

Former CEO of IL&FS Fin sent to judicial custody

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Mumbai: Former IL&FS Financial Services MD & CEO **Ramesh Bawa** has been sent to judicial custody by a magistrate in Mumbai. The Serious Fraud Investigation Office (SFIO) had arrested him last week for ever-greening companies with “fraudulent funding” for “performance-linked perks”.



The SFIO produced Bawa, whose custody it had for four days, before a magistrate in Bandra here. SFIO special counsel H S Venegaonkar said that investigations were still on but sought his remand in judicial custody, where SFIO officers will have no access to Bawa for interrogation. SFIO, the government agency, is investigating IL&FS for all its “decorative transactions”, Venegaonkar had said earlier, adding that Bawa was responsible as a sanctioning authority in many of the company’s committees for financial services.

Bawa stepped down as CEO of the financial services arm in September 2018 after the government-appointed board took charge of the parent company. Apart from SFIO, the enforcement directorate (ED) is also probing a money-laundering case against IL&FS Rail, IL&FS Transportation Networks and former senior executives of these companies.

Earlier, Bawa had moved the high court for relief, but withdrew his application to go before the Supreme Court. The Supreme Court refused relief from arrest, after which the SFIO arrested him from his GK residence in Delhi last Saturday. This is the second arrest in the IL&FS group case after the arrest of Hari Sankaran, former vice-chairman and MD of the group, on April 1.

The accused allegedly committed the fraud in funding defaulting borrowers and indiscriminate lending to borrowers classified as non-performing assets (NPAs) at the cost of the company’s and its creditors’ interest. One of the allegations against Bawa is of “ever-greening” the companies.