



Press Release

17/2/2023

Directorate of Enforcement (ED) conducted Search & Seizure Action u/s 17 of PMLA, 2002 on 16.02.2023 on 22 locations in 06 Districts of UP in relation to fraudulent availment of Post-matriculation Scholarship Scheme by various educational institutions namely, S. S. Institute of Management, Mampur, Lucknow (UP), Hygia College of Pharmacy, Lucknow (UP), Hygia Institute of Pharmacy/Central Institute of Pharmacy, Lucknow (UP), Lucknow Institute of Management and Education, Lucknow (U.P.), Dr. Om Prakash Gupta Institute of Management and Technology, Farrukhabad (UP), Dr. Bhim Rao Ambedkar Foundation and Jivika College of Pharmacy, Hardoi (UP), R. P. Inter College, Bhatari, Hardoi (UP), Gyanwati Inter College, Terwa, Madhoganj, Hardoi (UP), Jagdish Prasad Verma, Ucharat Madhyamik Vidyalaya, Gaushganj, Kachauna, Hardoi (UP). Hygia group of colleges are controlled and managed by Mr. I.H. Jafri, O.P. Gupta Institute by Shivam Gupta, SS Institute by Praveen Kumar Chauhan, Jivika College by Ram Gupta and so on.

The Central and State Governments provide various scholarships to facilitate the education of SC, ST, PH candidates. Further, some scholarships are meant for minority candidates and students of Economically Weaker Sections of society. Therefore, the scholarship scam has huge social impact on the weaker sections of the society.

The scholarships with regard to which ED has conducted recent searches can only be availed by students of various categories for post-matric courses. The above named institutes/ colleges unlawfully availed these scholarships in the names of several ineligible candidates and illegally misappropriated the same for their use.

ED searches also discovered active involvement of various agents including one Ravi Prakash Gupta. The entire scam was operated with the active aid and assistance of several agents of FINO Payment Bank including Mohd. Sahil Aziz, Amit Kumar Maurya, Tanveer Ahmad and Jitendra Singh. The scam was committed by misuse of relaxed procedure adopted for account opening on the platform of FINO Payment Bank. The offenders had opened all bank accounts in Lucknow and Mumbai branches of FINO. The institutes also availed the services of the FINO agents in both electronic transfers and cash withdrawal of the scholarship funds. Then the proceeds of crime were rotated to various bank accounts under control of the owners of the institutes and their related entities & persons.

ED investigation revealed that in order to avail more and more of scholarship funds, these colleges and institutes used bank accounts of minor children also in the age group of 07 to 12 years of age and persons in age group of 45 years and above. Investigation conducted so far revealed that these institutes opened around 3000 such accounts using documents of various persons. Most of the accounts are in the name of simple villagers who are not even aware of these bank accounts and have never received any scholarships till date.

As per rule, the amounts of scholarship are required to be credited directly in the bank accounts of the students. But, the defaulting institutes by-passed the rules and arranged



to take direct possession of the account kits from the agents of FINO bank. Further, with active aid and assistance of FINO agents, institutes arranged to take undated, pre-signed blank cheque books of these accounts in their custody and misappropriated scholarship funds in accordance with their wishes. In some cases, the institutes and their employees even managed to illegally receive and use the IDs and passwords originally issued to the FINO bank agents by bank and also managed to operate Micro ATM issued by bank in the institute's premises. Scholarship amount was withdrawn by the institutes in cash from students' accounts and used the same. During ED searches huge number of SIM cards and stamps and seals of various entities were found and seized. Investigations conducted so far revealed that the institutes/ colleges were prima facie involved in forgery and fabrication of various documents. During the course of search, various incriminating evidences and records related to money laundering in the names of suspected persons, members of their family and their associates have been found and seized under relevant provisions of PMLA, 2002. Cash worth Rs. 36.51 lacs and foreign currency \$ 956 were also found and seized during searches.

Proceeds of crime of more than Rs.75 Crore (approx) is likely to be involved in the scholarship scam.

Further investigation is in progress.

