



PRESS RELEASE

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Directorate of Enforcement (ED), Bangalore Zonal Office, has provisionally attached Rs.1.80 Crore (approx) of Tax deducted at source (TDS) credited against fraudulently obtained PAN in Karnataka Industrial Area Development Board(KIADB), Dharwad 'double compensation scam' under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. This scam was perpetrated by VD Sajjan (Retired Special Land Acquisition Officer, Dharwad) in collusion with other accused persons.

ED investigation under PMLA, 2002 has uncovered the modus operandi used by the accused persons to fraudulently claim and withdraw double compensation from KIADB in the name of persons who had already received compensation or who had already passed away.

The accused persons had adopted fake identities for withdrawal of fraudulent compensation in connivance with KIADB officials and Bank officials. Modus of obtaining fake identities is elaborated as under: -

- Applications were submitted by the accused persons to Unique Identification Authority of India (UIADI) for updating their demographic details like Name, Address and mobile number in Aadhar Database in order to impersonate genuine land owners in whose name preliminary notification for land acquisition was notified which was subsequently accepted.
- Accordingly, fake Aadhar identities impersonating the genuine land owners were created.
- Using these fake identities i.e. updated Aadhar, fictitious PANs were obtained. These PANs so obtained were used to open bank accounts in collusion with bank officials.
- Applications were again submitted before KIADB for claiming second time compensation by using fake identities.
- These illegal second time compensations were sanctioned by the KIADB officials in collusion with these accused persons. These compensations were credited in the bank accounts opened with fictitious PANs, which was immediately withdrawn in cash with collusion of bank officials.
- At the time of cash withdrawal, TDS as per section 194-N of IT, Act, 1961 was deducted and credited against these PANs. The TDS credited against these fictitious PANs are nothing but Proceeds of Crime (POC).
- After withdrawing the fraudulent compensation, the demographic details such as name, address & mobile number in Aadhar data base was again modified (reverted back) to the original identity.
- This has been confirmed after obtaining the Aadhar records of several individuals from Unique Identification Authority of India as per the order of Hon'ble High court of Karnataka.
- The illegal compensation obtained through this method was distributed among the accused persons.
- In some cases, this entire exercise was done in the name of deceased landowners, who had already received full and final compensation.
- In few cases, genuine landowners also colluded with the accused persons and claimed second time compensation which was sanctioned illegally and the proceed was distributed among the accused persons.

Approximately Rs. 46 Crore has been withdrawn in cash from the bank accounts opened using fictitious PANs. Tax deducted at the time of cash withdrawal under section 194-N of IT, Act has been credited to these PANs. Such TDS, which is POC has now been provisionally attached.

It is pertinent to mention that ED has already attached properties amounting to Rs.11 Crore (approx.) in this case earlier.

Further investigation is under progress.