

ARUNA KUMAR VUNDAVALLI, M.P.
(Lok Sabha)
CHAIRMAN
Standing Committee on Petroleum and
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10 May, 2012

Respected Sri Pranab Mukherjee,

This representation is filed to order an enquiry and investigation by the C.B.I., CEIB, SEBI SFIO and by the Enforcement Directorate into the activities of Sri Ch. Ramoji Rao S/o Sri Ch. Venkata Subba Rao.

2. Ch. Ramoji Rao has been involved in a number of money transactions which amount to "money laundering". He has been indulging in multiple financial transactions in benami names. He along with his family members (H.U.F.) floated, several concerns in different names. M/s Margadarsi Chit Fund Ltd., M/s Margadarsi Financiers, M/s Usha Kiran Television, M/s Margadarsi Marketing Pvt. Ltd., M/s Dolphin Hotels Ltd., M/s Usha Kiran Movies, M/s Ushodaya Enterprizes Ltd., M/s Usha Kiran Movies Ltd., M/s Margadarsi Housing Pvt. Ltd., and Mayuri Distribution Private Limited are some of the names under which Sri Ch. Ramoji Rao has been carrying on his activities. He is the Editor of a Telugu Daily, Eenadu. Several TV channels are also being operated by Mr. Ch. Ramoji Rao in Telugu and other languages in Andhra Pradesh and in other States in the name of ETV.

3. In the Affidavit dated 26th December, 2006 filed by him in the Hon'ble High Court of Andhra Pradesh (copy enclosed), inter alia, he had stated as hereunder:

...2/-

"Para-3- I submit that I am the Editor of the largest circulated Telugu daily and promoter-Chairman of group of companies/firms/concerns of HUF popularly known as 'Eenadu-Margadarsi Group' or Ramoji group (hereinafter called the 'group'). Some of the prominent companies in the group are Ushodaya Enterprises Limited, Margadarsi Chit Funds Limited and Usha Kiron Movies Limited. The group is engaged in a variety of businesses including Media, Chits, Food, Retailing, Hotels and Tourism.

Para-4: Ushodaya Enterprises Limited has three prominent divisions, namely, Publication division, Television division and Foods Division. The publication division publishes the largest circulated Telugu daily 'EENADU' with 23 editions, having a circulation of 11.3 lakhs per day and readership of more than 1.3 Crores as per NRS readership survey. Eenadu is the third largest read vernacular newspaper in the country. The company also runs Web edition of 'Eenadu'. Television Division operates 12 channels comprising 11 regional channels and one national channel (Urdu) in the name of 'E-TV' that are as follows:

- (i) E-TV (Telugu)*
- (ii) E-TV2 (Telugu)*
- (iii) E-TV (Bangla)*
- (iv) E-TV (Kannada)*
- (v) E-TV (Marathi)*
- (vi) E-TV (Oriya)*
- (vii) E-TV (Gujarathi)*
- (viii) E-TV (Urdu)*
- (ix) E-TV (Bihari)*
- (x) E-TV (Madhya Pradesh)*
- (xi) E-TV (Uttar Pradesh)*
- (xii) E-TV (Rajasthan)*

"HUF comprises myself, my wife Smt. Rama Devi, my two sons Sri Kiron and Sri Suman and their wives Smt. Sailaja and Smt. Vijayeswari respectively and their children. The first petitioner holds 99.85% of the equity in Ushodaya Enterprises Limited and 99.89% in Usha Kiron Movies Limited".

4. In the name of M/s Margadarsi Financiers, Mr Ch Ramoji Rao had received about Rs.2610.38 crores as deposits from the general public. The total number of depositors in M/s Margadarsi Financiers are around two and half lakhs. They are spread all over the State. Such receipt of deposits by Mr Ch Ramoji Rao is in

