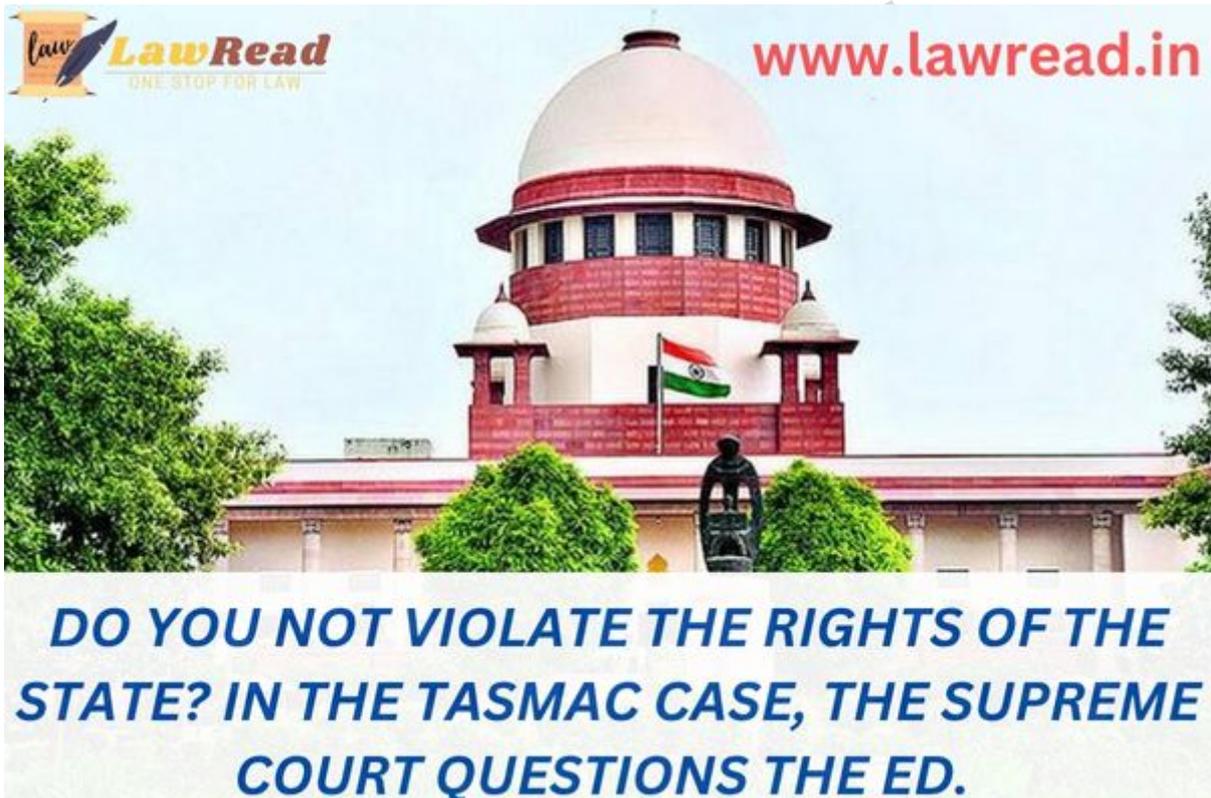


# News

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**Do you not violate the rights of the State? In the TASMAC case, the Supreme Court questions the ED.**



The Tamil Nadu government petitioned the court to overturn the Madras High Court's decision to let the ED to continue its investigation into the alleged Rs 1,000 crore scandal.

In a reexamination of the Enforcement Directorate's (ED) operations regarding the alleged ? 1,000 crore fraud in Tamil Nadu State Marketing Corporation (TASMAC), the Supreme Court asked Tuesday if the central agency was not infringing on the State police's powers.

The highest court halted the money laundering investigation into the purported swindle in May and blasted the ED for its searches at TASMAC's headquarters. It had intervened in response

to the Tamil Nadu government's plea against the Madras High Court's ruling for the ED investigation to continue with its money laundering investigation.

The bench of Chief Justice of India (CJI) BR Gavai and Justice Vinod Chandran questioned why the local police could not investigate the case at a reopened hearing today.

