the chief minister has pocketed at least Rs. 4,000 crore.

From the beginning, the CM and his son Nara Lokesh have shown extraordinary interest in the transactions of the APTransco and APGenco, which take care of the transmission and generation of power in the state. They have micromanaged the contracts, power purchase agreements and tenders of these entities.

The CM has issued orders to purchase 2,000 MW power right after the swearing into the office; though there was no need. He has started buying power from multiple private suppliers with the pretext that the state was in need of additional power. He always preferred private power purchases-as they can get huge kickbacks- and discouraged the APGenco from

2015-16	May-15	1591.39	4093.83 (upto Aug-15)
	June-15	645.44	
	July-15	501.54	
	Aug-15	714.37	
	Sept-15	682.57	
	Oct-15	672.71	

*Purchases to 757 million units,  
the discoms have bought 13,180 million units*

increasing power generation.

The decisions of Chandrababu Naidu have caused a heavy burden on the power distribution companies (aka Discoms). Between May 2014 and October 2015, a total of 13,180 million units of power was purchased from the private companies by paying not less than Rs. 8,286 crore. Some portion of this power was bought at a record rate of Rs. 10 per unit while the APGenco could produce the same unit at Rs. 4.50. There was a discussion in the Energy Department that the CM and his son made huge kickbacks from the companies that were benefited from these questionable transactions.

# Indian Energy Exchange Laid it Bare

## 1. Aggregate Revenue Requirement (ARR) and Tariff Proposal for the Retail Supply Business for the 3<sup>rd</sup> Year of 3<sup>rd</sup> Control Period (FY2016-17)

### a) 3. Power Purchase Cost for Ensuing Year (FY 2016-17)

- **IEX Comment**

**Discom tie up power from various generators under long term PPA. There are two components to this cost that is to be paid by Discom to the generator:**

- **Fixed Charges/Capacity charges (commitment charges):** These charges has to be paid by the beneficiary, depending on the plant availability

*The letter of IEX which exposed AP Government's generosity towards private power companies.*

The Indian Energy Exchange (IEX), the country's largest power trading corporation through its letter to AP Electricity Regulatory Commission (APERC) made it clear that Chandrababu government was purchasing power at higher prices despite the availability of better options. The IEX offered the

power at the price of Rs. 1.90 per unit (during nights) and Rs. 2.71 per unit (during the day time). Despite the availability of power at lower prices, the AP Discoms have bought the power at a whopping rate of Rs. 5.11 per unit. The IEX has reported this questionable practice to the APERC.

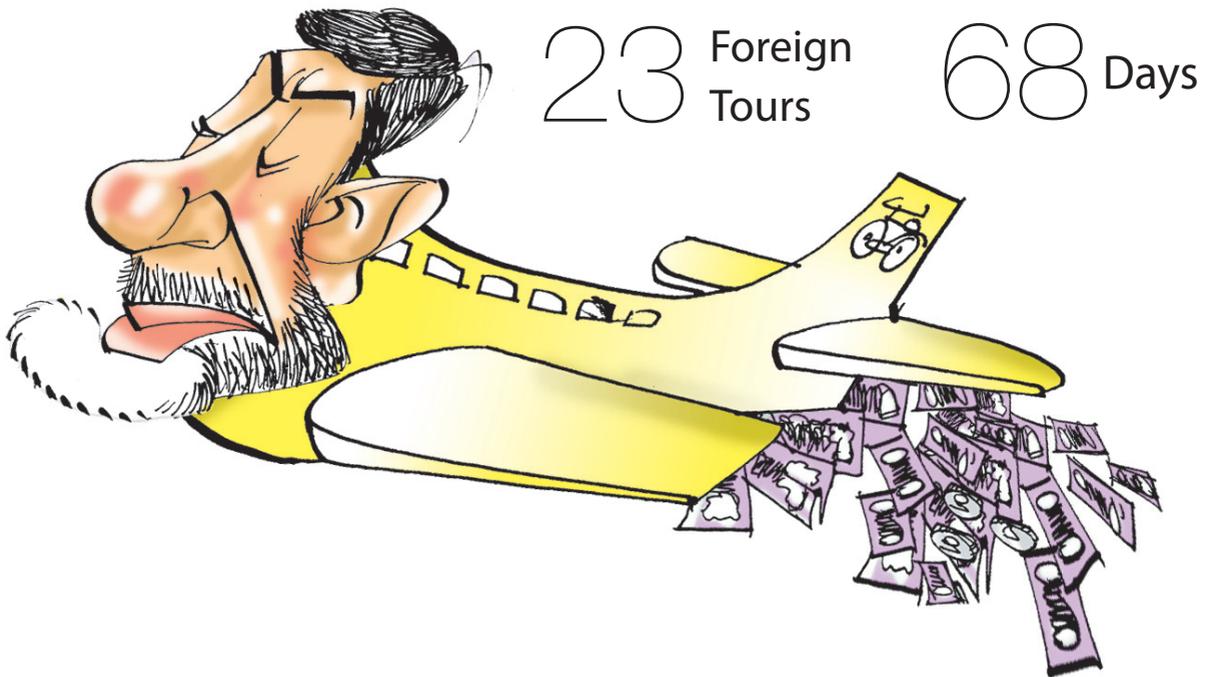
**The prices for electricity at Indian Energy Exchange for S1 Bid Area (Andhra Pradesh) were considerably low.**

IEX Price- S1 Bid Area (Andhra Pradesh) (Rs/kWh)		
	FY 15-16 (Till 9 <sup>th</sup> Mar)	Dec 2015 – 9 <sup>th</sup> Mar 2016
Round the Clock	3.77	2.71
Night Hours	2.72	1.90

In 2015-16 too, the maximum price of the power in the open market was Rs. 3.77 per unit (24 hours) while night hours it was Rs. 2.72. The IEX has questioned why the AP government could not utilize this opportunity. (The AP Discoms have placed short-term power purchase orders for more than 16,000 million units of power during this period at higher prices.)

The Discoms have proposed to buy 64,706 million units in the 2016-17 financial year. Out of this, the production of APGenco and the state share from the central grid account for 39,420 million units. The Discoms must have bought the remaining 25,286 million units from the private power companies.

Source	FY 16-17 Projection		
	Power Purchase (MU) Despatch	Costs	PP Cost
		(INR Crs)	(INR/kWh)
APGENCO Thermal	16,915	8,703	5.14
TSGENCO Thermal	6,720	2,514	3.74
APGENCO Hydel	3,241	479	1.48
TSGENCO Hydel	-	-	-
CGS	12,437	4,252	3.42
APGRCL	107	35	3.25
IPPs – Gas	3,048	1,119	3.67
NCE	4,965	2,539	5.11
Others*	16,700	6,440	3.86
Market	575	297	5.17
<b>Total</b>	<b>64,706</b>	<b>26,378</b>	<b>4.08</b>



# Chandrababu Spends Crores on Foreign Jaunts 13 Countries... 23 Trips

Investments nil...hundreds of crores of rupees burden on the state exchequer  
Chandrababu has been using only chartered planes in the last four and half years  
Goebbels campaign about 'flood of investments and jobs'

There is little truth in Chief Minister Chandrababu Naidu's statements that the state is overflowing with thousands of crores of investments and lakhs of jobs. If anything so perfect in the state, it is his life being the CM. He spent more than 68 days on foreign tours across 13 countries costing Rs. 100 crore. Most of his tours were to Singapore, China, Japan, United Kingdom, United States, Dubai and Switzerland.

It is clear that no benefits were reaped from Chandrababu's attendance in the World Economic Forum

in Davos for four years. In 2018, after the Davos Forum, Chandrababu repeated his 2017 stance on consultations with Saudi Aramco to set up an oil refinery in the State. No development was seen even after a group of representatives from Saudi Arabia were invited to the state.

The Chief Minister struck a deal on the capital city master plan with the Singapore companies. No funds were received while his statement on turning the Bhavani Island in Vijayawada in line with the famous

Sentosa Island in Singapore remained a statement. On top of it all, critics felt it was not in the best interest of the state to give away the Amaravati start-up area project to Singapore based companies.

Despite getting zero results from the Japan tour, Chandrababu announced he would introduce the Japanese language in the state universities. He said he would shape Amaravati like Shanghai when he was in China and like Tokyo when he was in Japan. On his tour to the United States, the CM said he would build an Aero City in Visakhapatnam with Templeton's support.

In the pretext of seeking investments, Chandrababu

toured Dubai in October 2017 and February 2018. Reportedly, he was party to a few financial transactions with Abu Dhabi industrialist BR Shetty. Criticism followed after Chandrababu took a halt in Dubai while returning from Davos in 2018. BR Shetty organised Chandrababu's tour and programs in 2017.

Chandrababu's trip to America on 22 September 2018 turned controversial after he announced he was invited for a talk by the United Nations Organization, but, his statement turned out to be a hoax. He indeed spoke at an event organised by a private organization that Chandrababu gave an address.

### **A Dent to the Exchequer with Chandrababu's Foreign Tours**

Chandrababu's foreign tours in the last four years were incredibly expensive, however, the state's revenue deficit never seemed to bother him. He has been using special flight and chopper, which are being parked in Gannavaram Airport. The parking charges and the hotel charges for pilots are borne by the state government. Former Chief

Secretary Ajeya Kallam wrote in his book 'Melu Kolupu' that Chandrababu uses only special flight and doesn't use regular flights. Also, the foreign tours of CRDA officials burdened the state's economy so much that a special council for foreign tours had to be formed. Even a budget of Rs. 62 crore was allotted for foreign tours and road shows!

## **Excerpts from Chandrababu's Speeches While He was on Various Foreign Tours**

**14 November, 2014**

Singapore

"Andhra Pradesh would be turned into a hub of tourism and industries. Every district will have an airport."

**24 November, 2014**

Japan

"In this tour, agreements pertaining to boosting agricultural productivity and latest equipment have been made. A 4,000 MW power facility will be set up in Srikakulam district. A joint research team of AP government and Sumitomo Corporation will seek to find new avenues for development. Food processing industries would be set up. New ways to improve agricultural productivity, scientific technology and irrigation methods would be designed. With Sumitomo Corporation's support, a world-class Capital would be built."

**20 January, 2015**

Davos

"We are currently studying the Spanish bullet train. Walmart came forward to sell 100 types of DW CRA products. Pepsico will sell the coconut water in Konaseema region. Airbus is interested in setting up a manufacturing facility of the C-295 range airplanes in the state."

**12 April, 2015**

China

"Amaravati would be built in the lines of Shanghai. The China Civil Engineering Construction Corporation would support Andhra Pradesh's works in providing basic amenities and industrial spaces. The State's railway stations would be modified to make them similar to the Beijing railway station. Co-operation in development of railways, highways, airports, real-estate and industrial corridors."

**5 July, 2015**

Japan

"Amaravati would be built in line with Tokyo. Mitsubishi Corporation is interested in setting up a research centre in Visakhapatnam."

**20 September, 2015**

Singapore

"Amaravati would be made a world-class city. Thullur will be developed in line with Singapore city. Iskandar company of Malaysia is interested in building Amaravati."

**22 January, 2016**

Davos, Switzerland

"Lockheed Martin came forward to set up a defence equipment manufacturing facility in AP. Another organization is ready to set up a Mega Textile Park worth Rs 2,000 crore. Infosys is interested in building a huge campus in Visakhapatnam."

**February, 2018**

Dubai

"The Phoenix Group will set up the largest rice mill."

**13 April, 2018**

Singapore

No announcement was made.

**11 March, 2016**

London

"A replica of The London Eye would be set up in Amaravati. Britain's King's College & Hospital would set up a 1,000 bed hospital in the State. An office would be inaugurated at London's Buckingham Palace."

**27 June, 2016**

China

"We will get bullet train to the state. In the World Economic Forum of Tianjin, we have entered into investment agreement worth Rs. 56,000 crore. A gas-based fertilizer production plant of Rs. 10,183 crore investment is going to come up near Krishnapatnam. We have another agreement to develop an international industrial park at Donakonda in 10,000 acres with an investment of Rs. 43,120 crore. More than 55,000 jobs will be created from these investments."

**9 July, 2016**

Kazakhstan

"I am touring Kazakhstan on the advice of Prime Minister Narendra Modi. Amaravati has similarities with this region. The construction of Astana is an inspiration to us. I am touring across countries to bring recognition to AP."

**11 July, 2016** Russia

"An agreement has been made for setting up a Marine University."

**6 May, 2017** United States

"Templeton organization would be roped in to develop Vizag."

**October 2017**

London, Dubai, America

"I had toured Chicago, Iowa and New York in America tour. 70 IT companies are interested in setting up companies in AP. They will cater to 8,000 jobs. With the \$550 crore worth Aero City, 20,000 people will get jobs. The Al-Arfaj Group is ready to set up a petro-chemical complex and an LNG terminal."

**22 Spet, 2018**

Unites States

Chandrababu's trip to America turned controversial after he had announced he was invited by the UN to give an address on UN."

# Rs. 23.72 Crore

## Cost of Babu Propaganda

Cost of Holy Dip at Krishna Pushkarams - Rs. 2.41 Crore

Cost of events in Guntur District - Rs. 2.41 Crore

Cost of Maha Sankalpam Event- Rs. 3.05 Crore

The costs of Chandrababu Naidu's daily tours and events would send anybody's head spinning. He spent crores of rupees on the ceremonies and events that could be completed with thousands of rupees. Any activity is today being turned into a mega event with its cost running into a few crores. For a single holy dip at Krishna pushkarams, he has spent a mind-blowing Rs. 2.41 crore. In Guntur district alone, the Chief Minister has spent more than Rs. 18,26,73,821 on the inaugural ceremonies, conferences and other events.



### Cost of the CM's Activities in Guntur District (In Rs.)

Event	Cost
Chandrababu dip at Krishna Pushkarams	2,41,91,500
CM' visit of Kotappa Konda	29,16,199
Dharma Porata Deeksha	99,29,331
Mahasankalpa Deeksha at Nagarjuna University	3,05,03,702
Teachers' Day at Police Parade Grounds	59,81,116
Janam Bhoomi - Our Village	95,81,559
Great Confluence of Rivers	
Krishna and the Godavari	21,61,331
Inaugural ceremony of AIIMS at Mangalagiri	57,04,463
Water and Tree Programme	62,05,927
Capital City Inaugural Ceremony @ Uddandarayunipalem	5,13,75,434
Inaugural Ceremony of Govt. Offices Complex @ Velagapudi	13,61,802
Inaugural Ceremony of Assembly Building	28,28,162
Inaugural Ceremony of Administration Building in the Capital	71,23,284
Inaugural Ceremony of Start-up Area Project	25,71,450
Event in Narasaraopet and Sattenapalli constituencies	59,63,959

# Rs. 2,615 Crore

## Chandrababu's Splurge in Four Years!

Crores of Rupees Spent on Phony Events  
Political Meetings Funded from State Exchequer  
Costly Renovations to Official Residences, Special Flights  
Hungama in the name of Janmabhoomi Meets,  
Nava Nirmana Deekshas and Happy Cities Summit  
Expenditure on Temporary Secretariat  
and Other Facilities Reached to Rs. 1,100 Crore

Despite the State's revenue deficit, Chief Minister Chandrababu Naidu is in no mood to control his unnecessary expenses. In the last four years, Chandrababu has spent Rs. 2,615 crore on luxuries and promotional events, which have not benefitted the state in any possible way.

Chandrababu must be the only Chief Minister to have conducted promotional events despite zero progress. Now, at the expense of hundreds of crores, the Real Time Good Governance helpline number 1100 is being promoted. Instead of reducing the expenses and wastage, the Chief Minister himself is spending large sums of money on his personal luxuries despite revenue deficit in the last four years.

While seeking donations for building Amaravati, Chandrababu is spending public money for personal promotions. After opting out of NDA, Chandrababu took a U-turn, refused to take special package and restarted his demand for the Special Category Status (SCS). The TDP chief is spending public money for political meetings in the name of 'Dharma Porata Deeksha' for the SCS.

Not a single permanent structure has been built in Amaravati despite spending more than Rs. 100 crore on three inaugural ceremonies of the

capital city. Additionally, the budget for temporary Secretariat was increased to Rs. 1,100 crore from an initial budget of Rs. 300 crore in the name of repairs and other developments.

He has spent Rs.100 crore for renting out chartered flights and choppers to visit districts and other states. For three investor summits, Chandrababu wasted Rs. 150 crore, still failed to attract a single sizable investment.

On the other side, Chandrababu turned the Janma Bhumi meetings into promotional events although they were said to be conducted for addressing public issues. So far, Rs. 125 crore on five of such meetings. Every year, Rs. 20 crore is being wasted in the name of the 'Nava NirmanaDeeksha' on the formation day of state. This year, Rs. 61 crore was spent on an event named 'Happy Cities Summit'.

For facilitating travel of people for visiting the Polavaram project, Rs. 22.50 crore was spent. After spending Rs. 250 crore for laying the foundation stone in Amaravati, the Chandrababu government further spent Rs. 100 crore for conducting events for the administrative city, seed capital and inaugurating Highways. Yet, no construction was carried out in the capital city.

## Chandrababu's Unnecessary Spending- Details

Special Flights and Chopper Travel	Rs. 100.00 crore
CM Office in Hyderabad (L-block)	Rs. 14.63 crore
CM Office in Hyderabad (H-block)	Rs. 6.29 crore
Lake View Guest House (Hyderabad)	Rs. 9.47 crore
CM Office Furniture	Rs.10.00 crore
Madinaguda Farmhouse & Rented House in Jubilee Hills	Rs. 04.37 crore
Irrigation Guest House, CM Camp Office in Vijayawada	Rs. 42.00 crore
CM's Special Bus	Rs. 05.50 crore
First Inauguration of Amaravati	Rs. 250.00 crore
3 inugurations of Amaravati	Rs. 100.00 crore
Consultants for Amaravati construction	Rs. 300.00 crore
Temporary Secretariat, other repairs	Rs. 1,110.00 crore
Amaravati Master Plan	Rs. 115.00 crore
Janma Bhumi Programs	Rs.125.00 crore
Nava Nirmana Deeksha	Rs. 80.00 crore
Road Shows and Foreign Tours	Rs. 120.00 crore
Polavaram Bus Tour	Rs. 22.50 crore
Happy Cities	Rs. 61.00 crore
Investor summits	Rs. 150.00 crore
<b>Total</b>	<b>Rs. 2,615.76 crore</b>

# Babu's Hand in AirAsia Scandal?

## Chief Minister Chandrababu Naidu in AirAsia scam too

***The AP CM Chandra Babu Naidu has once again caught on audio tapes. While last time he was caught red-handed in Cash for Votes scam, his name has come up this time in the tapes of AirAsia scandal. His name has come up- along with the name of Ashok Gajapathi Raju, former aviation minister- in the audio tapes of the calls between the Malaysia-based AirAsia group CEO Tony Fernandes and the former CEO of AirAsia India Mittu Chandliya. These tapes, which were reviewed by the Business Today daily, have shown how Chandrababu Naidu has become a person to go for the corporates to secure favours.***



In the AirAsia tapes, Tony Fernandes who was worried about the slow progress of AirAsia business in India had instructed the group country CEO to do play 'dirty' to get permits for international routes. Mittu replies to him saying he knew exactly the person who could help them with the five-year rule and boasts about his closeness to the then aviation minister Ashok Gajapathi Raju. Mittu further tells Fernandes that if they could play nice with Chandrababu Naidu, they would get everything. This discussion about the possible role of the AP CM and his party minister has raised quite a few eyebrows.

### **AirAsia Scandal**

Malaysia-based budget airliner AirAsia has entered the Indian aviation market in collaboration with Tata group in 2014. However, then, the licenses of international routes were given to the airlines that have five years-experience in the domestic market and 20 planes. This was called as 5/20 rule. The new entrant AirAsia had heavily pressurized the civil

aviation ministry for withdrawal of this rule. However, the existing airlines such as Spice Jet and Jet Airways successfully resisted the AirAsia's demand.

Still, the 5/20 rule was dropped in June 2016, as then civil aviation minister Ashok Gajapathi Raju had favoured its removal. He allowed all the airlines that have 20 planes to go international irrespective of their experience in the domestic market. This decision has heavily benefitted AirAsia and Vistara Singapore Airlines. Thus, AirAsia- which has started its operations only two years ago- could secure licenses for international routes.

### **Scandal Busted**

The internal strife in Tata Group between Ratan Tata and Cyrus Mistry brought this scandal out. The ousted Chairman Mistry had alleged that AirAsia had spent about Rs. 22 crore to get the international route licenses. These allegations prompted the Enforcement Directorate (ED) into action and the ED

officials had questioned MittuChandilya in March 2017. Then CBI has further probed the allegations and filed cases against Fernandez and several other officials of the company. The AirAsia has paid Rs. 12.28 for its lobbying contract and the CBI is of the opinion that this amount was used to bribing the Indian officials.

## Hyderabad-Based Scandal

Proofs show that entire scandal has taken place in Hyderabad. Reportedly, the AirAsia board meeting was convened on March 21, 2015, in Hyderabad Novotel hotel to rope in Singapore-based HNR Trading Pte. Ltd. to lobby for the favours. Money Control website has published the AirAsia board of directors' decision- which was taken in this meeting- to appoint the lobbyist HNR Trading Pte. Ltd. for lobbying.

Tony Fernandes instructed to have a local person for lobbying and Rajendar Dubey of HNR Trading was selected for the task. By then, Chandrababu Naidu was still based out of Hyderabad as these developments had taken place before the Crores for Vote scandal. He changed his base to Amaravati only after the scam. All these developments point out to his possible role in the AirAsia scandal. A Malaysian company roping in a Singapore-based lobbyist in a meeting happened in Hyderabad to lobby for international routes gave rise to too many questions.

Presently, the Central Bureau of Investigation (CBI) is probing the AirAsia scandal. The CBI has established that AirAsia had bribed the Indian officials to get licenses for international routes. In the background, the leakage of conversation between the AirAsia officials and their discussion about the AP CM has become a sensation. The pictures showing the proximity between Tony Fernandes and Ashok Gajapathi Raju have made rounds in the social media. In one of those pictures, the TDP senior

leader KambhampatiRammohan Rao could also be seen.

## The Tapes

The Business Today has published a portion of the leaked audio tapes. This conversation has taken place between Tony Fernandes and MittuChandliya in presence of a prominent lobbyist Rajendra Dubey. Here is the conversation:

**Tony Fernandes:** "I am going to lose money. This is going to take a long time if we have done it the clean way. I say we do it the dirty way, but I want to get international routes faster,"

**MittuChandliya:** "Sure sir...should I do it the dirty way?"

**Tony Fernandes:** "Just do it. I was not open to doing it for the license...We are too slow. I am not going to waste another 20-30 million digging around. 3-4 million - whatever it takes."

**MittuChandliya:** "I exactly know the person who can help with the five-year rule. From the regulatory standpoint, we need an entirely different strategy. We have to go top and all the levels down."

Fernandes says that he is not going to get involved. He asks Chandilya and Dubey to negotiate because they are on the ground. "It has to be you ultimately. If you go international, I will give more planes," Fernandes tells Chandilya.

**MittuChandliya:** "Chandrababu Naidu is an efficient man. He is a potential prime minister candidate, but he is now the chief minister of Andhra Pradesh. His finance minister is now the civil aviation minister. If you play nice with Chandrababu Naidu, we will get everything...The minister told me that he doesn't want to be seen physically with me that much, but you tell me what you want. This guy is like [Narendra] Modi. It's good to have him on our side.

# Rs. 2,176 Crore

## Short Tenders for Five Towers

Estimated Cost Rs. 2,176 Crore Plans to Hike Costs for Kickbacks

The Capital Region Development Authority (CRDA) has trampled upon all the rules and regulations while calling the tenders for the construction of five towers, which it claims to be of international standards. Generally, short tenders would be invited in the times of emergency. In short tenders, only 15 days time would be given to submit the bids. In this case, already there is a temporary secretariat and there is no need to build a new office urgently and shift into it. Still, the government has called for short tenders for the permanent secretariat buildings. It has shocked everyone by doing so.



The CRDA gave 14 days time to submit the bids. The government is supposed to follow all the rules and regulations while inviting the tenders for even a small work worth Rs. 5 crore to Rs. 6 crore. In this case, the total estimated cost was Rs. 2,176 crore and yet, flouting all regulations, short tenders were called. This unusual measure indicates the massive irregularities that are taking place in the development of the capital city.

### Tenders in 11 Days?

The CRDA called for tenders for the construction of five towers for the permanent secretariat, breaking up the works into three packages on April 26, 2018. Tenders were called for towers 1 and 2 under the first package of Rs. 895 crore, towers 3 and 4 under the second package of Rs. 751 crore and CM's tower under the third package of an estimated cost of Rs. 530 crore. It was stated that the tenders could be downloaded from the e-procurement website from May 2 and submitted by May 16. In other words, bidders were given a period of just 14 days to submit their proposals. If you exclude the

holidays, you are left with only 11 working days. Construction firms are of the opinion that awarding works worth Rs. 2,176 crore within a time frame of just 11 days was unprecedented in the history of tenders.

### Denying Others the Opportunity

It is clear as daylight that the intention of the CRDA was to award these high-value tenders to a few favoured companies. If sufficient time was given, national and international companies would also have participated in the process. The short time frame was aimed at preventing the other companies from gathering data and insights of the work and preparing requisite documents. That ensures the participation of a few chosen companies that already have a backdoor deal with the chief minister. So far, all the major contracts of Amaravati have been awarded only to a few companies by subverting the tender bidding process. It was clear that the government sought to award the permanent secretariat contract also to these companies. The short tender process would knock out the other firms out of

the race and hand-picked companies would make the cut.

### Terms and Conditions

Generally, as a matter of norm, any government department would give 45-days time for submission of tender bids. In case of urgency, the time frame would be reduced by 15 days, giving them 30 days to submit the

bids. Under some special circumstances, a time frame of 21 days is given. In case of natural calamities, VVIP visits and such scenarios 21 days time would be given to complete the tender submission process. In worst case scenarios, 15 days time would be given. In the case of the construction of a project like the permanent secretariat, the CRDA giving 14 days time for the submission of tender documents was nothing but a scandal.

# Rs. 2,000 Crore Loot

## Amaravati Bonds - Total Loss To State

### The Investors are Cronies

### Franklin Templeton Gets Land at Throwaway Price

It is said that Franklin Templeton bought 62.5% of the so-called Amaravati bonds of Rs. 2,000 crore, issued by the Capital Region Development Authority (CRDA). Moreover, there were key TDP leaders behind this drama. In truth, no company invests more than 5 percent of the government bonds. If it is really attracted to the offer it could invest up to 10 percent, but no fund or company would buy an unusual 62 percent of the issued lot.

Interestingly, Franklin Templeton bought 62.5 % of the bonds and the amount of investment would be Rs. 1,300 crore. A.K Capital, another company which invested in the bonds was indeed the lead manager (arranger) and advisor of the bonds issue. However, the advisor became an investor and bought 25 percent of the bonds. The Aditya Birla group bought 12.5% stake in the bonds.

### Story Behind the Scenes

Several interesting stories are doing rounds with respect to Franklin Templeton's investment in the bonds. It is said that Chandrababu's cronies invested heavily in some of the funds of Franklin Templeton. The financial firm ploughed back the same funds in the Amaravati bonds. Thus, the higher interest being paid by the Chandrababu Naidu government goes back into the pockets of his cronies minus some charges. As part of this master plan, Franklin Templeton alone came forward to buy the bonds, hence, got the lion share. Supposedly fearing that the issue was not getting



subscribed as anticipated, A.K Capital which had been functioning as an arranger conveniently turned into an investor.

It would be pertinent to recollect that Chandrababu Naidu had allocated 40 acres of land worth Rs. 400 crore to Franklin Templeton in the Madhuravada area of Visakhapatnam, for a throwaway price of Rs. 12.8 crore

(Rs. 32 lakh per acre). While the government leased out the land to other firms for a period of 33 years, in the case of Franklin Templeton, it decided to go in for an outright sale.

