

# GOVERNMENT OF GUJARAT

Confidential

NO.SB-II/COM/1015/19/SPL TEAM  
HOME DEPARTMENT  
SACHIVALAYA, GANDHINAGAR

DT. 10.03.2015

To,

- (1) Shri L. C. Goyal, IAS  
Secretary  
Ministry of Home Affairs,  
Government of India  
North Block, New Delhi 110001
- (2) Shri Rajiv Mehrishi, IAS  
Secretary  
Ministry of Finance  
Government of India  
North Block, New Delhi 110001

Sub: Embezzlement of fund by Teesta Setalvad and others.

Sir,

With reference to the subject mentioned above I am to state that Mrs. Teesta Setalvad and others residing at Mumbai are running an NGO known as Citizens for Justice & Peace. Office of the Commissioner of Police, Ahmedabad City had received a written complaint against Teesta Setalvad and other persons. An offence is lodged against Teesta Setalvad and other persons vide DCB Police Station CR No. 01/2014 u/s 406,420,468,120(b) of IPC and u/s 72(a) of IT Act. Facts of the case filed against Teesta Setalvad are as under.

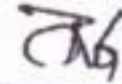
2, On 12.3.2013, a complaint made by 11 residents/members of the Gulbarg Co-Operative Housing Society, Chamanpura, Ahmedabad, was given to the Joint Commissioner of Police, Crime Branch, Ahmedabad City, alleging that every year, since 2002

*How and why the foundation not objected to the use of grant funds for such unauthorized and highly illegal activities is a subject matter of investigation.*

10. There are specific instances mentioned in the report sent by FORD Foundation where Teesta Setalvad and Javed Anand, accused No-1 & 2, in the present criminal case visited Pakistan, Qatar, Abu Dhabi, USA and UK and attended workshops, seminars and conferences where they deliberately portrayed India and Indian Government in bad light by questioning the Secular credential of the Country, which is akin to engaging foreign Government/NGOs and building opinion against the Indian Government, seeking foreign help in the matters which are under active consideration of various Courts including the Hon'ble Apex Court.

11. Considering the above facts it transpires that this is not only a case of FEMA violation but also a case of direct interference by a foreign NGO in the internal affairs of the Country and also of abetting communal disharmony in India. Therefore the State Government requests the Union Government to look into the matter and investigate further.

Yours faithfully,



(Rahul Gupta)

Joint Secretary to Government  
Home Department

Encl. as above letter dated  
27.02.15 of ACP,  
Crime Br, Ahmedabad.

Copy for information and necessary action to :

✓ Shri Shivanand Jha, Commissioner of Police, Ahmedabad City,  
Ahmedabad.

With reference to your letter No.G/725/C.P./1670/2015  
dated 02.03.2015

members of the NGOs have been organizing a function in the memory of those who lost their lives in the unfortunate riots, particularly in Gulberg Society incident. During such functions, various schemes for rehabilitation of the riot victims, financial support and support for the reconstruction of the victims' houses etc. were announced by Teesta Setalvad, under the banner of her N.G.O. "Citizen for Justice and Peace" (CJP) and "Sabrang Trust".

3. The residents/ members of the Gulbarag Society alleged that the C.J.P. and Sabrang Trust run by Teesta Setalvad were involved in collecting huge foreign funds as donations from national and international organizations in the name of providing financial assistance, legal assistance etc. to the 2002 Gujarat riot victims. The applicants referred to details furnished by the Ministry of Home Affairs, Government of India, stating that according to the FC Form-3 submitted by the C.J.P., in the period between 2009 to 2011, foreign donations to the tune of Rs. 63 Lacs were received in the IDBI Bank Account No. 014104000204204736 of CJP and during the period from 2008 to 2011, foreign donations to the tune of Rs. 88 lacs were received in the Union Bank of India Account No. 369102010802885 of Sabrang Trust. With these allegations, a complaint dated 12.03.2013 addressed to the Joint Commissioner of Police, Crime Branch; Ahmedabad City duly signed by the 11 members/residents of the society was submitted with a request to register an F.I.R. against Teesta Setalvad, Javed Anand and others.

4. Upon receipt of the complaint dated 12.3.2013, made by 11 inhabitants of Gulbarg Society, the Crime Branch, Ahmedabad City carried out preliminary inquiry into the matter. Statements of several witnesses have been recorded. Website details of CJP/Sabrang Trust have been recovered by drawing panchnamas.

