

SUBJECT NO:130

Sub: VUDA-VSP- Establishment- Status of enquiry by various investigating Agencies - Reg.

- Ref: 1. Letter No.12799/E1/2012-2 dt.27-6-2012 of Principal Secretary to Govt. MA & UD Department along with Vigilance report No.28 (318/V & E/E1/2010) dated.9-5-2012
2. Letter No.31412/E1/2011-1 dt.3-3-2012 of Principal Secretary to Govt. MA & UD Department along with Vigilance report No.106 (318/V & E/E1/2010) dated.17-10-2011.
3. Letter No.11938/E1/2012-1 dt.28-6-2012 of Principal Secretary to Govt. MA & UD Department along with Vigilance report No.26 (323/V & E (Dev.II)D3/2011 dated.24-4-2012.
4. Letter No.12521/E1/2013 dt.3-7-2013 of Principal Secretary to Govt. MA & UD Department along with Vigilance report No.48 (C.No.945/V&E(Dev-I/D3/2012 dated.29-4-2013.

AGENDA NOTE :

It is to submit that different enquiry agencies viz., Vigilance & Enforcement, Crime Investigation Department, Anti Corruption Bureau etc. are conducting enquiries against VUDA officials on various Matters. The details are as follows:

I.A. The Report of Vigilance & Enforcement Department on Haritha Project (Ref.1):

VUDA proposed Mega Housing Project with 2000 dwelling units at Madhurawada in Visakhapatnam in an area of 40 acres and entrusted to M/s Jurong Infrastructure Private Limited (JIPL), a franchise of Singapore based company in 2004 with completion period of 30 months. Even after seven years, the progress of the work stood at 24.6% which is well behind the stipulated schedule.

Vide reference 1st cited, the MA & UD (H) department while forwarding the GA (V&E) department Vigilance report No.28 (318/V&E/E1/2010) dt.9-5-2012 and requested to take necessary action on

the following recommendation of GA (V&E) department and furnish the action taken report to the Government.

Abstract of Recommendations:

Sl. No.	Name of officers Sarvasree	Nature of irregularity	Recommendation
1	G. Venkatarami Reddy, IAS, former, VC, VUDA	Announcing Marketing rights to M/s JIPL for flats developed without taking prior permission from Govt, thereby the progress of work suffered causing loss to those who purchased flats from VUDA.	Action deemed fit
2.	V.N. Vishnu, IAS, former, VC, VUDA	Sft rate was enhanced from Rs. 934/- to Rs. 1054/- without Govt, approval. Instead of terminating the contract of M/s JIPL even after dissatisfying with their performance as expressed in the minutes of meeting dated. 14-9-2009 continued M/s JIPL causing loss to the purchasers who purchased the flats from VUDA.	Action deemed
3	I.Viswanadha Rao, C.E., VUDA	Execution of 2 nd supplemental agreement not backed by Agt. Provision though M/s JIPL delayed the work on their own and also failed to recommend liquidated damages against M/s JIPL for slow progress of work .	Departmental action
4	D. Vijaya Bharathi, CAO, VUDA	Failure to propose recovery of mobilization advance from the running bills of the contractor even after reaching 24.6% of work progress.	Departmental action

Recommendations:

- 1) Terminate the contract of M/s Jurong Infrastructure Pvt. Ltd (M/s JIPL) in pursuance to the agreement clause 15.2 for failure to complete the project work within the schedule time by confiscating the performance security & other payable amounts available with VUDA, and to recall fresh Global Tenders to complete the work as the present progress stood around meager 24.6% only even after seven years.
- 2) Stop the construction of Mock up units including furniture which are meant for display for the interested entrepreneurs buying flats, as the public response is positive ie. out of 710 units only 55 are left over, there by an amount of Rs. 64.78 lakhs can be saved from making payment to the contractor.

- 3) Restrict the payment to the Contractor for a built up area of 9,39,913 sft. only as per the detail drawings approved by VUDA against 9,43,168 Sft. mentioned in the contract Agreement.
- 4) Initiate immediate action by VUDA by arranging the compensation amount to the entrepreneurs purchased flats by collecting loans from the financial institutions. The same may be recovered from the contractor M/s JIPL at the time of making final payment.

