		<b>FIRST INFORMATION REPORT</b> <b>(Under Section 154 Cr. P.C)</b>			<b>A.P.P.M.</b> <b>Order 470</b> <b>Form No:</b>	
1.	<b>Dist:</b> <b>CID, AP.</b>	<b>P.S:CID PS, A.P.,</b> <b>AMARAVATHI,</b> <b>MANGALAGIRI</b>	<b>Year: 2023</b>	<b>FIR No:</b> <b>19/2023</b>	<b>Date:</b> <b>01.11.2023</b>	
2.	<b>Acts: IPC&amp; PC Act.1988</b>		<b>Sections:U/S 120(B), 409 R/w 34 IPC &amp; Sec.13 (1)(d) R/w Sec.13(2) of PC Act.1988.</b>			
3.	(a) General Diary Reference:	Entry No: Vol - IV			Time: 16.30hrs	
	(b) Occurrence of Offence:	Prior to June,2019				
	(c) Information received at the Police Station:	03.10.2023 at 11.30 hrs			G.D. Page No.70	
4.	Type of Information:	English typed report				
5.	Place of Occurrence:	A.P. Secretariat, Velagapudi, Amaravathi, A.P, Guntur District, PIN- 522503				
	(a) Direction and Distance from P.S.	West- about 30KM				
	(b) Address:	A.P. Secretariat, Velagapudi, Amaravathi, A.P, Guntur District, PIN- 522503			Beat No: NIL	
	(c) In case outside limit of this Police Station:	NIL			District: NIL	
6.	<b>Complainant/Informant.</b> Sri V.G.Venkata Reddy, Director of Mines & Geology, Andhra Pradesh and holding the FAC of the post of Vice Chairman and Managing Director, APMDC Ltd.,					
	(a) <b>Father's Name:</b> -late V.G.Subba Reddy,					
	(b) <b>Date, Year of Birth / Age:</b> 59 yrs.					
	(c) <b>Nationality:</b> Indian					
7.	<b>Details of known /suspected / unknown /accused with full particulars.</b>					
	1) Smt. Peethala Sujatha, former minister for Mines and Geology. 2) Sri N.Chandrababu Naidu, former Chief Minister. 3) Sri Chintamaneni Prabhakar, Ex.MLA, Denduluru. 4) Sri Devineni Uma Maheswara Rao, Ex.MLA, Mylavaram and some other known and unknown persons.					
8.	<b>Reasons for delay in reporting by the Complainant/Informant:</b> While examining the previous sand policy documents for inviting the new tenders, the complainant came to know about the facts narrated in the report and thereby submitted the report.					
9.	Particulars of properties involved: (Attach separate sheet, if required): As mentioned in the report of the complainant.					
10.	Total value of properties involved: As mentioned in the report of complainant.					
11.	Inquest Report / Un-Natural Death case No., if any: Nil					

**12. F.I.R. Contents (Attached complaint report)**

On 03.10.2023 at 11.30 hrs received an English typed report from Sri V.G.Venkata Reddy, Director of Mines & Geology, 5<sup>th</sup>& 6<sup>th</sup> Floor, Block-B, Anjaneya Towers, Ibrahimpatnam, Krishna District, PIN 521456, A.P.stating the following:

The office of the Director of Mines & Geology is the competent authority under the provisions of Mines and Minerals (Development & Regulation) Act, 1957 and the Statutory Rules made thereunder for the purposes of evolving appropriate policies regulating the grant of mining leases for various mineral resources which vest in the State. It is a regulated activity under the provisions of MMDR Act, 1957 and the Rules made thereunder. The minerals other than those under Section 3(e) are exclusively within the regulatory power of Union of India and the Union of India is delegated with the functions under the Act regulating the mining leases and based on such decisions, the State makes the appropriate consequential decisions for the grant of mining lease. In relation to those minerals which are not notified as such to be exclusively in the control of the Union, i.e., those minerals under Section 3(e) of the MMDR Act, 1957, such as Sand, the State is delegated with the power for regulating the same under Section 15 of the MMDR Act, 1957.

In pursuance of such statutory delegation, the State periodically frames statutory rules regarding the process, procedures and the limitations on the grant of mining leases for various minerals which are within the province of the State's power of regulation such as Sand. Prior to the year 2014, the statutory rules governing the grant of mining leases for Sand was regulated vide G.O.Ms. No. 186, dt. 17.12.2013 which contemplated the Regulation of extraction/disposal of stream/river sand, introduction of allotment by way of draw of lots and the obligation placed upon the allottees etc.

