PRESS RELEASE

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Directorate of Enforcement (ED), Hyderabad Zonal Office, has provisionally attached several immovable and movable properties amounting to Rs. 80.05 Crore under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with an ongoing investigation in a case related to illegal mining by M/s. Santosh Sand and Granite Supply.

ED initiated investigation on the basis of FIRs registered by Patancheru Police, Telangana wherein it was alleged that M/s Santhosh Sand & Granite Supply represented by its Proprietor Gudem Madhusudhan Reddy and others have cheated the Govt. by carrying out excess mining in the assigned quarry area and also carrying out illegal mining in unassigned Govt. land, thereby causing huge revenue loss to the Govt. to the tune of Rs. 39.08 Crore towards royalty payable and by wrongfully enriching themselves to the tune of Rs. 300 Crore from the illegal mining carried out by them.

During the course of investigation, searches were conducted by the ED which, inter alia, resulted in the seizure of numerous original property documents from the possession of Gudem Madhusudhan Reddy, Proprietor of M/s Santhosh Sand & Granite Supply. Further investigation revealed that though these properties were in the names of different persons, the beneficial owner of these properties is Gudem Madhusudhan Reddy. Examination of the purported owners of these properties revealed that they were benamis of Gudem Madhusudhan Reddy.

It was further revealed that the mining license was granted by the Government to M/s Santhosh Sand & Granite Supply and they, in turn, sub contracted the same to M/s. GVR Enterprises, a partnership firm of Gudem Madhusudhan Reddy and G Vikram Reddy. This sub contracting was not permitted in terms of the lease and moreover no permission was taken from the Government. ED investigation also revealed that the illegally mined products were majorly sold in cash and the Proceeds of Crime (POC) generated in this manner were further invested in properties, mostly in the names of benamis. Accordingly, 81 such properties, valued at Rs. 78.93 Crore have been provisionally attached during investigation. Further, some amounts were also due to M/s GVR Enterprises from the purchasers of illegally mined material and these amounts also represent POC and accordingly fixed deposits of Rs. 1.12 Crore in the names of these entities have also been attached.

Further investigation is under progress.