I-B .The Report of Vigilance & Enforcement Department on certain Engineering Works (Ref.2):

1. Formation of 80''-0'' wide Quarry Rubbish road from Aganampudi NH-5 road junction to Duvvada Railway station.

Administrative sanction for the work was accorded for Rs. 149.00 lakhs vide Rc.No. 2/08-09, dated. 10-12-2008 by the Vice Chairman, VUDA, Visakhapatnam and Technical sanction was accorded by the Chief Engineer, VUDA for Rs. 149.00 lakhs vide DR No. 51/2008-09 dated 12-12-2008. The work was awarded to Ms R.P. Reddy & Co, Nellore vide agreement NO. 9/2009-10, dt. 28-7-2009 for Rs. 81,82,665/- at 27.90% less with a stipulated period of completion as six months i.e., work is to be completed by 27-+1-2010. As on the date of inspection, the work was stopped by the VUDA.

2. Construction of Main hall, Stair case, Toilets, Lobby etc., for the World Telugu Cultural and Heritage Museum on top of Kailasa Hill at Visakhapatnam.

Administrative sanction for the work was accorded by the Vice Chairman, VUDA vide Rc.No. 25/08-09/EEVI,/VUDA, dt. 22-8-2009 for Rs. 443.00 lakhs and technical sanction was accorded by the Chief Engineer (i/c), VUDA, Visakhapatnam for Rs. 443.00 lakhs vide C.R. No. 23/2008-09/CE i/c/EE-zone-VI/VUDA, dt. 25-8-2008. There are number of L.S. provisions in the sanctioned estimate Viz. Architectural features, Air- Conditioners, Lifts, Landscaping etc., with a motive that the structure should reflect Telugu Heritage and culture. The work was awarded on tenders to Sri V. Ravi Rama Raju, Contractor, Visakhapatnam vide Agreement No. 2/2009-10, dt. 9-6-2009 for Rs. 1,78,17,568/- at 2.29% less with stipulated period of completion as 18 months

i.e work is to be completed by 8-12-2010. As on the date of inspection i.e. on 15-7-2010 , 65% of work was completed.

Vide reference 2nd cited, the MA & UD (H) department while forwarding the GA (V&E) department Vigilance report No.106 (318/V&E/E1/2010) dt.7-10-2011 and requested furnish the name of concerned officials of VUDA in respect of two works mentioned in the V&E report and also to take necessary action on the following recommendation of GA (V&E) department and furnish the action taken report to the Government.

Recommendations:

1.
 - a) Warn the concerned officials of VUDA for taking up the work in haste without getting the required funds form VSP and without obtaining any permission from the R & B authorities as they are the custodians for the road.
 - b) Instruct the Vice Chairman, VUDA, Visakhapatnam.
 - i) Address the Prl. Secretary to Government, TR & B Dept., to accord permission to VUDA for taking up the road "Formation of 80'wide quarry rubbish road form Aganampudi NH-5 road junction to Duvvada Rly. Station which is under the control of R & B Dept., on par with the State Highway standards.
 - ii) Pursue with CMD / Visakhapatnam Steel Plan for getting the required funds as VSP has urged VUDA to take up the said road work as their unions are hard pressing for taking up the said road widening work.
 - iii) Exercise much restraint before taking up any such work in advance, by obtaining necessary approvals and deposits from the user departments to avert wasteful expenditure.
2.
 - i) test the soils in future for classification and other properties in an authorized testing alb instead of assuming the same.

- ii) follow the I.S. codal provisions scrupulously before issuing technical sanctions for any civil works to increase the longevity of the construction taken up by VUDA in future
- iii) Follow the guidelines issued by V & E Dept. from time to time.
- iv) Prepare the estimates realistically i.e., by taking into account the prevailing site conditions into the estimates thereby minimizing the issue of variation orders during the execution of work.
- v) Warn the concerned officials who have prepared and finalized the estimates for adopting incorrect specifications for RCC items and earth work items.

I-C. The Report of Vigilance & Enforcement Department on LRS (Ref.3):

The subject relates to irregularities under land regulation scheme (LRS) in an unapproved layout in Sy.Nos. 417/8 and 417/10 of Satyanarqyanapuram, H/o of TUMMAPALEM (v) Anakapalli (M) in favour of PSVS Prakasa Rao by VUDA.

