

**Statement by Sri Nara Chandrababu Naidu, Chief Minister of  
Andhra Pradesh on status of case on Agri-Gold Group of Companies**

Ms.Agri-Gold group of industries was promoted by Mr. A.V. Rama Rao and brothers under the Companies Act. The Company was involved in real estate and collection of deposits on the promise of higher rates of interest. During 2014, as the company defaulted payments to several depositors in time, some depositors have registered the following cases against the company:

1. Cr. No. 378/2014 of Nellore-III Town PS, dt. 24-12-2014.
2. Cr. Nos. 3/2015 of Pedapadu PS, West Godavari Dist. dt. 02-01-2015.
3. Cr. No. 31/2015 of Chinnachowk PS of Kadapa District
4. Cr. No. 6/2015 of Madanapalle PS of Chittoor District.
5. Cr. No. 4/2015 of Nandyala-I Town PS of Kurnool District
6. Cr. No. 7/2015 of Rajahmundry II town PS
7. Cr.No. 189/2015 of Kurnool II Town PS.
8. Cr.No.9/2015 U/s 420 IPS and sec.4,5©, Sec.3 of PCMCS(b) Act 1978 & Sec.5 of APPDFE Act 1999 of Ongole-I Town P.S., Prakasham Dist.
9. Cr.No.97/2015 U/s 420 IPS AND sec.4,5 r/w 2(c) of PCMCS(B) Act 1978 & Sec.5 of APPDFE Act 1999 of Kumbum P.S., Prakasham Dist.
10. Cr.No.3/2015 U/s 120-B, 420 IPC and Sec.45 of RBI Act 1934 & Sec.3 r/w 4 of PCMCS(B) Act, 1978, Sec.5 of APPDFE Act, 1999 of Kandukuru P.S., Prakasham Dist.

On the directions of the Director General of Police, AP, these cases were transferred to CB CID on 05.01.2015.

During the investigation, it was revealed that the following three companies, from among several fictitious companies floated by the same promoters of Agri-Gold Group, have collected deposits approximately to a tune of Rs. 6300/ crores. These amounts were diverted to 87 fictitious companies.

1. Agri-Gold Farm Estates India Pvt. Ltd.,
2. Agri Gold Constructions Pvt Ltd.,
3. Dream Land Ventures Pvt. Ltd.,

The CID is in the process of ascertaining the total number of depositors cheated from the company records and the amount defrauded which is estimated to be around 32,02,607 (all states) and the amount defrauded is around Rs. 6300/



crores and, of this, number of depositors of Andhra Pradesh cheated are around 19 lakhs involving defrauded amount of around Rs.4,000/ Crores.

The CID has arrested the following accused, out of the 18 persons accused in the case, on the dates mentioned below.

- |  |   |            |
|--|---|------------|
| 1. Avva Venkata Rama Rao                   | - | 11.02.2016 |
| 2. Avva Venkata Seshu Narayana Rao @ Kumar | - | 11.02.2016 |
| 3. Emmadi Sadasiva Varaprasad              | - | 17.02.2016 |
| 4. Pattan Lal Ahmed Khan                   | - | 17.02.2016 |
| 5. K S Ramachandra Rao                     | - | 17.02.2016 |
| 6. B.V.V.Babu Rao                          | - | 19.03.2017 |
| 7. Kaja Kishore                            | - | 19.03.2017 |

All the above are in Jail.

**The Government has issued the following GOs attaching properties of Agri Gold Company:**

| GO No.  | Properties attached   | Movable/Immovable | Extent of properties                |
|---|---|-------------------|-------------------------------------|
| GO Ms. No. 22 of Home (Arms & SPF) Department, dt. 20-02-2015 | Gold, Silver, Cash, vehicles, etc   | Movable           | -                                   |
| GO Ms. No. 23 of Home (Arms & SPF) Department, dt. 20-02-2015 | Properties at Andhra Pradesh  | Immovable         | 16,857.81 acres<br>82,207.08 Sq.Yds |
| GO Ms. No. 21, dt. 29.02.2016 of Home (Genl. A2) Dept.        | Properties at Tamil Nadu, Andhra, Telangana and Karnataka                       | Immovable         | 3212.26 Acres                       |
| GO Ms. No. 73, dt. 05-06-2015 of Home (Genl-A2) Department.   | Properties at different states i.e. Tamil Nadu, Telangana, Orissa and Karnataka | Immovable         | 2948.365 Acres                      |
| G.O.Ms.No.8/2017, Home (Genl-A2) Department. Dt. 31-01-2017.  | Properties at different dists. In AP & a building in Somajiguda                 | Immovable         | 249.42 Acres<br>1344 Sq.yds.        |
| <b>Total value as per SROs (approximately)</b>                |   |                   | <b>Rs.2500.00 Cr.</b>               |



