Press Release
20.11.2025

Directorate of Enforcement (ED), Chennai Zonal Office has conducted search operations on 19.11.2025 at 15 locations in Chennai, Kancheepuram and Chengalpattu in connection with large-scale fraud relating to forgery of land records and wrongful claim of compensation in land acquisitions carried out by National Highway Authority of India [NHAI] and State Industries Promotion Corporation of Tamil Nadu [SIPCOT].

ED initiated investigation on the basis of FIRs registered by Sriperumbudur Police Station and Kancheepuram Police in 2021 and 2022 for offences related to forgery, cheating, criminal conspiracy and fraudulent receipt of compensation. The FIRs alleged that lands originally provided by entities of the VGP Group in 1991 for public utilities such as roads and parks were subsequently reclaimed through forged and fabricated documents by VGS Rajesh and then sold to private persons shortly before acquisition by NHAI and SIPCOT. The Hon'ble High Court of Madras, in proceedings related to these matters, had also observed that various people had fraudulently claimed ownership of lands before acquisition resulting in severe loss to the public exchequer.

ED investigation revealed that forged/fake/bogus documents were used to cancel the deeds registered in favour of public authorities just before the acquisition by NHAI and SPICOT. These fraudulent cancellations enabled the sale of lands that were originally meant for public purposes. The miscreants did not stop there and even went ahead by selling the lands obtained fraudulently to their own associates. The purchasers [associated persons of the sellers] showed high purchase considerations just to claim higher rate of compensations. Based on these inflated valuations, the purchasers secured exorbitant compensation during acquisition by NHAI for the Bangalore–Chennai Expressway and by SIPCOT for industrial expansion.

ED investigation further revealed that a well-structured modus operandi was developed by key individuals and associated public servants. The scheme involved (i) unlawful cancellation of deeds, (ii) resale of public utility lands through controlled/dummy buyers, (iii) artificial enhancement of market value in registration documents, and (iv) obtaining inflated compensation from government acquisition authorities. After receipt of the compensation, the proceeds were layered through multiple bank accounts of associates, relatives and shell entities linked with the key persons. In multiple instances, large cash withdrawals amounting to several crores were found to have been made after layering of the Proceeds of Crime so as to conceal the origin of funds.

During the searches, various incriminating documents and digital evidence related to forged land records, inflated valuation of lands, layering of compensation amounts and internal communications among the conspirators were recovered and seized. ED had earlier examined voluminous bank account statements and recorded testimonies, identifying a network of individuals and entities used to circulate and disguise the proceeds of crime. These findings have now been corroborated through evidences and materials recovered during the search operations.

During the search, Cash of Rs.1.56 Crore, bullion worth Rs. 74 Lakh have been seized. Further bank balances amounting to Rs. 8.4 Crore and shares valuing Rs. 7.4 Crore are freezed. The total seized/ freezed assets are worth Rs. 18.10 Crore.

Further investigation is under progress.