

National Herald FAQs

1. Have Smt. Sonia Gandhi or Shri Rahul Gandhi benefited financially from Young Indian?

No. As directors or shareholders of Young Indian, a non-profit, Section 25 company, they are prohibited by law from drawing (and have not drawn) any financial benefits from the company.

2. Have any assets been transferred from The Associated Journals Ltd. (AJL) to Young Indian (YI)?

No. All the assets and the income of AJL remain with the company. Not a single paisa has gone to YI, YI Directors or YI Shareholders.

3. Does YI today own the property owned by AJL?

No, both YI and AJL are separate entities. All assets and properties of AJL continue to remain with AJL. This allegation is akin to falsely alleging that a shareholder in Indian Hotels Ltd. has rights on hotel properties of the Taj Group and owns a particular hotel or can move into it!

4. Young Indian was created to usurp the property owned by The Associated Journals Ltd.?

False. On the contrary, Young Indian, being a non-profit Section 25 company, as the major shareholder AJL, in fact, enhances the safeguards on the properties of the AJL.

5. Why did the Congress Party give loans of Rs 90 crore to AJL?

The Congress Party financially supported AJL over several decades through the financial ill health of the company. This reflected the Party's commitment to support AJL, the voice of the freedom movement. The founding document of AJL from 1937, i.e. the company's Memorandum of Association, states in Object (t): "The policy of any newspaper, periodical, magazine or journal issued by the Company shall generally be in accordance with the policy and principles of the Indian National Congress." This demonstrates the inextricable link between AJL and the Congress Party from AJL's inception. The Congress Party sought to fulfill its own objects by supporting AJL.

6. Arun Jaitley called Young Indian a real estate company. Is this true?

Absolutely false. YI does not own a single real estate asset or immoveable property. AJL continues to own all its assets. The allegation is, therefore, completely baseless.

7. Why did AJL not go to a bank in 2010 to repay its Rs. 90 crore debt?

There was a Rs. 90 crore loan from the Congress Party on AJL's balance sheet. No commercial bank was willing to lend a single rupee to AJL due to the negative worth of the company, its meager income and its over-levered balance sheet.

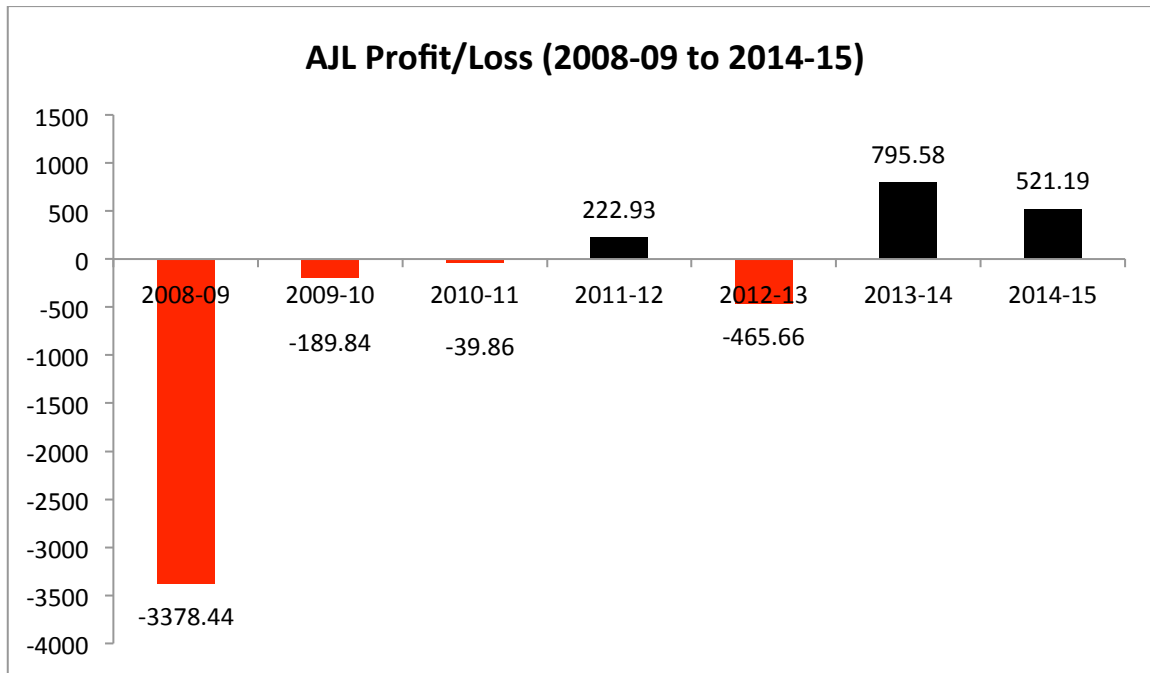
8. Are political parties allowed to give loans?

Yes. There is no restriction in law on political parties giving loans. In fact, the Election Commission of India issued a clear order in this regard in November 2012. Shri

Subramanian Swamy had sought the de-recognition of the Congress on this ground but his complaint was dismissed by a full bench order of the Election Commission.

9. How bad was AJL's financial position?

Details of profit and loss (*in Rs. Lacs*) are below. Please note that after AJL's debt of Rs. 90 crores was extinguished in February 2011, AJL was able to declare its first profit in several years in 2011-12 and came into the black from the red. This was only as a result of the financial revival plan of AJL as conceived by the Congress Party.



10. What did AJL do with the financial support given by the Congress Party?

The money was used to pay unpaid salaries, VRS, taxes, dues to civic agencies and statutory and other liabilities/payables.

11. Why were the assets of AJL not liquidated?

The majority of AJL's properties were government leases, which prohibited sale of land.

12. Were the shareholders of AJL cheated, as some have alleged?

All the shareholders present and voting at the Extraordinary General meeting in 2011 unanimously approved issuance of fresh equity to YI to extinguish debt of AJL. The question of cheating shareholders does not arise.

13. Will the National Herald be revived?

AJL has every intention of reviving the National Herald newspaper and restoring the media voice that Pandit Jawaharlal Nehru had founded.

14. Why should a political party have anything to do with a newspaper?

Every political party needs to effectively communicate its ideology and its policies to the public at large. A newspaper provides a channel through which to do this.