

IL&FS probe: CA Institute to follow own course; next hearing on Jan 12

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The CA Institute will independently continue with its disciplinary proceedings against the signing audit partners of IL&FS Ltd and two of its subsidiaries irrespective of the fate of the Centre's plea before the National Company Law Tribunal (NCLT).

After granting adjournment on the first hearing on Friday, the institute's Disciplinary Committee (DC) has now set January 12 as the next date of hearing, sources said.

The adjournment on Friday was granted at the request of the signing partners of the three audit firms – Deloitte, Haskins & Sells; BSR and Associates LLP and SR Batliboi – that are under scanner.

“The Disciplinary Committee had granted the adjournment (for the Friday hearing) as one is allowed and it's sort of mandatory under our law. Of course, more adjournments are technically possible,” an institute official said.

Re-opening of books

It may be recalled that the Corporate Affairs Ministry had recently moved the NCLT Mum-



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bai Bench seeking permission to re-open the books of accounts and for re-casting the financial statements of IL&FS, IL&FS Financial Services Ltd and IL&FS Transportation Networks Ltd for the past five financial years (2012-13 to 2017-18).

Permission was also sought by the Centre for appointing audit firms to recast the financial statements of these beleaguered companies for the preceding five financial years.

The NCLT had directed the Centre to serve notices on the Income-Tax Department, SEBI and any other statutory/regulatory body and file the affi-

davits incorporating their viewpoints.

The next NCLT hearing is scheduled for January 1, 2019.

After the ₹90,000-crore IL&FS Group blowout came to light, the CA Institute had held the signing partners of the three top audit firms responsible for the statutory audit of these IL&FS companies prima facie guilty.

Currently, disciplinary proceedings can be initiated only against signing partners or those responsible for statutory audit work. Over the last decade, ICAI been demanding powers to proceed against errant audit firms also.