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Two high-level executives at Axis Bank quit

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MUMBAI

Two top executives at Axis Bank Ltd, India's third largest private bank, have quit, two people aware of the development said.

Sidharth Rath, head of corporate and transaction banking, and V. Srinivasan, deputy managing director, have resigned, these people said on condition of anonymity. The Mumbai-based bank has seen a drastic fall in corporate loans in the recent past.

Rath's exit followed the hiring of S.M. Sundaresan, head of corporate banking at Standard Chartered, as head of corporate banking at Axis Bank. Rath is now likely to join Standard Chartered as head of corporate banking in Sundaresan's place, the first of the two people said.

Rath, who has been with Axis Bank since 2001, has served in various roles such as senior vice-president, president-corporate banking, and president-transaction banking.

He was instrumental in setting up the corporate and project advisory services, syndication and debt capital markets, investment banking businesses, and the formation of the transaction banking vertical, according to the bank's website.

Srinivasan, who joined Axis Bank as executive director-corporate banking in 2009, was elevated as a director in October 2012. Earlier, he was managing director and head of markets with J.P. Morgan India. His next move is not yet known.

Rath and Srinivasan declined to comment.

"As a matter of policy, Axis Bank does not comment on speculative assertions around its internal functioning," said an Axis Bank spokesperson. A Standard Chartered spokesperson declined to comment.

"Corporate lending business is undergoing a major underwriting change. That will have a major impact on the way business is contributed in future. In that scenario, management and board of Axis will be able to maintain continuity," said Ashutosh Mishra, a banking analyst at Reliance Securities Ltd.

The exits come at a time when Axis Bank's corporate portfolio has taken a beating due to asset quality issues. The Reserve Bank of India's asset quality review prompted a six-fold increase in its non-performing assets over the past two years, followed by instances of divergences in NPA disclosures, which the regulator asked the bank to make public.

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