



PRESS RELEASE

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Directorate of Enforcement (ED), Srinagar Zonal Office has filed a Prosecution Complaint before the Hon'ble Special Court (PMLA), Srinagar against Ghulam Mohammad Bhat, the then Chief Engineer, Public Health Engineering Department (PHED), Kashmir, and four others — Rajnish Bal, Mohammad Amin Wani, Nisar Ahmad Bhat, and Imran Baba, Partner in M/s Baba Enterprises, under the provisions of the Prevention of Money Laundering Act (PMLA), 2002. The Hon'ble Court has issued pre-cognizance notice to accused persons.

ED initiated investigation on the basis of an FIR registered by the Anti-Corruption Bureau, Srinagar against Ghulam Mohammad Bhat, the then Chief Engineer, Public Health Engineering Department (PHED), Kashmir, and four others for misappropriation of Government funds.

ED investigation revealed that the accused officials of PHED, in criminal conspiracy with M/s Baba Enterprises, misappropriated Government funds during procurement of spare parts for water filtration plants, thereby causing wrongful loss to the public exchequer.

ED investigation revealed that Ghulam Mohammad Bhat and other members of the Departmental Procurement Committee with the connivance of Imran Baba, a Partner of M/s Baba Enterprises awarded tender to M/s Baba Enterprises without following due procedure and undue favours were given by the Departmental Procurement Committee for awarding tender i.e. Separate tender was not floated for the additional procurement of spare parts worth Rs. 2,30,78,597/- and Security deposits (2% of the tender value) were not taken from the contractor. Instead, EMD of Rs. 1 Lakh was converted into Security Deposits. In second order, Security deposit (2% of the value of 2nd supply order) was again not taken. Total security deposits were to be taken as Rs. 7 Lakh, however, only Rs. 1 Lakh was taken as security deposit. Also in allotment order, the supply/delivery period of the material was modified from 30 days from the date of issuance of Supply Order to 90 days etc.

ED investigation further revealed that M/s Baba Enterprises received Rs. 3.54 Crore from PHED and paid only Rs. 1.55 Crore to the original supplier i.e. M/s Industrial Devices (India) Private Limited, New Delhi and diverting the remaining Rs. 1.56 Crore, which was utilized for acquisition of immovable properties in Srinagar such as 18 marla land in Barinambal and 27.5 marla land in Hyderpora Srinagar and ED has attached these immovable properties worth Rs. 1.56 Crore.

Further investigation is in progress.