

Former IL&FS CMD's judicial custody extended till April 30

EXPRESS NEWS SERVICE

MUMBAI, APRIL 16

THE BOMBAY High Court on Tuesday held an order by a metropolitan magistrate court of sending Hari Sankaran, former chairman and managing director of IL&FS, to judicial custody for 15 days as "illegal". However, Sankaran got no relief as immediately after, he was produced before a special court so that his judicial custody could be obtained in the proper way, and it was extended until April 30.

The high court's order came on an application moved by Sankaran on Monday that under a provision of the Companies Act, his remand could not extend beyond 15 days. He was arrested on April 1, and produced before the night remand officer, Additional Chief Metropolitan Magistrate, Kurla. The Serious Fraud Investigation Office (SFIO) was given his custody until April 4.

On April 4, on an application

by SFIO, the Metropolitan Magistrate Court, Bandra, remanded Sankaran in judicial custody up to April 18, directing that he be produced before the special court on April 18.

Advocate Aabad Ponda, appearing for Sankaran, told the court that as per the provision under Section 436(1)(b) of the Companies Act, 2013, a magistrate can authorise detention, judicial or police custody not exceeding 15 days in total. He added that the magistrate had exceeded his powers and passed an order was beyond his jurisdiction. Ponda sought Sankaran's release on the ground that the order passed by magistrate was illegal and should be quashed and set aside.

Hiten Venegavkar, counsel for SFIO, opposed Sankaran's temporary release, adding that he needed time to address the court on the provisions of the new and evolving Section 436(1)(b).

Justice Mridula Bhatkar said, "... the period of detention got

over on 15.4.2019 and, therefore, the order of further remand i.e., from 15.4.2019 up to 18.4.2019 passed by the learned magistrate is illegal and hence, the applicant/accused (Sankaran) is required to be produced immediately today (Tuesday) itself before the special court." Sankaran was immediately produced before the special court, which then granted his judicial custody till April 30.

SFIO had arrested Sankaran under Section 447 of the Companies Act, 2013, which deals with punishment for fraud and warrants jail term from six months up to ten years and a monetary penalty. "Hari Sankaran has been arrested on the grounds of abusing his powers in IL&FS Financial Services Ltd (IFIN) through his fraudulent conduct and in granting loans to entities which were not credit-worthy or have been declared non-performing assets and caused wrongful loss to the company and its creditors," SFIO said.