



PRESS RELEASE

08.09.2025

Directorate of Enforcement (ED), Mangalore Sub Zonal Office, has provisionally attached four immovable properties of Mallanna S Maddarki to the tune of Rs. 85 Lakh (approx.) on 04.09.2025, under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in connection with Mahadevappa Rampure Medical College Stipend scam.

ED initiated investigation on the basis of FIR registered by Kalaburagi City CEN Crime Police Station, Karnataka, under various sections of IPC 1860, against Bheemashankar Bilgundi, Dr. S M Patil, Subash, Canara Bank Manager and others.

The investigation under PMLA, 2002, in the form of Search operations conducted u/s. 17 during the month of April & May 2025 and subsequent enquiries, has revealed that the main accused Bhimashankar Bilgundi, *(the then President of Hyderabad Education Society which manages MRMC)*, with the assistance of Accountant of MRMC, Subashchandra Jagannath, and Mallanna S Maddarki *(Office Superintendent of HKE Society)*, during the period between 2018 and 2024, had siphoned off stipend funds credited to the bank accounts of PG Medical Students of MRMC to the tune of Rs. 33.34 Crore (approx.) by collecting blank signed cheques from them at the time of their admission and encashing the same by filling the details in blank cheques, thereby depriving students of their entitled stipend.

In the instant case, the Proceeds of Crime (POC) to the tune of Rs. 5.87 Crore, in the form of immovable properties purchased by the main accused Bhimashankar Bilgundi in the names of his sons and several bank accounts of Bhimashankar Bilgundi, have already been attached by ED in the month of July 2025. In continuance of the same, the properties of Mallanna S Maddarki, who had handled the POC on behalf of the main accused Bhimashankar Bilgundi, have been subjected to attachment.

Further investigation is under progress.