



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 30-07-2026

CORAM

THE HON'BLE MR JUSTICE G.K. ILANTHIRAIYAN

CRL OP No. 20894 of 2026

V.Senthil Balaji
S/o. P Velusamy
Residing at No. 123,
Rameswarapatti,
Manmangalam,
Karur District - 639 006
Sitting MLA, Coimbatore South Constituency)

..Petitioner(s)

Vs

The State Represented by The Inspector of Police
Special Investigation Cell-II,
Directorate of Vigilance and Anti-Corruption,
No.293, M.K.V. Road,
Alandur, Chennai-600 016.
V and AC headquarters
Crime No.05 of 2026.

..Respondent(s)

PRAYER : Criminal Original Petition filed under Section 483 of BNSS seeking to grant anticipatory bail to the petitioner in the event of his arrest or on his appearance before any Court in connection with V and AC headquarters Crime No.05 of 2026 on the file of the Inspector of Police, Special Investigation Cell-II, Directorate of Vigilance and Anti-corruption, on such terms and conditions as this Honble Court may deem fit and proper and thus render Justice.

For Petitioner(s):

Mr.N.R.Elango
for Mr.Barani Kumar

For Respondent(s):

Mr.R.John Sathyan
Public Prosecutor
Assisted by Mr.Arun Anbumani
Government Advocate (Crl. Side)

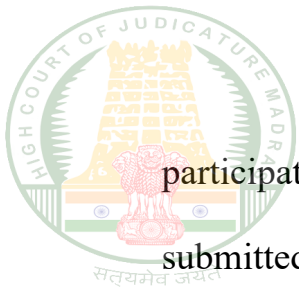


ORDER

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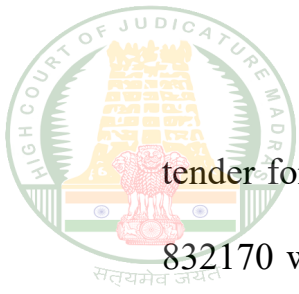
The petitioner who apprehends arrest at the hands of the respondent police for the alleged offences under Sections 120-B, 167, 409, 109 and 420 of IPC, 1860, Sections 61(2), 201 and 316(5) of the BNS, 2023 and Sections 13(2) read with Section 13(1)(a) and Section 7(c) read with Section 12 of the Prevention of Corruption Act, 1988 as amended in 2018 in Crime No.05 of 2026 on the file of the respondent police, seek anticipatory bail.

2. There are totally 7 accused and the petitioner is arrayed as first accused. The case of the prosecution is that the revenue to the Government from the sale of liquors in the TASMAL retail shops had drastically increased year after year but in contrast to the above fact, the revenue to Government from TASMAL bars had drastically decreased. During 2021, the districts of Coimbatore, Nilgiris, Tirupur, Erode, Namakkal and Karur, in the year 2021 tender was invited from public for 857 bars and the tender bid was opened on 31.12.2021 and finalized the L1 bidder. In the said tender process, the District Managers of TASMAL violated and breached the tender rules. While opening the tenders, all the applicants who participated in the tender should be allowed to witness the opening of tender but the District Managers of TASMAL allowed only a particular participant and made favour to him. The bidders who



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participated in the tender process had formed syndicate with themselves and submitted EMD Demand Draft from the same bank with continuous serial numbers which clearly shows that cartelization had taken place in the above tenders. In the districts of Coimbatore, Nilgiris, Tirupur, Erode, Namakkal, and Karur, out of 857 TASMAL bars, 284 bars were closed but on ground reality, these 284 bars were still operating without renewal of the license. As per Government instruction, any bar not submitting the monthly Demand-draft, it should be closed and fresh tender should be floated for the said bar. As the District Managers of TASMAL and other TASMAL officials colluded with the bar owners and did not follow the rules which resulted in revenue loss to the Government to the tune of Rs. 17,27,13,360/- in the Coimbatore North, Rs.13,58,23,630/- in Coimbatore South District and Rs. 1,95,74,844/- in Nilgiris District during the year 2022-2023. It is ascertained that through the documents enclosed in the two petitions and Counter Affidavit of the Enforcement Directorate, the following malpractices have happened in TASMAL with the connivance of the public servants, the officials of TASMAL along with the private individuals and the companies. Further, malpractices had taken place in the transport tender process invited for 45 TASMAL depots for transport. One Tr.P.Ravichandran, of M/s. Sun Transports applied for 16 TASMAL Depots and submitted 16 DD (EMD Earnest Money Deposit) value of Rs 50,000/- each in DD Nos. 832170 to 832185 of Bank of Baroda, dated: 06.03.2023 along with his application. During the tender process, Tr.P.Ravichandran was allotted



