



Press Release

03-12-2025

Directorate of Enforcement (ED), Chennai Zonal Office has provisionally attached immovable properties worth Rs. 2.04 Crore (approx.) belonging to G. Ranganathan, proprietor of M/s Sresan Pharmaceutical Manufacturer, on 2/12/2025 under the Prevention of Money Laundering Act (PMLA), 2002. The provisionally attached properties comprises of two residential flats at Kodambakkam, Chennai owned by G Ranganathan and his family members.

ED initiated investigations under PMLA on the basis of 2 FIRs having scheduled offences which are as follows:

- a. The FIR registered by Madhya Pradesh Police against G. Ranganathan, Proprietor M/s Sresan Pharmaceutical Manufacturer under section 105 of Bharatiya Nyaya Sanhita, 2023 (BNS, 2023) (Section 304 of IPC), for manufacturing and selling adulterated cough syrup which caused deaths of more than 20 children. The FIR alleged that consumption of Coldrif cough syrup manufactured by M/s Sresan Pharmaceutical Manufacturer, Chennai, contained toxic glycol compounds and caused multiple incidents of acute renal failure in children after its consumption. Laboratory findings confirmed the presence of high concentration of Diethylene Glycol (DEG) 48.6% w/v and Ethylene Glycol (EG) 46.28% w/v which are far beyond the safe limit. The negligent and adulterated manufacturing practices adopted by M/s Sresan Pharmaceutical Manufacturer, Chennai led to the poisoning of the Coldrif cough syrup.
- b. FIR registered by Chennai ACB against Sh. P.U. Karthigeyan, Director (i/c) and Joint Director of Drugs Control, Drugs Control Department under section 7 of Prevention of Corruption (Amendment) Act, 2018 alleging corruption in Drugs Control Department.

ED investigation revealed that M/s Sresan Pharmaceutical Manufacturer has indulged in rampant unfair trade practices to suppress its manufacturing costs and increase profits which are nothing but Proceeds of Crime (POC). It is revealed in the investigation that the manufacturer used industry grade raw materials in the manufacturing of medicines instead of Pharma grade raw materials without proper quality checks. Such materials were being purchased in cash without invoices to avoid creation of records. The investigation further revealed that though the officials of the Tamil Nadu Drugs Control Department were in frequent touch with the proprietor of M/s Sresan Pharmaceutical, the annual inspections mandated as per the Drug and Cosmetic Rules, were not conducted.

ED had earlier conducted search operations in 10 locations connected with proprietor of M/s Sresan Pharmaceutical, Drug Control Authorities, agents involved in license procurement and others. During the search operations, various key evidences related to the financial activities, adulterated manufacturing were seized.

Further investigations are in progress.