

**REPORT OF THE DEPARTMENT-RELATED PARLIAMENTARY STANDING
COMMITTEE ON URBAN DEVELOPMENT**

SHRI PARVEZ HASHMI (NCT of Delhi): Sir, I lay on the Table, a copy (in English and Hindi) of the Twentieth Report of the Department-related Parliamentary Standing Committee on Urban Development (2011-12) on 'The Public Premises (Eviction of Unauthorised Occupants) Amendment Bill, 2011' of the Ministry of Urban Development.

STATEMENTS BY MINISTERS

**Status of implementation of recommendations contained in the Tenth Report of
Department-related Parliamentary Standing Committee on Water Resources**

THE MINISTER OF WATER RESOURCES (SHRI PAWAN KUMAR BANSAL): Sir, I would like to make a statement regarding Status of implementation of recommendations contained in the Tenth Report of the Department-related Parliamentary Standing Committee on Water Resources on 'Augmentation of Depleted Ground Water Level, Sustainable Development, Conservation, Management, Use of Ground Water and Prevention of Water Pollution'.

**Status of implementation of recommendations contained in the Seventeenth
Report of Department-related Parliamentary Standing Committee on Coal and
Steel pertaining to Ministry of Mines**

खान मंत्रालय के राज्य मंत्री (श्री दिन्शा जे. पटेल): महोदय, मैं खान मंत्रालय से संबंधित विभाग संबंधित कोयला और इस्पात संबंधी संसदीय स्थायी समिति के सत्रहवें प्रतिवेदन में अंतर्विष्ट सिफारिशों के कार्यान्वयन की स्थिति के संबंध में एक वक्तव्य सभा पटल पर रखता हूँ।

CLARIFICATION OF THE STATEMENT BY MINISTER

THE LEADER OF THE OPPOSITION (SHRI ARUN JAITLEY): Mr. Vice-Chairman, Sir, on 8th May, 2012, Shri Rajeev Shukla, the hon. Minister of State for Parliamentary Affairs, made a statement before this House with regard to the Maxis-Aircel Deal and the FIPB clearance which had been granted in that connection. At that stage, we stated that there were some queries and we wanted clarifications on them. I am extremely grateful to the Government that they have

agreed to come forward with those clarifications today. Sir, I may clarify that my objective in seeking these clarifications is, essentially, to ensure that in the grant of this FIPB clearance, there has been absolute fairness, that there has been consideration of all relevant materials and that nothing extenuate has influenced the decision-making of the Government.

Sir, the Aircel-Maxis Deal has some other controversy with which today, in this House, I am not concerned. I would just briefly mention that the controversy relates to a subject-matter which is already under investigation by the CBI, that the original promoters were arm-twisted at the behest of a Minister in the Government to transfer the shareholding to a Singapore-based company called Maxis. I am not getting into all those facts. But there are three facts of that transaction which are relevant for the FIPB clearance. The first fact was that the FDI limit in the telecom sector was 74 per cent. Therefore, it was normally expected that the maximum sale that would take place would be 74 per cent. In this case, the sale takes place of almost 100 per cent of the FDI, that is, up to 99.3 per cent. The second factor is that the amount of money at which the whole transaction takes place is in the vicinity of about Rs. 5,000 crores. Ordinarily, 26 per cent, which was transferred to an Indian shareholder, should have been in the vicinity of about Rs. 1,200 crores. It is transferred for an amount of Rs. 34 crores! It is a disproportionately low amount. Thirdly, as far as Maxis is concerned, they had, contemporaneously, in 2006 informed through their merchant banker, the Malaysia Stock Exchange, that they intended to acquire almost 100 per cent. In the face of these three facts, a legitimate doubt appears that the Indian nominee could only be a front, and that this was really an acquisition through a front of the entire 100 per cent. In view of this doubt, if the papers are placed before this House, the FIPB clearance had to clear all these facts. And it was highly doubtful whether such a permission could have been granted because *prima facie* the facts did indicate that the transfer was not of 74 per cent, but breaching the FDI guidelines, it was a transfer of 99.3 per cent or even more. That is a matter, which can be separately dealt with, whether the FIPB clearance was rightly or wrongly granted. But what appears to have raised some doubts is, on the eve of the FIPB clearance,—I do not know whether the hon. Minister is fully aware of this—some transactions have taken place between the company transferring the shares and somebody connected to the hon. Minister. I will refrain from taking any names. The nature of that transaction is borne out by the Annual Reports of various companies, that, there is a company

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by the name of Ausbridge Holdings and Investments Private Limited these facts have been mentioned in the media. The person connected owns, as of 2006, 18,000 out of the 19,000 shares in that Company. That is 94 per cent holding. This Company also has transactions with another company which is called Advantage Strategic Consulting Private Limited. Now on the eve of this transfer taking place, as being applied for and is being granted, you suddenly find from the balance sheet of 2006 of Advantage Strategic Consulting Private Limited, that there is a payment of a certain amount of Rs. 26,00,444, a calculated amount, not a broad amount, made to Aircel Televentures Limited. On the same balance sheet there are three other payments. These three other payments are made to Chess Management Service Private Limited, Chess Health Care Solutions Private Limited and Halidon Marketing Private Limited. These are all Companies concerned with the same gentleman whose name I am not taking. So, in 2006, this connectivity was established. Now the balance sheets available in the Annual Reports also indicate that Ausbridge owns 66.67 per cent shares of Advantage Strategic Consulting Private Limited. When this payment of Rs. 26 lakh odd is paid to Aircel, there is a corresponding increase of 1,80,000 shares in the share capital of Aircel; whether shares are eventually issued or not issued is a separate issue. Now, these are documents which have come into public domain. With regard to the connection of these two Companies, and the more I get the documents, the connection becomes all the more suspicious, in 2006, what was the connection between Ausbridge and Advantage? What is the Annual return of 2006-07 of Ausbridge? Their e-mail ID is also the same as the e-mail ID of Advantage Strategic Consulting Private Limited, and also the Shareholding connections, payment connections, e-mail ID connections. Now here is a case, and I am just placing the case in a nutshell, and my case is a little different from what appeared in some newspapers. Whether there is a delay or whether there is no delay, I am not going into it. There was a highly doubtful FIPB clearance which may or may not have been granted. Did somebody concerned with the hon. Minister have any financial transactions through a corporate mask with the Companies which were involved in this transaction? If that is so, it raises serious doubts, and if that is not so, this particular doubt in my mind really ought to be cleared. Thank you.

DR. V. MAITREYAN (Tamil Nadu): As the hon. Leader of the Opposition mentioned about the Aircel-Maxis Deal, the Malaysian stock exchange was informed about the 99 point odd shares whereas FIPB shows it is only 74 points. There is

a dubious name called Deccan Digital Network. What is the connection? Were our Government and FIPB taken for a ride under the guise of some fictitious venture so that clearance is given here? Whereas 99.9 per cent is owned by Aircel Maxis. There, they have very clearly said that this is only a 'dummy' company and the entire money is put by us alone. That is the version that we are getting. This is number one.

The second one is, during the period when the proposal was being cleared by the FIPB, hon. Minister of Home Affairs was the Minister in-charge of the Ministry of Finance. At that time, on March 7, 2006, the Government said that the FIPB cleared the deal and they also said that the Airce-Maxis's Mauritius subsidiary called Global Communications Services took over. But the Agenda Item No. 7 shows the names of two companies—one from the US and the other is from the Singapore. The US company is Centry Telephone and the Singapore company is Rington. I would like to know what the connection is between these dubious names that are appearing. And, during this period, as Mr. Jaitley said, when the then Finance Minister was taking charge of clearance process, his own family relative was directly and indirectly involved in this whole process. How this incongruence happened we would like to be explained?

