



**Press Release**  
**06.03.2026**

Directorate of Enforcement (ED), Hyderabad has attached movable and immovable properties worth **Rs. 441.63 Crore** belonging to Kessireddy Rajasekhara Reddy, his family members & related entities; Booneti Chanakya & his related entities; relatives & entities of Donthireddy Vasudeva Reddy; and other persons & entities under the provisions of Prevention of Money Laundering Act (PMLA), 2002 in the case of Andhra Pradesh Liquor Scam. The attached properties are in the form of bank balances, fixed deposits, land parcels and other immovable properties.

ED initiated investigation on the basis of FIR registered by CID, Andhra Pradesh u/s 120-B, 409 & 420 of IPC, 1860 on the complaint of Principal Secretary to Government of Andhra Pradesh, for loss to the Government exchequer to the tune of Rs. 4000 Crore.

PMLA investigation has revealed that prior to the year 2019, the liquor trade in the State of Andhra Pradesh was regulated through a transparent and automated software system, which ensured end-to-end digital tracking of procurement, supply, and sales, thereby leaving a verifiable electronic audit trail. Subsequent to the 2019 Assembly elections, the newly formed State Government monopolized retail liquor outlets through Government Retail Outlets (GROs) operated by the Andhra Pradesh State Beverages Corporation Limited (APSBCL). As part of the criminal conspiracy, the automated system was deliberately disabled and replaced with a manual system, thereby vesting unfettered discretionary powers with APSBCL officials in the issuance of Orders for Supply (OFS).

The manual OFS regime was misused to discriminate against established liquor brands, which were deliberately marginalized or removed from the market. Simultaneously, preferential and irregular allocations were extended to select “favoured” brands on receipt of kickbacks. As part of the scheme, the syndicate promoted the introduction of “similar-sounding brands” (SSBs) with artificially inflated basic prices. This pricing manipulation enabled the distilleries manufacturing such brands to generate surplus margins, which were utilized to meet the illegal monetary demands of the cartel.

PMLA investigation further revealed that distilleries were coerced into paying illegal kickbacks ranging from 15% to 20% of the basic price per case as a precondition for receiving OFS approvals. Manufacturers who refused to comply were subjected to coercive measures, including withholding legitimate payments & rejection of supply orders. Communications relating to the demand and collection of kickbacks were carried out through encrypted VOIP calls and applications such as Signal, in order to conceal the identities and roles of key operatives, including Booneti Chanakya (alias Prakash), Muppidi Avinash alias Sumeeth, and Mohammed Saif.



ED investigation revealed that Sh. Kessireddy Rajasekhara Reddy, along-with other members of the liquor syndicate, orchestrated a multi-crore scam in liquor procurement and distribution system in the state of Andhra Pradesh. The scam primarily involved control and manipulation of the procurement process of APSBCL, leading to an estimated wrongful loss of Rs. 3,500 Crores to the state exchequer. The Proceeds of Crime generated from this scam were laundered and distributed among the members of the syndicate for personal enrichment. Sh. Kessireddy Rajasekhara Reddy in collusion with Sh. Booneti Chanakya, Sh. Muppidi Avinash Reddy, Sh. Tukekula Eswar Kiran Kumar Reddy, Sh. Paila Dileep, Sh. Saif Ahmad and others collected kickbacks to the tune of Rs. 3500 Crores (approx.).

Investigation has also brought on record that the accused established and/or acquired control over several distilleries, which were utilized as Special Purpose Vehicles for generation of proceeds of crime. Entities such as M/s Adan Distillery Pvt. Ltd., M/s Leela Distilleries Pvt. Ltd. and M/s U.V. Distilleries were operated under the effective control of the syndicate and were granted disproportionately high business volumes by abusing political and administrative influence to acquire Proceeds of Crime in form of financial gains arising out of the operations of such distilleries.

Another identified source of illicit revenue generation was the manipulation of liquor transportation contracts awarded through tender floated by APSBCL. The investigation revealed that a centralized transportation tender was awarded to M/s Sigma Supply Chain Solutions Pvt. Ltd. at rates significantly higher than the earlier depot-wise transportation costs. Though the contract was awarded in the name of SSCSPL, operational control was exercised by members of liquor syndicate primarily T. Eswar Kiran Kumar Reddy, Saif Ahmad and others. It has been established that substantial part of the contract receipts were diverted to entities such as TEKKR, Arroyo & Ezyload which were used as conduits for laundering the Proceeds of Crime.

The investigation has revealed that several distilleries engaged vendors and fictitious entities, for purported supply of raw materials and packaging items. These vendors facilitated the conversion of banking funds into unaccounted cash through inflated and fictitious invoicing for goods that were never actually supplied. Further, the Proceeds of Crime were laundered into the real estate sector and for acquisition of personal assets. It has been established that tainted funds were routed through entities such as M/s Eshanvi Infra Projects Pvt. Ltd. (EIPPL), M/s ED Entertainment, M/s Uni Corporate Solutions Pvt. Ltd., M/s Tag Developers and other related entities to acquire land parcels and undertake residential development projects. The investigation also revealed the use of fabricated and back-dated agreements to falsely project such illicit funds as legitimate business receipts.



It has further emerged that, in order to conceal and project the criminal origin of the proceeds of crime as legitimate, the syndicate used a platform of bank accounts of complex network of shell and front entities, including entities such as Olwick, Kripati, Nysna Multiventures, Arroyo, Ezyload, D-Cart and others. These entities were used to layer funds through complex web of transactions executed without any legitimate purpose, thereby concealing the illicit source and nature of proceeds, thereby projecting the Proceeds of Crime as untainted.

ED investigation revealed that through manipulation of procurement and supply mechanisms, the syndicate generated illegal revenues estimated at approximately Rs. 100 Crore per month, resulting in wrongful personal enrichment while causing corresponding loss to the State exchequer. The investigation has revealed that physical cash kickbacks were collected and stored at multiple locations in Hyderabad, from where they were subsequently moved, distributed, or disposed of by designated cash handlers of the syndicate.

ED investigation has so far revealed a money trail of Rs. 1048.45 Crore in the form of kickbacks which several distilleries were compelled to pay in the form of cash, gold, etc. as well as in the form of control & operation of some distilleries by the liquor syndicate and also in the form of financial gains derived from transport of liquor. PMLA investigation has revealed that the proceeds of crime were used for purchase of immovable properties and personal enrichment of the members of liquor syndicate and their associates. Substantial portion of the Proceeds of Crime has been found to be concealed or dissipated by the accused persons.

Further investigation is under progress.