[Dr. G. Vyaya Mohan Reddy]

The code of conduct for Ministers has to be spelt out. They and their family members should declare that they do not have accounts in Swiss banks or other foreign banks. These scandals are coming up very frequently. I want the Home Minister to see that all the Ministers at the Centre as well as in the States should declare categorically that they do not have any amount in Swiss banks or in foreign banks. This is quite necessary. You call for a code of conduct for public men in this Bill but why don't you include Ministers also under this Bill because they are also public servants? Definitely they must declare that they do not have any accounts and if found that they are having accounts, then naturally the political consequences the Congress party will have to face.

SHRI MOTURU HANUMANTHA RAO (Andhra Pradesh); Secret code is there.

DR. G. VIJAYA MOHAN REDDY: Whatever it may be, I for myself, who had been a freedom fighter, can know that all these things will be demolished when the people are on the move and in India the people are on the move. No secret code can stand once the public opinion asserts itself in our country. The entire world public opinion will be against it. That is why everything will vanish into thin air. One more point I want to state.

THE DEPUTY CHAIRMAN; Please sum up.

DR. G. VIJAYA MOHAN REDDY: The Santhanam Committee report has clearly stated that the people must be made partners in the anti-corruption drive. I also feel that people's participation must be there. In this Bill there is no section under which there is a kind of drive to enlist the people's cooperation. Unless the people come forward no investigating agency can succeed. This is the main defect of our system because the investigative agency can nullify the entire **Bill** itself. That is why cases are pending. May-1 know from the hon. Minister how much property has been attached and how much money has been credited to the exchequer after taking action in corruption cases in the past five years? That is why, Madam I to some extent, feel that there are some positive clauses in the Bill which we support but at the same time, we want to caution the Government that unless some kind of sincerity is there it becomes impossible for us to move on the road of action against corruption. Thank you.

THE DEPUTY CHAIRMAN; The statement by the Minister was to be made at 5. 00 p. m. Instead of that, it will be at 2. 30 p. m. and immediately after the clarifications and replies are over, the Short Duration discussion will be taken up.

Now the House stands adjourned for lunch and will meet again at 2. 30 p. m. p. m

The House then adjourned for lunch at thirty-one minutes past one of the clock.

The House reassembled after lunch at thirty minutes past two of the clock.

The Vice-Chairman (Shri HL Hanumanthappa) in the Chair.

STATEMENT BY MINISTER

—Reported income of Jyotsna holding private Ltd. received from Sumitomo Corporation

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Sir, Government's attention hai been drawn to the news item in the Statesman Delhi, edition, Friday July 29, 1988 about the income-tax and some other matters of Jyotsna Holding Private Limited. The report contains a number of inaccurate statements.

The facts of the case are that Jyotsna Holding Private Ltd. filed its return of, income for the assessment year 1987-88 on 31-7-1987 showing a total income of Rs. 5, 89 12, 251. In this return, it had included a sum of Rs. 6. 35 crores being consultancy fees from Sumitomo Corporation. It paid a sum of Rs. 323, 68, 834 on 12-9-87 as self-assessment tax. As some portion of the income shown for the year 1987-88 also pertained to two earlier years the Company, on its own, filed revised returns for the two earlier years, 1985-86 and 1986-87 in terms of Section 139(5) of the I. T. Act.

The assessments were not completed in . undue haste as alleged in the news item. The first hearing for the year 1935-86 commenced on 25-11-1987. There were a number of subsequent hearings before the conclusion of the assessment on 23-3-1988. As the relevant points had already been examined the assessments for the subsequent two years were also completed on 28-3-1988.

The Company made petitions dated 18. 3. 1988, 21. 3. 1988 and 28. 3. 1988 before the Commissioner of Income Tax for waiver of penalty u|Sec. 273 and interests unless 139(8) and 217. There is nothing irregular or illegal in applying for a waiver of penalty before the assessments are completed. Under the provisions of Section 273A of Income-tax Act an assessee is entitled to waiver of penalties and interest if prior to the issue of a notice to him under Section 139(2), he voluntarily and 'n good faith makes a full andj true declaration of his income and pays tax thereon. Since in the instant case, all these statutory conditions were fulfilled, the Commissioner of Income-tax on 24-6-1988 in exercise of his statutory powers waived penalty and interest after obtaining the prior approval from the Central Board of Direct Taxes, as pres-
cribed. The allegation that there was any undue haste in passing an order under Section 273A is incorrect.

In March 1988 when the assessments of this Company were being finalised, the assessing authority found that the Company had made full declaration of its foreign income in its return as evidenced by two certificates issued by Sumitomo Corporation both dated August 25_ 1987. Further,, the Company had had moto re-patriated its foreign income through normal banking channels and has also paid its taxes. It may be pointed out that there is no FERA Cell in the Income-tax Department and the inferences in the said news item about such a Cell and its activities have no basis.

In response to the notice inviting tender by Oil and Natural Gas Commission to which a reference has been made in the news item, the Sumitomo Corporation did not indicate in the relevant column that they had an Indian agent in respect of these two tenders. Neither the Oil and Natural Gas Commission nor the Gas Authority of India dealt with an Indian agent at any point of time nor did they make any payment to any Indian agent of Sumitomo Corporation in respect of these two tenders. However as mentioned earlier, Jyotsna Holding Private Ltd. declared in course of the Income-tax proceedings that they had two agreements with Sumitomo Corporation of acting as their consultant in respect of these two tenders. Each of these agreements provided that Jyotsna Holding Pri-vae Ltd. should not be taken as an agent of Sumitomo Corporation,

Necessary enquiries are being made from the Sumitomo Corporation. The Directorate of Enforcement is also investigating the matters from the FERA angle.

SHRI A. G. KULKARNI (Maharashtra): The statement has given facts as per the information available with the Ministry of Finance...

SHRI JASWANT SINGH (Rajasthan): Apa Saheb, keep your conscience above all.

SHRl A. G. KULKARNI: Everybody has to keep his conscience above all. Not I alone. I am the conscience-keeper of everybody and everbody is a conscience-keeper of everybody else. *(Interruptions)*

[Shri A. G. Kulkarni]

1 have gone through the statement carefully. Before asking specific questions I will take two or three minutes in explaining my viewpoint on this information brought out by *The Statesman's* correspondent. We have seen that it is the praclice for a very long time with the industrial houses in all the countries to use political clout for self benefits and it is not only in India. Now in Russia also Brezhnev's son-in-law is being prosecuted for corruption...

SHRI M. A. BABY (Kerala); But there is no prosecution here. That is the difference.

SHRI A. G. KULKARNI; In US also very recently the Pentagon is proceeding against some officers for some purchases. In Margaret Thatcher's land also the same thing is being discussed publicly. In Japan also the same thing is happening. I think the industrial houses are manoeuvring and are catching hold of politicians and bureaucrats and then all the scandals burst out here and there. What I find in the last two years is we have only discussed such matters, whether it is Bofofs or it is ONGC today or something else tomorrow at something that gots on in Andhra Pradesh or something that goes on in Karnataka and so on- For the last two years this country has wasted its time in discussing all these scandals which could have been stopped if we as politicians, whether on this side or on that side, had been...

SHRI ARANGIL SREEDHARAN (Kerala): Only on your side.

SHRI A. G. KULKARNI; You don't know in the Communist period in Kerala how many scandals were there. You don't know; you are a new Member to this House... *(Interruption)* I am in politics for t6 years. You are younger to me.

So, these industrial houses are using politicans and bureaucracy to a certain extent, all over the world. And this is only on such instance which has now come, I think the time has now come when the various roles of the industrial houses and the Government's guidelines to the Ministries in respect of purchases to be made are to be examined. I say* this because I know and we all know that the Prime Minister has issued instructions thai in defence purchases ihere should be no commission agents. Already, Su^ 'The Hindu" comes out with the news item that the money has been paid as commission. That means that the politician or the Prime Minister has a clear and specific stand but at certain level, whether in the bureaucracy or in the case of industrialists matters go haywire and not followed.

Mr. Vice-Chairman, Sir perhaps you know that in this House also we discussed matters some months back that countries like the Isle of Man, Panama etc. were mentioned and we also discussed about large amount of money coming in the nace of Lord Ganesha or Lord Ven-kateswara. The industrialists are ruining the economy of this country and that is why I would like the House to be serious in dealing with such matters and I would like to request the House to view such matters in the entire perspective of black money when these scandals which are being discussed in this House.

Sir, before asking my specific questions I would like to make one point. The time has come for us to realise that the entire system is under a great pressure. T say that the entire system is under great pressure because, even though we had two years of drought, we discussed only Fairfax and Bofors and all matters relating to scandals were being discussed. Now, I do not know whether this ghost is going to be buried today, itself or again it i|; going to resurrect. But the point is that we politicians are mostly responsible for discrediting the system itself .... *(Interruptions)*... Who is it?... *(Interruptions)*... My dear friend, you know the Scandals of the Communist Parties, the Lok Dal and the Janata Party, etc. ? Please keep quiet... *(Interruptions)* ... For heaven's sake, please do not interrupt. Sir, what I want to say is that the system is being discredited. Only today morning or yelsterday, Sir, *I* was reading

a report by an Irish gentleman. He says that democracy in India and the political stability here are a great asset to the coun-, tries in Asia. So, you all must be proud of the system; you are a partner in that. I do not say that it is only the Congress (I) Party which has inherited all these vices. Opposition Parties are also a partner in running this democracy and running this system. But now the. system has so far been abused so much that the people in the rural areas, the intellectuals and the middle-class people are disbelieving a politician. Foi heaven's sake, let u; not discredit the system and allow the matters to be handled in a way which will harm democracy. I am mentioning this because, I thought this was an opportunity for me to say it before raising my specific question.. I am not for Suri at all-Take it from me. I am the worst enemy of any currupt industrialist or any corrupt politician. I am the worst enemy of them... *(Interruptions)...* During my life, here for about twenty years or so, I have fought not only with the Opposition Members, but also with my own party to highlight corruption and it was Mrs. Indira Gandhi who helped us in getting a Commiiisipn appointed against the Birlas. We politicians are also enamoured of these com. -missions. बिरला तो

But nothing happens.

So, for heaven's sake, please understand this. What I want to say is that appoint-, ing these commissions or the Parliamentary Committees have no meaning whatsoever.

SHRI SUBRAMANIAN SWAMY (Uttar Pradesh): What do you mean by laying, 'commissions'?

SHRI A. G. KULKARNI; For heaven's sake, please keep quiet... *(Interruptions)* Far me, *Sir,* time has come when we should apply our minds to what Mr. Jaswant Singh says about conscience, about the system being abuned and our being taken for a ride. For this purpose I have taken part in this discussion and, luckily, I was called first. I am grateful to you. But before asking specific questions, you take it that I am totally against Mr. Suri and totally against any industrialist 0r any politician or any public person who in-dulges in corruption and such types ol matters.

Now, at the outxt, Suri is a pen notorious credibility. He was mentioned in the Russian deal. What ha pp. do not know. It is for the Governi make some information available, otlvei wise these stories get circulation and reach the lowest person. Even a wallah' says; इसमें थोड़ा बोफोर्स है।

They have mentioned some Bharat Ho

है

WfrT *fct TO I I am not concerned, (*Interrnptiom* • am on the right lines. You don't get bothered. We as Congressmen have been bold enough to attack such people We are not afraid of anybody.

Mr. Vice-Chairman, Sir, in this we have found certain misinformation. 1 do not know whether this will be clarified by-the Minister. They say that some fancy fee was paid, etc. If the State document is correct—the 'Hindu' ment also is under investigation by the CBI—if you see the 'Statesman' I am quoting from the document..

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): Newspaper inot,, a t document (*In terruptions)*

SHRI ALADI ARUNA alias V ARUNACHALAM (Tamil Nadu): Documerit must be m?de of copper. *(Intrrruptions)*

AN HON. MEMBER; A newspaper is not a document. *{Interruption:.* \

SHRI A. *G. '* KULKARNI: He is a Professor; I am not. *(Interruptions)* In the last paragraph it is There is no commission payable you under the above Agreement dated August 30, 1983 and amendment dated June 21, which now stands Similarly, there is another The Company says that they has paid it as a commission. They say that they had deposited the money in the country.

[Shri A. G. Kulkarni]

If these basic facts are correct, then the following questions are naturally due for answer. When the Petroleum Ministry asked for these tenderjs, etc., they asked whether they had got any agents. They say: we have no agents. But now the notorious word 'consultants' is inserted in between the 'agent' and money grab-bing portior because consultant has no role in a contract of thip, nature when they are going to supply some saw line pipes or whatever it is. I don't think 'consultant' has any role. And at least in this Jyotsna Holding Company wherein two ladies, just like in Panama we had two or three ladies, are partner!?. They are consultants of worthwhile nature is beyond anybodies conception. But it is for the Government to explain whether the ladies are technicians or doctors in any engineering subject. *(Interruption)* I am not allergic to anybody. I am allergic to corruption. Then, Sir, the Petroleum . Ministry, if I am right specially stated that the money has to be brought in Indian currency. I want to know whether it is a fact because it is stated there very specifically. And I also want to konw as to who was af fhaf time in charge of the Finance Ministry and who waj-, in charge of the Petroleum MJinislry^ particularly dealing with this file. Then, Mr. Vice-Chairman, Sir, Twant to know about this Jyotsna Holdings Company. This is the particular company which has come. They as consultants. Whether this word 'consultant' is an after-thought or what, I do not know. But consultant is a notorious word. For heaven's Bake, don't re-cognise consultant as it means anything Specify whatever you want. Say anything. Jay 'advocate' or Supreme Court lawyer lay something so that the role can be pecified. Then. Sir, this Company is with n equity capital of Rs. 1 lakh. T want to now whether the money, as the "State^-lan" has stated was included in his in-ome-tax return. I want to know speci-cally about this from Mr. Gadhvi. There as this under voluntary disclosure heme or regular tax revision procedure, am aware of it. Under the voluntary sclosure scheme, whatever is in the In-dian currency of my income, I will go and disclose before the officer, and the officer will enquire, and if found satisfactory, he will tax me or he will not tax me if it is a genuine case. But, here, Mr. Vice-Chairman, Sir, this amnesty was given under FERA also. As the Minister jstated, the money disclosed here is Rs. 5. 65 crores in Indian currencies. Here the 'Statesman' documents says that money worth Rs. 6. 5 crores was transfered. How the money came? I want to konw whether any RBI guidelines or whether any RBI rules were flouted. How the money came? Somebody told me that the money came from London. How? By air or by natural banking channels? Through the banking channels in the case of Isle of Maa also, money came. That is why the Rarnanathan Commiscsion was appointed in the case of the Reliance Company. We found that money came and that money was invested in those Shares or whatever it is. Mr. Minister, you say that Rs. 6. 5 crores deposited in London came with the specific permission of the RBI or through the banking channels. That means, they were paid in London and brought here. But, when a foreign income is received, how is it accounted for? Here, FERA violations had taken place. And when this gentleman. Mr. Suri saw that he is going to be a difficult position to conceal that income abroad, he might have brought' to take the benefit of this voluntary disclosure scheme or the amnesty under that disclosure scheme or loopholes in Income Tax Act. Then, Sir, it is said that the waiver or the penalty, as they say, about the interest could have been Rs. 65 lakhs. I do not know whether to believe the Income-tax Commissioner or any officer who has taken the decision. It is for the Government to again review the position because, Sir. there is a certain hanky-panky business in digesting this large sum of Rs. 5. 6 crores or Rs. 6. 5 crores. " Such a large sum cannot be digested because I only read in the Times' today that Dukakis who is going to stand for the Presidential election, alleged against Reagan by saying that "Fish rots from the head". That is a Greek saying. So, we must enquire how this money came, who brought it and how it was done.

SHRI LAL K. ADVANI (Madhya pradesh); This Greek proverb is excel-ent.

SHRI A. G. KULKARNI: That is a Greek proverb quoted by Dukakis against Reagan on the Pentagan scandals.

SHRI JASWANT SINGH: What is the pbraee? *(Interruptions)....*

SHRI A. G. KULKARNI; That is your intention. What is Karunakaran? What is he known for? *(Interruptions).* Sorry, meant Karunanidhi. How many scandal are there... *(Interruptions).*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Pleas$_e$ address the Chair.

SHRl A. G. KULKARNI; I come to the last point now, and that is about FERA violation, particularly bringing in money from London. What action has -been taken against Suri? I would request you that such persons of dubious character, whether Suri whether Hinduja or such others, (should be blacklisted and should not be allowed into business with the Government, because they have been so much discredited and they have brought us into trouble unnecessarily. I hope this Government takes note of my feelings. Finally, the Government must now decide the role of a consultant. We do not mind paying commissions. The Comptroller and Auditor General in some file stated that even if commission had been paid, it would have been less. So, don't get afraid of the word 'commission'. They change the word 'commission' and now they use the term 'consultant'. We know tomorrow they may say that the person appointed is our legal advisor, whether that person knows any law or does not know?

SHRI DIPEN GHOSH (West Bengal): Mr. Vice-Chairman, at the outset, I would like to point out that on Friday last when I raised this issue, the Leader of the House assured us that a comprehensive statement would be made by the Government today. But today the statement which has been made by Mr. Gadhvi, Minister of State . for Finance, cannot be called a comprehensive statement as the Leader of the House had stated. Actually I had that fear when the Leader of the House had stated that the Government would make a statement on Monday, because the news item which appeared in *The Statesman* was connected with a number of Minis-triejs and a number of departments. So. if a statement is made by a particular Minister of a particular department, obviously, it is expected that he would devote more to his own department than to other aspects. It so happened in this case also. Mr. Gadhavi dwelt mainly in relation to Income-Tax Act and not other aspects of the—if I don't say 'scandal' I will say—revelation. So, at the outset. I would say and would urge upon the Government, through you, that after settng clarification's, as Mr. Chairman had assured, there should he a discussion, if necessary...

SHRI VIRENDRA VERMA; And also the Leader of the House.

SHRI DIPEN GHOSH: Yes, the Leader of the House also agreed to that assurance, ance. So, at the outset, I feel it is necessary that there should be a full discussion on this issue... particularly, when it being supported by Mr. Kul-3. 00 P. M. karni, when he has demanded the blacklisting of such type of persons, such types of firmv Therefore, Sir. I hope, you, as the custo dian of the House at the moment, will se to it that the assurance given by the Government on Friday last is honoured. *(Interruptions).*

I would like to seek clarifications para by para. First, I would like to refer to para 6 where it has been stated that *M/s* Jyotsna Holdings, or, for that matter Mr. Lalit Suri, was neither an agent of the ONGC nor of the Gas Authority of

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India Limited. According to the agreement signed between the Japanese firm and the ONGC, there was no mention of the existence of any agent. But Sir, as you know and as has already been explained by Mr. Kulkarni also, agency commission are taken under the cover of consultancy fees or some such thing.

