

## SYNOPSIS AND LIST OF DATES

That the Petitioner is filing the present writ petition in public interest in order to bring to the notice of this Hon'ble Court a very serious case of *prima facie* corruption, money laundering and possession of assets disproportionate to the known sources of income, concerning the Former Union Steel Minister and present Chief Minister of Himachal Pradesh, Shri Virbhadra Singh. The facts which have been reported in newspapers and also corroborated by several primary documents, like Income Tax returns, affidavit filed along with nomination paper, agreements and bank statements, clearly suggest that the Respondent No. 5, Shri Virbhadra Singh, while holding the office of Union Minister of Steel, received and invested large sums of money that could not properly be accounted for. Some of the relevant facts are enumerated below:

- Respondent No. 5 filed income tax returns for assessment years 2009-10, 2010-11 and 2011-12 showing agricultural income Rs. 7,35,000, Rs. 15,00,000 and Rs. 25,00,000 respectively which are exempt under Income Tax Act.
- In November-December 2010, documents were seized in an income tax raid of a multinational steel company which showed that cash payments of about Rs. 2.28 crore were made to Respondent No. 5 between 2008 and 2010 when he was the Union Steel Minister;
- In another case, in which one Mr. Anand Chauhan was being investigated by the Income Tax Authorities for evasion of income tax, it was found that he had deposited about Rs. 5 crore in cash in his Punjab National Bank account in Shimla and also made corresponding withdrawals by cheque for LIC premiums totalling roughly Rs. 5 crore on account of Respondent No. 5, his wife and children.

- Immediately thereafter, Respondent No. 5, in order to justify the payment of roughly Rs. 5 crore by Shri Anand Chauhan towards LIC premiums for policies in his name as well as his family members, produced a MoU with Shri Chauhan dated June 15, 2008, which showed that Respondent No. 5 had entered into an agreement with him for the management of his apple orchards. However, there is another agreement between Respondent no. 5 and one Bishambar Dass dated June 17, 2008 for the management of the same orchard during the same period. It clearly shows that the MOU with Anand Chauhan was backdated to create an explanation for the unaccounted for money.
- In 2012, in order to explain the unaccounted for money, Respondent No. 5 filed revised income tax returns for the assessment years 2009-10, 2010-11 and 2011-12, showing revised agricultural income, showing an increase of Rs. 2,21,35,000 (a 30-fold increase), Rs. 2,80,92,500 (an 18-fold increase) and Rs. 1,55,00,000 (a 6-fold increase), respectively in the three years in question. The total increase in agricultural income amounted to Rs. 6.10 crore.

The aforementioned facts along with corroborating documents, which clearly link Respondent No. 5 to dubious transactions and investments involving large sums of money made during his tenure as the Union Steel Minister, have been in the public domain for last several months. This would warrant the registration of an FIR under the Prevention of Corruption Act for an in-depth investigation of the matter. However, neither the government nor any of its any investigating agencies has bothered to initiate an investigation, even after they were formally requested to do so by the Petitioner.

- May 2009 Respondent No. 5, a senior leader of the Indian National Congress and presently the Chief Minister of Himachal Pradesh, was the Union Steel Minister from May 2009 to January 2011.
- 30.11.10 The Income Tax Authorities on November 30, 2010 conducted raids at several offices of Ispat Industries, which is jointly owned by Shri Pramod Mittal and Shri Vinod Mittal, brothers of Shri Laxmi Narayan Mittal.
- 01.12.10 The Income tax department seized a document from the office of Ispat Industries, which appears to be the record of off-book cash transactions by their staff from 2007 onwards. The spread-sheet seized by the income tax officials purports to show the following payments made to one 'VBS',
- (i) Rs. 50,00,000 on 28/10/2009,
  - (ii) Rs. 50,00,000 on 23/12/2009,
  - (iii) Rs. 27,74,535 on 21/4/2010, and
  - (iv) Rs. 1,00,00,000 on 24/8/2010.
- It also records a payment of Rs. 15 lakh to 'Min of Steel APS' on 15.4.2010. The cash payments add up to a little less than Rs. 2.5 crore.
- January 2011 Respondent No. 5 denied any dealings with ISPAT industries and claimed that the initials "VBS" found in the said seized document did not correspond to his name. However, shortly thereafter, he was shifted from the Steel Ministry to the Ministry of Micro, Small and Medium Enterprises in January 2011.
- 2012 Respondent No. 5 filed revised income-tax returns for the assessment years 2009-10, 2010-11 and 2011-12. His

