

RAJYA SABHA

***SYNOPSIS OF DEBATE**

(Proceedings other than Questions and Answers)

Wednesday, February 27, 2013/Phalguna 08, 1934 (Saka)

WELCOME TO PARLIAMENTARY DELEGATION FROM IRAN

MR. CHAIRMAN: Hon. Members, we have with us, seated in the Special Box, Members of a Parliamentary Delegation from Iran, currently on a visit to our country under the distinguished leadership of His Excellency, Dr. Ali Ardeshir Larijani, Speaker of the Islamic Parliament of Iran.

On behalf of the Members of the House and on my own behalf, I take pleasure in extending a hearty welcome to the leader and other Members of the delegation and wish our distinguished guests an enjoyable and fruitful stay in our country. We hope that during their stay here, they would be able to see and learn more about our parliamentary system, our country and our people, and that their visit to this country will further strengthen the friendly bonds that exist between Iran and India. Through them, we convey our greetings and best wishes to the Parliament and the friendly people of Iran.

*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.

**CALLING ATTENTION TO THE MATTER OF
URGENT PUBLIC IMPORTANCE**

DR. V. MAITREYAN : I call the attention of the Minister of External Affairs to the plight of Tamils in Sri Lanka.

THE MINISTER OF EXTERNAL AFFAIRS (SHRI SALMAN KHURSHEED)[§]: At the outset, I would like to reiterate to this august House that the Government fully shares the sentiments of the Hon'ble Members of Parliament regarding the welfare of the Sri Lankan Tamil community.

Since the end of the conflict in Sri Lanka in May 2009, which left around 3,00,000 Internally Displaced Persons (IDPs) living in camps in Northern Sri Lanka and general devastation of infrastructure, the focus and highest and most immediate priority for the Government of India has been on the welfare and well being of the Tamils citizens of Sri Lanka, their relief and rehabilitation and the reconstruction of infrastructure in the affected areas.

As the Hon'ble Members of the Parliament are aware, the Prime Minister announced in June 2009 a grant of Rs. 500 crores for relief, rehabilitation and resettlement work in Sri Lanka. Since then, the Government has expended Rs. 68.96 crores in the financial year 2009-10, Rs. 93.86 crores in 2010-11 and Rs 181.94 crores in 2011-12. In the Current Financial Year (2012-13), an amount of Rs. 290 crores has been allocated for this purpose.

The initial phase of Indian assistance involved massive humanitarian relief efforts for IDPs in the Northern and Eastern Provinces of Sri Lanka. This included the dispatch of 2.5 lakh family relief packs; deployment of an emergency field hospital; dispatch of consignments of

[§] Text of the Statement Laid on the table

medicines; gifting of more than 10,400 metric tons of shelter material and 4 lakh cement bags; deployment of de-mining teams in Northern Sri Lanka; and holding of artificial limb fitment camps in Jaffna and Vavuniya in Northern Sri Lanka. I am happy to convey to the House that according to information available to us, all the 3,00,000 IDPs have been resettled and the last IDP camp, Menik Farms, was formally closed in September last year. It is important that IDPs be allowed to return to their original homes.

Subsequently, the Government took up various projects for the rehabilitation of IDPs and reconstruction of the Northern and Eastern Provinces of Sri Lanka. To revive the agricultural activities in Northern Sri Lanka, India gifted 95,000 agricultural starter packs, seeds and 500 tractors for the use of IDPs. Government gifted 55 buses to Northern, Eastern and Central Provinces of Sri Lanka. Projects related to the development of rail and port infrastructure, connectivity and transportation, education, public health, housing, vocational training and economic revival were taken up.

The project for the construction of 50,000 houses in Sri Lanka, mainly for IDPs, was announced in June 2010. This is one of the largest grant assistance projects implemented by the Government outside India. I am happy to inform this August House that the Pilot Project for the construction of 1000 houses that started in April 2011 was completed in August 2012. It may be noted that these houses were required to be constructed in largely inaccessible areas in the aftermath of a violent conflict. In many cases, the sites had to be freed of mines and other unexploded ordinance. An MoU on the modalities for the remaining 49,000 houses (based on Cabinet approval accorded in December 2011) was signed in January 2012. The project was launched on the ground on 2nd October 2012, and since then 8039 beneficiaries under the 'owner driven model' have already received the first installment of payments. The reconstruction/repair of 4000

out of the 6000 houses under the “Agency Driven’ Model’ has been initiated. The phase of remaining 2,000 houses under “Agency-Driven” model in Northern and Eastern Provinces is to be implemented during 2013-14.

