



Press release

12.12.2024

Directorate of Enforcement (ED), Mumbai Zonal Office conducted search operations on 10/12/2024, under the Prevention of Money Laundering Act (PMLA), 2002 at 19 locations in Mumbai, Delhi and Gurgaon as part of an ongoing probe in Summaya-Dentsu case. During the course of search operations, movable assets i.e. Indian currency of Rs. 46 Lakh, foreign currency equivalent to Rs. 4 Lakh and gold bars amounting to Rs 3.4 Crore have been seized. Other incriminating documents related to immovable property transactions, digital devices have been found and seized during the search proceedings.

ED initiated investigation on the basis of FIR registered by Worli Police Station against M/s Dentsu Communications India Private Limited, M/s Suumaya Industries Ltd and its promoters including others. They are accused of conspiring together and embezzling the funds to the tune of Rs. 137 Crore under the guise of promising future 'Need to Feed program' advantages.

ED investigation so far has revealed that trade financing was secured from NBFCs under the pretext of 'Need to Feed' program of the Government of Haryana to supply Agro products. Accused persons have not received any contract from Government and there was no such program ever in existence either. Accused entities have in fact never supplied any Agro product materials for any such program. However, in order to create fake impression that it is supplying Agro products, the accused persons in this case connived and created fake records including fake lorry receipts and fake invoices.

The search operations have revealed that the listed entities of Suumaya group entered into transactions worth Rs. 5000 Crore, wherein only 10 percent of the transactions were genuine. These transactions were done in circular pattern that led to increase in turnover of involved entities including Dentsu India. Investors of the listed group entities of Suumaya group were mis represented to show such artificially inflated transactions leading to huge spike in share prices. Turnover of Suumaya Industries Ltd increased from Rs. 210 Crore to Rs. 6700 Crore in a span of two years from FY 2019-20 to FY 2021-22 which affected the share price to increase astronomically from Rs 19 per scrip to Rs 736 during this period. Further, the circular transactions also led to exponential increase in turnover of entities bidding for Government contract, startups for valuation purposes and others.

Investigations has revealed that this was done in connivance with stock brokers, and merchant bankers wherein amounts were paid in cash for commodities contracts on NCDEX and acquisition of companies, which were later listed on stock exchange.

Further investigation is under progress.