

Ambani brothers' Rs.580 mn loan dispute lands in apex court

Anil Ambani-led Reliance Infocomm has moved the Supreme Court to recover a loan worth over Rs.580 million from a firm owned by his estranged brother Mukesh Ambani.

In its petition filed earlier this year, Reliance Infocomm has alleged that Madhuban Merchandise Pvt Ltd (MMPL) had failed to repay it over Rs.580 million out of a loan of around Rs.2.34 billion advanced to it in 1999.

The apex court is likely to take up the hearing in the case in the second week of July.

Reliance Infocomm has moved the apex court challenging a Bombay High Court ruling, which had dismissed its petition in February this year.

In its petition, Reliance Infocomm has contended that the Mumbai-based MMPL had raised 'a false, unsubstantiated and untenable defence' before the high court, betraying its intention against repaying the dues.

Reliance Infocomm said it had advanced Rs.2.34 billion unsecured loan to MMPL in August 1999, out of which the latter had returned around Rs.1.5 billion till November 2006.

But afterwards, MMPL had been giving evasive replies on repayment of the balance loan with a malafide intent to delay the repayment, said Reliance Infocomm.

It added that there was no dispute between the parties that MMPL owes an outstanding amount of over Rs.580 million, which would stand settled on transfer of certain shares to the Anil Ambani group in February.

The petition said that after MMPL ceased to be a subsidiary of Reliance Infocomm in August 2005, the latter had transferred its shareholding in the company to Soumya Finance and amp; Leasing Company Pvt Ltd.

The petitioner said the high court had failed to appreciate that MMPL had created false defence without any supporting documents.

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