In addition, the Government has extended a Line of Credit of about US \$ 800 million for the restoration of Northern Railway Lines. Projects in this regard are progressing as per schedule and expected to be completed by December 2013. India is also assisting in the rehabilitation of the Kanakesanthurai (KKS) harbour, restoration of Duraiappa stadium and construction of a Cultural Centre at Jaffna. Two vocational training centres at Batticaloa and Nuwara Eliya have already been established with Indian assistance.

It may kindly be recalled that a 12-member Joint Parliamentary delegation, led by the Hon’ble Leader of the Opposition in the Lok Sabha, visited Sri Lanka from 16-21 April 2012. The delegation had an extensive programme involving visits to different parts of Sri Lanka, including Vavuniya, Mullaitivu, Jaffna, Kankesanthurai, Kalutara and Batticaloa, where projects are being implemented under Government of India assistance. At their request, the delegation also visited the camp for Internally Displaced Persons (IDPs) at the Menik Farms where they interacted with IDPs and the local administration. They were also able to discuss the resettlement and rehabilitation of IDPs and efforts towards national reconciliation and political devolution in Sri Lanka at meetings with the President and Ministers of the Sri Lankan Government. During the visit, houses for IDPs, built with Indian assistance, were handed over to the beneficiaries. The delegation also gifted bicycles and participated in formal ceremonies for the handing over of hospitals, schools and vocational training centres rehabilitated under Government of India assistance.

I would like to underline that our constructive engagement with the Government of Sri Lanka and considerable assistance programme has contributed to the reconstruction and development of the Tamil areas of Sri Lanka.

Regarding the issue of a political solution in Sri Lanka, Government is of the view that the end of the conflict in Sri Lanka provided a unique opportunity to pursue a lasting political settlement within the framework of a united Sri Lanka, acceptable to all communities in Sri Lanka, including Tamils. It has to, however, be kept in mind that this is a long standing issue and that Sri Lanka is going through its internal processes. The sooner Sri Lanka can come to a political arrangement within which all the communities feel comfortable, and which works for all of them, the better. Government will do whatever it can to support this process.

Our emphasis, in this context, has been to persuade the Sri Lankan Government to take forward the process of broader dialogue with all parties, including the Tamil National Alliance, and show concrete movement towards a meaningful devolution of powers, including the implementation of the 13th Amendment and beyond. India has conveyed to Sri Lanka on a number of occasions the urgent and imperative need for expeditious steps towards genuine national reconciliation, including investigations into allegation of human rights violations, restoration of normalcy in affected areas, reduction of 'high security zones', accountability for the list of missing persons and the redress of humanitarian concerns of affected families.

During discussions at the United Nations Human Rights Commission (UNHRC) in Geneva in November, 2012, the Government called upon Sri Lanka to fulfill its commitments made to the international community during the UPR 2008 and on subsequent occasions for the

implementation of the 13th Amendment and building upon it so as to achieve a meaningful devolution package; urged expeditious action to take forward the political process for early political settlement; urged that elections to the Northern Provincial Council be held as early as feasible; called for effective and time bound implementation of the constructive recommendations contained in the Lessons Learnt and Reconciliation Commission (LLRC) report; and for independent and credible investigations to be conducted in respect of allegations of Human Rights violations and incidents involving loss of civilian life brought out in the LLRC Report.

