



## **PRESS RELEASE**

**17/9/2025**

**ED arrests three persons, namely Kuldeep Rai Sharma, Ex-M.P. & Ex-Chairman of Andaman and Nicobar State Cooperative Bank (ANSCBL); K. Murugan, Managing Director (ANSCBL); and K. Kalaivanan, Loan Officer (ANSCBL)**

Directorate of Enforcement (ED), Kolkata Zonal Office has arrested three persons, namely 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), under the provisions of the PMLA, 2002, in connection with a bank fraud case on 17.09.2025. The Hon'ble Special Court under (PMLA) has remanded Kuldeep Rai Sharma and K Kalaivanan to ED custody for a period of 8 days. These are the first ever arrests made by ED in the Union Territory of Andaman & Nicobar Islands.

ED initiated investigation 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 conducted so far indicates 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 Rs. 500 Crore. Evidence collected so far also indicates that a loan amount of Rs. 230 crores (approx.) was fraudulently taken exclusively for the benefit of Kuldeep Rai Sharma and his associates including the Managing Director and Loan Officer.

ED investigation has also revealed that 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. They helped their associates to obtain multiple loans in lieu of 5% commission which were made 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.

Further, searches are being conducted at three premises in the Andaman & Nicobar Islands in furtherance to earlier searches in relation to the diversion of bank funds. In this case, earlier searches were conducted at 21 premises on 31.07.2025 & 01.08.2025, including those of shell companies created by Kuldeep Rai Sharma in connivance with his associates. 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 Kuldeep Rai Sharma.

Further investigation is under progress.