

FIRST INFORMATION REPORT

(Under Section 154 Cr.P.C.)

1. **District :** Mumbai **P.S :** EOB Mumbai
Year : 2020
FIR No : RC0682020E0003 **Date :** 27/06/2020

2. **Acts & Sections:**

Acts	Sections	Remarks
IPC	120 B	
IPC	420	
IPC	467	
IPC	468	
IPC	471	
PC Act-1988	13(2) r/w 13(1)(d)	

3. **Suspected offences:** Fraud, Cheating, Forgery & Criminal Misconduct

(a) **Occurrence of offence:**

Day: **Time Period:**
From Date: 2012 **To Date:** 2018

(b) **Information Received at PS:**

Date: 27/06/2020

(c) **General Diary Reference:**

Entry No.: 02
Date: 27/06/2020 **Time:** 21:10:17

4. **Type of Information:** Source Information

5. **Place of Occurrence:**

(a) **Place of Occurrence:** Mumbai

(b) **Direction & distance from PS:**

Beat No.:

(c) **Address:**

Plot No.: **Area:**
City: **Pin:**
State: Maharashtra **District:** Mumbai City

(d) **In case, outside the limit of this Police Station, then**

Name of PS: **District:**

6. **Complainant / Informant:**

7. **Details of known/suspected/unknown accused with full particulars:**

Accused1

Name: M/s GVK Airport Holdings Ltd.(1)

Address:

Accused2

Name: M/s Mumbai International Airport Ltd(2)

Address:

Accused3

Name: Mr.Venkata Krishna Reddy Gunupati(3)

Address:

Accused4

Name: Mr.Venkata Sanjay Reddy Gunupati(4)

Address:

Accused5

Name: M/s Aishwaryagiri Constructions Private Limited(5)

Address:

Accused6

Name: M/s Kotia Enterprises Limited(6)

Address:

Accused7

Name: M/s SBK Trade & Infrastructure Private Limited(7)

Address:

Accused8

Name: M/s Subhash Infraengineers Private Limited(8)

Address:

Accused9

Name: M/s Aqua-Tech Solutions Private Limited(9)

Address:

Accused10

Name: M/s M. V. Omni Projects (India) Limited(10)

Address:

Accused11

Name: M/s Richa Industries Limited(11)

Address:

Accused12

Name: M/s Nice Projects Limited(12)

Address:

Accused13

Name: M/s Aditi Infrabuild and Services Limited(13)

Address:

Accused14

Name: Unknown Public Servant(s) & Private Person(s)

Address:

8. Reasons for delay in reporting by the complainant/informant:

9. Particulars of properties Stolen:

Item Name	Age of Property	Estimated Cost(in INR)
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10. Total value of property stolen:

11. Inquest Report/U.D. Case No., if any:

12. First information contents:

Details of the Source Information:

Information has been received from a reliable source against the promoters of GVK Group and the unknown officials of AAI for having connived and deliberately committed fraud and causing loss to the Government exchequer by fraudulently siphoning the funds meant for the development of Mumbai Airport. Source Information has revealed as under:-

That the Airports Authority of India (AAI) is a statutory body, created through the Airports Authority Act, 1994, and is working under Ministry of Civil Aviation, Government of India. AAI is responsible for creating, upgrading, maintaining and managing civil aviation infrastructure in India.

That in furtherance of the national policy of Nation Building by Public Private Partnership (PPP), Airport Authority of India (AAI)

formed a Joint Venture Company (JVC) by the name of Mumbai International Airport Limited (MIAL) for modernization & up gradation, operation & maintenance of the Mumbai Airport. In the JVC, 50.5% of the shareholding was with M/s GVK Airport Holdings Ltd, 26% with Airports Authority of India and remaining with foreign entities. M/s GVK Airport Holdings Ltd is promoted by the GVK group. The Chairman of GVK group, Dr. G. V. K. Reddy, is the whole time Director of MIAL and his son Mr. G. V. Sanjay Reddy is the Managing Director of MIAL.

That on 4th April 2006, AAI entered into an Operation, Management and Development Agreement (OMDA) with MIAL for modernization & up gradation, operation & maintenance of the Mumbai Airport. As per the OMDA, the Mumbai Airport shall be run by MIAL and they will share 38.7% of their revenue as annual fees with AAI. The OMDA clearly states that the revenue share has to be given first to AAI and the balance earnings of MIAL shall be used for modernization & up gradation, operation & maintenance of the Mumbai Airport. The essence of OMDA was to create a world class facility and at the same time protecting the interests of the Government of India (GOI), the promoters and the passengers.

