

NFRA can Carry on Probe of IFIN Audits: Delhi HC

But asks regulator to take permission before making reports public

**Sachin Dave
& Maulik Vyas**

Mumbai: The Delhi High Court has allowed audit regulator National Financial Reporting Authority (NFRA) to carry on investigation and issue notices to executives working with BSR & Associates, which was the auditor of ILFS Financial Services (IFIN).

While hearing the case on Wednesday, the court, however, said no order should be made effective or put on the regulator's website without seeking permission of the court. Justice Navin Chawla adjourned the case to March 18, 2021 for further hearing.

The NFRA had launched an investigation into audits of IFIN, IL&FS Transportation Networks (ITNL) and their parent Infrastructure Leasing and Financial Ser-

vices (IL&FS), following allegations of financial irregularities at the group.

BSR, part of the KPMG network, and Deloitte Haskins and Sells, part of the Deloitte network, are under NFRA's lens for their audit of IFIN.

BSR has dragged the NFRA to court and is arguing that the regulator can't investigate the firm in the IL&FS case as its retrospective, as the regulator wasn't even formed at the time when the



alleged irregularities took place.

Senior counsels Darius Khambata,

Mukul Rohatgi and Sandeep Sethi along with law firm AZB & Partners are representing the auditors as well as BSR. Additional solicitor general Chetan Sharma is representing the government in this case.

The NFRA argued that it was only investigating the reports submitted by Deloitte and BSR. The regulator, after it was formed in 2018, had asked both firms to submit details of their audits of IFIN.