SHRI M. VENKAIAH NAIDU (Karnataka): Sir, the concerned Minister is the Finance Minister, not the Home Minister. What is this surprise? He can make his personal explanation by giving a notice. The issue is the FIPB and is connected with the Finance Minister. I am surprised ...(Interruptions)... No, no. The House follows some rules ...(Interruptions)... You guide us. We want to know that in what capacity the hon. Home Minister is giving reply. In what capacity the hon. Home Minister is giving reply? ...(Interruptions)...

DR. V. MAITREYAN: Sir, after Mr. Pranab Mukherjee took over as the Finance Minister, he ordered for an enquiry by the FIPB into the whole process ...(Interruptions)... We would like to know what is the outcome of that investigation ...(Interruptions)... And, the all papers of the Airce-Maxis deal should be laid on the Table of the House ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: Sir, this is my point ...(Interruptions)... My Point of Order is when an issue is raised in the House, the concerned Minister has to give reply ...(Interruptions)... And, if a person is personally involved...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I will reply to that. You raised a Point of Order, you cannot give the decision.

SHRI M. VENKAIAH NAIDU: One second, Sir. If you give decision without hearing me, I cannot raise my Point of Order. Please, just have some patience.

My point is, an issue has been raised in this House. An accusation also has been made that some relative of the hon. Minister is involved in that. If the hon. Home Minister is giving a personal clarification because his Ministry or his name has been taken, I have no problem. He can give a notice to the Chairman and give his personal explanation. Otherwise, the Finance Minister is the concerned Minister. He should give reply to this question. That is the system, that is the rule and such are the precedents in this House. Thank you.

DR. V. MAITREYAN: Sir, the entire FIPB files and papers have to be placed on the Table of the House ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No. That is over ...(Interruptions)... You have made your point ...(Interruptions)...

SHRI BALBIR PUNJ (Odisha): Sir, can an exception be made in ...(Interruptions)... Can he be summoned to the House? ...(Interruptions)...

SHRI TAPAN KUMAR SEN (West Bengal): Sir, why mergers and acquisitions are permitted by the Government when they are not generating anything tangible? It is generating money to somebody else ...(Interruptions)... Sir, they are given more relaxation in the current Finance Bill! I think, the hon. Finance Minister must clarify the issue ...(Interruptions)...

SHRI BALBIR PUNJ: Mr. Vice-Chairman, Sir, you kindly extend this courtesy so that other accused can be called here ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. Let me give my ruling. Your own leader raised a Point of Order. You don't want me to give ruling on that ...(Interruptions)...

SHRI BALBIR PUNJ: Sir, there may be an exception to the rules that the accused can be called and explain his position ...(Interruptions)... How Can you make such exception? ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. Don't say all that ...(Interruptions)...

SHRI BALBIR PUNJ: It is for the hon. Finance Minister to explain the position.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Your own leader has raised a Point of Order ...(Interruptions)... Now, please you take your seat ...(Interruptions)...

SHRI BALBIR PUNJ: Sir, I am saying : will you accept the same technique for other people who are accused that they come to the House and explain their position? Can you make an exception, Sir? ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Now, please take your seat. Now, listen, in any case, hon. LoP has mentioned about the then Finance Minister and the then Finance Minister is here. So, he can explain and it is well within the rules for his explanation, because he has already mentioned ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: I have no objection to that. You are right. The hon. Leader of the Opposition has raised certain issues, made a reference to the then Finance Minister. You have allowed the then Finance Minister to make as clarification. We have no problem. But, the issues raised by the hon. Leader of the Opposition and other hon. Members have to be answered by the Finance Minister at a subsequent date.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That you can raise in proper form. I have no problem.

SHRI RAVI SHANKAR PRASAD (Bihar): Sir, the decision-making process and functioning of the Ministry is a continuous process ...(Interruptions)... The decision-making process can never be done in ignorance.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I agree. I am not ruling out. Mr. Maitreya, I have given you time. I am not ruling out what Mr. Venkaiahji said. I said that the same can be raised in proper form as per rules.

DR. V. MAITREYAN: No. We want a clarification. We want the Finance Minister to answer this. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No. You cannot ask for that.

DR. V. MAITREYAN: Why? Will he act for the present Finance Minister?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I have given my ruling. ...(Interruptions)... I have given my ruling. ...(Interruptions)...

DR. V. MAITREYAN: The present Finance Minister should place the details of Aircel-Maxis deal on the Table.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes. About that, I gave the ruling. *...(Interruptions)...* I have given the ruling. *...(Interruptions)...* Maitreyanji, please take your seat. On a point of order raised by Shri Venkaiah Naiduji *...(Interruptions)...*

DR. V. MAITREYAN: My question needs to be answered by the present Finance Minister. I have nothing to do with Venkaiahji.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. Your question is to be replied here. *...(Interruptions)...* Take your seat. *...(Interruptions)...* No. I said it may be brought in the form of a proper notice. *...(Interruptions)...*

SHRI V. P. SINGH BADNORE (Rajasthan): Sir...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. You are not allowed. *...(Interruptions)...* Why? What do you want? You are all repeating it. Your leader has raised this issue. Let him reply to it. Mr. V. P. Singhji, your own leader, the hon. LoP, has raised this point. Let him reply to that.

SHRI V. P. SINGH BADNORE: Sir, हमें इन दोनों में से एक चीज बता दें। *...(Interruptions)...*

उपसभाध्यक्ष (प्रो. पी. जे. कुरियन) : आप बैठिए *...(व्यवधान)...* I have given the ruling.

श्री रवि शंकर प्रसाद: इतना एश्योरेस तो दीजिए *...(व्यवधान)...*

श्री वी. पी. सिंह बदनौर: यह तो बता दें *...(व्यवधान)...*

SHRI K. RAHMAN KHAN (Karnataka): Sir, the word 'accused' has been used. There is no accused here. *...(Interruptions)...*

DR. V. MAITREYAN: *...(Interruptions)...* We are *the then Finance Minister. *...(Interruptions)...*

SHRI K. RAHMAN KHAN: There is no accused.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. Please. You cannot accuse. *...(Interruptions)...* For making an accusation, you have to take prior permission. *...(Interruptions)...*

*Expunged as ordered by the Chair.

SHRI RAVI SHANKAR PRASAD: Sir, we request you that somebody should assure the House that the hon. Finance Minister will also come today and explain.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN) : I have already given the ruling. You can raise it in the proper form as per the rules. *...(Interruptions)...* That is my ruling. *...(Interruptions)...* You cannot question my ruling, Dr. Maitreya. *...(Interruptions)...* No, the hon. LoP has mentioned about the then Finance Minister who is present here. He wants to *...(Interruptions)...* No, no. He has every right to reply. *...(Interruptions)...* He has every right to clarify. Please take your seat. *...(Interruptions)...* Maitreya, what do you want?

Now, Mr. Chidambaram.

THE MINISTER OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): Mr. Vice-Chairman, Sir, I am grateful to the Leader of the Opposition and some other hon. Members who have raised some questions. In fact, I am happy that my friend of 22 years is raising this question. I have great respect for the manner in which he raised the question and I sincerely hope that I would be able to respond to that and clarify all the doubts.

The investee company is Aircel; the investor company was a subsidiary of Maxis. What comes to the FIPB is only matters that are required to come to the FIPB. Allegations have been made that the proposal of M/s. Global Communication Services Holdings Limited, Mauritius, a wholly-owned subsidiary of M/s. Maxis Communications, to acquire 73.99 per cent equity in M/s. Aircel was delayed by the then Finance Minister in order to benefit certain persons. These are the two allegations, an allegation of delay and an allegation that the delay was to benefit certain persons.

