



PRESS RELEASE
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Directorate of Enforcement (ED) has conducted search/survey operations at 8 locations in Srinagar, J&K and has arrested two persons namely Mohammad Shafi Dar (the then Chairman of JKSTCB) and Hilal Ahmad Mir (Chairman of River Jehlum Co-operative House Building Society), under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in a case related to the fraudulent sanctioning of loan by J&K State Co-operative Bank (JKSTCB) to the tune of Rs. 250 Crores in 2019 to a fake cooperative society named River Jehlum Co-operative House Building Society, Shivpora, Srinagar.

ED initiated investigation on the basis of FIR and consequent chargesheets filed by LEA, Srinagar invoking various sections of Ranbir Penal Code (RPC) & Jammu & Kashmir Prevention of Corruption Act (JK PC Act) Samvat 2006 (Corresponding to IPC and PCA) against 05 accused persons viz. Hilal Ahmad Mir (Chairman of River Jehlum Co-operative House Building Society), Abdul Hamid Hajam (Secretary of River Jehlum Co-operative House Building Society), Mohammad Mujeeb Ur Rehman Ghassi (the then Registrar of Cooperative Societies, J&K), Syed Ashiq Hussain (the then Dy. Registrar of Co-operative Societies, J&K) and Mohammad Shafi Dar (the then Chairman of JKSTCB).

ED investigation revealed that the aforementioned persons had managed to fraudulently get the sanction of a loan of Rs.250 Crore from JKSTCB in the name of a fake society, River Jhelum Co-operative House Building Society. The same was siphoned off as payments made towards purchase of land parcels, without any collateral security and overlooking all regulatory procedures, and in pursuance of the criminal conspiracy relating to offence of money laundering under PMLA, 2002.

During the course of search operations, several incriminating documents, property documents, including digital devices, have been recovered and seized. Both the arrestees were produced on Friday before the Special PMLA Court, Srinagar, who has ordered the accused to be in ED Custody till 02.12.2023 and directed for further hearing in the matter.

Further investigation is under progress.