PRESS RELEASE
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Directorate of Enforcement (ED), Kolkata Zonal Office has issued a Provisional Attachment Order dated 10.02.2026 under the provisions of PMLA, attaching therein 51 immovable properties having a total value of Rs. 200.02 Crore (approx.) in the Andaman & Nicobar State Co-operative Bank (ANSCBL) fraud case. The attached properties include hotels, resorts and parcels of land situated in the Andaman & Nicobar Islands.

ED initiated money-laundering investigation on the basis of FIR registered by Crime & Economic Offences Police Station, Andaman & Nicobar Police under various sections of IPC, 1860 against Kuldeep Rai Sharma and other persons. Investigation under PMLA has revealed that Kuldeep Rai Sharma, Ex-MP, Andaman & Nicobar Islands being the then Vice-Chairman of the bank in collusion with his accomplices, floated and operated 23 shell companies and a large number of other entities for the purpose of fraudulently availing loans from ANSCBL. Loans and overdraft to the tune of about Rs. 301.50 Crore were sanctioned in the names of 21 shell companies alone, out of which loans of 18 shell companies amounting to Rs. 271 Crore turned Non-Performing Assets (NPAs). In total, more than 100 high-value loans were sanctioned to these entities deliberately in gross violation of NABARD guidelines, RBI directions and internal circulars of ANSCBL. The NPA amount involved in such high-value accounts (loan amount above Rs. 1 Crore) alone is more than Rs. 420 Crore, which forms a substantial part of the overall NPA of the bank as on day.

During investigation, ED identified 51 immovable properties, comprising mainly lands, hotels, and resorts in Andaman & Nicobar Islands, which have been found to be directly or indirectly derived out of, or involved in, the Proceeds of Crime generated from the fraud committed at ANSCBL. These properties stand in the names of the accused persons, their family members, close associates and companies/firms controlled by them. With the present attachment of Rs. 200 Crore (approx.), ED has secured a significant part of the Proceeds of Crime identified so far in the ANSCBL fraud.



The investigation has revealed that the properties were acquired from various landowners/farmers in the name of dummy directors/shell companies through powers of attorney (POA) in order to conceal the actual consideration amount. The ED has traced 25 land parcels worth Rs. 123 Crore (approx.) that were obtained through POA and subsequently mortgaged by exaggerating the value of such properties to secure high-value bank loans in connivance with bank officials.

The investigation further revealed that these high-value loans were sanctioned without proper valuation, without evidence of proper business activities, and without due diligence. Such loans were diverted and subsequently siphoned off using various shell entities and cash withdrawals. The diverted funds were used by the accused persons to purchase immovable properties in the names of their associates. No genuine business activities were carried out that could generate income for repaying the bank loans. As a result, these loans turned into NPAs, and as on date, a sum of more than Rs. 500 Crore has turned into NPA, of which the NPA amount attributable to shell companies alone is approximately Rs. 271 Crore.

The bank loans were sanctioned by the bank through the influence of Kuldeep Rai Sharma, utilizing the services of officials like K. Murugan and K. Kalaivanan, who have been arrested in this case. Investigation revealed that these employees also received their share of the proceeds of crime generated by committing fraud with bank. The main accused, Kuldeep Rai Sharma, utilized the assistance of businessmen Sanjay Lal and Sanjeev Lal, who provided dummy directors and entries through shell companies in lieu of a share of the defrauded loan amounts. Separate shell companies were floated by them, into which huge loans were also sanctioned. The investigation has revealed that the accused persons also siphoned off huge sums of cash from the loan amounts, which were used to pay Kuldeep Rai Sharma, the main accused in this case.

Earlier, ED had arrested Kuldeep Rai Sharma (Vice Chairman and Ex -MP), Sanjay Lal (Hotelier), K Murugan (MD) and K Kalaivanan (Loan Officer) and filed a Prosecution Complaint on 14.11.2025 before the Hon'ble Special Court (PMLA), Port Blair against 39 accused persons/entities in this case. The bail application of the accused persons was dismissed by the Ld. Special Court earlier by an order dated 12.12.2025. On 10.02.2026, the Hon'ble High Court of Calcutta (Circuit Bench at Port Blair) has also dismissed the bail application of the mastermind Kuldeep Rai Sharma and Sanjay Lal.

Further investigation is under progress.