revised I-T returns show an increase in agricultural income to the tune of Rs. 6.57 crore. While the original I-T returns show the net agricultural income at Rs. 7,35,000, Rs. 15,00,000 and Rs. 25,00,000 for the assessment years 2009-10, 2010-11 and 2011-12 respectively, the revised I-T returns, all filed on March 2, 2012, show staggering escalations of Rs. 2,21,35,000 (a 30-fold increase), Rs. 2,80,92,500 (an 18-fold increase) and Rs. 1,55,00,000 (a 6-fold increase).

The scrutiny of the bank statements of one Shri Anand Chauhan. his daughter and wife show that between April 24, 2008 and March 31, 2010, Shri Chauhan deposited roughly Rs. 5 crore in cash in his Punjab National Bank account in Shimla. He also made corresponding withdrawals by cheque for LIC premiums totaling roughly Rs. 5 crore in favour of Respondent No. 5, his wife Pratibha Singh and two children, Aparajita Kumari and Vikramaditya Singh. There are three LIC policies in the name of Respondent No. 5 with premiums of Rs. 1,20,000, Rs. 50,00,000 and Rs. 1,00,00,000. Five LIC policies worth Rs. 1,00,00,000, Rs. 50,00,000, Rs. 50,00,000, Rs. 10,00,000 and Rs. 10,00,000 are listed in the name of his wife. His daughter Aparajita Kumari has two LIC policies of Rs. 10,00,000 and Rs. 5,00,000, while his son Vikramaditya Singh has 5 LIC policies worth Rs. 50,00,000, Rs. 10,00,000, Rs. 20,00,000, Rs. 5,00,000 and Rs. 5,00,000.

Respondent No. 5 also produced a Memorandum of Understanding apparently entered into on June 15, 2008 with Shri Anand Chauhan. As per this MoU, Shri Chauhan was authorised to manage his apple orchards and invest the

proceeds/income from the sale of apples in “government securities, Mutual Funds, in schemes of LIC or to invest the money in the products of Scheduled Banks by ensuring safe and better returns.”

However, there is another agreement with one Bishambar Dass on June 17, 2008 for the management of same orchard.

- 14.10.2012 The Hindu carried a story on the said income tax raid in the office of Ispat Industries and revealed the fact that the name of Respondent No. 5 was found in the seized documents showing payments to him amounting to crores of rupees.
- 22.10.2012 Another story was published by The Hindu disclosing the connection between Anand Chauhan and Respondent No. 5 and the deposit of roughly Rs. 5 crore in the account of Mr. Chauhan and the payment of LIC premiums of roughly the same amount for LIC policies of Respondent No. 5 and his family members.
- 11.01.2013 The aforementioned facts which are fully supported by documents warrant a criminal investigation. All these facts have been in the public domain for a while, but the government has refrained from ordering a proper investigation. The Petitioner’s counsel urged the Chief Vigilance Commissioner and the CBI vide letters dated 11.01.2013 to register an FIR and order a proper investigation into this matter.
- 10.07.2013 Six months after the receipt of the complaint, the CVC informed the Counsel that it had forwarded the complaint to the Ministry of Steel.

16.08.2013    The Petitioner wrote to the CVC and the CBI seeking expeditious investigation into the aforementioned case.

04.09.2013    The CVC reiterated that it had forwarded the complaint to the Ministry of Steel for appropriate action.

2013          Hence the instant writ petition.

**IN THE HIGH COURT OF DELHI, AT NEW DELHI**  
**(CIVIL ORIGINAL JURISDICTION)**

Writ Petition (Civil) No. .... Of 2013

**IN THE MATTER OF PUBLIC INTEREST LITIGATION:**

COMMON CAUSE

...THE PETITIONER

**VERSUS**

UNION OF INDIA & ORS

...THE RESPONDENTS

**Writ Petition under Article 226 of the Constitution of India in Public Interest seeking a fair and thorough investigation into the charges of corruption against Shri Virbhadra Singh, former Union Minister of Steel and incumbent Chief Minister of Himachal Pradesh, under the Prevention of Corruption Act, 1988**

To

The Hon'ble Chief Justice of Delhi and his Companion Justices of the Hon'ble High Court of Delhi

Most respectfully sheweth:

1. That the writ petitioner has no personal interest in the litigation and that the petition is not guided by self-gain or for gain of any other person/ institution/ body and that there is no motive other than of public interest in filing the writ petition.
  