DR. G. VIJAYA MOHAN REDDY (Andhra Pradesh); Winding up charges.

SHRI DIPEN GHOSH; This is done in order to avoid the term 'commission' because of the fact that the Government of India, at a particular point of time-had taken a decision that there will be no agents. That is why I would like to know, what exactly were the terms of agreement between the ONGC and the Sumitomo Coroporation. I would like to know whether, as in the case of Bofors, there was an insistence on the part of the Government of India that there should be no agent and that if any commission was to be paid, that was to be paid to the Government by reducing the cost to that extent. I would like to know whether there was any such provision in the agreement that there should be no agent nor any consultant; nothing of the kind. If anything was to be paid, it was to be paid to the Government by deducting that amount from the price.

Sir, while stating this fact in para 6, there is an attempt on the part of Mr. Gadhvi to dilute or rather reduce the importance of the whole thing. The money which was paid was more than Rs. 6' crores; Rs. 6A crores. When such an amount is paid to a consultancy firm for securing a contract, one can assume what exactly was the role that Mr. Suri had to play. Mr. Kulkarni has rightly said. What epithet you used, Mr. Kulkarni, in regard to Mr. Suri? Notorious.

SHRI A. G. KULKARNI: What I said is on record.

SHRI DIPEN GHOSH: But I do not know whether Mr. Kulkarni is aware of the fact that this person who is notorious, according to Mr. Kulkarni, happens to b_e the transport agent or transport consultant for the AICC(I). Does he know that? *(Interruptions)*

SHRI VISHWAJIT P. SINGH (Maharashtra): Sir, I would like to point out that there is no such thing. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); I would request the hon. Member to confine himself to the matter under debate.

SHRI DIPEN GHOSH: I did not say anything unparliamentary.

THE VICE-CHAIRMAN (SHRl H. HANUMANTHAPPA): It is not a question of saying anything Parliamentary or unparliamentary. Please confine yourself to the issue being discussed.

SHRI PARVATHANENI UPENDRA (Andhra Pradesh); There is nothing wrong in this. Is there anything unparliamentary? Let them deny that.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): I have not said it. Why unnecessarily argue? *(Interuptions)*

SHRI VISHWAJIT P. SINGH: The problem is very simple. I am not trying to disturb Shri Dipen Ghosh. I am. merely setting the record straight. Mr. Lalit Suri is not the tj-ansport agent or transport contractor for the AICC. Let me make if

SHRI LAL K. ADVANI: Let it be o\n the record. Let both the things be on the record. He has put the record straight.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); Let us not unnecessarily bring in extraneous matteifs. *(Interruptions).*

SHRI DIPEN GHOSH: All right, Mr. Bansal; I had the information...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); Do not dwell on this point any more.

SHRI DIPEN GHOSH: I am not quoting. The point is, I did not use a single unparliamentary word.

SHRI VISHVJIT P. SINGH; I did not say that.

SHRI DIPEN GHOSH: All right, I accept your version. I take you as an AICC leader. I take your statement as a statement coming from an AICC leader.

SHRI VISHVJIT P. SINGH; No, I am not a leader. I am a humble worker.

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT (SHRI P. SHIV SHANKER): Mr. Dipen Ghosh is a very responsible leader in this House. Generalisation of this type is rather unfortunate. If you tug in the entire party and make an accusation without even verifying the fact, that appears to be wholly out of place and it is not in good taste. I only expect Mr. Dipen Ghosh to with-druw his expression and proceed.

SHRI DIPEN GHOSH; It is not a question of withdrawing...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Do not go on answering every point. You go on.

SHRI DTPEN GHOSH: That is why I wanted to know, what exactly are the terms and conditions in that agreement between the ONGC and Lalit Suri or, for that matter. Lalit Suri's Jyotsna Holdings, whether there was a provision in the agreement that there should be no agent or any consultancy firm and whether there should not be any commission as in the rase of defence deals as announced by the Government of India after 19R4, also because thin amount is a very big amount for the fab which the Sumitomo Corporation had done.

The other point which comes in **this** context is the status and the background of Sumitomo Corporation and also the status and background of this Jyotsna Holdings in the particular line of business in' which ONGC had entered into an agreement with Sumitomo Corporation either through the knowledge or without the knowledge of that consultancy firm. So far as my knowledge goes, neither Sumitomo Corporation nor Lalita Suri's Jyotsna Holdings had any previous experience or dealings either with the Government of lndia or with any other Government or any other organisation in this particular field. I would like to know whether the Government before entering into agreement with this particular firm had gone into the background of thai particular firm, their experience in the line and whether they satisfied themselves before entering into such an agreement with such a firm.

SHRI TIRATH RAM AMLA (Jammu and Kashmir): The agreement in the knowledge of Government was never between Lalit Suri or Jyotsna Holdings.

SHRI DIPEN GHOSH-. I do not know since when you became the Minister of Petroleum. *(Interruptions),*

THE VICE-CHAIRMAN (SHRl II HANUMANTHAPPA): Will you please confine to your speech instead of answer ing interruptionis?

SHRI DIPEN-GHOSH: Now I go into the question of this income-tax statement which has been given by Mr. Gadhvi. ln paragraph 2 it has been mentioned. *(Interruptions)*

THE VICE-CHAIRMAN (SHRl II HANUMANTHAPPA); The Minister will take care of that,

SHRI DIPEN GHOSH: Jyotsna Hold ing Private Ltd. filed, its. return of income for the assessment year 1987-88 on 31-7 1987 showing a total income of Rs. 5, 89, 12, 251, which included the monn received as consultancy fees amounting to Rs. 6. 35 crores and it paid a sum of about Rs. 3 crore as self-assesi; ment tax on 12-9-1987. There is an apparent dis crepancy between these figures—an apparent discrepancy between the figure and the English words when if Is mentioned that the total income Rs. 5, 89, 12; 251 and they had paid a self-assessment tax of about Rs. 3 crore. I do not know,. Mr. Salve

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and Mr. Jagesh Desai can help me, whether the expression "total income" means net income or taxable income, according to the Income Tax Act. I do not know.

SHRI N. K. P. SALVE (Maharashtra): Taxable income.

SHRl DIPEN GHOSH: But actually from the statement itself, it is not apparent. It has simply said "total income": It 3s a small discrepancy.

Another small discrepancy is there. Normally, according to the Income Tax law, when a return is submitted, the self-assessment tax is also deposited'. But here iji a discrepancy in the dates. On 31st July, the return was submitted and the self-assessment tax was deposited on 12th September, after two months. Why this discrepancy is there, I want to know.

Similarly, take the next sentence; "As some portion of the income shown for the year 1987-88 also pertained to two earlier years, the Company, on its own, filed revised returns for the two earlier years 1985-86 and 1986-87 in terms of section 139(5) of Income Tax Act". Herj years, I do not know why the Minister had preferred to remain silent about the date or dates on which these revised re-turnjs were submitted on their own because these are crucial. Mr. Salve and Mr. Jagesh Desai will share with me that from the income tax point of view, when a company submits on its own revised returns for the previous years, the dates are crucial. But the dates: have not been mentioned by the Minister. I do not know why. May be a slip, may not be a slip. I would like to be enlightened about this gap. As to why this gap, I will come to-it later.

Sir, it has been sought to be proved that the grant of waiver of penalty and interest was before assessment was completed or notice was served. Was it regular or not? According to the Minister's statement it is egular. Yes, admittedly it is regular be-ause the notice was not yet served. Assessment could be completed later on, nt In the meantime before the assessment is completed and notice i$ served, one could apply for relief—*i. e.* waiver of penalty and interest. *(Time bell rings)* Sir, you need not ring the bell because the statement is technical.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): I have to ring the bell.

SHRI DIPEN GHOSH; Mr. Kulkarni took half an hour.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): If you go on ex-plaining the "Income Tax. Act...

SHRI DIPEN GHOSH: It is there in the statementrAnd this is my clarification.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Don't go on ex-plaining the Income Tax Act. Members are expected to know its provision... Mr. Jadhav, I am here to take care of that.

SHRI DIPEN GHOSH: This is the clarification I am seeking. He has mentioned it in the statement. I do not want to repeat it, thereby taking the time of the House. In the statement it has been mentioned. "The Company made petitions dated 18. 3. 1988. 21. 3. 1988 and 23. 3. 1988. "

THE VICE-CHAIRMAN (SHRI H-HANUMANTHAPPA): What are ymt saying?

SHRI DIPEN GHOSH: I am saying that the dates, when they submitted the revised returns, are very important. "Under the provisions of Section 273A of Income-tax Act an assessee is entitled to waiver of penalties and interest if prior to the issue of a notice to him under Section 139(2), he voluntarily and in good faith makes a full and true declaration of his income and pays tax thereon. " There are two provisions. Before notice is served. (he voluntarily declares and pays the tax. So my question comes: What did he declare voluntarily, what was his income and what did he pay before waiver was granted? Did he voluntarily disclose under the

amnesty scheme? If he had declared under the amnesty scheme, then the last date for declaration under the amnesty scheme was 31st March, 1987. This is the clarification I want. When did this company submit its revised returns? What is the amount of taxable income that this company disclosed voluntarily? Under what scheme was this disclosure made and when was it paid?

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): I request the honourable Member to conclude now, please.

SHRI DIPPEN GHOSH: All right. In paragraph 5 it is said:

"In March, 1988, when the assessments of this Company were being finalised, the assessing authority found that the Company had made full declarationi of its foreign income in its return as evidenced by two certificates issued by evidenced by two certificates issued by ust 25, 1987. Further the company had *suo moto* repatriated its foreign income through normal banking channels and has also paid its taxes. "

Now, here also there are gaps. The gaps are: When did they actually receive this money in the foreign land? Has the Government of India any information? When did the Government of India come to know that this particular firm, Jotsna Holdings, received money in the foreign lands from Sumitomo Corporation? What are those dates? According to *The Statesman's* revelations one payment was made between December, 1984 and June, 1985 and the other payment was made between July, 1985 and October, 1986. Had it been so, when did the Government come to know? This is important. Now another question comes up and the Minister will kindly reply to it. When the double taxation agreement was signed between the Government of Japan and the Government of India, when the Government had come to know about this deal, had the Government initiated proceedings against the company, as soon as it received the information. under the double taxation agreement? Under the double taxation agreement between the Japan Government and the Government of India, this company could not. I say could not, get the relief under tion 273A of the Income-tax Act because you are saying the provision was before notice was served and in the meantime they have paid it. Your assessmei completed on 28th March, according your statement. Obviously before that (they applied for the waiver, and before that they had said, "It is assumed " But as soon as you had received the informa-tion according to the double taxation ag-reement, as soon as you had received the information that money was paid to this Indian firm on London soil, if you had asked the Income-tax Department to ini'ia-te proceedings, they could have initialed proceedings, completed them, served notice and thereby prevented that company from igetting relief. And relief means the money from the public exchequer.

THE VICE-CHAIRMAN (SHRl H. HANUMANTHAPPA): You have taken 23 minutes.

SHRI DIPEN GHOSH: I have almost completed,

THE VICE-CHAIRMAN (SHRI If HANUMANTHAPPA): Please. Last

SHRI DIPEN GHOSH: Yes. So. thi is the information which the Minister will kindly give to me, when that agreement was signed...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): You are repeating mostly.

SHRI DIPEN GHOSH:... when they received the information about ih ment made to that firm on London oil because it says,

"... the Company had *suo n* palriated its foreign income tl mal banking channels... "

I want to know specifically the ' Which they have *suo motu* re money through normal banl The exact dates I want.

Now the question comes FERA, From the statement itself and the

[Shri Dipen Ghosh]

revelation also, *prima facie* it is establish ed that there is FERA violation. May be, there is a slip in "THE STATESMAN" revelation that it has mentioned "FERA Cell of the Income-tax Department. " So. the Minister has got a clue and said that there is no FERA Cell of the Income-tax Department but that there is a FERA Cell of the Department of Revenue.

SHRI LAL K. ADVANI: In the last paragraph they say that they are enquiring.

SHRI DIPEN GHOSH: That is why I say, 'The Department of Revenue, the FERA Cell of the Department of Revenue. " It has been stated that the enquiry is going on. When was the enquiry initiated, the date, the exact date on whichi the enquiry was initiated by the Department of Revenue?

SHRI LAL K. ADVANI: After "THE STATESMAN" report.

SHRI DIPEN GHOSH: I want the spe cific date.

Sir, before I conclude, I would like to say, from the statement itself it is apparent 'hat there have been some under-the-carpet arrangements or understanding or dealings between the Government and this firm at least in order to get waiver under the Income-tax Act and in order to avoid the net of the FERA. But, when it was revealed afterwards, particularly when the Japanese Government informed, you had no alternative but to simply cook the book, and it is called cooking of the book. That is apparent in the statement of the Minister.

Thank you. Sir.

SHRI PARVATHANENI UPENDRA: IMr. Vice-Chairman, Sir, this is the sixth scandal during the last 15 months, in which persons claiming proximity to persons in high offices, have been virtually looting the country, and this Government has been assiduously trying all these months to whitewash all these scandals one after another. And this statement made by the Minister is one such exercise.

The heading itself shows the attitude of this Gowrnment. The income has been sihown by the party. It has paid the tax. The dates are there. And the Minister says, "the reported income. " Still they have got an element of doubt in that. And he says: "The Statesman report contains a number of inaccurate statements". Except on one point, the Statement corroborates every fact mentioned in *The Statesman's* report The only variation is this. The Statesman said:

> "The questioning of the persons started on 18th March, 1988, completed on 21st March and the assessment orders were passed on 22nd March. "

And the Minister's statement says:

> "The first hearing was held in November. 1987 and the assessment order was passed on March 23, 1988. "

The subsequent assessments on the two petitions dated 18th March and 21st March have all been corroborated. The other one he has corraborated is that the orders were passed on 28th within five days of the first order. That portion he corroborates He accents that point. On every aspect the Statement corroborates *The Statesman's* report.

It is very clear from the Statement that this firm has tried to deliberately evade tax and conceal its income. The document show that the first payment was made on December 3, 1984 and they filed the Return on 31st July. 1987. nearly three years nftTwards. That itself shows the intention of the firm. They would have continued like this had not the Japanese Government given the information to our Government. Then hurriedly they tried to make UP all the mischief and cooked up the books, as my friend has stated.

They had opened ap account in London in the na me of L. J. Consultants. You can understand what is L. J. Consultants. L mean!? Lalit and J means Jyotsna. L. J. Consultants Inc. The payments were being deposited there in foreign currency. The first question is as soon as the information was received by the Government, had they started proceedings for having an illegal account without the prior approval of the Reserve Bank? Have

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they started that? If not, why did they not start? That is why the question, when the Japanese Government gave the information, on which date becomes relevant. What action has the Government initialed immediately after receiving the information? That is the first point.

The second point is that this Company, which was dealing with only rice exoorts and leasing of aircraft to Flying Clubs, showing losses, with a paid-up capital of only Rs. 1|- lakh, suddrnly comes up with business dealing with pipes and oils. I do not know how his firm was accepted as a Consultant also. If the agreement did not provide for an agent, what was the role of this Consultant? The Minister's sta'ement savs that they have seen the agreements. He says there are two asrreements. What did the agreements say about the duties and role of the Consultant? What was he supposed to do?

I also want to know from the then Petroleum Minister whether at any time this so-called Consultant ever tried to influence the political leadership of this country or contacted the Minister? Otherwise there is no purpose What was the Consultancy for? We know what is an agent and what lie is supposed to do And the Consultant sot Rs 6. 5 crorec. *fcr* no-thinc They had him for nothing. TVrf-fore. the then Minister for Petroleum also owes an exnlanation about wha' was the role of the Consultant- whether he was in touch with th- Government officials at that time or the Government leaders?

The most stranee aspect is the behaviour of the Income-tax Department which has already been explained. The Minister says there is nothing unusual, nothing illegal. It is not a question of illegali'y here it is a question how the matter was handled. Here he said the Comnany made petitions on 18-3-1988. and 21-3-1988, two days before the first assessment was made. March 23rd first assessment order was given and two petitions were made before the first assessment. One was after the second assessment on the same day. The second assessment was made on the 28th March and the third petition was also filed on the 28th March and with what alacrity the Department moves to de]al with the matter. If the case of thousands of ordinary citizens and companies, you don't bother about them. You harass them every day. But here is a company where you tackle their petitions on the same day, pass the orders in one day and five days.

SHRI VISHVJIT P. SINGH: The newspaper published the statement very clearly You refer back to what the newspaper published on he next day and it explained everything. There is a long gap.

SHRI PARVATHANENI UPENDRA: Sir, that is the point on which the Minister has to explain. Why the Department acted in such a haste, unusual haste, in this case under whose orders, under whose influence under whose intervention, that he has to tell us.

SHRI KAMALENDU BHATTACHARJEE (Assam): What about NTR?

SHRT PARVATHANENI UPENDRA: Don't bother. He is such a nightmare for you.

What are the reasons for waiving of these penalty clauses? The Minister should explain. May be immunity under that voluntary disclosure scheme, but some fine penalty was supposed to be imposed and the lapse was covered under the Income Tax Act punishable with 3—7 years' imprisonment All these were waived That also he has to explain because this is not a normal case. This gentleman, owner of this firm, is supposed to be the blue eyed boy of the powers that be here and also as the paper alleges—I do not want to subscribe—the paper also linked him with an hon. Member of this House. Therefore,

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): He has already denied.

SHRI PARVATHANENI UPENDRA: He has denied. It is very good. He is here ... *(Interruptions)...*

SOME HON MEMBERS: It should be expunged.

SHRI ANAND SHARMA (Himachal Pradesh): This is not fair at all.. *(. Inter ruptions)* ----

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Pleased sit down.

SHRI PAWAN KUMAR BANSAL (Punjab): Have you read his denial in yesterday's newspaper?

SHRI PARVATHANENI UPENDRA: The Member can always deny that. I said, he has denied.

THE VICE-CHAIRMAN (SHRI H HANUMANTHAPPA): Even the Chair has said that he has already desired it. He will be allowed to make a statement. ... *(Interruptions)...* Let him finish.

SHRI PARVATHANENI UPENDRA: I have nothing against the hon. Member. He is a good friend coming from my own place and State. Because the newspaper has mentioned his name, he has an obligation also to explain.

SHRI PAWAN KUMAR BANSAL: Did you read the newspaper the next day?

SHRI PARVATHANENI UPENDRA: Besides, he sits in the Prime Minister's bouse. I was told that he stays on rent in Lalith Suri's house also in Greater Kailash... *(Interruptions)* That is why I am telling you, he can clarify.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI M. M. IACOB): Tf any allegation has to be made against the Member, it has to be under the rules.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Upendra, you are a senior Member, you should know it.