The records of the FIPB have been perused. They reveal the following.

DR. V. MAITREYA: When did you peruse them, Sir?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, please. No question.

DR. V. MAITREYA: We want to know. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): He is the Minister. He has the right. *...(Interruptions)...* Let him complete.

SHRI P. CHIDAMBARAM: On 6th of January, 2006, the applicant, M/s. Global Communication Services Holding Limited acquired 26 per cent equity in M/s. Aircel Limited through the automatic route. That does not come to the FIPB. On 30th January, 2006, the applicant applied for enhancing its equity in M/s Aircel Limited from 26 per cent to 73.99 per cent. The application dated 30th January, 2006 was processed in the normal course. The Ministries/Departments were asked to offer their comments. The proposal was included in the agenda notes circulated on 17th February, 2006; that is, 18 days later, the agenda was circulated. The meeting of the FIPB was on 7th March, 2006. The administrative Ministry concerned, namely, the DOT, conveyed its support to the proposal at the meeting. The FIPB recommended the proposal for approval on 7th March, 2006, that is, the date of the meeting; and, the file was moved by the Deputy Secretary on 10th March, 2006, the Deputy Secretary submits the file to superior officers. The matter was placed before the then Finance Minister on 13th March, 2006 and he approved the same immediately.

Therefore, the application of 30th January, 2006 was approved when it came to the Finance Minister on 13th March, 2006. The formal letter of approval was issued on 20th March, 2006. And, all these details are contained in the formal letter of approval. From the date of application to the date of issue of approval, the Government has taken 49 days. Ordinarily, FIPB applications take between 6 weeks to, sometimes, even 6 months if there are queries and clarifications. In this case, the FIPB recommended the proposal; that recommendation was part of the minutes of several cases and it was approved by the Finance Minister when the file reached him.

Subsequently, another application dated 1st September, 2006 was received for approval for downstream investment by M/s. Global Communication Services Holdings through M/s. Aircel Limited, the investee company, in M/s. Dishnet Wireless Limited. This is for downstream investment. The FIPB, in its meeting held on 3rd October, 2006 recommended the proposal for approval. The minutes of the meeting were drawn up. The file was moved by the Deputy Secretary on 6th October, 2006. The minutes of the FIPB were placed before the then Finance Minister on 12th October, 2006 and he immediately approved the same.

Here, again, from the date of application, 1st September, 2006 to the date of approval, 12th October, 2006, the Government has taken about 40 days. The formal

letter of approval was issued by the Ministry of Finance on 20th October, 2006. This letter of approval refers to the earlier letter of approval dated 20th March, 2006.

So, there are two applications. One application was for enhancing equity from 26 per cent to 73.99 per cent. That was approved on 20th March, 2006. The other was for making downstream/investment in M/s. Dishnet Wireless Limited and that was approved on 20th October, 2006. In both the cases, there was, I submit, no delay whatsoever. No delay at any stage, Sir. In fact, these two cases are those where it was processed in the normal course and approved in about 40-49 days.

Some other names had appeared in the media. M/s. Aircel Limited's earlier name was M/s. Srinivas Telecom Limited. The original foreign investors in M/s. Srinivas Telecom Limited were M/s. Century Telephone Enterprises Incorporated of the U.S.A. and M/s. Reddington Private Limited, Singapore. M/s. Global Communication Services Holdings acquired the equity held by these companies, firstly, 26 per cent under the automatic route and then, after the FIPB's permission, enhanced it to 73.99 per cent in M/s. Aircel Limited. So, the names that had appeared trace the earlier names of the company and the earlier people who held equity in M/s. Srinivas Telecom Limited, which was renamed as M/s. Aircel Limited. That is how these names had appeared. And, the FIPB records clearly indicate the history of these companies and the change of names and the change of investors.

I submit, Sir, there is no scope for any misunderstanding or misinterpretation of the contents of the two letters of approval dated 20th March, 2006 and 20th October, 2006. In both the cases, there was no delay, whatsoever, in granting the approval.

Now, Sir, some questions have been raised about some other companies, and whether any member of my family had an interest in these companies; whether any member of my family had any connection with these companies. Sir, the fact is, the company concerned, M/s. Advantage Strategic Consulting Private Limited, has categorically stated that it owns no equity in any telecom company, including Aircel, the investee company, or, M/s. Global Communication-Maxis, the investor company. Likewise, the member of my family has made a categorical statement that neither he nor any member of his family, which is the same as, neither I nor any member of my family, own any share in any telecom company, at any time, indirectly or directly, to say, we owned no share at any time, indirectly or directly,

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in Aircel or M/s. Global Communication or Maxis. We have no connection with any telecom company or own any share in any telecom company.

Now, the hon. Leader of the Opposition has referred to some transactions which appeared on the balance-sheets of certain companies. These were the subject-matter of the first news items. Advantage Strategic Consulting Private Limited has issued a legal notice to the person who first made the allegation. The legal notice is so comprehensive and so explanatory that it does not require any explanation or embellishment or clarification. The legal notice speaks for itself. But I don't wish to read the legal notice. It is quite possible that they will eventually follow it up with litigation. But let me give you the gist of it, which, I think, should satisfy the hon. Member.

SHRI ARUN JAITLEY: May I speak for a minute?

SHRI P. CHIDAMBARAM: Yes, yes.

SHRI ARUN JAITLEY: You have so far answered what I have not alleged.

SHRI P. CHIDAMBARAM: No, no. Delay part; it has been alleged.

SHRI ARUN JAITLEY: You have so far answered what I have not alleged. What I have alleged is, on the eve of such a controversial FIPB clearance, why was M/s. Advantage Strategic Consulting Private Limited, a company connected to persons connected with you, entering into financial transactions with the company which was the investing company?

SHRI P. CHIDAMBARAM: I am answering that. That is precisely what I am answering.

So, unless some facts about this Company are stated, it will be difficult to answer that. I am not reading the Notice, but I am relying upon this Notice to state facts. Advantage Strategic Consulting Private Limited is a private limited company promoted in the year 2005 by two individuals, who have no connections with me, and I have never met them. Both are professionals. The Company is controlled and managed by the said two Directors from inception until today. No other person and no other shareholder has any control over the company or any role in the management of the Company. Now, this company is in the business of providing management consultancy services, which is a legitimate business. The

Company has provided consultancy services to a number of reputed clients. One of the clients was M/s. Aircel Tele-ventures Limited, Chennai. We are talking about the year 2006, Sir. The Company provided consultancy services in 2005-06 and was paid for its services. The consultancy services were provided to do a survey on consumer goods for cross promotion of telecom services between October 2005 and March, 2006. An invoice was raised on 29th March, 2006 for an amount of Rs.25,00,000/-, plus Service Tax of Rs.2,55,000/- making it a total sum of Rs.27,55,000/-, not Rs.27 crores, not Rs.275 crores - for Rs.27,55,000/- an invoice was raised. On this the *payer company* will deduct TDS of Rs. 1,54,556/-. The balance amount paid is Rs.26,00,444/-, the number the hon. Leader of the Opposition mentioned. So, after deducting TDS, the Company which commissioned the survey paid by cheque, the bill was dated 29th March, 2006, cheque was paid on 11th April, 2006. So, Advantage Consulting got a cheque 12 days after they raised the bill on 11th of April, 2006. The cheque was deposited on 12th of April, 2006, Service Tax of Rs.2,55,000 was paid to the Government on 12th of May, 2006. The income was shown in the Income Tax Returns for the Assessment Year 2006-07 and Income Tax has been paid. This is a company providing management consultancy services, raises a bill on 29th of March; the Bill is paid on the 11th of April. All this is there in their records. Therefore, the balance-sheet shows that there is an outstanding balance of this Company Advantage Consultancy, shows there is an outstanding Rs.26,00,444 on the 31st of March. When the bill is raised on 29th of March, there is a Chartered Account here, outstanding shown on 31st March is Rs.26,00,444/- net of TDS and the amount is received in the next financial year on the 11th of April. The point is since the allegations are made, fortunately, they were not made in this House, they were made outside, and somebody repeats in this House or alludes to it in this House, we have to gather these facts. In 2006, this Company, Advantage Consulting, also renders various consultancy services to other companies. That is how you find names of other companies for which bills are pending on 31st of March and bills are paid thereafter. For amounts which the hon. Leader of the Opposition did not read, small amounts of Rs.1,55,000, Rs.2,00,000, etc., etc. These are consulting companies. Each one does services for the other. One does a survey, one does an accounting audit service, one does some services. They are transactions which are legitimate transactions. Now, there is a reference to another company by name Ausbridge. I do not deny it. Ausbridge is a start-up company. Young men get together and start companies;