**"How does the federal structure fare? "Who is in charge of law and order?" CJI Gavai inquired.**

However, CJI Gavai stayed away from criticizing the ED's investigative strategy as the hearing went on.

"Over the last six years, I have witnessed a lot of ED situations. However, I don't want to say anything because if I do, it would be covered (in the media) once more," the Court stated.

Speaking on behalf of ED, Additional Solicitor General (ASG) SV Raju stated that the media often does not cover the central agency favorably.

**"My grievance is that anything that goes our way is rarely reported," the ED's attorney stated.**

I've seen a lot of ED instances during the past six years. However, I don't want to say anything because if I do, it would be covered in the media once more.

Speaking on behalf of the State, CJI BR Gavai Senior Advocate Kapil Sibal had earlier questioned how a government enterprise could be searched when the TASMAL had issued the order.

"A raid is conducted on the managing directors. This case may be resolved quickly once the FIR and ECIR are received. We must make decisions on what to do and what not to do. What is ED up to? ED has confiscated computers, etc. It's shocking," Sibal remarked.

According to ASG Raju, the TASMAL had many anomalies.

**"There are 47 FIRs there is large scale irregularities.. we are on predicate offences and are on scheduled offences..for all these officers, there is a conduit of how money is flowing," Raju stated.**

In response, Sibal stated that the ED is permitted to provide the State police with any information in compliance with the Prevention of Money Laundering Act (PMLA). Additionally, he stated that most First Information Reports (FIRs) remain unopened.

My complaint is that there is very little coverage of anything that goes our way.

Directorate of Enforcement

Raju said that TASMAL was rife with corruption and that maintaining peace and order was not the only solution. But according to CJI Gavai,

Does it not infringe upon the State's right to investigate a case? You'll go there if you're unsure that State is not probing."

The PMLA provisions that permit ED to share pertinent information with other agencies were also cited by the Court. Raju then brought up the State government's involvement in the issue.

**"at reality, 47 FIRs have been filed, and corruption is pervasive at booze stores and distribution centers. "The fact that the State is protecting them is something else entirely,"** he stated.

But the Court questioned the idea of federal organization once more.

**"A debating competition is not what we want. The Court stated, "He [Sibal] is on the federal structure."**

What is ED up to? ED has confiscated computers, etc. This is startling.

Government of Tamil Nadu

Speaking on behalf of the Tamil Nadu government, Senior Advocate Mukul Rohatgi cited the ED's confiscation of private cell phones.

"Is it possible to get info from someone's phone? Are such pleas still pending before the court, and is there no violation of Article 21? I'll have a ton of information on my phone," Rohatgi stated.

ASG Raju said that the people "whose so called privacy is at stake" are not in front of the

court. Raju said that permitting the prayers in the State government's plea will free government employees from PMLA.

He went on to discuss the accusations and the gathered proof.

**"No office was looted by us. The panch witness statements also demonstrate this. However, the fact that the State police actually looted ED offices is another matter. There is now proof that TASMAL district managers and other individuals were involved in money laundering as well,"** Raju continued.

According to CJI Gavai, the State is not keeping quiet about the issue. ASG Raju stated that the State's action was restricted to the predicate offense.

**"It is a case of rampant corruption," he stated.**

Additionally, Raju said that ED had followed the rules.

**"No one was pressured or threatened. "Everything was done in a systematic way," he stated.**

The matter's hearing is still going on.

The case involves ED searches at TASMAL headquarters from March 6 to March 8 on claims that TASMAL executives were bribing, manipulating tenders, and overpricing liquor bottles, resulting in financial irregularities of more than ₹1,000 crores.

Based on claims made in approximately 41–46 first information reports (FIRs) filed against TASMAL personnel over the years by the State government or the TASMAL, the ED suspected money laundering.

However, the TASMAL and the State administration led by the DMK have declared the March raids unlawful and accused the ED of overreaching its authority.

They then went to the Madras High Court to contest the legitimacy of the ED's raids, but the court rejected their appeal. The case then made its way to the highest court.