SHRl V. NARAYANASAMY (Pondicherry): Can he say anything against the rules?

SHRI M. M. JACOB: He has to take the permis-ion.

SHRI ANAND SHARMA: I am on a point of order.

THE VICE-CHAIRMAN (SHRI H HANUMANTHAPPA): Let him finish.

SHRI PARVATHANENI UPENDRA II am telling.. *(Interruptions)..*

THE VICE-CHAIRMAN (SHRI H HANUMANTHAPPA): You are a leader of the party. Let us not make false alle gations.

SHRI PARVATHANENI! UPENDRA I am mentioning these things because thest are the things that are talked about am published. I am equally... *(interrup tions)...*

SHRI ANAND SHARMA: I am on ' point of order.

THE VICE-CHAIRMAN (SHRI H HANUMANTHAPPA): Mr. Anand Sharma, please.

SHRI N. K. P. SALVE: Mr. Vice-Chairman, Sir, I am on a question of pro cedure. *(Interruptions)* ____ If the debats has to be brought to this level, both the sides. This should not go on like this, ise. But if it is to be kept at a particular level. this is a matter in which we art trying to find out certain alleged irregularities in completion of income tax proceedings. *(Interruption).* That is the crucial issue and please bear with me... *(interruption)...* On finding out, if there are some irregularities, what are the inferences?

(Interruption)....

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Why don't you allow him to complete, Mr. Gopalsamy? This cannot go on. I am telling both sides This should not go op. like this.

SHRT N. K. P. SALVE: Sir what is happening is. let us not mix up the issue *(interruption).* Let us try to raise the level of the debate. It is a serious matter. Mr. A. G. Kulkarni has already spoken. It is a matter in which we are equally concerned. We want to know particular income, tax proceedings of a particular assessee who, according to him. does not enjoy a very high reputation. That is what. we are wanting to find out and enquire. It is

a serious matter. Now, Sir, when this is what is being enquired into and if it is found that the income tax department has shown undue haste or have done some sort of hanky-panky in the entire proceedings, certainly, the Opposition will be within their rigbts to impugn all those who are connected with it so far as the irregularity is concerned. But, Sir, in the meanwhile, it for utterly tendentious and ulterior motives and purposes, unnecessary names are brought in then I want to submit respectfully to the Opposition, we will not allow this to come about, *(Interruption).* Sir, we are not scared of any debate. Let that be clear, *-(Interruption)* Not for a moment. *(Interruption).* Sir I am making my submission, let there be a debate not once but hundred times. *(Interruptions):* Let there be a debate. I am respectfully submitting and I am urging, in a matter like this, certain modicum of restraint and dignity has to be kept and to say as to where, some hon. Member has hired a house is entirely irrelevant, unrelated to the issue which we are discussing and through you, Sir, I want to plead to the hon. Members, don't bring in unnecessary issues. There are a large many relevant issues which can be raised in this statement itself and therefore, if they give up this kind of restraint and make all sorts of allegations, I am afraid, the debate will not go on.

PROF. C. LAKSHMANNA (Andhra Pradesh): I would like to have a clarification.

THE VTCE-CHATRMAN (SHRI H. HANUMANTHAPPA): I have called the member. Please sit down.

PROF. C, LAKSHMANNA: In the name of advice, if somebody threatens.. *(Interruptions)*

SHRI ANAND SHARMA: Sir, T am purely on a point of order Now, the House is discussing a matter in fact. I ifind it unfortunate the manner in which the rtrecious time is being wasted for motivated political purposes. The rules are very clear on certain issues and I think, the business of this House has to be conducted as per the rules of procedure. Now, when one member makes any insinuation *or* any defamatory reference to another member of this august House, can it be done in this manner in which Mr. Upendra has done and whether the rules permit, can the business be conducted if this attitude is adopted? Did Mr. Upendra give any advance notice of his intention to make these allegations on the floor of the House? Let us be very clear. We do have political differences. All right. *(Interruptions)...* We have a different approach on issuer There are certain fundamental differences which we can have. But does political differences mean that Members should stoop to this depth in this House by referring to their own colleague? If this is allowed, Sir, it will be a dangerous precedent. And it will ultimately affect the very prestige of this august House. *(Interrutpions)*

THE VICE-CHAIRMAN (SHRl H. HANUMANTHAPPA): The House is discussing an important |iubject. Let us maintain the standard of the debate also. I request hon. Members not to indulge in insinuations or allegations. *(Interruptions)*

SHRI PARVATHANENI UPENDRA: I have made it clear... *(Interruptions)*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); You please proceed further.

SHRI PARVATHANENI UPENDRA: They have spoken so much about it. 1 should also explain. I have no intention to drag anybody's name. Because the papers mentioned... *(Interruptions).* One minute, Sir. *(Interruptions)*

SHRI N. K. P. SALVE: Papers mentioned the name of Mr. N. T. Rama Rao also. He once said papers should never be relied on when we relied on the relevant ex^erptp from The Illustrated weekly' about income-tax proceedings on Mr. N. T. Rama Rao. *(Interruptions)*

SHRI M. M. JACOB: Mr. Vice-Chairman, I am on a point of order. *(Interruptions)* Sir, are you permitting me?

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); Yes.

SHRI M. M. JACOB: The rule is very clear. Mr. Upendra was just now mentioning that he saw in the paper and that is why he was raising it.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): That is quoted already. Mr. Anand Sharma has already quoted.

SHRI M. M. JACOB: Rule 238(a). If you want to make an allegation, you have to give notice as per this rule and then only you can make the allegation. Otherwise, you cannot make it. *(Interruptions)*

PROF. C. LAKSHMANNA; What is the basis for the *suo motu* statement of the Minister? (*Interruptions).*

SHRI N. E. BALARAM (Kerala): He |s not msiking any allegation. What is the allegation? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Order, order, please.

SHRT VISHVJIT P. SINGH; Mr. Upendra is my neighbour. I am keeping quiet... (*(Interruptions)*... I am not saying anything... *(Interruptions).*

"*PROF. C. LAKSHMANNA: I am on my point of order. Mr. Vice-Chairman, I would like to know the basis for the *suo motu* statement. *(Interruptions).* Are you allowing me to raise the point of order? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): I have allowed you to speak. As you intervened when they were speaking, they are intervening now. *(Interruptions)*

PROF. C. LAKSHMANNA: Mr. Vice-Chairman, what is the basis for the suo *motu* statement of the Minuter?

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); You have put the question. Please do not answer. Please git down. *(Interruptions)* The debate cannot go on like this. *(Interruptions).*

PROF. C. LAKSHMANNA: The Minister's statement arose as a result of a particular news item which appeared in two papers. *(Interruptions)*

SHRI DEBA PRASAD RAY (West Bengal): What is the rule for his point of order?

PROF. C. LAKSHMANNA; Have you allowed me or not, Mr. Vice-Chairman? If you have allowed me that means that you have understood that there is a point of order to be raised, whatever may be the rule. *(Interruptions).* You know better. You have allowed. *(Interruptions)*

SHRI DEBA PRASAD RAY: Mr. Vice-Chairman, please ask him to mention the rule.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Mr. Lakshmanna, you please address the Chair.

PROF. C. LAKSHMANNA: The Minister's statement arose out of a news item occurring in two newspaper,; ! It so happened that in those two news items the particular name mentioned just now by Mr. Upendra was there. Therefore, there is no need for any special notice to be given by Mr. Upendra to refer *to* them. *(Interruptions)* If the news item is not correct, the hon. Member who is in the House can alway; contradict it. i Therefore, Mr. Upendra is within his right to quote it. *(Interruptions).*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); Please, sit down There is no point of order raised by Mr. Lakshmanna. The rules will prevail. The rules are very clear. Mr. Upendra hais to abide by the rules. *(Interruptions)*

SHRI PARVATHANENI UPENDRA: The rules are very clear. I abide by them. But what charge did I make against the Member? *(Interruptions)*

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please, do not go into it. *(Interruptions)*

SHRI PARVATHANENI UPENDRA: I would like to know what charge I hare

made against him. I did not make any charge against him. You can check up the record and if I had made any charge aganst him, you can expunge it...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); I will go through the record and if there is any utterance against the ruling, it will be expunged. Now please sit down.

SHRI PARVATHANENI UPENDRA: Let me complete. I only said 'an honourable Member'. He himself got up and identified himself. He identified himself by getting up. I did not mention his name ...

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): Please proceed •with your point.

SHRl PARVATHANENI UPENDRA: Let me complete my sentence. You are obstructing me....

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): No, I am not obstructing you. \ have only brought to your notice, there is a rule and you should go by It.

SHRI PARVATHANENI UPENDRA: The reason why I mentioned it was nobody should draw a nexus between an economic offender and an honourable Member of thi; House who is an aide of the Prime Minister. Therefore, that nexus should not be drawn.. And it is our duty to clear if such mentions are made. If he has contradicted it, well and good. My intention is that a nexus should not be drawn between an economic offender and an aide of the Prime Minister. Therefore, finally I would like to know what the State of the inquiry is under the FERA violations, when it was started, whether after the publication of the report or before that, and if it is after that, why they were keeping quiet till then under whose orders again, under whose influence again.

SHRI M. S. GURUPADASWAMY (Karnataka); Mr. Vice-Chairman, at the outset I want to congratulate and compliment *The Statesman* on its investigative journalism. This House has been dealing with various kinds oj scandals for too long. Therefore, if another scandal erupts before us, it doe,; rot create any sensation in the House; we seem to have been immunized by scandal after scandal. If this deal had been taken in isolation for the first time, T am pure, the House would have reacted in a different manner; the House would have taken it more seriously. But because we have been dealing with, such shady deals off and on, our sensitivity seems to have been deadened. This does not lessen the gravity, the seriousness, of the issue that we ate discussing today. I do not want to traverse the ground that has been covered by my colleagues who have spoken already. I would like to say that this statement which b brief, short, is vaaue and dubious. And by being dubious and vague, it has condemned itself as a bad statement. I take para 5 and in that para I quote:

"Neither the Oil and Natural Gas Commission nor the Gas Authority of India dealt with an Indian agent at any point of time nor did they make any payment to any Indian agent of Sumitomo Corporation in respect of these two tenders. " What does it covey? If I understood this sentence correctly, the Minister tries to say that the Oil and Natural Gas Commission has not dealt with any Indian agent though there was an Indian asent available. Secondly, there was an agreement between Sumitomo which itself is a front company, a sort of front organisation for various other industrier in Japan and because of the agreement between that and Jyotsna Holdings, there cannot be any payment to an agent. It is obvious and there cannot be a payment from Oil and Natural Gas Commission. That is not our contention. The payment has been made by Sumitomo. That is, the issue. Then why has the Minister taken so much pains to say that no money was paid to an agent by Oil and Natural Gas Cemmishion in India? There is not such allegation at all; that is not the allegation of *The Statesman* either. That shows they are suffering from a sense Of guilt. Jyotsna

[Shri M. S. Gurupadasmay]

Holding, yes, what *h* this Jyotsna Holding? It ii a company floated by a mother and daughter. The daughter is the wife of Lalit Suri. The company is floated with an equity capital of Rs. 1 lakh. And this firm has no experience, no knowledge, no competence, of any sort dealing with such matters. Second, the transactions were two in number. There was an agreement bet ween Sumitomo and Jyotsna Holdings for theise two tenders. Earlier Jyotsna Hold ings did not deal with such transactions at all; they had no experience. Nor have they dealt with such transactions of this nature after the conclusion of these two contracts. What do we make of this? We are all hon. Members, very honourable. What do we make of this The Company's transactions begin and end with these two transactions which fed them a hefty sum of more than Rs 6 crores of rupees. And mind you, Sir, this money does not. come directly from Sumitomo Corporation to lndia, Indian banks. No. That money is transferred to a London bank account maintained by Lalit Suri. For what pur pose, I do not know? What are the other transactions in which this Company is involved? I do not know. Anyway, the money has been transferred to London, not to India. So the money had to come *via* London to "lndia for tax purposes. Why?

Sir, this Company that is, Sumitomo Co noration, chose Lalit Suri? Why? Why did fhev choose Lalit Suri. but not Roger Enterprise; ? But they chose him and not their agents, Roger Enterprises, which also have got a notorious record. Anvway, they are their agents. Why did they choose Lalit Suri but not Rogers doine husiness here. And the percentage fixed is 4. 5 per cent in one transaction, and 3. 5 per cent in another transaction, which comes to more than Rs. 6 crores. Why was this Suri fixed? Suri is a player behind these two ladies, the mother-in-law and wife. Why? Why did they select him, and for what purpose? Then, what was the 'best endeavour' he has rendered? They have used the words 'best endeavours'. What are. the 'best, endeavours? They have no technical knowledge or technical competence. I would like the Minister to explain this. Sir, the word consultancy was used. They are called 'consultants'. What is the difference between 'consultants' and 'agents'? Consultancy of what? There is a provision in the Bofors deal: There 'consultancy' is defined with Win Chaddhai 'Consultancy' includes: he ha; to give information to Bofors about those people who have got influence in the Goveinment of India, who have access to people who are ruling this country; thirdly, they must supply the information about the kind of goods and materials required in tlis country.

Here, I don't see that at all. 4. 00 p. m. If there is such a thing as that

I would like the Minister to tell me what does the consultancy mean. What are the elements in this consultancy agreement? If you do not give this information and satisfy us I have to construe that this consultancy is nothing but euphemism for bribery, Mr. Lalit Suri has been used as a conduit, as a channel to bribe the leaders of the Government or officials in the Government to get the cont-arcts. Otherwise, there is no meaning of Rs. 6 crores for consultancy. Sir, it is beyond me to understand. I know consultancy fees is paid for consultation. It cannot be in crores, it cannot be in millions. It is amazing that in India consultancy means crores and crores of rupees of income. Therefore, Sir the circumstantial evidence points to this fact that Mr. Lalit Suri was employed by Sumitomo for the only purpose of getting the contract after making sure that only Lalit Suri and Lalit Suri alone in Delhi will get the contract for them.

Sir, my colleagues Mr. Upendra and Mr. Dipen Ghosh went through figures of income-tax and the dates. r want to say one thing about that. There are 11 instalments of payments made by Sumitomo to JH account in London in the case of one contract spreading from 1985 to 1986. In the case of another contract, four instalments have been made. *(Interruptions)* My point is that I am no* questioning the instalments. Various instalments have been paid on various dates

spread out for a long time. All this time, this Company did not submit its income-tax return, it did not make any declarations here. That is one thing. Secondly, in the end very surreptitiously my friend, the Minister has said that FERA angle is being looked into. I say, there is a clear case of violation of FERA, And for that no action has been taken so far. If this kind of treatment is meted out to any income-tax assessee and FERA violators in this country, *I* would there is a clear case of violation of FERA. seeing FERA violations what punish-have been meted out to those violations by this Department. Very harsh treatment has been meted out to some people. 1 know. But, in this case, there was no action. It is just being looked into. When? When this disclosure appeared in the 'Statesman'. When did thev try to look into this case? Lastly, Sir...

SHRI B. K. GADHVI; Investigating.

SHRI M. S. GURUPADASWAMY: "Looking into' means investigating.

SHRl B. K. GADHVI: Here in the statement it is 'investigating'.

SHRl M. S. GURUPADASWAMY: Look into it, Sir. lastly, this shady deal which has surfaced now—thanks to the efforts of *The Statesman* will go down as another black milestone in the ugly drama that is being witnessed by us played by the Government of India. And this cannot be hushed up in an easy way. I am sure of that, provided you make up your mind and are sincere in your investigation. There is corruption in high places, and the Prime Minister has said not once but many times; I agree with him that corruption in high places has got to be curbed before corruption elsewhere is curbed. Those people who are power-brokers, who are operating in Delhi who are- surrounding the powers that be as friends and guides and consultants and philosophers and what not should be identified. It is these people who distort the morality of law of this country. This case is a case of violation of law and morality both. Therefore, I beg of the Prime Minister and his Government to investigate this scandal thoroughly and punish those who are involved. Thank you.

SHRl JASWANT SINGH: Mr. Vice-Chairman, I shall endeavour not to be rcpititious and not say anything or ask clarifications which other Members have already asked for, but nonetheless, for me personally it is a matter of the deepest ointment that the hon. Minister of State's statement ought, yet again, to have missed the substance altogether and for him to come to the House, and COHT centrated on superficial technicalities, The issue or the issues involved, to my mind are of grave importance. They relate io probity in public life, public accountability, the rule of law an uniform, even-handed and just application of that law that the State is just; it is for all. and is not for some cronies alone, that the law shall apply to all equally and not particularly to some cronies and non-particular!y to others. All these, and many such issues, are involved and they confront us and confront the Government. And what does our Government do? Not surprisingly but deeply disappointingly, it engages itself in replying to a newspaper report by a pitifully abject phrase like; "This report contains a number of inaccuracies". This Goliath of our government, a feeble, flabby giant, hitting the David of Statesman with the' pettifogging pebbles of bureaucratic nitpicking, phrase-making That is all that it amounts to.

SHR] VISHVJIT P. SINGH; I would like to make the records clear that this is not a reply prompted by the Government on its own. It is the opposition which asked for a reply from the Government asked for a statement, and it was Mr. Jaswant Singh's own party which asked for this, and we accepted that in good grace and said that we would reply to it How can he now turn round and ay that it is a spectre of pitiful government replying abjectly?

SHRI LAL K. ADVANI; We did nor expect a puerile reply, a meaning less re *ply, (Interruptions)*

PROF. ' C. LAKSHMANNA: We only wanted a discussion. It is the G ment which has come out with a statement.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA); It is his view. *(Interruptions)*

Air. Lakshmanna, if you want to correct everybody from morning till evening< you will have to go on doing this throughout the day. *(Interruptions)* He has his opinion, just, as you have your opinion. *(Interruptions)* Mr. Lakshmanna, I have not allowed you to speak. Please sit down.

(Interruptions)

What Mr. Lakshmanna says will not go on record.

PROF. C. LAKSHMANNA: *

SHRl JASWANT SINGH; Sir, despite the valiant effort at clarification by my friend what I said earlier remains because the impression remains.

Sir, I would not like to go into the corporate structure of Jyotsna Holding because a number of other speakers have already referred to the implausible corporate structure of this firm, with a capital of Rs. 100, 000, earning Rs. 6 1|2 crores in a certain year. I do not want to go into th$_e$ aircraft leasing business that this company engages in. I am not also going into the questionable aspects of an enterprise called Bharat Hotels which was to be completed for the ASIAD in 1982, but which remains incomplete till today. Lease money of Rs. 4. 5 crores from this Bharat Hotels and Jyotsna Holding, to my information, remaining unpaid to ihe NDMC. Land had been leased out to this Jyotsna Holding or to this gentleman called Suri for the construction of a hotel. Instead of one hotel two hotels are being! constructed. *(Interruptions)*

SHRI V. NARAYANASAMY: Is it relevant? *(Interruptions)*

DR. G. VIJAYA MOHAN REDDY; It is very much relevant.