Vide reference 3rd cited, the MA & UD (H) department while forwarding the GA (V&E) department report No. 26 (C.No. 323/V&E (DEV-II)/D3/2011),dt. 24-4-2012 and requested to take necessary departmental action against 1) Sri K.Ananda Babu, Chief Urban Planner 2) Sri K.D. Brainard, ic/ Planning officer, 3) Sri B. Ramathirtha, APO of VUDA 4) Sri Ch. Ramanadham, JPO 5) Sri V. Suryanarayana, Surveyor and later Architectural Draughts man of VUDA also to take necessary action on the following recommendation of GA (V&E) department and furnish the action taken report to the Government.

Accordingly action has been initiated by framing article of charges against 1) Sri K.D. Brainard, ic/ Planning officer, 2) Sri B. Ramathirtha, APO of VUDA 4) Sri V. Suryanarayana, Surveyor and later Architectural Draughts man. The Chief Accounts officer was appointed as Inquiry officer to enquire into the

charges leveled against above individuals. The enquiry report in respect of the above subject matter is awaited from the enquiry officer.

In respect of 1) Sri K.Ananda Babu, Assistant Director of Town Planning worked as Chief Urban Planner on deputation was repatriated to his parent Department 2) Sri Ch. Ramanadham, JPO who was retired from service on attaining the age of superannuation. Hence, the Government was requested to take necessary action and for necessary instruction in the matter vide this office letter R.C.No.3502/2012/A1 dt.10-1-2013.

Recommendations:

- i) Be cautious in future while approving the layouts by strictly following the norms prescribed by Government without any deviation.
- ii) To instruct the planning wing department officials to adhere to the G.O.Ms.No. 902 MA & UD department, dt. 31-12-2007 scrupulously while forwarding the proposals pertaining to the land regulation under LRS.
- iii) Conduct the field inspection properly in connection with the LRS proposals to avoid any irregularities like regulating more area than actual extent to be regulated as per the applicants requisition. In the present case, the applicant may be informed about the actual extent of land regularized under LRS to avoid any further problems.
- iv) Initiate action on the aforesaid officers mentioned supra for dereliction of duties and for causing wrongful loss to the Government exchequer by not insisting on the required registered sale deed in place of GPA cum sale agreement.
- v) To see the possibility of recovering the wrongful loss of RS. 77,140/- from the applicant by VUDA within 3 months otherwise VUDA may be instructed to remit the amount and to deposit the same with the Gram Panchayat of Satyanarayanapuram for utilization to develop the public utilities like parks etc., in the said layout.

I-D. The Report of Vigilance & Enforcement Department on illegal & irregular allotment of plots in MVP Colony & Ocean View layout (Ref.4):

Vide reference 4th cited, the General Administration (V&E) Department has submitted enquiry report vide VR No.48 (C.No.945/V&E (Dev-I)/D3/2012 dt.29-4-2013 to the Govt. in MA & UD Department in respect of allotment of land in SNo.5/p & 6/p of MV.P.Layout, Sector-II meant for community purpose

allotted at throw away price and requested to take necessary action against 1) Sri.A.Jagadeesh, the then Secretary, VUDA 2) Sri.K.Karuna Kumar A.O. (Retd.) 3) Sri.V.Chiranjeevi Raju,A.O.(Retd 4) Sri.P.Rama Krishna , Sr.Asst. 5) Sri.I.S.Subba Rao ,A.O. 6) Sri.M.Yerabbulu Sr.Asst.

Abstract of recommendations :-

1. The following officials of VUDA conspired with B.R.V.Prasad and 5 others in MVP layout case and B.R.V.Prasad on behalf of M/s. Ripple & co company in exchange of plot to ocean view layout, for pecuniary gain and caused huge revenue loss to the VUDA which is a self financing body. There is wrongful loss sustained by stamps & Registration dept due to reduction of valuation of site.

