



Leader of Opposition Gujarat Vidhansabha
Gandhinagar, Gujarat State, India

Shaktisinh Gohil

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Date - - 200

10th December, 2010

Dear *Shri. Pranabji,*

The Gujarat government holds Vibrant Gujarat Global Investment Summit (VGGIS) every alternate year since 2003. Next summit is scheduled on January 11-12, 2011. In the summits in past, all leading corporates and industrial houses have inked MoUs worth lakhs of crore, expressing their interests in making investment in the state in their respective fields.

In the last VGGIS, total MoUs inked were worth of Rs 12 lakh crore and all leading industrialists had announced investment for thousands of crores either in expansion of their existing projects or setting up new projects in the state. With this background, it is matter of great concern to the government of India and also income tax authorities to scrutinize the accounts of corporates who sign MoUs with the Gujarat government in the summits.

When industrialists, builders, trading companies and others, make open announcements and srng MoUs with respective departments of the state, they clearly display that they have funds on hands or will raise the funds in order to honour the commitment for making investments in the state. These calls for detailed scrutiny of the accounts of those companies by the tax authorities to check whether there are any irregularity or tax evasion by them. The income tax department must undertake a comprehensive survey about the companies which have inked MoUs, investments committed and actual investment made and whether they have paid taxes.

The tax authorities must recover the taxable amounts in case of any irregularity or tax evasion is detected. Secondly, what has also come to light is that many companies, after signing MoUs with the state for setting up new projects, approach the nationalized banks seeking loans worth thousands of crores based on MoUs.

The nationalized banks must be careful in lending to such companies which just sign MoUs for raising financial resources from the nationalized banks and then divert in other businesses. It is pertinent to note that salaried class and middle class people having average income diligently pay income tax and other taxes due from them but corporate houses, industrialists and businessmen having transactions running into thousand of crores do tend to fudge their accounts in order to hide actual taxable incomes from the authorities.



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I want the union finance ministry to pass necessary instructions to the various authorities to remain extra vigilant on such business deals which are transacted based on MoUs signed during such summits The centre collects income tax and the revenue collected is used for funding welfare schemes and programmes and nation building. The centre also shares revenues collected as income tax and other central taxes to the states proportionally.

Therefore, it is very important that unaccounted for money is not allowed to float in the system.

I sincerely hope that your ministry will do the needful regarding above-mentioned issues.

With regards.

Yours sincerely



(Shaktisinh Gohil)

To
Shri Pranab Mukherjee
Hon'ble Finance Minister
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