Franklin Templeton's headquarters in California, US, is in not more than 10 acres. It employs 9,400 personnel all over the world with the highest number being in the USA. While it has 10 acres for its US office, in Visakhapatnam, it was allotted 40 acres at dirt cheap price against an offer of 2,500 jobs which it promised to provide.

While allocating this land, the government has set aside the suggestions of Dinesh Kumar, Principal Secretary, who said that not more than 10 acres should be allotted to the firm. In the whole of India, Franklin Templeton has just 600 employees. One can well imagine the time it would take for the company to create 2,500 jobs in Visakhapatnam. Unfortunately, this promise is not also time bound.

The interest rates in the US are not more than 4%. In India, government bonds interest would be between 7-9%. In such a scenario, Chandrababu government issued bonds which would fetch an interest of 10.32% per month and 10.78% annually. The reason behind gifting land to Franklin Templeton which invested so heavily in these bonds is not difficult to comprehend.

### From Advisor to Lead Manager/Arranger

The second company that invested in Amaravati bonds was A.K Capital, which first started off as an advisor and later lead manager, arranger. Basically, the

onus of getting investors rests upon this company. In the end, it turned into an investor and acquired 25% of the stake or Rs. 250 crore worth bonds. By investing in the same bonds that they manage, A.K Capital has flouted SEBI rules and regulations.

### Despite Electronic Platform...

In 2018, SEBI had launched an electronic platform to do away with the involvement of arrangers and the expenses incurred on their account. Entities which issue bonds over Rs. 200 crore can avail themselves of this platform to invest without the involvement of a lead manager or arranger. This arrangement helps reputed firms. In such a scenario, investors should queue up lured by the high rates of interest. In this case, however, the lead manager was picked by the Chandrababu Naidu himself, paid heavy fees and hand-picked investing firms to the part which clearly points to the underlying conspiracy behind the entire matter.

### Covering up Irregularities with Lies

There's not a grain of truth in the government's claim that it had maintained the complete transparency in the issue of Amaravati bonds. The public had no access to invest in the bonds. Under duress, the AP government said that about 59 members had invested in the bonds while revealing the names of just three investors-Franklin Templeton, Aditya Birla and AK Capital. Scrutiny revealed that 95% of the stake is held by Franklin Templeton and these two other entities under various schemes.

## GO Violated!

The GO spelt out clearly that the government should stand guarantee to Infra bonds only if the interest rate is below 6% and 8% if loans are borrowed from government institutions like HUDCO. The government should stand guarantee if funds are raised through bonds only if the interest rates are lower than term loans offered by commercial bonds. Currently, the base rate offered by SBI is 8.95%. However, finance department officials point out that offering an interest rate of 10.32% on Amaravati bonds with the government standing guarantee is in gross violation of the terms of the GO.

Normally, there would be no reason to suspect the Aditya Birla group, which holds a 12.5% in Amaravati bonds. However, there is room for suspicion because both the companies (AK Capital and Aditya Birla) have a common director. Subhash Chandra Bhargava, a director on the AK capital Board is also a director on the Boards of AB Nuvo, AB capital, AB Sun Life pension, AB financial services and AB My Universe Ltd. Quite a few stockbrokers say that this director is closely associated with a top government functionary in Andhra Pradesh government.

# Rs. 1,827 Crore

## Corruption Ails Health Department

### Rs. 1,827 Crore Works Awarded to Favoured Contractors Plunder in Name of Box Tender

Public Health and Family Welfare Department of Andhra Pradesh is suffering from dangerous levels of corruption. Though tenders should be called through e-procurement, the state government has introduced 'box tenders' method and gifted crores of rupees to corporate companies against kickbacks. In the box tender method, tender bids have to be dropped in a box. Everybody, from the ministers to commissioners, made huge money from these contracts. Even the admonishments of the courts had no effect on them. In the last four and a half years, Public Health Department has awarded Rs. 1,827 crore worth contracts through tender box method. After 2014, the department has put away the e-procurement system and totally sidelined Andhra Pradesh Medical Service & Infrastructure Development Corporation (APMSIDC), which was the nodal organisation for procurement. The commissioner of Family Welfare Department has started inviting box tenders, informing the chosen companies beforehand and awarding the contracts.

#### Commissions Only

Government agencies colluding with the contractors- for bribes and kickbacks- would severely impair the welfare of the people. Such results were quite visible in the case of corruption of the Public Health Department. The department has decided Rs. 235 for testing a blood sample. About 15 tests could be done with one sample. With the new decision of the department, Rs. 235 has to be paid even if one test is done. Generally, doctors prescribe two to three tests and they should costs anywhere between Rs. 35 and Rs. 40. However, an Rs. 200 excess payment is being done now. Though tenders were called for MRI scanning machines in five teaching hospitals in a public-private partnership mode, they have not started so far.

#### Court Admonishes...

Tenders were called for the ultra sinology devices, which would be useful for the pregnant women. A company called NRI stood as L-1 in this tender. However, the tenders were cancelled overnight and given to some other company. Protesting this, the L-1 company has gone to court. The court has ordered to pay Rs. 10,000 fine and compensation to the L-1 company and cancel the tenders. Not just this case, there are quite a lot of cases are in pending on Chief Minister Health Centre, 108 scheme and Chandranna Mobile Clinics. The officials have been attending one or other court case in Hyderabad. Several complaints were filed at Anti-Corruption Bureau and Vigilance Department on quite a few tenders.

#### Privatized Schemes, Their Values

Tender/Scheme	Date	Organization	Value (In Crores)
Blood tests	04.10.2015	Medall	300
Radiology	14.10.2015	Sri Krishna	28
CT Scan	14.10.2015	--	30
Dialysis	01.06.2016	NephroPlus	35
104 Vehicles	2015	Piramal	240
CM Health Centres	06.06.2016	Apollo, eVaidya Dhanush	284
108 Vehicles	27.06.2016	GVK	240
Baby healthcare Kits	21.06.2016	AnithaTexat	35
Basavatharakam Kits	30.10.2017	-	50
Medtech Zone	28.11.2016	Lanco	500
Gamon Radiation	12.09.2016	Microtrol	17
Electromagnet	20.11.2016	TUV	45
Biomaterial	28.11.2016	TUV	42
3D Scanning	24.11.2016	Dakshin Online	35
X-ray, CT Scan	12.09.2016	CURA Healthcare	45

# Rs. 1,723 Crore

## MedTech Park Becomes Hotbed of Corruption

Estimated Cost - Rs. 709 Crore

Revised Cost Rs. 2,432 Crore

When the Andhra Pradesh Medical Technology Park (MedTech Zone) was inaugurated, Chandrababu Naidu claimed this park would produce world class medical devices and help to bring down the prices. However, in practice, he has turned this project into an instrument of massive corruption. He drew a plan to bag the kickback of Rs. 1,723 crore. Here is the full story.

### Escalated Estimations

MedTech Zone got 270 acres land in Visakhapatnam opposite to the Vizag Steel Plant. Dr. Jitendra Kumar Sharma, a health care expert, as the CEO and renowned consulting company KPMG has got the contract to prepare the detailed project report (DPR). According to KPMG, the project would require Rs. 709 crore; Rs. 500 crore for development, Rs. 200 crore for basic infrastructure and another Rs. 9 crore for miscellaneous purposes. Despite the DPR estimations, the government has escalated the cost estimations. Generally, when the DPR price is not sufficient, it could be increased by another 5 percent. However, the AP government has hiked the price by 350 times from Rs. 709 crore to Rs. 2,432 crore, which is higher by Rs. 1,723 crore. The CEO Dr. Jitendra Kumar Sharma shot up these rates overnight at the behest of the state government and made the total cost Rs. 2,432 crore.

### Rigged Tenders

Then the construction works were given to Lanco Infra, which is a bank loan defaulting company. The method of contract awarding was same. While 11 companies competed for the contract, nine were disqualified during the first phase of the bidding. The remaining two companies were Lanco Infra and NCC. Lanco Infra was declared as L-1 and awarded the contract. This was done despite the company failing to submit the salvation certificate which needs to be obtained from the banks and submitted during the time of financial bid.

### Resistance Silenced

Shaken by the sheer amount of graft, the management team of the Zone wrote to the Special Chief Secretary, Health and Family Welfare, Poonam Malakondaiah. As she

*Directors wrote to principal secretary health, Poonam Malakondaiah to curb corruption in the development of MedTech park.*

*Orders issued stating that contract has been given to Lanco for development of MedTech park.*

did not respond to the letter, the management team has conducted a press meet on August 2, 2017 and this did not go down well with the government. It immediately arrested Judish Raju on the pretext of leaking confidential information and sent to Visakhapatnam prison. Some of the other employees were also arrested by the government. The government immediately removed the hiked cost estimation from the website of the MedTech Zone and uploaded the new information on the website.

### Opaque Retendering

Prominent Telugu daily Sakshi broke a story on the going corruption in MedTech Zone on August 6, 2017. This story has shaken the government and it immediately cancelled the tender. However, the state government has already paid Rs. 43 crore to the company. Now, the details of this amount is unavailable to the public or media. The government has stated that it had selected another company for the MedTech Zone contract. However, the details of the new contractor and estimated costs are not available in the Zone website. The official of the MedTech Zone has refused to divulge the details under the Right to Information Act. Now, it is almost unclear as to what the state government is doing with the much-touted medical technology project.

# Rs. 333 Crore

## Benami Bags Fibregrid Project

The Value of Project Awarded to Harikrishna Prasad, an Aide of Nara Lokesh, is Rs. 333 Crore

Andhra Pradesh has introduced the fiber grid project with the sole objective to control the TV channels in the state. By controlling this grid, the government intends to halt the broadcasting of any programme or piece of information that was critical of Chandrababu Naidu. To develop the necessary infrastructure for this media control programme, his government has awarded a contract worth Rs. 333 crore to a company named Tera Soft.

This company was blacklisted by the AP state government on May 11, 2015, for its failure to implement the contract for e-pass system for the public distribution shops. Tera Soft has one more black mark. Its owner Vemuri Harikrishna Prasad was arrested by Mumbai police for the theft of an electronic voting machine. However, these shortcomings did not stop Chandrababu Naidu from awarding the contract to Tera Soft due to his closeness to the company owner Harikrishna Prasad.

Harikrishna Prasad has taken care of the social media campaign of Telugu Desam Party (TDP) during 2014 elections and also a key person in Heritage Foods, which is owned the CM family. They have one more connection- DevineniSitaramaiah, who was a director of Heritage Foods also served as a director of Tera Soft until September 30, 2014.

According to the reliable sources, the decision to award the fiber grid contract to Tera Soft was made some time back. The CM then had the tenders floated and appointed a high-level committee with Harikrishna Prasad as one of its members. By this time, Harikrishna Prasad was a director of Tera Media Cloud Solution which controls the Tera Soft; and this

GOVERNMENT OF ANDHRA PRADESH ABSTRACT	
Infrastructure & Investment Department - AP Fibre Grid - Phase-I - Laying of aerial fibre leveraging the existing network of electric poles / substations etc to extent broadband connectivity to all Mandals - Project Implementation methodology - In-principle approval for the project with an estimated outlay of Rs.333.00 Crores and Constitution of Tender Evaluation Committee & High Level Tender Approval Committee - Orders - Issued.	
INFRASTRUCTURE & INVESTMENT (OP.I) DEPARTMENT	
G.O.Ms.No.10	Dated.26.08.2015 Read the following:
1. G.O.Rt.No.52, I&I (OP.I) Dept., dated.22.4.2015. 2. From the VC & MD, INCAP vide Lr.No.INCAP(AP)/P/Optic Fiber Grid/62/2014, dated.19.6.2015.	

*The GO that finalised the tender rules.*

VC & MD, INCAP	Advisor, Energy Department	Chief Manager (Technical), INCAP	General Manager, Electronics and IT Agency, Innovation Society, Government of AP	Sri V. Hari Krishna Prasad (Member, e-Governance Authority, Electronics and IT Agency, Innovation Society, Government of AP)
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*The 5th page of the GO dated 26.08.2015 showing the Appointment of Harikrishna Prasad as a member of High-Level Tender Approval Committee. He awarded works to his own company-which was blacklisted while he was a member of Tender Approval Committee.*

was a clear case of conflict of interest. Thus, Chandrababu has entrusted the contract to a company that is owned by one of his cronies.

Chandrababu Naidu did this in order to inflate the clout of Harikrishna Prasad so that the later could 'partner' with big IT corporations such as Cisco. The CM wanted to award the contracts for bigger projects such as UWIN and E-Pragati to Tera Soft by showing the Cisco and other major companies as the implementing agencies of these contracts.

# Naidu's Plans to Shutdown Electronic Media!

It is not difficult to understand why Chandrababu Naidu wants his government to enter into cable TV business, which is in the hands of the private sector in spite of his reputation for privatisation of public sector units. In his four and a half years of rule, he could not fulfill a single poll promise successfully. To make matters worse, corruption is ruling the roost in the state. And no matter how hard his friendly media outlets try to back his regime, people have started believing the version of news channels that are critical of Chandrababu. The CM is losing his sleep over growing resentment among the people. That's why he has started the Fibernet project, through which he would like to silence the critical voices and opposition parties. The CM wants to have a vice-like grip over cable transmissions of all media channels through the Fibernet so that he could stifle any telecast that is critical of his government. So, it's no more about the media sensor or any other form of control; it's about shutting down the media transmission at once.

## Centralised Remote Control

Normally, the governments wouldn't have any role in transmissions by cable operators. However, the government can control the transmission when it is done through Fibernet. The OPSFN (Optical Premises Internet Network) and IPTV (Internet Protocol Television) boxes would be linked to the Fibernet server. And this makes it possible for the governments to control transmissions from a central point.

Transmission of any anti-government protest or speeches by the Opposition leaders can be taken off air from the central point set up at Amaravati. It is for this reason that the AP government has taken the Fibernet project on such a massive scale. Hiding the real motive behinds the project, the AP government is trying to lure people by selling the idea of Internet, Cable and Telephone as a three-in-one option at a cheap price.

## Contracts to Cronies

In fact, the set-top boxes scam began with the AP Fibernet project. This contract was awarded to the CM's close relative who owns TERA Software. Serious allegations were made about the corruption in the project. Fiber optic cable to the extent of 23,500 km was laid by using the electric poles. The project was kicked off in the name of providing Internet, telephone and



television through set-top boxes. These set-top boxes are being manufactured in China.

While the government in negotiations with the Chinese companies for the set-top boxes, representatives of Amar Raja and Yaga Technologies met the IT Minister Nara Lokesh. Incidentally, Amar Raja is owned by a TDP MP Galla Jayadev and Yaga Technologies belongs to a TDP leader from Krishna district. Upon their persuasion, the state government agreed to award the set-top box manufacturing contracting to these two companies instead of Chinese ones. However, these companies have no manufacturing capacities. They only assemble the set-top boxes after importing parts from China.

Therefore a set-top box should not cost beyond Rs. 2,000. However, in this case, the government got ready to pay Rs. 4,000. And the buzz is that about Rs. 1,000 crore had changed hands in this transaction. Amar Raja and Yaga Technologies have no expertise in the manufacture of set-top boxes and do not have technical experts who can fix glitches if any. In spite of all these drawbacks, the government decided to go ahead and award the contract to these two companies.

## A scam of Rs. 4,500 crore

A household cable TV set-top box would typically cost Rs. 1,500. In this case, however, the government wants people to buy it at Rs 4,000. When questioned about the exorbitantly high price, the government defends itself by claiming that it is providing the TV with HD quality along with telephone and internet. Experts, however, say that this can easily be done by making some electronic modifications along with an upgraded RAM, adding that this would at best cost an

additional Rs 1,000. In other words, the total cost would amount to Rs 2,500. However, the government is trying to shove these set-top boxes down the throats of the people at Rs. 4,000 each. This would mean that each subscriber would have to cough up an additional Rs. 1,500. There are 3 crore cable connections in Andhra Pradesh and if all of them were to be provided set top boxes at Rs. 4000 each, the total cost would run into Rs. 12,000 crore. Excluding actual costs, Rs. 4,500 crore commissions would change hands.

# Rs. 240 Crore

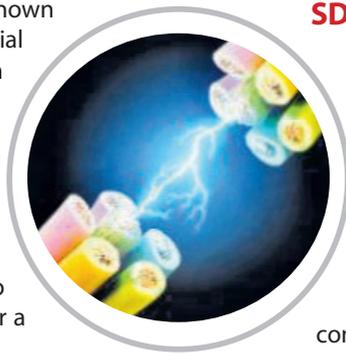
## Ruling Party MP's Rate Prevails

### Transco Optical Fibre Cable Tenders' Scam

A TDP MP from the Rayalaseema, who is known to make headlines with his controversial statements, eyed Transco projects worth crores of rupees. He brought his proxy into the tender competition despite the company lacking the eligibility criteria. He then pressurised the officials to accept the rate decided by him for the tender. The MP refused to budge despite the pleas from the officials that such mode of awarding would go against the rules and the Transco would incur a substantial loss.

#### Rs. 240 Crore Central Funds

AP Transco decided to go in for optical fibre cables to improve its profits and decided to lay 9,000 km-long optical fibre ground (OPG) wires across the state. This network would link all the towns and cities across the state and could be used for data transfer by IT and telecom companies. The transmission corporation wanted to implement this project with Rs. 240 crore of the central funds. These funds have to be spent within 18 months or else they would have to be returned to the centre.



#### SDG Not Eligible

Transco divided the Rs. 240 crore worth project into 3 packages and invited tenders. The first package was of Rs. 90 crore value, second was of Rs. 80 crore value and the third was of Rs. 70 crore value. Apart from Indian companies, two Chinese companies competed for this contract.

To be able to work in India, foreign companies shall fulfil some special eligibility conditions. They include - a foreign company must be incorporated in India and have a bank account in this country. Of the two Chinese firms, a firm, CPC, fulfilled these criteria. The second Chinese firm SDG has failed to fulfil both the criteria and has got disqualified during the evaluation of technical bids.

#### Objections of Engineers Overruled

Indeed, it was the MP's family which had submitted the bid in the guise of SDG. The MP exerted tremendous pressure on officials to award the bid to the firm even though it had failed to meet the eligibility criteria.

Eventually, the objections of engineers and technical experts were overruled and the SDG has got the contract.

### Transco Put to Loss in Crores?

Another bidder from China, CPC stood as L-1 for Package 1 and SDG was picked as L-1 for Package-2 and Package-3. While the CPC had quote 11 percent than the upset price of quotation, the SDG quoted only 5 percent less than the upset for Packages 2 and 3. As per rules, if tenders were awarded for the same project and for similar work, the quotations should have parity and there should be no disparity in prices.

Since the work is similar, the SDG should also quote 11 percent less or even lower. However, the ruling party MP insisted that his company should be awarded the contract at only 5% less quotation. The officials tried to convince him that it was not possible to award the contract in such an arbitrary fashion. As per the last piece of information on this matter, the MP continued to erect his pressure on the officials and the matter was yet to be finalised.

### OPG Wires

Transco supplies power in the state through 3 phase power lines and also provided a fourth line (earth) as protection against thunderbolts. When the thunderbolts strike the metal wire, it acts as a conductor and transmits the energy into the earth.

The transmission corporation decided to lay OPG in place of earth wire. In OPG, there would be one metal wire and 24 layers of optical fibre wires would be there surrounding the metal wire.

While the metal wire could take care of thunderbolts, the optical fibre wires could be leased out to telecom and IT firms. At such points, data transfer through OPG wires gets interrupted temporarily and resumes later. This network could provide dependable additional income to Transco.

# Rs. 220 Crore

## Chief Minister Loots in Fibre Grid Contracts

Central government organisation submitted Bid for Rs. 980 Crore

It would have been L-1 if its quote was accepted

Plan to pocket Rs. 220 Crore by gifting it to a favoured contractor

The Chief Minister has planned to pocket Rs. 220 crore by allotting the fiber grid contract to his favoured companies. To this effect, the Andhra Pradesh State Fibernet Limited (APSFL) invited tenders for laying fiber grid across 5,500 km in September 2018.

Among the seven companies that had submitted tenders, two of them were Central government organisations-Indian Telecom Industries Limited (ITIL) and Telecommunications Consultancy India Limited

(TCIL) - while the other five were private companies. Of the five private companies, three were cronies of an important leader in the state government.

With a plan to reject the two central organizations, the tender terms were altered in favour of the cronies. The initial deadline of 9 months was further reduced to 6 months. Also, the Telecom Standard Eligibility Centre's (TSEC) certificate was mysteriously added to the eligibility requirements. It was stated in the revised terms that Rs. 5 crore Earnest Money Deposit



## Lack of Accountability

APSFL indulged in unethical practices in the process of awarding the contract to the three favoured companies. The e-procurement process of tendering requires the potential companies to submit technical and financial bids.

To ensure confidentiality of the quotes until the bidding process, generally the 'electronic encryption' method is followed. A 'pass-phrase' is given to the companies to protect the enclosed documents. But, APSFL did not use the pass-phrase method in the fiber grid tender.

would be seized if the certificate is not submitted by the time of commencement of tender. Thus, the competing companies were threatened indirectly. Interestingly, no other state that had the fiber grid project included these terms.

Later, ITIL, in a letter, objected to APSFL's terms, saying the terms were unlawful and that they did not adhere to guidelines of the Central Vigilance Commission. TCIL also expressed its objection to APSFL's rules.

## ITIL, TCIL Bids Rejected

Yet, thanks to the TDP leader's pressures, the

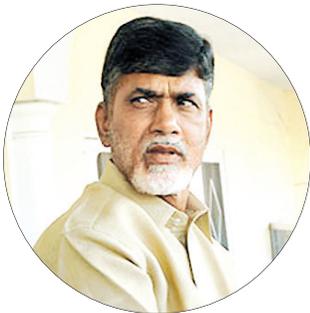
contract was awarded to the favoured companies, snubbing ITIL and TCIL. The technical bids of the two Central organisations were rejected, therefore ousting them from the bidding process.

## Rs. 220 Crore Scandal

The state government rejected the Rs. 980 crore bid filed by ITIL even as the crony companies filed bids in between Rs. 1,200 crore to Rs. 1,500 crore. In the pretext of consultations, the contract was awarded to the three companies in three separate packages. Hence, a sum of Rs. 220 crore was poured out in favour of the cronies.

# Rs. 1,200 Crore The 'Powered' Heritage

Insider Information Behind the sale of Heritage Retail  
Sold to Future Retail Just One Day Before Demonetisation  
The 3.5% Share of Future Retail is Valued at  
Rs. 1,200 Crore by April 20, 2018



When Chandrababu Naidu is out of power, his company Heritage Foods would never be in profits. However, it's pace changes once he is in power. This is what we can understand when we carefully examine the company history. Heritage Foods coming for a public issue in 1992, enjoying multiple tax benefits, the death of the cooperative dairies, Heritage actively filling the void left by the shutdown of cooperative dairies...all these developments are directly linked to Chandrababu Naidu being in power. Recently, he coming into power in 2014 has brought a lot of changes for Heritage.

## Privy to demonetization info

Chandrababu Naidu's Telugu Desam Party (TDP) was a partner of National Democratic Alliance (NDA)

by the time of demonetization. There are plenty of clues that indicate that Babu was privy to this crucial information. On October 12, he had conducted a press meet in Velagapudi. In that meet, he boasted of writing to Modi requesting him to demonetize the Rs. 500 and Rs. 1,000 notes to control the black money in the country. This indicates he was in the know of this critical information. He made the best use of this information by selling the retail arm of his company- Heritage Retail- to Future Retail just one day before of demonetization. This had resulted in a huge rally of his share price.

## Rs. 1,200 Crore -Value of Heritage Deal

Chandrababu Naidu took a wise decision by strategically selling off the retail arm of his business

# Exclusive Loans to Heritage Dairy Farmers

## Chandrababu 'Understanding' with banks

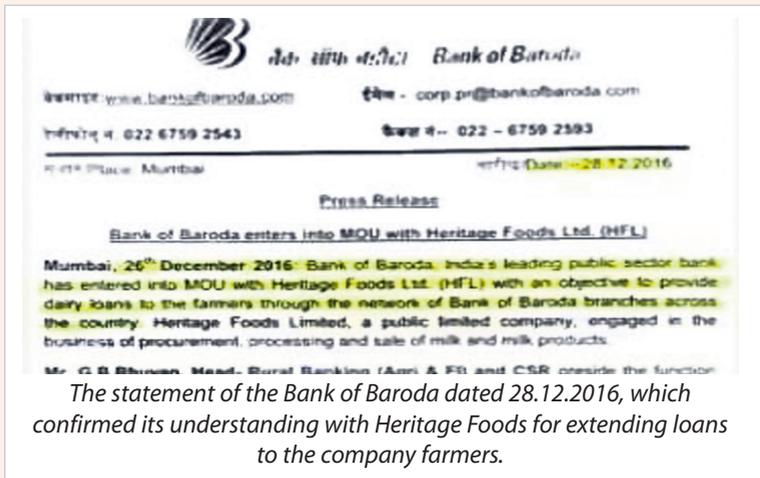
Ordinary farmers are committing suicides as their loans were neither waived nor were they given any fresh loans

In AP, the farm loans are being neither waived nor being rescheduled thanks to the failed farm loan waiver scheme of the CM Chandrababu Naidu. The Chief Minister who is supposed to rescue the farmers- who are now also fighting the drought conditions- has left them high and dry. Instead of working on their problems, he is more focused on the development of his own company- Heritage Foods. As part of this, he has recently entered into an agreement with Bank of Baroda to secure loans for the farmers of his dairy. On December 26, 2016, he has gone to Mumbai and negotiated with the bank from the position of CM. It doesn't need much effort to figure out that he could secure this deal only because of his position. Thanks to his focus, Heritage is making great profits, while the government dairy companies are being shut down one after another.

How should we see the efforts of a state government to improve the profits of a private dairy? The Babu's deal with Bank of Baroda is nothing but an

to Future Retail. This was because Heritage Retail was in losses by the time it was taken over by the Future Retail. It was indeed a sound business decision. However, the timing of the decision giving rise to quite a few questions and doubts. Both the parties have finalised the deal just a few hours before the demonetization announcement.

Here is the strangest part of the deal that takes a little explanation. What would have happened if the deal was not on November 8th? Post-demonetization, there was a severe dearth for cash, people have witnessed sudden chaos and ran from pillar to post for cash. Most of them have stopped visiting supermarkets and retail malls. As a result,



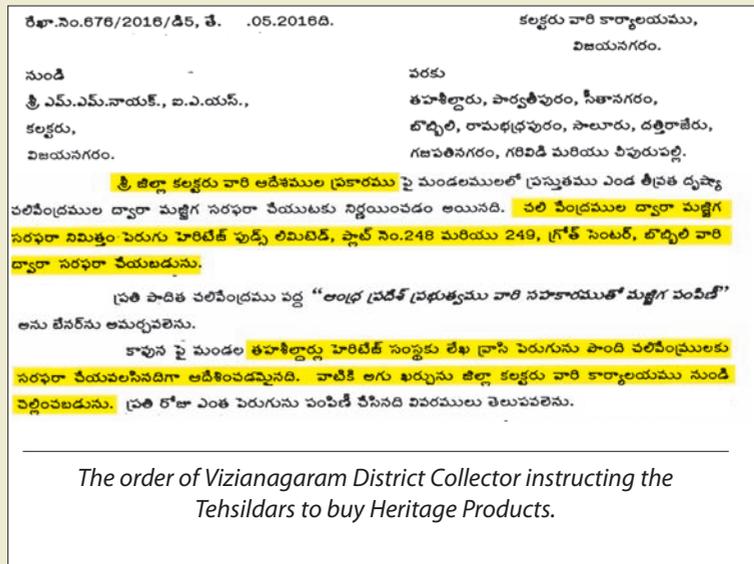
effort to increase the milk collection of the dairy with the support of the bank loans, thus increasing the company valuation in the stock market. While the share value of Heritage was Rs. 200 in 2014, it has grown to Rs. 900 within three years. This was possible only because of the position that Chandrababu holds. What else could have been a scam if not Heritage's swapping of its shares with Future Group at Rs. 900 per share just two days before the demonetization?

most of the companies in the retail business have run into huge losses. Had the Heritage been not sold off its retail arm to Future Group on that day, the already loss-making Heritage would have been accumulated massive losses and it would have never gotten the valuation that it had had.