Hon'ble Members of Parliament would recall that the Government voted in favour of a Resolution entitled 'Promotion, Reconciliation and Accountability in Sri Lanka' tabled by the United States at the UN Human Rights Council (UNHRC) in Geneva in March 2012. I would like to inform the august House that we understand that a follow up procedural Resolution on Sri Lanka is likely to be proposed by USA for consideration at the forthcoming session of the UNHRC in Geneva in March 2013. At this juncture, we would encourage the United States and Sri Lanka to directly engage on the draft resolution and aim for a mutually acceptable outcome. Needless to add, our decision on a potential resolution in the forthcoming meeting of the Human Rights Council will await the outcome of these efforts and would depend on the substance of the resolution finally tabled. Government will continue to remain engaged with the Government of Sri Lanka to advance its objective, namely, the achievement of a future for the Tamil community in Sri Lanka marked by equality, dignity, justice and self-respect.

Some Members have expressed concern over incidents of attack and apprehension of India fishermen by the Sri Lankan Navy in waters between India and Sri Lanka. Allow me to reiterate, at the outset, that the welfare, safety

and security of our fishermen have always received the highest priority by Government.

In response to reports of incidents of attacks on Indian fishermen, the Government, through diplomatic channels, immediately takes up the matter of their expeditious release and repatriation with the Sri Lankan authorities. As a result of these efforts, presently, there are no Indian fishermen in Sri Lankan custody on fisheries related charges. However, some Indian nationals have been arrested in Sri Lankan waters on charges of smuggling narcotics and contraband. These include the five fishermen detained on 29 November 2011. Officials from our High Commission in Colombo and Consulate in Jaffna are in regular touch with the detained Indian nationals and are extending all possible consular assistance to them.

During my meeting with the External Affairs Minister of Sri Lanka on the sidelines of the Indian Ocean Rim - Association for Regional Cooperation (IOR-ARC) Council of Ministers Meeting in November 2012 and the India Sri Lanka Joint Commission Meeting in January 2013, I reiterated our position that the use of force could not be justified under any circumstances and that all fishermen should be treated in a humane manner.

At the same time, the need for creating greater awareness among our fishermen to avoid crossing over into Sri Lankan waters for their own safety and security has been felt. We remain engaged with the Government of Sri Lanka to ensure that fishermen on both sides can continue to pursue their livelihood in a safe, secure and sustainable manner.

On the occasion of the 8th India-Sri Lanka Joint Commission Meeting in New Delhi in January 2013, I highlighted the need for continued dialogue between the Government of Sri Lanka and the representatives of the Sri Lankan Tamil community and expressed the hope that there would be early progress on meaningful devolution building

upon the 13th Amendment and leading to national reconciliation.

The Government remains engaged with Government of Sri Lanka to take forward the process of national reconciliation, and in a spirit of partnership, to arrive at a solution that meets substantially the aspiration of the Tamil community for equality, justice, peace and dignity.

The Hon'ble Minister, replying to the points raised by the Members, said: I want to reiterate the commitment of this House, the Government and the people to see the end of hostilities, end of very sad period in the history of Sri Lanka. We are totally committed to ensure equality, dignity, justice and self-respect for the Tamil people of Sri Lanka who have historical linkages with the people in India. Condition of Tamils in Sri Lanka is very pathetic. Human rights are being violated. It is very tragic and sad. In every meeting with Sri Lanka we have emphasized that accountability must take place. Accountability is necessary and it must come from within. It is the principle stand that we have taken. We believe that it has prevented much more loss that would have caused if we did not stand by this principle.

We put our case aggressively. But everything has to be done according the Constitution. We are working to evolve a situation in which not only the Tamil citizens of Sri Lanka be satisfied but also the Government of Sri Lanka accept this. It is not possible for us to impose four years, five years as a timeline or a time limit on how Sri Lanka should respond.

I don't even know what will be our final position as it depends on the conclusion on which the countries associated with the moving of the Resolution have reached after a dialogue with dignitaries from Sri Lanka. I only want to urge upon all the hon. Members that we may have differences or disappointments or pain but we should not be saying that Sri Lanka is an enemy country.

Every Member from across the House has said that this is the concern of the people of India. It is true that the 13th Amendment is not being implemented. We are insisting that the 13th Amendment be implemented. We have been told that there is no reason to believe that the 13th Amendment will be diluted or will be removed. Thirteenth Amendment is the foundation stone of the future of the kind of Sri Lanka we want to see develop and we have been assured that that it will be so. Our initiative is to find Sri Lanka go beyond the period of pain. All of us have suffered because of the strife that took place in Sri Lanka.