SHRI JASWANT SINGH. I started by saying that I will not go into all these things.

SHRl IAL K ADVANI; Nor into the Parmal deal.

*Not recorded.

SHRI JASWANT SINGH: As my esteemed colleague has mentioned just now, nor will I go into the question of 1. 5 lakh tonnes of Parmal rice obtained from the traders at Rs. 4 500 per tonne and sold to the USSR at Rs. 7, 500 per tonne, marked as Indian Basmati. J. would not go into this.

I shall not also go into the fact that there is a member of the Cabinet, whom I hold in great esteem, who is a personal friend of mine a lady of great charm, Mrs. Alva, who in this House, on the floor of this House, charged that Shri Suri engaged himself in the sale of Centurion spares with that notorious arms trader, Michele or sometfiing and that these spares found their way to South Africa. I would not go into the details of it. I would not also go into the details of the fact that independent of his association with Michele, this gentleman, Mr. Suri traded in the scrap of Centurion tanks which also found their way to the apartheid regime of South Africa.

The Vice-Chairman (Shri Jagesh Desai in the Chair

These aspects are not engaging our attention at the present moment. I will also, in passing, not go into the curious coincidence of the fact that this Jyotsna Holding found it necessary to engage a chartered accountant firm, M|s. V. Shankar Aiyar and Company, only after 12th June, 1988 after getting rid of an earlier chartered accountant and that this V. Shankar Aiyar and Company also happens to be or had been a chartered accountant of the Prime Minister. Sir, quite often, we happen to share lawyers, doctors and chartered accountants. But these coincidences by themselves are not aspects which I am going into. What I am going; into is, what are the specific laws, to my mind which are involved. Even my lay knowledge informs me that some bf the laws which had been obviously and apparently contravened are the Income-tax Act. the Companies Act, the Foreign Exchange Regulations Act, some of the important provisions of what the Reserve Bank of India dictates ought to be the procedures followed when dealing with

[Shri Jaowant Singh]

matters like being engaged as consultants or lawyers or commission agents or whatever. *It is* and indeed here is the most important aspect, the functioning of the Ministry of Financce and the Ministry of Petroieum also, comes in.

I wiil now go into my specific queries which are in two parts one is as far as the statement itself is concerned and then arising from the statement some indepen- dent queries that I have. The first clari- ficttion, Sir, is from the statement. And here I have a request to make that we an; doing this clarification business in lieu of a full-fledged discussion. Please insist upon the Government to give detailed replies to each of the specific clarifications that we seek. If at the end a whitewash is done, the House will be in a turmoil and that will not be a happy situation either for them or for us. The very first clarification is this that in this dubious company, with a share capital of Rs. 100 000—the company is called 'Jyotsna Holdings'—two ladies are shareholders, each holding a share each, who actually manages this company? Sir, we are here dealing with the company called 'Jyotsna Holdings'. We are not dealing with the floating name of come Mr. Suri. Therefore, I would like the Government to clarify what is the link between Jyotsna Holdings and one Shri Lalit Suri as referred to in the newspaper reports, etc., which name you have conveniently avoided?

Sir, there are references in the statement that the Government, and indeed the departments of the Government have been vigorously pursuing this matter and assessments have taken place as normal assessments of lay individuals like me are done. Therefore, I would like to know, when the assessments are taking place, whom has the Government been questioning? You make references here and you say that we are enquiring into this, that or other things. Whom actually are you asking these questions? Are you asklne them of these two ladies? Are you asking them of this mythical figure of Mr. Suri? Or are you asking them of some designated officers of these companies? Unless you clarify these queries we will not be able to go further.

About consultancy fees, this trange euphemism of consultancy fees has already been spoken about and I shall not take the time of the House on this. On 31st July, 1987, this Jyotsna Holdings returns are filled and on 12th September, 1987, it pays a self-assessment tax. Now my very important question is, why did you accept this self-assessment tax before you had gone into the aspects of the earlier years? This is point number one. Secondly, whether you had gone into the aspect that if the company had earned Rs 6 1/2 crores and it is paying Rs 3.23 crores as tax, it is obviously making Rs 3.25 crores as straight profit on corruption Rs. 3.25 crores in any case, is the profit. Despite this, why did you permit this self-assessment? A question has been asked earlier and which of crucial importance...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Shri Jaswant Singh, payment of self-assessment tax nobody can stop because the assessee himself prepares the challan and pays it. It is not taken from the department and the himself can pay it.

SHRI JASWANT SINGH: I accept that. I cannot challenge it because now you occupy the Chair as also bring in the great experience of chartered accountancy to bear on this observation. So, I could not possibly challenge it but nevertheless, one fact still remains and that simple fact to my lay mind is, that this Jyotsna Holding through corrupt practices has earned Rs. 6 1/2 crores. In self-assessment, it pays you Rs 3.23 crores and it makes a straight profit of Rs. 3.25 crores on corruption and you are saying that because it is engaged in the exercise of self-assessment you cannot do anything about it. That is precisely what I am asking the Government and I am grateful to you Sir because you have underlined my concept.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No, I have not done that. I was making the law clear.

SHRI JASWANT SINGH: Sir, my second clarification—and I will be very brief because I have many clarifications to ask and I would request your indulgence for this—is, Mr. Minister, who drafted this for you? It is not a personal observation. I am sure he can quite easily say that he is not responsible for the English of it. Here he has said; "As some portion of the income shown for the year 1987-88 also pertains to two earlier years".. What is this "some portion". Appa sahib: here is a specific aspect of it. How much of this income was "some portion", how did it relate to earlier years and what is the quantum of this "some portion"?

SHRI A. G. KULKARNI: This is a bureaucratic system of concealing.

SHRI JASWANT SINGH: I appreciate that remark. Actually what this statement has done is, it is *suggestion falsi suppressio veri*—it it suggesting the false and suppressing the truth. My second clarification on this, along with what is this "some portion" is, when actuality, on what specific date were these revised return filed? This is very important for my subsequent clarifications. I am afraid I have become technical because the Minister's statement itself technical.

THE VICE-CHAIRMAN (SHRT JAGESH DESAI): It has to follow from the statement.

SHRI JASWANT SINGH: Yes, Sir, it has to follow from the statement. I am glad you agree with me, Sir. Therefore an. what particular specific date were these revised returns filed by Jyotma Holding?

Then comes the first hearing for the assessment year 1985-86. The return is filed on 31st July, 1987. The hearing for 1985-86 assessment was going to become time-barred on 31st March 1988. The first hearing for the assessment year 1985-86 took place toward the end of November 1987. Between November and March—that means December, January and February, in three months—you are setting the assessment year 1985-86. The Minister says there were a number of subsequent hearings. In these three month? how many hearings did you have? Obviously every day there could not have been a hearing.

SHRI PARVATHANENI UPENDRA. They could have it only for three days.

SHRT JASWANT SINGH: Then it says "As the_ relevant point... " It is quite specific. The statement says: "As the relevant points had already been examined... ' Therefore we in Parliament would like to know what these "relevant points" were that had been examined.

Sir, the Minister is making no notes of what I am saying and I am going to be very frustrated at the end of it.

SHRI B. K. GADHVI: I am taking notes. You need not worry about that.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): He is making notes—both mental and in writing.

SHRT JASWANT STNGH: Sir. I will go by your assurance only.

AN HON. MEMBER; He will have to reply to all the points.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): That is for bim to decide.

SHRI JASWANT SINGH: So all the "relevant points had already been examined". Which were the points on which examination took place in these three months?

I now come to the aspect of some specific questions on this very thing. I would like (he hon. Minister to clarify....

THE VICE-CHAIRMAN (SHRI JAGESH DESAI); You have already taken 17 minutes.

SHRI JASWANT SINGH: I am sorry, Sir, I will take very little time now. Was any more than one hearing conducted in the matter of Jyotsna Holding for the assessment years 1986-87 and 1987-88? For the years 1986-87 and 1987-88, did you have any more than just one hearig? I am not talking of 1985-86.

Now a return of Rs. 5. 90 crores for the year 1987-88 is submitted and in one hear. ing you are settling it. How? My next question is, is it correct that Jyotsna Hold ings, in 1985-86 reportedly showed a loss of about Rs. 40 lakhs? For 1986-87 it filed a return of 'nil' income. Therefore, it had a carried forward a loss of Rs. 40 lakhs when it came to the assessment year which is under question where they are showing an income of this ill-begotten wealth via Sumitomo, etc. I am informed by my chartered accountants—because for this 1 had to ask technical people—that usually a return of loss is filed under section 139 (3) of the Income tax Act *(Interruptions).* And, as per the provisions of section 139(5), returns filed only under section 131(1) and 131(2) can be revised. Loss returns cannot be revised. Therefore, were these returns revised as per the pro visions of the Income-tax Act or did you provide to M/s Jyotsna Holdings a waiv er of the Income-tax Act also?..... *{Interruptions)...*

SHRI A. G. KULKARNI: How can you say...

THE VICE CHAIRMAN (SHRI JAGESH DESAI): Mr. Kukarni, it is a technical matter. The Minister will reply to it.

SHRl A. G. KULKARNI: How can you say that under 131(1) and (2)... *(Interruptions)...*

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): That the Minister will take care of.

SHRI JASWANT SINGH: I am repeating what is in the book, and I would like the Minister to inform me if application of the Income-tax Act was waived.

SHRI A. G. KULKARNI: How can it be waived?

SHRI JASWANT SINGH: Your Gov-ernment has done it. On 18, 21 and 28th March, petitions were made directly, as per this, before the Commissioner of Tncome Tax. What about the Income Tax Officer, what about the assessing officer? Who advised the Income Tax Officer etc? Can any petition be filed directly either to the, Tribunal or the Central Board of Direct Taxes or such other agencies who to sit in Delhi?

THE VICE-CHAIRMAN (SHRI GESH DESAI): Now the last point

SHRI JASWANT SINGH: \v the last point

THE VICE-CHAIRMAN JAGESH DESAI): You have taken time.

SHRI JASWANT SINGH: I will very brief and to the point

THE VICE-CHAIRMAN (SHRI GESH DESAI): You have alread} 20 minutes. Within two minutes vot make your points.

SHRI JASWANT SINGH: Only I would like to know from the Goveinnu-T whether returns of income can he thrice, and is it correct that is this returns were revised thrice? 1 would like tO know, is it usual to file the petit of waiver on interest and penaln vance of filing the return itself and not what happened in the case of Holdings—that before they filed ove return, they had filed the petition foi er and assessed for interest?

I would then go on to the m Is it a fact that the balance sheet-Jyotsna Holdings for the last have not been filed with the Regisi Companies? If the balance Jyotsna Holdings have not been the last five years with the R-Companiese, did the Governnv this aspect and, if it has not aspect, why has the Government mented on it in this prticular Sir, you would appreciate also my distinguished colleagne would appreciate- it that revised income have to be in conformi profit and loss accounts and profit

[Shri Jaswant Singh]

accounts have to be submitted to the Annual General Meeting of the shareholders of the company and for the holdings of the Annual General Meeting; 21 days' notice is required. In this particular case were the novisiotis of Comnany Law followed or not followed and if they were not followed, did you, therefore, exonerate this company from the provisions of company j law also?

I now come to FERA violations—just three specific questions on FERA violations. I want to know, Sir, whether in all this saga there has been any violation according to- the Government of the Foreign Exchange Regulations Act and whether there is a provision under the Foreign Exchange Regulations Act for voluntary disclosures. Is it not a fact that the Voluntary Disclosure Scheme of the Income-tax Act expired on the 3st of March. 1987? And we are now talking of March, 1988. Therefore, under what provisions did you permit the benefit of the Voluntary Disclosure Scheme? The first payment made to Jyotsna Holding by Sumitomo is dated the 12th of March, 1984. Between the 12th of March, 1984 and the 24th of October, 1986, Sumitomo received Rs. 6. 5 crores. For four years from the 12th of March 1984 to March, 1988, Rs. 6. 5 crores are lying in foreign currency in a London bank, earning something. Surely, they are not in cur-recy notes but in fixed deposit. What about the earnings of these four years? Where I are the details for these four vears? This money has been lying in a London bank for four years. You say, the Foreign Exchange Regulations Act has not been violated for four years. This income abroad has heen enjoyed by lyotsna Holding for four years. What have you dene about it? What are you going to do about it.

Was any sanction rom the Reserve Bank was obtained fop taking on this job of consultancy and receiving pavment in foreign currency whether abroad or in India by this Jyotsna Holding? This is the question about the RBT.

THE VTCE-CHATRMAN (SHRI JAGESH DRSAD: You, have asked all the Questions. Please finish now.

SHRT JASWANT SINGH: All I am asking are questions.

Si \ I would like to find out the provisions of the double taxation treaty with Japan. When was this Treaty signed? On which date was this information provided to the Government of India? In iddi-tion to Jyotsna Holding, which are the other Indian companies or Indian citizens or Indian names about which Japan has given information?

Sir, I would like to conclude. You have been very considerate to me.

Is there a penalty clause under the agreement that the ONGC has with Sumitomo? You say, there is no agent. If it is found that there is an agent, then, Sumitomo shall have to pay penalty. I_s there a penalty clause or is there no penalty clause? If there is no penalty clause, why?

I am concluding, Sir, with some words of advice to this Government. For the last one-and-a-half years we have repeatedly seen our Government consistently giving priority to its own political convenience over truth. Don't now do so. Even now learn to desist and to give up. Don't every time attempt to protect every petty and shoddy crime and every petty and shoddy criminal. You will tie yourself in a web of deceit and untruth. Even now I advise you and request you to give up, come forth with the truth, complete and total truth and nothing else but the truth. Short of that, nothing else will serve the purpose of today.

SHRI CHITTA BASU (West Bengal): Sir, from the news which appeared in a section of the press, certain very valid apprehensions and doubts have arisen. Those apprehensions are and doubts are:

Number one, Jyotsna Holding received some undue favour from the Govern ment.

Secondly, there was some unholy collusion between Jyotsna Holding and high placed Government officials, particularly of the Income-tax Department, for in this case it brings out the existence of a nexus between some persons in close proximity of the high authorities of the Government and this particular firm.

Lastly a very grave doubt has been

raised whether this firm, Jyotsna Holding acted as a conduit for bribes for other Persons.

Sir, when we look, at this statement, none of the apprehens; on; as have been mentioned by me, has been dispelled. Rather those apprehensions and doubts have been further reinforced, bacause none of these questions has been answered properly

So fat as the role of the Jyotsna fitm is concerned, you may recall that there *lias* been some agre: ment between Jyotsna Holding and the Sumitomo Corporation. This agreement states that the Jyotsna Holding should provide the Sumitomo with assistance and advice and other s. rvices which Sumitomo Corporation from time to time requests and otherwise use the best endeavours of the Jyotsna Holdings to assist the Corporation in negotiations with the customers for the purpose of successful conclusion of the contract in respect of the tenders. Therefore, it is very clear the services which are expected by the Sumitomo Corporation from thei \Jyotsna Holding are that they should exercise their best efforts to secure for them the contract of the tender. In this connection, may I know if the[1] Government—the Ministry of Finance, I think, in this case^ the Ministry of Petroleum and Chemicals and the appropriate aulnorities—have tried to find out what kind of best efforts were made by this Jyotsna Holdings to secure for the Sumitomo Corporation on the sanction of the tender? Have you gone into it? Have you examined it? How was the exercise of the best endeavours? What kind of assistance was rendered by this company to the Sumitomo Corporation? What kind of other advices were tendered to the Corporation? Have you examined all this? I want to know this point because that is very relevant in this case. I want to know this because doubt is that the Jyotsna Holding was given undue favours by Sumitomo Corporation only to influence some persons in the proximity Of the establishment to clear the contract. Therefore, it is very relevant to know and to know very specifically what kind of advices were given, what kind Of endeavours they made and what kind of assistance they rendered to the Sumitomo Corporation. I want a specific answer from the Minister in regard to these.

From this it also becomes necessary for the House to know why the Sumitomo Corporation considered die Jyotsna Holdings worthy of such collusion. what did they expect of them and what was the expectation which prompted them to appoint them as a Consultant or, an agent? If 1 go by the phrase 'consultant', what was the specific reason for the Sumitomo *to* appoint this Company as their consultant or as their agent? In this connection, what wa; precisely the role of this company in winning the contract for the Corporation? How this company used its best endeavours to assist the Japanese Corporation?

A doubt has been expressed that there has been an unholy collusion between th$_e$ Income-tax officials and this company. Now, this statement in paragraph (2) says the assessment were not completed in undue haste as alleged in the news item. The first hearing for the year 1985-86 commenced On 25-11-1987. There were a number of subsequent hearings before the conclusion of the assessment. Now, would the Government, would the hon. Minister kindly tell Us the dates of the subsequent hearings, when those subseqent hearings did take place and the details of those dates?

Then, there has been some revision of income tax returns. This statement admits. I do not know. You know better than me. If it is allowed, it is all right. But is it a fact that these devised peitions were filed under the direct advice of the income tax official? Because they wanted to accommodate an din order to accommodate and in order to see that this company is rescued, they did advise them to submit the revised returns so that it could be properly adjusted with. My specific question is that whether these revised returns were submitted under direct advice of the tax official?

[Shri Chitta Basu]

It has also been admitted in the statement—I don't like to read—that petitions for relief were also submitted. It has been stated and I do also state that those petitions were submitted before the final decision of the income tax official concerned or agency concerned. How does it happen? Unless there was a *collusion* between the officers and the company, how could the company know, how could the company come to know that there will be this kind of decision, these kinds of penalties, these kinds of fines? How they could anticipate it in advance and submit the petitions for relief?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Mr. Basu, please conclude.