Hence, it wouldn't have had such an attractive valuation at any time in the future. Knowing this very well, Chandrababu Naidu has sold off his loss-making arm just a day ahead of demonetization. According to this deal, Heritage Foods received 3.5 percent partnership in Future Group and the value of this share was valued at Rs. 1,200 crore by April 20, 2018.

# Buttermilking the State Rs. 39 Crore

Taking advantage of the blistering conditions in Andhra Pradesh during the summer of 2016, Chandrababu executed a sinister plan and pocketed Rs. 39 crore. He announced a buttermilk distribution scheme for the state to save people from the scorching condition of the season. For this scheme, he has bought milk products from exclusively from his own company Heritage Foods without calling for tenders or giving preference to cooperative dairies. Chandrababu ordered the district collectors to buy curd and buttermilk from Heritage Foods for the scheme. An order was issued by Vizianagaram district collector ordering to procure products only from Heritage Foods. This order had become a social media sensation and shown the extent of the abuse of power by Chandrababu. The entire Rs. 39 crore amount spent on this scheme has gone directly into the account of Heritage.



## Profits Only When in Power

Heritage Foods was started in 1992 as a small milk powder manufacturing unit in Chittoor district, as Chandrababu Naidu one of its founders. Back then, he was already a key political figure who had served as a minister in Congress government and the rising star in Telugu Desam Party. After TDP coming into power in 1994, Heritage has successfully executed a public issue of Rs. 10 crore. The company has also received quite a few tax incentives from the government. While the company profit was Rs. 6 crore in 2000, it has gone up to Rs. 17 crore by 2004-05. However, the profits have come down once the party lost elections in 2004. In 2007, the company profit was mere Rs. 1.7 crore and then it had fallen into the red zone very quickly. In 2009, the company has declared Rs. 35 crore net loss on the sales of Rs.

794 crore. In 2012-13, the company had earned only Rs. 9.3 crore on the sales of Rs. 1,393 crore.

Meanwhile, the misfortune of Congress government headed by Kiran Kumar Reddy became a boon for Chandrababu Naidu and Heritage. In a quid pro quo arrangement, Chandrababu Naidu had protected Kiran Kumar Reddy's minority government and secured business for his company in return. The company has earned Rs. 49 crore net profit on Rs. 1,650 crore sales in 2013-14. As Chandrababu Naidu came into power in 2014-15, the company has announced Rs. 45 crore in profits.

## At the Cost of Cooperative Dairies

To make Heritage the top player, Chandrababu Naidu had ensured the shutdown the most reputed AP Dairy and Chittoor Dairy, which were then leading dairy players. In the name of strengthening

# Rs. 100 Crore Chandranna Kanuka

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

CA, F&CS (CS-1) Department – Public Distribution System – Subsidy on Rice – Release of funds an amount of Rs. 286.86 Crore under Non-Plan Expenditure from the Budget Estimates 2014-15 towards incurring expenditure on implementation of "Chandranna Sankranthi Pathakam – Administrative Sanction – Orders – Issued.

CONSUMER AFFAIRS, FOOD AND CIVIL SUPPLIES (CS.I) DEPARTMENT

G.O.RT.No. 7

DATED:09.01.2015.

Read:-

G.O.Rt. 47, Finance (EBS-II-A-C-AHFCS-E) Dept., Dated:08-01-2015.

*The GO that issued funds for Chandranna's Gift scheme*

**The ruling TDP leaders made Rs. 100 crore by supplying sub-standard provisions to people under the 'Chandranna's Kanuka' scheme during Sankranti festival of 2016. The government spent Rs. 270 per head and a**

**total of Rs. 430 crore on this scheme. Though the contractors have supplied yellow lentils at higher price, supplied inedible jaggery and wheat flour, the government did not take any action against them!**

the cooperative movement, Chandrababu had introduced the Mutually-Aided Cooperative Act (AP MACS) -1995 and used it to weaken the district-level dairies. The activities of cooperative dairies in Krishna, Guntur, Nellore Ongole and Visakhapatnam-most important districts for then AP Dairy Development Cooperative Federation Ltd.- have drastically come down. Soon, the ailing cooperative dairies were overtaken by Heritage. Chandrababu used his public office to extend undue favours to his business. He compelled Tirumala Tirupati Devasthanams to use only Heritage dairy products and deprived the cooperative dairies a major buyer.

## **Doesn't Care for AP Dairy Farmers' Issues**

Post-bifurcation, the AP Dairy Development

Cooperative Federation had faced severe hardships since the cheque power was with Telangana government. About Rs. 30 crore dues were not paid to the AP farmers. This has caused turmoil and the farmers had to come onto the streets across the state. The agitation continued for almost two months. Despite the intensity of the problem, Chandrababu did not respond to their grievance.

## **Born to Lie**

Heritage Foods was born out of a lie. While filing the company prospectus with the Securities Exchange Board of India (SEBI), Chandrababu stated that it was his first business, however, it was a lie. He had established two companies named Bhuvanewari Carbides and Alloys and Bhuvanewari Carbides and Chemicals prior to

Heritage. Those companies were shut down even before commencing their operations due to management failure. The loans that were taken in the name these companies also defaulted. However, Chandrababu omitted these important details from the prospectus and cheated his investors.

## Heritage Binge

Here are some of the favours Chandrababu Naidu extended to his businesses by using his public offices-

- Chandrababu introduced tax deferment scheme right after becoming the CM in 1995. The Marketpally unit of Heritage was immediately brought under this tax benefit.
- Similar favours were extended to Bayyavaram plant in May 1996 and Kasipenta plant in March 1997.
- Babu got permission to save Rs. 15 crore tax benefit in 14 years. To realise this profit, he had increased the tax on fresh milk from 6 % to 10 % in 1995 and to 12 % in 2000.
- Even if he did not use the tax saving of Rs. 15 crore on business development and deposited it in the bank, it could have become Rs. 152 crore at 18 percent interest rate, which was then prevailing interest rate. Even if the interest rate is 12 %, the amount would have grown into Rs. 73 crore.

## Heritage First, Farmers Last

Though Chandrababu came to power in 2014 due to his promise of farm loan waiver, he hardly stood by his word. He did not care though the given loan waiver amount was not even sufficient to pay the interest and banks started refusing to issue fresh

loans to farmers. However, he had entered into a special arrangement with Bank of Baroda to secure loans to farmers who supply milk to Heritage. Chandrababu had talked to bankers personally and got this arrangement done. This was confirmed by Bank of Baroda Marketing Manager Rakesh Bhatia.

## Heritage in Panama Leaks

Panama Leaks had burst the global corporate racket, in which the companies transferred the money with the help of shell companies located in small island nations. Heritage Foods was also named in Panama Leaks. The Leaks had made the links of Motaparti Sivarama Varaprasad, a benami of Chandrababu Naidu, with shell companies public. Sivarama Varaprasad was appointed as an independent director of Heritage Foods right after one month from Chandrababu becoming the Chief Minister in 2014. Chandrababu did not appoint a domain expert or an industrialist as the independent director and chose an NRI from Ghana only as part of his tax evasion plans.

## Kerala Bans Heritage

Heritage is known for its compromised standards. While in Andhra Pradesh, it surfaced that half-liter Heritage milk pouch had only 496 ml., the Kerala officials have discovered adulteration in the Heritage milk. The Kerala government labs confirmed that Heritage milk contained Formalin or Formaldehyde, which is a cancer-causing chemical preservative. This chemical was found in the milk that was being supplied from Heritage Foods plant in Dindigul district of Tamil Nadu. Upon the finding, the Kerala Food Safety Commissioner has banned the Heritage milk products.

# Rs. 800 Crore Feeding on the Poor

## Rs. 800 Crore Graft in Four Years

Chandrababu Naidu government distributes gifts to the poor families on the festive occasions such as Sankranti, Christmas and Ramjan under Chandranna Kanuka scheme, the scheme which named after the CM himself. Under this scheme, about 1.44 crore BPL families get a pack of kirana provisions such as jaggery, red gram, Bengal gram, wheat flour, palm oil and a little amount of ghee.

The idea of this scheme is to supply provisions to the poor families during the festive occasions so that they can celebrate it happily. However, the stated objective of the scheme was only a frontage for a well-thought-out scam. The Chief Minister has not only christened this scheme after himself (Chandranna Kanuka or Chandranna's Gift), he also made it an important source of revenue for his party leaders. The contracts to supply these provisions have obviously gone to Telugu Desam Party (TDP) leaders. They are making huge money out of these contract by supplying sub-standard food items to the people. The TDP government had spent Rs. 1,600 crore in the last four years, Rs. 400 crore every year. Out of this amount, half of it had gone into the pockets of the ruling party contractors.

To make money out of the food supplies, the party leaders have been supplying substandard products; at lesser quantities than the declared quantities. They

supplied the jaggery which was more of in liquid form than its actual solid form. As to quantity, instead of 500-gram, only 455-gram jaggery was supplied. One kilogram wheat flour actually had only 950 grams. Thus, the quality and quantity of almost all the provisions were compromised so that the TDP leaders could make large sums of money. Despite several complaints about the corruption in the scheme, the government did not initiate any action against the contractors.

### No Safety Certifications

On every packet of a food item, the companies that follow the food safety standards must publish the details of components of the food in question, details of manufacturers, the date of packaging and the expiry date, among others. A packet must also have the company details, phone numbers and other means of contact. The suppliers or manufacturers who don't comply with these rules can be fined up to Rs. 10 lakh according to the Food Safety Standards Authority of India. However, some of the supplies that are being distributed under Chandranna Kanuka scheme do not have any of such details. Indeed, this scheme has become an irony; the government wants the poor to celebrate their festival with poor quality provisions.



# PDS Handed Over to Future & Reliance Groups

## Ration Shops Handed Over to Future and Reliance Groups To Be Turned into Village Malls

TDP government has practically palmed off the public distribution system to corporate entities. This exercise began with the government decreasing the number of items that are to be supplied by ration shops at a subsidized cost. Now, it proposes to turn the entire system over to private hands, particularly to Future group. Incidentally, Future group bought Heritage Retail of Heritage group, owned by Chandrababu family, recently. Moreover, Future made the purchase at a much higher price than its market value. Heritage shares which were worth Rs. 200 at the time were bought at Rs. 900. In return, now the family members of Chandrababu hold 3% stake in Future Group. It is also worth noting that, exactly a day after Future bought the stocks of Heritage, Central government announced the demonetisation.

The government proposes to set up 'Anna Village Malls' in phases that will be replacing the 29,000 fair-price distribution shops across the state. Future and Reliance groups have gotten into a partnership to set up the village malls. These malls shall come up in over 200 sq ft land and 25% of the establishment cost would be borne by the government. It would also extend a 'stamp' loan of 25% to the dealer.

### Removal of One Item After Another

Ration shops used to distribute rice, kerosene, palm oil, dal, wheat flour, salt, wheat, sugar, tamarind, turmeric and chilli powder. Dealers would pack 9 items in sachets for the consumer and sell it at a subsidized



price of Rs. 185. As soon as TDP came to power, it scrapped this system. Only the rice was left on the list. It is clear that with fair-price public distribution system passing into the hands of corporate entities in the name of village malls, the public will find themselves at the mercy of these companies when it comes to buying items which used to be a part of the ration shop supply chain.

# Rs. 735 Crore... Gone With Krishna

**Pushkarams Splurge  
Rs. 1,472 Crore**

**50% - TDP Leaders' Share  
Rs. 735 Crore**

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Water Resources Department - Krishna Pushkaram 2016 – Construction of Pushkar Ghats in (1) Downstream of Prakasam Barrage from Krishnaveni Ghat to Visweswarya Ghat (2) Construction of Path way ramp from Apron of Prakasam Barrage Krishna District – Permission to take up the work at an estimate cost of Rs.52.76 Crores for nomination basis – Orders – Issued.

**WATER RESOURCES (PROJECT-II) DEPARTMENT**

**G.O.RT.No.565**

**Dated: 06-08-2016**

Read the following:

**3.** Government after careful examination hereby accord approval/permission for the following:

i) To take up the following works for Rs. 52.76 Crores as scrutinized at Government level from the available savings in the administrative sanction already accorded and by entrustment of the works at estimate rates on nomination basis to M/s Surya Constructions Private Limited which is executing the Krishnaveni Ghat on downstream side

*The GO No: 565  
which has  
allocated the  
works worth Rs.  
52.76 crore to  
Surya  
constructions on  
nomination  
basis.*

Chandrababu government had splurged Rs. 1,472 crore on Krishna pushkarams, which has happened in 2016. However, no trace of this expenditure can be found in the villages on Krishna river banks where the money was spent. The TDP leaders who bagged the contracts on nomination basis did meagre works and claimed the bills. Some contractors have just poured the gravel on already laid roads and claimed the bills. Some other contractors have just claimed the bills without even pretending of doing some work. A few others got a little more advanced, built roads for private real estate ventures and claimed the bills. The Pushkaram works have continued for many days even after the 12-day event. The ruling party had betrayed the faith of devotees to amass fortunes.

## **Generous Allocations, Disappeared Funds**

Though AP is a deficit state, the government has allocated Rs. 1349.37 crore funds for Krishna Pushkarams. It also has spent another Rs.123.02 crore from the Common Good Fund, which is meant for maintenance of temples. From the total amount of Rs.

1,472.39 crore, the state government used Rs. 1,186.83 crore on roads and other construction-related activity.

This amount was spent this amount on 135 villages in Guntur, Krishna and Kurnool districts and Vijayawada city. That means each village has got Rs. 11 crore on an average. Despite such heavy investment, no post-Pushkaram development can be seen these villages and they are still suffering from the same old infrastructural problems.

## **Paths of Plunder**

Though Chandrababu Naidu was aware of the important dates of Krishna Pushkarams a full year ahead, he intentionally ignored the preparations for the festival. He ignored the preparation works without taking any lessons from Godavari Pushkarams of 2015, in which more than 30 people died due to a stampede.

As the festival neared, he pretended a sudden emergency and gifted away all the works to his party local leader on nomination basis; with the pretext of lack of time for the competitive bidding process. As there was not much time left, the TDP leaders have completed some of the works in a hasty manner.

## Ubiquitous Corruption

The state government had spent Rs. 200 crore on the lodging facilities of the yatris and the volunteers who served during the festival. However, none of those arrangements have proper accounts. For instance, Rs. 4.85 crore were spent on sanitation needs and Rs. 45 lakh for planters. However, these expenditures were never accounted for. The government claimed that it had done greenery works at the cost of Rs. 3 crore. However, Rs. 45 lakh of this amount couldn't be claimed by any contractor! These incidents clearly indicate the extreme corruption levels in Pushkaram works.

In another incident, the TDP leaders have made money by denying quality food to the sanitation workers, whose toil had ensured the success of the

mega festival. The government has called for a food contract worth Rs. 3.78 crore. This contract was awarded to the TDP leader and Vijayawada deputy mayor Gogula Venkataramana Rao and seven other TDP corporators. According to the tender rules, the workers shall be offered one breakfast and two meals. However, the poor quality of the food had put off the workers and compelled them to depend on food supplies from voluntary organizations. Besides this, the sanitation workers who were supposed to be paid Rs. 400 a day were paid the amount between Rs. 250 to 300; thanks to the rapacious attitude of TDP leaders. The ruling party leader who won the contract had shown 22,000 workers on record and pocketed a hefty sum. Thus, the Krishna Pushkarams have presented a great occasion to plunder the public funds.



Poor quality works in Padmavathi Ghat

Department	District (Cost in Rs. Crore)						Total	
	Krishna		Guntur		Kurnool		Works	Cost
	Works	Cost	Works	Cost	Works	Cost		
Water Resources	90	142	91	167.01	7	24.99	188	334
R&B	29	108.70	83	170.37	20	39.10	132	318.17
Panchayati Raj	229	79.36	100	66.76	50	70.30	379	216.42
Municipal	270	200.75	144	62.66	77	18	491	281.41
<b>Total</b>	<b>618</b>	<b>530.81</b>	<b>418</b>	<b>466.08</b>	<b>154</b>	<b>152.39</b>	<b>1190</b>	<b>1150</b>

## Pushkaram Funds Gone Godavari Way!

The total funds allocated for Godavari Pushkarams is **Rs. 1,500 Crore**

The Andhra Pradesh government has spent Rs. 1,500 crore on the works of Godavari Pushkarams, which were celebrated in July 2015. However, half of this amount- i.e. Rs. 750 crore- was pocketed by the ruling party leaders. Out of the total amount of Rs. 1,500 crore, the Roads and Buildings Department was allocated Rs. 782 crore, the remaining funds were obligated to other departments. During the execution of the works, there were no rules or

The amount that recycled in the form of kickbacks is **Rs. 750 Crore**

standards to be complied with. The works below Rs. 10 lakh were given to the ruling party leaders on nomination basis. The R&B Department has issued an order to this effect, thus setting aside the transparent tender bidding process. BJP MLC Somu Veerraju complained to the Vigilance Department that out of Rs. 782 crore of the allocated fund, Rs. 400 crore was snatched away due to the ubiquitous corruption in the works.

# Rs. 675 Crore Scam

## Corruption Lines in APTransco

Scam in Replacement of Old Power Transmission Lines

Cost-Effective Firms Got Rejected

Rs. 1.35 Crore Excessive Payment for 90 km work

Rs. 675 Crore Excessive Payment for 45,000 km work

The AP Transmission Corporation (APTransco) gifted the contract for replacing power transmission lines worth thousands of crores of rupees to two private organisations; that too at excessive rates. To facilitate this clandestine transaction, Transco has altered the terms of tendering and offered Rs. 1.35 crore per 90 km line. Going by this rate, the overkill of the 45,000 km contract would be Rs. 675 crore.

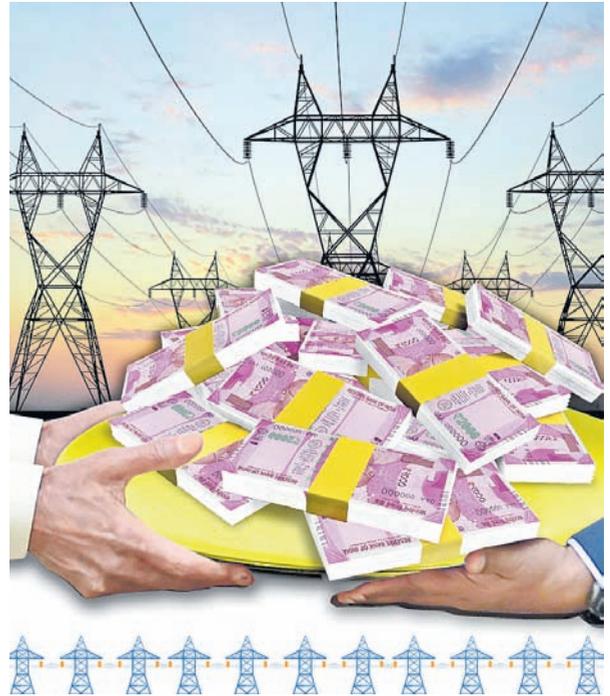
### 90 KM in First Phase

Across Andhra Pradesh, Transco has 1,32,220 KW-powered transmission lines, running into about 45,000 km. Most of these lines are damaged and in worn out condition. Frequent power losses have become a commonplace due to the deteriorated condition of these lines. In 2014, the Transco has decided to replace the existing lines with new ones.

It has enlisted this work in the centre's 'Power for all' scheme with the objective secure funds from financial institutions with the central government guarantee. The Transco has forwarded a draft proposal to the centre in 2016. However, the centre refused to be the guarantor for the Transco loans. Hence, this proposal was set on the back burner for some time. The proposal was raised again in May 2018 with a view to call for tenders in the first stage for 15 lines with a total length of 90 km.

### Tender Rules Altered in Favour of Private Companies

The Transco officials convened the pre-bid meeting in June to discuss the issues related to first stage works. Some companies came forward with the proposals to change the lines for Rs 4.5 lakh per one km. Officials had then ensured that those companies disqualified for pre-bid by changing the tender rules.



The new rules sought tenders from only those companies which manufactured the transmission lines and recognised by the government. As a result, the low-cost tenders were rejected from the bidding process. Hence, only two companies were made eligible for the contract, as planned earlier.

Since there was hardly any competition, the two companies have formed a ring and quoted Rs. 6 lakh per one km. The contracts were awarded to these companies; thanks to the efforts of a Transco official. The two companies thus have gained Rs. 675 crore for the subsequent 45,000-kilometre project at the rate of an additional Rs. 1.35 crore per 90-kilometre line.

# Rs. 670 Crore

## Thermal Projects of Favoritism

The Additional Payments Made by APGenco in the Two Thermal Projects Rs. 2,680 Crore  
The Kickbacks Rs. 670 Crore

### G. QUALIFYING REQUIREMENTS

1.0.0 In addition to the requirements stipulated in section ITB (Instruction to Bidder), the following shall also apply:

1.1.0 The Bidder should have executed on Engineering, Procurement and Construction (EPC) basis, minimum one (1) no. Coal based/Lignite based power plant of at least 500MW unit capacity comprising of at least a) Coal / lignite handling plant, b) Cooling Tower, c) Water / waste water treatment plant or DM plant, including associated civil works, Structural and Electrical systems for the above equipments and systems as a single package, which is in successful operation for a period of not less than one (1) year prior to the date of techno-

*The NTPC qualifying requirements which said completion of one thermal project was sufficient to participate in its tender process.*

A. The Bidder should have executed/executing contract on Engineering, Procurement and Construction (EPC) basis for BTG(Boiler, Turbine and Generator Package) or Balance of Plant of atleast (2) two coal based thermal power plants at two different locations having unit capacity not less than 500MW in India and which have been commissioned during the last ten (10) years out of which atleast one of the unit should have been in commercial operation for not less than two (2) years and one (1) unit should have been synchronized as on date of techno-commercial bid submission.

*The APGenco requirements that set the completion of at least two projects as eligibility criterion to favour BGR group*

The AP government has proposed to set up two 800 MW thermal power plants in the state, one at Krishnapatnam (of Nellore district) and the second one at Ibrahimpatnam (of Krishna district). The chief minister has inflated the estimated costs of both the plants and had them awarded to Tata Projects and BGR company. While Tata Projects won the contract of Krishnapatnam TPP to Tata Projects Ltd. at the price of Rs. 6.3 crore/MW, the BGR company bagged the contract of Ibrahimpatnam TPP to BGR company at Rs. 5.85 crore/MW.

These quotations were on quite higher side by any standards of the industry. In other states like Telangana

and Gujarat, cost per MW was ranging between Rs. 4.4 crore and Rs. 4.76 crore; that too the AP plants have same specifications those of Telangana and Gujarat.

To award contracts to these companies, APGenco has come up with a stifling criterion- which was way too rigid than that of the NTPC- to kill the competition. Despite its miserable financial condition, the APGenco has agreed to pay Rs. 2,680 crore extra to the contractors. As this transaction was made public by Sakshi daily and a PIL was filed in the High Court, the contract process was halted. But, what was ironic was that very taking place of such scandalous process.

# Rs. 380 Crore Scam

## Changing of High-Tension Electric Lines

*In the past, even for a small contract to be awarded, many things were taken into consideration. The style of functioning and experience would be factored into decision making, and experience would actually play a key role in the decision-making process. This would show that the government would be cautious while awarding the contracts worth hundreds of crores of rupees.*



In this case, however, the Chandrababu Naidu government gave a contract worth Rs. 380 crore to a firm without any experience. The complexity of task i.e. changing the high-tension electric lines did not deter the government from gifting away a high-value contract. The entire episode was run with the help of a proxy firm from Kolkata. Some of the top Transco officials ensured that there were no competitors while awarding this job.

### Two Lanes of Electric Lines of 15 KM

Transco had to relocate the 400 KV lines in the capital city area to the outer limits of the city due to the constructions that are coming up at different places. Transco decided to shift these lines to riverbank villages (lanka villages) in the area near Ibrahimpatnam. Two lanes of fresh lines were approved by Transco and CRDA for the length of 15 kilometres and the tenders were called for tenders worth Rs. 380 crore.

### 4 Firms Disqualified on Technical Grounds

A TDP leader from Vijayawada set his sights on this contract and submitted a tender in the name of a Kolkata firm. A key official in this firm had previously worked in the APSPDCL in a senior position. The TDP

leader's contracts are supervised by this official.

An important official of Transco, who was very close to this TDP leader, backed him in his efforts. He made sure that other firms which were competing in the tender process withdrew their bids.

Finally, four firms based out of Hyderabad and Mumbai were left in the fray. At this critical point, the Transco official got into the act to make sure that these four firms were disqualified on technical grounds.

Interestingly, after the approval of the technical bids, these four companies were disqualified during the announcement of price bids. They were disqualified on flimsy grounds such as failure to upload soft copy along with tender and not disclosing details of disputes related to earlier contracts. They did not budge even when the four companies offered to explain these points. As a result, the TDP leader's proxy firm Kolkata managed to bag the contract.

### Contract to Inexperienced Company

In order to relocate these high-tension lines, towers over 100 meters height had to be built on the riverbank lands of Krishna river. These towers would require foundations of 500 cubic metres-depth. The Kolkata firm has no experience in implementing such critical projects. It would be an experiment for them.

# Rs. 301 Crore

## SDF Funds GO Straight to TDP Leaders!

GOs show TDP leaders as MLAs in the constituencies won by YSRCP and funds released in their names  
TDP leaders in 67 constituencies got Rs. 603 Crore in 3 years  
TDP leaders appropriated 50% of it; Rs. 301.50 Crore

*In an unprecedented act, the AP government's GO, dated March 31, 2017, stated that the government had issued a Rs. 2 crore grant for the development of roads in Santanuthalpadu constituency following a request from 'the constituency MLA B.N. Vijaya Kumar'. Mr. Kumar is in reality, a TDP leader while the serving MLA of the constituency is Adimulam Suresh from the YSRCP.*

### GOVERNMENT OF ANDHRA PRADESH

#### ABSTRACT

SDF-Developmental works- Administrative sanction for an amount of Rs.200.00 lakhs – towards sanction of C.C Roads in Santanuthalpadu Assembly Constituency of Prakasam District under SDF grant for the year 2016-17-Orders-Issued.

#### PLANNING(VI) DEPARTMENT

G.O.RT.No. 236

Dated: 31-03-2017

Read the following:-

1. G.O.Ms.No.328 Fin.(BG-I) Dept., Dated.08.04.2013.
2. G.O.Ms.No.70, Fin.(BG.1) Dept., Dated.24.3.2014.
3. From the Spl. Chief Secretary to CM Note No. 351/Spl.CS/2017 along with the representation of Sri B.N. Vijaya Kumar, MLA, Santanuthalpadu Assembly Constituency.

#### ORDER:

In the reference 3<sup>rd</sup> read above, Sri B.N. Vijaya Kumar, MLA, Santanuthalpadu Assembly Constituency had requested to accord necessary Administrative Sanction for Rs.200.00 lakhs for taking up developmental works in Santanuthalpadu Assembly Constituency of Prakasam District under the Scheme "Special Development Fund" for Welfare and Developmental Activities.

In an unprecedented manner, the AP government's G.O, dated March 31, 2017, stated that- the government had issued an Rs. 2 crore grant for the development of roads in Santanuthalpadu constituency following a request from 'the constituency MLA B.N. Vijaya Kumar'. However, Mr. Vijaya Kumar is indeed a TDP leader and the MLA of this constituency is Adimulam Suresh from the YSRCP.

Chief Minister Chandrababu Naidu's blatant disrespect for the opposition MLAs and disregard for the established political conventions comes as a rude shock to any concerned citizen. Setting a questionable precedent and hitting a new low in politics, the CM has not only refused to recognize the existence of

opposition MLAs but has also started calling his party MLA contestants who lost the previous elections as MLAs.

To this effect, he issued G.Os showing the TDP contestants as MLAs and directly gave them the development grants. Chandrababu has issued Rs. 603 crore development grants to 67 constituency leaders in the last three years. About 50% of this amount i.e. Rs. 301.50 crore has ended up in the pockets of these so-called TDP leaders cum MLAs.

