

CEO of IL&FS arm held for loan approval irregularities

TIMES NEWS NETWORK

New Delhi: The Serious Fraud Investigation Office (SFIO) on Saturday arrested IL&FS Financial Services chief Ramesh Bawa for alleged irregularities in sanction and disbursement of loans. Government sources said Bawa, who was untraceable for the last few days, was nabbed from his Greater Kailash residence.

This is the second arrest in the IL&FS case and comes close on the heels of the SFIO taking into custody Hari Sankaran, the former vice-chairman of the company. The SFIO had arrested Sankaran earlier this month for fraudulent conduct and causing wrongful loss to the company and its creditors.

Apart from being accused of irregularities in sanction and disbursement of several loans, Bawa, who was the managing director and CEO of IL&FS Financial services, also allegedly got a close relative appointed in the company's London office at a hefty pay packet. He is under the lens for some of the loans sanctioned to a few groups.

► **Money transferred, P 13**

IL&FS accused transferred money after freeze order

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Sources said Bawa is also alleged to have transferred money from his bank account to those of his wife and daughter after the NCLT had ordered a freeze. IL&FS Financial Services had borrowings of around Rs 17,500 crore from debt instruments and bank loans. Provident funds, pension funds, gratuity funds, mutual funds, public and private sector banks are among those who have invested in these debt instruments.

In the last few months, the SFIO, which was set up more than a decade ago, has arrested five people in connection



with high-profile financial frauds. The SFIO is investigating the crisis that hit IL&FS and its group companies. Last year, the government superseded the IL&FS board and changed the management by approaching the NCLT. Based on a government petition, NCLT approved a six-member board to

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