

News

Anil Ambani's appeal against SBI's decision to label his loan account as fraudulent is dismissed by the Bombay High Court.



SBI declared Reliance Communications' (**RCom**) and its promoter Anil Ambani's loan accounts to be fake in June 2025.

Industrialist Anil Ambani's appeal against State Bank of India's (SBI) judgment to declare his loan accounts to be "fraud" was denied by the Bombay High Court on Friday. [State Bank of India v. Anil D. Ambani]

Ambani's claims of procedural injustice were dismissed by a Division Bench consisting of Justices Revati Mohite Dere and Neela Gokhale, who maintained SBI's decision.

SBI flagged Reliance Communications' (RCom) and its promoter Anil Ambani's loan accounts as fraudulent in June 2025, citing related-party activities, covenant violations, and money diversion. The Bank thereafter took action to contact the Central Bureau of Investigation and notified the Reserve Bank of India (RBI).

Ambani contested the ruling, arguing that he had been singled out despite just being a non-executive director. Additionally, he contended that there was not a sufficient opportunity to make his defense.

However, the High Court rejected the plea, concluding that SBI had complied with the RBI's July 2024 Master Directions on fraud classification.

Notably, Canara Bank had previously issued a similar decision against Ambani, but the same court stayed it due to non-compliance with the RBI's Master Circular. According to this circular, banks must first listen to the borrower before labeling their account as fraudulent. However, Canara Bank notified the Court that it had dropped the fraud categorization, and the dispute was resolved in July 2025.

Ambani had also challenged the fraud classification of Union Bank of India. The same Bench, however, denied a stay and told Ambani to speak with the RBI.

Senior Advocates Darius **Khambata** and Prateek **Seksaria** represented Anil Ambani.

Senior Advocate **Aspi Chinoy** represented SBI on behalf of Saraf & Partners, which included partners **Sudeshna Guha Roy** and **Abhiraj Arora** as well as founder and managing partner **Mohit Saraf**.