### **B.N. Vijaya Kumar: No MLA!**

While Adimulam Suresh is the elected lawmaker from Santanuthalpadu constituency of Prakasam

district, Chandrababu government has changed his status with a GO. In the GO dated March 31, 2017, the government said it was granting Rs.2 crore special development on the request of 'MLA' B.N. Vijaya Kumar!

Such clear rejection of opposition MLAs was never the case in Andhra Pradesh politics. All the chief ministers have maintained a respectable relationship with the opposition members. When late Y.S. Rajasekhara Reddy was the Chief Minister, he had issued Rs. 2 crore as constituency development fund every year to all the MLAs irrespective of their party affiliation. Later, N. Kiran Kumar Reddy established a fund called the Special Development Fund and generously distributed the funds to all the MLAs so that his government wouldn't be taken down.

Chandrababu Naidu continued this SDF in principle, as it gives him complete powers as to the funds' allocation. However, he abused this power and stopped granting funds to the opposition MLAs. In the last four and half years, he did not grant single rupee of development funds to the opposition MLAs. Instead, he has been granting funds to his party leaders directly through government orders. In one of the most ironic developments in Indian politics, the GOs term the ruling party leaders as MLAs in place of the elected MLAs!

Chandrababu, true to his character, has turned SDF into his party welfare fund. He issued 31 GOs on March 31, 2017, releasing an Rs. 2 crore grant each to 31 constituencies; totaling Rs. 62 crore. He issued these GOs in desperate haste on the last day of the financial year.

PLANNING(VI) DEPARTMENT				
G.O,RT.No. 657		Dated.09-12-2015		
		Read the following:-		
1. G.O.Ms.No.328 Fin.(BG-1) Dept., Dated.08.04.2013. 2. G.O.Ms.No.70, Fin.(BG.1) Dept., Dated.24.3.2014. 3. From the JS to CM(VR) Note No.97/2015, dated:28.09.2015. *****				
1	SriD.Erasu Pratap Reddy, Ex-Minister	Panyam	4	200.00
2	Sri Silpa Chakrapani Reddy,MLA	Srisaillam	54	200.00
Total				400.00

While the Srisaillam MLA is Budda Rajasekhar Reddy of YSRCP, the GO has issued Rs. 2 crore to Shilpa Chakrapani Reddy, terming him as the MLA.

3	Sri Yanamala Krishnu, TDP I/C	Tuni	22	200.00		
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The GO has granted Rs. 2 crore to Tuni constituency TDP in-charge Yanamala Krishnu, while the MLA of Tuni constituency is Dadiseti Raja of YSRCP

Sl.	Name of the Applicant	Constituency	No.of Works	Estimated amount (Rs. In Crores)
1	Sri K.E.Pratap,I/C, Dhone TDP, Constituency.	Dhone	59	1.60
2	Sri K.E.Pratap,I/C, Dhone TDP, Constituency.	Dhone	27	0.50
Total			86	2.10

Dhone constituency of Kurnool district elected B. Rajendranath Reddy of YSRCP as MLA. However, the funds were released in the name of K. E. Pratap, brother of Deputy Chief Minister K. E. Krishnamurthy.

**How can the Chief Minister allocate funds based on his whims and fancies? In such a case, how we can think we are living in a democracy?**

# Rs. 270 Crore

## The CCTVs Scam

Estimated Cost Rs. 690 Crore  
Matrix-NCC Tender Quotation Rs. 960 Crore  
CM's Cut Rs. 270 Crore



The AP State Fibernet Ltd. (APSFL) had invited tenders to install CCTV surveillance networks in key locations of the state. The estimated project value (EPV) was pegged at Rs. 690 crore. Administrative approval was also given for the project and two companies Vantage-RVR and Matrix-NCC had competed for the contract. The technical evaluation committee chaired by APSFL Executive Director Atluri Rama Rao rejected the Vantage-RVR bid citing the lack of technical eligibility to undertake the project.

But, in fact, the Vantage-RVR has 27 years experience in this field not to mention the fact that it had quoted a lower price. While the Vantage-RVR quoted Rs. 784 crore, the Matrix-NCC quoted a staggering Rs. 980 crore. The Vantage-RVR was the clear L-1. However, the state government deliberately sidelined the qualified bidder so that the contract could be gifted to Matrix-NCC.

Since the -1 was disqualified on technical terms, the APSFL started price negotiation with Matrix-NCC. The company finally agreed to give a discount of only Rs. 20 crore, which means that the tender was finalized for Rs.

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Energy, I&I Dept. - Design, Implementation and Management of Cloud based IP CCTV Surveillance System in AP – Administrative Sanction for the Project and ratification of Request for Proposal – Orders – Issued.

=====

ENERGY, INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT

G.O.MS.No. 8 Dated: 03-04-2017  
Read the following:

From the MD, APSFL, Lr.No.APSFL/Surveillance Cloud/89/2016,  
Dt.24-12-2016.

b) Administrative sanction is accorded for this Project to be taken up at a Total Gross Estimated cost of Rs.990 crores and a Net Estimated Cost of Rs.690 crores and requisite budgetary provisions will be provided separately.

*A part of GO No: 8, issued on April 3, 2017, to grant administrative approvals for CCTV surveillance system with an estimated cost Rs. 690 crore.*

960 crore. While the estimated cost of the project was Rs. 690 crore, the committee gave the contract to the L-2 bidder who quoted Rs. 270 crore excess, i.e. Rs. 960 crore. Where the extra Rs. 270 crore is likely to end up is not a difficult thing to guess!

The interesting part of the deal was- without even obtaining the consent of the Tender Approval Committee, the Technical Evaluation Committee awarded the contract to Matrix-NCC. The officials who were connected to this tender made it clear that the entire episode was orchestrated by the Chief Minister himself. It doesn't come as a surprise that this corrupt decision was approved by the AP cabinet in June 2017.

# Rs. 155 Crore Solar Golmaal!!

The prospective loss that will have to be borne by APGenco, as it had to allow the highest bidding, is Rs. 755 Crore.

The money that changed hands in this transaction was Rs. 155 Crore

The APGenco has favoured a few private companies in awarding the tenders for solar power projects, which are to be established in Anantapur district. The details are as follows.

The APGenco has called for Engineering, Procurement & Construction (EPC) tenders for its 500-MW solar power project that is going to come up in Talaricheruvu village near Tadiparti town of Anantapur district. The private companies have used the BHEL officials and rigged the contract price. The BHEL which quoted Rs. 6.26 crore for Mega Watt was selected as L-1 through reverse bidding method. However, strangely, the government gave this project to other companies such as Sterling, Tata, L&T and MEIL for the same price.

The problem is the price quoted by the BHEL itself was an inflated price. The NTPC which was establishing a similar thermal power plant in the same district has finalised the per MW price at Rs. 4.91 crore.

Even the eligibility criteria of the companies were an issue. While 17 companies could participate in the tender bidding of NTPC, only

## 1. Technical Criteria

- i) The bidder should have designed, supplied, erected / supervised erection and commissioned / supervised commissioning of at least one number SPV based grid connected Solar Power Plant of 50 MW capacity at a single location or two plants of 25MW capacity and above at one or two places in India.
- ii) The bidder should have O&M experience in respect of Solar PV Plants of at least 50 MW single plant or 2Nos of 25 MW plants for minimum period of one year operation.

*The new regulations created by the Andhra Pradesh Power Generation Corporation Ltd. (APGenco) to select the 'choicest' companies.*

five companies got the eligibility for the tender process of APGenco.

This was because the important conditions of the tender were tailor-made to suit the interests of certain favoured companies. The APGenco proposes to pay Rs. 1.51 crore extra for each MW of power, which means the company would be burdened by Rs. 755 crore. When the scandal was reported by Sakshi daily and a few PILs were filed in the Hyderabad High Court, the AP government stopped the approval process. It was clear the tender process was initiated to kick-start a scam but it finally got stopped due to the media coverage and court intervention.

# Rs. 152 Crore Land Levelling Scam

Cost of 599 Acres Land Rs. 62.93 Crore.. APIIC Estimated Cost Rs. 177.94 Crore  
Actual Cost of Levelling Rs. 25 Crore.. Quantum of Scam Rs. 152 Crore

The AP government has bought an acre land for Rs. 10 lakh and spent twice as much to level the land, which incidentally was already flat. While the actual price of the land was Rs. 10.50 lakh per acre, the government has spent Rs. 29.71 lakh on each acre on the pretext of levelling. This is the episode of brazen loot and daylight robbery by Chandrababu Naidu, who is ripping off the government and pocketing public money through the AP Industrial Infrastructure Corporation (APIIC). Here is the full story.

The state government has entered into an MoU with the Korean automobile maker Kia Motors to start a manufacturing plant in Penukondamandal of Anantapur district. The APIIC has pooled 599.35 acres of land for this project at Erramanchi, Ammavarupallu, Duddebanda and Venkatagiripalem villages. The farmers whose lands were acquired for the plant were given an Rs. 10.50 lakh per acre compensation. Thus, the state government has spent Rs. 62.93 crore on the land acquisition.

## Here's the Catch...

The APIIC had invited tenders on April 25, 2017, to level the land so that it could hand over a clean plot to Kia Motors. The cost of the work was decided at a whopping Rs. 177.94 crore. Most of the contractors were of the opinion that the proposed levelling work would cost not more Rs. 25 crore since the lands have been under cultivation for a very long time. This effectively means about Rs. 152 crore was pocketed by the chief minister.

It was rumoured that this contract was conceived and rolled out only to benefit Nara Lokesh, the son of chief minister, and pacify PalleRaghunathaReddy, Puttaparthi MLA, after dropping him from the cabinet.

For this contract, several companies submitted the bids by May 10, 2017. However, most of them had to withdraw their bids due to the APIIC's condition that the contracting company must have had the turnover of Rs.



*The lands that were acquired for Kia motors at erramanchi and ammavarupalli villages. The government has levelled the lands that were already flat .*

780 crore for at least one year in the last five years. Meeting this narrowed down requirement, only L&T and NCC got qualified in the technical bidding.

These moves came as a huge shock to the farmers. They naturally felt betrayed as the government bought their lands at the cost of mere Rs. 62.93 crore and spent Rs.177.94 crore-more than double- on levelling it.

## TDP Bigwigs' Lands Exempted

The government which took the farmers' lands ruthlessly has exempted the lands of the bigwigs of the ruling party from the pooling. TDP MLA PalleRaghunatha Reddy, who had the insider information about the plant, has bought 378 acres located between survey numbers 408 and 445. The Civil Supplies Minister Paritala Sunitha's lands were also spared. She has 138 acres in this area. The TDP lawmakers had bought these lands only upon confirming that they would not be taken under land pooling. Their privy to insider information helped them take an 'accurate' investment decision.

## No Need for Levelling

There are no mounds or bushes nor is there any uneven terrain in the 599.35-acres of land acquired for Kia Motors. There is no need to level the land as we have been cultivating the lands for years. Farmers themselves did the levelling work long ago.

- **Venkat Reddy, Farmer,**  
**Ammavarupallu, Penugonda Mandal.**

## Government's Dubious Intentions

There is no need to spend additional money on levelling the lands of Erramachi and Ammavarupalli villages. Spending hundreds of crores of public money on land levelling is atrocious. The government must be spending such a huge sum only to pocket a good portion of it.

- **Boya Ramachandra, Ammavarupalli.**

# Rs. 367 Crore Nomination, it Works!

## Funds Meant for Development of 225 Tanks in 11 Districts Swindled

TDP leaders set their sights on developing tanks using World Bank funds and they are planning to distribute tenders amongst themselves on nomination basis. The ruling party leaders who earlier had lined their pockets under Neeru-Chettu Programme and employment guarantee scheme are now taking up the development of 225 tanks in 11 districts at the cost of Rs. 367.72 crore.

According to the rules set by the World Bank, contractors are supposed to be selected only on the basis of box tenders and not e-tenders. TDP MLAs and party leaders got ready to hand over the works through box tender system without giving other contractors the tender schedule. But when they were told by officials concerned that it was not possible, they changed tack.

They started pressurising the bureaucrats to award works on nomination basis. It is learnt that Chief Minister also has given his nod. The ruling party contractors are

thinking that since the World Bank is the funder, they can get their bills reimbursed at the earliest.

### Political Pressure on Officials

TDP leaders from Kurnool, Prakasam and other districts started exerting pressure on officials and in one instance, a minister from Kurnool called up an official and told him to scrap the tenders; threatening and questioning how the official could the tender notice came out in the first place.

Despite the official trying to explain to the minister that he had no say in the issue, the minister issued a diktat seeking his transfer from the district. Pressure is being exerted in YSR Kadapa and Anantapur districts also to hand over the works of development of tanks. In this context, the time for submission of tenders has also been extended.



# Rs. 100 Crore

**Pocketed in the Name of Jnanabheri Conferences**  
**Rs. 130 Crore Allocated at the Rate of Rs. 10 Crore per District**  
**Expenditure Rs. 30 Crore, Remaining Amount Siphoned Off**

Chandrababu Naidu has gulped down about Rs. 100 crore in the name of conducting Jnanabheri Conferences in universities. He has allocated a total of Rs. 130 crore to conduct the conferences. However, the experts and opposition parties of the opinion that the cost won't cross Rs. 30 crore even if Rs. 2 crore was spent on each district. This effectively means Chandrababu Naidu is pocketing Rs. 100 crore in the name conducting student festivals. Here are the details. Initially, the state HRD ministry has issued orders stating that the cost of each Jnanabheri conference would be Rs. 1 crore and the AP State Council for Higher Education (APSCHE) and the university concerned should split the expenditure. It further instructed that each university should mobilise 12,000 students to these conferences and conduct the competition such as essay writing, elocution, among others. The first three winners would be given cash prizes of Rs. 1 lakh, Rs. 50,000 and Rs. 25,000, respectively. The APSCHE and the universities were asked to foot the bill of these conferences. By then, Jnanabheri conferences were already conducted at Andhra University in Visakhapatnam and Sri Venkateswara University in Tirupati.

The universities were asked to bear this cost from their meagre resources. The state government- while denying funds for basic facilities of the universities- directed them to dip into student fee funds and spend the money on these propaganda conferences. This decision of the AP chief minister to divert student funds for his own publicity came in for severe criticism from educationists.

**Rs. 10 Crore Per District:** The TDP government which had initially said that the expenditure for each Jnanabheri conference would be Rs. 1 crore later hiked it tenfold to Rs. 10 crore. There are allegations that the tenfold increase which was announced by the Chief Minister and HRD Minister Ganta Srinivasa Rao was nothing but a ploy to loot Rs. 100 crore.

This decision of the government has attracted the widespread criticism. While the total costs of a

conference (including events, food, transportation of students etc.) wouldn't cross Rs. 2 crore, the government has claimed Rs. 10 crore. Educationalists believe costs were exaggerated with the sole aim of looting the public money. All the cash prizes put together wouldn't cross Rs. 17.5 lakh as most of the students are offered only participation certificates. Considering these facts, allocating a total of Rs. 10 crore for each district and a total of Rs. 130 crore on such student festivals was nothing but a daylight robbery by the state government.

## Not a Paise for Amenities

Students and teachers in universities and colleges are facing a lot of difficulties due to lack of basic amenities. Though the Chandrababu Naidu government had issued a GO in 2017 for the release of Rs. 380 crore, not a paise has been so far. Though proposals were submitted once again in 2018, the budget was not allocated. On the one hand, the government denies basic facilities to universities citing the paucity of funds and on the other, it spends hundreds of crores of rupees on publicity campaigns embarked upon by the Chief Minister. This decision of the government has come in for severe criticism from all quarters. It is said these conferences are being held before the election with the sole objective to deceive gullible students. There were widespread resentment and unrest among the student community across the state over the delay in the release of job notification as also the non-disbursal of unemployment allowance of Rs. 2,000 per month as promised.

Students are also furious with Chandrababu Naidu for having settled for the special package instead of special category status (SCS) to the state. Further, they are indignant that the state government arrested students protesting for SCS and foisted cases on them for fighting for the cause of SCS. The narcissist tendencies of Chandrababu Naidu have offended by the ordinary people and educationalists alike.

# Rs. 120 Crore

## Gross Mismanagement of Medical Devices

So far, we have seen irregularities and corruption in government procurement and contracts. To purchase thermometers which are worth Rs. 150 for Rs. 1,200 and stethoscopes which are worth Rs. 1,000 for Rs. 4,000 is your regular corruption. However, when it comes to corruption there seems to be a lot of space for TDP to get creative. And creative they did get! This time, they have outdone themselves, and for the first time ever TDP has introduced this concept called Annual Maintenance of medical devices in government hospitals.

In the name of annual maintenance, private organizations are being given contracts worth crores of rupees. The private companies are now paid a percentage of the instrument's price for annual maintenance. In this way, transactions worth hundreds of crores of rupees are being taken place with the support of the Chief Minister. The company, officials and the Chief Minister...all of them have an active role in this scam.

Even though some of the instruments have the warranty, the maintenance charges are still being collected. In some other cases, the instruments are shown as unavailable even if they are in stock. It can be understood from the fact that Rs. 120 crore have been subverted in three years under the Annual Maintenance scheme.

TBS, the organization that oversees the annual maintenance across all hospitals in Andhra Pradesh, stated that Rs. 480 crore worth equipment (50,613 machines and instruments) were functional. In 2015, the government struck a deal with TBS, at the rate of 8.1% commission per repair of one piece of equipment. The government authorities had never reviewed as to what was the real price of the equipment and to what extent TBS's estimates were accurate.

TBS has been collecting annual maintenance from the government against the extravagant price estimations. Although certain equipment is unavailable

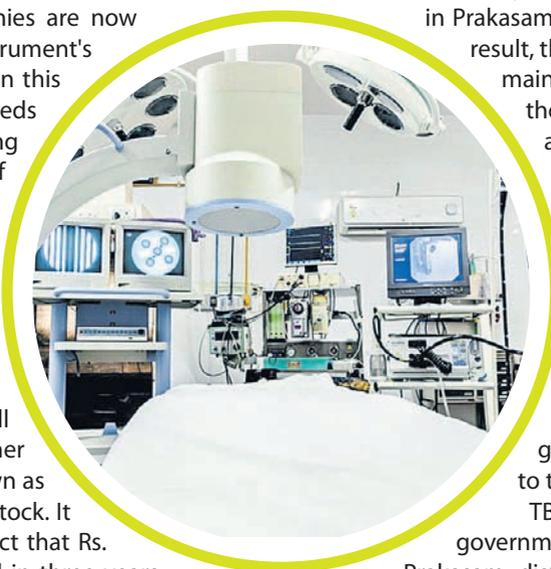
in some of the hospitals, TBS is collecting a fee for them.

About 30% of the recorded equipment is covered under warranty. Yet, TBS has been collecting maintenance fee for the equipment covered under warranty. Interestingly, TBS kept on increasing the valuations of the equipment year after year. The equipment's value was projected as Rs. 227 crore in December 2015, Rs. 409 crore in March 2016 and Rs. 508 crore in February 2017. In October 2017, the valuation was increased to Rs. 478 crore. In reality, the equipment's value would be no more than Rs. 250 crore.

The company quoted the value of the glucometer in Prakasam district's RIMS as Rs. 5 lakh. As a result, the government had to pay annual maintenance charge of Rs. 40,500 at the rate of 8.1%. However, the actual cost of the device would not exceed Rs. 1,000 and the maintenance cost would be mere Rs. 81. The MRI scanner in Kurnool General Hospital has been procured in PPP mode. Hence, it was not supposed to be covered under the annual maintenance by TBS. But, since the contract was in place, the government had to pay Rs. 40 lakh to the company.

TBS put the value of a scan maker in government hospital of Khambham, Prakasam district as Rs. 2.48 crore, but, the actual price the device was just Rs. 2 lakh. When calculated as per the actual price, the annual maintenance was to be Rs. 16,000. But, the government paid Rs. 20 lakh towards maintenance. The CT scan machine in Visakhapatnam's King George Hospital is covered under warranty and was purchased for Rs. 1 crore. But, TBS quoted its value as Rs. 2 crore. TBS collected Rs. 16 lakh towards maintenance for a device that was covered under warranty.

**Probably, this is the most innovative scams of the TDP government, which is quite dangerous for the people of Andhra Pradesh!**



# Rs. 103 Crore

## Theft in the Name of Rain Guns

Do you ever buy an item for Rs. 10 and spend Rs. 9 on its repairs? You may never do that, but Chandrababu Naidu exactly did that. The government has bought the rain guns for Rs. 163 crore and spent Rs. 103 crore on their repairs and maintenance!!

A rain gun is an agricultural equipment that discharges water to a certain distance. For instance, a six feet rain gun can throw water up to 45-meter radius. It works on a 5HP engine and needs constant water supply from a water source such as a well, a canal or a tube well. If there is no water source available, water has to be fetched through tankers.

### REVENUE [DM.II] DEPARTMENT

G.O.RT.No. 19

Dated: 13-02-2017

Read the following:-

In the reference 1st read above the Commissioner of Horticulture, A.P has submitted detailed proposals to provide protective irrigation to 10.00 lakh acres of standing crops during ensuing kharif 2016 @1.0 lakh acres per day in a dry spell period of 10 days there by covering 10 lakh acres in the eventuality of dry spell. Accordingly, proposals were submitted with estimated cost of Rs.103.50 crores towards hiring of technical manpower by the MI companies for operation and maintenance of rain gun, sprinklers and oil engines/pumps, cost of hiring of trucks/tractors for transportation of the systems with all accessories to designated villages experiencing drought, cost of

*The order issued by the Disaster Management Department, dated February 14, 2016, issuing Rs. 103 crore for maintenance of rain guns.*

By August 28, 2016, 309 mandals of AP were declared drought-hit. At this juncture, the state government loftily declared that it was going to save crops in 10 lakh acres in these mandals with the help of rain guns. It bought about 13,650 rain guns and rented them out to farmers. It has also sold the rain guns to the interested farmers. The government estimated that it would cost Rs. 3,000 to water an acre crop and gave 50% subsidy too.

However, since there was no genuine interest to save the crops and the focus of the scheme was only making money at the cost of the farmers, the state government has failed to save the crops in a single acre even after spending Rs. 163 crore on rain guns. Despite this failure, the government has released another Rs. 103 crore for the 'maintenance' of those rain guns, which reconfirms that the fact that the whole scheme was nothing but a well-planned scam.

Once the AP government took this decision, the Finance Department released Rs. 103 crore to the AP Revenue Disaster Management and orders were

issued on February 13, 2017. However, by then, nobody knew where all the rain guns exactly were. While some rain guns were with farmers, others were in warehouses and the offices of the Agriculture Department.

### Were 4 Lakh Acres Saved?

CM Chandrababu has claimed that his government had successfully fought the drought and saved the groundnut crop in 4 lakh acres in Anantapur district. The I&PR minister inflated this figure to 7 lakh acres. They spouted these fake figures without thinking about the amount of water required and the number of tankers needed to save crops in 4 lakh acres or seven lakh acres.

It takes four spells of 25 ml rainfall to sufficiently water one-acre groundnut crop. Since there was no rain between July 15 and August 28, the groundnut crop got affected. The rain guns could provide from 5 to 6 ml rainwater at best. Though the state government couldn't save the crop in a single acre, it

had claimed in the GO that it was releasing an additional Rs. 103 crore for the maintenance of the rain guns which had "saved the crops in 10 lakh acres"!

### **Neither Water Nor Tractors**

An acre crop needs 25 ml rainfall to have sufficient growth. The state government has claimed that it gave 5 ml of rainwater through rain guns. Even if we assume that the government provided the stated 5ml water for an acre, it was no way sufficient and needs 25,000 liters of water for an acre to save the crop. Assuming that the government had supplied 5,000 liters with each tank, it needs 5 tanks for 25,000 liters and 5 lakh tankers for 1 lakh acres.

If we go by the CM's claim, he must have used 20 lakh tankers to fetch water for the rain guns. Is it possible to hire those many tankers in the state? The implementation period of this scheme was 10 days. How could the government get 20 lakh tankers in 10 days? The CM also needs 250 crore liters of water to save the crop in 4 lakh acres. Where did the government find that amount of water in the drought-hit state?

That means there was neither water nor water tankers; there were only the statements making government and its unused rain guns! The TDP leaders who got the kickbacks by spending Rs. 163 crore on rain guns pocketed another Rs. 103 crore in the name of the maintenance.



*AP CM, Chandrababu Naidu, at the launch of a rain gun on August 28, 2016, in the field of farmer Sivanna in Gunduvaripalli village of Anantapur district.*



*Labourers showing the withered groundnut plants in the same field- of Sivanna- in which the CM had launched the rain gun.*

# Rs. 80 Crore

## Lokesh Swindles in the Name of Village Roads

Rs. 36 Lakh per km would be enough per 1 km tar road  
But Government wants to give Rs. 69 Lakh  
Cement roads can be laid at Rs. 40 lakh per km  
Government is willing to spend Rs. 83 Lakh  
Costs are directly proportional to commissions!

On an average, construction of tar roads would cost around Rs. 35 lakh per kilometre. However, the state government decided to spend a whopping Rs. 69 lakh for the job. It was the same case with the cement roads. While experts say cement road cannot cost wouldn't cost more than Rs. 40 lakh per kilometre, the AP government was more than willing to spend Rs. 83 lakh. The government has prepared the ground to lay 2,206 km of cement road and 2,749 km of tar road at such exorbitant rates to pocket huge money. The Chief Minister and his son will end up making over Rs. 800 crore by awarding contracts to their crony companies.

This entire corruption saga is taking place in the engineering wing of the Panchayati Raj Department which is headed by minister Nara Lokesh. The government estimated a cost of Rs. 4,234 crore to lay new roads in villages which had no connectivity. The Asian Infrastructure Investment Bank (AIIB) agreed to lend 70% of the cost.

### Dubious Web of Packages

Customarily, small contractors take up work related to laying of roads about 2 kilometres or so which connect neighbouring villages. Realising that doing these small jobs would not fetch them much; Nara Lokesh drew up an elaborate plan. He converted 50-60 such small jobs of 2-3 km into a package. A total of 2,498 works were distributed into 40 packages. They decided to hand these jobs over to their favoured contractors for kickbacks through mobilisation advances.

### Estimated Costs Hiked During DPR Stage

The government jacked up the estimated costs of the project in the Detailed Project Report (DPR) itself. These DPRs were prepared by officials in the engineering wing of Panchayat Raj Department as per instructions of the top brass in the TDP government.



# In the Name of Tourism

## Star Hotels Get All the Incentives

Annual Incentives to Tourism Rs. 213 Crore  
Share of Star Hotels and Restaurants Rs. 150 Crore

The tourism sector in Andhra Pradesh is languishing despite the lofty claims by Chandrababu Naidu as to its development. Entrepreneurs are not keen to invest in the tourism sector of AP thanks to the state government's unworkable approach.

The state government which is supposed to develop basic amenities in tourist spots is going exactly the opposite direction. It proposes to shower subsidies on the star hotels and restaurants and has prepared an outlay of Rs. 213 crore for these subsidies. Here are the full details.

After having a consultation with tourism entrepreneurs, the CM ordered the Tourism Department to provide viability gap funding, capital subsidy and several other subsidies. As a result, an outlay of Rs. 213 crore was finalized and a major part-Rs. 150 crore- goes to star hotels. It is also proposed that land will be allotted on nomination basis for the hotels and tourism projects with the investment more than Rs. 100 crore.

The Chief Minister agreed to these proposals without applying his mind as to their feasibility. He established the Andhra Pradesh Tourism, Culture and Heritage Council under his chairmanship to facilitate this distribution.

