

## **SC seeks status report from ICAI over allegations of FDI violations by audit firms**

The Supreme Court on Monday directed the Institute of Chartered Accountants of India (ICAI) to submit a status report on the progress made in the probe into allegations of FDI violations and malpractices by UK-based audit firm, PricewaterhouseCoopers Pvt. Ltd (PwC).

A bench headed by Justice J. Chelameswar sought a response from PwC, ministry of finance (MoF), ministry of corporate affairs (MCA), Central Board of Direct Taxes (CBDT) regarding the alleged FDI violations, breach of SEBI and RBI guidelines, tax violations and malpractices by the firm.

The direction was passed in a matter brought by Center for Public Interest (CPIL), a non-profit organization headed by Prashant Bhushan in 2013, seeking a probe into allegations of various irregularities and malpractices by PwC and its surrogate companies.

Bhushan told the court that ICAI had earlier submitted a reply on the alleged violations against PwC but had since then failed to take any concrete action in this regard.

The NGO, in its petition contended that there was a huge inflow of money due to FDI violations by PwC and other firms under its umbrella.

It further alleged that improper certification was being granted to auditors by the firms and payments worth hundreds of crores were being directed by way of subsidies, export incentives, grants etc, causing loss to the exchequer.

The case will be heard next on 23 August.

*(Live Mint)*