

India mogul's luxury home seized over alleged fraud

Bloomberg

Indian investigators have seized a US\$410 million luxury condominium building owned by Anil Ambani as part of a widening investigation into alleged bank fraud by the tycoon.

The Enforcement Directorate, India's anti-money-laundering agency, said it had provisionally taken Ambani's 17-storey property, known as "Abode," in the upscale Pali Hill neighbourhood.

The agency alleged Ambani had defaulted on more than 400 billion rupees (HK\$34 billion) worth of loans from Indian and foreign banks.

Ambani runs Reliance Group and is the younger brother of Mukesh Ambani, Asia's richest man. The two split the empire after their father's death in 2002.

The 66-year-old has faced financial distress for years, defaulting on bank loans and other debt since at least 2016.

Most recently, his name surfaced in documents related to Jeffrey Epstein, which showed he had met the disgraced financier on several occasions to discuss business, politics and women.

The federal agency said the home was transferred into a private family trust in a restructuring designed to "shield it" from Ambani's personal liabilities, mainly claims tied to guarantees

he had given to bankers for company loans.

Reliance Group, which is separate from Mukesh Ambani's Reliance Industries, did not respond to requests for comment.

Ambani "fraudulently misutilised" a substantial amount of borrowed funds into various privately held companies and personal investments, according to the agency's November attachment order.

So far, properties worth over 157 billion rupees have been seized, all linked to Anil Ambani's Reliance Communications.

A separate investigation into alleged bank fraud and defaults by other group entities, including shadow banks previously owned by Ambani, is under way, according to the agency.

In a separate case, India's Central Bureau of Investigation (CBI) searched Ambani's office and residence, the federal law enforcement agency said in a statement on Thursday.

The CBI has registered a second case against Ambani following a complaint from Bank of Baroda, alleging conspiracy, cheating and criminal misconduct, according to the statement.

Indian banks, led by the country's largest lender, State Bank of India, classified Reliance Communications as a fraud account in July last year.