violation of Sec.45 (S) (1) of The Reserve Bank of India Act, 1934. Under this provision, no person, be it an individual or a firm or an unincorporated association of individuals shall accept any deposit if his principal business is that of receiving deposits. Such deposits, if collected (previous to the coming into force of Sec. 45(S) (1), have to be returned to the respective depositors on or before April, 2000 under Sec.45 (S)(2) of the same Act. Mr. Ch Ramoji Rao had contravened both these provisions. Under Sec.58B (5A), if any person contravenes the provision of Sec.45 (S), he is punishable with imprisonment for a term, which may extend to two years **or with fine which may extend to twice the amount of deposit received by such person.** The State Government filed C.C.No.540/2008 on the file of Court of the I Additional Chief Metropolitan Magistrate, Hyderabad, to punish Mr Ch Ramoji Rao for the violations of Section 45(S) (1) and (2) committed by him. The said Criminal Case is pending disposal. In case, Mr. Ch Ramoji Rao is convicted in this Criminal Case, his liability to pay fine may extend up to Rs.4200 Crores.

5. Mr. Ramoji Rao filed an Affidavit dated 23/02/2008 before the Hon'ble Supreme Court of India. As per this Affidavit, he had made **fixed deposits on 12/11/2007 in H.D.F.C. Bank, Lakdi-ka-pul Branch, Hyderabad** amounting to a sum of Rs.303 Crores. On 30/01/2008, he had invested an additional amount of Rs.1385 Crores in **Mutual Funds with Birla Cash Plus, Lotus India Liquidity Fund and Principal Mutual Fund** (Details of the Fixed Deposits and the Mutual Funds are annexed). Mr. Ramoji Rao did not disclose the source for these Deposits. It is submitted that through these transactions, an attempt has been made to show "**tainted money**" as "**untainted money**". This will attract the provisions of the Prevention of Money Laundering Act, 1982. All these transactions require thorough investigation.

6. Mr. Ch Ramoji Rao has also been carrying on business in the name of Ramoji Film City in the outskirts of Hyderabad. In this connection, he has been in occupation of around 2012 acres of land through his various concerns. Holding such huge extents of land is a violation of the provisions contained in the A.P. Land Reforms (Ceiling on Agricultural Holdings) Act, 1976. The said land is held by him in benami in the name of different concerns which are all floated by Mr Ch Ramoji Rao. The State Government had started proceedings under the provisions of AP Land Reforms (Ceiling on Agricultural Holdings) Act, 1976. The Land Reforms Tribunal by an order dated 8/8/2007 declared that, in all, the business concerns of Mr. Ch.Ramoji Rao, have been holding, an extent of 1581.6 acres of land in excess of the ceiling limit and ordered to surrender the excess land. The said business concerns floated by Mr. Ch. Ramoji Rao filed Appeals before the Land Reforms Appellate Authority and the same are pending disposal. It is submitted that in the names of different concerns floated by him, Mr. Ch Ramoji Rao had acquired all these lands in contravention of the provisions of A.P. Land Reforms (Ceiling on Agricultural Holdings) Act, 1976.

7. Mr. Ch. Ramoji Rao has also been carrying on print and electronic media business. Several Channels in the name of ETV are in operation in Telugu and in different languages in different States. The details of all these are mentioned in para 3 above. His business concerns obtained "permissions" and "licenses" for up-linking these channels in different names. Recently, it is reported in the Media that Mr. Ch. Ramoji Rao had entrusted all the said ETV Channels, except Telugu language channels to TV18. As part of the said transaction, Mr. Ch. Ramoji Rao had received a sum of Rs.2604 crores through one of his concerns.

8. Mr. Ch. Ramoji Rao had previously given an undertaking in the Hon'ble Supreme Court of India (in SLP No. 2847 of 2007) that all his business concerns will be a security to the repayment to the depositors of Margadarsi Financiers from whom he had collected crores of rupees as deposits. Contrary to that

undertaking, Mr. Ch. Ramoji Rao has now entrusted most of the said ETV channels to strangers for consideration. This is illegal, impermissible, and is nothing but an attempt to over-reach the pending proceedings in the Courts. Mr. Ch. Ramoji Rao has been changing the names of his concerns obviously because those concerns had been referred to by him in the Hon'ble Supreme Court in his affidavits as security for the subscribers in his concerns like Margadarsi Financiers, Margadarsi Chit Funds etc.