That despite there being a clear cut understanding in the OMDA, the promoters of GVK Group in MIAL, in connivance with their executives and the unknown officials of AAI resorted to siphoning of the funds fraudulently by adopting the following modus operandi:

1. Siphoning the funds by showing execution of bogus work contracts:-

As per the Source Information, around 200 acres of undeveloped land parcel in Mumbai, around the Airport, was given to MIAL by AAI for development and generating revenues. The MIAL entered into fake / bogus work contracts during 2017-2018 with M/s Aishwaryagiri Constructions Private Limited, M/s Kotia Enterprises Limited, M/s SBK Trade & Infrastructure Private Limited, M/s Subhash Infraengineers Private Limited, M/s Aqua-Tech Solutions Private Limited, M/s M. V. Omni Projects (India) Limited, M/s Richa Industries Limited, M/s Nice Projects Limited and M/s Aditi Infrabuild and Services Limited on the pretext of real estate development. MIAL transferred the funds to them but these contracts have never been executed on ground and the transactions were only on papers. Using this Modus Operandi, Rs. 310 Crore have been fraudulently siphoned off which resulted in wrongful loss to AAI and corresponding wrongful gain to themselves. These nine companies have also availed fake Input Tax Credit (ITC) and caused further revenue loss to the Government Exchequer based on fake invoices issued. Source Information has also revealed that there are many more such fake / bogus contracts which MIAL has fraudulently entered into with Non-existing/ Non-functional entities and have embezzled the funds of MIAL.

2. By misusing the reserve / surplus funds of MIAL:-

As per the Source Information, from 2012 onwards, the promoters of GVK Group with criminal intention to cause loss to AAI, used the surplus funds of MIAL to the tune of Rs 395 Crore to finance their other group companies. They fraudulently created forged Board Meeting Resolutions of MIAL authorizing to keep the reserve / surplus funds of MIAL as FDRs with PSU banks at Hyderabad. MIAL is Mumbai based company but they chose to deposit the funds in the form of FDRs with Hyderabad based branch of Bank of India. GVK Group raised loans / OD facilities against these FDRs and used these funds for the benefit of their Hyderabad based GVK group companies at the expense of MIAL.

By using the similar modus operandi, GVK group has also misused the surplus funds of MIAL by creating FDRs in Hyderabad based branches of other nationalized banks and availed loans / OD facilities and used these funds for the benefit of the GVK group companies at the expense of JVC MIAL, thereby causing wrongful loss to AAI.

3. By inflating the expenditure of MIAL through diversion of funds:-

As per the Source Information, the promoters of GVK Group in MIAL have embezzled huge funds of MIAL by resorting to inflating the expenditure of MIAL. They shifted the staffs of the Head Office of GVK Group at Hyderabad and the employees of their group companies on to the pay rolls of MIAL, Mumbai. Thereby in contravention to the OMDA agreement, the employees who were not at all connected to the operation of MIAL were being paid for all these years thereby causing revenue loss to the AAI.

4. By underreporting the revenue earnings of MIAL by entering into related party contracts and meeting the personal expenses of the promoters of the GVK group and their families using the funds of MIAL:-

As per the Source Information, by resorting to this modus operandi, the promoters of the GVK Group connived with their family members / relatives / employees to give undue monetary advantage to them and to cause corresponding unlawful loss to AAI. In furtherance of the said conspiracy and in contravention of the OMDA provisions, they assigned the premium retail area of Mumbai Airport to companies owned by their family members / relatives / employees at exorbitantly low rates thereby reducing the revenue of MIAL on account of earnings in the form of rental and sales. Some of these companies are M/s Rockline Solutions Private Limited, M/s International Airport Hotels & Resorts Pvt. Ltd etc.

The promoters of GVK Group have further abused the OMDA provisions and misused the funds of MIAL by entering into agreements with a company owned by family members / employees to book the train / air travel tickets and hotel booking for all the personal as well as the group employees of GVK who are not connected with the affairs of MIAL. As per Source Information, M/s Orbit Travel and Tours Private Limited is one such company which arranges for such travel / stay and has been paid by MIAL.

The Source Information has revealed that such blatant abuse of JVC on all the above fraudulent acts has been done with the full knowledge and connivance of the officials of AAI. That the unknown officials of AAI were aware of the above mentioned facts but they deliberately chose to turn a blind eye and let these practices of fraudulent siphoning/ diverting / misusing the funds of MIAL to continue.