While the CBCID was in the process of auctioning the attached properties, a PIL 193/2015 filed by Telangana Agri Gold Customers and Agents Welfare Association in the Hon'ble High Court of AP and the Hon'ble High Court is monitoring the investigation and the process of auction of properties owned by Agri-Gold group of companies.

The auction of Agri-Gold properties started in the month of April, 2016 through a committee constituted by Hon'ble High Court. Through three phases of auction by the said committee from April to June, 2016 an amount of Rs.16.05 crores was realised. Later, in November, 2016 the Hon'ble High Court directed the ADG,CBCID to assist the Court in the auction process. Some properties in Keesara and commercial properties in Vijayawada city were identified for auction by the Hon'ble court. The upset value was fixed by the court, and advertisements were published in various newspapers, bids were called in sealed covers on or before 26-12-2016. A total of 58 bids were received, the bids were opened in the court hall on 28-12-2016. Auction was cancelled for properties with less than 2 bids or where further bidding did not take place. 4 of the 11 properties in Keesara were successfully auctioned. The auction process yielded a total of Rs.16.05 crores.

The Hon'ble High Court ordered that the larger bits of property at Keesara be divided into small lots, so as to enable more bidders to come forward and participate in the auction of the said properties. Division of these properties was taken up with a view to attract more buyers and at the same time get the division done in a scientific manner. As the CID does not have the requisite expertise to parcel out pieces of land, the Commissioner, CRDA, Vijayawada was addressed with a request to extend cooperation in carrying out the orders of the Hon'ble High Court, by providing expertise in the field of survey, plotting and mapping. CRDA officials divided lot No.1 into 6 bits and lot No.2 into 9 bits, a total 15 bits and prepared a map. The same was submitted to the Hon'ble court which in-turn asked CID, AP to get them valued as was done earlier. The map was also given to the counsel for the accused and the counsel for the petitioner for concurrence. The values of the 15 bits is obtained from different sources, viz. Sub Registrar's Office, Income Tax Department approved valuers and real estate agents. The same is to be submitted in the Hon'ble court on the next date of hearing.



Thus it is very clear that the Hon'ble High Court is fully seized of the matter and is directly supervising the auction of properties. All the departments of the state government are extending full support and cooperation in this effort. The state cabinet is reviewing progress of the case in each of its meetings.

The Government has decided to extend Rs.3.00 lakhs ex-gratia to those who committed suicide after getting cheated by Agri-Gold company. The Govt. is extending support to expedite the auction of the attached properties. The CBCID is requested by the Cabinet to expeditiously arrest the remaining accused; and if necessary even by announcing rewards of Rs.10/ lakhs to those providing information leading to their arrest.

Hundreds of cases pertaining to large scale white collar offences were pending. The Government has expedited their investigation and as many as 118 cases were chargesheeted so far. Attachment and auction processes are expedited. No such financial fraud was allowed to be committed in the last two-and-half years.

The Government has decided to constitute a Special Cell with sufficient resources for effective resolution of all the white collar crimes like this. A.P. Protection of Depositors of Financial Establishment Act, 1999 has been amended conferring more powers to the investigating authorities and also as a deterrent to such economic offenders.

The state cabinet has also instructed the police and the prosecuting agencies to convey its concern for expediting the auction process to the Hon'ble High Court to provide quick solace to the depositors.

The Government would like to assure the House, in no uncertain terms, that it is committed to bring all the offenders in the case to book. The government is equally committed to ensure justice to all the victims of this fraudulent enterprise. All the concerned agencies of the Government will leave no stone unturned to bring relief to the helpless victims at the earliest.

**NARA CHANDRABABU NAIDU**

Chief Minister of Andhra Pradesh