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the business sometimes takes off; the business sometimes does not take off. Ausbridge is a company promoted by two individuals. The Chief promoter is one Mr. Rajesh, the other shareholder was a member of my family. Ausbridge made a passive investment in March, 2011 in Advantage Consultancy. Five years after the transaction that you are referring to! Ausbridge had no holding in the Advantage Consulting in the year 2006 or 2007 or 2008 or 2009 or 2010. They made a passive investment of rupees five lakhs in the Advantage Consulting in March, 2011. This passive investment, made in March, 2011, has, obviously no connection, and could have no connection, with the transactions that the Leader of the Opposition is talking about, between 29th March, 2006 and 11th April 2006, when the Bill was raised and the cheque was paid. Five years later! Ausbridge does not own Advantage Consulting. Advantage Consulting is owned by two promoters and their families. They are the sole directors of the company from the date of inception. They had issued shares to some other friends, five years later. People are entitled to invest in other companies; people are entitled to take investments from the companies. And, this is 2011, not 2006! Now, the next question is who owns Ausbridge. Of course, the Ausbridge was promoted by two young men. I suppose the young men of this country are entitled to start business and do legitimate business. As I said, the Chief Promoter is one Mr. Rajesh and the other one is a member of my family, who is his friend and his classmate. He put in only one lakh and eighty thousand rupees, not one hundred and eighty crore rupees. Only rupees one lakh and eighty thousand were put in that company. That's all that the member of my family had put in there. Then, when the other young man, who is the chief promoter of the company, after some time, said, "Now, I have got more money and I am taking over your shares." And, my son had transferred his shares to the other promoter and to his wife. Ausbridge is, now, owned by Mr. Rajesh and his wife. What is wrong if a young man puts rupees one lakh eighty thousand in a company of his friend to promote a company? And, that company makes a passive investment in Advantage Consulting, five years later. The balance-sheet will show that. The records of the Registrar of Companies will show that.

There were other allegations in the media. Fortunately, even the Leader of the Opposition recognizes that those are wild and reckless allegations and he has not said anything about them. Advantage Consulting has issued a legal notice to the person who has made the allegations and have categorically stated, "Our clients take strong objection to your allegation that so and so controlled the company in

2005-06. Our clients wish to state categorically that neither Shri so and so nor any of his associates had any equity, directly or indirectly, in the company in the year 2005. Neither Shri so and so nor any of his associates had or has any control over the company. Further, neither Shri so and so nor any of his associates had or has any control on the management of the company. The company is controlled and managed by its two principal directors, and no one else. The above facts would make it abundantly clear that during the year 2005-06 when the company, that is, Advantage Consulting provided consultancy services to M/s. Aircel Televentures Ltd., raised a bill on 29th March, got paid on 11th April. Neither Shri so and so nor any of his associates had any equity or control or role in the management of the company. The attempt to link the name of Shri so and so with the company in the year 2005-06 is patently motivated, baseless and malicious." Therefore, I respectfully submit, as an eminent lawyer, I am sure, the hon. Leader of the Opposition recognizes the facts. The facts are that 'A' company provided consultancy services for which it was paid because the bill was raised on 29th March, the payment was made on 11th April. It is shown as an outstanding in the balance sheet. The Service Tax has been paid. The Income Tax Return has been filed. Five years later, another company, promoted by two young men, made a passive investment. The Company which made the investment is controlled by one Mr. Rajesh and his wife. A member of my family did put in Rs. 1,80,000/- to help his friend. But since he transferred the shares, the Company belongs to him. I think those are the only questions asked. The only other question is, there is another Indian shareholder, 26 per cent value. This 26 per cent value should have been a certain amount, but it is only a smaller amount. That is a matter if there is any irregularity in the other investor, of whom I am not aware, having acquired 26 per cent equity for an amount lower or higher than that, surely, I am sure, the law can be set in motion and the other investor will explain how that investment was made. The other question is; allegedly, Maxis has informed the Stock Exchange in another country that they control a 100 per cent of this Company. As far as the records of FIPB are concerned, and I have the authority of the Finance Minister to make the Statement, according to the records of the FIPB, they can hold and do hold only 74 per cent. A foreign shareholder can hold and do hold up to 74 per cent, 73.99 per cent in an Indian Company; there is another shareholder with 26 per cent. Now, what this Company allegedly reported to another in another jurisdiction, whether that report is, indeed, correct, or, whether such a report exists,

[SHRI P. CHIDAMBARAM]

or, whether that is a correct report or a false report—if the matter is taken up, surely, the Finance Minister has said, - 'yes, surely, he will ask the DoT or he will himself or the Ministry of Finance will look into the matter to see whether such a report is correct, whether such a report is factually correct. So, those are two matters in which the law can be set in motion. As far as I am concerned, I just want to say this. I don't wish to reveal private conversations, but I still maintain that it would be much simpler if somebody took a dagger and plunged it into my heart rather than question my integrity.

SHRI ARUN JAITLEY: Sir, let me reiterate, because there are a lot of unanswered questions and a lot of additional questions which arise on the basis of what the hon. Minister has said. Our concern is not to really hold a dagger into somebody's heart; our interest only is that the purity and fairness of governance must be maintained. That is the limited objective. That limited object is, for the facts which I will not repeat, this was a highly doubtful FIPB clearance. On the eve of this FIPB clearance, any of the parties, the investee or the investor, should not directly or indirectly be indulged in a business relationship with anybody close to the Minister's family. That is all.

SHRI P. CHIDAMBARAM: Please yield for a minute. I have made it clear that in 2006, Advantage Consulting alone promoted by two promoters had a commercial transaction for Rs. 26,00,444/- plus TDS with Aircel Ltd. In 2006, Ausbridge had no connection, and they have issued a legal notice saying 'to allege that Ausbridge had a connection with Advantage Consulting is totally wrong.' ...*(Interruptions)*... They made a passive investment five years later in 2011. ...*(Interruptions)*...

SHRI ARUN JAITLEY: Let me straight-away tell you why I disbelieve that explanation. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: They paid equity by taking partly paid-up shares, not even fully paid-up shares.