### Subsidies the government will provide-

- The land on nomination basis
- 100 % waiver of land use mutation charges
- 100 % reimbursement of land registration charges
- Complementary infrastructure
- Capital subsidy and interest subsidy
- Exemption of VAT-GST, luxury and entertainment taxes
- Power charges reimbursement
- 25 % road tax reimbursement
- Assistance in marketing, staff skilling
- Flexible bar policy
- Full subsidy of water tax

### Annual Royalties

Category	Budget Subsidies (in Rs./Crore)
Hotels/Restaurants	150
MICE	20
Establishments Next To Highways	10
Amusement Parks	10
Water Sports	05
Adventure Sports	10
Heli-tourism	02
Beach Amenities	01
Home Stay/Agri-tourism	05
<b>TOTAL</b>	<b>213</b>

# Janmabhoomi Committees - One Party Rule!

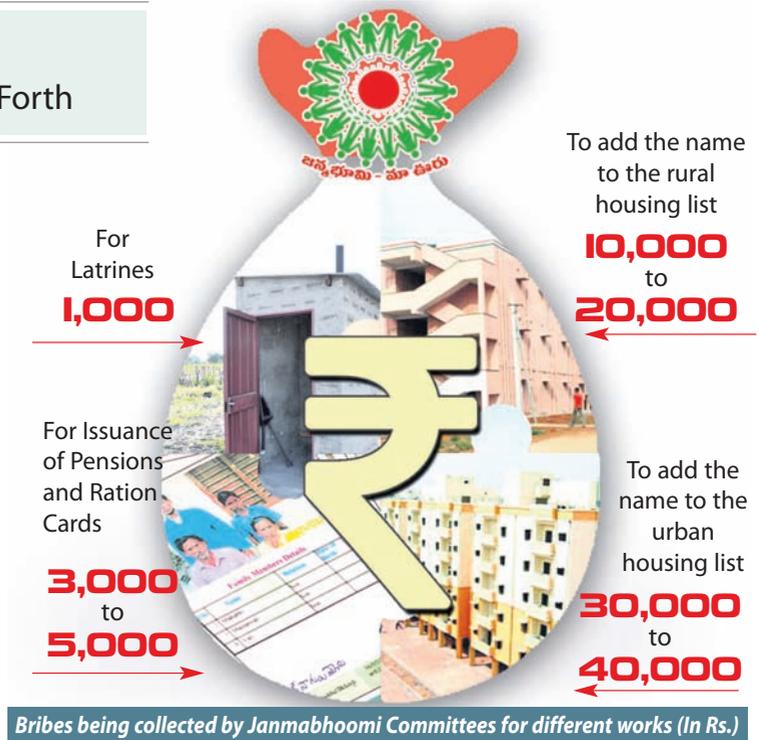
Local Bodies Rendered to Zilch  
Without Bribe, No Help Comes Forth

TDP is drunk with power. The party has literally imposed its rule on villages by appointing so-called Janmabhoomi Committees, which were supposed to be the welfare committees, but have become all-powerful and corrupt. These committees neither have any constitutional sanction nor are they legal, still they wield the absolute power in village administration because of the mandate that was given to them by Chandrababu government. This absolute mockery of democracy has installed the rule of Telugu Desam Party (TDP) in the villages, with all schemes and benefits are being directed to the ruling party members.

According to the constitution, the Sarpanch in the village, the Chairman in the municipality, the Mayor in the municipal corporation are in consultation with the members of their respective local bodies supposed to decide the functional priorities.

It is unfortunate that, despite Andhra Pradesh having a strong panchayat raj structure, Janmabhoomi Committees have become the final authority to decide all the matters of importance at the local level. As to the matters concerning housing, pensions, ration cards and loans from SC, ST, BC Corporations, the recommendations of Janmabhoomi Committees have become the final authority. People were forced to bow down to these committees.

As a direct consequence of this, the people who are able to bribe these committee members are the only people who are able to avail welfare schemes.



Despite the High Court's observation that such committees exercising influence were inappropriate, there has been no change at the ground level.

The Janmabhoomi Committee comprises of Sarpanch, one Mandal Parishad Territorial Constituency (MPTC) member, two DWACRA Committee members, two from welfare committees and Panchayat Raj Secretary (Convener), a total of seven people from the committee. For all practical purposes, almost all the members would be from the ruling party and they have decided all the beneficiaries of the government schemes.

The majority decision of the Committee is necessary for the finalisation of beneficiaries. In places where the people's representatives belong to opposition parties, the Janmabhoomi Committee members are able to exercise supremacy, in places where the people's representative belong to the TDP,

there is a unilateral exercise of power. In such places, the TDP cadre is misusing power and shamelessly amassing huge wealth, which is evident from the way their standard of living improved over the last four years.

### **Different Works, Different Bribes!**

Janmabhoomi Committees decided bribes for every favour they render, every work they get done. The Committee members are fleecing the public. To illustrate, in villages, for sanction of a house, the bribe demanded is Rs. 10,000 to Rs. 20,000, when it comes to towns and cities, anywhere between Rs. 30,000 and Rs. 40,000 is demanded. In some instances, close to 10% of the amount sanctioned to beneficiaries is demanded by the Committee members. Similarly, for sanction of loans, Rs. 20,000 and for pensions and issue of ration cards Rs. 3,000 to Rs. 5,000 is demanded. As to the matters related to the construction of highways, drainages and bridges, the approval of Janmabhoomi Committees is wrongfully

made mandatory and using this power, the Committee members are demanding money from contractors.

### **Only TDP Allowed**

TDP members and sympathisers are being selected as beneficiaries of the welfare schemes. Despite the eligibility of several people, who happen to be sympathisers of the YSR Congress Party, they were denied their rights and were sidelined. For areas where YSR Congress Party sympathisers and party workers are in majority, funds for public works were not sanctioned. For instance, Smt. Lakshmi Tulasi, Sarpanch of Narkullapadu, Guntur district has questioned the authority of the committee members and this had angered the TDP members. Subsequently, these members got her suspended twice. However, she was reinstated after she won the case in the court. Still, these members thirsty for revenge, have not allowed any development works to be undertaken in the village.

## **AP Govt. Cancelled the Tender As No Kickback Involved**

### **AAI Lost Bhogapuram Airport Tender for Not Being Corrupt**

When a government organisation gets a contract, no escalation or absurd hiking of prices would be permitted. Ruling party leaders wouldn't be able to call shots once the contract is commenced. But, if the contract is given to a private entity, there would be space for manipulation and ruling party leaders can make the most of it. This explains the AP government's cancellation of Bhogapuram Airport tender won by the Airports Authority of India (AAI). Here is the full story.

In the AP cabinet meeting held on January 19, 2018, the government has taken a decision to scrap the Bhogapuram Airport tender, which was awarded fair and square to the AAI for the construction of the Airport. An interesting fact, Chandrababu Naidu himself had the awarded contract cancelled for the obvious reasons.



## How Did AAI Win the Tender

Tenders for constructing a greenfield international airport were invited in June 2016, through Public-Private Partnership (PPP) model. To the whims of Chief Minister, the last day for the submission of tenders was extended till July 31, 2017.

Within that date, GMR group and AAI have submitted their bids. On the same day, technical bids were opened. Both the entities were deemed fit by the technical committee, which was appointed by the government.

On August 21, 2017, the financial bids were opened in the presence of the Chairman of the Bhogapuram International Airports Corporation Limited. In these financial bids, AAI offered a 30.2% and GMR offered 21.6% share to the government. Because AAI offered a larger share, it ended up winning the tender.

## Why Was Tender Cancelled?

The Chief Minister's claim that the tender was scrapped because of delays in land acquisition is completely nonsensical. Even government officials have confirmed this.

Officials who don't want to be quoted said the Ministry of Civil Aviation and the Ministry of Environment and Forest have given their approvals for the building of an airport in Bhogapuram. Even the tender given by AAI was in full compliance of the tender document and offered a substantially large percentage of revenue. AAI has a built several International Airports in the country and has a proven track record. With all these factors in play, there is no sound reason for tender cancellation.

Now, Chandrababu has announced that there will be another PPP model based tenders for the construction of the same airport. It is evident that Chandrababu is not looking for a partner who is good for the state, but rather he is looking for a partner that would like to be in cahoots with him and paying some good old-fashioned kickbacks!

## *This is The Airport...*

The Bhogapuram International Airport is supposed to come up on 2,703 acres at the cost of Rs. 2,461 crore. The Housing and Urban Development Corporation (HUDCO) has granted a special loan of Rs. 840 crore to pool the government, private and assigned lands. For the construction and development purposes, a special

purpose vehicle named Bhogapuram International Airport Corporation Ltd. was established. Though initially, they have thought of building in two phases, later it was decided to develop the entire airport in a single phase in 2,703 acres. In this land, 1,733.66 acres was for the airport, 592.69 acres land for commercial purposes, 175.70 acres for airport approach road and commercial purposes and 201.21 acres were allocated to the special purpose vehicle.

# Mines are Finished!



# Rs. 7,950 Crore

## Sand Mafia Plunders AP

In the Last Four Years, TDP Leaders Made a Total of **Rs. 7,950 crore**

Half of this Amount **Rs. 3,975 crore** Has Ended up with Chief Minister Chandrababu Naidu and His Son Nara Lokesh

In the First Two Years of TDP rule, the TDP Leaders Have Used Women Self-Help Groups as Front and Made **Rs. 2,480 crore**

In the Remaining Two Years, They Have Looted to the Tune of **Rs. 5,470 crore** in the Guise of Free Sand

### GOVERNMENT OF ANDHRA PRADESH ABSTRACT

MINES & MINERALS – Review of Sand Mining Policy in the State – Quarrying of sand by Women Self Help Groups through Andhra Pradesh Mineral Development Corporation – New Sand Policy-2014 – Orders – Issued.

#### INDUSTRIES AND COMMERCE (MINES-IV) DEPARTMENT

G.O.MS.No. 94.

Dated: 28-08-2014  
Read the following:-

5. The Government reviewed the existing sand policy and a committee was constituted under the Chairmanship of Principal Secretary, Revenue (Lands) Department, vide G.O. reference 7<sup>th</sup> read above to examine the existing policy and suggest measures to simplify the procedures for sand mining.

6. As per the recommendations of the Committee constituted vide reference 7<sup>th</sup> read above, the New Sand Policy-2014 is being introduced with the approval of State Cabinet on 01-08-2014. The salient features of the New Sand Policy-2014 is as follows:-

- i) All the Sand Reaches in the State will be entrusted to M/s. A.P. Mineral Development Corporation (APMDC) Ltd.,
- ii) All Sand reaches will be allotted to the District/Mandal Mahila Samakhyas or Gramasangams for undertaking Sand quarrying depending on the potential of each sand reach.

*The GO No 94 which has given entitlement of sand reaches to women self-help groups.*

In the last four years, the 459 sand reaches of Andhra Pradesh have been ransacked by the TDP leaders. The fact that the ruling party leaders have made more than Rs. 7,950 crore expound the extent of plunder, which has not only increased the costs of construction for the ordinary people but also caused peril to the river ecosystem in the state.

The ruling party leaders have made Rs. 2,480 crore in first two years by taking contracts of sand reaches in the guise of women self-help groups. Apparently, Chandrababu Naidu government felt even that pretention was unnecessary, so, he has come up with a much-touted 'free sand policy'.

While the stated objective of this policy was to provide sand free of cost to all the people by doing away with the government ownership over the sand reaches, in practice, it was a formal handover of the reaches to TDP MLAs and local leaders. Once the government gave up its ownership over the reaches, the TDP leaders





TDP leaders unleashed the police and suppressed the protests. The government whip, Meda Mallikarjun Reddy, his relatives and other TDP leaders are digging up Cheyyeru river. Chitravati, Penna, Papagni and Cheyyeru rivers are being ruthlessly exploited by greedy TDP leaders Putta Narasimha Reddy and Satish Reddy.

In Pottisriramulu Nellore district, Rs. 150 crore-worth of sand was mined in a single year from Penna, Swarnamukhi and Kalangi rivers and sold in Chennai and Bengaluru. Every single day, hundreds of trucks of sand is being mined from Somasila, Kotitheertham, Ulavalapalli, Mamooduru, TK Padu, Madapalli, Mahamadapuram, Kota, Telugurayapuram, PadamatiKhambhampadu, Podalakuru, Kolagatla, Apparaopalem, Iruvuru, Doravarisatram, Tada, Sullurupet and Vaakadumandals to be sold in Chennai and Bengaluru.

In Anantapur district, about 150 trucks of sand is being mined every day from VedavatiHagari river at Rachhamarri of Kanekallumandal. Uravakonda MLC's henchmen have been control this ring. In Uravakonda, Guntakallu and Vajrakarur areas, the TDP leaders have amassed lakhs of rupees from the illicit sand mining. Five MLAs and an MP have made huge fortunes from the sand mining.

Tungabhadra and Handri rivers in Kurnool district have become money-spinners for greedy TDP leaders. A prominent TDP leader's son is selling sand from Handri river near Gorantla, Erragudi and Mannekunta villages. The sand is being sent to Hyderabad at night. In Kodumuru constituency, a trusted lieutenant of a key TDP leader is mining Tungabadhra river at Kottakota and Eerrladinne villages for his buyers in Hyderabad.

## Heavy Irregularities in Sand Mining

### Cabinet Subcommittee

The cabinet sub-committee has conceded that illegal sand mining and transportation were true. The sand is being mined with the help of heavy machinery and the government has failed to stop this illegal mining due to the lack of inter-departmental coordination, felt the subcommittee that was appointed to examine the implementation of the so-called sand policy. The committee consists of K. E. Krishna Murthy (Revenue Minister), N. Chinarajappa (Home Minister) and Sujaya Krishna Ranga Rao (the Minister for Mines).

## Failure brand on DWCRE Groups

Chandrababu Naidu- who has been using DWCRE groups for his political ends- has dubbed DWCRE groups as failures in order to hand over the sand reaches to his party leaders. He announced that he had introduced the (so-called) 'Free Sand Policy' because of the failure of the DWCRE groups. Though CM had stated that CCTVs would be fixed at sand reaches, the promise which never took shape as it was never of his intention to protect them.

*Sand that has been fetched through a boat is being shifted into a lorry with the help of excavators at Surayapalem in Vijayawada Rural mandal*

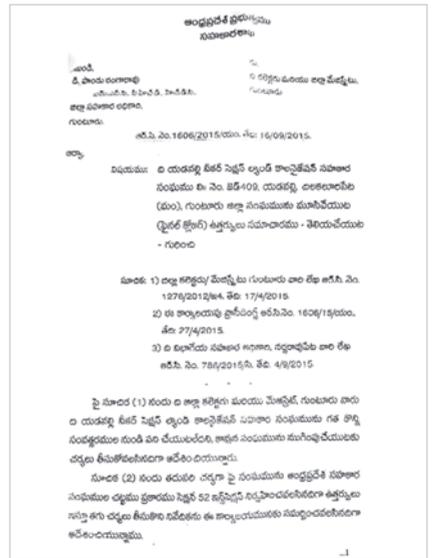


# Rs. 2,000 Crore

## Minister's Sketch for Granite Mines



Cotton crop in the lands of the SCs.



The order of the district cooperative department official cancelling the registration of Dalit's land society.

The governments should ideally help Dalits to get lands so that they can come out of the centuries-long oppression. In AP, the government is doing exactly the opposite. It indeed took back the lands that were once allocated to Dalits by the previous governments. Here is one of such brazen story of a TDP Minister.

In Yadavalli village of Chilakaluripet mandal of Guntur district, about 250 Dalit families were given 416 acres land in 1975. A survey by geologists identified black pearl granite mines worth over Rs. 2,000 crore in these lands. And this discovery has become a curse to the poor Dalit families.

Learning about the discovery, the AP civil supplies minister Prattipati Pulla Rao drew up a sinister plan and snatched the lands from Dalit families with the help of different government departments. The success story of the minister, who is amassing fortunes at the cost of poor Dalit farmers, has to be recounted to be believed. Here is the story.

The then government of Andhra Pradesh has allocated 416.50 acres of land (of survey no: 381) on

January 19, 1975, to about 250 impoverished Dalit families. These families have formed "Yadavalli Weaker Section Land Colonisation Society" in 1976 and have been cultivating the land ever since. These lands got water facility in 2008 thanks to Sri Arunodaya Somepally Sambaiah Lift Irrigation Scheme completed by then Chief Minister Dr. Rajasekhara Reddy. From then onwards, these Dalit families had been reaping a rich harvest in every season.

### Minsiter's Evil Design

Having realised the value of the lands, the minister set his eyes on the lands. He indeed had plans to start a granite unit in his constituency and this information came in handy for his proposal. He gave his plan a shape with the help four government departments. He first has secured a false report from the Agriculture Department stating that these lands had saline content and not conducive for cultivation, the Cooperatives Department, in its report, accused the Yadavalli Weaker Section Land Colonisation Society of improper records maintenance,

the Mining Department confirmed the existence of granite mines in these lands and the report of Vigilance Department struck the last nail by accusing that the Dalit families were trying to sell off their lands to industrialists, who were interested in the granite mining. Based on these reports, the AP government has de-recognized the society, declared these lands as government lands and finally cancelled the land entitlements of the poor families.

## Early Applications

Well before the derecognition, the minister had got quite a few people to apply for mining permissions in these lands. While 39 people have applied, 20 of them were the followers and employees of the minister. According to the rules of the Mining Department, the first applicant gets permission. The following are some of the applicants -

- Y. Sivaiah, S/o Balakotaiah, Door No: 1-130, Yadavalli village. His wife Rama Devi is Sarpanch of this village and belongs to TDP.
- Y. Ravindrababu, S/o Sivaiah, Door No:1-130, Yadavalli village. He is the son of Sarpanch Rama Devi.
- Ch. Venkata Rami Reddy, S/o Subbarami Reddy, Door No: 5-285, Jalaiah Colony, Chilakaluripet, He is working as a supervisor in Swathi Oil Mills, which is in the name of Pulla Rao's daughter Swathi, located in Ganapavaram village.
- Shakila SambasivaRao, S/o Krishnamurthy, Door No:2-52-2, Ganapavaram village, Nadendla mandal. He is a cashier in the minister's cotton mill.
- Taaluri Subba Rao, S/o Ramulu, Door No: 3-404, 9th Line, Pandaripuram, Chilakaluripet. He has been working as a cotton buyer in the cotton mill owned by the minister.
- Bommineni Rama Rao, S/o Papaiah, Ganaesuni palem village, Yadlapaadu mandal. He is working as a cotton buyer in the minister's cotton mill.
- M. Sudhakar Reddy, S/o Venkata Reddy, Door No: 3-104, Manukondavari Palem village, Chilakaluripet mandal. He is also a cotton buyer in the minister's cotton mill.
- Kommalapati Purnachandra Rao, S/o Venkateswarlu, Door No: 5-46/5-1, Muvvavari Bazar, Ganapavaram village, Nadendla mandal. He is working as a TMC unit in-charge in Sivaswathi Textiles, which belongs to the minister.
- Meduri Satyanarayana, S/o Picthiah, Door No: 4-190, Kondruvari Street, Ganapavaram village, Nadendla mandal. He is working as a production manager in Sivaswathi Textiles.



*Dalit farmers giving a memorandum to Ms. Kamalamma, a member of National Human Rights Commission.*

## Facts!

The Dalit families have been cultivating these lands with the help of the society since 1975. Rice and cotton are their staple crops. These farmers have also availed themselves of crop loans from banks. The Agriculture Department has the data of crops cultivated on these lands during the previous years. These lands can in no way have saline content as there is no sea nearby. Interestingly, according to the latest documents of the government, there was no saline content in the lands that surround these lands. The cancellation of land titles was a well-planned conspiracy orchestrated by the minister Prathipati Pulla Rao with the help of government machinery, which shamelessly lent itself to ensure the success of his vicious anti-Dalit scheme.

## Inquiry by SC and ST Commissions

The Dalit families have filed complaints with the national SC and ST Commissions. As the commission member Kamalamma, who had investigated the issue, had retired, the Dalit families have filed their fresh complaints before the commissions. Both the commission have accepted the complaint and the Chairpersons of both the commissions have summoned Kantilal Dande, then Guntur district collector, the other state government officials who canceled this allocation to Delhi.

The commissions have questioned Kantilal Dande whether he had issued any notices to the members of the land colonisation society before derecognizing the society. However, since he could not produce any records that confirm the issuance of notices, the commission has issued orders stating that the farmer can continue to enjoy the lands until the further date of inquiry and the Guntur district authorities must not interfere with their right.

# Rs. 1,962 Crore

## Illegal Mining in Minister's Area

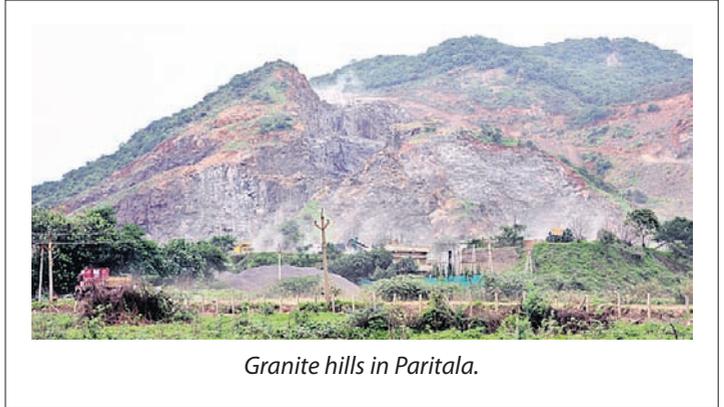
500 trucks a day, Rs.1.2 Crore worth gravel transported  
Rs. 1,962 Crore looted in 1,540 days over four and a half years

Though the AP Pollution Control Board has banned illegal mining in the state, it is being carried out with impunity in the minister Devineni Umamaheswara Rao's constituency, Mylavaram. Though the mining permits were cancelled, the mining mafia has been transporting about 500 trucks of gravel every day; the value of which is about Rs.1.2 crore. Thus, in the last four and a half years, the minister's followers have made about Rs. 1,962 crore from the illegal mining.

### Details of Scam

There are about 1,204 hectares of hilly wasteland in survey no. 801 of Paritala Donabanda village of Kanchikacharamandal. The mining mafia of the minister has dug up 94 quarries and set up 72 crushers were in this place. These quarries are located bang on the Vijayawada-Hyderabad highway, though they should not be situated within a kilometre from the highway, according to the rules. The crushers, however, are being operated within 100m of the highway.

Favouring the minister, the TDP government has granted permissions for 94 quarries, ranging from over 2-5 hectares of land each. However, quarries have been dug up in about 800 hectares. In Paritalamandal, along



Granite hills in Paritala.

with a close relative of the minister, the owners of Modern Crusher, Powerstone Crusher, Ayyappa Crusher and NNR Crusher are involved in illegal transportation of gravel on a daily basis.

Police and transport department officials are remain playing mute spectators, while Rs. 1.2 Crore worth gravel is being mined every day. The AP Pollution Control Board had directed on June 20 that illegal mining should be stopped immediately on the account of widespread pollution in Paritala. However, the transportation of gravel continues till date uninterruptedly. Even the issuance of way-bills is stopped; the transportation of gravel has been going on without any hitch.

## Mining Mafia Turns Irrigation Canal into Wasteland

The Ibrahimpatnam major canal, which fetches water from Nagarjuna Sagar to Paritala of Kanchikacherla mandal in Krishna district, is 5 km long. The canal runs next to 1,204 acres of hilly wasteland located in survey number 801 of Donabanda quarries. This canal also supplies water for two major tanks in that vicinity. The mining mafia has occupied this canal too. They have laid roads over the canal indiscriminately in 5 km radius of

their quarries.

During last summer, the government has issued Rs. 9.35 crore funds for earth work of the Sagar canal, which runs between Duggiralapadu and Donabanda and 24 km-long. The contractor, a crony of the ruling party, did not do any work at all on a full 5 km stretch but had claimed the bills for entire work. Thus, he has managed to swindle Rs. 2 crore from the public exchequer.

# Rs 1,000 Crore

## One-time Settlement for Illegal Mining

The government is trying to benefit its leaders who have been into illegal mining  
Its one-time settlement scheme will drastically bring down the total penalty that they otherwise would pay

This is a conspiracy to protect the mining mafia from Court cases and to save them from facing penalty charges. The TDP government is bringing in a 'One-time settlement' option so that offenders are saved from penalties worth more than Rs. 1,000 crore. Certain important leaders from the ruling party had carried out illegal Limestone, Laterite and Manganese mining worth hundreds of crores. In certain other places, mining activities have been carried out without leasing the land.

Vigilance & Enforcement and mining department officials had conducted raids at times, only to file cases against the ones who were transporting the minerals. By December 2017, over 2,258 cases were pending. The benamis of ministers, MPs and MLAs of the ruling party had to pay penalties to save themselves from facing Court cases.

To save them from paying penalties worth hundreds of crores, the TDP government implemented the one-time settlement method, in which the offenders could get away by paying a nominal penalty.

"Most of the names (offenders) are those of our people. They cannot pay in large sums. Please arrange for one-time settlement," a minister belonging to the Rayalaseema region said to the Minister for Mines, Sujay Krishna RangaraoRavu.

After the minister ordered the officials to implement one-time settlement scheme, the ministry had to halt it after media reports emerged. Interestingly, all the preparations had already been done to save the benamis from facing charges.

At the time of raids, the Vigilance & Enforcement and mining department officials would charge a penalty of 5 to 10 times the price of the minerals. As per law, a penalty of 10 times the price should be levied if the mining is carried out without license while upon illegal

### Particulars of Illegal Mining Activities as of 31 December, 2017

S.No.	District	Number of Cases	Fine Dues (In Rs.)
1.	Srikakulam	248	38.42
2.	Vizianagaram	384	102.91
3.	Visakhapatnam	56	14.20
4.	East Godavari	34	147.27
5.	West Godavari	34	62.96
6.	Krishna	70	17.07
7.	Guntur	77	44.15
8.	Prakasam	39	1.87
9.	Nellore	10	5.54
10.	Chittoor	73	309.46
11.	YSR	521	221.74
12.	Anantapuram	25	13.62
13.	Kurnool	757	197.72
	Total	2,328	1,176.93

***(A penalty of Rs 1,176.93 crore is yet to be collected from 2,328 cases. Additional details and pending cases are to be added to these figures.)***

mining (mining beyond the permissible limits) a penalty of 5 times the price would be charged.

For example, if a person is booked while mining without license, he/she is obligated to a penalty of Rs. 10 crore if the mineral value is Rs. 1 crore. Similarly, if the mining is carried out beyond the permissible limits, Rs. 5 crore charge would be levied if the value of mineral is Rs. 1 crore.

# Rs. 1,000 Crore Limestone Looted

## Gurajala MLA Yarapathineni Srinivasa Rao's Illegal Mining in 141 Acres

TDP MLA Yarapathineni Srinivasa Rao has indulged in illegal quarrying of limestone to the extent of over 1 crore metric tonnes so far, the worth of which is said to be over Rs. 1,000 crore. The plunder has started as soon as TDP came to power in 2014, in Konanki village in Piduguralla mandal, Nadikudi and Kesanupalli villages of Dachepalli mandal in Gurajala constituency.

The MLA has indulged in illegal quarrying in government lands spread over 90 acres in survey numbers 680 and 681 of Konanki village, 23 acres in Nadikudi and 28 acres in Kesanupalli. Lokayukta, which probed this issue of illegal mining, clearly established the role of MLA Yarapathineni.

It issued directives asking the government to set up check posts to check illegal quarrying, but with the activity continuing uninterrupted, in July 2015 a PIL was filed in the High Court. In March 2016, the High Court passed strictures on the issue after several hearings in the matter. It directed the authorities to fix responsibilities, levy penalties and stop the illegal quarrying activity immediately.

### PIL in High Court

Subsequently, the collector of the time Kanthilal Dande submitted a report to the High Court saying that all illegal quarrying had been stopped. The assistant director of mines submitted a report to the High Court saying that from 2000 to 2015, 12 lakh metric tonnes of limestone only had been mined in the Palnadu area.

However, on November 16, former MLC T.G.V. Krishna Reddy filed a PIL in the High Court stating that as per satellite images, in the period between 2014 to 2015 alone, approximately 39 lakh metric tonnes of limestone had been mined by the mafia led by Gurajala TDP MLA Yarapathineni Srinivasa Rao.

### High Court's Displeasure

The High Court which heard the PIL On July 25, 2018,

expressed extreme displeasure over the matter. It said that the concerned officials are searching for a non-existent black cat a dark room. So, the Court issued a notice to TDP MLA Yarapathineni seeking an explanation. It also sought advice on the future course of action from CAG, CBI and Central mining department.