Sl. No.	Name of the official	Previous designation	Present place of working	Irregularity	Action recommended
1	V.N.Vishnu, I.A.S.	Vice-Chairman/ VUDA	MD, AP State Ware Housing Corporation	<p>MVP Layout :-</p> <p>(i) for approving the note file violating the Supreme court & High court orders leading to contempt of court orders.</p> <p>(ii) for approval of note file to allot the plots to illegal applicants at 2001 upset price of Rs.3,500/-</p> <p>(iii) for not verifying the original list of participants in VUDA auction during 2001.</p> <p>(iv) for instructing the surveyor to prepare sketches for library building in open space in violation of Hon'ble High Court and Supreme Court orders.</p> <p>(v) for causing revenue loss of Rs.13,91,41,265/- to VUDA</p> <p>Ocean view Layout :-</p> <p>(i) for approving the note file which was put up on 06-07-09 by 13-07-09 in a hurried manner without verifying details</p> <p>(ii) for allotting alternate plot in prime and posh layout located in the heart of city without any board resolution.</p>	To register the criminal case under appropriate section of law

				<p>(iii) for causing revenue loss of Rs.1,94,56,652/- to VUDA without using his discretionary powers as V.C.</p> <p>In total, the VC has conspired with willful negligence and by exercising his discretion caused undue loss to the organization and pecuniary gain to an individual and flagrant violations of systems and procedures.</p>	
				<p>MVP Layout :-</p> <p>(i) for putting up leading note file in collusion with sub staff & recommending for approval of VC violating the Supreme Court & High Court orders leading to contempt of court orders.</p> <p>(ii) for approval of note file to allot the plots to illegal applicants at a low upset price of Rs.3,500/-.</p> <p>(iii) for not verifying the original list of participants in VUDA auction during 2001.</p> <p>(iv) for instructing the surveyor to prepare sketches for plots in open space in violation of Hon'ble High Court an Supreme Court orders.</p>	

2.	A. Jagadeesh	Secretary/ VUDA	Obtained Voluntary Retirement under VRS	<p>(v) Obtained valuable plots under benami transactions in the names of his friend G. Suryanarayana & relative YPR Naidu.</p> <p>Ocean view layout:-</p> <p>(i) for approving the note file which was put up on 06-07-09 by 13-07-09 in a hurried manner without verifying details.</p> <p>(ii) for allotting alternate plot in prime and posh layout located in the heart of city without any board resolution for causing revenue loss of Rs. 15,85,97,917/- in total to VUDA the EO has acted with wilful negligence,</p>	To register the criminal case under appropriate section of law
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				recklessness, exercise of discretion with excess of powers with dishonest motive causing undue loss to organization and gain to an individual and flagrant violations of systems and procedures.	
3.	a. K. Karun Kumar b. V.Chinranjeevi raju	Administrative Officer, VUDA	Retired on attaining superannuation	Acted with dishonest motive in collusion with Sri A. Jagadeesh, Secretary in the allegations (1) by signing on important matter with ante date on the note file causing loss of Rs.13,91,56,652/- to VUDA.	To register the criminal case under appropriate section of law
4	P. Rama Krishna	Senior Assistant, VUDA	Senior Assistant, VUDA	In allegation No.1 for acting in dishonest motive by not verifying the original records and preparing a leading & fraudulent note file deliberately causing revenue loss of Rs. 13,91,41,265/-	
5.	I.S.Subba Rao	Senior Assistant, VUDA	Senior Assistant, VUDA	For preparing the note and proceedings intention and ulterior motive with malafide intention and ulterior motive and causing a revenue loss of Rs. 1,94,56,652/-	
6.	M. Yerrabbulu	Junior Assistant, VUDA	Senior Assistant, VUDA	For signing on the note and preparation of proceedings without verifying the records with ulterior motive and causing loss of Rs. 1,94,56,652/-	
7.	a) B.R.V.Prasad b) B. Satyanarayana c) Y.P.R. Naidu d) B.A.V.N. Murthy e) Suryanarayana f) D. Srilakshmi g) B.R.V.Prasad Managing Partner of M/s. Ripple & co company	Fake allottees	(i) for furnishing false information that they are the participants in VUDA auction during 2001 and preparing forged letter on behalf of the Balaji Association. (ii) In collusion with the Vice Chairman and other staff of VUDA got allotment of house site at MVP colony at cheaper rate of Rs.3,500/- per Sq.yd thereby causing huge revenue loss to VUDA. (in allegation No.1) (iii) for submitting the fake & forged letter in the name of Dr. I.A.V		To register the criminal case under appropriate section of law