SHRI ARUN JAITLEY: Sir, let me now straight-away inform the Minister why I find this as an inconvincing explanation. Companies are floated, friends are shareholders, you enter the Company on a later date. Six years later when we are re-investigating the facts, you have to look at the footprints that they have left behind. The Minister's case is, Ausbridge was, admittedly, a company in which his family members had 94 per cent shares. Ausbridge's connections with Advantage

Consulting started in 2011; therefore, cannot impinge on 2006 transactions. That's the case. I hold in my hand, the Return of Ausbridge, the Annual Return to the RoC, for the year 2006-07. So, it was Ausbridge which didn't know of Advantage in 2006-07. In this Return, Ausbridge gives its address, and if you look at some of the 2G charge-sheets, this has been considered in some of them, as a clinching evidence to show connection between the two Companies. What is its own email address that Ausbridge gives in 2006? It is: 'advantageconsultants@gmail.com.' This is in 2006. In 2006, what is Advantage Strategic Consultants Pvt. Ltd.'s ID? I hold their letterhead of that period. It is 'www.advantageconsultants.com.' It is the same ID. So, these are Companies which have a connection with each other in 2006. They share the same address. Now, what is the connection of these Companies? In Ausbridge, admittedly, in 2006, you had the shareholding. In 2006, there are Advantage's other transactions by which Advantage paid Aircel. I do not accept *prima facie* this theory of consultancy for the simple common sense logic that if I give consultancy to somebody, he should be paying me; my balance-sheet should not disclose a loan and an advance to him. Please let me just show the balance-sheet. The contemporaneous balance-sheet of 2006 of Advantage shows loans and advances under the head, 'Loans and Advances.' So, in 2006, an advance has been given or a loan has been given. To whom? It is to Aircel Televentures Ltd. In 2006, a loan and an advance has been given. This is the balance-sheet file, and today we are being told that 'we gave consultancy to Aircel; Aircel has paid us.' Well, Aircel may have paid you for the consultancy. But your balance-sheet shows quite to the opposite that this was a loan and an advance from you to Aircel. And, which are the other companies to which Advantage is giving loans and advances in 2006? All these three Companies are controlled by the same person with which you are connected—Chess Management Services Pvt. Ltd., Chess Health Care Solutions Pvt. Ltd. and Halidon Marketing Pvt. Ltd.

My case, Sir, is: did, on the eve of this FIPB clearance, which is highly doubtful, the companies, with which the gentleman—I am not naming—was concerned, connected? Was this investee dealing with those? What was the nature of this financial transaction? And, if there was such a dealing, then this further vitiates this FIPB clearance, which has been granted, and it raises serious doubts which, I am afraid, have not been cleared. ...(Interruptions)...

1.00 P.M.

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): No; please. *...(Interruptions)...* Maitreyanji, please. *...(Interruptions)...* Let him finish. *...(Interruptions)...* Let him reply to that point. *...(Interruptions)...*

SHRI P. CHIDAMBARAM: Sir, the balance-sheets of companies *...(Interruptions)...* Wait. Wait. *...(Interruptions)...*

SHRI ARUN JAITLEY: Why should they have the same email IDs? In 2G, this is considered conclusion *...(Interruptions)...* in charge-sheets for the connectivity of the two companies. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Allow him to reply.

SHRI P. CHIDAMBARAM: Nobody is saying that the promoters of Ausbridge and the promoters of Advantage Consulting do not know each other. They are all in Chennai. They do business. Nobody is saying that. *...(Interruptions)...* Wait a minute. *...(Interruptions)...* Nobody is saying that. *...(Interruptions)...* The point is: what are these transactions in 2005-06? That is the issue. *...(Interruptions)...* Those are the issues. Now, Advantage Consulting has said in a legal notice, 'we provided consultancy services to Aircel. We raised a bill. We got it etc., etc.' They have got the documents. If you want to look into it, please look into it. Am I standing in the way? Please look into those transactions. *...(Interruptions)...* Just a moment. *...(Interruptions)...* Wait a minute. Wait a minute. *...(Interruptions)...* Please don't get excited. *...(Interruptions)...*

SHRI ARUN JAITLEY: Let somebody independently inquire into all these transactions. *...(Interruptions)...*

SHRI P. CHIDAMBARAM: Wait a minute. Please don't get excited. *...(Interruptions)...*

SHRI ARUN JAITLEY: There is nothing in it, nothing that is good for us.

SHRI P. CHIDAMBARAM: I agree with you. If you want to look into the books of accounts of M/s. Advantage Consulting, and ask them to show whether they did provide consultancy, whether they raised a bill, whether they got this amount during that period, please do so. I have no objection. Why should I stand in the way?

DR. V. MAITREYAN: Sir, *...(Interruptions)...*

SHRI P. CHIDAMBARAM: Sir, let me complete. Mr. Maitreyan should kindly resume his place.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Dr. Maitreyan, please let him finish.

SHRI P. CHIDAMBARAM: I am glad that he recognizes accused persons. I am glad he does that. ...(Interruptions)... He used the word; I didn't.

Therefore, please look into the accounts. Please ask your Registrar of Companies to look into the books of accounts of ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: That should be done by the Finance Minister. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Please listen. ...(Interruptions)... All right, I will modify that. Please ask the Finance Minister ...(Interruptions)...

DR. V. MAITREYAN: That is what we want to say. Ask the Finance Minister to come here. ...(Interruptions)... Ask him to come here. ...(Interruptions)...

श्री एम. वेंकैया नायडु: फाइनेंस मिनिस्टर को बुलाइए ...(Interruptions)...

डा. वी. मैत्रेयन: फाइनेंस मिनिस्टर को बुलाइए। ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Dr. Maitreyan, please. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, would you please ask him to resume his seat? ...(Interruptions)... Will you please ask him to resume his place? ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Dr. Maitreyan, please. ...(Interruptions)... Let the Minister finish his reply. ...(Interruptions)... Allow him to reply. You wanted him to reply. Let him finish. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, I am not addressing him. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Please allow him to reply. ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: Sir, we are not making any allegations at all. He has made sufficient ...(Interruptions)...

SHRI P. CHIDAMBARAM: Thank you. ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: He has clarified himself. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Just a moment; I have not completed. ...(Interruptions)... Let me complete. ...(Interruptions)...

SHRI M. VENKAIAH NAIDU: Let the Finance Minister come and answer our queries. ...(Interruptions)... That is the issue here. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I have already given my ruling on that. ...(Interruptions)... My ruling is already there. ...(Interruptions)... Let him complete. ...(Interruptions)... Allow the Minister to complete. ...(Interruptions)... That is not fair. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, this is not fair. ...(Interruptions)... This is not fair. They can't do this. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No; this is not fair. ...(Interruptions)... You are not allowing him to complete. ...(Interruptions)...

SHRI P. CHIDAMBARAM: You have had your say. I must be allowed to ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): This is not fair. ...(Interruptions)... All of you may take your seats. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Please ask them to sit down. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): He is replying to the question raised by your leader. ...(Interruptions)...

SHRI P. CHIDAMBARAM: This is not correct. Please ask them to sit down. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no. Please sit down. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Please ask them to sit down. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Please sit down. I will allow you ...(Interruptions)... This is not fair. You must allow him to reply ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, I am asking the Leader of the Opposition to ask them to sit down. *...(Interruptions)...* This is not fair. What they are doing is not correct. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Please sit down. *...(Interruptions)...* He is replying to the question raised by the hon. Leader of the Opposition, by your own leader. Why don't you allow that? The question was put by the Leader of the Opposition and he is replying to that. *...(Interruptions)...*

DR. V. MAITREYAN: Sir, you should allow me.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): After this? *...(Interruptions)...* You may ask. Now, let him complete. *...(Interruptions)...*

SHRI P. CHIDAMBARAM: Sir, each one has got his own perception. I assume that the Leader of the Opposition's questions are bonafide questions, asked with a good and serious intent, and I am answering them with a good and serious intent. So, if you wish to examine the transactions between Messrs Advantage Consulting Ltd. and Aircel and those picayune transactions for a few lakhs of rupees or a few thousand rupees, with chess management, please, I will certainly convey it to the Finance Minister to look into everything about M/s. Advantage Consulting. There is no difficulty at all. In fact, as Mr. Venkaiah Naidu rightly said, I should be the happiest person if you look into those books of accounts. Please look into it. Please ask anyone to look into it. I have no problem, whatsoever. But let me repeat once again, with utmost humility and sincerity, young people in this country are entitled to start businesses. *...(Interruptions)...*

DR. V. MAITREYAN: Not dubious businesses. *...(Interruptions)...* Not questionable business. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Now, please *...(Interruptions)...* No, no. *...(Interruptions)...* Please. *...(Interruptions)...* Why don't you allow him to speak? *...(Interruptions)...* Please be silent. *...(Interruptions)...*

SHRI P. CHIDAMBARAM: All right. I would assume that according to a section of the Opposition parties, young people are not entitled to start business! *...(Interruptions)...* You are not allowing me to complete. *...(Interruptions)...* Please don't get excited.