2. That all the facts mentioned in the writ petition are based on the primary documents that have been obtained through journalists and other reliable sources. The petitioner has also annexed the relevant newspaper reports and the complaints made by the petitioner society and its counsel, and the replies received thereto.

3. That the petition, if allowed, would benefit the citizens of this country at large by enforcing the accountability of the holders of high offices and underlining the importance of probity in public life. Since the citizens of this country are unlikely to approach this Hon'ble Court on this issue because of the constraints faced by them, the petitioner herein has preferred this PIL.
4. That the respondents in this petition are the Union of India, the CBI, the CVC, the DG Income Tax (Investigations) and Shri Virbhadra Singh, and other unidentified persons whom the CBI may identify if a thorough an investigation is carried out. To the knowledge of the petitioner, no other persons/ bodies/ institutions are likely to be affected by the orders sought in the writ petition.
5. The Petitioner, Common Cause, is a registered society (No. S/11017) founded in 1980 by late Shri H. D. Shourie for the express purpose of ventilating the common problems of the people and securing their resolution. It has brought before this Hon'ble Court various Constitutional and other important issues and has established its reputation as a *bona fide* public interest organization striving for an accountable, transparent and corruption-free system. Shri Kamal Kant Jaswal, Director of Common Cause, is authorized to file this PIL. The requisite Certificate & Authority Letter are filed along with the vakalatnama. The petitioner has the means to pay the costs, if at all imposed by this Hon'ble Court.
6. That the petitioner's counsel Shri Prashant Bhushan made detailed complaints to the CVC and the CBI on 11.01.2013. A copy of the same is annexed as **Annexure P1 (Colly)**. After 6 months, the CVC



replied on 10.07.2013 that it had forwarded the complaint to the Ministry of Steel. A copy of the said response of the CVC is annexed as **Annexure P2**. The petitioner wrote to the CVC and the CBI on 16.08.2013, reminding them of the urgency and the seriousness of the matter. Copies of the letters sent by the petitioner to the CVC and the CBI are annexed as **Annexure P3 (Colly)**. The CVC responded to the said letters on 04.09.2013 stating that they had forwarded the complaint to the Ministry of Steel and the Prime Minister’s Office. A copy of the CVC’s letter to the petitioner is annexed as **Annexure P4**. The CBI did not respond to the complaints made by the petitioner and its counsel.

7. That the petitioner has filed several notable PILs in the past in the Hon’ble Supreme Court and this Hon’ble Court. A summary is given below.

| S. No. | Case No.  | Status         | Outcome                                   |
|--------|---|----------------|---|
| 1      | WPC 423/2010<br>(2G spectrum case)  | Disposed<br>of | SC cancelled all the 2G licenses          |
| 2      | WPC 464/2011<br>(Use of nuclear<br>energy)  | Pending        | SC has admitted the petition              |
| 3      | WPC 348/2010<br>(CVC appointment)   | Disposed<br>of | SC quashed the appointment of<br>the CVC` |
| 4      | WPC 678/2013<br>(For initiation of the<br>process of removal<br>of Chairman,<br>NHRC) | Pending        | SC has admitted the petition              |

|   |  |         |  |
|---|--|---------|--|
| 5 | WPC 728/2013<br>(Seeking<br>cancellation of KG<br>Basin contract)        | Pending | SC has admitted the petition   |
| 6 | WPC 866/2010<br>(Certain directions<br>re practice by<br>retired judges) | Pending | Delhi HC has admitted the<br>matter and issued several<br>directions |