5. The Investigating Officer made a request by letter to the Ministry of Home Affairs (MHA), seeking details of the permission

granted to CJP and Sabrang Trust, enabling receipt of foreign donations under Foreign Contribution (Regulation) Act (FCRA). The MHA intimated the IO that CJP and Sabrang Trust obtained FCRA registration on 21.11.2007 bearing registration no. 083781099 and no. 083781100 under the category of "Educational, Social and Economic Educational" respectively. MHA also furnished copies of Form FC-6, mandatorily required to be submitted by every NGO annually declaring details of the foreign funds received.

6. When the accused failed to submit any account details and Audited Copies of balance sheets and account statement of her two NGOs, letters were written by the IO to the IDBI bank and Union Bank of India to furnish the account statements of CJP and Sabrang Trust including the account details of Trustees.

7. After verifying the allegations during the preliminary investigation it was found that the alleged offence was committed by the accused persons and therefore on 4.1.2014 a FIR was registered against Teesta Setalvad and others vide Ahmedabad City, DCB Police Station I CR No. 01/2014 u/s 406,420,468,120(b) of IPC and u/s 72(a) of IT Act. Apprehending the police action against them, accused persons approached the courts for anticipatory bail and other legal remedy. Details of the petitions preferred by the accused persons before the various courts are as under:-

a) Filed an application for anticipatory bail on 07.01.2014 before the Hon'ble Bombay High Court being ABA 14 of 2014. Transit bail was granted to enable the petitioner to approach the appropriate court and same was disposed of on 31.01.2014.

b) Filed a Criminal Writ Petition No. 173 of 2014 for quashing of FIR being No. Ahmedabad City DCB P.Stn. I CR No. 01/2014 before the Hon'ble Bombay High Court. The same was dismissed on 04.04.2014 on the ground of territorial jurisdiction.

c) Filed an SLP (Criminal) 1770/2014 in the Hon'ble Supreme Court on 20.02.2014 against the order dated 31.1.2014 passed by Hon'ble Bombay High Court in ABA No. 14/2014. The Hon'ble Supreme Court declined to interfere with the impugned order and disposed off the said SLP on 24.02.2014 directing the accused to approach the appropriate courts in Gujarat.

On 24.2.2014, when the matter was taken up for hearing before the Hon'ble SC, the accused had already accepted the judgment and order passed by the Hon'ble Bombay HC and on 21.02.2014 had approached the Sessions Court in Ahmedabad seeking Anticipatory Bail. When the matter was being argued, it was the duty of the accused to disclose the true and correct facts before the Hon'ble Supreme Court which they intentionally did not do to secure favourable orders.

d) Filed a Criminal Misc. Application No: 761/2014 on 21.02.2014 for anticipatory bail before the Ld City Civil & Sessions Courts, Ahmedabad. The learned Sessions Judge vide order dated 25.03.2014 declined to enlarge the accused on anticipatory bail on the ground that upon examination of documents and evidence, there is a strong prima facie case establishing misappropriation of huge funds received in the accounts of "Citizens For Justice and Peace"(CJP) and "Sabrang Trust", the two NGOs where the accused are managing trustees. The learned City Sessions Judge also took note on the suppression of material facts from the Hon'ble Supreme Court in the applications preferred by the accused.

e) Teesta Setalvad filed a Criminal Misc. Application No.4677 of 2014 on 27.03.2014 before the Hon'ble Gujarat High Court, Ahmedabad against the order dated 25.03.2014 of the Ld City Civil & Sessions Courts for anticipatory bail. At the initial stage of the hearing, Ld. Additional Advocate General made statement before the Hon'ble High Court that the accused persons will not be arrested till next date of hearing. This interim relief was extended time to time by the Hon'ble High Court. Hon'ble Gujarat High Court ( Coram: Justice J.B.Pardivala) rejected the anticipatory Bail Application vide order dated 12.02.2015. (Copy enclosed)

f) Teesta Setalvad and others filed Special Criminal Application No 2710 of 2014 on 07.07.2014 before the Hon'ble Gujarat High Court, Ahmedabad for de-freezing of accounts of their trusts/NGO. This petition was withdrawn by the petitioner on 29.09.2014.

8. During the course of preliminary inquiry and the subsequent investigation, statements of various witnesses have been recorded U/s.161 and U/s. 164 of the Criminal Procedure Code before Learned Metropolitan Magistrate. The investigation in connection with the offence in question is at a very crucial stage.

