



Press Release  
5/05/2025

Directorate of Enforcement (ED), Bengaluru Zonal Office has conducted search operations on 30.04.2025, 01.05.2025 & 03.05.2025 under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, in the case of Mahadevappa Rampure Medical College (MRMC) stipend scam, covering 7 premises situated in Kalaburgi district, including the premises of Bhimashankar Bilgundi, former President of Hyderabad Karnataka Education society(HKE) Gulbarga, Dr. S M Patel, former Dean of MRMC Medical College, and Subash Chandra, Accountant.

During the search operation, incriminating evidence in the form of electronic records containing excel sheets reflecting the details of blank signed cheques received from PG Medical students & amount of cash withdrawn by the Management from the bank accounts of students, have been found and seized.

ED initiated investigation on the basis of a FIR registered with Cyber and Economics and Narcotics (CEN) Cell, Kalaburgi which contains the details that the two-time society president Bilgundi, MRMC Medical College Dean S.M. Patil, college accountant Subhash Jagannath and the manager of Canara Bank MRMC Branch have misappropriated Rs. 81.21Crore (approx.) stipend amount released for 282 post-graduate students between 1/01/2018 and 1/03/2024.

ED investigation revealed that during FYs 2018-19 to 2023-24, the accused persons, by means of coercion, had collected the signed blank cheques from PG students of MRMC and used the same for withdrawing major portion of stipend from their bank accounts once the same was credited in, leaving only meagre amount as stipend for the students, thereby depriving students of their entitled stipend fund & cheating them. In this manner, Rs. 30 Crore (approx.) had been siphoned off by the previous college management.

Further investigation is under progress.