			Prasadlal for alternate allotment of site and clandestinely getting allotment of house site at Ocean View layout in favour of Dr. I.A.V.Prasadlal who transferred the site under 3 rd Party registration to M/s. Ripple & Co company pursuant to the agreement arrived between them thus by causing revenue loss of Rs. 1,94,56,652/- to VUDA.	
	h) S. Bhujanga Rao Former office bearer of Forum for better visakha		For approaching Sri. Balajee Association in the guise of surveyor and later submitted fabricated and forged letterhead to VUDA on behalf of said Association for pecuniary gain	To register the criminal case under appropriate section of law

Recommendations:

The Principal Secretary to Government, Municipal Administration & Urban Development Department, A.P., Secretariat, Hyderabad is requested to;

1. take action on the officials of VUDA in pursuance to the Amendment to Vigilance Manual Vol. I vide Para 11.4 of Chapter X Chief Vigilance Commissioner, New Delhi for causing massive revenue / wrongful loss to Government exchequer to a tune of Rs. 16,05,67,159/-;
2. get the criminal cases registered with the ACB under appropriate sections of law against the VUDA officials right from Vice Chairman to Senior Assistant as they were in collusion with B.R.V. Prasad and 5 others tampered the records of VUDA office, indulged in falsification of documents and acted with dishonest motive. Sri B.R.V. Prasad and 5 others, S. Bhujangarao may also be prosecuted along with the VUDA officials;
3. issue suitable orders for cancellation of all the allotment of plots in Sy.No.5/P of Sector-2 of MVP colony and S.No.1008/3 A1 & 3A2 of Waltair ward including Ocean View Layout, by revoking all the registrations effected by VUDA including the 3rd party registrations;
4. arrange semi-autonomous an internal audit wing for all urban development authorities as the V.Cs themselves who are supposed to safeguard the organisation, are acting in unilateral and impudent manner by transgressing their powers & responsibilities without bothering about public interest or weighing the pros & cons of their decisions on the prospects of the organization.
5. Consider for providing internal Vigilance wing to make it mandatory to scrutinize those q files of transaction where in the revenue liability is crossing Rs. 50 lakhs so as to avert further incidence of revenue irregularities like those mentioned supra in future;
6. Instruct the V.C./ VUDA to chalk out suitable remedial mechanism to safeguard the interests of the end users as they came forward to buy the flats taken up by the builder P.A. Umamaheswara Rao in the VUDA land otherwise the reputation of the organization will be in peril in the eyes of the public;

Action taken may be informed to Vigilance & Enforcement Department at an early date.

Accordingly action has been initiated on all six points above duly by issuing Article of Charges against 1) Sri.A.Jagadeesh, the then Secretary, VUDA 2) Sri.K.Karuna Kumar A.O. (Retd.) 3) Sri.V.Chiranjeevi Raju,A.O.(Retd 4) Sri.P.Rama Krishna , Sr.Asst. 5) Sri.I.S.Subba Rao ,A.O. 6) Sri.M.Yerabbulu Sr.Asst. and the same are submitted to the Government Vide this office letter R.C.No.5752/2013/A1 dated.30-8-2013 for taking further necessary action.

Further, the Vigilance & Enforcement department is conducting enquiry in the following matters by asking / seeking various documents from VUDA.

