



Press Release

1.08.2025

Directorate of Enforcement (ED), Hyderabad Zonal Office has conducted search operations on 30.07.2025 at eight locations in Hyderabad under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with financial irregularities in the implementation of 'Sheep Rearing Development Scheme (SRDS)' in the state of Telangana. Searches were conducted at the premises of G Kalyan Kumar (OSD to the then Animal Husbandry minister Thalasani Srinivasa Yadav) as well as certain beneficiaries and middlemen identified during ED investigation.

ED initiated investigation on the basis of FIRs registered by Anti-Corruption Bureau (ACB), Hyderabad. In one FIR, it was alleged that after the formation of the new Government in the state, the OSD to the ex-minister, Thalasani Srinivasa Yadav had removed some records from the department office by breaking-in. Another FIR was registered by a complainant sheep merchant alleging that Rs. 2.1 Crore which was due to be paid to them for supplying sheep units, was siphoned off by the Departmental Assistant Directors by diverting the amount to other unrelated accounts.

In addition, the CAG's Audit Report for the period ended March-2021 revealed several irregularities in the implementation of the SRDS scheme viz. non-maintenance of beneficiary wise details, improper record of invoices pertaining to transportation invoices and payments, payments against invoices containing fake/ passenger vehicles/ non-transport vehicle registration numbers, duplicate tags allotted to sheep units, sheep units allotted to dead/ non-existent persons, etc. The CAG's audit report is limited to only 07 districts (out of 33 in Telangana) wherein estimated loss to the Government was pegged at Rs. 253.93 Crore. On a proportionate basis for all the 33 districts in the entire state of Telangana, the loss is likely to exceed Rs. 1000 Crore.

ED investigation revealed that substantial funds were transferred to the bank accounts of several persons/entities towards payment in lieu of supply of sheep for beneficiaries under SRDS. However, investigation revealed that prior to launch of SRDS, these beneficiaries were not involved in the business of sale/supply of sheep. Moreover, investigation also indicated that no sale/purchase of sheep was ever done by these recipients of funds. Thus, investigation revealed that Government funds were illegally diverted to bank accounts of bogus vendors. ED investigation also substantiated the findings of the audit, which identified payments made to fictitious vendors and evidence of recycling of sheep units, ostensibly to fraudulently claim disbursements from Government funds without actual supply of sheep units.

Search operations led to the recovery & seizure of incriminating material evidencing transactions indicating illegal payments in the form of kickbacks to various Government officials & others. Additionally, documents pertaining to numerous bank accounts, including blank cheque books, passbooks and debit cards associated with over 200 suspected dummy/mule accounts linked to an illegal online betting application, were recovered from one of the premises. Searches also led to the seizure of 31 used mobile phones and over 20 SIM cards, which are suspected to have been utilized in the operation of the illegal activities.

Further investigation is under progress.