SHRI CHITTA BASU: Lastly, Sir, even the statement gives that answer saying that enquiries are being made from the Sumitomo Corporation, the Directorate of Enforcement is also investigating the matters from the FERA angle. Then, the statement also says that the question of FERA violation cannot be altogether ruled out. In that case, why section (1) and 14 of the FERA was not applied and adjudication proceedings was not started straightway? It is clear that this also relates to the violation of FERA. If the Ministry of Finance comes to this conclusion, why it did not agree with them at the earlier point of time and this particular provision of the FERA was not applied against this company? All these things ultimately lead one to believe that the Government is there always to protect those persons who are in close proximity with the establishment. This has been the familiar pattern which has been revealed during the earlier exposures of these scandals. Therefore, this Government by this statement has revealed its object. Again the object of the Government has been to conceal certain inconvenient facts. The object of this statement has been to obfuscate the issues. I saw the statements which Indicated that there has been some nexus between the politicians, a group of politicians particularly with the proximity of the Government and money bags and this nexus is very dangerous. I want to know what the Government proposes to do in order to demolish this kind of nexus, in order 'to break this kind of nexus about policy.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Mr. Vice-Chairman, Sir, while our Home Minister replied to the debate on the resolution of the continu ance of President's rule in Tamil Nadu, he warned the former rulers of Tamil Nadu by saying that more skeletons are there in the cupborad against the former rulers. What we see now is that there are innumerable skeletons in their own cupboards. So, after the publication of the kickbacks for Rs. 6. 5 crores in the Statesman, it has caused great panic in India because for the last one year, our people arc witnessing the corrupt practices and inconsistent policy of this Government. Sir, as far a$_s$ this scandal is concerned, it is needless to explain that Jyotsna Holding is an agency which was leasing out aircraft to Delhi Flying Club. I think, Mr. Satish Sharma is the President of that Club. *(Interruptions)*...

THE VICE-CHAIRMAN (SHRl JAGESH DESAI): What do you want to say? Mr. Aladi Aruna, why do you want to say Iike that? It is not fair. *(Interruptions)*...

श्री राम अवधेश सिंह (बहार)
यही तो असली प्वाइंट है।

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No, you sit down. *(Interruptions)*. You please sit down. *(Interruptions)*..,

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: Sir, he can deny that he is not President of that Club.

THE VICE-CHAIRMAN (SHRl JAGESH DESAI): Why do you want to say like that? There are some motives behind that and I will not allow such kind of motives. *(Interruption)*. Why do you want it?

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: What is wrong in that?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): That shows j you want to attribute motives. Please do not do that.

SHRI ALADI ARUNA *alias* V. ARU-NACHALAM: Sir, Jyotsna Holding is at all having any transaction, experience, business or trade in oil sector. At the same time, this Jyotsna Holding has been assigned two contracts worth about several crores of rupees. Sir, I would like to know how this assignment was given to this JyWsaa Holding, whether there is any involvement of politicians or bureaucrats in this contract. We know already there is an allegation against Mr. Lalit Suri for supply sub---standard rice to Russia. In spite of that, he has been patro-nised in this matter. So what we doubt is that there must be an involvement of some important leaders in this matter. Sir, we must thank the Government of Japan because they gave the list of persons who received the commission amount from their concern. Had it not been informed, Mr. Suri himself might have suppressed the fact. Because of the disclosure, he also came forward to disclose the amount as to what he has received as commission. The unfortunate thing is that the hon. Minister in his statement has stated that he has received only consultancy fees. I do not know why does it take such steps to protect the interest of Mr. Suri because i_n the document itself, it has been clearly stated that he has received... *(interruptions)... You* dsny this document... *(Interruptions)...* Are you suspecting this document? *(Interruptions)* Then you have no honesty at all. There is no further commission payable to you under the above agreement'. To what I want to draw the attention of the House is that that company itself, Sumitomo Corporation itself has used the word 'commission'. But, -unfortunately, our hon. Minister, instead of using the word 'commission', has used the words 'consultancy fees'. What was the need on the part of the Minister to use these words? Sir, here in this statement the hon. Minister his stated "Neither the Oil and Natural Gas Commission nor the Gas Authority of India dealt with an Indian agent at any point of time nor did they make any payment to any Indian agent of Sumitomo Corporations in respect of these two tenders". The most important fact is... *(Interruptions)* If you have allowed Jyotsna Holding deal with. *(Interruptions).*

THE VICE-CHAIRMAN (SH K) JAGESH DESAI): Seek your tions now.

SHRl ALADI ARUNA *alias* V. NACHALAM: Even though the Govern ment is not a party to the contract, allowed Jyotsna Holding. I would like. to know from the hon. Minister whether you are aware of the dealings, transaction-and business of Jyotsna Holding undo: Sumitomo Corportion. Then Sir, yon Government is always claiming that.... *(Interruptions)...*

THE VICE-CHAIRMAN (SHRl JAGESH DESAI): Only clarifications please.

SHRI ALADI ARUNA alias V. ARt NACHALAM: For clarification I have to say something. How can I come to the clarification? Is it poisihli *(Interruptions).*

THE VICE-CHAIRMAN (SHRI GESH DESAI): For major particular*(Interruptions)...*

SHRI ALADI ARUNA *alias* V NACHALAM: If is left to the Ch have allowed for others more than so minutes. But you are not allow even to initiate. I am not able derstand the logic. *(Interruptions)*

THE VICE-CHAIRMAN [SHRl JAGESH DESAI): No. No. (Interrup-*tions)*

SHRI ALADI ARUNA *alias* V NACHALAM: Our Government is ways claiming the policy of no middlem agency and direct transaction. It is fraudulent claim. There is no truth at all. Actually, the, Government have utilised the genuine, approved knowledged agent in some area so could have been benefited. Now, not utilising approved agents. We utilising our own people with vested interests. So the qualified agents are depri-ved of some important areas. We have

[Shri Aladi Aruna *alias* V. Arunachalam]

been affected. So, I would like to know. (*Interruption)*...

THE VICE-CHAIRMAN (SHRI JA GESH DESAI): You are consuming your own time. *{Interruptions)* I have not allowed more this ten minutes. *{Interrup tions).* If you ask the points straighway. *(Interruptions).*

SHRI ALADI ARUNA *alias* V. ARU-NACHALAM: I would like to know whether our Government is aware of the dealings of Jyotsna Holding or not. Sir, the amount has been deposited in a London bank. I would like to know whethejr Sumitomo Corporation got permission to deposit in that bank on behalf of Jyotsna Holding or whether Jyotsna Hcl ing got the permission from our Government to deposit the amount. I seek these clarifications. With these words, I conclude. I

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Sir, V. Gopalsamy. Sev n minutes.

SHRI ALADI ARUNA *alias* V. ARU-NACHALAM: I am very sorry. You are giving 30 minutes to others. But when you come to South, you are curtailing the time. *(Interruptions).*

SHRI V. GOPALSAMY (Tamil Nadu)-, You will be always considerate and courteous. I know Mr. Vice-Chair man, Sir, first it was 'Indian Express'which exposed some skele tons in the cupboard of Mr. Rajiv's Government. *(Interruptions)* Then it was 'The Hindu' which launches a crusade against corruption with more shocking revelations on Bofora Now it is the turn of 'Statesman'.

SHRl ATAL BIHARI VAJPAYEE (Madhya Pradesh): 'Times of India' is going to follow.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI). Mr. Vajpayee is taking awar your time

SHRI V. GOPALSAMY; It hai thrown a bomb-shell.

SHRl DIPEN GHOSH-. Have you not seen another revelation in the 'Hindustan Times'?

SHRl V. GOPALSAMY; You kindly minus these two minutes from the time taken by me. It has thrown a bomb-sheli. It has thrown a bomshelf to demolish the already crumbled credibility of Mr. Rajiv Gandhi Government. The Government has very cleverly misguided and misled this House as if this matter is a matter of Lalit Suri's income-tax or FERA' matter. Those things are only the tip of the iceberg. The real thing is the kickbacks connected with ONGC to the tune of Rs. 6. 5 crores. ONGC has embarked upon a programme worth thousands of crores of rupees. Therefore, the kickback-wallahs have now shifted their field from the Ministry of Defence to the Ministry of Petroleum, For what reasons has Sumitomo Corporation of Japan given money to the tune of Rs. 6. 5 crores to an obscure, notorious, fallow who is running this Jyotsna Holdings Private Limited? The Japanese are not idiots to part with such an amount. At least Win Chaddha was doing something, was supposed to be doing something foT Bofors. Here this man had nothing to do with the oil sector with the oil industry. It has been clearly established that sumitomo Corporation had been favoured by ONGC to the extent of more than Rs. 6. 5 crores. What is the illegal favour done to Sumitomo by ONGC for? There must have been other tenderers also. Unless the tenders given by other tenderers are placed before Parliament, we may not be able to come to any judgment. Who are the other tenderers? What are the amounts? What are the terms and conditions?

SHRI VISHVJIT P SINGH: We are not doing a witch-hunt of ONGC.

SHRl v. GOPALSAMY That is the crux of the matter. Then what for

was Lalith Suri given this amount Of Rs. 6. 5 crores?

SHRI DEBA PRASAD RAY: j am on a point of order. The statement which has been made by the honourable Minister has named Jyotsna Holdings and the statement has not mentioned the name of Lalith Suri. The honourable Shri Jaswant Singh, when he spoke, wanted to know what the relationship was between Jyotsna Holding and...

THE VICE-CHAIRMAN (SHRl JAGESH DESAI): No, there is no point of order. The Minister will reply to him. You please sit down.

SHRI V. GOPALSAMY; In para of the statement the Minister goes on to say the assessments for the subsequent two years were also completed on 28th March, 1988. I would I like to know when it was started, when it was commenced. Here again the Government is very clear. It says: "Neither the Oil and Natural Gas Commission nor the Gas Authority of India dealt with an Indian agent at any point of time nor did they make any payment to any Indian agent.. " That is not the case of the Opposition. This is a clever design and strategy of the Government to have agents, to pay the agents, to get the commission money paid, the bribe money paid, in secrecy. Mr. Lalith suri, the notorious man, who has become notorious in the rice deal with Soviet Russia, is only a brand, is only a *benami.* Who 5. 00 pm are the real recipients of this money? Who are the reol recipients of this amount of Rs- 6. 5 crores? Who are the criminals-? Who are these scoundrels? Whether it is a single individual or a group of persons should also be known That is the point, it is a known fact... (Inter-*ruptions)...* Mr. Vice-Chairman, Sir, it is known fact that Mr. Lalit Suri has got access to the... * (Interruptions)

*Not recorded.

THE VICE-CHAIRMAN (SHRl JAGESH DESAI); NO, no. It should not go on record. I am not allowing a *(Interruptions)*... It should not be recorded.. (Interruptions).. It will not go on record.

SHRI N. K. P. SALVE; Sir should not go on record... *(Inter* ruptions)...

SHRl V. GOPALSAMY; sir, it known fact.. (Interruptions)..

SHRI PAWAN KUMAR BANSAL: Sir, he should not tolk, iiresponsillte like that... *(Interruptions)*

THE VICE-CHAIRMAN (SHRl JA GESH DESAI); It should not go or record. Let it not be recorded. *(Interruptions)...*

SHRl PAWAN KUMAR BANSAL He should apologise to the House *(Interruptions}...*

THE VICE-CHAIRMAN (SHI GESH DESAI); All of you, pie. down.. *(Interruptions)*.. Please down.. *(Interruptions)*.. All of please sit down.

SHRl V. GOPALSAMY; A. [1] scandals, whether it is Bofors or (Interruptions)...

THE VICE-CHAIRMAN (SI I GESH DESAI); All of you, plea down... (Interruptions)..: wilJ go on record.

SHRI DIPEN GHOSH; Sir. I an a point of order.. (Interruption.

THE VICE-CHAIRMAN (SHRl. JA-GESH DESAI): You see, an allegation and I will allow it. I am not allowing will not be a part of the record *tenuplions)*

SHRI DIPEN GHOSH: Sir, I oing to disobey you. Kindly listen *terruptions)* Mr. Vice Chajrman Sir. I am not disobeying your ruling am not asking anybody to disobey our

[Shri Dipen Ghosh]

ruling. But the point is that if I make a reference that so and so.... *(Interruptions)*.... Please listen. If I make a reference that so and so has access to someone's office, how does it come to be an objectionable reference?.. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You are a senior Member and you can understand that.... *(Interruptions)*

SHRI DIPEN GHOSH: That is why I am asking *(interruptions)*.. That is why I am asking this question. Tomorrow, I may go to the Prime Minister's office. If I go to the Prime Minister's office tomorrow and if someone says that Mr. Dipen Ghosh has access to the Prime Minister's office, will it be wrong? *(In terruptions)*.... Why are they so sensit ive? *(Interruptions)* Why are they so sensitive?

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): It all depends on the context, the context in which it has been said... *(Interruptions)*...

SHRI DIPEN GHOSH: What is the context?... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): In this contex', it is an allegation and I will not allow an allegation.... *(Interruptions)*....

SHRI DIPEN GHOSH: Then to the Prime Minister's office none except the Prime Minister's office will have any access!... *(Interruptions)*...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI):; if it is as simple as that, I can understand that. But this is an | allegation and an allegation as such I will not allow... *(Interruptions)*... All of you, please sit down *(Interruptions)*—

SHRI VISHVJIT P. SINGH: Sir,.... *(Interruptions)*....

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I am not allowing any-body Please sit down. I am on my legs. Please sit down. *(Interruptions)*... I am cm my legs. Please sit down. 1 have already said that in the coniext in which it is used it is an allegation... *(interruptions)*...

SHRI GURUDAS DAS GUPTA (West Bengal): Sir, I have a submission to make.... *(Interruptions)*

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No... *(Interruptions)*

SHRI SATYA PRAKASH MALAVI YA (Uttar Pradesh): Sir, I am on a point of order. You kindly hear m«..... *(Inter ruptions)*.... 1 am on a point of order.

SHRI RAM AWADHESH SINGH: I am on a point of order. Please listen.... *(Interruptions)*....

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No. You cannot speaJc in this language. You should not speak in a language like this. I will not allow you. I may allow a point of order. But I am not allowing this kind of a language to be used: "Please listen. ". Yes, Mr. Malaviya, you have a point of order or you want to say something else? If you want my ruling. I will say I am not allowing it.

SHRI SATYA PRAKASH MALAVIYA: Sir, whole basis of the statement of the honourable Minisier is the first sentence which says:

> "Government's attention has been drawn to the new; item in the 'Statesman, Delhi edition, Friday, July 29, 1988,... "

Sir, I have got a copy of the statement. The relevant portion is:

> ".... who has no connection with power brokers in the oil sector but is known to have easy access to the Prime Minister's office. "

So my submission is that this is the very basis of the Minister's statement. As such, no Member can be prevented to refer to this. *(Interruptions)*

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): As regards the Minister's statement, the basic issuer which have been raised in the Statesman, ' one is whether there are FERA violations and whether there are income irregularities or other violations. These are the basic questions. The Minister cannot make a statement in each and every word.... *(Interrupt ions)..*

SHRI RAM AWADESH SINGH Let the Minister say and....

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): No. I won't allow you. *(Interruptions)* Mr. Verma is going to speak. You tell him. *(Interruptions)*

SHRI V. GOPALSAMY: Sir, whatever the scandals, whether the scandal on Bo-fors, whether the dealings of the Bachc-han family in Swedes or the Westland helicopters' purchase or the submarine de-a'. shall scandals revolve round only one VVIP. The whole country knows about it. Sir, it has been put in this newspaper also that Mr. Lalit Suri has got access to the office of a WTP. *(Interruptions) A* Very, Very Important person. Therefore, it is a clear case that there was an agent fort the ONGC. But the ONGC has denied this. Now we have found it. Kickbacks have been paid to the extent of Rs. 6. 5 crores for this purpose. To get these kick-backs the LT. department has been used and. FERA has been used. Therefore, Sir, that one man, Mr. Lalit Suri. is *benami* for others, a group of persons. *(Interruption*)*

would like to know whether there Will be a probe, a parliamentary probe, into this. Then only truth will come out.

The Depufty Chairman in the Chair.

SHRI N. K. P SALVE: Madam, before I, come to seek my own clarifications I would like to say that a very highly technical point was raised by the honourable Shri Jaswant Singh about the validity of the revised return under section 239(5). He seema to question the validity of the return revised return for the assessment years 1985-86 and 1986-87 upon an assum-ption that a return of loss which is filed under sub-section (3) of section 139 is under a section in respect of which a revised return cannot be filed, because, revised return can be filed only original return is filed under sub (1) or sub-section (2) and a return loss, is filed under sub-section (3). I has checked up. The return of loss under section (3) itself by virtue of the ory provision is a deemed return under sub-section (1). So there is not law which prevents him from revisin. return. So the returns are valid for assessment year 1985-86 and....

SHRI JASWANT SINGH: 11, 1: nute. with your permission. Qudin such a point would have gone in and the court would have ruled I and bow to his superior wisdon as income-tax Act is concerned. \ is no court to rule on the subject ever he says, I will accept because liy do not know about it int remains. It would be more I ficial if the Minister pronounces officially.

SHRI N. K. P. SALVE: Mad Section itself is so clear and I *v* just two lines. I am reading Sub last part: "return of loss in the ed form and verified in the, presention manner and containing such other part culars as may be prescribed, all provide of this Act shall apply as it it were turn under sub-section (1). So. that absolutely clear. Madam....

SHRI B K. GADHVI: I haul very much.

SHRI N. K. P. SALVE: Madam usly, the gentleman has received common issions in account years 1984-85. and 1986-87 and

SHRI LAL K. ADVANI Was mission or was it consultancy

SHRI A. G. KULKARNI: What is-'

SHRI N. K, P. SALVE: I do not the precise nature. It is referred to is me sultancy fees. Since I did not 'benefit of looking into the agreement ween him and Sumitomo, I really know the nature of payment. But that the is an income which is liable to be

[Shri N. K. P. Salve]

and the gentleman received it in England in the account yea, - 1984-85, 1985-86 and 1986-87 certainly involves certain moral turpitude. Out of that there is no going back But the question is, notwithstanding that it does involve moral turpitude, what can one do? Under Section 273(a), now he submits Ms return of income for. 1985-86 assessment year, and 1986-87 and 1987-88. On the quantum there is no dispute. Section 273(a), Madam, deals with power to reduce and waive the penalty—"Notwithstanding anything contained in this Act. the Commissioner in his discretion is vested with the power to waive or reduce the penally.... " Therefore, the first clarification that I would like to seek is that the penalty cannot just be arbitrarily "reduced or waived. There are certain conditions prescribed. And those conditions *inter alia* are, Madam, that the disclosure should be made voluntarily and in good faith. And what is more important is. as in all cases referred to in Clauses (a), (b) and (c) whether he has co-operated in the enquiry relating to the assessment of his income. I would like to know from the Minister whether, as a result of enquiry, it was found that it was a full and total disclosure made in bonafide good faith by Mr. Lalit Suri. That is numher one. And the second question which Is important for we Madam, is that the Minister's statement does not make any mention about income of Sumitomo. Sumitomo would be liable to be assessed under the Income-tax Act, 1961 for the income they earned in India. And obviously they earned income in lndia. And if they earned income in India, what about the assessment of Sumitomo? And have you treated this payment of Rs. 6 crores and odd in the assessment of Sumitomo?

उपसभापति : श्री एन०ई० बलराम ।

श्री वीरेन्द्र वर्मा (उत्तर प्रदेश) : मेरा नाम था न ?

