



Press Release

11.11.2022

Directorate of Enforcement (ED) has conducted searches at offices and residential premise of M/s. Swetha Granites, Swetha Agencies, Sri Venkateshwara Granites Private Limited, M/s. PSR Granites Private Limited, M/s. Arvind Granites, M/s Giriraj Shipping Agencies Private Limited and their related entities in Karimnagar and Hyderabad on 9th & 10th November 2022 to investigate and unearth evidences pertaining to FEMA Violations. The above entities are exporting rough granites blocks to China, Hong Kong S.A.R, China and other countries. During the course of enquiries, it was found that exported quantity was more than the quantity on which royalty was paid and there was under reporting of quantity while exporting. In many instances, the export proceeds are not realized in the declared bank accounts, thereby, indicating that the export proceeds are received through other than banking channels.

During the search action, the ED search teams found and seized unaccounted cash of Rs. 1.08 Crore, allegedly received in Hawala against exports and also seized voluminous granite dispatch data of 10 years from the quarries. During the search action, the ED search teams also found multiple benami bank accounts held in the name of employees of granite exporters, in which cash received against the illegal granite exports was being deposited. Search action also led to detection of money being routed back from Chinese entities into the Indian entities in the form of hand loans without documents. These Chinese entities are owned by Li Wenhua, whose name appeared in Panama leaks.

ED Investigation on illegal granite mining and FEMA violations has been initiated on the basis of report of report of Vigilance & Enforcement Dept of State Government where in large scale evasion of Seigniorage fee on granite blocks transported from the quarry lease areas of Karimnagar District to the Sea Ports by Railways was detected and demands for the evaded royalty were raised but not paid by the exporters.

Further investigation is under progress.