### Back to Square One

After High Court's admonishment, the government got into the action and stopped illegal quarrying activity in the Palnadu region. However, it did not issue notices to any individual connected with the mining mafia.

Instead, it implicated 17 innocent persons in cases accusing them of being involved in the plunder of 31 lakh metric tonnes of limestone and holding them responsible. It submitted a report to the High Court stating that it had taken necessary action and had also suspended officials concerned in the matter. On August 17, 2018, the government directed the CBCID to probe Yarapathineni Srinivasa Rao in the matter, as a token measure.

### Zero Action! Some Examples

- ☛ Blasting material was used extensively to mine over a crore metric tonnes of limestone between 2014 to July 25, 2018. Police did not bother to inquire into the explosions, even after the fact that Dachepalli police station was in the earshot of the blasts.
- ☛ In 2010, gelatine sticks explosion claimed the lives of 13 people in Dachepalli
- ☛ Permissions were granted to the MLA's brother-in-law for quarrying in Tangeda of Dachepalli mandal and Piduguralla.
- ☛ The mining mafia threatened millers and doubled the cost of limestone.



# Rs. 390 Crore

## Mining Barytes Commissions

The Loss Incurred by APMDC due to decrease in contract basic prices is Rs. 280 Crore.

Loss incurred by APMDC due to Triveni Earthmovers is Rs. 531 Crore

The Money Made By the Chief Minister Was Rs. 250 Crore

Andhra Pradesh Chief Minister Chandrababu Naidu spoke so passionately about inviting global tenders to develop barytes mining in the state. However, what he had done in practice was to prevent national and global companies from participating in the barytes tender process.

The Chandrababu government first issued a GO, which had complied with the experts' opinion that 70 % to 75% of the global market price has to be kept as the basic price. Then, the government issued another GO which cancelled the first GO and decided 65% to 70% of the global price as the basic price. Finally, the CM has decided 65% of the global price as basic tender price.

After reducing the base price, the chief minister has brought down the number of competitors by imposing stifling conditions. He has ensured that only three of his favoured companies would participate in the tender bidding process. He then formed a ring with them. By doing everything he could, he had helped the companies pocket about Rs. 280 crore and took half of the amount Rs. 140 crore as the kickback.

### **Barytes Mining Corrupted**

After coming into power, the TDP government has cancelled a tender that was already announced. Then it removed existing contracting company VLC&SC and awarded the work to Chennai-based Triveni Earthmovers Pvt. Ltd. for a short period of time. A little later, the government has once again revised the tender and awarded it to same Triveni company at a higher rate; with

the help of tailor-made tender regulations.

In this round of tender, thanks to the restrictive regulations, only two companies have participated. Those companies also have formed a ring and quoted a higher price. Despite the low competition, the state government did not cancel the tender and awarded the contract to Triveni Earthmovers.

Through the process of tender cancellation, awarding it to Triveni company for the short-term, re-awarding the revised tender to same Triveni company at a higher rate, Chandrababu Naidu has inflated the cost of the work by 33%, compared to the costs quoted by the initial contractor VLC&SC. This decision of the government burdened the APMDC to the tune of Rs. 531 crore and share of the decision makers in this amount is Rs. 250 crore.

<p>GOVERNMENT OF ANDHRA PRADESH ABSTRACT</p>	
<p>APMDC Limited - Sale of Barytes - Re-invitation of Global Tender for sale of Barytes with certain modifications to the terms in G.O.Rt.No.22, Industries &amp; Commerce (M.III) Dept., dt. 27.01.2015 - Orders - Issued.</p>	
<p>INDUSTRIES AND COMMERCE (MINES.III) DEPARTMENT</p>	
<p>G.O.RT.No. 163</p>	<p>Dated: 04.05.2015. Read the following :-</p>
<p>The base price shall be in the range of 70-75% of the FoB (International Market Price), Chennai.</p>	<p>The base price shall be in the range of 65-70% of FoB price in the international market.</p>
<p><i>The GO that has decreased the basic rates.</i></p>	

# Rs. 200 Crore Imported Coal Lasts Long!

Value of a Scandal in the Coal Purchases is Rs. 546 Crore  
Money That Changed Hands in This Transaction is Rs. 200 Crore

Government of India, Ministry of Finance  
**DIRECTORATE OF REVENUE INTELLIGENCE**  
Mumbai Zonal Unit  
13, Sir Vithaldas Thakersey Marg, Opp. Patkar Hall,  
New Marine Lines, Mumbai – 400 020.  
Tel. # 22050191/ 22050192 Fax # 22010323  
**SUMMONS UNDER SECTION - 108 OF THE CUSTOMS ACT. 1962**

File No. DRI/MZU/E/INT-165/2014  
BY FAX : 040-23499989 / 39839604

Date : 30.01.2015  
SR. NO. 03/2015

To,  
The Chief Engineer, Coal & Commercial  
3<sup>rd</sup> Floor, Vidyut Saudha,  
APGENCO,  
Hyderabad 500082.



Whereas, I, Rupesh Manore, Senior Intelligence Officer (SIO), Directorate of Revenue Intelligence (DRI), Mumbai Zonal Unit (MZU), Mumbai, am making inquiry in connection with import of COAL by M/s.M.S.T.C and further supply to APGENCO

*Summons issued by central revenue intelligence directorate on the problems in the bills of imported coal.*

The AP Chief Minister has pocketed Rs. 500 crore taxpayers' money by purchasing imported coal at higher prices. A public interest litigation (PIL) was filed in the Hyderabad High Court on this. Here are the details.

The Andhra Pradesh Power Generation Corporation Ltd. (APGenco) has entered into agreements with PEC Limited and MSTC Ltd.- two central government companies- on May 6, 2013, to purchase imported coal for its thermal projects. Though the tenure of the contract was only 6 months, the purchases continued until the end of 2015. While 12 lakh ton of coal was purchased during the contract period, 19.25 lakh ton was purchased after the agreement time.

The per ton coal rate in the international market during the contract period was US\$ 69.15; it became US\$ 80.15 after the inclusion of sea freight charges of US\$ 11. However, the price came down to US\$ 52.40 by March 2015 and its final rate after addition of US\$ 7.23 of sea freight charges was US\$ 59.63. Had the Genco called

for fresh tenders, it could have saved a lot of money. This means the power generating entity paid additional price of US\$ 20.55 for each ton of coal it had bought. In all, it has wasted the public money of Rs. 246 crore.

Though it looked like it was the two government companies that have involved in this purchase, it was indeed the coal mafia that ran the show in the guise of sub-contractors. Because of their pressure, the APGenco has made too many concessions to the coal suppliers. Though it was the onus on the contractor to transport the coal from Krishnapatnam port to thermal projects, the APGenco paid the fee. For the transportation costs, the contractors were paid Rs. 100 crore during the contract period and Rs. 200 crore after the contract period. Thus, a total of Rs. 546 crore of public money was wasted the public funds. According to a highly reliable source, about Rs. 200 crore was paid to the Chief Minister as the commission.

# 'Sarkari Thieves' in Chennampalli Fort

## Historic Fort Excavated for Hidden Treasures... CMO Permission to Private Agency

Since 13 December 2017, excavations took place in the fort of Chennampalli village in Tuggali mandal, Kurnool district in an attempt to discover treasure chests. The Chief Minister's office did not even inform the Department of Archaeology and Museums before permitting a private agency to dig up the historic monument. There was not even a record (on paper) of the permission from the CMO. While local RDO and Collector are inconsistent in their explanations, it is learnt that an important leader in the ruling party was behind the operation.

Following an uproar from the villagers, a Grama Sabha was conducted to pacify the locals. Yet, the excavations did not get over. Local grapevine is Chennampalli Fort has quite a lot of hidden treasures. For 10 years, some private individuals have been trying to dig up the monument with the help of some of the villagers.

### CM's Permission to a Private Agency

Responding to a private agency's application for excavations, the Chief Minister accepted the application and ordered the district officials to permit the excavation activities. The district Collector admitted to having received the orders from the CM. Prior to commencing the excavations, the officials have not even convened a Grama Sabha. On the first day (December 13) and the officers began excavations without informing the villagers.

Following objections from the locals, a Grama Sabha was organised. In the meeting, the opinion of the villagers was not sought. When the villagers, the YSRCP leaders and CPI leaders demanded to go through the permission documents, the officers evaded the question and resumed the excavation in the name of ' Observation Committee '.

Although the monument does not fall under the

anvil of the State or Central governments, the officials of Revenue, Mining and Archaeology should be present at the time of unearthing. But, only the Revenue and Mining officials handled the operation without even informing the Archaeology Department. Following protests from the villagers, some of them had been included in the committee.

Right from the beginning, the excavation in Chennampalli Fort raised quite a few doubts. When the villagers questioned as to permission to carry out excavation, Adoni RDO Obulesu said he had prior permission from the authorities. Later, when the YSRCP leaders asked for the documents, he did not respond.

Collector Satyanarayana said, on 18 December, that the preliminary orders were received from the CM Office. Admitting that the Archaeology Department was not informed in the matter, the Collector said he would make sure the Archaeology officials are present during excavations when YSRCP leaders approached him. The fact that the excavations were carried out at night as well, indicates that an important leader from the ruling party was supporting the private agency.

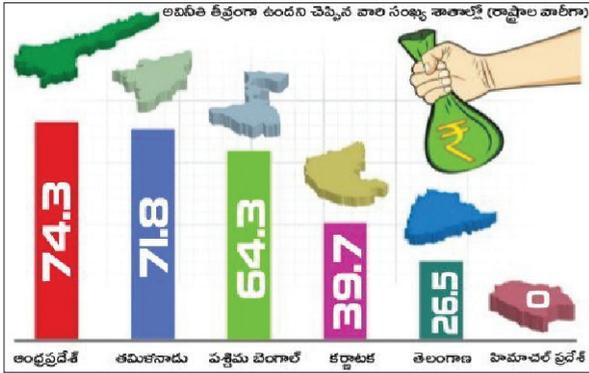
### History of Chennampalli Fort

The tale is that Vijayanagara rulers shifted the treasures and weapons in Gooty Fort to a secret place between 1584-1614 when the empire was under attack from the Golkonda Sultan and the Portuguese. An underground tunnel was built between Gooty Fort and Chennampalli Fort via Swarnagiri (now called Jonnagiri). Later, a large Fort was built across 100 acres in Chennampalli.

It is popularly believed that the Vijayanagara rulers hid large amounts of diamonds and other valuables in the forts in Adoni, Raichur, Gooty and Bellary. The belief was fuelled with the discovery of deities and other structures in these forts.

# AP is No.1 in Corruption

## NCAER, CMS Surveys Confirm



Under the rule of Chandrababu Naidu, Andhra Pradesh has earned the dubious distinction of being one of the most corrupt states in India. Today, in AP, there is not a single department or governance process that is not plagued with corruption. This was confirmed by the studies of the prestigious National Council for Applied Economic Research (NCAER), a prominent New Delhi-based think-tank, and Centre for Media Studies (CMS), another important think-tank from Delhi. Such dangerous levels of corruption was first flagged by the State Potential Investment Potential Index - 2016, of the NCAER. For this study, the NACER has studied five major aspects naemly labour, infrastructure, economic climate, political and governance stability, and perceptions of a good business climate. The findings of the study have confirmed the charges of opposition YSR Congress Party about Rs. 3 lakh crore corruption by Chandrababu Naidu. In the NACER study, more than 74.3 percent people said the corruption was a severe problem, 17.1 percent felt it was a controllable problem and it was not at all an issue for the rest of the 8.6 percent. Chandrababu Naidu tried to avoid the embarrassment by saying that the state was number one in both the development and corruption. However, in fact, the matter is it was Chandrababu Naidu who lifted the floodgates for corruption in the state. The CMS-India Corruption Study-2017 ranked Andhra Pradesh to be the 2nd most corrupt state in the country. The next year, the study gave 4th rank, which was a slight improvement . This was possible as the government has been trying to little more secretive than before as to the scams and



*The NCAER's state investment potential Index, which Studied theBusiness-friendly climate in different states of the country.*

scandals. The majority of Telugu media houses, which are controlled by Chandrababu Naidu, always trying to push the corruption activities under the rug.

The state government officials have put concerted efforts improve the statistics that are being maintained by the Department of Industrial Policy and Promotion (DIPP), which works under the finance ministry. This has improved the state corruption rankings in the NACER surveys. However, at the ground level, there was not much change and the corruption levels are still very high and threatening. The people of the state are suffering from the rule.

### What is NCAER?

The NCAER was established with the support of the Central Government and Ford Foundation in 1956 to study the effect of fiscal policies of the economy and government. Major functions of this institute are to conduct studies, organizing seminars and preparing reports on crucial policy issues. Quite a few private and government organizations work with this institute and about 49 global organisations from 22 countries have collaboration with the NCAER.

### Centre for Media Studies

The Centre for Media Studies (CMS) is a voluntary organisation based out New Delhi. The CMS has made its mark on journalism education, media analysis and social research. The CMS-India Corruption Study today stands out as an important source of information on the corruption levels in different states.

# 'Yellow' Tax in AP

## TDP MLA Demands Rs. 5 Crore from Railway Contractor



*The Company Secretary of Montecarlo, Kalpesh Desai Made the Details of these Threats Public During a Press Meet in Nellore.*



*Venkatagiri MLA Karukondla Ramakrishna, who was inspecting the railway line.*

Andhra Pradesh government makes tall claims about the tax incentives and business-friendly climate in the state. However, there is an additional tax burden in the state, i.e. yellow tax, that is being extorted by the MLAs and leaders of the ruling TDP. (Note Yellow is the official colour of the TDP.) The contractors have to give commissions and kickbacks in order to get the contracts. Even if the contractors got the works without the role of the ruling party, they still have to pay the percentage in order to complete the work peacefully.

The audio tapes of a TDP MLA threatening a railway contractor- Montecarlo company- from Gujarat have shown the way the lawmakers have become the law unto themselves and putting businesses at disadvantage. As to the incident, Montecarlo has won the contract to construct the railway line between Obulavaripalli of YSR district and Krishnapatnam of Nellore district. This project was sanctioned in 2014 and the work was started in December 2014. By April 2016, 80 % of the work was completed.

At this point, K. Ramakrishna, TDP MLA from Venkatagiri constituency of Nellore district,

demanded the company a ransom of Rs. 5 crore. The MLA has threatened the company representatives with dire consequences if the company failed to cough up the amount. When the company ignored his threats, he sent his henchmen to the work site and have employees and workers on the site assaulted. When the company protested, the MLA bragged that he had a direct access to the CM and was not afraid of anyone.

He threatened the site engineers Ramu and Bhaskara Rao of beheading if the company fails to meet his demands. These threats were made public by Mr. Desai, the company secretary of Montecarlo, in a press meet conducted in Nellore. He handed over the media the audio CD which contained the records of the MLA's threats to the site engineer Ramu. According to Mr. Desai, the MLA was demanding either 5 percent of the Rs. 183 contract amount or Rs. 5 crore in cash.

The extortion of MLAs, with the goal to amass as much money as possible to win the 2019 election by buying votes, has become a visible trend in Andhra Pradesh. Chandrababu Naidu has his full support to this official plunder.

# From 2 Acres to Super Riches!

## This is How Chandrababu Made his Fortunes

Chandrababu Naidu was born in a lower-middle-class family and inherited only 2 acres of land. He was in politics right from his university days and got elected as an MLA in 1978. His political career continued ever since. As a result, for a long period, from 1978 until today, he had no source of income other than the salaries drawn from his political offices and the meagre income from his landholding.

Despite such modest beginnings and no gainful occupation, Chandrababu has achieved an astonishing financial success and today he owns a company that worth thousands of crores of rupees! However, the way he made this fortune is a great mystery. A close examination of his possible income sources gives us a glimpse into his riches.

### Positions and Sources of Income

Since 1978, Chandrababu held the following positions.

- In 1978, he was elected as an MLA from Chandragiri constituency on Congress party ticket. During this time, his monthly salary was Rs. 350.
- Between December 1980 and February 1981, he served as the Animal Husbandry Minister.
- Between February 1981 and February 1982, he served as Cinematography Minister.
- Between February 1982 and January 1983, he held three portfolios including Ground Water, Minor Irrigation and Technical Education.
- During his tenure as a minister, he earned a monthly salary of Rs. 2,500.

In 1983, he was defeated in the election. Going by his known sources of income, his income would not have crossed Rs. 1 lakh. From 1983 to 1989, as per the affidavit filed by Chandrababu Naidu in the AP High Court in 1998, his annual income was Rs. 36,000 and made a total of Rs. 2,16,000 in these six years.

### Heritage Turn

Chandrababu promoted a company named Heritage Foods (India) Pvt. Ltd. in 1992. On October 10, 2004, he declared in the prospectus of Heritage Foods Company that he indulged in no industry or business



activity between 1983 and 1988. This means there was no additional source of income during this time other than his agricultural income, according to his own declaration and yet he promoted Heritage Foods in 1992.

Today, the valuation of Heritage Foods is a few thousand crores of rupees and has the presence in entire south India, in Tamil Nadu, Karnataka, Kerala and Andhra Pradesh. The company also extended its operations to Maharashtra and Delhi. The interesting aspect of Heritage Foods is - its profits shoot up when Chandrababu Naidu is in power and go down when he is out of power. So much so for his transparency that he has got the audacity to buy his own products for his government schemes without competitive tenders; as was seen in Chandranna Kanuka and Buttermilk Distribution schemes.

The profitability of Heritage Foods is very much linked to Babu's political fortunes. The company has earned a net profit of Rs. 17 crore in 2004-05, the year Babu lost his power. However, from then onwards, Heritage lost its steam. It announced a reduced net profit of Rs. 10 crore in 2005-06. The net profit has further come down to Rs. 1.7 crore in 2007-08. Since then, the company has run into losses. In 2009-10, the

company declared Rs. 35 crore net loss. Finally, the company fortunes have revived in 2013. This was allegedly because of the understanding between Chandrababu Naidu and then AP Chief Minister N. Kiran Kumar Reddy.

Mr. Reddy- who then was running a minority government- depended on the support of Chandrababu Naidu and, in return, he gave business to Heritage Foods. When a motion of no confidence was proposed against Reddy's government, the Telugu Desam Party (TDP) HAD supported the government by issuing a whip despite being the main opposition. In a 294-seat AP Assembly, the halfway mark was 148. Mr. Reddy's government survived the no-confidence motion even though it had the support of only 146 MLAs, two short of the majority. Thanks to Babu's whip, 15 MLAs were disqualified; 9 from Congress and 6 from TDP, who voted against their parties in favour of no confidence. This has resulted in Heritage Foods announcing a net profit of Rs. 45 crore in 2014-15.

With this, it is evident that the profits of Heritage are always linked to Babu's political fortunes. This should speak volumes about the way Chandrababu made the political power as the major source of his revenue.

### Leader of Disproportionate Assets

Despite the limited sources of income, have not taken any property from his father-in-law N.T. Rama Rao in the form of dowry and continuous losses of Heritage Foods, the fortunes of Chandrababu Naidu have grown steadily and disproportionately. Following are some of the assets acquired by Chandrababu Naidu at different points of his political career. The methods of his acquisition also demonstrate his modus operandi.

- Chandrababu bought 65 acres of land in Nellore district in 1985 when he was doing nothing and depending on his family's agricultural income.
- Soon after, he purchased another 250 acres in the same district in the same year. These lands included some of the government and assigned lands.
- Though Chandrababu participated in no industry or business activity between 1983 and 1989, as per declaration of assets in 1999, he announced the assets worth Rs. 7.83 crore. However, the declared sources of his income during this period were - annual agricultural income of Rs. 36,000 and monthly remuneration of Rs. 20,000 as the director of Heritage Foods. This was surely a massive and



A news clip showing the self-declaration of family assets of Chandrababu in Assembly in 1999. He presented a laughable value of Rs. 4 crore for his total assets.

inexplicable gap!

- In 2000, Naidu's mother Ammannemma bought 5 acres of land (survey no: 59) in Madinaguda area of Hyderabad, which is the heart of the city. She also has bought another plot of 1,135 sq. yards of land in upmarket Banjara Hills near Hitec City for mere Rs. 40 lakh. She then has transferred both the undervalued pieces of real estate to her grandson Nara Lokesh a year later.
- From the 600 acres land earmarked for the IT development, Chandrababu Naidu granted 7 acres of land in Kondapur to a benami company named

A document of self-declaration of family assets by Chandrababu Naidu before the election commission 2009.

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**A. DETAILS OF MOVABLE ASSETS.**  
(Share in Joint Name indicating the extent of joint ownership will also have to be given)

S No.	Description	Self	Spouse(s) Name(s)	Depend-1 Name	Depend-2 Name	Depend-3 etc. Name
01	Cash	Rs. 23,400/-	Rs. 32,200/-	NIL	NIL	NIL
02	Deposits in Banks, Financial Institutions and Non-Banking Financial Companies	Rs. 11,26,453/-	Rs. 14,31,619/-	NIL	NIL	NIL
03	Bonds, Debentures and Shares in companies	NIL	Shares: <b>LISTED COMPANIES:</b> Heritage Foods (I) Ltd.: Face value: Rs. 10/- Current Market Value as on 27/03/2009: Rs. 2400 (100*Rs.24.00) Vijaya Bank: Face value: Rs. 10/- Current Market Value as on 27/03/2009: Rs. 2400 (100*Rs.24.00) <b>UNLISTED COMPANIES:</b> Heritage Finance Ltd. - Face Value - Rs. 3,01,000/- Megapad Finance - Rs. 22,42,500/- Heritage International - Rs. 5,01,000/- Heritage Agro marine Pvt. Ltd. Rs. 98,300/- SOMIwara Developers Limited - Rs. 90,23,950/- Mivana Holdings Pvt. Ltd. - Rs. 50,000/- SVEEC Constructions Ltd. Rs. 10,00,000/-	NIL	NIL	NIL

*N. Lokesh*

**GIFT DEED**

This deed is made and executed on 12 December, 2001 at Hyderabad- A.P. by:

Be it known to all that I, Smt. N. Ammannemma W/o. Late N.Kharjura Naidu, aged about 71 years, presently residing at Hyderabad have this Twentieth day of December conveyed absolutely and transferred all interest of the immovable property mentioned in Schedule-A annexed hereto by way of gift out of natural love and affection to and in favour of Mr. N. Lokesh my grand son aged about 19 years, and S/o. N. Chandrababu Naidu. Neither I nor my heirs or legal representatives shall henceforth have any claim or interest in the said property. Mr. N. Lokesh shall hold the said property absolutely as full and absolute owner thereof. I have delivered the possession of property described in schedule A to the said donee who has accepted the gift by taking exclusive possession thereof.

In witness whereof I have executed this deed of gift which is irrevocable binding on me.

**SCHEDULE-A**

1. The agricultural land located at Madinaguda in Sy.No.51 extent 5 acres registered as per document NO.9406-2000-1922 SE in the office of Joint Registrar, Ranga Reddy District bounded by:

NORTH : Part of Survey No.51  
SOUTH : Land in Survey No.44  
EAST : 30 ft. wide road out of which 15 ft. is left out of Sy.No.51. And 15 ft. Left of Sy.No.43.  
WEST : Land in Sy.No.51 belonging to

*Gift deed executed by Ammannemma, mother of Chandrababu Naidu, in favour of Nara Lokesh.*

Divyasree Soft Tech Realtors Pvt. Ltd.

f) Babu also gave selective leaks about the development proposal of Hitec City to a few cronies and caused hundreds of crores of rupees loss to the innocent farmers and landowners who ought to have benefitted from this development. Chandrababu is using the same modus operandi in distributing the lands of Amaravati city, the present capital of Andhra Pradesh, to his cronies.

There are several media reports about the assets of Chandrababu Naidu in India and abroad, including in Singapore and Malaysia. He is a politician who always used his political clout to grow his business. His art of abusing public office for private gain is monumental. There is no surprise that he is today a billionaire politician despite coming from a humble background.

**Chandrababu Naidu, in the last four and half years rule, turned every financial transaction of the government into an opportunity for bribes, kickbacks and commissions. Having held the systems hostage, he twisted the rules and trampled upon the legal provisions. With his voracious conduct, Chandrababu Naidu has amassed lakhs of crores of rupees. Today, he cannot bracketed into a politician who has a few thousand crores of rupees, he is a multi-billionaire politician who owns a few lakh crores of rupees ill-gotten wealth.**

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**A. Details of Movable Assets:**

S No.	Description	Self	Spouse(s) Name(s)	Depend-1 Name(s)	Depend-2 Name(s)	Depend-3 Name(s)
01	Cash	27,664/-	14,500/-			
02	Deposits in Banks, Financial Institutions and Non-Banking Financial Companies	4,36,372/-	12,75,870/-	NIL	NIL	NIL
03	Bonds, Debentures and Shares in companies	NIL	Shares: <b>LISTED COMPANIES:</b> Heritage Foods (Ind) Ltd Face Value:10/- Current Market Value:85/- (10*24.893*85)=16,36,15,805/- Vijaya Bank: Face Value:10/- Market Value:24.25/- (100*24.25)=2,42,500/- <b>UNLISTED COMPANIES:</b> (Value as per Books) Heritage Finance 3,01,000/- Megapad Finance 22,42,500/- Heritage International 5,01,000/- AZZE Multi Teck 2,00,000/- Heritage Agro marine 98,300/- Share application Money in Megapad Finance 91,800/-	NIL	NIL	NIL
04	Other Financial Instruments: FDRs, Postal Savings, LIC Policies, etc.	NBS 1000/-	NIL	NIL	NIL	NIL
05	Motor Vehicles (details of Make, etc.)	Ambassador 2,22,500/- (Original Value)	NIL	NIL	NIL	NIL
06	Jewellery (give details of Weight and value)	NIL	Gold: 999.70 Gms. Current Market Value @ Rs 8,180/- (999.70*8185.90) 8,187,700/- Precious Stones Value 90,000/- Silver: 5 Kgs. Current Market Value per Kg: 11825/- (5*11825) 59,225/-	NIL	NIL	NIL
07	Other Assets, such as values of claims/interests	NIL	20,42,807/- (Advances to Third Parties)	NIL	NIL	NIL

*N. Lokesh*

*A portion of self-declaration of family assets by Chandrababu before the Election Commission.*

# Scams Between 1995-2004

## Chandrababu Previous Regime

Chandrababu Naidu had only two-acre land in 1978, however, today he owns Heritage Foods, which is a billion dollar company. Whenever Babu is in power, Heritage profits shoot up even while all other dairies are running in losses. An examination of Heritage profits would reveal the story!! In 2004-05, the year Babu lost his power, Heritage earned the net profit of Rs. 17 crore. However, from then onwards, Heritage lost its steam. It announced a reduced net profit of Rs. 10 crore in 2005-06. The net profit has further come down to Rs. 1.7 crore in 2007-08. Since then, the company has run into losses. In 2009-10, the company declared Rs. 35 crore net loss.

Finally, the company fortunes have revived in 2013. This was because of the understanding between Chandrababu Naidu and then AP Chief Minister N. Kiran Kumar Reddy. Mr. Reddy who was running a minority government took the political support of Chandrababu Naidu and in turn gave business to Heritage foods. As a result, Heritage announced Rs. 45 crore net profit in 2014-15! Ever since its profits are consistently growing.

Chandrababu is a politician who always used his political clout to grow his personal fortunes. The nine-year rule of Chandrababu Naidu, between 1995 and 2004, was an embodiment of corruption. He gifted away the lands and contracts to his confidants, benamis and partymen despite widespread criticism. He killed so many public sector undertakings and then sold them off at throwaway prices to his stooges. The real estate value of these units was quite a lot of times higher than the sold off prices.

Chandrababu converted the watershed and work guarantee schemes into the major sources of revenue for his party cadre. During his tenure as an ad hoc Chief Minister before the 2004 assembly elections, he allocated 800 acres of land of the University of Hyderabad to a company called IMG Bharata, which was a defrauding company. This allocation was later cancelled by Dr. Y.S. Rajasekhara Reddy's government.



After Chandrababu decided to build the Hitec City at Madhapur, he had passed on this information to his confidant Murali Mohan, now a TDP MP, before making it public. Murali Mohan bought all the lands that he could around Madhapur area and developed several real estate ventures. Chandrababu has used the same modus operandi in Amaravati and made several times more money.

