PRESS RELEASE
29.07.2026

Directorate of Enforcement (ED), Guwahati Zonal Office, has filed a Prosecution Complaint under the provisions of the Prevention of Money Laundering Act (PMLA), 2002, against 19 accused persons comprising Sanjay Dewan, Niraj Sharma, Rajan Lohia, Shankar Deb, and Sameer Mehta, and 14 associated Bonded Warehouse entities.

ED initiated the money laundering investigation on the basis of 173 FIRs registered by the Assam Police across various bordering districts of Assam-Arunachal Pradesh border. The money laundering investigation revealed a massive, organized, and vertically-integrated criminal enterprise engaged in the clandestine manufacture and large-scale smuggling of liquor from Arunachal Pradesh into Assam. The smuggled liquor bore labels explicitly declaring “For sale in Arunachal Pradesh,” yet was transported without valid transit permits or Excise Verification Certificates (EVC) to evade the substantially higher excise duty and Value Added Tax (VAT) in Assam. According to the consolidated seizure compilation of the Assam Excise authorities, over 2.63 Lakh Bulk Litres of such liquor, valued at approximately Rs. 52.77 Crore, was seized within Assam in 739 separate incidents between January 2023 and April 2026, which is just a fraction of the smuggled liquor.

The PMLA investigation established that the three principal accused viz., Sanjay Dewan, Niraj Sharma, and Rajan Lohia, operated a virtual monopoly over the liquor trade in Arunachal Pradesh through a complex web of liquor entities involved in warehousing, whole-selling and retailing liquor.

In gross violation of Arunachal Pradesh state excise policies, the accused unlawfully took over statutory licenses that were originally issued to local indigenous residents, without any prescribed approval from the district as well as the excise authorities. These local residents were used merely as proxy name-lenders and were paid small, fixed monthly remunerations. The accused retained absolute beneficial ownership and financial control over the entire chain of manufacturing units, bonded warehouses, and wholesale vends through unapproved agreements, reducing the official license holders to mere dummies on paper.

The accused further relied on the use of dummy directors in their entities. The investigation found that individuals officially designated as directors of the manufacturing units and bonded warehouses held no real managerial or financial power. Instead, these proxy directors were essentially low-level, salaried employees acting on the direct instructions of the principal accused. They did not participate in major business decisions or attend board meetings. Their primary function was to follow orders and sign blank cheques. Apart from the above, the manufacturing units systematically escalated their installed capacities without corresponding duty payments, creating a massive surplus of unaccounted liquor intended strictly for smuggling.

The illicit cash generated from the retail sale of the smuggled liquor in Assam was integrated into the formal financial system through a meticulous four-tier laundering mechanism:

- **Placement at Wholesale Counters:** The unaccounted physical cash was placed into the bank accounts of wholesale entities, mostly by way of *hawala* movement of cash into Arunachal Pradesh from Assam and other parts of the country. To circumvent statutory cash-transaction thresholds and evade banking scrutiny, the syndicate employed systematic invoice splitting, generating thousands of invoices meticulously kept below Rs. 2,00,000 and structuring cash deposits just below the Rs. 10,00,000 reporting limit. The banking analysis revealed that nine wholesale entities received huge cash deposits aggregating approximately Rs. 1,047.93 Crore, the Proceeds of Crime being quantified from these deposits.

- **Layering via Bonded Warehouses:** The placed funds were subsequently routed through structured RTGS and NEFT transfers to 14 directly-owned bonded warehouses arrayed as accused in the complaint.

- **Consolidation:** Funds were further consolidated at the manufacturing tier from the bonded warehouses.

- **Integration:** The laundered value was ultimately absorbed as “profit shares” and untainted income, diverted to personal and HUF accounts, and integrated into movable and immovable properties belonging to the accused persons and their related entities.

Search and seizure operations conducted by the ED across multiple premises in Arunachal Pradesh and Assam led to the recovery of incriminating digital and physical records. Forensic extraction of seized mobile devices revealed a highly active inter-state *hawala* carrier network. The syndicate utilized camouflage codes such as “Books”, “Box”, “KG”, “Bag” etc to denote lakhs of rupees, and exchanged images of low-denomination currency notes along with their unique serial numbers to serve as authentication tokens for the receipt of illicit cash from illegal liquor sale from locations like Guwahati, Delhi, Ranchi, and Hyderabad through *Hawala* network into Arunachal Pradesh for deposit in the bank accounts of the liquor wholesalers.

During the targeted search operations, the ED seized unexplained physical cash amounting to Rs. 52.10 Lakh. Furthermore, bank balances and Fixed Deposits to the tune of Rs. 26.59 Crore maintained across various financial institutions were frozen under the provisions of the PMLA. The retention of these assets has been confirmed by the Adjudicating Authority (PMLA), New Delhi.

The investigation was also independently corroborated by previous findings of the Income-Tax Department, where the principal accused had made voluntary disclosures of vast undisclosed incomes, affirming their controlling roles and systematic tax evasion.

Further investigation is under progress.