



**Press Release**  
**29.11.2024**

Directorate of Enforcement (ED), Delhi Zonal Office has conducted search operations on 27.11.2024 at 15 locations in Delhi and NCR belonging erstwhile Kwality Limited and the then Promoters/ Directors Sanjay Dhingra, Siddhant Gupta, and other shell companies related to them.

ED initiated investigations on the basis of FIR registered by CBI, New Delhi against above stated persons for cheating Banks. M/s Kwality Limited, was engaged in processing, and trading of milk, ice creams and various dairy products. The FIR alleged that the said erstwhile entity through its Directors indulged in falsification and fabrication of books of accounts by misrepresentation of sales, purchases, debtors and creditors and thereby cheated the Consortium of Banks. The FIR quantified the loss to the consortium banks to the tune of Rs. 1400.62 Crore.

ED investigation revealed that the then Promoters/ Directors manipulated the books of accounts to show higher sales and debtors. Huge amounts of trading [sales/ purchase] were made without actual physical deliveries or receipt of the goods at factory premises. It was also noticed that sham companies/firms operated through implanted/dummy owners also sought loans but such funds were used as per the instructions of erstwhile Kwality Ltd. The funds which were receivable against credit sales were also hugely inflated to cheat the banks. It is noticed that the entities with whom there are huge receivables are the bogus entities which were run by either the employees of erstwhile M/s Kwality Limited or the known persons of Directors. It was also found that the Directors and Proprietors of the concerns, who were the suppliers and customers were the employees of erstwhile Kwality Ltd. The funds diverted through the stated modus was circulated, layered so as to conceal its origin and routed to different accounts as per the instructions of the promoters for purposes not intended by the banks.

During the search operations, cash amounting to Rs. 1.3 Crore and various evidence related to assets/ bank accounts held through several shell companies by the promoters were recovered and seized. It was found that drivers/ employees of the promoters are made Directors in such shell companies. High end luxury cars like Porsche, Mercedes, BMW, etc having purchase value of about Rs. 4 Crore purchased in the name of the such beneficially owned companies, demat accounts having investment value of about Rs. 2.5 Crore, etc. are freezed.

Further investigation is under progress.