In liquor purchases too, he has bent the rules to benefit three companies. According to a report of the Vigilance Department, the state lost Rs. 600 crore between 1995 and 2004 because of the policies of Chandrababu Naidu. There was not even a single project that was awarded without taking commissions during his first spell.

From day one, Chandrababu has been gifting away the lands to his cronies, aides, party leaders and stooges. Despite the resistance from opposition parties, he allocated land in Manikonda for a golf course and another 534 acres to EMR Properties, which has later become an epicentre of a huge real estate scam. Though there was no need, he gave away 17,434 acres of land to industrialists during his tenure and the value that land is about Rs. 1.60 lakh crore.

## Public Sector Ruined

To kill a dog, you first need to brand it to as a mad

dog. Chandrababu applied this formula and killed several public sector enterprises in the state. He first made them sick and then sold them off at throwaway prices. While the value of lands of Hyderabad Allwyn was Rs. 150 crore, he palmed off the company for just Rs. 3 crore. He also has ripped off Nizam Sugars which has offered a supporting system to the farmers of Nizamabad district since the Nizams' era. In all, he sold the public sector units worth Rs. 636 crore for just Rs. 203 crore. According to some of the officials who worked in his government, he has pocketed a good amount of money from these transactions.

## Scams List - 1995 to 2004

Scam	Worth in Rs. (in Crores)
Counterfeit Stamps Scam	5,000
Deposits in Urban Banks that were Closed	2,000
Watershed Scheme Scandal	2,000
Gains from Water and You Scheme	1,600
Liquor Policy Favouritism	600
Food for Work Scheme Scandal	560
Sale of lands of Public Sector Units	400
Land allocated for Tourism Projects	350
Somasila Lands Scam	112
Yeleru Scam	100
Scholarships Scam	100
Land Allocation to Cement Factory in Vijayawada	55
Land Allocation to Rahejas in Madhapur	50
Timers' Scam	30
Chief Minister's Relief Fund	10

# Details of Land Gifting

Company	Land (in acres)	Worth in Rs. (in Crores)
Shamshabad Airport	5,500	79,860
IMG Bharath	850	16,456
EMR Properties	535	10,367
Beachsand Trimex	1,700	10,000
Vizag Pharma City	2,143	10,372
Krishnapatnam Port	2,000	9,680
Gangavaram Port	1,800	8,712
Raheja Group	109	280
Agakhan Foundation	100	1,936
Kakinada Port	354	1,713
Hitec City (All Phases)	80	1,548
IVRCL	50	968
Microsoft	42	813
Wipro	30	580
Computer Associates	30	580
Malaysia Township	35	508
Maheswaram Hardware Park	18	348
Madhapur IT Park	9	174
Singapore Township	80	193
Dabur	1,000	100
Orient Cements	820	8
<b>Total</b>	<b>17,285</b>	<b>1,55,196</b>

# Corruption in the Sale of PSUs

Company	Market Value	Sold Value Rs. (in Crores)
Allwyn Sanathnagar Unit	150	3.00
Republic Forge Company	30	16.00
Nizam Sugars	120	55.00
Madhuranagar Sugar Ltd.	40	22.50
Lachhayyapet Sugar Mill	40	21.45
Montojapally Distillery	18	10.00
Chagallu Distillery	20	9.00

## Co-operative Mills

Hanuman Junction Sugars	30	11.40
Nandyal Sugars	20	6.01
Palakollu Sugars	10	3.30
Gurajala Sugars	14	5.27
Hindupur Sugars	20	8.00
Inkollu Cotton Mill	30	4.59
Adilabad Cotton Mill	12	8.00
Nellore Cotton Mill	32	12.23
Edlapadu Cotton Mill	50	7.50
<b>Total</b>	<b>636</b>	<b>203.35</b>

# MOCKING THE DEMOCRACY



# Democracy in Danger!



2 April, 2017: YSRCP MLAs Bhuma Akhila Priya, Adi Narayana Reddy, Sujay Krishna RangaRavu and Amarnath Reddy were sworn-in as Telugu Desam Party (TDP) ministers.



**"I, Nara Chandrababu Naidu, swear in the name of God/solemnly affirm that I will bear true faith and allegiance to the Constitution of India as by law established, that I will uphold the sovereignty and integrity of India, that I will faithfully and conscientiously discharge my duties as a Minister for the State of Andhra Pradesh and that I will do right to all manner of people in accordance with the Constitution and the law without fear or favour, affection or ill-will.**

**I, Nara Chandrababu Naidu, do swear in the name of God/solemnly affirm that I will not directly or indirectly communicate or reveal to any person or persons any matter which shall be brought under my consideration or shall become known to me as a Minister for the State of Andhra Pradesh except as may be required for the due discharge of my duties as such minister."**



22 February, 2016: Chandrababu Naidu with YSRCP defectors MLAs Bhuma Nagi Reddy, Bhuma Akhila Priya, Jaleel Khan, Adi Narayana Reddy and MLC Narayana Reddy at CM's camp office in Vijayawada.



*20 April, 2016: Chandrababu welcomed YSRCP Bobbili MLA Sujay Krishna RangaRavu into TDP at Vijayawada.*

On 8 June 2014, Chandrababu took oath as the Chief Minister. Since then, he has failed to live up to the oath that he had taken. Making a mockery of the constitution and ignoring democratic values, Chandrababu has been ruling the state like an autocrat. After taking the oath in the name of the Almighty, to faithfully and conscientiously discharge the duties, he overturned the very spirit of the oath in his very first decision as the Chief Minister.

Breaching the oath of secrecy, he showered generosity upon his benamis by leaking them the information on the location of the prospective capital in Amaravati region. He has announced the the present capital location after his cronies had purchased lands in and around the capital region for throwaway prices. Not only did he lured the YSRCP MLAs with his ill-gotten money but also inducted a four of them into his cabinet. This deed of him was nothing but a blemish on the spirit of democracy. The

Opposition MLAs were offered Rs. 20 crore to Rs. 30 crore for joining the TDP. A total of 23 MLAs (Nandyal MLA Bhuma Nagi Reddy had passed away), three MLCs and two MPs were purchased by the TDP.

Without an iota of shame, the MLAs were sworn-in while the people of the state were watching in shock. Like never before, the country's democratic institutions stayed mum even as Chandrababu violated the anti-defection law. No action was taken even after representations were made to the Assembly Speaker, the Centre and the President. Even judicial institutions couldn't make any difference. It is even more interesting that the MLAs were given a promise on protection from facing legal charges of defection.

In unprecedented move, the government has stopped releasing development funds for the constituencies of the Opposition MLAs. Through the Chief Minister's special treasury, Chandrababu is releasing funds to



*28 February, 2016: Chandrababu welcomed YSRCP Yerragondapalem MLA Palaparathi David Raju into TDP at Vijayawada.*

constituencies as per his will, only to those represented by the TDP. In addition, TDP leaders in the constituencies represented by the YSRCP are given funds. Also, orders were issued to allow TDP leaders to attend official programs. Chandrababu has been ruling the state as if the government schemes are meant only for TDP supporters.

Everyone knows what Chandrababu was up to in the 2015 note for vote case, in which Anglo-Indian MLA Stephenson was offered crores of rupees in return for support in the MLC elections. After Chandrababu's audio and videotape went viral, he had to compromise on the state's interests at the hands of Telangana CM KCR. Andhra Pradesh incurred irrevocable losses with Chandrababu's decisions.

He has failed to enforce the Supreme Court order in favour of AP as to the 10th Schedule institutions. With this, the state has lost its rights on 142 institutions under the 10th Schedule. Even after the Centre gave orders in favour of Telangana, Chandrababu decided not to file a counter in the Supreme Court. The opposition MLAs who raised their voice against the injustice to the state in Godavari river waters were suspended.

Interestingly, the Legislative Affairs Minister himself said there was no relevance for the business rules of Assembly. Quoting provisions of Article 212 in the Constitution, he said no Court could intervene in affairs of the Assembly. On occasion of the budget session of Assembly last year, YSRCP moved a no-confidence motion. By taking up the issue for discussion on the same day, the State government stood by defected MLAs.

Similarly, the discussion for removal of the Speaker was taken up on the same day it was moved, as per the Assembly's business rule 71 (1). But, Article 179 (C) of the rules suggests the discussion be taken up 14 days after such motion is passed.

Business rules of the Assembly, which abide by the Constitution, were ignored by TDP in taking action against the defected MLAs. It was the same case in the finance bill. The Opposition already sought the Speaker to opt for division voting, but it was announced



*4 April, 2016: Chandrababu welcomed YSRCP Jaggampeta MLA Jyothula Nehru into TDP at Vijayawada.*

that the bill was passed without opposition's consent. One would have to wonder if there was fair governance in the state.

As a result of YSRCP MLA RK Roja's questioning and demand for following democratic values, she was suspended for a year. Even though the High Court ordered the government to withdraw suspension, the government did not act. The 52nd Constitutional amendment was made in 1985 to protect democratic foundations from unconstitutional activities like defection of legislators. It was included in the 10th

Schedule of the Constitution. After it was found that the law was not sound, the 91st amendment was made in 2003.

The 91st Constitutional amendment eradicated the menace of mass defection of one-third legislators. They would be deemed as expelled from the Assembly, in any such case. Despite sound legislation in place, the anti-defection law is being timed and again violated in the state.

Telangana's Assembly Speaker Sirkonda Madhusudhanachary did not take action on the defection of 12 TDP MLAs to the ruling TRS party. Later, on 10 March 2016, the Speaker issued orders stating the merger of the 12 TDP MLAs in TRS. He said the anti-defection law wouldn't apply since two-thirds of the TDP's MLAs defected.

Chandrababu, who had spoken against the defections on hundreds of occasions in Telangana, shamelessly welcomed the defections in Andhra Pradesh. There is a need for a national debate on the defections from political parties.

At the same time, there is a dire need for transferring the powers from the Speaker to the Election Commission, with a clear-cut time limit of three months to take action against the defected MLAs. We could save democracy if these changes are brought to the defection law. With leaders like Chandrababu at the helm, democracy will inevitably get destroyed.

### **Partisan conduct in running the Assembly**

With his autocratic and undemocratic methods, Chandrababu Naidu has impaired



*29 February, 2016: Chandrababu welcomed YSRCP Budwel MLA T Jayaramulu into TDP at Vijayawada.*

the atmosphere and lowered the dignity of August House. By flouting the business rules of the Assembly, Chandrababu practically turned the Assembly into a TDP office. Not only did he refuse to release funds to the Opposition MLAs, but he had also robbed the opposition of its right to speak on public issues.

YSRCP had to boycott the 2018 budget session in protest against Chandrababu's attitude. His government did not even follow the tradition of consulting the opposition after the boycott. Opposition leaders were not invited for the official events or involved in the choice of the location for the capital city.

Chandrababu betrayed the people of Andhra Pradesh big time as to the special category status (SCS). Not even a single discussion was held with the opposition on the SCS issue. After taking a U-turn and losing

the people's faith, Chandrababu called for an all-party meet. Chandrababu had turned Amaravati inauguration ceremony into his household affair!

The TDP chief turned the Secretariat and the camp office into the party offices by convening party meetings in official spaces. He had used the Assembly as a means to promote his experiences in his 40-year political career instead of discussing public issues. He had thanked the Centre after accepting the special package preferring it to the SCS, in the state Assembly.

In the process of luring the opposition MLAs into TDP fold, Chandrababu misused government functionaries such as Intelligence officers. After making 600 promises and vowing to sign the loan waiver scheme soon after coming to power, he deceived all sections of the state. Now, he claims to have fulfilled 80% of the promises. Several people were booked in PD cases for fighting for the SCS.

The leader of Opposition, YSRCP chief Y.S. Jagan Mohan Reddy, who travelled to Vizag to participate in the protests for SCS, was blocked inside the Airport. BJP National President Amit Shah was attacked by TDP workers at Tirupati. The government officials were misused for party activities and Mahanadu meetings.

Misuse of power was at its peak during the bye-election to Nandyal, where the ruling party ministers, MPs, MLAs and MLCs camped to distribute crores of rupees. In addition to making tall and false promises, Rs. 1,000 was given per vote.

## **Mockery of Democracy with Janma Bhoomi Committees**

Violating the Constitutional provisions and suppressing the powers given to the local bodies, the TDP leaders were given powers in the name of the Janma Bhoomi committees, which are acting like extra-Constitutional bodies. Denying the people's right to be the custodian of the public money, the committees are exploiting the masses seeking money for various kinds of government schemes and benefits.

Chandrababu spent of crores of rupees for travelling abroad in special flights, conducting meetings and summits. He had to flee the joint capital city of Hyderabad after he was caught red-handed in the note for vote case. Over the past four years, crores of rupees have been wasted for renting out various government offices.

He had spent Rs. 100 crore of public money for repairing his home. Also, crores of rupees were spent for the CM's temporary residence in Vijayawada and the private building on the banks of river Krishna. Chandrababu has wasted crores of rupees by reserving a special suite in the Park Hotel in Hyderabad for his family.

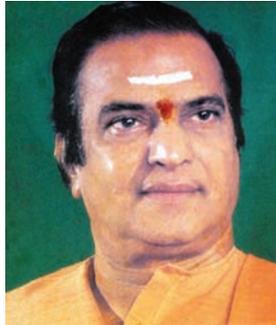
# Chandrababu Naidu

## A Treacherous and Corrupt Man

These Are the Opinions of Important Leaders and Parties of Andhra Pradesh Said on Different Occasions.

### Babu is a Honeyed Sword!

Chandrababu is a cheat, honeyed sword, modern Aurangzeb, traitor worse than Godse, powermonger who killed democracy... he is worse than a beast, and a snake that entered into an anthill. I



have never imagined that this gentleman would backstab me for political power. However, he did not backstab me alone, it was a backstab to the people, to the mandate of people, to the democracy that is trusted by the people and to the aspirations and ideals of the people. You know how absurd it sounds when this gentleman claims that he would continue NTR policies. He seems to outsmarted Godse, who has first greeted Gandhi with folded hands and then shot him with a pistol. This is a shameful and unpardonable crime!

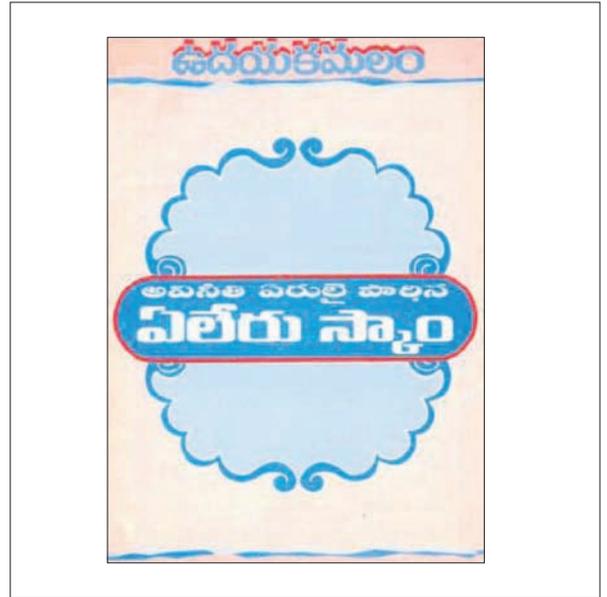
- **N.T. Rama Rao,**

**Former Chief Minister of Andhra Pradesh.**

### Chandrababu is Main Culprit in Yeleru Scam

**BJP Book 'Udayakamalam' released in February 1997**

Though the entire Yeleru scam appears to



have happened at the hands of Swami and Potinaidu, however, a close observation reveals that it could take place silently for such a long time only due to the support extended by Chandrababu and his officials. If the investigation can get a little deeper, the role of Chandrababu Naidu will come out. That's why all the care is being taken to limit the investigation. Moreover, Chandrababu Naidu's intention can be easily made out from the way he responded (to the allegations) and ordered the probe.

➤ BJP made it clear in 1997 that Chandrababu was the main culprit in the Yeleru lands scam. It published a book titled

"AvinitiEerulaiParinaYeleru Scam" in February 1997 as part of its Udayakamalam series.

- The BJP published another book titled "PrajaCourtlo Charge Sheetu" on 100 wrongs of Chandrababu. The book stated that Babu speaks differently in the pre and post-election times.

## Babu Reign was Full of Corruption

The Communist Party of India (Marxist) or CPI (M), which was the erstwhile alliance partner of TDP, has published a book titled "BabuJamana, AvinitiKhazana". In the book, the party has claimed that there was a corruption allegation every day and a scam every month.



## Everythings is Corrupted in Babu Rule!

This is the method of Telugu Desam Party. They yell out that they won't tolerate corruption and act as if they are caught a cold even when the ministers and the MLAs are stinking with the corruption. Everything is corrupted under TDP rule. They have even swallowed the rice that meant to feed the poor during the famine.



**- The then CPI (M) AP state secretary B.V. Raghavulu in the foreword of the book BabuJamana- AvinitiKhazana.**

## We Stand by Our Word Even Today

We don't change our word every day. We tell the same thing in 2014 that we have told in 2003. There was a lot of corruption during Chandrababu Naidu's regime. We have furnished the full evidence of his corruption is our book (BabuJamana- AvinitiKhazana). If everything was fine during Chandrababu's reign, why was he voted out from the power? At least now the truth has to come out. The culprits have to be booked. At least the next government must investigate his corruption.



**- CPI (M) Telangana State Secretary TammineniVeerabhadram on April 17, 2014.**

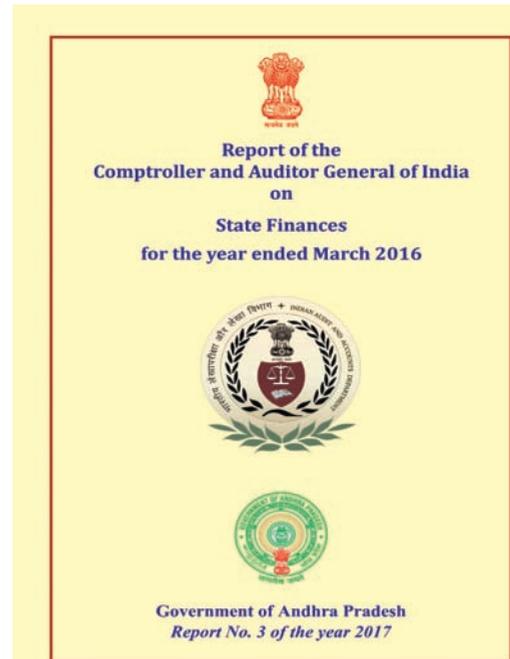
# CAG Indicts AP's Corrupt Government

**Ubiquitous corruption, kickbacks, percentages in every transaction, unchallenged misuse of public funds, gifting away of irrigation projects to contractors, mind-blowing corruption in road projects...these are the achievements of Chandrababu Naidu in last three years. This was not an assessment of any opposition party but the annual report submitted by the Comptroller and Auditor General (CAG).**

The CAG's 2015-2106 report, which was extremely critical of about Chandrababu Naidu's corrupt governance, has highlighted several irregularities in Naidu's administration. For instance, it has pointed out that the government did not use the central funds allocated for the development of Amaravati and submitted false accounts to the centre. Though JNNURM funds were lapsing, the government did not make any effort to utilise them, said the report.

- *Pattiseema LIS was taken up without completion of Polavaram Right Main Canal (RMC) and its distributaries and without identifying the industrial and domestic water users. This, coupled with increase in project cost, resulted in adverse Benefit Cost Ratio.*
- *In Pattiseema LIS, relaxation of ceiling on tender premium and award of work at higher premium without completion of Polavaram RMC and its distributary system resulted in avoidable additional burden of ₹199 crore. Audit also observed avoidable extra expenditure of ₹138.18 crore due to unwarranted change in construction methodology (₹106.17 crore) and reimbursement of Central Excise Duty on pipes despite availability of exemption (₹32.01 crore).*
- *Incorrect reimbursement of Labour Welfare Cess, though not required under the agreement, led to undue benefit of ₹14.22 crore to the contractor in Pattiseema LIS.*
- *Absence of suitable clauses in the Engineering, Procurement and Construction (EPC) contracts led to non-accrual of saving to Government to the tune of ₹20.62 crore as a result of reduction of capacity of pumps/motors in Pattiseema LIS and ₹4.12 crore due to reduction in diameter/length of pressure mains in Guru Raghavendra and Pulikanuma Projects.*

2015-2016



## Highlights of CAG report

### Pattiseema...the Legal Plunder

The CAG took serious objection to the manner in which the TDP government colluded with contractors to make huge kickbacks. It faulted the government for taking up the Pattiseema lift irrigation scheme without any prior plan, without starting the works of the Polavaram right canal distributaries and without identifying the domestic and industrial beneficiaries. This thoughtless move of the government had benefitted the contractor to the tune of Rs. 372.02 crore, said the report. The report made it clear that entire Patti

## Rs. 14.33 Crore Against Rules

There were several irregularities in rent payments to the helicopters that were used by Chandrababu Naidu, according to the CAG report. During 2014-15, Chandrababu had used private



helicopters and paid Rs.14.33 crore towards the expenses. These payments were highly unnecessary and amount to an irregularity, the report said.

### Highlights of the CAG Report

- The state government entered into an agreement with M/s Saras Aviation Services Pvt. Ltd. in September 2014 to use a minimum of 100 flying hours a month of single or twin engine helicopters for five years. The minimum monthly fee was Rs. 25 lakh.
- Saras Aviation was selected by the government arbitrarily without following any competitive bidding process. While finalizing the agreement, there was no formal assessment as to the need for

flying hours per month. The company couldn't submit relevant files for auditing to the national auditing body.

- The state government paid Rs. 5.06 crore to the company for using its services between July and September of 2014. Since there were no records available for this use, the CAG couldn't cross-check the veracity of the claim.
- According to the 12.1 clause of the agreement, the 100 flying hours would be used per month and the minimum guaranteed fare was Rs. 25 lakh. However, between October and December of 2014, only 60 flying hours were used in each month and a whopping Rs. 5.06 crore was paid to the company. Between January and March, 50 hours were used in every month and a huge payment of Rs. 4.21 crore was made.

**Andhra Pradesh Mineral Development Corporation Limited** failed to adhere to the milestones of Government of India for commencement of production of coal which resulted in avoidable payment of penalty of ₹ 1.57 crore and blocking up of ₹ 285.85 crore.

(Paragraph 3.4)

**Indira Gandhi Centre for Advanced Research on Livestock Private Limited** granted extension of time to the contractor in violation of the agreement resulting in payment of price escalation of ₹ 9.44 crore.

*The portion of the report which stated that Rs. 14.33 crore was unnecessarily spent on helicopter rent.*

Seema exercise became futile as it could not benefit the intended beneficiaries. In 2015, the AP government claimed that it wants to offer the benefits of Polavaram project in advance by completing the Pattiseema scheme, a no-storage project. According to the tender notification, the estimated cost of the scheme was Rs. 1,170.25 crore. According to GO 94, the government must not award the tender to contractors who quote more than 5 % excess to the estimated cost.

However, in Pattiseema tenders, Megha had quoted 21.99 % excess, and yet, it got the contract. To make this possible, the government converted the remaining 16.99% ( $21.99 - 5 = 16.99$ ) as a bonus for completing the works within a year's time. This bonus clause was a total humbug since the tender notification itself had a one-year deadline for the project. Despite such an explicit rule, the government made it an excuse to benefit Megha to the tune of Rs. 199 crore. Chandrababu changed the tender rules to grant undue benefits to his favoured company. Due to this decision, the government

had increased the estimated cost of the project, the CAG report revealed. The report stated that another favour worth Rs. 106.17 crore was also extended to Megha in the pump house construction despite the fact that there was no change in the basic parameters. The explanation given by the Water Resources Department was unacceptable, said the auditing body. Besides the aforementioned benefit, Megha had received some more benefits in pump house contract. Though the centre has waived the excise tax on the pipes used for irrigation and drinking water projects, the AP government paid Rs. 32.01 crore as excise tax reimbursement to Megha. Another 14.22 crore was paid in the name of workers' welfare tax.

The company brought down the capacity of motors and pipes but this cutback did not reflect in the project estimated the cost and in the bargain, the contractor made another Rs. 20.62 crore. In total, the AP government extended undue benefits to the extent of Rs. 372.20 crore to Megha, concluded the CAG report.

# Irregularities in Excise Department

The CAG has made the several irregularities of the Excise Department public. The teams of auditing body had inspected 27 offices of the departments and went through the files of the year 2015-16. During the inspection, the CAG teams could find irregularities of about Rs. 1.29 crore in 38 cases. An inspection of nine bars and restaurants in Vizag has shown that the department did not collect the 10% additional tax for 2014-15 and this has resulted in a

loss of Rs.39.90 crore to the public exchequer. The Guntur and Narasaraopet offices collected a license fee which is Rs. 14 lakh lower than the stipulated amount. They also have collected lower amounts for permit room licenses. The CAG emphasized the importance of an internal vigilance wing to prevent such irregularities and faulted the state government for not making any of such anti-corruption arrangements.

Chandrababu, on the one hand, stated that he would complete the Polavaram project by 2019 and on the other, he said that Patti Seema will be in use for the next 20 years. He also gave a statement that Patti Seema won't be used once Polavaram project is completed. Making a simple deduction out of the CM statements, the CAG concluded that Patti Seema would be in use only for three years and will be useless since Polavaram would be completed by 2019.

## Funds Lift for Contractors

CAG has censured the AP government for extending excessive benefits to contractors in lift irrigation projects in its special report to the AP assembly on the status of the lift irrigation projects during 2015-16. The works of 17 small and medium lift irrigation projects that are supposed to provide water to 25.35 lakh acres were not up to the mark, according to the CAG report. The auditing body faulted the government's gifting away of Gollapally lift irrigation project contract, which is a part of Handri-NeevaSujalaSravanti scheme and is worth Rs. 47.18 crores, on nomination basis. In all, the government's compromised approach resulted in a steep hike in the estimated costs of these projects.

➤ In the canal package of Pushkara LIS, audit observed extension of undue benefit of ₹21.81 crore to the contractor due to payment of price escalation contrary to agreement conditions and avoidable additional expenditure of ₹27.09 crore due to deletion of bridge works from the scope of contract and executing them as deposit works.

*The portion of the report which said the Pushkara scheme contractor was extended undue benefits*

## Rs. 48.90 Crore Pushkara Burden

The state government has decided to provide water to 1.86 lakh acres through Pushkara lift irrigation scheme.

However, in doing so, it also has extended a benefit of Rs. 21.81 crore to one of its favoured companies, said the CAG report. According to the tender rules, the construction of bridges on canals, state and national highways shall be done by the contractor himself. However, the state has taken up this burden by collecting Rs. 6.17 crore from the contractor and entrusted this work to another contractor at a higher cost of Rs.33.26 crore. Due to this decision, the TDP government has burdened the public exchequer by Rs. 27.09 crore. In Pushkara Lift Irrigation Scheme alone, the state government helped the contractor pocket Rs. 48.90 crore with its questionable generosity.

➤ Though the Guru Raghavendra and Pulikanuma projects were taken up for serving an ayacut of 85,790 acres, the ayacut served during 2011-16 ranged from 7,092 acres (in 2011-12) to 23,490 acres (in 2014-15), mainly due to improper planning, non-acquisition of lands, non-commissioning of lifts, lack of power supply arrangements, non-enhancement of distributaries of Tungabhadra Low Level Canal, etc.

➤ Non-installation of pipes and electro mechanical equipment due to non-acquisition of land in Pulakurthy LIS of Guru Raghavendra Project resulted in blocking up of ₹ 48.55 crore.