tender for only one depot out of his applications for 16 depots and his DD No. 832170 was deposited by the Senior Regional Manager into TASMAC's State

Bank of India account, out of the remaining 15 DDs, only 6 DDs were returned to Tr.P.Ravichandran. Remaining 9 DDs were misused by the Senior Regional Manager, TASMAC and helped some of the transporters namely M/s. S.S. Transport, M/s. A1 Travels and Speed Parcel Service, M/s. Sri Venkateshwara Logistics, M/s. Suryaa Cargo Movers and M/s. TARANA Logistics Pvt. Ltd, by allotting them the transport tenders for various TASMAC depots in Tamil Nadu by using the EMD DDs of Tr.P. Ravichandran of M/s. Sun Transport. Approximately TASMAC paid Rs. 100 Crore annually to the transporters. The Senior Regional Manager (SRM), Chennai and other officials of TASMAC didn't conducted the tender as per the procedure and it involved fraud, manipulation and illicit financial transactions. One Tr.T.Ramadurai Murugan and Tr.R.Panneer Selvam were the Senior Regional Managers when the alleged offence has been committed. Further, it also came to know that some bars were not run by the persons to whom it was allocated. It was run by some third persons. It is ascertained that cash is deposited in 'X' person account for obtaining DDs, these DDs were used by the 'Y' person to apply for BAR tenders. Upon allocation of BAR tenders, the bar is being run by 'Z' person. Further in Sivagangai District, a person deposited Rs.25 lakhs and drew 42 DDs from his account and these DDs were used for applying bar tenders. He did not apply for any of the bar tender in Sivagangai District. He drew all the DDs on



the direction of Tr. Mulanoor Karthik. In Karur district all the bars were run by one Mulanoor Karthik and his Karur gang, who were organized crime syndicate. They also pressurized and directed the SRM and other officials of TASMAC to allot TASMAC bar to the person whom he referred all over the Tamil Nadu. It is also ascertained that political people around Coimbatore, Karur and other district insisted and collected the party fund from the bar owners, and they are mentioned as Karur Gang. iii. The old /used bottle suppliers had generated cash by supplying bogus invoices or inflating the invoice amount and receiving the payment from distilleries companies and after deducting their commission, they return the cash amount to respective distilleries. In turn these distilleries are using the said cash to provide the kickbacks to the TASMAC officials for securing the supply orders.

a) During the year 2020-21 to 2021-22, M/s. GLR Holdings and M/s. Niha International Pvt. Ltd., have given amount of Rs.23.27 Crores and during the year 2022-23 to 2024-25 M/s. GLR Holdings have given amount of Rs.12,55,05,988.92 to M/s. Southern Agrifurane Industries Pvt. Ltd., (SAFL).

b) M/s. Crystal Bottles firm is an old bottle company majorly supplying old bottles to M/s. SNJ Breweries Pvt. Ltd., and M/s. SNJ Distilleries Pvt. Ltd. During the period from 2020-21 to 2024-25, above said M/s. Crystal Bottles have given Rs. 108 Crores to M/s. SNJ Groups.



One Tr. Rathesh Raj Shanmugavel is a central figure operating as an unauthorized power broker in Tamil Nadu's liquor administration ecosystem.