9. Mr. Ch. Ramoji Rao has been claiming in the Hon'ble Supreme Court of India that he had repaid substantially to the Depositors. However, the State Government had denied this assertion. Mr. Ch. Ramoji Rao did not allow the State Government to enquire into this aspect. He obtained stay orders restraining the State Government from making any enquiry in this connection. As per the stand of Mr. Ch. Ramoji Rao there are certain depositors who had not accepted the refund of the deposits or whose identity could not be traced. The money has to be returned to them. The retention of even such Deposits by Mr. Ch. Ramoji Rao is in violation of Section 45(S)(2) of the Reserve Bank of India Act, 1934. He has not been giving the details of these depositors or the total amount which he had retained with this excuse. At any rate, in the event of his conviction in the aforesaid criminal case C.C. 540/2008 Mr. Ch. Ramoji Rao might be liable for a fine amount which may extend upto Rs. 4200 crores. Under the circumstances, if substantial stakes in his news channels are allowed to be transferred to outsiders in this manner, the interest of justice will suffer.

10. Mr. Ch. Ramoji Rao has been carrying on the business of electronic media initially in the name of a different concern till 2010. In 2010, a new company viz M/s Eenadu Television Pvt Ltd., was formed. ETV, ETV2, (telugu channels) and other ETV channels in different languages in different States (in all around 14

Channels) are presently in operation. The Eenadu Television Pvt. Ltd. was started with that name only in August 2010. Originally it operated under the name M/s Mayuri Film Distribution Ltd (which itself was part of the Ushodaya Enterprises Limited). This Mayuri Film Distribution Ltd. was restructured in 2010 into three concerns i.e. M/s Eenadu Television Pvt. Ltd., M/s Panorama Television Ltd., and M/s Prism TV Pvt Ltd. All these concerns belong to Mr. Ch Ramoji Rao and his family.

11. In 2010-11, two concerns by name **M/s Equator Trading Enterprises and M/s Anu Trading Pvt. Ltd.** were allotted over 38 % stake in all these above referred three concerns viz. M/s Eenadu Television Pvt. Ltd., M/s Panorama Television Ltd., and M/s Prism TV Pvt Ltd.. Rs. 2604 crores was received by Mr. Ch. Ramoji Rao from M/s Equator Trading Enterprises and M/s Anu Trading Pvt. Ltd as consideration for the said transfer of stake. In return for this Mr. Ch. Ramoji Rao had previously shown as if 26% of shares of M/s Ushodaya Enterprises Limited, which again is his own concern, was sold in favour of the said two companies, namely, **M/s Equator Trading Enterprises and M/s Anu Trading Pvt. Ltd.** at an astronomical price of **Rs.5,28,630/- per share**. By that time his business concern, M/s Ushodaya Enterprises Limited had suffered a loss of Rs.59.19 crores as per its balance sheet. It is astonishing as to why the above said two concerns, namely, **M/s Equator Trading Enterprises and M/s Anu Trading Pvt. Ltd.**, had purchased the shares of a loss making concern at Rs.5,28,630/- per share. This transaction gives raise to suspicions that it forms part of shady transactions. It is an attempt to convert "tainted money" as to "untainted money". This is in violation of provisions contained in the Prevention of Money Laundering Act, 1982. The said two companies were floated by or at the instance of Mr. Ch. Ramoji Rao. They are mere shell companies. It is surprising that within days of their formation, these two companies raised Rs. 2604 crores to purchase the shares of Ushodaya Enterprises Ltd though they did not do any

business during the period. It is all "tainted money" which is sought to be shown as "untainted". If this money is really available either with Mr. Ch. Ramoji Rao or with any of his business concerns it has to be ordered to be preserved and protected for the benefit and in the interests of a large number of innocent public who had subscribed either in Margadarsi Financiers or in Margadarsi Chit Fund Private Limited or in any other business concerns of Mr. Ch. Ramoji Rao. In this regard it is relevant to reiterate that in the event of conviction of Mr. Ch. Ramoji Rao and his companies in the said criminal case C.C. No. 540/2008, the liability to pay fine amount may extend up to Rs. 4200 crores. Therefore, in light of the above and till the true nature of the transaction is ascertained, this amount of Rs. 2604 crores should not be allowed to be siphoned off in any manner whatsoever either by Mr. Ch. Ramoji Rao or by any of his business concerns.

