

PRESS RELEASE

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Randeep Singh Surjewala, Incharge Communications AICC and Jaiveer Shergill, National Media Panelist have issued the following statement to the press today:-

1. PM, Shri Narendra Modi always promised “ना खाऊंगा, ना खाने दूँगा”. He claimed to be ‘चौकीदार’ of country’s trust and treasure chest. Shocking and scandalous facts in ‘Birla’ and ‘Sahara’ papers have now put a question mark on the credibility of the Prime Minister requiring an independent investigation. Modiji, who claims to be a crusader against corruption, must face personal accountability and investigation on the alleged charges of receipt of money from the two industrial houses.
2. ‘Sahara Group’ was raided by Income Tax Department on 22.11.2014, six months after Modi Government assumed office.
3. Documents seized by Income Tax Department, state cash payments to “Modiji” 9 times over six months totaling Rs.40.1 cr. This document dated 22nd November, 2014 is duly signed by Income Tax authorities and witnesses.

Date of payment, place of payment, persons to whom cash is paid and persons to whom cash is delivered are mentioned.

4. Shockingly, entire case against ‘Sahara Group’ is now being sought to be closed in a hush hush and conspiratorial manner with startling speed. This further indicates that Modi Government has ‘something to hide’ and is in an alarming hurry to brush the entire matter under the carpet.

In this process, ‘Sahara Group’ appears to have:-

- (a) gained a concession of not paying income tax on the income of Rs.1910 crore; and
- (b) received complete immunity from penalty and prosecution.

Please see the order dated 10.11.2016 (**Annexure A-1**) of Income Tax Settlement Commission.

5. We call upon Modi Government to answer the following questions:-

- (i) Entire matter of 'Sahara Papers' has been settled by Income Tax Settlement Commission in only 16 days and three hearings i.e. 25.10.2016, 04.11.2016 and 07.11.2016 and the judgment also delivered on 10.11.2016. Out of these, 16 days four days were holidays. Effectively, from hearing to decision, Sahara Papers have been settled in 12 days.

Why is Modi government showing such tearing hurry to close the entire 'Sahara' issue?

- (ii) Admittedly, 'Sahara Group' filed revised income tax return after the raid on 22.11.2014. 'Sahara Group' disclosed extra income of Rs.1217 crore, which was not disclosed earlier. After calculating the income based on papers confiscated and admissions made by 'Sahara Group', even the Income Tax Settlement Commission proceeded to calculate taxable income of Rs.1910.76 crore.

Admittedly, papers filed by 'Sahara Group' before Registrar of Companies disclosed a total expense of merely Rs.9.7 crore for the year 2009-10 to 2012-13. As against this, Income Tax Settlement Commission has permitted 'Sahara Group' operational expenses of Rs.1956.50 crore between the years 2009-10 to 2014-15. Net effect is to give 100% concession on the taxable income of Rs.1910 crore found after the Sahara raid and disclosed by Computer record, excel sheet and papers.

Simple point is why was 'Sahara Group' permitted to claim expenses of 150 to 200 times the original amount filed with Registrar of Companies? Also, why was 'Sahara Group' permitted to claim concession on undisclosed income in this fashion? What is the underlying reason for showing such benevolence to an industrial house, which has been caught with unaccounted cash and papers reflecting non-disclosure of income running into a few thousands crores?

- (iii) Admittedly, Rs.137 crore were seized in the Sahara raid on 22.11.2014. Net effect is the order of Income Tax Settlement Commission is to merely tax this amount of Rs.137 crore.

To top it, 'Sahara Group' has been granted complete immunity from penalty and prosecution. Under Section 271 of the Income Tax Act, a penalty of 100% to 300% would have been payable, besides prosecution under Section 276. **Why has this immunity been granted to 'Sahara Group'?**

- (iv) Even the Income Tax Settlement Commission has given a finding on 22.09.2016 as follows:-

“8..... In so far as loose papers and computer printouts seized search are concerned, they record receipts and outgoings of cash. The Department’s case is that on the basis of statements recorded and third party enquiries carried out, the papers have evidentiary value. The speculation income of Rs.1.70 crore offered in the settlement application and other issues related to meaningfulness or otherwise of loose papers seized **would require further verification/enquiry which can be taken up in later proceedings.....**”

Even the Settlement Commission, in its order 10.11.2016 (Annexure A-1), has admitted that ownership of documents and electronic record reflecting payment of money belongs to ‘Sahara Group’. However, it said that corroborative evidence was to be collected by the department. Relevant portion is “.....The papers seen by us during the course of the 245D(4) proceedings also do not throw much light on the veracity of the payments or receipts as depicted therein. We have also noted that no corroborative evidence was collected by the department..... Having considered carefully the rival arguments on this issue, we are of the opinion that ownership of the documents etc. cannot be denied. However, evidentiary value of loose papers and electronic documents could not be proved....”

In view thereof, does it not make out a case for a free, fair and independent investigation of Sahara papers as recorded even by the Income Tax Settlement Commission in its order dated 22.09.2016?

Would Modi Government explain as to why corroborative evidence was not collected to substantiate the payments made? Is it because it reflected the name of none less than PM, Shri Narendra Modi himself? Does it not make out a clear cut case for an independent investigation to arrive at the truth?

- (v) Is it also not correct that the Financial Intelligence Unit (FIU) had reported suspicious transactions in 4574 bank accounts of ‘Sahara Group’ on 28.04.2013, which was also reported to Enforcement Directorate on 03.05.2013 along with details of bank accounts? Copies of the two orders of FIU and ED are attached as **Annexures A-2 and A-3** respectively.

Why has Modi government not investigated and taken action on these important pieces of information regarding 4574 bank accounts of Sahara Group?

It is time that **Prime Minister, Shri Narendra Modi** answers these questions to people of India.