Tr. S. Visakan, IAS, who was the then Managing Director of TASMAL, used to follow the directions of Tr. Rathesh Raj Shanmugavel as per the instructions received by him from Tr. V. Senthil Balaji, Minister of Prohibition and Excise. Tr. Rathesh Raj Shanmugavel exerts direct and undue influence on Tr. S. Visakan, IAS, on official decision making processes in TASMAL, a state-run liquor retail monopoly. He issues directives to the MD in an informal yet authoritative manner which includes the approval of major liquor brands, manipulation of bar license tenders and administrative transfers including DRO level officers. The higher officials of TASMAL including MD Tr. S. Visakan, IAS, have favoured few distillery companies by supplying liquor of selected companies even if no request is made by the retailers and vending shop which clearly indicate favoritism and corrupt practice. Moreover, TASMAL shops have collected an excess amount than the actual MRP rate i.e. collecting up to Rs.50/- to Rs.100/- excess for foreign liquor and depending upon the brand of the liquor Rs.10/- to Rs.100/- was illegally collected from the customers between 2021 to 2025 in an organized manner. One Tr. Bhaskar, formerly PA to Tr. V. Senthil Balaji, then Minister for Electricity, Prohibition, and Excise and a private individual Tr. Rathesh Raj Shanmugavel have influenced in the transfer and postings of TASMAL Officials for deriving undue advantage. There are prima facie materials available for the above malpractices done by the



public servants, officials of TASMAC, in collusion with the private individuals and companies under the influence of the formerl Minister Tr. V. Senthil Balaji.

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3. For the above said allegations, the respondent register the FIR in Crime No.05 of 2026 for the offences under Sections 120-B, 167, 409, 109 and 420 of IPC, 1860, Sections 61(2), 201 and 316(5) of the BNS, 2023 and Sections 13(2) read with Section 13(1)(a) and Section 7(c) read with Section 12 of the Prevention of Corruption Act, 1988 as amended in 2018.

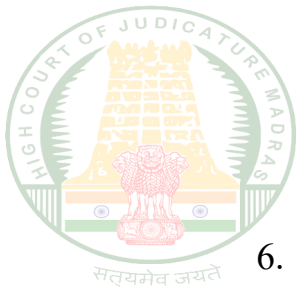
4. Mr.N.R.Elango, the learned Senior Counsel would submit that the FIR was registered solely on the basis of the counter-affidavit filed by the Directorate of Enforcement before the Hon'ble Supreme Court of India. There is absolutely no specific allegation against the Petitioner, who was the Minister in charge of TASMAC at the relevant time and had nothing to do with the day-to-day operations of the TASMAC officers. Even according to the case of the prosecution, it was A2 to A7, who were in charge of the TASMAC Department, who allegedly committed the offences. He further submitted that the Petitioner's name has been implicated purely out of political vendetta. In fact, the Petitioner was granted anticipatory bail in another FIR registered against him in CrI.O.P.No.17765 of 2026 and has accordingly executed sureties and complied with the conditions imposed therein. Even as per the present FIR, the allegations



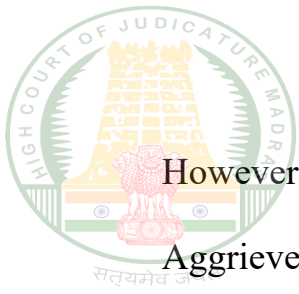
relate to an period said to have occurred five years ago, and since the investigating agency itself is proceeding only on pre-existing official and corporate records, the custodial interrogation of the Petitioner is not warranted.

He further submitted that Section 13(1)(a) of the Prevention of Corruption Act requires *prima facie* material to demonstrate that a public servant dishonestly or fraudulently misappropriated or converted for his own use any property entrusted to him or under his control as a public servant, or allowed any other person to do so. All the allegations leveled against the Petitioner fail to disclose the identity of any property allegedly entrusted to him. Therefore, the general allegation of a "loss to the exchequer" cannot be sustained in the absence of fundamental particulars. Therefore, he sought for grant of anticipatory bail to the petitioner.