Whenever the United Nations or anybody has invited us, we have sent our forces, but we do not send our forces to intervene into the internal affairs of any country. Today, the largest number of countries in the world are saying that the United Nations must get India as a permanent member. Our purpose in the SAARC Region has to be that all of us have to march together and the Asian century has to be our century. Our wish and our advice is that there should be elections as early as possible. In the success story and prosperity of Sri Lanka, there should be total participation of Tamil citizens of Sri Lanka with whom we stand in solidarity. The attitude and the position that we have taken will prevail as the best guarantee of the future of Tamils in Sri Lanka.

SHORT DURATION DISCUSSION

Purchase of VVIP Helicopters from Agusta Westland by Ministry of Defence

SHRI PRAKASH JAVADEKAR, initiating the discussion said: There was deal to purchase 12 Helicopter for VVIP. It was Rs. 3546 crores deal. Rs. 400 crores have been given as bribe in it. There is rule in India that there would be no middleman and middleman commission in our defence

purchase. A former officer of Finmeccanica company has given statement of 568 pages detailing how corruption has happened in the deal. On the one hand the country which is going to be benefitted is enquiring, on the other hand the country which has suffered loss due to bribe is not ready for enquiry. This deal was done in 2010.

What the game is going on? There is big part of money laundering in it. When Italy started its probe, the Government did not take any action on it and did not investigate on that basis. They have named those Indians whom they gave bribe. All records were traced. When all this was going on in Italy, nothing was going on in India. Two families have been mentioned twice. Now, who are these two families? Helicopters which were purchased in 62 million pounds were sold in nine lakh pounds as scrap. This scam was not discussed in the country at all. The money was given to Girasol. Finmeccanica company was operation head in India. We want an answer. We have demanded an inquiry. In a reply to my question I was told that there was no formal probe because there was no officials information in that regard. The whole World knows it.

The CEO of finmeccanica, Mr. Orsi was arrested in Italy and only after that Government of India announced a CBI inquiry. It is the policy of this Government to act only if forced by the court. We want a time-bound monitor inquiry by Supreme Court. Our second demand is that there should be a money trail in this case.

DR. E.M. SUDARASANA NATCHIAPPAN:
Nowadays, the television channels and newspapers are having very high appetite everyday. They need some news to flare up and get the viewers from other television channels. This is because we have given all the liberty to the media to come out and protect the interests of the common man. But the appetite has now diverted to a totally negative story which is

unpatriotic. We should have some minimum ethics and thinking. Media conduct the trials, they examine the witnesses, but finally, the judgment is given by the anchor. We are looking these funny things every day. But, at the same time, we are very happy to see that people know what is happening. We have the duty to protect the interests of the people. When you challenge the military, you should be very careful in making those allegations. In 1999, Shri Vajpayee was the Prime Minister. At that time a decision was taken that VVIP helicopters should be upgraded from MI-8 level to some other better helicopters. In March, 2002, they floated tenders and received offers from various companies. The basic issue at that time was the altitude must be above 6000 meters. On November, 19, 2003, a meeting was held by the Principal Secretary to the Prime Minister to reduce the altitude. Accordingly, the tenders were changed which might have been helpful for the Agusta Westland Company. Therefore, some discussions were held and high level evaluations were done. Finally, at that stage, the BJP Government went out and the UPA Government came into office. Subsequently, they found that the three vendors, namely, Sikorski, a US Company (S-92 helicopters), M/s Agusta Westland, UK (EH-101 helicopters) and M/s Rosoboronexport, Rusia (MI-172 helicopter). Thereafter the Government, after various levels of screening and evaluation, came to a conclusion for purchasing. In the process of such defence purchases, whenever any suspicion is created, the Government immediately comes forward with an investigation. If you want to have a detailed inquiry by the Parliamentary system or a debate in the Parliament, let us have it. Let us hear one another and finally come to a conclusion. We have to show to the world that not only this Government but entire India is run under a proper rule of law.

