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## Enforcement News

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10 April 2007

### **SFC Prosecutes ICICI Bank and Seven of its Staff for Dealing in Securities without a Licence**

The SFC has successfully prosecuted ICICI Bank Limited and several senior officers of the bank for carrying on a securities business and dealing in securities without an SFC licence.

The SFC alleged that ICICI Bank through some of its employees established a securities business in Hong Kong in approximately June 2004, selling securities and unauthorised investment products to members of the public in Hong Kong. The unlicensed business was then carried on by ICICI Bank since October 2005 until it was detected by the Hong Kong Monetary Authority and referred to the SFC for investigation in March 2006.

The SFC has also successfully prosecuted Mr Arnab Basu, its former Chief Executive Officer, and Mr Abraham Verghese, its former Head of Private Banking, for aiding and abetting ICICI Bank in carrying on a securities business without a licence. Five current and former staff, namely Mr Vijay Solomon, Mr Manoj Cheruparambil, Mr Sambit Mangaraj, Mr Akashdeep Grover and Ms Lara Rath, have also been charged by the SFC with dealing in securities without a licence. The bank and the individuals co-operated in the investigation.

ICICI Bank, Basu, Verghese, Grover and Rath pleaded guilty to the summonses today before Mr Symon Wong Yu Wing, a Magistrate at Eastern Magistracy. ICICI Bank was fined \$40,000 and ordered to pay investigation costs of \$54,860 to the SFC. Basu and Verghese were fined \$25,000 and \$14,000 respectively. They were ordered to pay investigation costs totaling \$20,056. Grover was fined \$4,000 and Rath received a conditional discharge. They were ordered to pay investigation costs totaling \$6,608.

Solomon, Cheruparambil and Mangaraj have yet to enter a plea.

Mr Mark Steward, SFC's Executive Director of Enforcement, said: "The bank and its officers deliberately disregarded laws designed to protect the investing public. The SFC and HKMA will continue to co-operate to enforce the relevant laws and maintain a level playing field for brokers and banks alike."

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