



PRESS RELEASE

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Directorate of Enforcement (ED), Delhi Zonal Office has attached movable and immovable properties of M/s Bhushan Steel Limited under the provisions of Prevention of Money laundering Act (PMLA), 2002 amounting to about Rs. 367 Crore on 06.03.2024. The immovable properties were situated in Delhi, Mumbai, Kolkata and Odisha. The attached properties were held in the name of benamidars/ shell entities through dummy directors so as to conceal the assets and to ensure that they are out of reach of law Enforcement Agencies.

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

ED investigations revealed that erstwhile M/s Bhushan Steel Limited [BSL] and its Managing Director namely Neeraj Singal and 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 Letter of Credits (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 Crore on 08-11-2021 and a search operation was also conducted on Neeraj Singal on 09-06-2023 and he was arrested by ED on the same day. Neeraj Singal is currently in Judicial Custody. Prosecution complaint has been filed against him and other accused persons 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 proceedings.

Thereafter, ED had arrested Ajay Mittal [brother in law of Neeraj Singal], Archana Mittal [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]. Ajay Mittal and Archana Mittal knowingly received proceeds of crime to the extent of Rs. 80 crore. They also mortgaged property of BSL and routed the funds to family of Neeraj Singal. Currently, Archana Mittal has been granted bail by the Court while all others accused persons are in Judicial custody.

Further investigations is under progress.