[SHRI P. CHIDAMBARAM]

This business, where a member of my family invested a lakh and eighty thousand rupees, where the capital of a company was Rs. 2 lakhs, gives the impression ...(Interruptions)...

DR. V. MAITREYAN: Which minted crores ...(Interruptions)...

SHRI P. CHIDAMBARAM: Of course, it does. That is technically correct. At that point of time, he controlled 94 per cent of the company, but the investment was two lakhs of rupees; one boy put in Rs. 20,000, the other put in a lakh and eighty thousand. ...(Interruptions)... Just a moment, please. This company, five years later ...(Interruptions)... Just a moment. ...(Interruptions)... You may repeat the question, but I cannot repeat the answer. ...(Interruptions)... This company, five-years later, makes a passive investment. When the other Chief Promoter brings the money to the company, then he makes a passive investment. They buy shares five-years later. ...(Interruptions)... Wait a minute. ...(Interruptions)... If they have the same website address, I am not aware. ...(Interruptions)... Even if they had a same website address in 2006, or, 2007, or, 2008, or, 2009, what is the relevance of that? ...(Interruptions)...

SHRI ARUN JAITLEY: The relevance is that it is an important footprint. ...(Interruptions)... Something was happening ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): We have to conclude it. ...(Interruptions)... We have to conclude it please. ...(Interruptions)...

SHRI P. CHIDAMBARAM: Sir, please ask this gentleman to sit down. ...(Interruptions)... Please ask this gentleman to sit down. ...(Interruptions)...

DR. V. MAITREYAN: You are obliged to answer. ...(Interruptions)...

SHRI P. CHIDAMBARAM: I am not obliged to answer. ...(Interruptions)...

DR. V. MAITREYAN: You are obliged to answer the clarifications. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Dr. Maitreyan, don't do this. ...(Interruptions)...

DR. V. MAITREYAN: He cannot say that he is not obliged. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The Chair will ask him to answer. ...(*Interruptions*)... Please take your seat. ...(*Interruptions*)...

SHRI P. CHIDAMBARAM: Please don't shout. ...(*Interruptions*)... Please don't shout. ...(*Interruptions*)...

DR. V. MAITREYAN: You are obliged to the country. ...(*Interruptions*)... You are obliged to the country. ...(*Interruptions*)...

SHRI P. CHIDAMBARAM: Only when the Chair allows you. ...(*Interruptions*)... Only when the Chair allows you. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Mr. Maitreyan, what do you want? ...(*Interruptions*)...

SHRI P. CHIDAMBARAM: Only when the Chair allows you to speak. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Whatever Mr. Maitreyan is saying is not going on record. ...(*Interruptions*)...

DR. V. MAITREYAN: *

SHRI P. CHIDAMBARAM: Only when the Chair allows you to speak, you can speak, but not without the permission of the Chair. ...(*Interruptions*)... Please understand, when the Chair allows you to speak, you speak. ...(*Interruptions*)... If the Chair calls upon me, I will answer. ...(*Interruptions*)...

DR. V. MAITREYAN: *

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): If there is a new question, I will allow. ...(*Interruptions*)... If it is a new question ...(*Interruptions*)... No repetition. ...(*Interruptions*)...

SHRI P. CHIDAMBARAM: Even assuming that they shared a website in 2006, or, 2007, or, 2008, or, 2009, if you examine the transactions of 2005-06, you will find that Advantage Consulting has rendered services, raised bills and collected the amount of Rs. 26,00,444. All these so-called footprints have no relevance whatsoever. So, all you need is to examine the books of accounts. Please examine the books of accounts. But let me categorically state that no member of my family

*Not recorded.

[SHRI P. CHIDAMBARAM]

or I has any equity, indirectly or directly, in any telecom company including Aircel or Maxis. ...(*Interruptions*)...

DR. V. MAITREYAN: Sir, allow me to ask a question. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Is it a new question? No repetition. ...(*Interruptions*)...

DR. V. MAITREYAN: Yes, Sir.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay.

DR. V. MAITREYAN: Sir, the Minister said that in Ausbridge Company his family members had only a few lakhs. I would like to remind this House that there was a company called Green House Promoters ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You ask the question. ...(*Interruptions*)...

DR. V. MAITREYAN: It started with only Rs.3 lakhs. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Not allowed. ...(*Interruptions*)...

DR. V. MAITREYAN: I will ask one thing. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): This question is not allowed. ...(*Interruptions*)...

DR. V. MAITREYAN: The present Finance Minister, Shri Pranab Mukherjee, had ordered an investigation into this FIPB. ...(*Interruptions*)... We want to have ...(*Interruptions*)... What is the investigation report? ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The House is adjourned for lunch for one hour.

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

The House reassembled after lunch at eight minutes past two of the clock,

THE VICE-CHAIRMAN (PROF. P. J. KURIEN) in the Chair.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Short Duration Discussion. Shri Shanta Kumar to start the Short Duration Discussion on the problem of food grains shortage in the country. ...(*Interruptions*)...

SHRI V. MAITREYAN: Sir, the Finance Minister should come in the House.
...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: Sir, this is a very important matter.
...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): What happened?
...(Interruptions)... Mr. Shanta Kumar, please speak. ...(Interruptions)...

श्री थावर चन्द गहलोत (मध्य प्रदेश): सर, मेरा एक प्वाइंट ऑफ ऑर्डर है ...(व्यवधान)...

SHRI V. MAITREYAN: Sir, let me say one thing. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): One at a time.
...(Interruptions)... One of you should speak. If all of you speak, I won't be able to understand. ...(Interruptions)... I can allow one of you. ...(Interruptions)...

श्री थावर चन्द गहलोत: उपसभाध्यक्ष जी, मेरा प्वाइंट ऑफ ऑर्डर यह है कि यह मामला वित्त मंत्रालय से संबंधित है।

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Okay. First, Mr. Ravi Shankar Prasad, and, then, Mr. Maitreyan will speak. ...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: Sir, my point is very simple.
...(Interruptions)...

श्री थावर चन्द गहलोत: उपसभाध्यक्ष जी, जिस तरह से लोक सभा में वित्त मंत्री जी ने इस पर जवाब दिया, उसी प्रकार राज्य सभा में भी वित्त मंत्री आएँ ...(व्यवधान)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Others may please be seated.
...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: Sir, before lunch, the hon. Home Minister.
...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Others may please sit down.
Mr. Prasad is speaking. ...(Interruptions)...

SHRI RAVI SHANKAR PRASAD: Sir, before lunch, the hon. Home Minister said that he is ready for any enquiry. You also said so, if I could understand correctly. We are demanding, with folded hands, let there be a proper enquiry. Let the Finance Minister come in this House and say that they are going to hold an enquiry. ...(Interruptions)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You give a proper notice. Give a proper notice. *...(Interruptions)...* Please. There are rules. *...(Interruptions)...* Yes, Mr. Maitreyan, what do you want to say? *...(Interruptions)...*

DR. V. MAITREYAN: In the morning, the Leader of the Opposition raised a very pertinent question.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes, and that was replied to.