उपसभापति : दोनों का है । दोनों में से कोई एक बोलिए ।

श्री वीरेन्द्र वर्मा : मेरा नाम तो ऊपर था । कैसे काट दिया ? इनसे पहले था ।

उपसभापति : काटा नहीं है । आपको नाम है । आपको चांस मिलेगा ।

SHRI N. E. BALARAM: Madam, be-fore coming to this business, I would lik-to congratulate our national Press for their commendable services rendered to the nation. Their intention is to have a clear publtc life and they are now unearthing some of the worst economic crimes which our Government or its agencies could not take cognizance of. And unfortunately, the Government are always forced to come with some statement, some explanation which is most unconvincing. Not only it is unconvincing sometimes it tends us to believe that they are on the other side. I am sorry to say that. They are really On the other side.

Coming to this particular case, I have got only two points because many other points have been raised by some of my friends from this side and I do not want to repeat them. Firstly the statement itself is contradictory at many places. In th-last para of the statement, the Minister says that Directorate of Enforcement' is investigating the matter from FERA angle. But in Para 5 in the same statement they say that the assessing authority found that the company had made full declaration of its foreign income in its return as evidences by two certificates issued by Sumitomo Corporation. So, the authority found that the company made full declaration of its foreign income and the Government is convinced. Then again they gay that the company repatriated its foreign income through normal banking char" and have also paid taxes. So, whatever the money this company had in London bank, has been examined by the department and they feel there is no FERA case at all against this company. But in the end they say that they are again investigating it from FERA angle. What does it mean? I do not understand it. They have given a clean chit to the company that there is no FERA case against it. That is why on all the occasions whenever some allegations are made. Government are always on the other side. They

Save a clean chit to the company. Then what is left to be investigated into? What is your doubt? If you have got any doubt, please tell us. That is why I say that the statement is contradictory. The Minister is no! clear about the whale position.

Secondly, the Minister did not make any attempt to contradict the statement that appeared in the press. The Minister says that the report that appeared in the is contained a number of inaccurate ements. What then are the rale statements contained in report? Would you tell us? You yourself are not clear about it. You are not in aposition to contradict the report. Many items in that report, according;. O you, are correct. According to you, some statements are inaccurate. Because you did not contradict that report, I presume that report is true.

Now. the first point that I would raise is who is this Jyotsna Company? Whose is this company? How come the. Japanese firm contact this company? You say that the Japanese firm contacted this company for some consultancy services in, relation to a tender which was floated. Why? Are they experienced in giving consultancy services on this question of pipe business? Did you make any enquiry about it? As far as my knowledge goes, this company has several businesses. This gentleman has several businesses. But his main business was that he was helping the Delhi Flying Club by providing some aircraft. That washis main business. You did not deny that. What can such a person do in relation t such a deal with the Sumitomo Corporation? This question has been raised by some of *my* friends here. *(Time-bell rings)* Why should the Japanese Corporation consider Mr. Suri, this little-known company, worthy enough for paying such a hefty commission? Why should such a hefty commission be paid 4o. such a little-known company? What kind of services were rendered, by this company? What did they do? Thishas given rise to some doubt. Why did such: a little-known company as this one get such a hefty amount, such a huge amount, as commission? Why was it paid?

This was Paid because this particular gentleman has got a strong political clout. Everybody knows about India and the Indian administration. When a person has strong political clout, several companies from abroad, several people from abroad, arc prepared to pay any amount of money as commission in order to get concessions from the Government of India.

Madam, if you see the things in a proper way, you will see that this money was paid for the political clout of this gentleman. I do not want to mention his name. If I mention his name, many facts will be revealed. He has an elder brother. He is still alive. He is a big man. This person has contacts with so many people. I do want to mention names. All of you know that. All of you know these contacts. He is a big man. He has strong political clout inside the country. The money is paid for this political clout. That is why I term it is pure bribe. You call this as consultancy fee. Earlier, you were talking about some winding up charges. It is only a change of nomenclature. You are trying to escape through these technical terms. This is the only thing I can say. My point is that so long as the Government does not come out clearly, does not come out with the real position, doubts will go on increasing. Our doubts have not been dispelled after reading this statement. How does this person get so much, money? I say that he was paid this much money because of his political clout. Therefore, you have to think about it. Without making a very serious investigation into this....

THE DEPUTY CHAIRMAN: Please conclude now.

SHRI N. E. BALARAM: I am condi,,: ing. Without making a thorough igation into the whole thing, I do not think we can get a clear picture. If you make a thorough enquiry, you will he able to go to the root of the place from where the money has come. I do not think this\ money has gone into the hands of Mr. Suri alone. If has been passed on to different places. Where has it gone? Are you not interested in findins this out? You say you are against corrunption and all that. How did he get this money. This money

[Shri N. E. \Balaram]

was paid in relation to a contract with the ONGC. It is a Government institution. That is why we are worried about it. How many such deals are there wherefrom this money has come? Where has it gone? Nobody knows from where it has conic and where it has gone. The question is. arc you sincere in your intentions? Of course, you can say so "many things in a diplomatic language, but J am not concerned about that. If you really want to find out what happened. an investigation is very essential and for that purpose you should consult opposition You consult us. J am. asking, are you prepared for this? You yourself, the Minister himself is not convinced about the whole affair. We are also not convinced about the whole affair. Why don't you consult Us and have proper machinery set up for purpose of investigation? Please consult us. We will make an enquiry so that the truth will come out. If you are not prepared for that. the doubt will only increase. That is what 1 have to say.

श्री वीरेन्द्र वर्मा : आदरणीय उपसभापति महोदया, सभी स्वीकार करते हैं और भारत सरकार भी कि 1980 ईस्वी तक इस देश में कमीशन लिया जाता था और एजेंट्स भी बीच के होते थे। तत्कालीन प्रधान मंत्री श्रीमती इन्दिरा गांधी ने 1980 ईस्वी में यह तय किया कि भविष्य में इस देश में न एजेंट होंगे और न कोई कमीशन दिया लिया जायेगा। किन्तु गत एक वर्ष से लगातार इस हाउस में और दूसरे हाउस में भी और हिन्दुस्तान के सभी राष्ट्रीय समाचार पत्रों में कमीशन लिए जाने की चर्चा है। बोफोर्स के मामले में ज्वायंट कमेटी ने रिपोर्ट दी कि कोई कमीशन नहीं था और न कोई एजेंट था। किन्तु "हिन्दू" ने 22 जून को स्पष्ट किया। यह कहता है कि वांडिंग चार्जेज नहीं हैं कितने स्पष्ट हैं कमीशन परसेंटेज के हिसाब से। मेरी यह समझ में नहीं आता चाहे उस के इधर के बैठने वाले हों या उधर के बैठने वाले हों क्यों किसी को डिफेंड करें। कमीशन अगर लिया जाये तो उसका विरोध करना चाहिए। किसी भी स्तर पर भ्रष्टाचार का हम विरोध करें यह हमारा फर्ज है। इस गरीब देश का पैसा हम कमीशन के बीच में खो दें और फिर हम डिफेंड करें यह हमारे लिए शर्म की बात है। माननीय मंत्री जी ने, नेता सदन ने पूरे हाउस को यह आश्वासन दिया था कि कम्प्रीहैंसिव स्टेटमेंट होगा। मुझे दुख है कि माननीय राज्य मंत्री का स्टेटमेंट इस सम्बन्ध में कम्प्रीहैंसिव नहीं है। अगर वह समझते हैं कम्प्रीहैंसिव है तो उनके लिए और उनकी सरकार के लिए सैटिसफैक्शन की बात हो सकती है मगर हाउस के लिए और देश के लिए कम्प्रीहैंसिव स्टेटमेंट नहीं आया, इसकी आवश्यकता थी।

तेल और प्राकृतिक कमीशन के साथ ठेका हुआ। सुमिटोमो ने ठेके किये। एक ठेका किया 30 अगस्त, 84 को और दूसरा ठेका हुआ 5 नवम्बर, 84 को और ठेके में विचौलिये बने हैं जिसको आज ज्योत्सना होल्डिंग कहते हैं। यह ज्योत्सना होल्डिंग है क्या? जिस कम्पनी को पेडअप कैपिटल एक लाख रुपये है, जिसमें इक्वीटी शेयर केवल है, जिसने 5 साल से अपनी कोई बैलेंस शीट भी पेश नहीं की, ऐसी कम्पनी को बीच में डालकर उसने ठेका किया। पहले में 11 इंस्टालमेंट और दूसरे चार इंस्टालमेंट में साढ़े 6 करोड़ ललित सूरी को दिये, ज्योत्सना होल्डिंग को दिये। हसबैंड और वाइफ है। इसे आप ज्योत्सना कह कर या ललित सूरी कहकर तसल्ली कर लें। ललित सूरी के पक्ष में अगर कोई बोलना चाहें तो उसे क्यों बोलना चाहिए। मेरी यह बात समझ में आ सकती है कि आप प्रधान मंत्री के पक्ष में बोलें लेकिन ललित सूरी के पक्ष में बोलना या ज्योत्सना होल्डिंग के पक्ष में बोलना इस देश को बचाने के बजाय बरबाद करना है। आप प्रधान मंत्री के पक्ष में बोल सकते हैं। आपकी पार्टी के डीलर हैं और देश के प्रधान मंत्री हैं तो मेरी समझ में बात आ सकती है। मान्यवर, किन्तु ललित सूरी का पक्ष लें, यह बात समझ में नहीं आती है। इस संबंध में इसी हाउस में सवाल उठा था तो जिस ललित सूरी ने अपने मित्र देश रूस को बासमती चावल

के बजाय घरेलू चावल भेज दिये और तीन, साढ़े तीन करोड़ का धोखा उस देश को दिया तो इसी हाउस में उस तरफ बैठे हुए लोग उसके पक्ष में बोलें, यह बात मेरी समझ में नहीं आती है।

श्री एन० के० पो० सालवे : महोदया, यह बड़ा अन्याय है। हमारी पार्टी के जो लोग बोले हैं, पहले श्री कुलकर्णी जी बोले हैं और उसके बाद में बोला हूं, हम दोनों ने उसकी आलोचना की है। मैंने अपना वक्तव्य शुरू करने के तुरन्त बाद ही कहा कि— it involves moral turpitude.

श्री बीरेन्द्र वर्मा : और बहुत कहे हैं। कि जापान संसार के प्रमुख प्रगतिशील देशों में है, औद्योगिक देशों में है, मालदार देशों में हैं, वह उस आदमी को जिसको इस मामले की ए, बी, सी की भी जानकारी नहीं है, जिसको नेचुरल गैस और आयल के बारे में कोई जानकारी नहीं है, उसको वह अपना कंसलटेंट कैसे बना लेते हैं? आप जानते हैं कंसलटेंट वहीं बन सकता है जो उस मसले का एक्सपर्ट होता है। यह सूरी और ज्योत्सना होल्डिंग्स क्या हैं ? दिल्ली में जो फ्लाइंग क्लब है उसको एयरकास्ट देने के अलावा इनका कोई काम नहीं है। जैसा अखबारों में लिखा है कि ललित सूरी का सुप्रीम कोर्ट तक सारी उच्चतम घरानों तक संबंध हैं और इस कारण उसकी आगे तक पहुंच है। इस संबंध में चार बातें आती हैं। मैं यह जानना चाहता हूं कि क्या यह सही है कि जापान की गवर्नमेंट ने भारत सरकार को मार्च, 1988 को लिखा कि सुमितोमो कारपोरेशन में बहुत बड़ी रकम हिन्दुस्तान की एक फर्म को दी है और जिसके लिये यह कहा जाता है कि डबल टेक्नेशन न हो और उसके बाद 18 मार्च को फेरा के आदमी ललित सूरी के यहां पहुंचे, उनके घर की तलाशी लेने के गये तो वह दिन फ्राइडे था, उसके दूसरे दिन सेटरडे और सनडे आ जाते थे, उनके बाद भी एक दिन और बढ़ा दिया गया और पेनल्टी भी माफ कर दी जाती है और जो 65 लाख रुपये सूद के थे वे भी माफ कर दिये गये ? ऐसा क्यों किया गया ? जिस व्यक्ति ने इतनी बेईमानी की हो उसको 65 लाख रुपये क्यों माफ किये गये ? मैं जानना चाहता हूं कि एक बेईमान के ऊपर इस प्रकार की माफी क्यों दी गई ? उसके खिलाफ मुकदमा क्यों नहीं चलाया गया ? माननीय मंत्री जी ने अपने स्टेटमेंट में कहा है—

The Directorate of Enforcement is also investigating the matters from the FERA angle. तो कृपा करके माननीय मंत्री जी यह बताने का कष्ट करें कि वह कौन सी तारीख है जिस दिन आपने फेरा के अधीन जांच करने के आदेश दिये क्योंकि 22 मार्च आखिरी तारीख थी कि ज्योत्सना होल्डिंग अपने समझौते को तब तक डिसक्लोज कर दे और 18 तारीख को वह भी उसने अपने आप नहीं किया तीन साल तक उसने नहीं बताया, 31 जुलाई, 1985 को पहली रकम लन्दन के बैंक में जमा हुई फिर 11 इंस्टालमेंटस जमा होती चली गई और अभी तक होती रहीं लेकिन लगातार इतनी इंस्टालमेंट इन तीन चार सालों में जमा हुई न तो उसने बताया और तब जापान की सरकार ने सूचना दी तब फेरा उसके घर पर पहुंची और तब उसने वालेंटरी डिसक्लोजर किया और आपने कृपा करके, मेहरबानी करके सूद भी माफ, पेनल्टी भी माफ और जो कोई इनाम हो सकता था वह आपने इनाम देने की कोशिश की है। महोदया, तीन साल का 1984-85, 1985-86 और 1986-87 की रिटर्न और माo जसवन्त सिंह जी ने बहुत डिटेल्ज में पूछ लिया मैं उनमें नहीं जाना चाहता हूं लेकिन तीन वर्ष की रिटर्न का डिस्पोजल पांच दिन के अन्दर और फेरा के आफिसर्ज के यहां हुआ है और आप कृपा करके यह बतायें कि यह कैसे हुआ ? मैं यह तो मान सकता हूं कि फाइनेंस मिनिस्टर का तीन चार दिन में हो जायेगा, प्रधानमंत्री का तीन चार दिन में हो जायेगा, इनकम टैक्स के किसी ऊंचे से ऊंचे अधिकार का तीन चार दिन में हो जायेगा ऐसे आदमी का चार पांच दिन के अन्दर हिसाब हो गया और सब साफ कर दें टैक्स भी माफ, इन्कम टैक्स भी माफ, पेनल्टी भी माफ और सब कुछ माफ कर दिया (व्यवधान) लिहाजा मंत्री जी यह बतायें कि उसने जितनी

[श्री वीरेन्द्र वर्मा]

चोरियां की हैं अगर आप नियम और रूल्ज के अनुसार चलते तो क्या उनको 30 करोड़ रुपये सरकार को देने नहीं पड़ते क्योंकि जितनी आय छिपाई जाती है उसका पांच गुणा जमा कराना पड़ता है और आप हिसाब लगा लें साढ़े छः करोड़ रुपये की जो उसने आय छिपाई है उसका पांच गुना लगभग 30 करोड़ रुपया बनता है। उसने इतनी बेईमानी की है और पैसा विदेशों में जमा कराया था पेनल्टी वगैरह मिला कर 30 करोड़ रुपया बनता है। मैं यह जानना चाहता हूं कि आपने इंट्रेस्ट क्यों छोड़ा। आपने इंट्रस्ट भी छोड़ा और उसको इसके अतिरिक्त सात साल की सजा भी हो सकती थी। जब आप टैक्स छोड़ रहे हैं पेनल्टी माफ कर रहे हैं तो सजा का तो सवाल ही नहीं उठता है। लिहाजा माननीय मंत्री जी यह बताने की कृपा करेंगे कि जितनी बातें माननीय जसवंत सिंह जी ने यहां पर उठाई हैं और जो एकाध बची-खुची बात मैंने उठाई है क्यों आप उस बेईमान आदमी के खिलाफ इस प्रकार की रियायतें दे रहे हैं क्यों उसने पैसा चार साल तक छिपा कर लन्दन के बैंक में रखा और जापान की सरकार ने जो सूचना दी उसमें पेण्डिंग आपने क्या कार्यवाही की है। इस पर आप प्रकाश डालने की कृपा करें।

श्री राम अवधेश सिंह : मैं दो मिनट बोलना चाहता हूं।

THE DEPUTY CHAIRMAN: No, please. Now 'before the Minister. Shri Satish Sharma... *(hiterruptiom)...*

SHRI SATISH KUMAR SHARMA *(Madhya* Pradesh): Madam Deputy Chair., person. I wish to reiterate that the in-sinuations made against me in regard to the matter Lalit Suri of Jyotsna Holdings are false, baseless and politically ited. At no stage have I ever heard of, or discussed with. Mr. Suri or anybody else, matters pertaining to the allegations which have been made. *At* no stage have I had anything to do with these deals or business or the income-tax proceedings referred to by the Minister in the statement. Thank you.

SHRI B. K. GADHVI: Madam Deputy Chairman, I have heard the points raised and claritications sought by the hon. 'Members wii'n rapt attention, With a view remove certain cobwebs that I could per-ceive remaining in the process of thin!; of the hon. Members sitting opposite would try to give the chronological story of the contracts and later on the facts.

But, initially, I would like to make i: clear that Government is committed to ex. pose and combat corrupt practices by anybody in this country, and Government would not spare any efforts to bring to book the culprits if they are found after due investigation and enquiry. We do not want to shield any concern, any corporation, any individual, any company, and do not hold brief either for Jyotsna Hold, ing or Lalit Suri or Sumitomo, anybody in this case.

Madam, about this deal for purchasing, pipes for the HBJ pipeline and for casing pipes, it was clearly indicated in the notice inviting tenders issued for both these deal-that in the event a bidder is having am agent, representative who is not an employee of the bidder, the bidder should clearly indicate at the time of submission of his bid the nature and extent of the service to be provided by the agent, representative on behalf of the bidder and also the remuneration thereof provided the price quoted by the bidder to the ONGC It was further stated that should it be established at any subsequent point of time that the above statement of the bidder is not correct or that any other amount of remuneration either in India or abroad is Being paid to anyone who is is likely to lose further business in addi-is likely to losefurine- business in addition to the bid being rejected at the discretion of the ONGC. This was the warning given at the time When the global tenders were invited. The global tenders were

invited by the Engineers India Ltd. in 1984, in April, 1984. In August, 1984, the G -; Authority of India was established. Thereafter, two bidders came forward. One was, Sumitomo Corporation, and the othe, was one Brazilian concern. Their lenders were evaluated. Their track record also was checked. At that time it was decided

I these tenders should be split between the two parties. The Brazilian patty had only one pipe mill against four pipe the Japanese consortium. Originally thg Brazilian company had\ offered to extend the delivery schedule which was subsequently altered. They had given a longer delivery schedule. Therefore, it was decided that these tenders should he split and given to both, one to Sumitomo and the other to the Brazilian concern. Thereafter, in the tender itself there is a column. It was stated by Sumitomo Corporation that there is no Indian agent engaged by them Nothing, no reference about commission on con. sultancy, was mentioned. These tenders

. - processed These tenders were split up Both were in April, 1985. The then Finance Minister and the Petroleum Minister.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Who was the Petroleum Minister at that time please?

