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# Undisclosed income of ₹100 crore detected during searches: I-T Dept

Institutions of two Cong. leaders have been linked to medical seat-blocking scam

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The Income Tax Department has, in a statement, claimed to have "detected undisclosed income of around ₹100 crore, considering cash donations received" by the two education institutions they have been searching from Thursday "for 185 seats averaging 50 lakh to 65 lakh per seat".

Sri Siddhartha Academy of Higher Education (SSAHE) of which Congress leader and former Deputy Chief Minister G. Parameshwara is the secretary, and Sri Devaraj Urs Academy of Higher Education and Research of which senior Congressman R.L. Jalappa is the chairman, had allegedly blocked and converted 156 and 29 seats respectively to management quota in 2019-20. They were later allegedly sold for a high capitation fee.

The department has also made a total seizure of undisclosed assets of ₹8.82 crore – ₹4.22 crore unaccounted cash, including ₹89 lakh from the house of Dr. Parameshwara, and ₹4.6 crore worth "benami deposits".

"Incriminating evidence has been found in the



G. Parameshwara and R.L. Jalappa (right). ■FILE PHOTOS

search, substantiating conversion of seats, commission payments to brokers and sale of seats in exchange of receipt of cash. Evidences of use of multiple agents for conversion of MBBS and PG seats have also been found," said the statement released on Friday by the official spokesperson of Central Board of Direct Taxes, New Delhi.

I-T officials recovered ₹1 crore from one such agent, who claimed to have received a commission of ₹2 lakh per admission he got into SSAHE and reportedly admitted to being the middleman for 48 admissions for the current academic year. "Certain students whose names were used in conversion of seats have made statements establishing the modus operandi. Agents have admitted to have aided in

sale of seats, brokers have admitted to be witness and accomplice to diversion of such cash generated," the statement said.

The I-T statement further said: "Diversion of funds in the form of payment of on-money for the purpose of purchase of immovable assets for the benefit of trustees has also been established, including finding of cash in the possession of the seller". I-T sleuths had searched the premises of Shivakumar, a JD(S) leader in Nelamangaia, from whom one of the trustees of SSAHE had bought a land parcel taking a General Power of Attorney, and recovered 1.6 crore cash paid by the trustee towards the transaction 10 days ago. "Hawala transactions relating to movement of such cash have also been

established," the I-T statement further said.

I-T officials on Friday found: "Modus operandi of making cash deposits in the accounts of certain employees and their families and its diversion to fixed deposits used to services loans taken by trustees has been unearthed. Evidence has further brought to light the fact that trustees have opened bank accounts in the names of their employees to deposit some of the capitation fee received in cash. Fixed deposits amounting to ₹4.6 crore in the names of eight employees made in the above manner have been seized. It was further found that the interest from such benami fixed deposits have been used to service the loans taken by the trustees in their personal capacity."

These deposits were made in Shivashree Souhardha Credit Co-operative Ltd, Tumakuru, and the employees in whose names these deposits were held have reportedly told I-T officials they had no knowledge of this. The I-T Department has now frozen the accounts. The search and seizure operations concluded on Friday late night.