



**PRESS RELEASE**  
**20/05/2026**

Directorate of Enforcement (ED), Chennai Zonal Office, has conducted Search operations at the 7 premises of M/s. Thangam Steel Ltd. [TSL], M/s PS Krishnamurthy Steels Private Ltd [PSK] and its Directors & key co-accused in Chennai on 19/05/2026.

ED initiated investigation on the basis of two FIRs registered by the CBI, EOB, Chennai for the offences of cheating, fraud under the IPC, 1860. As per the FIRs, M/s Thangam Steel Ltd and M/s PS Krishnamurthy Steel Pvt. Ltd cheated State Bank of India [SBI] to an extent of Rs. 311 Crore. The CBI has also filed chargesheets in the said FIRs.

Investigations done by ED showed TSL & PSK were in steel manufacturing and trading business. The said entities through their Directors indulged in large-scale bank fraud through fabrication of records, diversion of funds, circular trading to inflate turnover & profit to deliberately cheat State Bank of India consortium banks. Investigation disclosed that between 2007 and 2013, the accused dishonestly secured enhancement of Cash Credit and Letter of Credit limits by submitting forged financial statements, inflated stock and receivable statement, and fabricated trade documents. The directors showed fictitious godowns, false transport records. They also submitted different balance sheets before SBI and ROC to conceal the true financial position. Bank funds diverted for acquisition of a steel division and other personal assets through accounts of fake/shell entities. The money was diverted after multiple layering so as to conceal the identity of the funds. The overall conspiracy allegedly caused wrongful loss of approximately Rs. 311 Crore to SBI and wrongful gain to the accused.

The search operations resulted in the discovery of various movable and immovable assets held in the name of benamidars/ family members/ distant relatives. The properties were held in way to ensure that the bank should not be able discover such properties for the recovery of the loan amount. The Searches resulted in the seizure of incriminating documents, electronic records, identification of 43 immovable held in benami names [valuing more than Rs.100 Crore (approx.)].

Further investigation is under progress.