SHRI B. K. GADHVI: The Petroleum Minister was Mr. Nawal Kishore Sharma, and the Finance Minister was Mr. V. P. Sing'h. Tt was approved at., meeting between the 'then petroleum Minister and the Finance Minister, and it was decided that price negotiation should be held witft the Japanese firm for reduction of the price. Later on it came. Therefore, the decision to place 60 per cent of the order on the Japanese firm and 40 per cent on the Brazilian firm was taken. The Jajanese concern got an order of 1. 25 lakh tonnes of pipes valued at USS 94. 04 million, an; the Brazilian firm got an order of l01 lakh tonnes, valued at USS 51. 33 million. So far as this aspect is concern. ed there is absolutely no challenge. The challenge is about tine consultant and the commission paid. It is said by many mem. that the Japanese Government informed us about the payment of this commission through a London bank. Let me make it clear so far as the Jyotsna Hold-in-Company is concerned, there was no information from the Japanese Governmcnl to us. The Japan Government did not inform the payment made by Sumitomo to Jyotsna Holdings as their consultant. They never informed the Govenment of India. So far as the Government of nncerned, they came to know that the Jyotsna Holdings was haying some money abroad only when they filed return and the Government of India and the Income Tax Department came to know about it that they were receiving fees or commission charges from Sumitomo company only when they filed their third revised statement of the amount they received London. Therefore, that was the very when the Government came to know about this That is why m the statement, have given out very clearly find categorically that at no point of time we were in knowledge that the Jyotsna Holdings were acting either as consultant or as a re. presentative *or* in any other capacity. We had no knowledge. The Government India had no knowledge. Neither the Sax Authority of India had knowledge about it; nor the ONGC had knowledge about it; no; -; t-yhody had knowledge about it. Only they might be having knowledge. Therev fore, what I want to submit is that to presume that we came to know through the Japanese Government and thereafter only acted is not correct.

One mo-e point which is generally taken up is when the amount was repatriated India. As the law stands repatriation amounts from foreign countries through regular banking channels does not require anybody's permission. This amount was repatriated through the Bank of Baroda. One advice is dated 10th September. 1987; another is dated 11th September, 1087. the third again is dated 11th September. 1987 and th-fourth advice is dated 16th September, 1987. These are four advices. In-these advices of the' name and add' of the rente!ting bank was Bank of Credit and Commerce Inc.. London

SHRI A. G. KULKARNI; Why did the money go to London?

SHRI B K. GADHVI: I am telling you. Let me clarify that so far in our inquiry we have not been in a position to say whether the L J. Consultant are really the Jyotsna Holdings or they are NRI or somebody else. So far as the question raised by Mr. Kulkarni is concerned, why did the money go to London? I see in the Agreement between Sumitomo and Jyotsna Holdings it is stated that the money would be deposited in the London Bank in the name of ELJAY; and after their account is settled, they would bring it back. For your information I would read the Agreement itself in this regard. For the seamless casing pipes, which was the ONGC contract, the agreement says:

"Subject-J. H. hereby agree to act as consultant with respect to the tender. J. H, will provide assis-ance ....."

SHRI JASWANT SINGH: I am on a point of order. If a Member or a Minister quotes from a document it is obligatory that that document is laid on the Table of the House. It is obligatory that document be laid on the Table of the House. The hon. Minister of State for Finance has quoted from various documents..

THE DEPUTY CHAIRMAN: No...

SHRI JASWANT SINGH: I would request you don't rule me out at the moment, unless you consider it.

THE DEPUTY CHAIRMAN: All right.

SHRI JASWANT SINGH: whenever the Minister quotes from a document, he is obliged to lay it on the Table of the House. I would seek your ruling on this.

SHRI B. K. GADHVI; I am furnishing the information.

SHRI JASWANT SINGH: Madam. I have raised a point of order. You have to decide and not the Minister.

THE DEPUTY CHAUtMAN: Can you quote the rule under which you have raised the point of order?

SHRI B. K. GADHVI: I am replying to Mr. Kulkarni's query as to how money went to London.

SHRI A. G. KULKARNI: I agree with you. In the agreement it was there. The tender money was deposited as a commission. We are aU-along talking whether it was a com-mission But what the company says, it was a commission.

SHRI B. K. GADHVI: As I have already stated and clarified----------

SHRI A. G. KULGARNI: Why dont you penalise the company suo *motu?*

SHRI B. K. GADHVI: May I reply you? We did not come to know about this agreement whether the Jyotsna Holding was working as their consultants and receiving commission till the revised estimates were filed with these documents

SHRI DIPEN GHOSH: When the revised documents were filed?

SHRI B. K. GADHVI: I am giving you the dates Why do you jump? So till then either Government of India or ONGC or Gas Authority of India were totally unaware that there is any relation between Jyotsna Houldmg and Sumitomo Corporation. Mr. Dipen Ghosh wanted to know the dates of the revised estimates which were filed. So far as the revised estimates are concerned, I will give the details for 1985-86. The initial return was filed on 11-9-1985 where the loss was shown. The first revised return was filed on the 31st July, 1987. The second revised estimate was filed on the 22nd March. 1988.. For 1986-87... *(Interruptions)*... As I told you, we have to come with the truth. We will maintain and add to the truth.

SHRI DIPEN GHOSH: You give the dates.

SHRI B. K. GADHVI; The original return was filed on the 26th June, 1986. The revised return was on the 31st July, 1987 and the second revised was on 22-3-1988.

So far as the year 1987-88 was concerned, the first was on the 31st July, 1987, the second was on the 22nd Maich. 1988.

PROF. C. LAKSHMANNA: Madam.

SHRI B. K. GADHVI: I think, professors are having a culture of some patience also. Is it not?

SHRI JASWANT SINGH: Madam, I was on a point of order. You had then asked me to let you know as to what particular rule ..... if the hon. Minister yields_____

THE DEPUTY CHAIRMAN: Let him read,

SHRI B. K. GADHVI: I have not finished.

SHRI JASWANT SINGH: It is a point of order.

Madam, I am referring to Rule 249. I won't quote the rule. I also refer to page 831 of Practice and Procedure of Parliament by Kaul and Shakdher. I won't go into all aspects. I quote:

"If a Minister quotes in the House a despatch or other State paper which has not been presented to the House, he is required on demand to lay the relevant paper on the Table: even when a document is partly quoted by him. the entire document has to be laid on the Table. '" "

SHRI LAL K. ALVANI: He has to lay the contract on the Table.

SHRI PARVATHANENI UPENDRA: He has to lay the contract on the Table.

SHRI LAL K. ADVANI: Because he has quoted from the contract.

SHRI MURASOLI MARAN (Tamil NADU); Not only the contract other papers also.

SHRI LAL K. ADVANI; Yes.

SHRI M. M. JACOB: I have a point of order. Just now my friend, Mr. Jaswant Singh has quoted Rule 249 of the Rules of Procedure and Condi;; ' of Business in the Council of State. -. But the last proviso says, I quote

"Provided further that when Minister gives in his own words summary or gist of such despatch or State papers it shall not b»'-necessary to lay the relevant pape- on the Table. "

... *(Interruptions)...*

SHRI DIPEN GHOSH: It wa summary. *(Interruptions)...*

SHRl M. M. JACOB: The hon Minister was giving out from his notes... *(Interruptions)...*

THE DEPUTY' CHAIRMAN: So far as Rule 249 is concerned, it says. "i: a Minister quotes in the Council despatch or other state Paper". As agreement cannot be treated as the Sate ˙ Paper or Despatch... (Interup-*tions)...*

SHRI PARVATHANENI UPENDRA: What is a Government document ?

THE DEPUTY CHAIRMAN: List to me. It is an agreement between private party and the Japanese' Corporation 0" something like thai *(Interruption)...* Why don't you iilliv me to conplete... *(Interruptions)..*

SHRI LAL K. ADVANI: Madam. \v« request you to kindly consider this matter (Interruptions)

THE DEPUTY CHAIRMAN: Whe-I was no+ clear, I asked him to quote the rule. He has quoted the rule and that is why. I have gone into the rule and because I have read the rule I am pointing this out to you. Befor- that. I was not clear and therefore I

[The Deputy Chairman!

could not give my ruling. After he has quoted it and I have read it, I am giving this. Please don't rush into and contradict what the Chair has to say. Please cooperate. This is not a good practice. Therefore, this is neither a Despatch nor a State Paper but *it* is an agreement and while speaking, the Minister has given just ... *(Interruptions).* 1 cannot understand this interference. Therefore, he has quoted it from the agreement. I suppose, it was from the agreement that he was quoting and therefore if he... *(Inttrruptions) I* do not know why yon are also... *(Interruptions):*

SHRI B. K. GADHVI: I have quoted it from parts of these notes.. *(Interruptions)*....

THE DEPUTY CHAIRMAN: A note which has been provided by the department, by the Ministry to the Minister cannot be treated as a State paper. *(Interruptions)...*

SHRI PARVATHANENI UPENDRA: What is that?.

THE DEPUTY CHAIRMAN: You see, even when the Minister replies to the questions, the brief is given by the Ministry or the department and after going through the brief, the Minister replies. On that basis, you cannot say. put the whole brief which has been supplied to you by the Department. That cannot be asked. Therefore[1], since he is quoting from the notes which has been... *(Interruption^...*

SHRI DIPEN GHOSH: Madam Deputy Chairman, you please check it up with the record. What did he say before quoting from that official note?

THE DEPUTY CHAIRMAN: While replying, he has quoted it from the note which has been given to him by the department. *(Interruptions)..*

SHRI DIPEN GHOSH; He has categorically stated that he is quoting from.... *(Interruptions)*....

THE: DEPUTY CHAIRMAN; Your do not allow the Chair to speak. This. I is not good.

SHRI B. K. GADHVI: I have pre-' pared well, I am speaking and I am referring that this sort of documents were there between the parties. *(Interruptions')...*

SHRI PARVATHANENI UPENDA: The agreement is on behalf of the President of India. It is a state Paper. *(Interruptions).*

SHRI DIPEN GHOSH: My submis sion is, you check up because before the Minister started quoting from that agreement or note, whatever you may call it, he uttered that I am quct from the contract of tender anri that contract on agreement that was signed on behalf of the ONGC between the Government and... *(Interruptions). I*t is a State Paper. You please check it up. *(Interruptions).*

THE DEPUTY CHAIRMAN: Let the Minister make it clear. It is not clear, to me.

SHRI M. S. GURUPADASWAMY: Tender is a public document. Tender is a public document. It is not a secret document. *(Interruptions}*

6. 00 P. M.

THE DEPUTY CHAIRMAN: It is not clear to me. Let the Minister clarify. *(IntemiDtions)*

SHRI PARVATHANENI UPENDRA: Let him read it again, *(interruptions)*

PROF. C. LAKSHMANNA: It is an important document. Let him read it again. *(Interruptions)*

DR. (SHRIMATI) NAJMA HEPTULLA (Maharashtra): You ask for the dates. The Minister has to give the dates from some reference. *(Inter-ruptions).* What are they taking about?

श्री लाल कृष्ण आडवाणी : उपसभापति जी, मैं आपसे निवेदन करूंगा कि आप अगर प्रोसिडिंग देख लेंगी और 249 देखकर कोई निर्णय करेंगी तो ठीक होगा ।

उप सभापति : मैंने देखना है कि आपने क्या कहना है । यह उन्होंने कहा कि उनका जो नोट है, जो ब्रीफ किया, उसमें से उन्होंने कहा है ....

Let him make it clear.

SHRI B. K: GADHVI: My brief contains explanations on various points which I am submitting before the House for the information of the hon Members. From that point of view, I wanted to say that at the time ' of the contract, the Government of India or anybody did not come to know about the relationship between them. It was not known till the returns were filed. On the question whether it was consultancy or, agency, I stated, as per their version, it is consultancy and it has nothing to do with agency. But the payment was in the form of commission. And thereafter, I was answering the question of Mr. Kulkarni how the amount went to London.... *(Interruptions)*

SHRI PARVATHANENI UPENDRA: Kindly repeat what you said. *(Interruptions)* You read again. *(Interruption.)*

SHRI B. K. GADHVI: As I was explaining, in their agreement, according to our information and knowledge, it was contemplated that the amount would be deposited in the London bank in the name of a particular incorporation. *(Interruptions')*

SHRI JASWANT SINGH: I have a submission to make. Madam.

THE DEPUTY CHAIRMAN: If it is on the same point, I will not allow you.

SHRI JASWANT SINGH: I am not making the same point. I am making an observation on what the Minister had said. Would the Minister be kind enough to yield to me because I am on a point of order?

THE DEPUTY CHAIRMAN: If you have some point of order other than the same, you can make it.

SHRI JASWANT SINGH: The point is, when you go through the record, you will find that the Minister himself has stated 'I am quoting from the agreement'. The question here is not limited to whether it is a State document or some other document. May I draw your attention to Kaul & Shakdher where this is specifically referred to? I would appeal to you in the light of rule 249, if you find that it is too complex to rule upon just now, it would not matter to us very much because what we are really engaging ourselves in is the substantial right of the House.

श्री लाल कृष्ण आडवाणी : ऐसे तो एक-दो दिन में स्टेट्समैन में ही छप जायेगा ।

SHRI JASWANT SINGH: I would appeal to you that for the sake of temporary convenience or inconvenience, a permanent right' of the House should not be affected. With your permission, may I just quote from the Bible of our practice, Kaul & Shakdher?

> "Where a Minister gives, in his own words, his summary or gist of such dispatch of State paper and does not actually quote from it, it is not necessary for him to lay the relevant paper on the Table. "

In this particular case, Madam, the hon. Minister has actually quoted from the document and said, "I am quoting from this. " I submit to you, on record, it is a quotation from the document.

SHRI RAM AWADHESH SINGH. It is on record.

SHRI JASWANT SINGH: If a document is referred to casually, it need not be placed. But if it is a document that should come into the record

[Shri Jaswant Singh]

of the House, then the Minister lays the document on the Table of the House. I do press that this document be placed on the Table of the House Ijeoause this is a. document which has actually been quoted from. It is State paper because every agreement of the Government of India, even through the agency of the ONGC, is sighed on behalf of the President of India and it is a State document. On all these three counts I appeal to you, if necessary please examine this matter in detail; please do have it examined. But I don't think the permanent right of Parliament can be impaired.

SHRI MADAN BHATIA (Nominated): Respected Deputy Chairman, the real test for determining whether a particular document is a State paper or it is not a State paper is whether the State in relation to that particular document Can claim privilege or not. It is only for the purpose of protecting the right of privilege of State that it is provided that if the Government does not quote from any particular paper, the Government cannot be compelled to place that document on the Table of the House. If the document is such in respect of which the Government is not entitled to claim privilege as State it cannot be described as a State paper. A commercial document which is entered into by exercise of the commercial activity of the State with a private party cannot be Ascribed as a State document because it is not a priyileged document.

श्री अटल बिहारी वाजपेयी : मैं नियमों का हवाला नहीं दे रहा हूं । मैं सिर्फ एक बात कह रहा हूं कि आखिर उस एग्रीमेंट में क्या है जिसकी वजह से एग्रीमेंट को सदन में छिपाया जा रहा है और एग्रीमेंट को सभापटल पर नहीं रखा जा रहा है जबकि इतनी चर्चा हो रही है ? इस मामले में सदन को पूरे विश्वास में लेने की जरूरत है । यह तो दावा नहीं किया गया कि कामर्शियल कांफिडेंशियलिटी है (व्यवधान) हमारी मांग है कि एग्रीमेंट रखना चाहिए । वह आपको रखवाना चाहिए ।

उपसभापति : अभी जवाब नहीं आया है । प्वाइंट आफ आर्डर है इस पर आपको क्या कहना है वह सुन रही हूं । उनका जवाब नहीं आया ।

श्री अटल बिहारी वाजपेयी : इसी आर्डर के चक्कर से निकालने का रास्ता बता रहा हूं । आप एग्रीमेंट टेबल पर रखवा दीजिए । बात खत्म हो जायगी ।

श्री राम अवधेश सिंह : महोदया, भाटिया जी ने इस सन्दर्भ में जो तर्क दिया है वह अपने आप में अनूठा सुप्रीम कोर्ट के वकील के लायक तर्क है यह हमने सोचना नहीं था कि सुप्रीम कोर्ट का वकील भी ऐसा तर्क दे सकता है ।

उपसभापति : आप इस पर बहस नहीं कर रहे हैं ।

श्री राम अवधेश सिंह : स्टेट पेपर आखिर किसको कहा जाता है ? कोई भी एग्रीमेंट देश में या विदेश में होता है . . .

श्री अरविंद गणेश कुलकर्णी : Why are you casting a reflection on my colleague?

सुप्रीम कोर्ट के वकील है तो क्या गलत है ?

श्री राम अवधेश सिंह : Any agreement signed on behalf of the President of India means it is done by the President of India.

जब ऐसा होता है तो वह निश्चिततौर पर स्टेट पेपर माना जायगा और उसको यह कहते हैं कि स्टेट पेपर नहीं है । उसको यहां रखना चाहिए ।

THE DEPUTY CHAIRMAN: Please sit down.... (Interruptions)....

SHRI B. K. GADHVI: I would like to submit only one thing, Madam.... *(Interruptions)...*

THE DEPUTY CHAIRMAN: All of you, please sit down. Yes, Mr. Minister.

SHRI B. K. GADHVI: May I submit one thing, Madam?. Although, in my submission, the point raised by Mr. Jaswant Singh would not hold, as I have stated in my initial statement, we do not want to hold any brief for anybody. This being the document between two private persons, we do not have any objection even to placing it on the Table of the House... *(Interuptions)...*

SOME HON. MEMBERS: Then do it... *(Interruptions)...*

SHRl MURASOLI MARAN: Then you say so.... *(Interruptions)...*

SHRI LAL K. ADVANI: You say so... *(Interruptions)...*

SHRI B. K. GADHVI: But I will have to check up... *(Interruptions)...*

THE DEPUTY CHAIRMAN: Yes, Mr. Minister, you continue.

