PRESS RELEASE

09-02-2026

Directorate of Enforcement (ED), Itanagar has conducted search operations at 6 residential premises in Arunachal Pradesh and Assam under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in connection with the Trans-Arunachal Highway land compensation scam on 06.02.2026. Of the six premises, four are located in and around Itanagar, one at Likhabali (near Dibrugarh) and one at Aalo, close to the Mechuka–China border. The search locations span from the western to the eastern parts of Arunachal Pradesh, covering border-adjacent areas and difficult hill terrain, including remote and sensitive locations, thereby ensuring comprehensive geographic coverage of the investigation across the State.

During the search operations, ED has seized cash of Rs. 2.62 Crore in total. The cash of Rs. 2.40 Crore was seized from the residential premises of Likha Maj (private beneficiary / key conduit) and Rs. 22 Lakh from the residential premises of Tadar Babin (private beneficiary). Further, bank balances amounting to approximately Rs.1.77 Crore pertaining to Tadar Babin and Bharat Lingu (Ex-DLRSO, Ziro) have been frozen. ED has also recovered incriminating documents and immovable property related documents, suspected to have been acquired out of compensation funds, from the residential premises of Kemo Lollen (Ex-Deputy Commissioner, Ziro) and his family members, Bharat Lingu (Ex-DLRSO, Ziro), Toko Taje (Junior Engineer, PWD) and Likha Soni (private beneficiary).

Earlier during investigation, ED had identified and frozen funds amounting to approximately Rs. 3.95 Crore lying in bank accounts, Fixed Deposits and Recurring Deposits linked to accused persons including accounts connected with Kabak Bhatt (Junior Engineer, PWD) and M/s T & G Enterprises. Investigation has further revealed that Fixed Deposits aggregating to approximately Rs. 175 Crore were opened out of Government compensation funds without authority, and interest amounting to approximately Rs. 2.79 Crore generated from such deposits was diverted in violation of financial rules. Further, interest amount of Rs. 21.57 Lakh from such FD was transferred to the personal account of Kabak Bhatt (JE, PWD). ED has already filed Prosecution Complaint under PMLA against Kabak Bhatt before the Hon'ble Special Court for the offence of money laundering.

The investigation relates to large-scale irregularities in assessment and disbursement of land acquisition compensation under the Trans-Arunachal Highway (Potin–Bopi stretch, 0.00 km to 157.70 km) project undertaken for road upgradation. The stretch was administratively divided into Yachuli, Ziro and Raga sectors. Investigation revealed that although compensation estimate of about Rs. 289.40 Crore was initially proposed, it was later restricted to approximately Rs. 188 Crore, however disbursement was carried out in a non-transparent manner enabling wrongful gain to private persons.

Verification by the State Fact-Finding Committee revealed large-scale deviations between estimated, admissible and actual disbursed compensation. In the Yachuli sector, against admissible compensation of about Rs. 38.18 Crore, payments of approximately Rs. 66.25 Crore were issued resulting in excess disbursement of about Rs. 28 Crore. Similar irregularities and excess disbursements were identified in Ziro and Raga sectors. Overall, the irregularities resulted in wrongful loss of approximately Rs. 44.98 Crore to the Government exchequer.

Investigation has further revealed that Proceeds of Crime were generated through creation of fictitious beneficiaries, manipulation of assessment records, diversion of Government funds through unauthorized bank accounts and fixed deposits and routing of funds through private individuals and entities. Evidence also indicates payment of illegal gratification to public servants and subsequent layering of Proceeds of Crime through bank accounts, investments and acquisition of assets.

Further investigation is under progress.

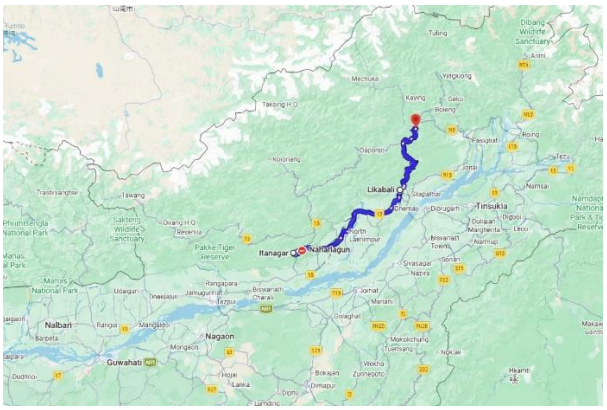


Search Premises located at Itanagar, Arunachal Pradesh

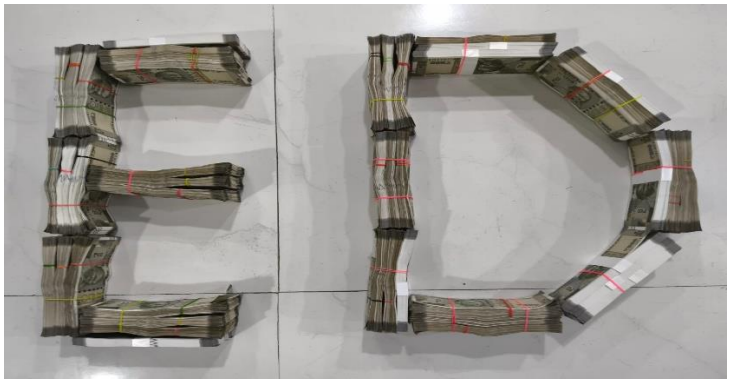


Search Premises located at Aalo, Arunachal Pradesh (Residential premises of Kemo Lollen)





A map depicting the locations of search premises across Naharlagun, Itanagar, Likabali (Assam) and Aalo, spanning from the western to the eastern regions of Arunachal Pradesh.





Map showing the Trans-Arunachal Highway from Potin to Bopi via the Ziro–Raga–Yachuli sector.