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Panama Papers: Bollywood's Bachchan denies offshore links

BY [GAUTAMAN BHASKARAN](#) on [APRIL 6, 2016](#) in [ASIA TIMES NEWS & FEATURES](#), [INDIA](#)

It has been an age old practice of the rich and the powerful the world over to park their unaccounted wealth in tax havens. Indians have been doing this for decades. Politicians and businessmen have been transferring money from India to banks in Switzerland and other places, money that is ill-gotten, money that would have otherwise attracted taxes. Their new parking place is Panama.



Amitabh Bachchan (L) and his daughter-in-law Aishwarya Rai Bachchan

A year-long investigation by an international media consortium — which included *The Indian Express* — has found that a huge amount of money has been stashed away by wealthy individuals, including several Indians like superstar Amitabh Bachchan and his daughter-in-law and Cannes Film Festival regular, Aishwarya Rai Bachchan. Obviously, this has been done to avoid taxes in India and other countries. In India, the wealth earned by evading taxes is called 'black money'.

The Indians — who include industrialists K P Singh, Sameer Gehlaut and Vinod Adnani and politician Anurag Kejriwal — have formed offshore entities in tax havens by paying a law firm, Mossack Fonseca, based in Panama.

The moot point is that India has had an unsavory history of black money, and many governments since the early 1950s have been promising the electorate that they will bring back such illegal wealth, and use the taxes and penalties collected on it for public schemes, especially for the uplift of the poor.

One count puts India's poor at 500 million people out of a total population of 1.3 billion. But this

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figure may be highly conservative.

One of the most significant 2014 poll promises of the present Narendra Modi government was to recover all black money held by Indians in overseas banks. In 2015, the government gave three months for those with illegal money to come clean. Under the scheme, they had to pay a 30% tax and a 30% fine. Despite the high expectations, only Rs 4,165 crores from 638 Indians came into the country. One newspaper described this as “flop show”, because the amount was a pittance compared with what is believed to be parked abroad.

India's Finance Minister Arun Jaitley said anybody not complying with this order stood the risk of prosecution under the law.

The Panama Papers have come as a hard knock to Jaitley and Modi's pledge to unearth black money. India's wealthy have proved they are tougher than Jaitley.

Mind you, about Rs338,3500 crores(\$505 billion approximately) were illegally taken away from India between 2004 and 2013. Imagine the kind of taxes that would have netted!

All this clearly proves that India is far away from achieving any substantial results from its hunt for black money. A senior official of the Special Investigation Team, formed by the Modi administration to check this racket, said “there are slim chances of success here”.

Over the years, the Indian government has made many attempts to get hold of black money. People were given enough chances to declare their assets on which taxes were not paid. In 1951, the drive led to the collection of Rs10.89 crores in taxes, and there have been eight more such schemes, until the Modi government came to power in 2014. In 1997, the Voluntary Disclosure of Income Scheme was the most successful of all of them, collecting Rs9,745 crore in taxes.

So the 2015 collection of Rs4,165 crores pales in comparison, and the Panama Papers have come as a huge embarrassment to Modi and his administration.

So far, only two Indians accused in the Panama papers have responded. Both Bachchan and Rai have denied that they had anything to do with the firms mentioned in the Panama Papers.

In a statement issued on Tuesday, Bachchan said: “I have never been a director of any of the... stated companies. It is possible that my name has been misused.” the statement said.

“I have paid all my taxes including on monies spent by me overseas in compliance with law, including remittances through **liberalized remittance scheme** (LRS), after paying Indian taxes.”

“In any event, the news report in *Indian Express* does not even suggest any illegality on my part.”

Rai's media adviser has questioned the authenticity of the documents.

The *Indian Express* reported that Rai and her family were appointed as directors of a company incorporated in the British Virgin Islands in 2005, which was dissolved in 2008.

“All information that you have is totally untrue and false,” the media adviser told the paper.

Of all the Indian names listed in the Panama papers, one would think Bachchan stands to lose the most. Called endearingly as Big B, he is a huge icon, and has in recent times been known for his political correctness and as a man who can sell just about anything from an Ayurvedic tonic to cement.

Bachchan began his career in a Kolkata firm and when he got a chance to act, he became the angry young man on the screen — always fighting for the cause of the downtrodden and those hit by an unfair system. In later years, he mellowed down on screen — playing fatherly roles.

He has had his share of controversies. Some years ago, he had a disastrous stint with the Congress Party, and when his company, ABCL collapsed, it caused a lot of rancour among those whose money was supposed to have sunk.

But Bachchan rose like the Phoenix from the ashes and opened a second innings for himself that saw him as the most celebrated and trusted citizen of India.

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One has also been hearing that his name is in the running for India's presidency, the nation's highest office. And one also remembers how the entire country prayed for a miracle when he was seriously injured during the shoot of the 1982 *Coolie* — a movie where he portrays a railway station porter.

It is this Bachchan who stands to be shamed if the Panama Papers' revelations are proved true.

The Modi administration may also lose its credibility if it fails to keep its promise to get back all that black money.

Gautaman Bhaskaran is an author, commentator and movie critic, who has worked with The Statesman in Kolkata and The Hindu in Chennai for 35 years. He now writes for the Hindustan Times, the Gulf Times and Seoul Times

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