PRESS RELEASE

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ED files Prosecution Complaint in Andaman Nicobar State Cooperative Bank fraud against 39 persons/ entities including Kuldeep Rai Sharma, Ex-M.P. & Ex-Chairman of Andaman and Nicobar State Cooperative Bank (ANSCBL)

Directorate of Enforcement (ED), Kolkata Zonal Office has filed a Prosecution Complaint against 39 persons and entities in the Andaman Nicobar State Cooperative Bank fraud on 14.11.2025 before the Hon'ble Special Court under PMLA in Port Blair. The persons arraigned as accused in the complaint include Shri Kuldeep Rai Sharma, Ex-Member of Parliament, Andaman and Nicobar Islands & Ex-Chairman of Andaman and Nicobar State Cooperative Bank (ANSCBL); K. Murugan, Managing Director (ANSCBL); and K. Kalaivanan, Loan Officer (ANSCBL), Sanjay Lal, Sanjeev Lal amongst others.

ED initiated investigation in this case on the basis of an FIR registered by the Crime & Economic Offences Cell, Andaman & Nicobar Police, against various private persons and officials of the bank.

The case pertains to the fraud committed by the officials of Andaman Nicobar State Cooperative Bank Ltd including Kuldeep Rai Sharma and others responsible for sanctioning bank loans. These persons, in connivance with their accomplices, floated several shell companies and sanctioned large loans to them as well as to their regular entities in flagrant violation of the rules and laid down procedure of the bank with the sole intent of not repaying the funds, thereby causing losses to the bank and generating corresponding gains for themselves.

Investigation has revealed that loan facilities were sanctioned through more than 100 loan accounts in the names of various firms and shell companies, in complete disregard of the laid-down procedures and guidelines of the bank and the amount involved in the fraud/NPA exceeds ₹500 crore.

Investigation has also revealed that Kuldeep Rai Sharma, Ex Vice Chairman, K Murugan, MD and K Kalaivanan, Loan Officer also fraudulently availed loans from the bank in the names of companies incorporated in the name of relatives and associates. The bank officials also helped their associates namely Sanjay Lal, Sanjeev Lal and others to obtain multiple loans in lieu of 5% commission on the instructions of Kuldeep Rai Sharma. The commission amount was taken either in the form of cash or through associates by using the accounts of shell companies.

ED had earlier arrested four persons, namely Shri Kuldeep Rai Sharma, Ex-Member of Parliament, Andaman and Nicobar Islands & Ex-Chairman of Andaman and Nicobar State Cooperative Bank (ANSCBL); K. Murugan, Managing Director (ANSCBL); and K. Kalaivanan, Loan Officer (ANSCBL), and Sanjay Lal during investigation under the provisions of the PMLA, 2002. All the four accused are presently under judicial custody.

Earlier searches were conducted at 21 premises on 31.07.2025 & 01.08.2025 and 3 premises on 17.09.2025. The investigation has revealed that loan amounts were diverted and siphoned off through multiple shell entities, and a substantial portion of these loans were withdrawn in cash and paid as share to senior bank officials, including Shri Kuldeep Rai Sharma. More than 50 immovable properties have been identified so far during investigation which are linked with bank fraud. Efforts are underway to unearth further proceeds of crime.

Further investigation is in progress.