In the year 2014, G.O.Ms.No. 94 dt, 28.08.2014 as a part of the cabinet decision, was issued vesting the sand reaches in the State to M/s APMDC and thereafter such reaches to be allotted to the District/Mandal Mahila Samakhyas. Procedures and processes in pursuance thereof and the consequential amendment to the statutory rules were issued. It is to be noted that this is a decision in pursuance of a committee's recommendations supported by the Cabinet. Consequential statutory amendment to the rules in GO Ms. No. 95 dt. 28.08.2014 was issued, consistent with the sand policy notified in GO Ms. No. 94 dt. 28.08.2014.

The sand policy was reviewed in the year 2016 on the basis of the Cabinet Sub Committee's recommendations and approved by the Cabinet and notified in GO Ms. No. 19 dt. 15.01.2016. The policy provided for price discovery through tender cum e-auction process for the stated purpose of securing sand at affordable price. The sand policy was aimed to balance the advantages of auction by ensuring transparency on one hand and by fixing a cap on the final sale price to be paid to build massive physical and social infrastructure. The procedure for auction process of the sand reaches was delineated. Consequential amendment to the statutory rules, consistent with the revised sand policy notified in GO Ms. No. 19 dt. 15.01.2016, was issued in Go Ms. No. 20 dt. 15.01.2016.

Based on the purported review of the sand policy by the then State Govt. within two months of the issue of the GO Ms. No. 19 & 20 dt. 15.01.2016, a memo no. 3066/M.II(1)/2016-3 dt. 04.03.2016 was issued indicating the change in the existing sand policy and permitting "Free Sand" from 02.03.2016. Thereafter, GO Ms. No. 43 dt. 06.04.2016 was issued effectuating the decision of the Government for provision of free sand. In the meantime, the statutory amendment to Rule 9(B) was shown to have been issued in GO Ms. No. 35 dt. 14.03.2016 and GO Ms. No. 42 dt. 29.03.2016 as regards penalties to be imposed. There is neither factual and legal justification nor preparatory decision making process anywhere shown in the record for "Free Sand Policy". The decision seems to have been arrived at, within two months of the earlier cabinet decision, without there being any recourse to



procedural adherence, for extraneous considerations. There is no other preparatory record of deliberations as to why the earlier process of auction-tender process is sought to be given a go-bye. There were no regulations or checks and balances to prevent and regulate indiscriminate mining and no prescription of maximum or minimum quantities was notified. An ad hoc, unexplained and unreasoned decision is arrived at in haste, within two months of the statutory notification of the sand policy in January 2016. There is no compliance with the business rules of placing the proposal for a change in policy, factual and legal justification therefor, the financial implications arising therefrom for the State, no cabinet note, no memorandum for the cabinet in the record for the said decision. The said decision to provide it for free, clearly involved loss of money to the exchequer in the form of seignorage fee etc., apart from the auction monies to be received on allocation of reach for sand. The ostensible reason for the free sand policy is to support the needy and poor, but is clearly so framed without any prescriptions of regulations to equitably regulate the same. Loss of money to the exchequer which ought to be one of the considerations, is clearly absent in the said decision. A statutory policy is sought to be undone with effect from the decision on 02.03.2016 w.e.f the same date, on the basis of a memo. A hasty process, without compliance with the processes and procedures under the Business Rules, without discussions on the financial implications of the State. A memo dt. 04.03.2016 is communicated to all the District Collectors for implementing the said decision, while the statutory rules and GOs in GO Ms. No. 19 and 20 are still in vogue, without being statutorily superseded till issue of GO Ms. No. 43 dt. 06.04.2016 and the same would indicate malafide intention. The policy is abruptly changed which is clearly aimed at conferring unlawful pecuniary gains to others.

The Hon'ble National Green Tribunal, Chennai vide its order dt. 01.08.2016 in O.A. no. 177 of 2016 and also the Hon'ble High Court on a number of occasions, clearly observed about the rampant illegal mining of sand in the guise of Free Sand Policy and that sand worth thousands of crores were allowed to be mined, disposed of and commercially sold which resulted in conferment of huge pecuniary gains to individuals contrary to public interest without any safeguards. Curiously, the statutory rules made in the year 2016, with a caption "Free Sand Policy", no checks and balances have been imposed in regard to the manner of Sand mining, nature of limits on quantity to be excavated by individual miners, no upper price limit etc., thereby providing a free reign for indiscriminate plunder of the natural resource.

The matter secured media attention and eventually, it was adjudged upon by the Hon'ble National Green Tribunal with its Principal Bench at New Delhi in O.A. No. 935 of 2018 vide a detailed order dt. 04.04.2019.