**The Case in Brief**

8. That the Petitioner is filing the present writ petition in public interest in order to bring to the notice of this Hon’ble Court a very serious case of corruption involving Respondent No. 5, Shri Virbhadra Singh, Former Union Steel Minister and the present Chief Minister of Himachal Pradesh,. According to newspaper reports, which are corroborated by primary documents like Income Tax returns, affidavit filed along with nomination paper, agreements, bank statements, Shri Virbhadra Singh, while holding the office of Union Minister of Steel, received and invested large sums of money that could not properly be accounted for. The relevant facts are recapitulated below:

- Respondent No. 5 filed income tax returns for assessment years 2009-10, 2010-11 and 2011-12 showing tax exempt agricultural income of Rs. 7,35,000, Rs. 15,00,000 and Rs. 25,00,000, respectively.
- In November-December 2010, documents were seized in the course of an Income Tax raid on a multinational steel company showing that cash payments of about Rs. 2.28 crore were made to Respondent No. 5 between 2008-2010, when he was the Union Steel Minister;

- In another case, when one Anand Chauhan was being investigated by the Income Tax Authorities for evasion of income tax, it was found that he had deposited about Rs. 5 crore in cash in his Punjab National Bank account in Shimla and he also made corresponding withdrawals by cheque for LIC premiums totalling about Rs. 5 crore in favour of Respondent No. 5, his wife and children.
- Immediately thereafter, Respondent No. 5, in order to justify payment of roughly Rs. 5 crore by Shri Anand Chauhan as LIC premiums for policies in his name as well as his family members, produced a MoU with Shri Chauhan dated June 15, 2008, which shows that Respondent No. 5 had entered into an agreement with him for the management of his apple orchards. However, there is another agreement of same period which he had entered with one Bishambar Dass on June 17, 2008 for the management of the same orchard on the same land which clearly shows that the MOU with Anand Chauhan had been backdated to create an explanation for the unaccounted for money.
- In 2012, in order to explain the unaccounted for money, Respondent No. 5 filed revised Income Tax returns for the assessment years 2009-10, 2010-11 and 2011-12, showing revised agricultural income of Rs. 2,21,35,000 (a 30-fold increase), Rs. 2,80,92,500 (an 18-fold increase) and Rs. 1,55,00,000 (a 6-fold increase), thus an increase in agricultural income to the tune of Rs. 6.10 crore.

9. The aforementioned facts, which are fully corroborated by primary documents, warrant an independent and thorough

criminal investigation by a credible investigative agency. These facts have been in the public domain for quite a while, but the government has refrained from ordering a proper investigation after registration of an FIR under the Prevention of Corruption Act, 1988, despite the fact that the petitioner's counsel had requested the Chief Vigilance Commissioner and the CBI vide letters dated 11.01.2013 to register an FIR and order a proper investigation into this matter. Subsequently, the petitioner society also urged them to undertake the desired investigations in keeping with their statutory mandates.

It is submitted that the Petitioner has no personal interest in the litigation and that the petition is not guided by self-gain or the gain of any other person/institution/body and that there is no motive other than of public interest in filing the writ petition.

10. That on November 30, 2010, the Income Tax Authorities conducted raids at several offices of Ispat Industries, which is jointly owned by Pramod and Vinod Mittal, brothers of the global steel tycoon, Lakshmi N Mittal.
11. On December 1, 2010, the Income Tax department seized from the office of Ispat Industries a document, which appears to be the record of off-book cash transaction by their staff from 2007 onwards. The spread-sheet seized by the income tax officials purports to show the following payments made to one 'VBS',
  - (i) Rs. 50,00,000 on 28/10/2009,
  - (ii) Rs. 50,00,000 on 23/12/2009,
  - (iii) Rs. 27,74,535 on 21/4/2010, and

(iv) Rs. 1,00,00,000 on 24/8/2010.

Copies of the relevant pages of the said spread-sheet are annexed as **Annexure P5**. A copy of the report published in The Hindu dated 13.10.2012 on this issue is annexed hereto as **Annexure P6**.

12. Although Respondent No. 5 denied any dealing with Ispat industries and stated that the initials “VBS” found in the said seized document did not correspond to his name, shortly thereafter, he was shifted from the Steel Ministry to the Ministry of Micro, Small and Medium Enterprises in January 2011.