5. Mr.R.John Sathyan, learned Public Prosecutor would submit that the investigation is only at an initial stage. The FIR was registered recently on **28.07.2026**, containing very serious allegations against all the accused persons, and the preliminary investigation has revealed a loss to the state exchequer to the tune of **₹100 crores**. Apart from that, the FIR was not registered on the basis of the counter-affidavit filed by the Directorate of Enforcement before the Hon'ble Supreme Court of India. The said proceedings pending before the Hon'ble Supreme Court strictly relate to the search and seizure operations conducted by the Directorate of Enforcement at TASMAL.



6. A perusal of the records reveals that the Special Leave to Appeal pending before the Hon'ble Supreme Court of India in SLP (Crl.) Nos. 8048 to 8049 of 2025 has nothing to do with the present registration of the FIR. In fact, the Hon'ble Supreme Court of India had granted a stay of further proceedings only *qua* the Petitioner. Further, a perusal of the counter-affidavit filed by the Directorate of Enforcement arising out of the judgment passed in W.P. No. 10348 of 2025 dated 23.04.2025—reveals that those proceedings strictly concerned search and seizure operations conducted at TASMAL. The said Writ Petition was filed by TASMAL seeking a direction not to harass its officials and employees under the guise of an investigation under the Prevention of Money Laundering Act, 2002 (PMLA). Another writ petition was filed for a declaration challenging the search and seizure proceedings conducted under Section 17 of the Prevention of Money Laundering Act, 2002 from 06.03.2025 to 08.03.2025. Additionally, a separate writ petition sought a declaration that the powers of the respondent, so far as they relate to the investigation and inquiry of an offence of money laundering in relation to a predicate offence arising within the territorial limits of a State without the consent of the concerned State, are violative of the basic structure of federalism and the separation of powers; hence, such inquiries and investigations can be carried out by the respondent only at the request of the State Agencies or State Government, or under the express directions of the Constitutional Courts.



However, all the dynamic writ petitions were dismissed by this Court.

Aggrieved by the same, TASMAC preferred Special Leave Petitions and obtained an order of stay. Therefore, the interim stay granted by the Hon'ble Supreme Court and the counter-affidavit filed by the Directorate of Enforcement have no bearing on the present registration of the FIR.

7. A perusal of the FIR reveals that massive irregularities took place within TASMAC, wherein bars were operated in the Districts of Coimbatore, Nilgiris, Tirupur, Erode, Namakkal, and Karur without conducting public auctions or inviting tenders from the general public. Persons who were previously granted licenses were permitted to operate the bars even without license renewals, resulting in a colossal loss to the state exchequer in those districts. Insofar as the Petitioner is concerned, he is arrayed as Accused No. 1 (A1), and there is sufficient *prima facie* material available to implicate him, showing that the Petitioner had committed the offenses during his tenure. All the accused persons, abusing their official and financial positions with a dishonest intention, entered into a criminal conspiracy from the year 2021 onwards with distillery companies, bottling companies, their owners, and private individuals—namely A6 & A7, who are close associates of the first accused. They committed criminal breach of trust, forgery by framing incorrect documents, cheating, and misappropriation, thereby laundering vast sums of illicit money within TASMAC through systematic manipulation and favoritism



in the official decision-making processes. This was executed in an organized manner through a criminal nexus formed between unauthorized power brokers, backed by political executives and senior-level officials of TASMAC, to derive undue advantages, causing severe losses to the state exchequer. Therefore, the custodial interrogation of the Petitioner is imperative and very much required.

8. In view of the above discussions, this Court is not inclined to grant anticipatory bail.

9. Accordingly, this Criminal Original Petition is dismissed.

30-07-2026

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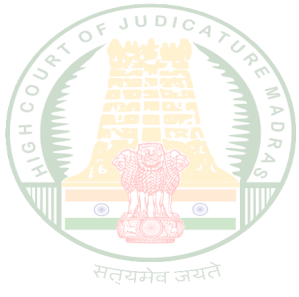
Note : Issue Order Copy on 30.07.2026

To

1. The State Represented by The Inspector of Police

Special Investigation Cell-II,
Directorate of Vigilance and Anti-Corruption,
No.293, M.K.V. Road,
Alandur, Chennai-600 016.
V and AC headquarters

2. The Public Prosecutor,
Madras High Court.



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G.K.ILANTHIRAIYAN, J.

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