श्री थावर चन्द गहलोत: सर, जवाब वित्त मंत्री जी के द्वारा आना चाहिए था। *...(व्यवधान)...*

DR. V. MAITREYAN: No, he sought clarification that the Parliamentary Affairs Minister, Rajeev Shukla, said that the Government would respond. He doesn't want the response from an*. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): No, no, you won't say that. *...(Interruptions)...*

DR. V. MAITREYAN: The Finance Minister should clarify *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): There is no * *...(Interruptions)...* You cannot say that. *...(Interruptions)...* That word is deleted. *...(Interruptions)...* No Minister is *, that's why. *...(Interruptions)...* No, no, that is deleted. *...(Interruptions)...*

DR. V. MAITREYAN: We are * him. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Now, Mr. Raja, please. *...(Interruptions)...* I have called Mr. Raja. *...(Interruptions)...* मैंने डी. राजा को बोलने के लिए टाइम दिया है। *...(व्यवधान)...*

SHRI D. RAJA (Tamil Nadu): Sir, we have no access to the papers referred to by the hon. LoP as well as the hon. Home Minister. We have no access to those papers. To the fairness, I urge upon you to direct the Government to place all the relevant papers with regard to the Aircel and Maxis. This is number one demand. Secondly, the issues which were raised in the morning are very important and sensitive and they require the present Finance Minister's reply. So, the Finance Minister should come in the House and reply.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes, you have made your demand.

* Expunged as ordered by the Chair.

SHRI P. RAJEEVE (Kerala): Sir, the clarification was sought on the basis of the statement made by the Government, represented by the Parliamentary Affairs Minister. The clarification was sought not on the basis of the statement made by Mr. Chidambaram. The clarification is required from the Government's side. Therefore, the Finance Minister should come to the House and give a clarification.

SHRI N. K. SINGH (Bihar): Sir, we view the explanation given by the hon. Home Minister to the points made by the hon. Leader of the Opposition as a personal explanation to clear the air in respect of certain matters which relate to him personally. However, Sir, he himself conceded that in regard to matters which relate to the Foreign Investment Promotion Board, the process of approval, the matters and the due diligence which went into it, are matters which are entirely in the domain of the Ministry of Finance and he has no direct access to those records. We, therefore, must satisfy ourselves that after the Finance Minister has perused that, it is only he who is in a position to respond to all the three things.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes, okay.

SHRI N. K. SINGH: Sir, just allow me for two minutes. First, a matter relating to the Foreign investment Promotion Board, the records, the due diligence; second, the communication what was sent to the Singapore Stock Exchange which is also a matter that deals with the capital markets division of the Ministry of Finance; and third, in respect of the entire web of cross-holding of these companies about which the LoP had given details. All these three things are matters completely only in the domain of the Finance Minister who is the only legitimate person to respond to the matters which relate to this. Personal explanation must not be confused with the fact that ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Yes, you have made the point. Hon. Members, the question is this. The hon. Minister of Parliamentary Affairs, Mr. Shukla ji, made a statement here. With regard to that statement, hon. LoP himself sought clarification. Not only the hon. LoP, but Dr. Maitreyan also sought clarification. Any Member who wanted to have clarification would have been allowed at that time. With regard to that statement, clarification has been sought and reply has been made. ...*(Interruptions)*... Let me finish. There are two reasons. Number one, the allegation was against the then Finance Minister. So, it is correct that the then Finance Minister who is also a Minister in the Cabinet, who even

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otherwise is competent to reply because of the collective responsibility of the Cabinet. So, with regard to the clarification on the basis of the statement of the Parliamentary Affairs Minister, that is over. I am not ruling out the issue raised by Dr. Maitreyan, Shri Raja, Mr. Singh and Mr. Ravi Shankar Prasad. In the Rules, there are provisions under which you can raise it. You give a proper notice and the Chair will certainly take a decision on that. *...(Interruptions)...*

DR. V. MAITREYAN: No, Sir. We want the Finance Minister to come here immediately. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That is my ruling. *...(Interruptions)...* I have given the ruling. *...(Interruptions)...*

DR. V. MAITREYAN: Sir, we respect your ruling, but you respect our sentiments. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You raised the point and I gave a ruling on that. *...(Interruptions)...* I allowed you to raise the point. *...(Interruptions)...* I have given the ruling. *...(Interruptions)...* I allowed you to raise the issue. *...(Interruptions)...* You raised it. Then I gave the ruling. *...(Interruptions)...*

DR. V. MAITREYAN: Sir, we respect your ruling, but you respect our sentiments. *...(Interruptions)...*

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That is why I asked you to give a proper notice. *...(Interruptions)...*

DR. V. MAITREYAN: Pending enquiry, the Home Minister should resign. *...(Interruptions)...*

श्री थावर चन्द गहलोत: सर, आपकी अनुमति से नेता प्रतिपक्ष ने कुछ मुद्दे उठाए। उनके ऊपर *...(व्यवधान)...*

श्री पुरुषोत्तम खोडाभाई रूपाला (गुजरात): सर, अगर साझा जिम्मेदारी की बात करते हैं तो अकेले राजा साहब जेल में क्यों हैं? *...(व्यवधान)...* यदि आप साझा जिम्मेदारी की बात करते हैं तो एक मिनिस्टर *...(व्यवधान)...* वे अकेले जिम्मेदार क्यों हैं? *...(व्यवधान)...* क्या तब साझा जिम्मेदारी नहीं थी? *...(व्यवधान)...*

उपसभाध्यक्ष (प्रो. पी. जे. कुरियन): रूपाला जी, बैठिए। *...(व्यवधान)...* रूपाला जी, आप बैठिए। मैत्रेयन जी, आप भी बैठिए। *...(व्यवधान)...*

SHRI PRAKASH JAVADEKAR (Maharashtra): Sir, the Finance Minister has replied in the Lok Sabha.

श्री पुरुषोत्तम खोडाभाई रूपाला: सर, साझा जिम्मेदारी के बारे में बोलिए। ...*(व्यवधान)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Let me say what I have to say. Some hon. Members wanted to raise certain questions on the very fact which we discussed at 12.00 noon. I allowed them to raise it. Three-four Members wanted to ask questions. I allowed them. Then I gave my ruling. You raised the issue. I gave the ruling. After a ruling is given, what can the Chair do? The Chair can go according to the rule only. ...*(Interruptions)*...

श्री थावर चन्द गहलोत: आपकी अनुमति से नेता प्रतिपक्ष ने जो मुद्दे उठाए ...*(व्यवधान)*...

श्री पुरुषोत्तम खोडाभाई रूपाला: साझा जिम्मेदारी में एक-दो मंत्रियों को तो अंदर भेजना ही पड़ेगा। ...*(व्यवधान)*...

DR. V. MAITREYAN: Sir, direct the Finance Minister to come here. You can do that. ...*(Interruptions)*...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): I told you that for this another notice is required. ...*(Interruptions)*... You cannot raise it on the basis of these clarifications. ...*(Interruptions)*... Clarifications over the statement of the Parliamentary Affairs Minister are over. ...*(Interruptions)*... If you want to raise it, you give another notice. ...*(Interruptions)*... Why don't you give another notice? ...*(Interruptions)*... You give another notice. ...*(Interruptions)*...

DR. V. MAITREYAN: This is our notice.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): This is not a notice; this is shouting. ...*(Interruptions)*... It is not a notice. ...*(Interruptions)*... The Parliamentary Affairs Minister wants to say something.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI RAJEEV SHUKLA): Sir, I made a statement on behalf of the Government. There was a demand for clarifications from the Government. The Minister from the Government made clarifications. If hon. Members are still not satisfied, I will find out the convenience of the Finance Minister and come back to the House.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That's fine if you are satisfied. It's good. Thank you. Now we shall take up Short Duration Discussion on the problem of foodgrains storage in the country. ...(*Interruptions*)...

