

SFIO identifies ‘coterie’ that defrauded IL&FS

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LAUNCHING A massive crack-down on perpetrators of the IL&FS scam, the Serious Fraud Investigation Office (SFIO) has charged the erstwhile top management members of the group’s financial services subsidiary IFIN of forming a “coterie” with its auditors and independent directors

to defraud the company while running the business as their “personal fiefdom”.

Officials also said it is just a tip of the iceberg in this massive fraud case, involving defaults totalling an estimated amount of over Rs 90,000 crore, as the SFIO’s first chargesheet concerns just one entity, IL&FS Financial Services Ltd (IFIN), and the probe is already underway against the parent firm Infrastructure Leasing and

Financial Services Ltd (IL&FS) and several other subsidiaries.

In addition to prosecution of former executive and independent directors of IFIN, among others, and attachment of their properties, SFIO is also looking to seek interim attachment of all moveable and immovable assets of the auditors including their lockers, bank accounts and jointly-held properties, officials said.

The SFIO is also collecting de-

tails about all borrowings by IFIN from banks and through market instruments, as also about the role of banks and their officials and of credit rating agencies.

The first charge-sheet, filed by the government’s white-collar fraud investigation agency, follows inspection of accounts of close to 400 entities, an extensive forensic audit, data collected from desktops and laptops seized from various IL&FS offices as also e-mails

extracted from the IL&FS servers, RBI inspection reports, minutes of meetings, among other documents, as also the assessment reports from the government-appointed new board of IL&FS.

The huge scam came to light last year after IL&FS and its subsidiaries defaulted on several debt repayments due to a severe liquidity crisis. As of March 2018, it owed over Rs 90,000 crore to banks and other creditors.