

MARKETS, P9

'NECESSARY GRANT'

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IL&FS helm extended
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FE BUREAU

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THE GOVERNMENT HAS extended the term of Kotak Mahindra Bank managing director Uday Kotak as the non-executive chairman of the IL&FS group by six months through April 2, 2022. In a gazette notification, the Department of Financial Services said: "...whereas the Central government, on the recommendations of the Reserve Bank of India, has considered it necessary to grant said exemption to Kotak Mahindra Bank Limited for a further period of six months with effect from the 3rd day of October, 2021."

According to the Banking Regulation Act, a bank cannot be managed by any person who is a director of any other company. He can be granted a temporary exception for three months or nine months with the approval of the RBI. The Centre had appointed Kotak as the head of the lender's board in 2018 to help the debt-laden firm come out of stress, after the government took over the board. He was initially allowed to be at the helm of IL&FS for three months, which was extended by nine months. Subsequently, he got two extensions of one year each.

CS Rajan, MD of IL&FS, hailed the move and said under Kotak's continued leadership, IL&FS will accomplish the resolution targets. In fact, following the Evergrande crisis in China, Kotak had tweeted on September 21 that the trouble at the property developer seems like China's Lehman moment and reminds him of IL&FS.