The profile and origin of the said concerns of Mr. Ch. Ramoji Rao which were structured in 2010 is as hereunder:

1. M/s Eenadu Television Private Limited:

This company came into existence with effect from 24-8-2010. Earlier it was M/s Mayuri Film Distribution Private Limited. With effect from 26-8-2010 this company's name is changed as M/s Eenadu Television Private Limited. The Memorandum of Association and Articles of Association of this company show that Ch. Ramoji Rao, his son Mr. Ch. Kiron are the subscribers to this company, besides two others namely Mr. R. Raghu Cidambi and Mr. Shankar Narayan Seetha Ram Melkote. The Annual Report of this company for the year 2010-11 disclosed a loss of Rs 6,24,313/-. Copies of the said Memorandum of Association and Articles of Association of Eenadu Television Private Limited and the said Annual Report are annexed.

Its share holding particulars as on 31-3-2011 is as hereunder:-

Name of the shareholder	No. of share holders held	Face value	Amount	Percentage of shareholding held in the company
	Nos	Rs	Rs	%
Sri Ramoji Rao	14520	10/-	145200	57.26
Sri Ch. Kiron	960	10/-	9600	3.79
Sri A. Ramamohana Rao	4	10/-	40	0.02
Sri T. Venkatakrisna Rao	20	10/-	200	0.08
M/s MSMS Pvt. Ltd	2	10/-	20	0.01
M/s Equator Trading Enterprises Pvt. Ltd	5500	10/-	55000	21.69
M/s Anu Trading Pvt. Ltd	4350	10/-	43500	17.16
TOTAL	25356		253560	100.00

2. M/s Panorama Television Private Limited:

This company came into existence with effect from 26-8-2010. Previously this company's name was M/s ANG Enterprises Limited. With effect from 26-8-2010 this company's name is changed as M/s Panorama Television Private Limited. The subscribers to this company are Uppalapati Gopala Krishna and his wife Uppalapati Nirmala Rani. The shareholding of this company has changed by 31-3-2011. It is as hereunder:

Name of the shareholder	No. of share holders held	Face value	Amount	Percentage of shareholding held in the company
	Nos	Rs	Rs	%
Sri Ramoji Rao	7260	10/-	72600	57.04
Sri Ch. Kiron	530	10/-	5300	4.16
Sri A. Ramamohana Rao	2	10/-	20	0.02
Sri T. Venkatakrisna Rao	10	10/-	100	0.08
M/s MSMS Pvt. Ltd	1	10/-	10	0.01
M/s Equator Trading Enterprises Pvt. Ltd	2750	10/-	27500	21.61
M/s Anu Trading Pvt. Ltd	2175	10/-	21750	17.09
TOTAL	12728		127280	100.00

The Annual Report 2010-11 of this company discloses that Ch. Ramoji Rao became the Chairman and his son Mr. Kiron became the Director by that date. It is further mentioned in the annual report that this company had shown a profit of Rs. 55115/-. Copies of Memorandum of Association and Articles of Association and the said Annual Report of M/s Panorama Television Private Limited are annexed herewith.

3. M/s Prism TV Private Limited:

This Company came into existence with effect from 24-8-2010. Previously this company's name was M/s Five Stars Investigation and Security services Private Limited. With effect from 24-8-2010 this name was changed as M/s Prism TV Private Limited. The Memorandum of Association and Articles of Association of this company disclose that one Mr. Jaheed Ali Khan and Sikander Ali are subscribers to this company. This company itself was incorporated in 2008. The shareholding of this company has changed by 31-3-2011. It is as hereunder:

