



Press Release
10.10.2026

Directorate of Enforcement (ED), Mangalore Sub-Zonal Office has filed a Prosecution Complaint (PC) before the Hon'ble III Additional District and Sessions Judge, Mangalore on 09.10.2026 seeking the conviction against five accused persons and entities, including kingpin accused Shivanand Siddappa Neelannavar and his firm M/s Shivam Associates, found involved in a money laundering case related to ₹ 2,459 Crore Ponzi Scam.

ED investigation was initiated on the basis of FIR registered by the Malamaruthi Police Station in Belagavi City under the Bharatiya Nyaya Sanhita (BNS), 2023, the Banning of Unregulated Deposit Schemes Act, 2019, and the KPID Act, 2004.

Investigation revealed that kingpin Shivanand Siddappa Neelannavar, operated a fraudulent Ponzi network through M/s Shivam Associates & other entities. In this matter, Shivanand Siddappa Neelannavar was arrested on 13.08.2026 and currently under Judicial Custody.

During the course of the investigation, extensive search operations conducted in the month of August 2026, across 08 distinct premises linked to the accused and their associates in Belagavi, Chikkodi, and Nipani. The search actions resulted in the recovery and seizure of various incriminating documents, handwritten audit notes, and digital evidence—including mobile devices and software transaction records—that confirmed the illicit generation, movement, and parking of the Proceeds of Crime. Furthermore, the search operation unmasked a deep-rooted financial nexus among the primary syndicate members, their family members, and multiple front entities, while concurrently enabling the ED to freeze key associate bank accounts and fixed deposits containing Rs. 2.02 crore derived directly from siphoned investor funds.

Modus Operandi of the Mega Ponzi Scheme;

PMLA investigation unmasked an organized investment fraud orchestrated by the kingpin, Shivanand Siddappa Neelannavar, along with his associates, who illegally collected Rs. 2,459.49 Crore from more than 35,000 gullible public investors by luring them through false representations that promised abnormally high, assured returns of 3% per month alongside a 0.5% referral commission for introducing new investors, with Neelannavar prominently introducing these network referral agents as "leaders". The vast majority of the money was rotated to pay off older investors to sustain public confidence and systematically siphoned off for personal enrichment, leaving a staggering principal amount of Rs. 2,125.60 crore outstanding and completely unpaid to the public as of date.

Diversion and Layering of Proceeds of Crime;

ED investigation revealed that the proceeds of crime were layered and diverted through multiple illicit channels, where substantial investor funds were gambled in high-risk stock trading resulting in net losses of Rs. 185.95 Crore. Furthermore, Rs. 25 Crore (approx.) were routed through a complex web involving cooperative credit societies specifically Shreemata Co-Operative Credit Society Ltd. and Dhanashree Multipurpose Co-op Society Ltd. to create fixed deposits that secured loans in the names of associates for purchasing land parcels. In addition to real estate investments, funds were channelled into close family bank accounts, including his wife Smt. Sangeeta and minor son Siddhant, as well as connected business ventures such as M/s. Shivam Sevaa (OPC) Pvt. Ltd. (Rs. 19 crore), Shivam Lifeline Pvt. Ltd., and Shivam Foods. Finally, an amount of Rs. 5 crores were diverted from the pooled public deposits to finance the commercial production of a Kannada feature film titled "*Champion*".

Further investigation is under progress.