

# IL&FS asks 200 employee trust beneficiaries to refund ₹250cr

## Move Follows SFIO Findings Showing Fund Diversion To Entity

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**New Delhi:** Following a diktat from the ministry of corporate affairs (MCA), IL&FS has sought to recover Rs 250 crore from beneficiaries of its employee welfare trust, in what may be a first instance of its kind in the country.

The move by the ministry followed a report by the Serious Fraud Investigation Office (SFIO), which concluded that the entity was allegedly used to park excess funds or profits and was subsequently used to facilitate payoffs and provide incentives to select employees.

Some of the alleged “unjust payments” during 2006-07 to a select group of employees by the erstwhile management led by Ravi Parthasarthy, using the trust route, have been shared by SFIO with MCA, offi-

### 90 DAYS TO REPAY

➤ SFIO says funds, profits were allegedly transferred to IL&FS Employee Welfare Trust

➤ Money was used by some beneficiaries to make “unjust payments”

➤ Top 20 beneficiaries account for 50% of demand



➤ Getting refund may not be easy; some beneficiaries are dead, many others have spent the money

➤ Given 90 days to repay money to IL&FS

➤ Co has also sought Rs 150 cr refund from ex-directors

cials told **TOI**.

Based on the report, MCA has identified around 200 beneficiaries of the IL&FS Employee Welfare Trust (IEWT) and asked the new IL&FS board, handpicked by govt, to seek a refund.

The alleged beneficiaries of the “unjust payments” have been given 90 days to refund the money. The top 20 beneficiaries account for nearly 50% of the refund demand, officials said.

IL&FS confirmed the de-

velopment. “Basis directions from the MCA, the new IL&FS board has approved seeking refund of amounts paid to IEWT members, that have been tagged ‘unjust’ by SFIO in their report. Necessary communication has been issued to these members requesting refund of the amounts to IEWT,” a spokesperson for IL&FS Group said in response to a questionnaire from **TOI**.

Getting a refund, however, may not be easy as some

of the beneficiaries are dead, while the others have used the money for other purposes such as purchasing a house.

The trust was set up in the 1990s by the erstwhile management to create a corpus that was to be used to extend benefits to select employees under its subsidiaries that were part of the trust.

With the refunds sought from trust beneficiaries, the new IL&FS board has now sought refund of Rs 400 crore, including Rs 150 crore from erstwhile directors on the boards of IL&FS Financial, IL&FS, IL&FS Transportation Network after the accounts of these companies were recast and they reported losses from FY2013 to FY2018 instead of profits as estimated by the ousted boards of these companies.

Former directors have been asked to refund money.