Name of the shareholder	No. of share holders held	Face value	Amount	Percentage of shareholding held in the company
	Nos	Rs	Rs	%
Sri Ramoji Rao	10372	10/-	103720	57.18
Sri Ch. Kiron	714	10/-	7140	3.94
Sri A. Ramamohana Rao	3	10/-	30	0.02
Sri T. Venkatakrishna Rao	14	10/-	140	0.08
M/s MSMS Pvt. Ltd	1	10/-	10	0.01
M/s Equator Trading Enterprises Pvt. Ltd	3929	10/-	39290	21.66
M/s Anu Trading Pvt. Ltd	3107	10/-	31070	17.13
TOTAL	25356		181400	100.00

The Annual Report 2010-11 of this company disclosed that Ch. Ramoji Rao and his son Mr. Ch. Kiron became Chairman and Director of this company. The said annual report had further shown that this company suffered loss of Rs.

3,45,636/- Copies of Memorandum of Association and Articles of Association of this company and the said Annual Report for the year 2010-11 are enclosed.

12. The allotment of shares in favour of **M/s Equator Trading Enterprises Pvt. Ltd. and M/s Anu Trading Pvt. Ltd.** is as hereunder:

1. M/s Eenadu Television Private Limited

(Percentage of shares allotted by Ch. Ramoji Rao)

M/s Equator Trading Enterprises Pvt. Ltd	21.69
M/s Anu Trading Pvt. Ltd	17.16

2. M/s Panorama Television Private Limited

M/s Equator Trading Enterprises Pvt. Ltd	21.61
M/s Anu Trading Pvt. Ltd	17.09

3. M/s Prism TV Private Limited

M/s Equator Trading Enterprises Pvt. Ltd	21.66
M/s Anu Trading Pvt. Ltd	17.13

13. It is noticed that, two persons viz. **Mr. Nimesh Kampani and Mr. Vinay Chajlani** are actively associated in the two concerns viz. **M/s Equator Trading Enterprises** and **M/s Anu Trading Pvt. Ltd.** It is pertinent to mention here that Mr Nimesh Kampani is involved (and is an accused) in several financial irregularities in M/s Nagarjuna Finance Limited, AP. It is surprising as to how the two concerns viz. M/s Equator Trading Enterprises and M/s Anu Trading Pvt. Ltd could raise such a huge amount of Rs.2604 crores for diverting to the business

concerns of Mr Ramoji Rao. All these transactions are shady. It is clearly an act by Mr. Ch. Ramoji Rao to show "tainted money" as "untainted money". The provisions of the Prevention of Money Laundering Act, 1982 will be attracted as the aforesaid transactions amount to "Money Laundering" under that Act. These two concerns have advanced such a huge amount of Rs.2604 crores within days of their incorporation. The records of any of the concerns of Mr. Ch. Ramoji Rao or of the said M/s Equator Trading Enterprises Private Ltd. or M/s Anu Trading Pvt. Ltd. do not reflect these transactions. The two companies viz. M/s Equator Trading Enterprises Private Ltd. or M/s Anu Trading Pvt. Ltd. are nothing but shell companies formed obviously by or at the instance of Mr. Ch Ramoji Rao.

14. It is submitted that the aforesaid transactions are shady transactions. Huge public money is involved which is being mis-used and is being diverted illegally to the benami business concerns of Mr Ch Ramoji Rao. Thorough enquiry and investigation has to be conducted into all these transactions to ascertain the true nature of these transactions. The provisions contained in the Security and Exchanges Board of India Act, 1992 are violated. All these transactions are "fraudulent" and will amount to "unfair trade practice". All these transactions have to be enquired into and investigated upon under Sec.11 of the Security and Exchanges Board of India Act, 1992. Further, all those involved in these fraudulent transactions are liable to penal action.

15. In view of the above referred shady, tainted and illegal transactions between Mr. Ch. Ramoji Rao/his group companies and M/s Equator Trading Enterprises Private Limited and M/s Anu Trading Private Limited, the various ETV channels of Ch. Ramoji Rao group companies should not be allowed to be up-linked through TV-18 or any other concern. Further, the licenses and up-linking permissions granted to Mr. Ch. Ramoji Rao group companies are liable to be withdrawn and cancelled forthwith. Additionally, the competent authority under the Telecom Regulatory Authority of India, 1977 has to conduct a thorough

investigation and enquiry into all these transactions and appropriate action should be taken against all the concerned.

