



## **ECONOMIC OFFENCES WING**

**DELHI POLICE, NEW DELHI**

**4<sup>th</sup> July, 2023**

## **PRESS RELEASE**

- **WANNABE POLITICIAN, WHO CONTESTED ASSEMBLY ELECTIONS IN TELANGANA, ARRESTED FOR COMMITTING FRAUD TO FINANCE HIS ELECTION CAMPAIGN.**
- **ACCUSED SIDHARTHA REDDY CHEATED THE COMPLAINANT COMPANY AND USED THE MONEY TO CONTEST ASSEMBLY ELECTIONS IN 2014.**
- **CASE REGISTERED ON THE COMPLAINT OF DIRECTOR OF M/S CARE PRO BIOSCIENCE PVT LTD., NEHRU PLACE, NEW DELHI.**
- **ACCUSED SIDHARTHA REDDY, PROPRIETOR OF M/S SIDHARTHA IMPEX, REPRESENTED HIMSELF AS A SELLER/SUPPLIER OF IRON ORE AND ENTERED INTO A CONTRACT WITH THE COMPLAINANT AND THEREBY INDUCED THE COMPLAINANT TO PAY RS 6.57 CRORE AS PART PAYMENT FOR SUPPLY OF IRON ORE, BUT WITH FRAUDULENT INTENTIONS, HE DID NOT SUPPLY THE GOODS.**
- **ACCUSED SIDHARTHA REDDY REMAINED ABSCONDING AND A REWARD OF RS. 50000/- WAS DECLARED ON HIS ARREST.**

### **BRIEF FACTS:**

A case was registered on the complaint of Director, M/s CPB India Pvt. Ltd., the complainant company, wherein he alleged that the Complainant company had procured a confirmed international order to export 50,000 Metric Ton of Iron Ore from India to China and in this regard, he was looking for some Indian Sellers/Traders who can provide the requisite/required quantity of the said Iron Ore for export. Accused

Sidhartha Reddy, visited Delhi and induced & assured the Complainant that he will supply Iron Ore to complete the order. A Buyer-Seller Contract for a value of US \$ 6,000,000 was signed. Accused had to execute a Bank Guarantee for Rupees equivalent to USD 1,200,000 and another Performance Bank Guarantee for US \$ 53000 in equivalent Indian Rupees, valid till completion of the transaction. Instead of doing so, the accused, induced and misrepresented to the complainant that he had already procured the Iron Ore and all the material was stored in the warehouse at the Vizag Port. The Complainant Company in pursuance to the Agreement transferred through RTGS, the part agreed amount totaling to Rupees 657.9355 lakhs from its bank accounts in Delhi to the bank account of the accused firm in Hyderabad.

Thereafter, the complainant arranged for a ship to carry the shipment of the Iron Ore to its party in China from Vizag (Vishakhapatnam). When the ship arrived at the port, accused Siddhartha Reddy did not submit the requisite papers regarding the loading of consignment of Iron Ore. Due to the deliberate delays, the ship had to be discharged without performance due to non-supply of material by the accused. This caused further loss of Rs 1.77 Cr to the complainant on account of detention and demurrage charges.

Subsequently, the Performance Bank Guarantee issued by the Complainant in favour of the Chinese Buyer amounting to USD 1,70,000 was encashed by the Chinese Buyer due to non-performance of the contract, thus causing further monetary loss to the complainant company. In this way, the accused Sidhartha Reddy caused a loss of more than Rs.9 crore to the complainant.

### **INVESTIGATION CONDUCTED:**

During the investigation, it was revealed that accused Sidhartha Reddy misrepresented and induced the complainant to make payment for purchase of Iron Ore and received Rupees 657.9355 lakhs in his bank account and embezzled the funds of the complainant, whereas the

said money was transferred by the complainant to procure the Iron Ore from the parties.

On scrutiny of the bank statement of accused company M/s Sidhartha Impex, it revealed that the money transferred from the complainant was withdrawn in cash. During the further course of investigation, on verification from the office of the Principal Commissioner of Customs, Port Area, Visakhapatnam, it was informed that no warehouse was ever booked by accused company M/s Siddhartha Impex for storing Iron Ore at Visakhapatnam.

### **MODUS OPERANDI:**

During investigation, it came out that the accused Sidhartha Reddy, Proprietor of M/s Sidhartha Impex, misrepresented himself as a seller/supplier of iron ore and entered into a contract with the complainant company for supply of Iron Ore and thereby induced the complainant to pay Rs 6.57 crore as part payment for supply of iron ore. However, accused neither provided the iron ore nor refunded the money to the complainant company. The accused, instead, made bogus claims that the iron ore was lying in the Warehouse in Vizag, whereas he had no such warehouse.

### **ARREST:**

During the investigation, accused Siddhartha Reddy did not join the investigation and was evading his arrest. Accordingly, he was declared Proclaimed Offender as per due procedure by the Hon'ble Court on 24.11.2021. Further, a reward of Rs 50,000/- was also announced on the arrest of accused Sidhartha Reddy. A team was deputed to develop information about the proclaimed offender and after sustained efforts and surveillance, the police team was able to gather information about the whereabouts of the accused Siddhartha Reddy, which was further developed with technical surveillance. The

team kept watch for many days in Leela Nagar, Ameerpet, Hyderabad and was finally able to catch the proclaimed offender from Hyderabad.

**POLICE TEAM DETAILS:**

Accused was arrested by team of EOW, consisting of Insp. Amit Dahiya, SI Manoj Kumar and Ct. Prashant with technical support of SI Surjeet under the supervision of Sh. Jata Shankar Mishra, ACP, and overall supervision of Sh. Anyesh Roy, DCP-III/EOW.

**PROFILE OF ACCUSED ARRESTED:**

- Accused Sidhartha Reddy S/o Narsa Reddy R/o Leela Naggar, Ameerpet, Begumpet, Hyderabad (Rented House). Age-48 Yrs. studied up to 12<sup>th</sup> standard and started his business as a Railway contractor. Later on, he started taking interest in politics and also started trading of iron ore, on a small scale, in Hyderabad Ramgarh and Vishakhapatnam. He opened proprietorship firm M/S Sidhartha Impex and induced the complainant to obtain contract of supply of Iron Ore and cheated the complainant.
- Accused disclosed during interrogation that he had spent the cheated amount to contest Assembly Elections in Telangana in the year 2014, where he was the runner-up.

**MESSAGE FOR PUBLIC AWARENESS AND SAFETY:**

1. Always check the profile of the person or the company before entering into any business contract for supply of goods/services.
2. Use multiple sources and government databases to ascertain the genuineness of the 2<sup>nd</sup> party.
3. Enquire about previous business transactions successfully executed by the party. Cross-check the claims made by the party from the references given.
4. Secure your advance payments through some Bank Guarantee and other financial instruments.

5. If a party is showing undue hurry in executing the contract and obtaining advance payments, then it is advised to exercise extra caution.
6. Do not fall prey to inducements such as the 2<sup>nd</sup> party offering large stocks at short notice or offering heavy discount on the current market price. These behaviours are red flags, and one needs to exercise extra caution in dealing with such parties.

**DEPUTY COMMISSIONER OF POLICE  
ECONOMIC OFFENCES WING  
NEW DELHI**