It is clear from the detailed Source Information that M/s GVK Airport Holdings Ltd., M/s Mumbai International Airport Ltd (MIAL), Shri. Venkata Krishna Reddy Gunupati, Whole Time Director of MIAL, Shri. Venkata Sanjay Reddy Gunupati, Managing Director of MIAL connived with M/s Aishwaryagiri Constructions Private Limited, M/s Kotia Enterprises Limited, M/s SBK Trade & Infrastructure Private Limited, M/s Subhash Infraengineers Private Limited, M/s Aqua-Tech Solutions Private Limited, M/s M. V. Omni Projects (India) Limited, M/s Richa Industries Limited, M/s Nice Projects Limited, M/s Aditi Infrabuild and Services Limited and the unknown officials of AAI and have caused wrongful gain of approximate Rs. 705 Crore to themselves and corresponding loss of revenue share to AAI. In addition, they have also caused huge unquantified loss to AAI by inflating the expenditure of MIAL and on account of underreporting the revenue earnings by entering into related party contracts and meeting their personal expenses through MIAL funds.

The above mentioned Source Information discloses commission of the offences of fraud, cheating, forgery & criminal misconduct by public servant punishable U/s 120-B r/w 420, 467, 468, 471 of IPC and 13(2) r/w 13(1)(d) of PC Act on the part of M/s GVK Airport Holdings Ltd., M/s Mumbai International Airport Ltd (MIAL), Shri. Venkata Krishna Reddy Gunupati, Whole Time Director of MIAL, Shri. Venkata Sanjay Reddy Gunupati, Managing Director of MIAL, M/s Aishwaryagiri Constructions Private Limited, M/s Kotia Enterprises Limited, M/s SBK Trade & Infrastructure Private Limited, M/s Subhash Infraengineers Private Limited, M/s Aqua-Tech Solutions Private Limited, M/s M. V. Omni Projects (India) Limited, M/s Richa Industries Limited, M/s Nice Projects Limited, M/s Aditi Infrabuild and Services Limited, and the unknown officials of AAI and unknown others. Hence the FIR is registered and marked to Shri. N.S. Raju ASP, EOB,CBI, Mumbai for investigation.

13 Action taken : Since the above information reveals commission of offence(s) u/s as mentioned at Item No.2:

Registered the case and took up the investigation: Yes

OR

(2) Directed

Name of IO: Nirmal Singh Raj Sewa Singh Raju Singh

Rank: ADDL SUPERINTENDENT OF POLICE (EOB Mumbai)

No: 65457

to take the investigation OR

(3) Refused investigation due to:

OR

4) Transferred To PS:

District:

on point OF Jurisdiction.

Attached Documents:

Document Name

Source Information

FIR read over to the complainant/informant, admitted to be correctly recorded and a copy given to the complainant/informant, free of cost.

R.O.A.C.

14. Signature/Thumb Impression of \n the complainant/informant


Signature of Officer in-charge Police Station

Name: Lalit Mohan Jindal

Rank: SUPDT. OF POLICE (EOB Mumbai)

LALIT MOHAN JINDAL, IRS
Supdt. of Police
CBI, EOB, Mumbai

15. Date and time of dispatch to the Court:

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That in furtherance of the national policy of Nation Building by Public Private Partnership (PPP), Airport Authority of India (AAI) entered into an Operation, Management and Development Agreement (OMDA) for modernization & up gradation, operation & maintenance of the Mumbai Airport with M/s GVK Airport Holdings Ltd., owned by the promoters of GVK Group and other foreign shareholders, on 4th April 2006 for M/s. Mumbai International Airport Ltd (MIAL).

That the Joint Venture Company (JVC) in the name of Mumbai International Airport Limited (MIAL) was created and Airports Authority of India held 26% share in this. As per the OMDA, the Mumbai Airport shall be run by MIAL and they will share 38.7% of their revenue as annual fees with AAI. The OMDA clearly states that the revenue share has to be given first to AAI and the balance earnings of MIAL shall be used for modernization & up gradation, operation & maintenance of the Mumbai Airport. The essence of OMDA was to create a world class facility and at the same time protecting the interests of the Government of India (GOI), the promoters and the passengers.

That the Chairman of MIAL is Dr. G. V. K. Reddy (who is the promoter of GVK Group of companies) and his son Mr. G. V. Sanjay Reddy is the Managing Director of MIAL.

That despite there being a clear cut understanding in the OMDA, the promoters of GVK Group in MIAL, in connivance with their executives and the unknown officials of AAI, have resorted to siphoning of the funds fraudulently by adopting the following modus operandi:

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OMDA agreement, the employees who were not at all connected to the operation of MIAL were being paid for all these years thereby causing revenue loss to the AAI.

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Digitally signed by
LALIT MOHAN JINDAL
Date: 2020.08.27
21:26:27 -07:00
Reason:
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