SHRI LAL K. ADVANI: You say that you lay it on the Table of the House... *(Interruptions)...*

SHRI B. K. GADHVI: I will do so.. *(Interruptions)...* No point of order also will be raised because I am free even to read from that... *(Interruptions)*

SHRI ALADI ARUNA *alias* V. ARUNACHALAM: He has scored a point.... *(Interruptions)...*

SHRI B. K. GADHVI: Now, one *of* the inferences that could be drawn— Mr. Kulkarni raised the point—is why the money came to London. In the ageement it was contemplated that money would be paid, would be deposited, in the London Bank in the names of an account holder.... (*Interruptions)...*

SHRI A. G. KULKARNI: Mr. Minister, I only wanted to know this: The contract says that the money will be received in rupee. Then how do you allow it to go to London? That was the point... *(interruptions)...*

SHRI B. K. GADHVI: That is the very reason why I say that perhaps you have not understood it properly. As per the contract, as per the condition in the notice inviting tenders, if there i_s an agent to a bidder, then his name should be disclosed and payments to such agents should be made only in Indian rupee.

SHRI A. G.. KULKARNI: That is right..

SHRI B. K. GADHVI; Here, to the notice inviting tenders, Sumitomo Corporation did not indicate that they have got any agents here. They have, on the contrary, stated that there are no Indian agents here. They gave the rupee directly. Therefore, the Government or the ONGC or the Gas Authority of India Ltd. was not in the know of the fact that Mr. X or Mr. Y or Mr. Z was working as an agent in this country. It is an Indian agent. We only came to know when I they filed the revised statement before the Income-tax people. At that time, this agreement which I have lair on the Table of the House was also not with the Government. They came to know only when the Income-tax papers were filed, not before and, therefore, they were not with the Government. So, Sumitomo Corporation was paying and, in their agreed ment, it is contemplated and stated that all ckmsultants's fee "shall be remitted in US dollars to the account of the Bank of Credit and Commerce Inter-national at 29. Sheldon Street. London, U. K. etc..... "

SHRI A. G. KULKARNI: Suri received the money, received it in London. Why don't you take action?... *(Interruptions^..*

SHRI B. K. GADHVI: That is the reason why we have stated in the statement like this in the last para:

> "Necessary inquiries are being made from the Sumitomo Corporation. The Directorate of Enforcement is also investigating the matters from the FERA angle. "

It is because the Sumitomo Corporation is not incorporated in India, but it is in Japan. We are seeking information as to why they behaved like that.. (Interruptions)... We are seeking information as to why they had an Indian agent and why they did not it and mention it.. (Interruptions);..

SHRI DIPEN GHOSH; Mr. Minister, Sumitomo Corporation had paid to a firm in. India, had paid money to a particuar firm in India, an Indian firm. But it was paid in London. Why?

SHRl B. K. GADHVI; That is the reason why we are seeking clarification from them... *(Interruptions)...*

SHRI DIPEN GHOSH; From whom? .. *(Interruptions)*..

SHRI B. K. GADHVI: From Sumitomo Corporation.. *(Interruptions).*

SHRI P. SHIV SHANKER; Madam Deputy Chairman, may i submit one thing? The matter between Sumitomo Corporation and the party concerned is a matter with which we are not concerned. If they want that America must pay them, how are we bothered •about it? it is a contract between the two parties. *(Interruptions)*

SHRI LAL K. ADVANI; No, no. (Interruptions)

SHRl P, SHIV SHANKER: It is a contract between Sumitomo Corporation and Jyotsna Holding Pvt. Ltd. The Goverment does not come into the picture. *(Interruptions)*

SHRI DIPEN GHOSH; But the question is that according to the tender accepted by the ONGC, (Interruptions)

SHRl PARVATHANENI UPENDRA: You prohibited the employment of agents. *(Interruptions)*

THE DEPUTY CHAIRMAN; There is a limit to everything. You cannot go on 3ike this. *(Interrptions)*

SHRI B. K. GADHVI. Let me make it clear again. Sumitomo Corporation was under obligation when it entered into an agreement or a contract to disclose the name of agent if they had any in India.

SHRI DIPEN GHOSH: But they did not.

SHRI B. K. GADHVI: They did not. Later on, when revised estimates were filed, we came to know that Sumitomo Corporation had this Indian agent, Jyotsna Holding Pvt, Ltd. That is why in the statement we have stated that we are seeking a clarification from Sumitomo Corporation. (Interruptions)

You won't understand that. It is a technical point. Kindly sit down. *(Interruptions)*

That is why we say that on both, for Lalit Suri we are proceeding; the investigation is on from the FERA angle. And we are also seeking a clarification from Sumitomo Corporation. And later on, after we have received the clarification we can make up our mind as to what action should be taken. (Interruptions)

THE DEPUTY CHAIRMAN: No interruptions.

SHRI DIPEN GHOSH. It is not a question of interruption. Who*

The DEPUTY CHAIRMAN; It will not go on record. I am not going to allow.

SHRI DIPEN GHOSH;

Not Recorded

THE DEPUTY CHAIRMAN: You had enough time for asking clarifications. Now you are interrupting. I am not allowing you. Please sit down. This is not the way the House can be conducted. There has to be an orderly discussion. *(Interruptions)* No. This is no court or the cross-examination of Minister. It is not allowed here. *(Interruptions) No, I* am not going *to* allow, please sit down. This is not the way.

SHRI DIPEN GHOSH: *

THE DEPUTY CHAIRMAN; You may agree. You may not agree But you will have to give him his right to reply. You cannot go on challenging ... *(Interruptions)* This will not go on record. Otherwise I wi*U have to take a very serious view about it. \' *Interruptions)*

SHRI B. K. GADHVI; You do not agree even with the truth. *(Interrup tions)*

THE DEPUTY CHAIRMAN; No. You are not going to talk anything now. Nothing, N*o* interruptions

SHRl B. K. GADHVI; Some Mem bers have sought a clarification whe ther the returns filed by Jyotsna Hold, ing Pvt. Ltd. were covered by the ity either under FERA or under amnesty scheme which was there. I say 'no' They were regular returns. And this penalty and interest were waived under the law because the competent authority came to the conclusion that they have fulfilled all the conditions contemplated in the section which empowers him to waive. Therefore, it is waived. I may tell you that this kind of waiver which is made in the present case is available to any assessee once in lifetime.

Now. another point which was raised—I think Mr. Jaswant Singh raised it—was about the late filling. I would say that although the penalty and interest have been waived, but so far as the proceedings for late fi'ling of the return are concerned, they are pending and we are taking action on that.

SHRI JASWANT SINGH; Madam, the hon. Minister has not correctly understood my question. I did not ask about the late filing. I asked about the specific dates for revised returns.

SHRl B. K. GADHVI; I have already given the same.

SHRI JASWANT SINGH; I am not saying that. Connected with that J had said that in this short period there were a number of occasions. Were the revise^ profit and loss account submitted with the Balance Sheet? Was 21 days' notice given? There are various questions relating to this Therefore, it is not proper of the Minister to club all these together and just say that Jaswant Singh asked about late filing, I did not actually ask about the late filing, I would say... *(Interruptions)*

SHRI B. K. GADHVI., I have not finished. They are intervening. What can I do' (Interruptions)

THE DEPUTY CHAIRMAN. When you have not asked, why should you worry about that?

SHRl JASWANT SINGH; Because under the guise of that, it would be misleading to say...

THE DEPUTY CHAIRMAN; Let him complete.

SHRI B. K. GADHVI; For the late payment of taxes after filing of the returnj what I wish to say is, that the matter is still pending under the relevant Section. Now many Members pointed out that it was done in a haste. In our statement we have already said that these returns were not assessed in a haste. Members also desired that I should give them the details. The first hearing was given

*Not Recorded.

[shri B. K. Gadhvi]

to this party on 25th November,. 1987. The second was on 27th November, 1987, the third was on 3rd December, 1987. The fourth one was on 6th January, 1988. The fifth was on 23rd February, 1988. Another was on 24th February, 1988. Then again on 17th March, 1988 and on 18th March, 1988. And on 23rd there was the final hearing and the orders were passed. And thereafter the waiver order on penalty and interest was passed only on 24th June, 1988. Therefore..

SHRl PARVATHANENI UPENDRA; You said the third revised petition was made on 22nd March

SHRl DIPEN GHOSH; In respect of 3985-86, you have given three dates just now—11th September, 1985...

SHRI B. K. GADHVI; I am sorry to say that j had all the regard for Mr. Upendra's acumen in his understanding the statement but today, I think...

SHRI PARVATHANENI UPENDRA: I am losing it after hearing you.

SHRI B. K. GADHVI; You know, the petition for waiver of penalty and interest under the law could he filed in time...

SHRI DIPEN GHOSH: Before the notice issued.

SHRI B. K. GADHVI:... before the assessment. We have already said in the statement that the Company made petitions dated 18th March, 1988, 21st March, 1988 and 28th March, 1988. They had filed three petitions requesting to waive penalty and interest. And at that time, the Commissioner of Income-tax, because it came within this Section which gives once in a life time this waiver of penalty and interest and because he was fulfilling all the conditions contemplated under that Section, he passed the order. And I may tell you that the Commissioner of Income-tax has passed not only a very cryptic order, but it is also an order in three to four pages by total application of mind. The matter was also referred to the CBDT. It was examined in the CBTD ALSO. And thereafter he was asked to deal with it in a Proper way. And he passed the order, so, there was nothing illegal about it. The only point as we submitted and as has been raised here is that in 1984-85, money was credited in the London bank. And it was remitted back or it was repatriated'back to India only in September, 1987. Then during that time, we never knew. And that is why we say that we are already investigating from the FERA angle. From the income-tax angle, there is absolutely nothing. The FERA angle is whether he could open up an account, whether he could get his money deposited there in London, whether the repatriation to the country was so belated and whether he is responsible We for that. That is the FERA angle for which the investigation is going on. But the Members have asked me to give the dates, when the investigation was launched what is the state, etc. etc.

SHRI A. G. KULKARNI. I want to know whether RBl permission was given for opening bank account in London by this Jyotsna Holdings?

SHRI B. K. GADHVI; Bank account was not in Jyotsna Holdings' name. It was in somebody else's name,

SHRI DIPEN GHOSH; Whose name?

SHRl B. K. GADHVI; I have already given you the name..

AN HON. MEMBER; Who is the account holder?

SHRI B. K. GADHVI; ELJAY. But you have not heard me. I have told the initials. (*Interruptions)* We have not been able to establish whether this ELJAY Incorporated is in Panama or it is an Indian firm. We are ' going to examine it. *(Interruptions)*

SHRI JASWANT SINGH; Did the Indian company sign an agreement with the foreign company that its dues its commission, its payment as receivable by it be transferred and sent to a London bank in foreign exchange? (Interruptions)

SHRl PARVATHANENI UPENDRA: Who are the account holders? *(Interruptions)*

SHRI B. K. GADHVI You want me to draw the inference and you want the Government to draw the inference whether his money was deposited in somebody's account; that inference may have some legitimacy. But till the Government has got concrete proof, we cannot have our conclusions drawn by such inferences and con. jectures, and that is why I say it is a matter of enquiry... (Interruptions)

SHRl PARVATHANENI UPENDRA: Was not the money transferred ultimately (Interruptions)

SHRI P. SHIV SHANKER: You don't allow him to speak. Madam, this is not the way. This is not the way. When the Minister is replying, they should allow him to complete. That is not proper.

SHRI DIPEN GHOSH; You have given three dates about the date of filing of the revised return. (Interruptions)

THE DEPUTY CHAIRMAN; I will request hon. Members to please listen. It is the duty of each and every hon. Member to see that the discussion goes on in an orderly manner. It was your right to seek clarifications and it is the right of the Minister to give a reply. If you want any further clarifications in spite of his answer, I can afllow, but not each and every Mem. ber; otherwise the whole discussion will go on, endlessly.

SHRI DIPEN GHOSH; I seek your permission.

THE DEPUTY CHAIRMAN: I see so many hon. Members raising their hands; this will again be a full discussion. From what I have observed is, J don't know the detais... *(Interruptions)*

SHRI V. NARAYANASAMY; Madam, the hon. Member used the word 'scandal'. (Interruptions)

SHRl DEBA PRASAD RAY: Then we also intent to reveal their scandals (Interruptions). We intend to reveal the case of the boy who committed suicide in jail; we intend to reveal scandals in land deals; We intend to reveal the scandal... (Interruptions)

THE DEPUTY CHAIRMAN; From the hon. Minister's reply it seems that the Government is enquiring into things which have come to the notice of the Government recently. Now. after this reply that they are going to enquire into these matters, how can you go on asking questions? Govern, ment are not yet in the know of the things, it seems. Therefore, when the Minister has said that the Government is going to make enquiries. I don't know why you are rasing it. They will be able to tell anything further only after the enquiry is completed and, therefore, before that, if you go on asking questions, I do not think it will bring any result. Therefore, I cannot allow you to go on like this.

SHRI JASWANT SINGH; After the enquiry of the Government is over, as you say they are enquiring into it...

SHRl PARVATHANENI UPENDRA: ... will We have a discussion afterwards?

SHRI JASWANT SINGH; Would the Chair grant us permission or instruct the Government to come forward before the House after the enquiry is completed so that we are able to know?

SHRI P. SHIV SHANKER; You are a senior leader and you know the rules. There can be a discussion under the rules What is this you are doing?

THE DEPUTY CHAIRMAN; That is exactly what x wanted to say, that after the enquiry is over and when the report is available with the Government, according to the rules you can always seek a discussion by giving a notice in whatever manner you want. You raise a discussion and it is allowed by the Chair. I do not know how you can have ready answers to all your questions. (Interruptions)

SHRI DIPEN GHOSH; Madam, if you go through the record, you will find that it was the Chairman's desire that Government should make a statement and we can seek clarifications and that after this there will be a discussion, if necessary. The Minister is replying. *(Interruptions)* Yet, he is not replying to certain points which We have raised. *(Interruptions)*

SHRI B. K. GADHVI; I am repaying to all the points you have raised; every point. *(Interruptions)*

SHRI DIPEN GHOSH: Madam the replies which the Minister is giving are creating further confusion. *(Interruptions)* That is why we say that after the Minister's reply, please give us an opportunity so that we can seek further clarifications.

THE DEPUTY CHAIRMAN: You have already sought your clarifications.

SHRI DIPEN GHOSH; No.

THE DEPUTY CHAIRMAN: Yes. Please sit down. For the last four hours, you have been discussing the same matter. *(Interruptions)*

SHRl DIPEN GHOSH; So what? Rs. 6J crores have been looted. It is nation's money. *(Interruptions}* You are looting the country. (Interruptions)

THE DEPUTY CHAIRMAN; Please sit down. I shall have to take action against you. (Interruptions)

SHRI PARVATHANENI UPENDRA; Madam, you yourself said that Government does not i: now the full facts. Then, what reply he will give? (Interruptions)

THE DEPUTY CHAIRMAN: He is repaying to the queries which you have put. *(Interruptions}*

SHRI B. K. GADHVI; If this does not suit them, I cannot help it. (interruptions)

SHRI KAMALENDU BHATTA-CHARJEE; His leader is a tax evader. He knows it thoroughly,

SHRI B. K. GADHVI; Madam, some hon. Members wanted to know as to when the double taxation treaty with Japan came into force It came into force first in 1960. It was revised in 1976. Again, negotiations are on for further revision of this treaty. Some hon. Members referred to various other aspects like the rice deal and other things of this private party. I am not supposed to reply to them. Some Members have Put this question. Let me make it very clear. In regard to the enquiry to find out the FERA violations, I would not disclose the date on which we launched it because this date would also relate to the identity of the informer. Therefore, the information which Members solicited, about the stage of the enquiry, the announcement and in what fashion it is being done, presently, I would not disclose, *(interruptions)*

SHRI ALADI ARUNA alias V. ARUNACHALAM: Madam, one minute.

SOME HON. MEMBERS; No.

SHRI ALADI ARUNA *alias* V. ARUNACHALAM. I am thankful to the hon. Minister for.., *(Interruptions)*

THE DEPUTY CHAIRMAN; I have not allowed you

SHRI ALADI ARUNA *alias* V. ARUNACHALAM; I am complimenting, I am thankful to the Minister for proceeding to take action under FERA, I would like to... (Interruptions)

THE DEPUTY CHAIRMAN; Please sit down.

SHRI P. SHIV SHANKER: What is this?

SHRI ALADI ARUNA alias V. ARUNACHALAM: He is yielding. Why do you object?

THE DEPUTY CHAIRMAN: There cannot be an endless discussion like this, i would like to know whether you want to listen to the Minister or not. Let me know clearly. *{Interruptions)* This is not correct. (Interruptions)

SHRI B. K. GADHVI; I cannot match my speech with the unwarranted adjectives and rhetorics from the other side. Otherwise, I have furnished the information in regard to all the clarifications hon. Members have sought. *(Interruptions)* The statement i made is a truthful one. *(Interruptions)* In regard to FERA violations, Government is going into this. (Jntemiptions) Government would act accordingly. *(Interruptions}*

SHRI DIPEN GHOSH; Madam, the points made by me have not been clarified. We want a ful-fledged discussion. According to the Chairman's assurance, we want a full-fledged discussion

SHRI PARVATHANENI UPENDRA; The Chairman has assured that if the replies are not satisfactory he will allow a full-fledged discussion. We are not satisfied with the replies.

THE DEPUTY CHAIRMAN: You" had a sufficient chance to seek your clarifications. The discussion has prolonged for four hours. Because of the assurance given by the Chairman, you were given full chance to seek clarifications.

SHRI DIPEN GHOSH; The Chair, man had clearly stated that and we are not satisfied with the reply.

THE DEPUTY CHAIRMAN; Now the discussion is over today. *(Interruptions)*

SHRI DIPEN GHOSH; He has not replied to certain points that I raised. I am asking whether you are allowing us to raise a full-fledged discussion on this or not.

THE DEPUTY CHAIRMAN; Do you want that the same thing should continue? How many of you are going to ask questions?

SHRI DIPEN GHOSH; If you go by the record, you will find that the Chairman had categorically assured that after reply to the clarifications is given, if necessary, there shall be a discussion. We think there should be a full discussion because the Minister has not attended to many of our points which we have raised.

THE DEPUTY CHAIRMAN; This is for the Chairman to decide. Let the Chairman decide.

SHRI LAL K. ADVANI; That is correct. Let the Chairman decide. The Leader of the House himself had promised this.

SHRI PARVATHANENI UPENDRA; Let them collect more facts.

THE DEPUTY CHAIRMAN; After the statement and reply to the clarifications by the Minister, now the Chairman will decide. Therefore, today we cannot go on like that.

The House stands adjourned to meet again tomorrow at 11. 00 A. M.

The House then adjourned at thirty eight minutes past six of the clock till eleven of the clock on Tuesday, the 2nd August, 1988.