DR. V. MAITREYAN: Sir, we don't accept it. ...(*Interruptions*)... The Finance Minister should come now. ...(*Interruptions*)...

श्री थावर चन्द गहलोत: सर, उन्हें आज ही बुलाया जाए। ...(*व्यवधान*)... आपकी अनुमति से नेता प्रतिपक्ष ने जो मुद्दे उठाए, वे सदन की सम्पत्ति हो गए और उनका उत्तर वित्त मंत्रालय से आना चाहिए। ...(*व्यवधान*)...

THE VICE-CHAIRMAN (PROF. P.J. KURIEN): The House is adjourned for 15 minutes.

House then adjourned at twenty minutes past two of the clock.

The House re-assembled at thirty-five minutes past two of the clock,

THE VICE-CHAIRMAN (PROF. P.J. KURIEN) in the Chair.

DR. V. MAITREYAN: Sir, the person involved in Maxis. ...(*Interruptions*)... He is supposed to be involved. ...(*Interruptions*)... He is going scot-free. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Shri Rajeev Shukla has already explained. ...(*Interruptions*)...

श्री थावर चन्द गहलोत: सर, फाइनेंस मिनिस्टर इसका जवाब दें। ...(*व्यवधान*)...

DR. V. MAITREYAN: We want Finance Minister to come. ...(*Interruptions*)...

श्री थावर चन्द गहलोत: सर, माननीय वित्त मंत्री जी सदन में आकर जवाब दें। ...(*व्यवधान*)... सर, वित्त मंत्री जी को हाऊस में बुलवाइए। ...(*व्यवधान*)...

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): They are making charges which they cannot substantiate. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): You forgot what Shri Rajeev Shukla said. ...(*Interruptions*)...

DR. V. MAITREYAN: Sir, we want the Finance Minister to come here. ...(*Interruptions*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Hon. Members, you raised a point and the hon. Parliamentary Affairs Minister, as per your demand, informed the House that he will take convenience of the Finance Minister and the Finance Minister will come and explain. ...(*Interruptions*)...

DR. V. MAITREYAN: Sir, it is not a question of convenience. ...(*Interruptions*)... वित्त मंत्री जी ने जवाब नहीं दिया है। ...(*व्यवधान*)...

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The House is adjourned up to 3.00 p.m.

The House then adjourned at thirty-eight minutes past two of the clock.

The House reassembled at three of the clock,

THE VICE-CHAIRMAN (PROF. P. J. KURIEN) in the Chair.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Would you like to say something, Mr. Minister?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Mr. Vice-Chairman, Sir, I made a statement on the floor of the Lok Sabha in regard to certain allegations about the delay in giving approval to M/s. Global Communication Services Holdings Limited, Mauritius. Earlier my colleague, Shri Rajeev Shukla, gave some explanations on this issue. Thereafter, I wanted to make a statement on the floor of the Lok Sabha on 11th of May. But certain other issues came up, which attracted the attention of the hon. Members. Therefore, I could not make that statement. Today, I made a statement in the Lok Sabha and I am making the same statement in the Rajya Sabha as Parliamentary propriety demands that the Minister's statement should be made in both the Houses. Keeping that tradition in view I am making this statement.

Allegations have been made that the proposal of M/s. Global Communication Services Holdings Ltd., Mauritius (a wholly owned subsidiary of M/s. Maxis Communications Berhad) to acquire 73.99 per cent equity in M/s. Aircel Ltd. was delayed by the then Finance Minister in order to benefit certain persons.

The records of the FIPB have been perused. They reveal the following:

On 6.1.2006, the applicant, M/s. Global Communication Services Holdings Ltd. acquired 26 per cent equity in M/s. Aircel Ltd. through the automatic route.

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On 30.1.2006, the applicant applied for enhancing its equity in M/s. Aircel Ltd. from 26 per cent to 73.99 per cent.

The application was processed in the normal course and the Ministries and Departments concerned took the normal time of 4 to 6 weeks to offer their comments. The proposal was included in the agenda notes circulated on 17.2.2006.

On 7.3.2006, the matter was placed before the meeting of the FIPB. The DoT conveyed its support to the proposal at the meeting. The FIPB recommended the proposal for approval on 7.3.2006 and the file was moved by the Deputy Secretary on 10.3.2006.

The minutes of the FIPB meeting were placed before the then Finance Minister on 13.3.2006 and he approved the same.

The formal letter of approval was issued by the Ministry of Finance on 20.3.2006.

Subsequently, another application dated 1.9.2006 was received for approval for downstream investment by M/s. Global Communication Services Holdings Ltd. through M/s. Aircel Ltd. in Dishnet Wireless Ltd.

The FIPB in its meeting held on 3.10.2006 recommended the proposal for approval. The minutes of the meeting were drawn up and the file was moved by the Deputy Secretary on 6.10.2006.

The minutes of the FIPB meeting were placed before the then Finance Minister on 12.10.2006 and he approved the same.

The formal letter of approval was issued by the Ministry of Finance on 20.10.2006. This letter of approval referred to the earlier approval dated 20.3.2006.

M/s. Aircel Limited's earlier name was M/s. Srinivas Telecom Ltd. The original foreign investors in M/s. Srinivas Telecom Ltd. were M/s. Century Telephone Enterprises Inc., USA and M/s. Redington Pvt. Ltd., Singapore. M/s. Global Communication Services Holdings Ltd. was the new foreign investor in M/s. Aircel Limited.

There is no scope for any misunderstanding or misinterpretation of the contents of the two letters of approval dated 20.3.2006 and 20.10.2006. In both cases, there was no delay in granting the approval. Thank you, Mr. Vice-Chairman.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): If any clarification is needed, we can fix a time for that.

SHRI ARUN JAITLEY: I have no difficulty in fixing a time. Whatever time is convenient to the hon. Finance Minister, may be fixed. This statement was read to us even in the morning by the hon. Home Minister. The queries are completely beyond the scope of the statement. Therefore, either we can make them today or the Finance Minister can go through the proceedings of today morning and whatever time is convenient to him, we can then put our queries.

SHRI PRANAB MUKHERJEE: I will go through the proceedings of the House and thereafter we will fix up a day mutually convenient to us.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): Now, that is over. ...*(Interruptions)*... That is over.

DR. V. MAITREYAN: Sir, are we fixing it for 12 noon, on a day after tomorrow?

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That has already been said. It will be discussed with the LoP.

DR. V. MAITREYAN: We want some assurance from the Chair.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): The Finance Minister has said that it would be discussed with the LoP and then a decision would be taken.

DR. V. MAITREYAN: We are also part of it. We should also be there.

THE VICE-CHAIRMAN (PROF. P. J. KURIEN): That means all are included. You are also included in that. Both the sides are included, this side and that side. Why do you doubt it? You are very much included. Who is excluding you? Don't think that anybody is excluding you. Now, Short Duration Discussion. Shri Shanta Kumar.

SHORT DURATION DISCUSSION

Problem of food grains storage in the country

श्री शान्ता कुमार (हिमाचल प्रदेश): उपसभाध्यक्ष महोदय, अभी-अभी बड़े-बड़े लोगों की, बड़ी-बड़ी कंपनियों की, बड़ी-बड़ी बातों के बारे में बहुत गरम बहस हुई है। मैं इस देश के छोटे और गरीब आम व्यक्ति की एक समस्या सरकार के ध्यान में लाना चाहता हूँ। उपसभाध्यक्ष जी,