*The portion that touched upon the wastage of resources in Guru Raghavendra scheme.*

## Rs. 48.55 Crore Wasted in Guru Raghavendra

The state government has taken up Pulakurthy lift irrigation scheme on Tungabhadra lower canal works (as part of Guru Raghavendra project) to provide water to 9,380 acres. The estimated cost of the project was Rs. 113.26 crores and the project was taken up in August 2011. The works worth Rs. 48.55 crore were executed between June 2014 and April 2016. The contractor had bought pipes and electro-mechanical equipment. However, since the government failed to complete the land pooling for the project, the equipment couldn't be

# Rs. 10 Crore Corruption in Computers' Purchase

The CAG report pointed out a huge corruption in the procurement of computers for village panchayats. The government has knowingly made excess payment of crores of rupees to the vendors, it said. According to the details, a tender was called for the purchase of 7,631 computers under the Rajiv Gandhi Panchyathiraj Swasaktikaran (RGPSA) scheme by then undivided AP government. Post-bifurcation, the AP government entered into an agreement with contractors in July 2014.

While the actual price of a computer, a UPS and a printer is around Rs. 40,000, the CAG report pointed out that the AP government had entered into an agreement to pay Rs.67,213. It bought 3,869 computers by paying additional Rs. 27,213 for each computer, Rs. 10.68 crore in total to the contractor. The CAG report revealed that the Panchayath Raj Department doesn't know where the 14th Finance Commission funds and central funds for village

As per Rajiv Gandhi Panchayat Sashaktikaran Abhiyan (RGPSA) guidelines, the cost of desktop, printer & UPS was fixed as ₹40,000 per unit. However, the agreement was finalized at ₹47,402 for desktop, ₹8,366 for UPS and ₹11,445 for printer (total cost ₹67,213 per unit), thereby incurring an additional expenditure of ₹10.68 crore (₹27,213 per unit x 3,896 units), and exceeding the norms of RGPSA.

The department entered into agreement with the contractor for supply of DEO of a...

*The portion which confirmed the corruption in computers' purchase under the RGPSA scheme*

panchayats have gone. In financial year 2015-16, the Centre had released Rs.934 crore for 12,920 village panchayaths. However, the Panchayath Raj Department couldn't submit the details related to the usage of these funds to the central auditing body. The department has also failed to submit the expenditure details of Rs. 175 crore allocated by the state government. This irresponsible conduct of a government department came in for sharp criticism and was severely reprimanded by the national auditing body.

fixed and funds spent on the equipment have gone waste.

## Domination of Nomination in Handri-Neeva Works

The TDP government has axed the contractor of Gollapally reservoir works (which is a part of the second phase of HNSS) on the pretext of execution delays. The remaining work was converted into a contract of Rs.47.18 crore and given to a new contractor on a nomination basis. In the new contract, the Chandrababu government has brought down the full reservoir level (FRL) from 532.20 meters to 529 meters. By bringing down the FRL

### Water Resources Department

**Non-accrual of savings of ₹6.47 crore to Government on reduction of scope of work**

- Non-reduction of the agreement value despite reduction in the scope of work in Package No.53 of Handri Niva Sujala Sravanthi Project (Phase-II) led to non-accrual of savings of ₹6.47 crore to the public exchequer.

(Paragraph 3.4)

**Excess payment of ₹4.97 crore to contractor due to front loading of payments**

- Front loading of payments for excavation tunnel/approach channel in the payment schedules by reducing the provision for lining work, which was not executed by the contractor, in Package No.6 and Package No.10 of Handri Niva Sujala Sravanthi Project (Phase-II), resulted in excess payment of ₹4.97 crore to the agency.

(Paragraph 3.5)

### Andhra Pradesh Road Sector Project

The Government of Andhra Pradesh had taken up the AP Road Sector Project with loan assistance from the International Bank for Reconstruction and Development (IBRD) and Government of India (GoI). The project comprises four components - (a) Road Improvement, (b) PPP facilitation support, (c) Institutional Strengthening and (d) Road Safety. Audit of implementation of the Project was conducted (December 2015 – June 2016) to ascertain whether the Project components were effectively implemented in a timely manner and the objective of providing better quality, higher capacity and safe roads to the users in a sustainable manner through enhanced institutional capacity had been achieved.

The Major audit findings are summarized below:

- Out of seven upgradation works taken up under the project, only one work was completed and the remaining six works were delayed with progress ranging from 5 to 90 per cent. With the current pace of execution, some of the works are unlikely to be completed within the loan closure period and there is a risk of under-utilization of IBRD loan assistance.
- Liquidated damages to the tune of ₹34.82 crore were not levied in respect of three upgradation works. In two terminated packages, cost of balance works of ₹159.96 crore was yet to be realised from the contractors. In one package, mobilization advance of ₹30.08 crore remained blocked with the contractor due to slow progress.

*The part of the report that highlighted the irregularities in the road projects.*

by 3.2 meters, the contractor saved himself Rs. 6.47 crore. Indeed that money shall be deposited with the state exchequer. However, the state government has let the contractor keep the amount and thus caused a loss to the state exchequer. This loss was highlighted by the CAG report. The report also faulted the additional payments of Rs.2.29 crore to the contractor of the sixth package of the HNSS second phase and Rs. 2.68 crore to the

contractor of the tenth package of the same project.

## Road Projects Deployed

The CAG has confirmed the irregularities in road construction projects. It has pointed out the inordinate delays in equipment procurement and the execution of projects. The CAG team has inspected R&B headquarters and divisional offices at Vizag, Rajahmundry, Nellore, Gudur, Tirupati, Nandyal, Kurnool and Anantapur. It also has audited Rs. 813.76 crore worth works in seven packages, which were taken up with the help of the World Bank.

*Liquidated damages to the tune of ₹34.82 crore were not levied in respect of three upgradation works. In two terminated packages, cost of balance works of ₹159.96 crore was yet to be realised from the contractors. In one package, mobilization advance of ₹30.08 crore remained blocked with the contractor due to slow progress.*

*The portion which stated that the company that was supposed to pay a fine has got the mobilization advance.*

## Rs. 20.05 Crore Undue Benefit to Transstroy

The Chandrababu government had divided the Kakinada-Rajahmundry road works worth Rs. 200.54 crore and gifted them to Transstroy, the company owned by TDP MP Rayapati Samabasiva Rao, in February 2013. The works of both packages shall be completed by March 2016, according to the tender rules. However, Transstroy had completed only 5% of the work at that time. This incompetence should have attracted a fine of Rs. 20.05 crore, but the company has gone unpunished thanks to the government's corrupt stand, stated the CAG report. The auditing body also objected to the government providing the company with Rs. 30.08 crore as mobilisation advance. The report also discussed the unreasonable hike of estimated costs of Kurnool-Devanakonda, Pedana-Nuzivid-Vissannapet, Mydukur-Jammalamadugu road projects and excessive delays in the execution of these projects.

## Consultant Hired and Then Ignored

The TDP government hired a consultant to strengthen the R&B Department at the cost of Rs. 5.50 crore. However, it has later escalated the fee to Rs. 9.49 crore. Despite paying such hefty amounts, the government did not make use of his services, the CAG discovered. The audit body also pointed out that the Transportation

### 2. Performance Audit relating to Government company

In the State of Andhra Pradesh, generation of power was carried out by Andhra Pradesh Power Generation Corporation Limited (APGENCO). After the formation of Telangana State (as per the AP Reorganization Act, 2014), APGENCO (the Company) has a capacity of 2,810 MW at two thermal power plants viz., Dr. Narla Tata Rao Thermal Power Station (Dr.NTTPS, 1,760 MW), Vijayawada, Krishna district and Rayalaseema Thermal Power Station, Muddanur, Kadapa district (RTPP, 1,050 MW).

Performance Audit on Fuel Management in Thermal Power Stations of Andhra Pradesh Power Generation Corporation Limited was conducted. Important audit findings are given below:

- The power generation decreased from 22,235 MU (Million Units) in 2011-12 to 19,359 MU in 2015-16, mainly due to outages of power plants. Further, the total cost per unit increased from ₹ 2.94 in 2011-12 to ₹ 4.34 in 2015-16.
- In absence of suitable clauses in coal procurement order, the Company had to make avoidable payment of ₹ 918.61 crore towards value of ungraded and differential grades of coal during the years 2014 to 2016.
- Improper monitoring of coal requirements at power plants resulted in avoidable expenditure of ₹ 186.77 crore on freight charges towards diversion of coal during the years 2011 to 2015.

*The part that talks about the mismanagement is coal purchases and coal quality.*

Department had nothing to do with the development of specimen corridors and this entire exercise was a waste of money.

## Corrupt and Flawed Coal Procurement

The arbitrary coal procurement by the APGENCO has attracted the wrath of the national auditing body. The procurement of coal at inflated prices and the unnecessary closure of thermal power plants had severely crippled GENCO's functioning, held the CAG report.

Post-bifurcation, Dr. Narla Tata Rao Thermal Power Station (NTTPS) and the Rayalaseema Thermal Power Station (RTPC) have come under the management of AP government. The plants have a total production capacity of 2,810 MW. In 2011-12, they had produced 22,235 million units of power. However, by 2015-16, power production came down to 19,359 million units, stated the CAG report.

This was due to the AP government's forcible closure of NTTPS and RTPC, the report held. Due to the low power production, the power rate per unit went up to Rs. 4.34 from previous Rs.2.94 and both the units have suffered a loss of Rs. 675.69 crore. These units couldn't produce power worth Rs.9251.43 crore due to forcible closures, low-quality coal and boiler leakages, detailed the CAG report.

## Govt. Condone Poor Quality

The AP government had purchased coal during 2014-16 in a frenzied manner. According to central government rules, 70% domestic coal and 30% imported coal shall be used. However, APGENCO had imported coal

in disproportionate quantities, most of which was of poor quality. Due to these imports, coal consumption has hit the roof. According to the CAG estimate, Gencoused 86.02 lakh tons of extra coal and as the result it expenditure was shot up another Rs. 3,179.32 crore.

### Premium for Cheap Coal

When Mahanadi Coal Limited (MCL) couldn't supply the coal, the NTPPS was given the option to use the coal supplied to Kothagudem Thermal Power Station (KTPS) and Ramagundam Thermal Power Plant (RTPP). However, the KTPS has gone under the management of Telangana government post-bifurcation. On the pretext that MCL has failed to supply the coal, the NTPPS bought coal from Singareni Collieries at a premium price. Without entering into any agreement, the NTPPS has bought

➤ The Company had diverted fund realised on sale of fly ash for renovation of guest houses at Power Stations, construction of school compound wall, flooring of badminton court and to meet the day to day working capital

*The portion the report that explained how the Genco has incurred huge losses due to the import of low-quality coal from abroad.*

63.5 lakh tons coal at a premium price. It has completely glossed over any discussion on the provisions of coal quality and transportation charges.

When the CAG has gone through the coal analysis reports and coal invoices, it could find huge differences in the quality of the grades of coal bought by Genco. The power generating body has lost Rs. 918.61 crore due to its purchase of ungraded (poor quality) coal.

### Centre's Krishnapatnam Estimations Escalated

The AP government took a decision to establish the Damodaram Sanjeevaiah Thermal Power Plant at Krishnapatnam with a stated objective to overcome power shortage in the state. Contract of the project which was worth Rs. 8,432 crore was given to a few contractors. According to the tender agreement, the first unit shall be completed by August 2012 and the second unit by February 2013. However, the works were not completed due to the delay in construction of coal conveying system, water treatment plant and transmission lines. Making the most of this delay, the state government escalated the estimated cost of the project to Rs. 12,630 crore. As BHEL has failed to deliver boilers

Andhra Pradesh Power Development Company Limited had taken up the construction of Sri Damodaram Sanjeevaiah Thermal Power Station (800 MW X 2) at Krishnapatnam in Andhra Pradesh.

The Company paid full consultation fee of ₹ 1.17 crore to the Consultant though Detailed Project Report (DPR) was prepared without considering certain important items. Project cost was increased from ₹ 8,432 crore to ₹ 12,630 crore. Non-maintenance of debt-equity ratio led to additional borrowing and interest burden of ₹ 52.64 crore. Enhancement of Execution and Supervision charges from one per cent to two per cent without any contractual obligations had resulted in avoidable payment of ₹ 84.00 crore to APGENCO. Abnormal delay in augmentation of External Coal Conveying System resulted in avoidable expenditure on transportation of Coal. Non-payment of labour cess of ₹ 44.19 crore by the Contractors resulted in extension of undue benefits to the agencies. The Company procured coal from the Singareni Collieries Company Limited at an additional price due to delay in entering into MoU with MCL. Undue benefit of ₹ 35.34 crore was extended to transporters on beneficiation and transportation of coal from Mahanadi Coalfields Limited. The company incurred potential loss of saleable energy worth ₹ 9,251.43 crore due to

*The portion which detailed the escalation of the estimated cost of Krishnapatnam Power Station*

and auxiliaries within the deadline, the Genco has collected Rs. 240 crore fine in March 2014. However, the same Genco repaid the fine amount to BHEL in July against the rules, stated the CAG report.

# Severe Debt Burden, Colossal Mismanagement

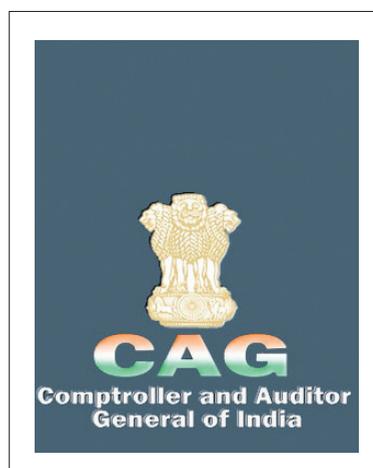
## 2016-2017 CAG Report

Total debt liabilities of the state - Rs. 2,22,845 Crore  
Repayments to be done in next 7 years- Rs. 1,50,221 Crore  
Rs. 17,231 Crore debt amount was  
used for revenue expenditure

The state's economic status is burdened by huge loans, originally drawn for developmental purposes but spent on regular expenses and revenue sectors. The Comptroller General of India (CAG) in its 2016-17 report expressed concern over the state's poor economic health. If the spending continues at this pace, there is a danger of the collapse of economy, it said in the report.

The CAG 2016-2017 report observed that the state government drew Rs 17,231 crore loans only to spend on revenue expenses. "Against the 2016-17 financial year budget estimate revenue spending of Rs 1,14,168 crore, the actual revenue spending is Rs 1,16,215 crore," it said. Of the total revenue spending, an 85.17% share was spent on revenue earnings while the remaining funds were drawn from loans. With the current trend of spending, the state economy is gradually nearing danger, CAG warned.

- "In the financial year 2016-17, the revenue expenses increased by Rs. 20,265 crore from the previous year. If the loan amounts are spent on revenue expenses without gaining any permanent assets, the burden of loans would further aggravate in future," it said.
- The CAG observed that the government heavily dependent on loans than its own revenues. Governments should try and accumulate resources to achieve a healthy economy. Instead of investing in permanent assets, the state



government spent its resources on the day-to-day expenses.

- In 2016-17, the average capital expenditure of the states was 19.70% while that of AP was 11.48%, the lowest.
- Violating the recommendations of the 14th Finance Commission, the government spent its additional resources worth Rs 4,370 crore to other areas rather than investing in permanent assets. A burden of Rs. 76,888 crore is to borne by the State's budgets in the next five years.

### Injustice to Social Sectors

A paltry 4.62% share of the capital expenditure

was spent on activities in social sectors--education, health, family welfare, irrigation and sanitation. By the end of the financial year 2016-17, the burden of loans on government amounted to Rs 2,01,314 crore, which is 2.03 times the revenue incomes and 28.79% of the GSDP. The State government is trying to showcase a lowered loan amount.

Added with the loans excluded in the budget worth Rs 11,867 crore and the loans secured through guarantees worth Rs 9,665 crore, the total loan amounts to Rs 2,22,845 crore.

## AP State Disaster Response and Fire Services Department ignored

The government failed to take measures to modernize and strengthen the AP State Disaster Response and Fire Services Department. Only three of the five recommendations we have done were



addressed (partially) by July 2017. Fire stations, equipment and personnel are not in place as per the Standing Fire Advisory Council (SFAC). The department did not formulate a precautionary plan. The government allotted only Rs 475.36 crore while the department sought Rs 1210.17 crore budget. The proposal to arrange groups of personnel in Vijayawada, Visakhapatnam and Tirupati were not addressed in ten years.

## Lands allocated to the NTR Trust

The allocation of Zilla Parishad lands to the NTR Trust in East Godavari district was unlawful. The lands belonging to the Gram, Mandal and Zilla Parishads can be given on lease only for three years. But, violating norms, in September 2015, the NTR Trust was given land for lease for 99 years. The Rs 30 lakh lease rate was confined to Rs 25,000. Every year, the

Zilla Parishad loses lakhs of rupees.

## Only Rs. 12 lakh recovered from Rs. 192 crore

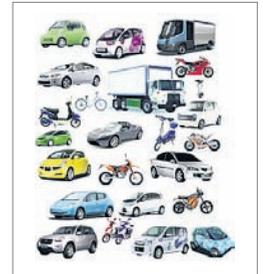
Of the 12,975 villages, search operations were conducted only in 65 villages in 2016-17, recovering only Rs. 12 lakh recovered from the Rs. 192 crore of corruption. Adhering to the guidelines of the 14th Finance Commission, the centre released Rs. 1,454 crore to the state while it could submit the UCs for only Rs 642 crore.



The government refused to take care of the lands of the Gram, Mandal and Zilla Parishads even as they were being encroached. In the audit on the 8,653 acres belong to seven Zilla Parishads, only 705 acres under 35 Mandal Parishads was recorded. Since the local bodies did not maintain records pertaining to their respective lands, there is a danger of them losing rights over the lands.

## Enforcement Department's Searches a 'farce'

In the search operations of the Enforcement Department, irregularities were found to the extent of Rs. 70.88 crore. While Rs. 10.37 crore for taxation on non-transport vehicles, quarterly tax and the penalty for Rs. 6.57 crore and Haritha tax for Rs 1.11 crore were the recorded losses. A complete failure in recognizing the unfit vehicles was observed.



As many as 98,006 vehicles found without fitness certificates. Of the 20,64,606 cases registered between April 2011 and March 2016, an overwhelming 5,05,352 of them, amounting to 24%, were related to the sound horns. The high-security number plate project was not implemented. From 28,150 vehicle owners, the registration tax was collected instead of fitness fees. With this, Rs 1.76

crore went down the drain. Not a single case was registered in the high-security number plate project.

## **S.P.Y. Reddy was benefited Rs. 60 crore**

The state government has heavily benefited Nandyal MP S.P.Y. Reddy, who jumped ship to the TDP from YSRCP. In a notable event, the standards for production in SPY Reddy's liquor distillery were reduced and the fees not collected. The State government is obligated to collect Rs. 129 crore from S.P.Y. Reddy, who had accepted in writing that his distillery's production would be 2,000 lakh litres. Later, he had asked the government to reduce the production to 1,000 lakh litres. The government order for a reduced standard for production is unlawful. The government lost Rs. 60 crore after the Excise Commissioner withdrew his demand notice.

## **Further Highlights of the Report**

- Though it was mandatory on part of the state government to release the Centre's funds to the concerned departments within 15 days, the state government had delayed it for 249 days. Due to this delay, the state government lost its share of Rs. 48.96 crore.
- Seven schemes were not rolled out even after their works were completed and seven more schemes were dropped after some progress. The exchequer had to bear the loss of Rs. 491 crore.
- In Rayampalli in Anantapur district and Vutukuru in Guntur district, the dangerous E. coli bacteria was found in the drinking water supplied through government schemes.
- The state government has failed to take measures to tackle the uranium contents in groundwater in Nagarjunasagar and Kadapa regions, even after the centre warned in 2014.
- The Field Test Kits (FTK) used for testing drinking water were abandoned. The kits were procured at an expense of Rs. 1.33 crore in 2014-15 and 2016-17.



## **RTC is in Losses**

Due to the delay in

purchase of buses by utilising the loans from SBI and HUDCO, the RTC incurred a burden of Rs 4.52 crore in interests. A loss of Rs. 91 lakh was incurred in the irregularities in leasing out a 2,460 sq. ft. area in Vijayawada's Nehru Bus Station.

## **Despite Central funds...**

The state government did not release the Rs 1,972.65 crore allotted by the Centre for various schemes in flood relief, transport, highways, the capital city, backward places in Northern Andhra, Rayalaseema and others in 2016-17. While the centre released Rs. 3,835.03 crore for Swachh Bharat and other requirements, the state government released only Rs 2,219.30 crore as its share. Out of the Rs. 163.95 crore allocated for mid-day meals scheme, only Rs. 95 crore was utilized. This was sheer absurd and defies any human logic.

## **Hiked Estimated Costs and Unattended Works**

Despite increasing the project costs of 44 irrigation schemes by Rs. 27,403.74 crore, not even a single project was completed. The initial project cost was Rs. 49,107.78 crore.



After citing delay due to land acquisition, Court cases and change in project designs, the government announced it would complete the projects by March 2017 while increasing the project cost estimations to Rs 76,511.52 crore.

## **Skyrocketing Costs Halt Projects**

- Handri-Neeva project cost estimation was increased from the initial Rs. 1,307 crore to Rs. 4,317 crore. By March 2017, Rs. 3,373.38 crore



was spent and the second stage project estimation was increased to Rs. 7,340.87 crore from an initial estimation of Rs 1,880 crore. An Rs. 5,533.81 was spent, still, the project works showed no progress despite the increased spending.

- Even after spending Rs. 1,173.56 crore for Vamshadhara project by March 2017, the works did not gain pace. The estimation was increased from Rs. 933.90 crore to Rs. 1,616.23 crore.
- The Thotapalli project cost estimate was increased from Rs. 450.23 crore to Rs 774.91 crore. The works were not completed even after spending Rs. 738.60 crore by March 2017.
- The Pushkara Lift Irrigation Scheme's estimated cost was increased from Rs. 297.25 crore to Rs. 674.52 crore. The works were not completed even after spending Rs 681.76 crore by March 2017.

## Making Lofty Claims

In 2016-17, the Andhra Pradesh State Irrigation Development Corporation (APSIDC) gave administrative permission for stabilization of 1.55 lakh acre ayacut and modernization of 181 lift irrigation projects. The corporation had declared that it would complete the works by the end of year. Only 11 schemes under SC Sub Plan and 17 schemes under ST Sub Plan were completed and stabilise only 1,749 acres.

## Fully Fudged Estimations

The Neeru-Chettu Programme taken up by the state government for water conservation of water resources was knocked out by the fudged numbers. A total of Rs. 1,242 crore was allocated for the program in two stages. One can easily make out that the estimates were fudged from the fact that the estimated costs increased eight times in the second stage.

The state government has increased the estimated costs of 17 projects under the micro irrigation category from Rs. 95.31 crore to Rs. 158.59 crore. It spent a total of Rs. 86.43 crore. Despite the expenditure, it could not complete a single project by end of March 2018.

## Failing the Education System

In Andhra Pradesh, a total of 5,443 schools were closed down between 2013-14 and 2016-17. Out of them, 3,361 were government schools, 203 were aided schools and 1,880 were private schools. In the



state, there is a dearth of teachers in 1,014 primary and 37 upper primary schools.

As to the statistics of school dropouts, there was a stark difference between the figures of Sarva Siksha Abhiyan and Education Department. Due to the unavailability of the child tracking system, there is no proper record of the drop out children.

## Some More Findings of CAG

- Of the Rs. 312.64 crore deposited in the account of the state water and sanitation program project director in 2016-17, Rs. 250 crore was spent by March 2017 and Rs. 62.64 crore was unused. However, it is learnt that these sums were transferred to other bank accounts before transferring to the beneficiaries through electronic fund management system (EFMS) accounts.
- While some of the departments were over-funded despite having no requirement, other departments spent money beyond their allocations. While Rs. 21,967 crore surplus was shown under 35 accounts and Rs. 1,686 crore was over-spent under five accounts. In total, an Rs. 20,281 surplus was shown and this amount was not spent.
- The AP government has allocated Rs. 1,186.64 crore as grant for the housing sector in 2016-17. However, it has spent only Rs. 456.95 crore and the remaining Rs. 729.69 crore was kept unspent. Finally, Rs. 670.33 crore was unspent as there was a shortage of requests from the unit offices and not filling the vacancies.
- In 2011-12 and 2015-16, only Rs. 1469.75 crore was spent out of the allocated Rs. 2,017.08 crore. The state government did not provide reasons as not non-spending of funds of the remaining accounts.

# Appalling Governance in AP!

Fumihiko Maki's Blistering Attack... Special Article in Architectural Digest

Excessive Political Intervention...Lack of Transparency... No Ease of Doing Business... It's Business as Usual!

Governance conditions in Andhra Pradesh are at their worst, said Fumihiko Maki, the Chairman of Maki & Associates, an award-winning Japanese architecture company, in a special article written for April 2017 edition of Architectural Digest (AD). The AD is considered the Forbes of architecture. Here are a few highlights from Maki's article:



"At the end of 2011, Maki and Associates was announced as the winner of an international competition for designing the Bihar Museum in central Patna. At the end of 2016, the museum was racing towards completion. At around the same time, we endured an unjustified removal as the master architects for the Amaravati Capital Complex in Andhra Pradesh-despite winning an international competition for the same in March 2016. These two experiences offer contrasting insights and lessons about the Indian architectural profession as it faces new challenges to its identity within the context of global practices." "From our distant perch in Japan, it seems to us that the reputations of these two Indian states are belied by our experiences in each. Nobody thinks that Bihar is a good place to work, while Andhra Pradesh has posters throughout international airports describing it as the most "business-friendly" state in the country. In fact, the Bihar government has shown sophistication and intelligence as an architectural client, while the Andhra Pradesh government has revealed mostly confusion and inconsistency. Our perspective on these places and their politics may be somewhat limited, but we can definitely state that if the Bihar government had acted like their counterparts in Andhra Pradesh, the 25,000-square-metre Bihar Museum would not be opening this year. In Andhra Pradesh, "business-friendly" seems much closer to "business as usual" in India."

## CRDA Not Independent!

"At Amaravati, the experience was a complete contrast. The competition itself was well organised, and the international jury was chaired by leading architects, design practitioners, and pedagogues like Christopher Charles Benninger, KT Ravindran, Erwin Viray, SühaÖzkan, Rajeev Sethi, and KeshavVarma, the ex-municipal commissioner of Ahmedabad. They provided objective results based on stated design criteria, and avoided suspect selection processes. A full day was dedicated to each team's presentation, and the participants were fairly compensated. But once the competition ended, there were no more checks and balances, just a farcical revolving door of ever-changing opinions to consider. No clear approval

processes were in place, the jury disappeared, and the jury report was never released to the public. The Andhra Pradesh Capital Region Development Authority (which administers the project on behalf of the government) threw up its hands to follow orders from above-while their employees empathised with us, privately of course, over how unfairly Maki and Associates was being treated. Most shockingly, we were never given the chance to show competition revisions to the government, despite being asked for these revisions by the chief minister, N Chandrababu Naidu, himself."

## Clearly A Bad Standard

"On 24 October, Maki and Associates was officially terminated for reasons that are demonstrably false. A new RFQ ('Request for Quotation': a standard business process used to invite participants in a bidding process) was launched on 25 October-the very next day!-and in early December, Foster and Partners of London, with Architect Hafeez Contractor of Mumbai, were selected. The announcement of this team has been decidedly muted, and no new designs have been presented to the public. It is unclear if designs even exist, though it is known that the winning team spent a good deal of time in Amaravati prior to the RFQ. Having Foster and Contractor do this work was clearly a pre-set priority for the government, though it remains to be seen if-with over 1,000 employees, 11 different offices, and hundreds of projects scattered across the globe-Amaravati will remain a priority for Foster and Partners. According to the latest news, the chief minister engaged Telugu film director SS Rajamouli and asked Foster's representatives to discuss the design with him. So the "revolving door" we experienced in Andhra Pradesh seems likely to continue. Foster, an architect of great talent and discipline, will hopefully ignore this noise and keep the work under his own control-assuming he remains involved in the design."

## Only Time Will Tell

"Five years is at once a short and a long period, and our contrasting experiences with these two Indian state governments indicate that both hope and caution are in order. There is hope, from our experience in Bihar, that government projects can be well managed; but from our experience in Andhra Pradesh, we also see the possibility of chaos and diminishing returns on substantial investments. This is perhaps not a bad lesson for us, but clearly not the best message for a vibrant and growing nation like India to send. The bar, in our opinion, can be set much higher."