16. The Telecom Regulatory Authority of India has power to make recommendations either suo-motu or on request for introduction of a new service provider or for revocation of an existing licence. It also has power to call for information and conduct investigations and call upon any service provider to furnish information or explanation relating to the affairs of the service provider. If any such enquiry is undertaken every Director, Manager, Secretary of such service provider and every other person who has dealings in the course of business shall be bound to produce before the Authority all books of accounts or other documents relating to the subject matter of enquiry.

17. Mr. Ch. Ramoji Rao has been carrying on Chit fund business in the name of M/s Margadarsi Chit Funds Limited. About 4 lakh subscribers from various parts of the state of Andhra Pradesh are contributing to the chit fund business. It is submitted that Mr. Ch. Ramoji Rao has been investing the "Prize money" of the subscribers in his concern M/s Margadarsi Financiers. Such an action is in violation of the provisions contained in the Chit Fund Act, 1982. It is also not in public interest. The interests of the chit subscribers is at stake. Under Sec.33 (4) of the Chit Fund Act, 1982, the "Prize money" has to be deposited in an "approved Bank" approved by the State Government. This is not being done. M/s Margadarsi Chit Fund Limited should be directed to re-deposit all the "Prize money" of the Chit Subscribers which was deposited in M/s Margadarsi Financiers up to now into an "approved Bank" approved by the State Government. Further directions have to be issued directing that herein after the "Prize money" of the chit subscribers should be deposited in an "approved Bank". Such prize money should not be allowed to be invested in any other business.

18. All these business concerns, including Margadarsi Chit Fund Company are the one man show of Mr. Ch. Ramoji Rao. This will be so clearly evident if the corporate veil of these concerns is pierced. Under Sec.12 of the Chit Funds Act, 1982, no person carrying on chit business shall carry on any other business. Mr. Ch. Ramoji Rao had violated this provision. He has been continuing to carry on several businesses in different names. The money of M/s Margadarsi Chit Funds Private Limited is being invested by Mr. Ch. Ramoji Rao in his other business concerns. Appropriate action should be taken in this regard. It will be in public interest and will also be in the interest of the innocent Chit subscribers.

19. It is to be noticed that all these businesses are being carried on by Mr. Ch. Ramoji Rao in different names. The corporate veil of the various companies/businesses of Mr. Ch. Ramoji Rao has to be pierced and the true nature of all the transactions of all these concerns has to be enquired into. The concerned authorities under the Indian Companies Act have to conduct an enquiry and investigation into all these transactions.

20. From what is stated above, the following questions would emerge which require a thorough enquiry and investigations by the C.B.I., SEBI, Income Tax Department, C.E.I.B., S.F.I.O., Company Law Board, and by the Enforcement Directorate.

- (i) How between the periods 02-11-2007 and 30-1-2008 (roughly 90 days) a total sum of Rs. 1688 crores was invested by Mr. Ch. Ramoji Rao's HUF either as Fixed Deposits in HDFC Bank or as Deposits in Mutual Fund with Birla Cash Plan, Lotus India Liquid and Principal Mutual Fund? Where from this huge amounts of money came?
- (ii) M/s Ushodaya Enterprises Limited had suffered a loss of 59.19 crores by 2008. Then why the shares **(of Rs 100 each)** of such a company were shown as having been allotted in favour of "shell" companies

namely **M/s Equator Trading Private Limited and M/s Anu Trading Private Limited**, that too, at an astronomical price of Rs. **5,28,630/- per share** ?

