Press Release
24/08/2026

Directorate of Enforcement (ED), Hyderabad Zonal Office has arrested Karumuri Venkata Nageswara Rao, former Minister for Civil Supplies and former MLA for acting as a key facilitator in APSBCL Liquor Transportation Scam on 23.08.2026 under the provisions of the Prevention of Money Laundering Act, 2002. He was produced before the Hon'ble Special Court under PMLA, Nampally, Hyderabad on 24.08.2026 and the Hon'ble Special Court has remanded him to 15 days judicial custody.

ED initiated investigation on the basis of FIR registered by CID, Andhra Pradesh under various Sections of IPC, 1860 and the BNS, 2023 on the basis of complaint of Additional Secretary to Government of Andhra Pradesh (Vigilance), for loss to the Government exchequer to the tune of Rs. 195.33 Crore, APSBCL Liquor Transportation Scam.

ED investigation revealed that the liquor transport tender conditions of Andhra Pradesh State Beverages Corporation Ltd. (APSBCL), were deliberately modified and tailored in favour selected entities, namely M/s Sigma Supply Chain Solutions Pvt. Ltd. (SSCSPL) and subsequently M/s Prasaad Transports, which acted merely as front entities while the actual operational and financial control remained with persons associated with Kessireddy Raja Shekhar Reddy, Dontireddy Vasudeva Reddy and their associates.

ED investigation further revealed that the liquor cartel devised a mechanism to generate unlawful gains through the transportation of liquor from depots to retail outlets in the State of Andhra Pradesh. Kessireddy Raja Shekhar Reddy, Tukekula Eswar Kiran Kumar Reddy and Anjani Kumar, in active connivance with Dontireddy Vasudeva Reddy, the then Managing Director of APSBCL, abused their influence to secure liquor transportation tender at rates substantially higher than the prevailing rates, thereby generating proceeds of crime. The investigation revealed that SSCSPL was used as a front entity to participate in the tender process and to obtain the contract through manipulated tender process. However, the actual execution and operational control of the transportation work was carried out by Tukekula Eswar Kiran Kumar Reddy *alias* Kiran Kumar and his associates, who functioned under the direct supervision and control of Kessireddy Raja Shekhar Reddy *alias* Raj.

ED Investigation has revealed that Karumuri Venkata Nageswara Rao, along with his son Karumuri Sunil Kumar, by leveraging their political influence and close association with members of the liquor transportation syndicate, particularly Kessireddy Raja Shekhar Reddy, Tukekula Eswar Kiran Kumar Reddy and Dontireddy Vasudeva Reddy, they exercised substantial control over the allotment of liquor transportation sub-contracts and derived significant illicit financial gains therefrom.

ED investigation further revealed that Karumuri Venkata Nageswara Rao and his son Karumuri Sunil Kumar, arranged M/s Sree Sudarsana Constructions as a dummy sub-contractor of SSCSPL for transportation of liquor, whereas the actual transportation was carried out by other entities/persons arranged by Karumuri Venkata Nageswara Rao and his son Karumuri Sunil Kumar. It has emerged that inflated invoices were raised by M/s Sree Sudarsana Constructions on SSCSPL to facilitate diversion of funds to its bank accounts. The funds so received were transferred to the personal bank accounts of Karumuri Venkata Nageswara Rao and his family members. Further, a substantial portion of the transport proceeds was utilized by M/s Sree Sudarsana Constructions and its related persons towards personal expenses incurred on behalf of Karumuri Venkata Nageswara Rao and his family members.

ED investigation has further established that the proceeds of crime so acquired were utilized by Karumuri Venkata Nageswara Rao and Karumuri Sunil Kumar for acquisition of luxury assets, including high-end motor vehicles and luxury watches, payment of advances towards purchase of immovable properties, political funding, and meeting various personal and family-related expenditures through direct banking transfers and cash transactions, thereby projected the utilisation of proceeds of crime as genuine business income.

Earlier, ED arrested Kessireddy Raja Shekhar Reddy and Dontireddy Vasudeva Reddy on 11.06.2026 and Karumuri Sunil Kumar, son of Karumuri Venkata Nageswara Rao on 18.06.2026 under the provisions of PMLA, 2002. All the three accused arrested earlier are presently in Judicial Custody. Further, Provisional Attachment Order for attachment of properties worth Rs. 37.79 Crore was issued on 06.08.2026 and First Prosecution Complaint was filed before the Hon'ble Special Court on 07.08.2026 against the three arrested persons and others.

Further investigation is under progress.