

Press Council of India

S.No. 38

File No. 14/222/17-18-PCI

Complainant

Shri V. Sagar
Secretary, I C A I,
New Delhi,

Respondent

The Editor,
Hindustan,
New Delhi

Adjudication dated 15.11.2018**Facts:**

This complaint dated 24.8.2017 has been filed by Shri V. Sagar, Secretary, The Institute of Chartered Accounts of India, New Delhi, against the editor, Hindustan, for allegedly publication of a news item under the caption: "17.5 thousand CA's are on the target of Income Tax Department" (English Translation) in its issue dated 30.4.2017.

It is reported in the impugned news item that the Income Tax Department is keeping its eye on 17.5 thousand Chartered Accountants. It is perceived that they have supported the fraud committed by the corporate on a large scale through which the black money to the tune of Rs. 23000/- Crores have been converted into white. The government agencies are preparing to arrest every Chartered Accountant involved in this. It is further reported in the impugned news item that according to one of the senior official of CBDT there are around more than 1.5 lakhs CA's in the country out of which 17.5 thousand CA's are on the target of Income Tax Department. The official has said that the CAs involved in this scam can be classified in 3 categories. One, who are directly involved in money laundering through incorporating the companies. Second, who prepared the dummy for the companies and later on separate themselves from them and third are those involved with these companies which launders money.

Denying the allegations the complainant submitted that the said report has caused immense damage to the reputation and image of the profession of Chartered Accountants. The complainant has further submitted that they have sought the list of the said 17,500 Chartered Accountants from the said newspaper for their further necessary action. The complainant vide letter dated 5.5.2017 drew the attention of the respondent towards the impugned news item but received no response. He has requested the Council to take deterrent action against the said newspaper as their false and baseless reporting has caused immense damage to the reputation and image of the profession of Chartered Accountants

A Show Cause Notice was issued to the respondent editor, 'Hindustan' New Delhi on 14.9.2017.

Written Statement

In response to the Council's letter, the respondent, Hindustan, vide its letter dated 23.10.2017 has informed the Council that the news was published based on the two press release notes provided by Central Government on different dates. While enclosing the press release, it has submitted that the concerned reporter also got the same from Enforcement officials on 1.4.2017. It has further been submitted that the news article was not published against the complainant as it deals with facts wherein complainant's name has not been mentioned. Also that the complaint has been filed beyond the limitation as per provision of law, hence, it liable to be dismissed.

A copy of the aforesaid written statement has been forwarded to the complainant on 27.11.2017.

Counter Comments:

Shri V. Sagar, Secretary, ICAI, Vide letter dated 26.12.2017 has informed the Council that the said report was published on 30.4.2017 whereas the newspaper is now relying on some press releases dated 6.9.2017 and 12.9.2017 which is post the publication of their adverse report as justification for their story which cannot be permitted. Even if those press releases relied on by the newspaper, there is not even a whisper with regard to 17,500 Chartered Accountants being under the scanner of the Income Tax Department as the headlines of the article claims. He has further submitted that his Institute has been following up the matter since its publication, but due to their non-cooperation, they had to approach the Council. He has further requested the Council to take strict action against the Hindustan newspaper for publishing a baseless and malicious report without even consulting them.

A copy of the counter comments has been forwarded to the respondent on 9.1.2018 for information.

Report of the Inquir Committee

The matter came up for hearing before the Inquiry Committee on 23.10.2018 at New Delhi. Shri Amit Sharma, Advocate appeared on behalf of the complainant Institution and Shri Arun Pathak, Advocate represented the respondent newspaper.

This complaint has been filed by the Institute of the Chartered Accountants of India through its Secretary. The Institute of Chartered Accountants of India is a Statutory body set up under an Act of Parliament to regulate the profession of Chartered Accountants in India and is aggrieved by a news report dated April 30, 2017 published in the respondent newspaper, "Hindustan". The headline of the news item is that "17.5 thousand Chartered Accountants are under the scanner of the Income Tax Department". According to the complainant, the aforesaid news item is false and has caused immense damage to the reputation and image of the profession of the Chartered Accountants. The respondent newspaper in his inter-alia has stated as under:

"The news item was published based on the two press release notes provided by Central Government on different dates. It has been submitted that the concerned reporter also got the same from the Enforcement official on 1.04.2017. It has further been submitted that the news article was not published against the complainant as it deals with facts wherein complainant's name has not been mentioned. The complaint has been filed beyond the limitation as per provision of law, hence, it liable to be dismissed".

It has been pointed out by the complainant that the two Press Release notes purportedly to be the bases of the impugned news item as contended by the respondent are of the dates later than the date of the publication of the news item. The complainant points out that the one press release is dated 6th September, 2017, whereas the other is dated 12th September, 2017 and therefore cannot be the basis of the impugned news item, which was published on 30th April, 2017. Another press release on which reliance is placed is dated 1.04.2017 of the Enforcement Directorate in the said Press Release, it has been stated that the Enforcement Directorate has conducted nationwide searches on 1.4.2017 in the case of the entities which do not have any substantial business but are suspected of having been used for laundering ill-gotten money and facilitating foreign bogus transactions.

The inquiry Committee has gone through this Press Release of the Enforcement Directorate and does not find that it has even remotely suggested that 17.5 thousand Chartered Accountants are under scanner of the Income Tax Department.

The Inquiry Committee is of the opinion that there is no justification or the basis for publication of the impugned news item. This unnecessarily has brought the entire profession of the Chartered Accounts to disrepute.

The Inquiry Committee, accordingly, **Warns** the respondent newspaper and directs it to publish the Order passed by the Council in the newspaper immediately.

Held

The Press Council on consideration of records of the case and report of the Inquiry Committee accepts reasons findings and adopts the report of the Committee and decides to **Warn** the respondent newspaper with the aforesaid direction.