The above order of the Hon'ble National Green Tribunal clearly evidence a purported participatory role of the officers of the Government and also various private individuals who have exploited the "Free Sand Policy", which in disguise has emerged as a tool for filling up the coffers of a few private individuals who captured sand reaches/operations and secured huge monetary benefits running into thousands of crores as has been noticed by the Hon'ble National Green Tribunal. It is also therefore to be investigated as to whether decision to provide for "Free Sand Policy" disguised to help poor people, but was aimed & designed to help their individual needs, in effect be a tool to help unscrupulous and indiscriminate mining operations in the State to deplete the resources of the State and to provide consequential pecuniary gain to many of the individuals whose activities went unchecked with the participation of various public servants, as noticed by the Hon'ble National Green Tribunal.

It is also necessary to note that between the years 2016 and 2019 the number of illegal sand mining cases registered in the State was in excess of 1000 cases and the value of the penalty collected is to the extent of Rs. 40 Cr. This is in relation to



the noticed and detected cases of illegal sand mining which is only a tip of the iceberg.

It is in the public domain that, in the caption of "Free Sand Policy", sand reaches and the mineral reserves of sand in such sand reaches, were divided among the political functionaries of the ruling party then in power, including MLAs and others, so as to help them derive pecuniary gain as a consequence of illegal sand mining with the help of mechanised sand mining which went without detection in most cases and without any post event regulation.

The Director of Mines & Geology during the course of periodic review apprised himself of the future policies and programs which are to be undertaken, more so in the context of the present statutory regime introduced after the year 2019, a new sand policy was designed and notified in effect vide GO.Ms.Nos. 70, 71 & 72, dt. 04.09.2019, one of the salient features are as under:

In pursuance of the revised Sand policy, Andhra Pradesh Mineral Development Corporation (APMDC) has been made the nodal agency for the purposes of regulating the entire Sand Mining, sales, storage & supply of sand to the consumers and detailed safeguards and checks and balances have been provided therefor. In pursuance of the revised policy decision, it is seen that the APMDC has been able to secure a return of Rs. 766 Cr approximately between the years 2019 to 2021 alone towards the Seigniorage fee, Consideration, DMF and MERIT.

In pursuance of the "Free Sand policy", even the statutory dues, running into Crores of rupees, which are liable to be paid by the exploiters of the mineral resources have not been secured to the Government which resulted in loss of lawful earnings due to the Government. This being a direct loss of revenues to the Government arising from the said activity. Additionally, the sand policy which was labelled as "Free Sand Policy" had apart from the loss to the State exchequer, resulted in exploitation of mineral resources which was garnered by the political functionaries of the then ruling party. It is therefore necessary to conduct an investigation into the motivations and the motives for the initiation of the "Free Sand Policy", the deliberate and organised and intentional dereliction of duty of regulation imposed upon the statutory authorities and also the complicity of any public servants and others in securing a policy decision to suit commercial needs.

It is to be noticed when the captioned "Free Sand Policy" was enunciated, no difference was made upon the end use of the particular mineral in a particular activity (while individual construction in respect of poor families could have been purported ostensible reasons cited in support of the "Free Sand Policy"), effectively the data would indicate sand ultimately was used by the Corporates for the purposes of indulging in the construction activities. The clear intent on part of the persons in creating the rules with caption "Free Sand Policy" can be discerned from the way they formulated the guidelines by extinguishing the guidelines formulated by themselves. Their complicity in securing the finalisation of the "Free Sand Policy" without any checks and balances also needs to be investigated.

The "Free Sand Policy" ostensibly enunciated for the purposes of helping the poor and needy as noticed by the NGT in its order dt. 04.04.2019 clearly resulted in violation of law. The matter assumes a great public importance in the nature by the reason of the directions issued by the NGT and no further consequential action having been taken in obedience thereof. The loss of money to the public exchequer in the form of Seigniorage fee and other statutory fees payable, the exploitation of sand reserves for the purposes of benefitting the ruling party politicians at the relevant point in time as reflected in various disclosures in public domain is also to be investigated into. It is important that the policy decisions of the State shall not be organised to meet the requirements of the invisible movers of such decision making contrary to public interest. Each one of these decisions indicate the abuse of position by public servants in conspiracy with known and unknown private individuals for whose benefit the policy has eventually worked out for their



pecuniary gain. Analysis of the Free Sand policy, clearly shows that it was brought into existence with a clear intent to take over the control of sand extraction and sale by limited persons, including certain public representatives, who were in power at that time, and this decision was taken for their individual benefit, causing loss to the State exchequer. It further denotes that in the guise of supplying sand "Free of Cost" to the needy sections of the public, the regulatory controls over the extraction and supply of sand were given a go-bye, so as to cover their illegal activity and to overcome NGT guidelines issued for excavation of sand. Thereby, investigation is necessary to find out whether the entire policy and its implementation, was based on corrupt and illegal means to be secured by the relevant decision makers including public servants at the relevant point in time.

