Press Release
12/1/2024

Directorate of Enforcement (ED) has arrested 5 persons on 11-01-2024 under PMLA, 2002 in connection with the money laundering investigations against Bhushan Steel Limited related to Bank fraud of Rs 56,000 Crore. The arrested persons are Ajay Mittal [brother in law of promoter Neeraj Singal], Archana Mittal [wife of Ajay Mittal and sister of Neeraj Singal], Nittin Johri [the then CFO of Bhushan Steel], Prem Tewari [the then Vice President, Banking] and Prem Agarwal [the then Vice President, Accounts].

ED initiated investigation on the basis of the Prosecution Complaint filed by Serious Fraud Investigation Office [SFIO] against Bhushan Steel Limited. The said complaint had invoked scheduled offences under the PMLA Act.

ED investigation revealed that erstwhile Bhushan Steel Limited [BSL] and its Managing Director namely Neeraj Singal and his associates formed several shell companies. They rotated funds from one company to another through a chain of multiple entities. The funds were circulated to infuse capital, buy property and for other personal purposes not intended by the Banks. Investigations further revealed that promoters/directors and the officials of BSL prepared forged documents and made fraudulent representations before the banks to discount LCs and diverted the funds back into their own companies with malafide intentions. Funds were misappropriated against the fabricated LCs created in favour of JSW Steel limited and Hindustan Zinc Limited. The misappropriated funds were diverted to other group/associated companies, causing wrongful loss to the State Bank of India and Punjab National Bank.

Earlier, ED had provisionally attached assets worth Rs 61.38 Crores on 08-11-2021. The provisional attachment order was subsequently confirmed by Adjudicating Authority on 24-07-2022.

A search operation was conducted on Neeraj Singal on 09-06-2023 and he was arrested by ED on the same day. Neeraj Singal is in Judicial Custody till date. Prosecution complaint has been filed against him and other accused on 08-08-2023 and cognizance has been taken by the Hon'ble PMLA court on 07-11-2023.

Another search operation was conducted on 13-10-2023 with respect to certain persons of BSL who had key role in Bank Fraud. Important Digital evidences and valuables were seized during the search said search.

Ajay Mittal and Archana Mittal, both knowingly received proceeds of crime to the extent of Rs. 70 Crore. They also mortgaged property of BSL and routed the funds to family of Neeraj Singal. Nittin Johri, Prem Tewari and Prem Agarwal are ex-employees of BSL who were the main persons in charge of accounts and banking transactions. The said 3 persons are directors in various paper companies managed by Neeraj Singal for rotation of funds. They manipulated the accounts of BSL and were also involved in providing fake documents/ details to Bank so as to raise loan funds. Thereafter they actively involved in diversion of Bank funds.

The arrested persons were produced before Hon'be Special Court, PMLA, on 11-01-2024 and 12-01-2024. The Hon'ble Court had granted ED custody for 3 days.

Further investigations are in progress.