Press Release
09.11.2026

Directorate of Enforcement (ED), Srinagar Zonal Office, has provisionally attached immovable properties valued at Rs. 10.63 Crore under the Prevention of Money Laundering Act (PMLA), 2002 in misuse of Prime Minister Employment Generation Programme (PMEGP) case. The Provisional Attachment Order issued in respect of 11 assets consisting of lands and buildings in Srinagar & Bandipora districts of Kashmir, which are found in the possession of Suppliers-cum-brokers, Bank official of J&K Bank involved in misusing the PMEGP Scheme.

ED investigation was initiated on the basis two FIRs of ACB, CBI, Srinagar alleging misappropriation of PMEGP Scheme's loans amounts in criminal conspiracy with the PMEGP borrowers, bank officials of Sumbal Branch & Gamud Gadkhud Branch of J&K Bank and other unknown persons have cheated the bank and misappropriated bank funds and caused wrongful loss to the bank and corresponding wrongful gain to themselves. Investigation revealed PMEGP Loans amounts availed by projecting dummy PMEGP Borrowers, by using fake invoices of non-exist firm/companies and in criminal conspiracy with bank officials branches Sumbal and Gamud Gadkhud of J&K Bank by private persons-cum-brokers. CBI, ACB has also registered a fresh FIR in the matter in June'2026.

During investigation under PMLA, Survey conducted at the Sumbal and Gamud Gadkhud Branches of J&K Bank, under section 16 of PMLA revealed 270 term loan accounts along with 270 working capital accounts pertaining to Sumbal and Gamud Gadkhud Branches of J&K bank in respect of PMEGP scheme had turned NPA. The NPA amount was found to the extent of about Rs. 32 Crore.

The suspected proceeds derived from the scheduled offences were diverted through bank accounts in multiple transactions and part of it was utilised for construction/renovation of assets and personal enrichment. The investigation carried out so far under PMLA, has revealed that Hilal Ahmad Wani & Others played major role to avail PMEGP Loan fraudulently, whereby PMEGP Borrowers were induced to avail PMEGP loan. Using the KYC Documents & other documents of these borrowers and also using fake invoice of non-existing firms registered in the name of Suppliers-cum-brokers and/or in the name of their family members the PMEGP Loans got sanctioned with criminal conspiracy with J&K Bank Officials. Investigation conducted so far, could able to trace generation of Proceeds of Crime to the tune of Rs. 11.37 Crore. These PoC amount were diverted through multiple accounts and part of the PoC were utilized for construction/renovation of assets held in the name of their family members. Bulk of the PoC has been siphoned, thereby establishing the accused persons' involvement in diversion, concealment, apart from possession and use of the PoC. Therefore, identified 11 assets held or under the control of suppliers-cum-borrowers/brokers and one bank officer are provisionally attached to safeguard the value of the Proceeds of Crime under section 5(1) of PMLA.

Further investigation is under progress.