

A confidentiality pact with IL&FS prevented Cyril Amarchand Mangaldas from sharing details of its engagement with co's previous management

IL&FS Board Waives Confidentiality Clause with CAM to Expedite Probe

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Mumbai: The IL&FS board has waived a confidentiality clause that had prevented law firm Cyril Amarchand Mangaldas (CAM) from sharing all the details of its engagement with the previous management to facilitate a fairer and quicker probe, which would help fix responsibility for what is emerging as India's biggest bankruptcy.

A letter from the Serious Fraud Investigation Office (SFIO) to CAM had sought information regarding its scope of engagement, advice, and remuneration at IL&FS and ITNL, and at numerous other Special Purpose Vehicles of the infrastructure financier, said a source close to the development.

In a letter dated September 23, the Centre had ordered an investigation into the affairs of IL&FS and its subsidiaries and directed the law firm to provide documents on its assignments. A confidentiality agreement with IL&FS



prevented the law firm from sharing these details. The law firm first needed the company's consent to make the relevant disclosures.

"IL&FS has decided to waive the client confidentiality and legal privileges with CAM as part of its commitment to facilitate the ongoing investigation," said a spokesman at IL&FS.

SFIO has asked the law firm for entity-wise details. The agency is looking at the advice given, and whether the

broader systemic fallout could have been contained.

The central agency under the Ministry of Corporate Affairs (MCA) has sought information for the past 10 years when the firms had advised and represented IL&FS or its subsidiaries and group companies, ET had reported earlier. Information has been sought on the nature of advice provided and fees charged, among other things.

The notices also state that failure to provide the required information could result in action against the firm under section 217(8) of the Companies Act, which gives the agency the power to recommend penal action against a person/entity for failing to cooperate in the probe without reasonable cause.

Last year, the Ministry of Corporate Affairs had moved a petition at the bankruptcy tribunal in Mumbai to overthrow the old management, and seize control of the company after it defaulted on ₹91,000 crore worth of outstanding loans.