

News

Byju Raveendran is ordered to pay \$1 billion by a US court due to repeated violations of court orders, evasion, and obstruction.



The billion-dollar responsibility resulted from the Court's finding that Raveendran deliberately disregarded orders compelling him to provide information about the missing funds, rather than from a trial on the merits.

Byju Raveendran, the founder of Byju, was ordered to pay over \$1.07 billion by the United States Bankruptcy Court for the District of Delaware after it was determined that he had repeatedly broken discovery orders, disregarded court orders, and hindered

efforts to track down the \$533 million "Alpha Funds" .

The billion-dollar liability resulted from the Court's determination that Raveendran deliberately disregarded orders requiring him to provide information regarding the \$533 million "Alpha Funds" that went missing and the subsequent transfer of the \$540.6 million Camshaft Capital Fund partnership interest, rather than from a trial on the merits.

Consequently, the judge applied the most severe procedural penalty permitted by US civil procedure.

Importantly, only Raveendran is covered by the order. Divya Gokulnath and Anita Kishore, co-defendants, were not sanctioned and are not subject to a default judgment.

The adversary process was a part of BYJU's Alpha's continuous efforts to expose a number of illegal transfers that deprived the company of its assets, including the \$533 million Alpha Funds, by hiding their whereabouts and putting them out of Byju's Alpha's and its creditors' reach.

On April 9, 2025, Byju's Alpha filed an adversary proceeding against defendants Byju Raveendran, Divya Gokulnath, and Anita Kishore, alleging civil conspiracy, accounting, conversion, and aiding and abetting breach of fiduciary responsibilities.

Following months in which the Court claimed Raveendran treated binding discovery orders as discretionary, the default judgment was granted under Rule 37(b)(2)(A)(vi).

Even after several extensions, the judge concluded that Raveendran's answers were evasive, insufficient, and not at all adequate or consistent with what the Court would anticipate from a genuine and good faith document production.

He neglected to show up for hearings, disregarded deadlines, submitted four unrelated and public documents, and refused to furnish the financial or transactional information required to track down over half a billion dollars. The Court stated that his actions were intentional rather than careless.

"The facts and circumstances of this case indicate that Raveendran's continuing failure to adequately respond to the pending discovery requests is a personal decision by Raveendran, himself," the court said.

The Court issued a civil-contempt order in July 2025 that had Raveendran pay \$10,000 every day until he complied.

He had not made any payments by November, leaving "hundreds of thousands of dollars" in penalties to build up.

The judge observed:

However, the financial penalties have been unsuccessful and are still unpaid. Raveendran appears to have no intention of paying his fines or according to the discovery requirements because he resides overseas. Therefore, a heavier sentence like default judgment is warranted in this case because the monetary sanctions have not been an effective remedy.

The Court noted that Raveendran resides overseas and does not seem to want to cooperate, leaving the Court with no practical option.

The Camshaft LP interest and the Alpha Funds' past were connected to the urgency.

The Court emphasized that the debtor has lost well over half a billion dollars.

The judge ruled that expedited discovery was appropriate because the defendants had the ability and incentive to conceal their holdings.

The damages were set by the court at:

\$533,000,000—aiding and abetting a fiduciary responsibility violation;

\$540,647,109.29: civil conspiracy, conversion, and violation of fiduciary duty.

Consequently, a sum of \$1,073,647,109.29 was enforced.

These sums represent the value of the Camshaft LP interest that was subsequently relocated for no consideration as well as the money that was transferred to Camshaft Capital. The Court concluded that the documentary evidence was unambiguous and observed that Raveendran was unable to contest the computation due to his obstruction.

"The Court recognizes the unusual nature of the relief granted here. However, such relief in this case is richly justified because, to be honest, the circumstances of this case are unusual and beyond anything the undersigned has faced previously," the ruling stated.

Lawread