



**Press Release**

**21/8/2025**

Directorate of Enforcement (ED), Bengaluru Zonal Office has issued a seizure order under section 37A (1) of FEMA, 1999 against Shantesh Gureddi and Smt. Jyothi Shantesh Gureddi, Directors of M/s Kumaraswamy Mineral Exports Pvt. Ltd. and seized the immoveable properties to the extent of Rs. 61.35 Crore (approx.) held by them in connection with the foreign assets held by Shantesh Gureddu and Smt. Jyothi Shantesh Gureddi outside India.

ED had initiated investigation based on intelligence input received from Income Tax Department wherein it was alleged that Shantesh Gureddi had acquired immovable property at No. 09, Hay's Mews, London valued at £ 6.4 million by diverting part of export proceeds receivable by his company M/s Sri Kumaraswamy Mineral Exports Pvt. Ltd. (SKMEPL) through multiple BVI Companies.

ED investigation revealed that SKMEPL owned iron ore mines in Karnataka and the iron ore produced by these mines were sold/exported through intermediaries mainly to China. The Directors of SKMEPL had incorporated multiple entities in overseas jurisdiction for receipt of profit/incentive/bonus derived by M/s. Sri Kumaraswamy Mineral Exports Pvt Ltd and diversion of part of export proceeds through these overseas entities. It is also revealed that multiple bank accounts were opened abroad by the Directors of M/s. Sri Kumaraswamy Mineral Exports Pvt Ltd for parking of funds outside India and for further diversion of funds to multiple bank accounts maintained overseas for purchase of properties outside India in their names and in the names of their family members. The same had not been declared with the Indian authorities. The BVI companies so incorporated derived profit through SKMEPL's iron ore trading activities. The same was not declared before the Indian authorities. This was corroborated by the export receivable to the tune of Rs. 20 Crore (approx.) by SKMEPL which the company had tried to write-off based on technicalities and also "Agency Commission" receivable to the extent of Rs. 6 Crore (approx.) by another subsidiary company of M/s. Sri Kumaraswamy Mineral Exports Pvt Ltd i.e., M/s Kuminex Minerals Private Limited incorporated by the same set of directors solely for the purpose of export of iron ore and to earn commission per MT shipment sold.

Hence, by taking advantage of export of iron ore by M/s. Sri Kumaraswamy Mineral Exports Pvt Ltd and utilising the profit/ incentive/ bonus/ export receivable/ agency commission receivable by SKMEPL and M/s Kuminex Minerals Private Limited, Shantesh Gureddi and his wife Smt. Jyothi Shantesh Gureddi have acquired the property at London in the name of overseas entity and then subsequently transferred it to another overseas entity in which Ms. Neethi Gureddi daughter of Shantesh Gureddi is the Director and shareholder.

Moreover, Shantesh Gureddi and Smt. Jyothi Shantesh Gureddi also acquired/ held/own/ possess one more property 116, Empress Court, Woodins Way, Oxford in contravention of the provisions of section 4 of FEMA, 1999.

Hence, by acquiring foreign exchange and holding assets outside India, Shantesh Gureddi and his wife Smt. Jyothi Shantesh Gureddi have contravened the provisions of section 4 of FEMA, 1999 for a total amount of 70,15,000 pounds (approx. Rs. 61.73 Crore).