



PRESS RELEASE

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Directorate of Enforcement (ED), Hyderabad Zonal Office has conducted search operations on 20.06.2024 at 10 locations in & around Hyderabad in a money laundering case being investigated against M/s Santhosh Sand & Granite Supply, Patancheru under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. Searches were conducted at the premises of proprietor of the firm namely Gudem Madhusudan Reddy, BRS MLA Gudem Mahipal Reddy and others.

ED initiated investigation on the basis of FIRs registered by Telangana Police against M/s Santhosh Sand & Granite Supply, a proprietary concern of Gudem Madhusudan Reddy. The accused firm was found to have excavated & transported excess quantity of 11,98,743 CBM of building stone & road metal within the quarry lease permitted area and 10,11,672 CBM of material beyond the permitted area (on encroached Government land admeasuring 4.37 Ha). In the process, the accused illegally amassed around Rs. 300 Crore by sale of illegally excavated material and also evaded royalty amount of Rs. 39.08 Crore due to the Government.

ED investigation revealed that sale proceeds of illegally excavated material were deliberately not reported in banking transactions and books of accounts and that the transactions were suspected to have been carried out in cash. ED investigation revealed that proceeds of crime in the form of cash were laundered by the accused and were invested in real estate & other activities.

Search operations led to the seizure of unaccounted cash of Rs.19 Lakh along with large number of property documents in the names of unrelated persons who are suspected to be *benamis* of accused persons. Mobile phones containing evidence related to cash dealings were also seized. Bank locker keys were also recovered and examination of the bank lockers is expected to reveal further incriminating evidence.

Further investigation is under progress.