

Businessman Vijay Mallya should be extradited from UK to India

Vijay Mallya has a break outside the court house as he waits for his extradition case to be heard at Westminster Magistrates Court, in London, Britain, December 10, 2018. REUTERS/Peter Nicholls

Businessman Vijay Mallya should be extradited from UK to India

10 Dec 2018 – 15:30



LONDON: Indian tycoon Vijay Mallya should be extradited from Britain to India to face fraud charges resulting from the collapse of his defunct Kingfisher Airlines, a London court ruled on Monday.

India wants to bring criminal action against Mallya, 62, whose business interests have ranged from aviation to liquor, over \$1.4 billion in loans Kingfisher took out from Indian banks which the authorities argue he had no intention of repaying.

Mallya, who co-owned the Formula One motor racing team Force India until it went into administration in July, has denied any wrongdoing and says the case against him is politically motivated. He declined to make any comment as he left the court room on Monday.

Judge Emma Arbuthnot, England's chief magistrate, decided there was a prima facie case against Mallya, who moved to Britain in March 2016, and that his human rights would not be infringed if he were extradited. Her ruling must be approved by Britain's interior minister.

Arbuthnot said false representations had been made to the banks, which include state-owned IBDI, regarding what the loans would be used for and she ruled there was evidence of conspiracy to defraud the lenders and of money laundering.

The judge said there had been a catalogue of failings by the banks themselves to carry out proper checks and to ensure guarantees were viable. But she said there was little evidence that senior IBDI officials themselves were involved in planning to defraud their own bank.

Arbuthnot said executives may have been in "the thrall of this glamorous, flashy, famous, bejewelled, bodyguarded, ostensibly billionaire playboy who charmed and cajoled" them into ignoring their own rules and regulations.

Arbuthnot said Mallya, nicknamed "the King of Good Times" after the slogan of one of his premium beers and his hard partying lifestyle, had used the loans, among other things, for "vanity projects" such as Force India which had received payments at a time when it was struggling in 2010.

"I have found that on the face of it, (Mallya) was doing everything he could by using honest or dishonest means to keep the company going," she told Westminster Magistrates' Court.

EXTRADITION

An extradition would be a huge win for Indian Prime Minister Narendra Modi months before an election, after opposition parties said the government had given a "free passage" to Mallya to flee, an accusation it denies.

Modi has faced pressure from political opponents to bring to justice several people who have fled India in recent years to escape prosecution in an array of cases, many of them loan defaults.

Monday's ruling is unlikely to be the end of the long-running case.

Mallya, who was arrested by British police in April 2017, can appeal Arbuthnot's decision within 14 days to London's High Court. The interior minister's decision can also be appealed to the High Court and ultimately the Supreme Court.

The Indian government said Kingfisher took out a series of loans from Indian banks, in particular IDBI, with the aim of palming off huge losses which Mallya knew the failing airline was going to sustain.

It argued that Mallya had no intention of repaying money it borrowed from IDBI in 2009 and that the loans had been taken out under false pretences, on the basis of misleading securities and with the money spent differently to how the bank had been told.

Arbuthnot rejected his defence team's argument that the case was motivated by political considerations or that he would not receive a fair trial in India.

She said the cell where he would be held was large and would

be able to cater for his medical needs, dismissing claims extradition would infringe his human rights.

“A spell in custody is likely to help him cut down on alcohol,” she added.

Mark Summers, the lawyer acting for the Indian government, said they would seek 216,000 pounds (\$274,924) in legal costs.

Share this post

Amazon.in Widgets