S. No.	R.C.No. of V& E Dept.	Subject Matter	Remarks
1	R.C.No.247/RV&EO-VSP/Dev-Tah/12	Irregular allotment of Plots in S.No.127 of Madhurawada & MVP Sector-II, Land Pooling Scheme and Haritha	
2.	R.C.No.513/RV&EO-VSP/Dev/IOP3/12	Harita Project	
3.	R.C.No.798/RV&EO-VSP/Dev-Tah/2010	Land Pooling Scheme in Paradesipalem	
4.	R.C.No.344/RV&EO-VSP/Dev-Tah/2010	Land Lease of Karthika Vanam	
5	R.C.No.861/RV&EO-VSP/Dev/IOP2/2012	Bulk Lands & Lease	
6	R.C.No.890/RV&EO-VSP/Dev/IOP1/2012	Construction of Padmaja Pride at Madhurawada in L.P.No.2/2011.	
7	.R.C.No.340/RV&EO-VSP/Dev/tah/2012	Approval of Layouts from July 2011 to September 2012	
8	R.C.No.596/RV&EO-VSP/Dev/AEE-2/2012	Allotment of sites along Geddas & Open spaces	
9	R.C.No.422/RV&EO-Vsp/NRI2OP/2011	Civil works and usage of Minor Minerals	
10	R.C.No.228/RV&EO-VSP/Dev/Tah/2013	Allotment of land to M/s.Sandya Realtors in S.No.131/2 of Madhurawada Village during bulk land Action.	
11	R.C.No.201/RV&EO-VSP/Dev/IOP-3/2013	Allotment of pattas to NGGOs in S.Nos.174, 175 and 161 of Madhurawada village.	
12	R.C.No.176/RV&EO-VSP/E/DEE/2013	Alteration of alignment of 100 Feet Road leading to Kommadi	
13	R.C.No.227/RV&EO-VSP/Dev-Tah/2013	Allotment of bulk land to M/s Aditya Housing Infrastructure Development Company Pvt. Ltd. in S.No.271/P & 288/ of Madhurawada Village for an extent of Ac.2.34 Cts.	
14	R.C.No.1170/RV&EO-VSP/Dev/IOPll/2013	Land allotment to ABS Infrastructure Ltd., (Global Entroplis) 2. St.Lukes and 3 D.Form patta Lands sold to one Surudu.	

II. The CID Department has initiated enquiry against the following allegations:

Rc.No.47/SC/CID/2012 (Case register No.3/2013)

- Allotment of VUDA land reserved for open space in S.No.5/p of Sector-I of MVP Layout in violation of Hon'ble Supreme Court & High Court Orders.
- Allotment of plots in S.No.34 & 35 of Rushikonda layout to the in eligible persons.

III. The ACB Department is doing enquiry on the following Matters:

i) Rc.No.04/RCO-VSP/2012

- The enquiry against the VUDA officials allotting the valuable land to private persons viz., Budda Ramavarapu Prasad and Chukka Dhana Lakshmi in prime locality i.e., Block No.39 S.No.108, Pandurangapuram, Pedawaltair Visakhapatnam to an extent of 417 and 55.55 dq.yds in lowest value and caused huge loss to VUDA

ii) Rc.No.25/RCO-VSP/2011

- Allegation against the Vice Chairman, Secretary, Chief Urban Planner, VUDA on certain violations and misconduct in approval of layout to the Hindustan Ship Cooperative Building Society land covered in S.No.164/1 of Vepagunta Village.

iii) Cr.No.13/RE-WVP/2013,

- Enquiry against the illegal usage of public place by vice Chairman, VUDA and unauthorized construction of Bungalow in Pandurangapuram Layout in T.S.No.1196 of Waltair Ward, Visakhapatnam.

All the above are put up for kind Perusal of the board.

Sl. No.	Subject No.	Subject	Resolutions
77	128	VUDA – PLG – VSP – Disposal of EWS plots reserved in VUDA approved Private layout in VMR – Constitution of Committee for evolving guidelines / modalities for disposal of EWS Plots – Reg.	The mode of Shelter charges for layouts can be examined further and a solid proposal can be brought for ensuing board to recommend to government duly taking the remarks of the Collector and Commissioner, GVMC
78	129	POLICY DECISION of issuance of 200% TDR to the lands covered under developmental activities of VUDA taken from the private land owners- Reg.	Agreed to process. Send proposals to government for approval as well.
79	130	VUDA-VSP- Establishment- Status of enquiry by various investigating Agencies - Reg.	Perused. Secretary should see that all the information are furnished in time.
80	131	VUDA – Visakhapatnam - Allotments – Allotment of land for an extent of 400 Sq.yards in Sy.No.336/p of Madhurawada in favour of Secretary of Indian Red Cross Society, Visakhapatnam Branch for Social Welfare Activities – Reg.	Agreed to club the bit with the Row Housing Layout duly specifying the usage purpose. The Indian Red Cross Society can be asked for their interest to maintain the Hospital building going to be constructed in Harita Premises
81	132	VUDA-Allotment, Management and Sale of plots in VUDA- G.O.Ms.No.113, M.A & UD Dept dated 24.2.1984-Small analysis of practice over the years – Proposing allotment through lottery as regulations- Regarding.	It is decided to continue the present system of disposal of plots by auction

