

NCLT finds former IL&FS CEO guilty of contempt, fines ₹2,000

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The Special Bench of the National Company Law Tribunal (NCLT) has held former IL&FS CEO Ramesh C Bawa guilty of civil contempt for violating its orders. In its 24-page order passed on January 6, the NCLT directed Bawa to pay a fine of Rs2,000 within 30 days. Failure to comply will result in simple imprisonment for one week. The tribunal further ordered the fine to be deposited in the Bharatkosh account, with compliance reports to be submitted to the NCLT Registry and the petitioner, the Ministry of Corporate Affairs

(MCA).

The tribunal noted that Bawa exceeded the permissible withdrawal limit set by the NCLAT's January 2019 order by withdrawing more than Rs2 lakh in February and March 2019.

The petition was filed by the Union of India through the MCA's Regional Director (Western Region), alleging that Bawa, his wife Asha Kiran Bawa, Axis Bank, and Standard Chartered Bank were in contempt of the NCLT's December 3, 2018 order. The petitioner claimed that Bawa knowingly withdrew money and operated lockers despite the restraint.

Bawa, in his defense,

argued that the withdrawals were made prior to receiving the restraining order on December 5, 2018, could not be considered a violation. The NCLT agreed that most of the claims against other respondents were unsubstantiated but found Bawa guilty of disobedience on a single count.

The MCA has been pursuing legal action against former IL&FS officials since the financial services conglomerate collapsed in 2018. In May 2019, the ministry submitted an interim report by the Serious Fraud Investigation Office to the NCLT, naming six former IL&FS directors and seeking to attach their properties.