The decision making process in relation to the above policy indicates that the initial decision was to secure the notification of 'Sand' as an essential commodity under the provisions of the Essential Commodities Act, 1955 by the Union of India which did not fructify. There is no public interest or protection of revenues of the State in the due diligence which was required to be undertaken by the State before enunciating such a policy in a departure from the earlier policies. The violations of processes and procedures leading to the decision making and also the participation in connivance of any other individuals and public servants in this regard is required to be enquired into to ensure that the future policy making of the State secures guidance on the pitfalls to be avoided by framing such policies.

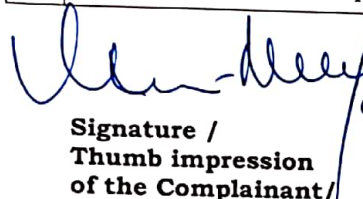
Various administrative procedures are violated leading to the framing of captioned "Free Sand Policy". The pros and cons were not examined. No checks and balances were put in place. No limits on the quantities to be excavated and possessed clearly indicated the decision is implemented by memos issued by the department even during the subsistence of the earlier statutory rules. No record of any deliberations is found on record. In the light of the orders passed by the Hon'ble National Green Tribunal, a detailed investigation is necessary to unravel the truth behind the issuance of the captioned "Free Sand Policy".

In view of the above stated facts and circumstances, that the matter requires to be investigated in the face of the clear directions issued by Hon'ble National Green Tribunal and the Hon'ble High Court and the clear loss of revenue to the State, the pecuniary gain amassed by the individuals in the guise of so called "Free Sand Policy" and the corrupt or illegal motives or purposes for which it was to be secured. The natural resources of the State which were entrusted, unlawfully, to the hands of illegal miners, had been so undertaken in violation of the statutory regulations and therefore, there was a clear context of public servants in abetment with an common intention and in conspiracy with the known and unknown private individuals to violate such entrustment and continue to mine contrary to the statutory requirements which is a clear case of criminal breach of trust. The implications of the criminal law and more particularly, Prevention of Corruption Act, 1988 and Indian Penal Code, 1860 need to be gone into in public interest.


From the information emanating out of the analysis done on the entire policy changes and deviations, it is clear that acts of omission and commission have been committed by the then Chief Minister, the Minister for Mines & Geology and in the aftermath of such deviation, the immediate beneficiaries are key political functionaries such as MLAs in the specific sand reach areas and other local leaders have also significantly benefitted.

In view of the above, I request you to initiate appropriate legal action against the persons responsible for loss to State exchequer and infraction of law referred above, in the interest of public. By submitting so, he requested for necessary legal action. Copy of the complaint is enclosed here with.

13.	<b>Action Taken: -</b> That on 03.10.2023 at 11.30 hrs received written typed report from Sri V.G.Venkata Reddy, S/o late V.G.Subba Reddy, age 59 yrs. Director of Mines & Geology, 5 <sup>th</sup> & 6 <sup>th</sup> Floor, Block-B, Anjaneya Towers, Ibrahimpatnam, Krishna District, A.P. after the Preliminary enquiry, as per the instructions of Addl.DGP, CID, AP, Mangalagiri memo vide C.No.5136/EOW/C-12/CID-AP/2023, Dt.01.11.2023, a case in Crime No. 19/2023 U/S 120(B), 409 R/w 34 IPC & Sec.13 (1)(d) R/w Sec.13(2) of PC Act.1988 was registered at CID PS, AP Mangalagiri on 01.11.2023 at 16.30 hrs. Original FIR along with report and enclosures submitted to the Hon'ble Special Judge's Court for SPE & ACB Cases-Cum-III Addl. District Court, Vijayawada and copy of FIR along with report and enclosures sent to the I.O. Sri G. Deva Kumar, DSP, Regional Office, CID, Vijayawada for investigation.
14.	F.I.R. read over to the Complainant / Informant, admitted by him to be correct and a copy of FIR given to the Complainant / informant on free of cost.
15.	Date and Time of dispatch to the Court: 01.11.2023 at 23.30 hrs

  
Signature /  
Thumb impression  
of the Complainant/  
informant.

01/11/23

  
Signature of the officer  
Station House Officer  
Crime Investigation Department PS, AP  
with Name: Sri S.B.V.Subhakar, DSP  
SHO, CID PS, AP, Mangalagiri.  
Station House Officer  
CID Police Station  
A.P., Mangalagiri.