

ICAI takes PNB official's statement; assures 'accelerated inquiry' into fraud

With the alleged role of auditors coming into focus in the Rs 11,400 crore PNB fraud, chartered accountants' body ICAI said it has taken a statement from a senior official of the bank and emphasised it would not be prudent to draw any conclusion against the profession till disciplinary proceedings are completed.

Besides, issuing show cause notices to the auditors of Punjab National Bank and Gitanjali Gems, which are involved in the scam, the institute has constituted a high-powered group to study the issues in the case as well as suggest remedial measures for the banking system.

Against the backdrop of concerns in certain quarters about alleged lapses of auditors and others in detecting the fraud, the ICAI came out with a long statement saying that it supports every effort of strengthening the existing mechanism.

The ICAI's high-powered group on the PNB matter held its first meeting on February 23. "The officers of PNB were called by ICAI to appear and produce copy of all related documents in the said frauds. General Manager, Western Zone, PNB appeared and made his statement in Mumbai, it said.

The Institute of Chartered Accountants of India (ICAI) has already issued show cause notice to all central statutory auditors of PNB and the auditors of Gitanjali Gems.

"As such, ICAI's commitment to be pro-active regulator of the auditing and accounting profession through investigation is to ensure accelerated conclusion of proceedings and take action against those members of chartered accountant profession who are involved in the fraud at PNB.

"... till the time disciplinary inquiry is concluded, and the role of all those who acted in fiduciary responsibility is established in the matter, it would not be prudent to draw any conclusion against the profession," it noted.

Further, the institute said its disciplinary directorate suo moto has started investigation and has issued letters to Sebi, CBI and ED seeking details about the fraud.

Multiple agencies are probing the PNB case, which is one of the biggest frauds in the country's banking system.

(Times of India)