13. Later on, when Respondent No. 5 filed his affidavit along with his nomination paper in the 2012 Himachal Pradesh Assembly Elections, certain new facts came to light. These facts not only further strengthen the possibility of Shri virbhadra Singh’s illegal dealings with Ispat industries, but they also independently constitute a case of corruption under the Prevention of Corruption Act.

14. As disclosed in his nomination paper, Respondent No. 5, filed revised income-tax returns in 2012 for the assessment years 2009-10, 2010-11 and 2011-12. His revised I-T returns show an increase in agricultural income to the tune of Rs. 6.57 crore. While the original Income Tax returns show net agricultural income at Rs. 7,35,000, Rs. 15,00,000 and Rs. 25,00,000 for the assessment years 2009-10, 2010-11 and 2011-12, respectively, the revised returns, all filed on March 2, 2012, show staggering escalations to Rs. 2,21,35,000 (a 30-fold increase), Rs. 2,80,92,500 (an 18-fold increase) and Rs. 1,55,00,000 (a 6-fold increase). Copies of the relevant pages of the original as well as revised return of 2009-10 are annexed as

**Annexure P7 (Colly).** Copies of the relevant pages of the original as well as revised return of 2010-11 are annexed as **Annexure P8 (Colly).** A copy of the revised return of 2011-12 is annexed as **Annexure P9.**

15. Further, during the same time, the scrutiny of the bank statements of one Shri Anand Chauhan, his daughter and wife show that between April 24, 2008 and March 31, 2010, Shri Chauhan deposited roughly Rs. 5 crore in cash in his Punjab National Bank account in Shimla and he also made corresponding withdrawals by cheque for LIC premiums totaling roughly Rs. 5 crore in favour of Respondent No. 5, his wife Pratibha Singh and two children, Aparajita Kumari and Vikramaditya Singh. Copies of the bank statements of Shri Chauhan, his daughter and wife are annexed hereto as **Annexure P10.**

16. The affidavit of assets filed by Respondent No. 5 along with his nomination paper also shows that there are three LIC policies in his name with premiums of Rs. 1,20,000, Rs. 50,00,000 and Rs. 1,00,00,000. Five LIC policies worth Rs. 1,00,00,000, Rs. 50,00,000, Rs. 50,00,000, Rs. 10,00,000 and Rs. 10,00,000 are listed in the name of his wife. His daughter Aparajita Kumari has two LIC policies of Rs. 10,00,000 and Rs. 5,00,000, while his son Vikramaditya Singh has 5 LIC policies worth Rs. 50,00,000, Rs. 10,00,000, Rs. 20,00,000, Rs. 5,00,000 and Rs. 5,00,000. Thus, the payment of LIC premia into the accounts of Respondent No. 5 and his relatives by and Chauhan stands corroborated. A copy of the relevant page of the affidavit dated 17.10.2012 filed by Respondent No. 5 along

with the nomination paper is annexed hereto as **Annexure P11.**

17. Apparently, Respondent No. 5, in order to justify the payment of about Rs. 5 crore towards LIC premia by Shri Chauhan produced a Memorandum of Understanding dated June 15, 2008 with Shri Anand Chauhan. As per this MoU, Shri Chauhan was authorised to manage the apple orchards of Respondent No. 5 and invest the proceeds/income from the sale of apples in *“government securities, Mutual Funds, in schemes of LIC or to invest the money in the products of Scheduled Banks by ensuring safe and better returns.”* Copy of MOU dated 15.06.2008 is annexed hereto as **Annexure P12.**

18. It would be pertinent here to mention that there is another agreement dated June 17, 2008 between Respondent No. 5 and one Bishambar Dass for the management of the same orchard. Inexplicably, Respondent No. 5 entered into two conflicting agreements for the management of an orchard on the same land for the same period. Copy of the true translated agreement with Bishambar Dass dated 17.06.2008 is annexed hereto as **Annexure P13.**

19. Evidently, the MoU with Shri Chauhan had been backdated to create an explanation for the unaccounted for money which Respondent No. 5 received during his tenure as Union Minister. The revised income tax returns showing a manifold rise in the agricultural income also constitute an attempt to explain away huge illicit income during his

tenure as Union Minister. Copy of the relevant report dated 22.10.2012 in The Hindu is annexed hereto as **Annexure P14**.

