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CEOs of Axis Bank, Standard Chartered face contempt plea

BY ET BUREAU | APR 26, 2019, 06.57 AM IST

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MUMBAI: The Ministry of Corporate Affairs (MCA) has filed contempt applications against [Axis Bank CEO Amitabh Chaudhry](#) and [Standard Chartered Bank India CEO Zarin Daruwala](#) in the Mumbai bench of the National Company Law Tribunal (NCLT) for alleged violation of the court's orders in the Ramesh Bawa case.

People close to the development said officials of these banks allegedly allowed Bawa, former MD of IL&FS Financial Services (IFIN), to sell some of his assets in violation of the court's order against any such sale in December 2018.

A division bench of VP Singh and Ravikumar Duraisamy posted the matter for hearing on Friday. Standard Chartered Bank declined to comment while Axis Bank did not reply to ET's email seeking comment till the time of going to press.

"The tribunal had passed an order in December against nine top directors of the debt-laden Infrastructure Leasing and Financial Services Ltd (IL&FS) from disposing of their personal assets," said Sanjay Shorey, director, legal, MCA before the tribunal on Thursday. "This order directed Ravi Parthasarathy, AK Saha, Hari Sankaran, G Ramachandran, RC Bawa, S Rengarajan, Mukund Sapre, Pradeep Puri, and Vibhav Kapoor to disclose their assets in an affidavit and we are filing contempt petition with regards to that order."

MCA is now alleging that subsequent sale of shares by Bawa is in violation of the tribunal's order.

BAWA ALREADY IN SFIO CUSTODY

Earlier this month Bawa was arrested by the Serious Fraud Investigation Office (SFIO), the investigation arm of the MCA, after the Supreme Court refused to extend him protection from arrest. Bawa and former IL&FS vice chairman Hari Sankaran are currently lodged in Mumbai's Byculla jail. Both have been arrested under section 447 of the Companies Act that empowers the agency to make an arrest for committing fraud.

IL&FS has accumulated a debt of over Rs 91,000 crore and has defaulted on some of its commitments. In October, the tribunal had allowed the replacement of the earlier board of IL&FS with a new one led by Uday Kotak, MD of Kotak Mahindra Bank. It had also initiated a probe into the financials of the company by the government body. The new IL&FS board has put the total IFIN exposure in the case at around Rs 18,800 crore, out of which Rs 10,700 crore is to external agencies while the remainder is with group companies.

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