



**Press Release**  
**12/06/2026**

Directorate of Enforcement (ED), Hyderabad has conducted search operation on 11.06.2026 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 at five premises in Hyderabad related to Transport Scam – Andhra Pradesh Liquor. Searches conducted at the premises of Kessireddy Raja Shekhar Reddy, Dontireddy Vasudeva Reddy, Vijaya Narasimha Reddy, Vallu Sandeep and Karumuri Nageswara Rao & Karumuri Sunil Kumar led to seizure of a luxury car, costly watches valued at Rs. 94.5 Lakh and unaccounted cash. Further incriminating documents including suspicious joint venture agreements, unaccounted cash transactions, property documents were recovered and seized.

ED initiated investigation on the basis of FIR registered by CID, Andhra Pradesh 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.

ED investigation revealed that the liquor transport tender conditions of Andhra Pradesh State Beverages Corporation Ltd. (APSBCL), were deliberately modified and tailored in favour of 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 revealed that Kessireddy Raja Shekhar Reddy has emerged as the principal conspirator and controlling mind behind the organized financial crime relating to the manipulation of liquor transportation tenders floated by APSBCL. It has emerged that, by leveraging his political influence and by utilizing his position and influence as former IT Advisor to the Government of Andhra Pradesh, he entered into a criminal conspiracy with the then Managing Director of APSBCL, Dontireddy Vasudeva Reddy, and his close associate, Tukekula Eswar Kiran Kumar Reddy, for the



purpose of subverting the established transportation policy framework of APSBCL and deriving unlawful pecuniary gains therefrom.

The material collected during PMLA investigation revealed that Kessireddy Raja Shekhar Reddy played a vital role in designing and executing the fraudulent scheme for centralized liquor transportation tenders with the deliberate objective of creating a mechanism for systematic corruption, unlawful enrichment and siphoning of public funds. In furtherance of the said conspiracy, he devised and implemented a scheme for artificial inflation of transportation rates from the prevailing district-level average of approximately Rs. 19.68 per carton box to rates as high as Rs. 35.57 per carton box, thereby ensuring generation of massive illegal profit margins for the syndicate. Investigation further revealed that, he orchestrated a parallel mechanism for allotment of sub-contracts to local political leaders and related persons and entities.

PMLA investigation revealed that Dontireddy Vasudeva Reddy, the then Managing Director of APSBCL, emerged as the principal official architect and facilitator of the large-scale financial fraud perpetrated in the liquor transportation tender process. Abusing his official position and authority, he unilaterally dismantled the legally sanctioned decentralized district-level transport mechanism, which functioned through duly constituted district committees, and replaced the same with an unauthorized centralized state-wide transportation policy. In order to justify such deviation from the existing policy framework, he allegedly furnished false, misleading and untenable recommendations to the Government by claiming that issues relating to non-uniform transportation rates and labour handling necessitated centralization, despite the fact that such issues were either non-existing or already adequately addressed under the prevailing district-level agreements.

PMLA investigation further revealed that Dontireddy Vasudeva Reddy proceeded to implement the said centralized policy without obtaining any categorical approval or authorization from the Government for deviation from the prescribed guidelines and established procedures. He also unlawfully granted repeated extensions of the transportation contracts awarded to SSCSPL, for prolonged periods far beyond their original tenure without obtaining mandatory approval from the Government or even intimating the competent authorities. Manipulated tender process and illegal extensions caused wrongful loss to the Government exchequer.

Based on the PMLA investigation conducted so far, Hyderabad Zonal Office arrested Kessireddy Raja Shekhar Reddy and Dontireddy Vasudeva Reddy on 11.06.2026 under the provisions of PMLA, 2002. Both were produced before the Hon'ble Special Court (PMLA), Nampally, Hyderabad on 11.06.2026 and the Hon'ble Court granted them judicial custody till 25.06.2026.

Further investigation is under progress.