20. It is submitted that the aforementioned facts which are fully supported by documents certainly warrant a criminal investigation. It is more than apparent that the revised income tax returns for assessment years 09-10, 10- 11 and 11-12 were an afterthought. Revision of agricultural income to the extent of 18 and 30 times is inconceivable. It is submitted that the policy of exemption of agricultural income from Income Tax cannot be allowed to be used for laundering black money obtained by senior public functionaries from dubious sources.

21. All these facts have been in the public domain for long but so far no action whatsoever has been taken by the government to institute a proper investigation. The petitioner's counsel therefore requested the CVC and the CBI vide letters dated 11.01.2013 to register an FIR and order a proper investigation into this matter. The CVC replied six months later that it had simply forwarded the complaint to the Ministry of Steel.

22. On 16.08.2013, the Petitioner wrote to the CVC as well as the CBI seeking an expeditious investigation into the aforementioned case. On 04.09.2013, the CVC reiterated that the complaint had been forwarded to the Ministry of Steel for appropriate action.

23. That no other Writ Petition has been filed by the Petitioner in this Hon'ble Court or in any other Court of the country raising the same issue. The Petitioner does not have any alternative and equally



efficacious remedy. This Hon'ble Court clearly has the jurisdiction to decide this case as all the Respondents except for Respondent No. 5 are based in New Delhi. The cause of action has also arisen in Delhi as the issue of corruption raised by the Petitioner pertains to the period when Respondent no. 5 was serving in New Delhi as Union Minister of Steel.

The present Writ Petition is being filed on the following grounds among others:

#### GROUND

- A. That the facts highlighted in the above petition reveal several acts of money laundering, corruption, possession of disproportionate assets, and criminal misconduct allegedly committed by Respondent No. 5, which warrant a thorough and impartial investigation, but the same has not been initiated despite well documented complaints made by the petitioner society and its counsel.
- B. That the wilful inaction of Respondent Nos. 1 to 4 in regard to long pending requests for investigation of the aforementioned charges of corruption against Respondent No. 5 is completely arbitrary and hence, violative of Article 14 of the Constitution. This inaction despite the establishment of a *prima facie* case of corruption by a top public functionary is actuated by extraneous considerations and shows *mala fides* on their part.
- C. That the unwillingness of the government and its investigating agencies like the CBI to undertake an investigation even as the aforementioned allegations, fully supported by primary

documents, have been in the public domain for past several months and been widely reported in print and electronic media, shows that an attempt is being made to protect Respondent No. 5 who is a high profile politician and presently the Chief Minister of a State. Such undue protection completely undermines the Rule of Law, which has been recognised as a basic feature of the Constitution under Article 21 by the Hon'ble Supreme Court in its several judgments including Vineet Narain(1996) 1 SCC 226.

- D. That the inaction of the government in ordering a fair and independent investigation despite there being a serious case of misuse of office for personal gain would encourage corruption in the country and convince the people of this country that high placed persons in power are beyond the reach of the law of the land. In order to uphold the rule of law, it is imperative that an impartial investigation into the aforesaid matter is urgently instituted. The prevailing corruption in the country at high places and the unwillingness of the government to deal with such corruption by conducting an independent investigation seriously impairs the right of the people of this country to live in a corruption and crime free society. This is a violation of Article 21 of the Constitution. The right to life guaranteed to the people of this country also includes in its fold the right to live in a society that is free from crime and corruption.

It is, therefore, respectfully prayed that this Hon'ble Court may be pleased to:

PRAYERS

- (a) Issue a writ of mandamus or any other similar writ directing the CBI and the DG Income Tax (Investigations) to initiate an investigation under the supervision of this Hon'ble Court and/or the CVC, into the charges of money laundering, corruption, possession of disproportionate assets, criminal misconduct, etc. against Respondent No. 5 as mentioned in the present writ petition, and take consequent action thereupon; and
- (b) pass any other or further order/s as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case.

THROUGH:

NEW DELHI

PRASHANT BHUSHAN

Dated:

COUNSEL FOR THE PETITIONER