- (iii) Why the substantial amount of Rs. 2604 crores was diverted to Ushodaya Enterprises Limited through the said **two shell companies**. Why this transaction was **not disclosed to the concerned authorities under the Indian Companies Act and SEBI Act etc.**,
- (iv) Why in August, 2010, three new companies in the name of M/s Eenadu Television Private Limited, M/s Panorama Television Private Limited and M/s Prism TV Private Limited were formed and why a substantial stake in these companies was allotted in favour of **M/s Equator Trading Enterprises Private Limited and M/s Anu Trading Private Limited**? What is the source for these two companies to raise such a huge amount of money?
- (v) How the two companies viz. **M/s Equator Trading Enterprises Private Limited and M/s Anu Trading Private Limited** could raise **Rs. 2604 crores** within a few days of their incorporation and **without doing any business**?
- (vi) What is the role of M/s Ushodaya Enterprises Private Limited, Ch. Ramoji Rao, and his other concerns in all these transactions like floating shell companies, restructuring the existing companies and in showing that the shares of a loss making company were allotted to other companies at an exorbitant rate? Is it not an act to convert "unaccounted money" as "accounted money"?
- (vii) Whether M/s Margadarsi Chit Fund Company has been misusing the Chit subscribers' money?

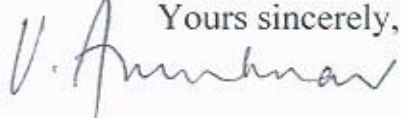
- (viii) Whether the "prize money" of the chit subscribers is being utilized in other group companies of Mr. Ch. Ramoji Rao which will be detrimental to the interests of about four lakh of chit subscribers in Margadarsi Chit Funds Private Limited.
- (ix) Why the "prize money" of the chit subscribers is not deposited in an "approved bank" as required under the Act?
- (x) What is the total amount of prize money of the chit subscribers so far diverted into M/s Margadarsi Financiers?
- (xi) Why M/s Margadarsi Financiers and Mr. Ch. Ramoji Rao should not be directed to redeposit all this prize money in an "approved bank" in the interests of the chit subscribers?
- (xii) Whether the Margadarsi Chit Funds, which is one of the group companies of Ch. Ramoji Rao had violated Sections 12, 33(4) of Chit Fund Act, 1982.
- (xiii) Whether in all the above referred transactions Mr. Ramoji Rao and his group companies had not violated the relevant provisions of the Indian Companies Act, Income Tax Act, 1961, The Prevention of Money Laundering Act, 1982 and SEBI Act?
- (xiv) Why action should not be taken against M/s Margadarsi Chit Fund Private Limited for not complying with Sec. 12 (2) of the Chit Funds Act, 1982 which explicitly states that "Where at the commencement of this Act, any company is carrying on any business in addition to chit business, it shall wind up such other business before the expiry of a period of three years from such commencement". The said three years period has expired. Margadarsi Chit Fund Private Limited is admittedly of Mr. Ch. Ramoji Rao group concerns. The money of Margadarsi Chit

Funds is being utilized or invested in other business concerns of Mr. Ch. Ramoji Rao.

21. In view of the above, Mr Ch. Ramoji Rao and his concerns M/s Eenadu Television Pvt Ltd., M/s Panorama Television Ltd., and M/s Prism TV Pvt Ltd., the concerns in the name of M/s Equator Trading Enterprises Private Ltd., and M/s Anu Trading Pvt. Ltd., should not be allowed to have or continued to have any licence or permissions to uplink any of the ETV channels now in operation in different languages in different parts of the country either by themselves or through TV18 or otherwise.

22. Appropriate directions / Orders should be issued in this regard to all the concerned authorities in public interest and also to ensure a transparent and thorough investigation and enquiry into all these shady transactions.

Be pleased to consider,

Yours sincerely,


(Vundavalli Aruna Kumar)

Shri Pranab Mukharjee,
Hon'ble Minister of Finance,
Govt. of India,
Room No. 132-C, North Block,
New Delhi – 110001.

- Encl: 1) **Annexure – I** (Details of the Fixed Deposits and the Mutual Funds)
2) **Annexure – II** (Copies of the Memorandum of Association and Articles of Association of Eenadu Television Private Limited and the Annual Report.)
3) **Annexure – III** (Copies of Memorandum of Association & Articles of Association and the Annual Report of M/s Panorama Television Pvt. Ltd.)
4) **Annexure – IV** (Copies of Memorandum of Association and Articles of Association of M/s Prism Television Pvt. Ltd. and the Annual Report for the year 2010-11)
5) **Annexure – V** (Affidavit filed by Mr. Ramoji Rao).