



PRESS RELEASE
25.02.2026

Directorate of Enforcement (ED), Chandigarh Zonal Office has provisionally attached 7 immovable Properties valued at Rs. 88.58 Crore under the provisions of the Prevention of Money Laundering Act (PMLA), 2002 in a Bank Fraud case pertaining to M/s Mastana foods Pvt Ltd.

ED initiated investigation under PMLA, 2002 based on an FIR registered by the CBI pursuant to a complaint filed by State Bank of India against M/s Mastana Foods Private Limited and its Directors alleging bank fraud of approx. Rs. 152.85 Crore.

Investigation revealed that M/s Mastana Foods Private Limited artificially inflated its business turnover and siphoned off funds through fictitious transactions and shell entities during F.Y. 2014-15 to 2016-17. The said loan account has been declared as NPA during F.Y. 2017-18. The company conducted fraudulent circular transactions with related concerns i.e. M/s AKM Foods Private Limited, M/s SAS Rice Unit and M/s L K International, wherein these concerns acted both as suppliers and customers, resulting in large-scale fund movements and diversion of funds without any genuine trade.

Further, M/s Mastana Foods Private Limited routed funds through a network of shell firms using fake purchase and sale invoices and fabricated transport documents, ensuring that the money was returned to the company within a short period to create an appearance of legitimate business activity. Several firms shown as debtors were found to be non-existent or controlled by a middleman Suresh Jain and his associates, with no real business operations.

The company subsequently created unusually large provisions for doubtful debts without initiating recovery proceedings, thereby portraying siphoned funds as business losses. The overall scheme demonstrates deliberate layering of transactions, creation of paper trails, and misuse of banking channels to disguise the true nature of funds and project fictitious financial statements.

In the predicate offence, the Hon'ble Court convicted M/s MFPL and its Directors Krishan Mohan and Anil Khurana for conspiring to cheat State Bank of India.

Further investigation is under progress.