9. During the course of investigation it is revealed that Sabrang Trust and Sabrang Communication & Publishing Pvt. Ltd.(SCPPL) has received total grant of \$ 5,40,000/= from Ford Foundation, a US NGO having office at 55, Lodhi Estate, New Delhi. It is revealed during the course of investigation that Ford Foundation, established with the stated goal of promoting communal harmony, democratic principles and social justice, has been indulging in covert activities of promoting interests that are completely contradictory to the said goals. Detailed report of investigating officer is enclosed herewith for ready reference. Following points emerged from the investigation carried out by the state police.

*i) As per information provided by the Registrar of Companies, Mumbai vide letter dated 09.02.2015, the SCPPL is a private company "limited by shares" having main business of "Publishing of newspapers, journals and periodicals (includes periodicals of technical or general content, trade whether listed or not, journals, comics etc)" How a grant of \$ 2,90,000 was given to a private limited company by FORD Foundation "To address communalism and*

caste based discrimination in India etc including media strategies" is a subject matter of investigation.

ii) The proposal of SCPPL and Sabrang Trust does not even have a title. Ford Foundation also does not mention a title to the project in its letters. This at the Prima Facie level indicate collusion between the grant maker and the grantee that anything that is submitted will be funded and that the project need not even have a title?

iii) Project grant of \$250,000 to Sabrang Trust covers \$150,000 in salaries for the staff of the Trust and \$46,000 for its office expenses. Thus, about 80% of the grant is meant for running the Trust office and not for any clear project objectives. Similarly, Grant of \$ 2,90,000 to SCPPL covers \$ 1,68,204 in salaries for the staff of the company and \$ 47,546 for its office expenses. Thus about 75% of the grant is meant for running the Company's Office and not for realizing any clear objectives.

It appears that Sabrang Trust & SCPPL are proxy offices of Ford Foundation that are being cultivated and positioned by the latter with some long term plan

iv) The proposal of Sabrang Trust, claims "In the past 2 decades, India has faced ever-growing attacks on the constitution and it further states that there are recurring outbreaks of state-condoned anti minority carnages and pogroms."

These are baseless and judicially unproven allegation and defamatory to the Republic, encouraging willful insinuation. The Ford Foundation has supported an institution in India to

be operating on the premise of stoking religious tensions with their social prejudices.

The Ford Foundation has encouraged Sabrang Trust advocating for a religion specific and Muslim supportive criminal code and also supported to keep the 2002 riots incident alive.

v) Grant Request letter of Sabrang Trust, under the heading 'Islam, Democracy and Human Rights', Sabrang Trust makes a passionate plea for promotion of Islam.

How can a Trust be allowed to seek and secure foreign funds to promote a religion and controversially argue that it is for the sake of 'secular' democracy? Ford Foundation has blatantly supported one religion with a strange argument that it helps secular democracy.

vi) The Sabrang Trust's annual budget is shown as \$1,15,000, within which, \$75,000 is coming from Ford Foundation which proves that Ford Foundation is the major and dominant stakeholder in an Indian NGO.

vii) In Purposes of 2004 and 2006 agreements with SCPPL the funding is predominantly for manpower and office expenses instead of achieving any specific objectives. After agreeing to fund only for charitable, scientific, literary or educational purposes, the Foundation has accepted and encouraged activism, campaigning and propaganda, masking the self imposed restrictions.

The Foundation has deviated from its position that it 'will not promote or engage in Bigotry and allowed the fund recipient to make a derogatory claim on the state of Gujarat, including a summary declaration that there is a failure to enforce the



rule of law. By allowing to claim 'failure to ensure justice for all' the Foundation has engaged itself in belittling the sanctity of Indian Judiciary.

viii) By allowing the SCPPL to declare that serving and retired naval and army officers are engaged in terror generation, the Foundation allowed defamation of Indian military.

ix) By allowing through the Grant the visit of a Pakistani Human Rights Activist to India, the Foundation exceeded its briefs in India and blatantly broadcasted an exaggerated point of view on the communal situation in the country.

The Foundation encouraged Teesta Setalvad & Javed Anand of SCPPL to meet even junior officers of UNHCR, OHCHR etc. and promote anti India propaganda on foreign lands and international fora.

x) The Foundation allowed Teesta Setalvad, interfering with Indian Judicial System.

xi) The Ford Foundation by allowing to quote the annual report of the US Congressional Committee on Religious Freedom and suggesting to the Supreme Court of India, the Ford Foundation attempted to promote the voice of a Foreign Government over and above the voice of impartial Indian Judiciary.

xii) Under the heading "Mobile Call Records" Teesta Setalvad mentioned "Sabrang analyses over 5 lakh mobile call records pertaining to the days of Gujarat Carnage 2002....".