



Press Release
30.09.2026

Directorate of Enforcement (ED), Bengaluru Zonal Office, is investigating irregularities in the conduct of the Veterinary Officers' Recruitment Examination conducted by the Karnataka Public Service Commission (KPSC) for 400 posts, based on multiple FIRs registered at Vidhana Soudha Police Station, Bengaluru, for offences punishable under Sections 318(3), 318(4), 336(2), 336(3) and 340(2) of the Bharatiya Nyaya Sanhita, 2023.

During the course of investigation, material was gathered indicating that Basavaraj Kannale, in connivance with his associates, facilitated the illegal selection of candidates in the Veterinary Officers' Recruitment Examination by providing them with the leaked question paper containing the correct answers in consideration of illegal gratification. Investigation revealed that Basavaraj Kannale had obtained access to the leaked question paper through his close association with Gyanendra Kumar Gangwar, IAS, the then Controller of Examinations, KPSC, who was entrusted with the custody and supervision of confidential examination material. Basavaraj Kannale thereafter identified and approached multiple candidates and assured them of their selection in the Veterinary Officers' Recruitment Examination.

On the basis of the material collected during investigation and the reasons to believe recorded under Section 19 of the PMLA, 2002, **Basavaraj Kannale was formally arrested on 17/09/2026 (who was in judicial custody) for his involvement in the generation, collection, and handling of proceeds of crime** arising from the aforesaid scheduled criminal activity. Thereafter, he was produced before the Hon'ble Special Court for PMLA cases (CCH-4) on 29/09/2026, and the **Hon'ble Court granted 14 days' custody of Basavaraj Kannale to the Directorate of Enforcement for investigation.**

During the investigation, it was revealed that **an amount of Rs. 80 lakh (Approx.) was initially demanded from each candidate, which was subsequently negotiated and settled at amounts ranging from Rs. 30 lakh to Rs.40 lakh per candidate.** Portions of the agreed amounts were collected as advance through cash and banking channels. For securing the balance amounts, certain candidates were made to furnish blank signed cheques and promissory notes, some of which were subsequently recovered and seized during the Search & Seizure proceeding. Investigation further revealed that the bank account of M/s Om Lakshmi Souharda Sahakari Sangha Niyamitha, Bidar, was utilized for receiving certain amounts connected with the aforesaid illegal gratification.

Investigation also has revealed that selected candidates were taken to a resort on the outskirts of Bengaluru, where they were provided with the leaked question paper containing the correct answers. The candidates were made to memorise the answers under the supervision of Basavaraj Kannale and his associates. On the following day, i.e., the date of the examination, the candidates were transported to their respective examination centres in vehicles arranged by Basavaraj Kannale and/or his associates.

Further investigation has revealed the role of Gyanendra Kumar Gangwar, IAS, the then Controller of Examinations, KPSC, who was entrusted with ensuring the transparent and fair conduct of recruitment examinations and was responsible, inter alia, for finalizing and supervising the printing of question papers and maintaining custody of confidential examination material. Investigation revealed that Gyanendra Kumar Gangwar, while holding the said position, misused his official position and facilitated the leakage of the Veterinary Officers' Recruitment Examination question paper containing the correct answers to Basavaraj Kannale, one day prior to the scheduled examination, in consideration of illegal gratification.

Based on the material gathered, **Gyanendra Kumar Gangwar, IAS, the then Controller of Examination of the KPSC, was formally arrested on 18/09/2026** (*who was in judicial custody*) for his role in facilitating the generation of proceeds of crime arising from the scheduled criminal activity, and produced before the Hon'ble Special Court for the PMLA cases (CCH-4) on 21/09/2026, on the strength of a Production Warrant. **The Hon'ble Special Court has granted 14 days' custody of Gyanendra Kumar Gangwar to the Directorate of Enforcement for further investigation.**

Analysis of the material seized during the searches conducted from 18/08/2026 to 24/08/2026, revealed that the proceeds generated from the aforesaid criminal activity were subsequently layered and utilized through various modes, including bank transfers, purchase of gold Jewellery, cash payment for air travel and cash transactions, with the object of concealing the nature and source of the proceeds and projecting the same as untainted property.

Further investigation is under progress.
