PRESS RELEASE
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Directorate of Enforcement (ED), Ahmedabad has arrested Nikunj Pravinbhai Bhatt, aged 33 years and Sanjay Kotadia, aged 49 years, residents of Surat and Mumbai respectively, on 19.01.2026 under Section 19(1) of the Prevention of Money Laundering Act (PMLA), 2002 in connection with cryptocurrency fraud case of BitconnectCoin and others.

ED initiated investigation on the basis of 2 FIRs registered by the CID, Crime, Police Station, Surat against Shailesh Babulal Bhatt, Satish Kurjibhai Kumbhani and others. As per one FIR, Proceeds of Crime were generated by Satish Kurjibhai Kumbhani and other accused persons by way of, inter-alia, inducing the public to invest in Bitconnect Coin which was owned by Satish Kurjibhai Kumbhani and controlled by Satish Kurjibhai Kumbhani and his associates. Further, the Proceeds of Crime were siphoned off by the accused persons for acquisition of Bitcoins and immovable properties.

ED investigation revealed that during the period from November, 2016 to January 2018, the accused persons conducted a fraudulent and unregistered offering and sale of cryptocurrencies in the form of investments in BitConnect's purported "Lending Program," from investors worldwide, including from investors located in India. The founder of BitConnect, an unincorporated organization, established a worldwide network of promoters, and rewarded them for their promotional efforts by paying them commissions.

To induce investors to deposit funds in the form of Cash and Bitcoins, into the purported Lending Program, BitConnect represented, among other things, that BitConnect would deploy a purported proprietary "volatility software trading bot" (the "Trading Bot") that, they claimed, would use investor funds to generate returns as high as 40% per month, and for creating a false image of growth, they posted fictitious returns on the BitConnect Website that amounted to, on average, 1% per day, or approximately 3,700% on an annual basis. These claims were a sham, as the accused knew that BitConnect did not deploy investor funds for trading with its purported Trading Bot rather, they siphoned investors' funds off for their own benefit, and their associates' benefit, by transferring those funds to digital wallet addresses controlled by them.

As per second FIR, to recover his purported investment in said BitconnectCoin, Shailesh Babulal Bhatt and his accomplices kidnapped two associates of Satish Kurjibhai Kumbhani namely Piyush Savaliya and Dhaval Mavani, and extorted 2254 Bitcoins, 11000 Litecoins and INR 14.5 Crores in cash from Dhaval Mavani in lieu of releasing Dhaval Mavani from their confinement.

During the course of investigation under the PMLA, on 09.01.2026, searches were conducted at 5 places which resulted in seizure of digital devices, incriminating documents and freezing of assets in the form of investments in shares and mutual funds; cryptocurrencies and cash in INR totalling INR 19 Crore approx.

Investigation has revealed that Nikunj Pravinbhai Bhatt was one of the accomplices of Shailesh Babulal Bhatt in the said crime of kidnapping and extortion of Bitcoins and Cash. Out of the extorted Bitcoins, Nikunj Bhatt received at least 266 Bitcoins in two different accounts maintained with a crypto exchange. Out of the 266 Bitcoins received by Nikunj Bhatt, 10.9 Bitcoins have been attached by the ED. Investigation also revealed that Nikunj Bhatt knowingly handled, possessed and routed at least 246 Bitcoins through third-party crypto accounts to conceal the true ownership, control and origin of the funds, and converted the said 246 Bitcoions into Ethereum and USDT, and then transferred the said Ethereum and USDT to various wallets associated with many persons including Sanjay Kotadiya. As per the investigation, at least 23 Lacs USDT (equivalent to INR 20.70 Crore) were transferred by Nikunj Bhatt to various wallets associated with Sanjay Kotadiya, purportedly for trading in cryptocurrencies. Further, out of the extorted cryptocurrencies, at least 4.5 Lacs USDT (equivalent to INR 4.05 Crores) were received by Sanjay Kotadia from Shailesh Bhatt for trading in cryptocurrencies. During the course of investigation, ED conducted searches under the provisions of the PMLA and seized digital devices and electronic records. Forensic analysis of the seized material revealed cryptocurrency transaction data and exchange-related records which indicate transactional linkages between the two arrested persons.

During investigation under the PMLA, Sanjay Kanubhai Kotadia and Nikunj Bhatt had made evasive and incomplete disclosures regarding the receipt, utilisation and present status of the said cryptocurrencies received by them, originally from Shailesh Babulal Bhatt. Despite availing opportunities on several instances, Sanjay Kotadia and Nikunj Pravinbhai Bhatt did not cooperate with the investigation and attempted to divert and obstruct the course of investigation by giving false, incomplete and evasive statement u/s 50(3) of the PMLA.

Considering their non-cooperation, risk of evidence destruction and flight risk, Nikunj Bhatt and Sanjay Kotadia were arrested and produced before the Ld. Special Court, PMLA Ahmedabad on 20.01.2026.

The Ld. Special Court, PMLA has further granted the ED custody of 4 days.

In this case, ED has already arrested one of the main accused named Shailesh Babulal Bhatt and has attached/frozen assets valued at approximately INR 2170 Crore, so far.

Further investigation is under progress.