



## **Press Release**

**13/03/2025**

Directorate of Enforcement (ED), Chennai has conducted search operations at various premises across many districts of Tamil Nadu on 06.03.2025 under the provisions of Prevention of Money Laundering Act (PMLA), 2002, for various offences related to Tamil Nadu State Marketing Corporation Limited (TASMAC) and its associated entities/persons.

ED initiated investigation on the basis of Multiple FIRs registered under various sections of Prevention of Corruption Act, 1988 related to various issues in the TASMAC. These FIRs fall into the categories of (i) TASMAC shops collecting excess amount than the actual MRP; (ii) Distillery companies offering kickbacks to the officials of TASMAC for supply orders; (iii) Senior officials of TASMAC indulging in collection of bribes from the Retail TASMAC Shops and for transfer and posting of TASMAC Staff, etc.

### **TASMAC Offices:**

During the search action in the offices of TASMAC, incriminating data related to Transfer postings, Transport Tender, Bar Licence Tender, Indent orders favouring few distillery companies, excess charge of Rs. 10-30 per bottle by the TASMAC outlets involving the officials of TASMAC etc have been recovered. Summary of key findings are as below:

- (i) Evidence of manipulation in TASMAC's transport tender allocations has been found. A glaring issue is the mismatch between the KYC details of the applicant and the Demand Draft (DD), suggesting that the final successful bidder did not even obtain the requisite DD before the application deadline. Additionally, tenders were awarded despite having only a single applicant in the final bid. TASMAC paid over Rs. 100 Crore annually to transporters.
- (ii) In the allocation of bar license tenders by TASMAC, evidence related to the manipulation of tender conditions were found. One such glaring issue is that the applicants without any GST/PAN numbers and without any proper KYC documentation, were allotted the final tenders.
- (iii) Evidences reveal direct communication between distillery companies and higher TASMAC officials, exposing efforts to secure increased indent orders and undue favours.

The above findings establish the occurrence of various offences under the Prevention of Corruption Act, 1988 and generate Proceeds of Crime (POC) as defined under the provisions of PMLA, 2002.



### Distilleries and Bottling companies.

Searches revealed large-scale financial fraud involving distillery companies—SNJ, Kals, Accord, SAIFL, and Shiva Distillery—along with bottling entities such as Devi Bottles, Crystal Bottles, and GLR Holding, exposing a well-orchestrated scheme of unaccounted cash generation and illicit payments. Investigations reveal that distilleries systematically inflated expenses and fabricated bogus purchases, particularly through bottle-making companies, to siphon off over Rs.1,000 Crore in unaccounted cash. These funds were then used for kickbacks to secure increased supply orders from TASMAC.

Bottling companies played a critical role in this fraudulent scheme by inflating sales figures, allowing distilleries to route excess payments, which were later withdrawn in cash and returned after deducting commissions. This collusion between distilleries and bottling companies was done through manipulation of financial records, concealed cash flows, and systematic evasion. The findings confirm a network where unaccounted cash was deliberately generated through inflated and bogus expenses and subsequently utilized for purposes leading to huge profits.

Further, the role of employees/associates related to TASMAC, Distillery and Bottle-making companies along with other key associates in the illicit affairs related to TASMAC are being examined/probed.

Further investigation is under progress.