

REPORT DETAILS

Report Submission Date

12/16/2019

Reported Company/Branch Informati

Location Gurgaon, India
City/State/Zip: GURGAON, INDIA)

What is your relationship to the Deloitte firm

Other

Please identify the person(s) engaged in this behavior

Parul Jain - Partner

What is the general nature of this concern:

Deloitte has failed to disclose its association with Silverglades, an Indian real estate firm, which has been found to be the primary beneficiary of the fraud done by the executive management of IL&FS

How did you become aware of this concern'

Accidentally found a document or file

Details

Silverglades is a real estate firm based in India. It and its subsidiaries (e.g. Emerald Lands (India) Private Limited) have been found to be the main beneficiaries of the fraud done by Mr. Ramesh Bawa, ex-CEO of IL&FS. This can be ascertained from the forensic audit done by Grant Thornton and the subsequent affidavits filed by IL&FS in connection with the ongoing investigations.

Silverglades is a client of Ms. Parul Jain, who is a partner in the Tax practice of Deloitte India (Gurgaon office). This fact can be ascertained from the attached document which is a communication from Ms. Parul Jain to Silverglades regarding set up of off shore structures in Cyprus for the entity which received funds from IL&FS. This document is part of documents that Ms. Parul Jain and Ms. Shefali Goradia (Partner Mumbai office) had stolen to poach clients from a law firm. This matter was reported vide report no. 331037840902 on this portal, and the documents were provided by a witness, but Deloitte did not take any action to the best of my knowledge.

NFRA has been investigating Deloitte's role as an auditor in the IL&FS scam, and the associated conflict of interest / independence issues as Deloitte has been providing other consulting services to IL&FS in addition to audit services. Deloitte should have disclosed its relationship with clients such as Silverglades and others who have been beneficiaries of the irregularities done by the IL&FS executive management that the auditors overlooked. To the best of my knowledge, Deloitte has not fully disclosed its relationship with such entities that are beneficiaries of the IL&FS scam.

Uploaded Files

1. brack_silverglades_structue note.doc
Memo from Ms. Parul Jain providing advice to Silverglades.
2. indbarath.zip
Files related to (1) IND-BARATH POWER INFRA LIMITED.

Follow-Up Notes

12/23/2019 5:35 PM

On further investigation I have found documents (uploaded separately) pertaining to IND-BARATH POWER INFRA LIMITED etc. in documents that Ms. Parul Jain and Ms. Shefali Goradia had stolen to poach clients from a law firm. IND-BARATH POWER INFRA LIMITED also appears as the beneficiary of the IL&FS scam as per the forensic audit done by Grant Thornton. Furthermore, these documents show that investment funds Bessemer, Sequoia and UTI (now Ascent) are primary investors in IND-BARATH POWER INFRA LIMITED. All these funds have been clients of Ms. Parul Jain and Ms. Shefali Goradia (as per the stolen documents) and are also presently their clients. The uploaded documents also show that IND-BARATH POWER INFRA LIMITED is (or has been) a client of Ms. Parul Jain and Ms. Shefali Goradia.

Therefore this is another case of conflict of interest that Deloitte failed to report to the regulators.

4/5/2020 4:21 PM

I am waiting for your response to my last message on MAR-16.

I have also not got any update on my other concern 331037840902.

Follow-Up Questions/Comments

1/22/2020 11:36 AM posted by Organization

Dear Reporter

We have taken note of the information provided by you. The firm treats all such matters seriously and we are looking into the matter.

In case we need any further information we would reach out to you.

Regards

Ethics Team

2/6/2020 6:12 PM posted by Organization

Dear Sir/Madam,

As we mentioned earlier, we take concerns raised on ethics seriously - including the ones that you have recently raised. We are concerned and disappointed with, and differ with, your adverse assumptions. We reiterate that we take ethics concerns seriously and investigate these thoroughly and objectively.

We may mention that it would be helpful if you could meet with us in person to help to clarify the information provided by you. We would also be grateful if you could provide us with a copy of the Grant Thornton report you refer to, which we do not have. We would like to reassure you that this matter is, and any discussion we may have with you will be, confidential.

Once we have completed our inquiries, which we hope will include a discussion with you, we will take appropriate action.

Regards

Ethics Office

2/7/2020 7:06 AM posted by Reporter

The content of the Grant Thornton audits is publically available on:

https://www.ilfsindia.com/media/2573/final_affidavit-5th-progress-report-vol-iii_ocr_compressed.pdf

<https://www.ilfsindia.com/media/2557/affidavit-5th-progress-report-vol-iv.pdf>

<https://www.ilfsindia.com/media/2556/affidavit-5th-progress-report-vol-iii.pdf>

https://www.ilfsindia.com/media/2574/final_affidavit-5th-progress-report-vol-iv_ocr_compressed.pdf

Please state what clarifications you need from me for which you want to meet me.

Please also check if the evidence that was provided by the witness in my original ethics concern 331037840902 was kept confidential as the witness has expressed apprehension that it was not.

2/27/2020 9:41 AM posted by Organization

Dear Sir / Madam,

Thank you.

We sought a meeting with you as a part of a normal inquiry process in which we have an interactive discussion with the person raising the allegations, to understand them and to obtain clarifications.

We do not see any reason why you should have any apprehensions as to the confidentiality of the information you have shared.

We continue to treat ethics matters in confidence.

Regards

Ethics Office

2/28/2020 5:08 PM posted by Reporter

I am unable to understand your query. Are you suggesting a meeting?

What clarifications do you seek?

3/11/2020 5:28 AM posted by Organization

Dear Sir / Mam,

In our email below we requested for a meeting with you, which we believe is reasonable and part of our normal inquiry process.

Regards

Ethics Office

3/16/2020 2:34 AM posted by Reporter

There is no email that is appearing below this message. Which email is being referred?

Chat Transcripts

There are no chat transcripts for this incident.