KM. MAYAWATI: Today we are discussing about the irregularity committed in the purchase of VVIP helicopters pertaining to the Ministry of Defence.

In recent years many of scams have come into light. It has tarnished the image of the Government and wasted the precious time of the Parliament. Due to this many important Bills of public interest could not be passed. We wanted a detailed discussion on the issue. Now it is being said that there is a scam in the Helicopter Deal. This is a serious issue. It should be our first effort that the deal must be cancelled. Although the CBI is investigating this case, my party desires that this case should be investigated by the CBI as well as JPC. The Central Government should make strong law for such deals also.

SHRI T.K. RANGARAJAN: We live in an era of scams. Now, this is a new scam. CBI should inquire into this under the watch of the Supreme Court. We don't want another JPC. Our one friend said that this is a corporate management issue. One corporate blames another corporate and leaks things. There is something to be leaked! You created these corporates. You want privatization. You want everything to be purchased from abroad. I would like to raise four points. For helicopters for certain altitude, the ceiling has been reduced. Is it true that the suggestion to examine the ceiling was made by the PMO and then acted upon by other agencies? I would like the Defence Minister to answer that point. In this case, what is the procedure that you have adopted to procure this? We are so much dependent on foreign arms. It is a shame. You need to purchase from India. DRDO, OFBs and Defence PSUs must be made more accountable. Stringent audits must be carried out on their performance. Armed Forces personnel must be inducted into these organizations. Cadre of Defence Technology management professionals must be created. National Defence Education Policy must be

promulgated to ensure this. Unless you follow indigenous things, you will end in a scam every day.

SHRI SUKHENDU SEKHAR ROY: Helicopter scam is one of the series of scams that has surfaced in recent times. Defence Minister said that if the report of paying kickbacks was true, the contract will be cancelled and the persons involved in the scam would be sent to jail, but till today no arrest has been made. This House doesn't know about the action taken in this regard. Surprisingly, Chief Vigilance Officer of the defence Ministry has not yet submitted any report to the Central Vigilance Commission. I would request the hon'ble Defence Minister to apprise the House regarding this. A senior officer of the Defence Ministry have claimed that our DRDO are in a position to manufacture this type of helicopter indigenously. Then, what prompted the Government for executing the contract that too with a country which is known as a land of fascist and as a land of mafia. India has reportedly issued a show cause notice regarding cancellation of the contract. It has also been reported that the Minister of External Affairs is not in favour of cancellation of the contract. The reason we do not know. Everything should be placed on the Table of the House. Shri A.K. Antony, Minister of Defence, is a man of integrity but series of scam have occurred during his tenure. I request Shri Antony to take moral responsibility and resign.

NARESH AGGRWAL: For the last 3 years this Government has drawn the country in such a baffling state that we have been anxious whether the people might have lost their faith in democracy. Today, while sitting in America, the Chief of CAG is raising fingers on the Government of India. This situation is pathetic earlier speaker was demanding for the resignation of the Defence Minister but I would not. The people will decide his fate.

Everybody is saying that CBI is working under pressure of Government. It should be inquired as to who changed the specifications for these helicopters. When two people of the company were arrested in Italy then only Government came to know about this scam. I demand that JPC should be announced in this matter.

SHRI SHIVANAND TIWARI: The irregularities committed in this deal are before everybody. Italy is taking the credit for this revelation. We are not in the favour of JPC. We want CBI inquiry under monitoring of Supreme Court. Government of India have also announced CBI inquiry. Peoples' faith in democracy is eroding. Our democracy has not been able to deal with the problem of corruption. People are fed up with the corruption and consider the Government as corrupt. I request the Defence Minister that he should monitor the CBI inquiry.

SHRI SHASHI BHUSAN BEHERA: There has been a scam after scam. But a scam in defence deals is entirely a different thing. The present scam relates to the purchase of VVIP helicopters from a British company, involving an amount of Rs. 3540 crores. This has been exposed in Italy. Common Indians are questioning the governance of this Government. Government may design escape routes from scams. But, this is giving a wrong message to the democracy. If you go for a JPC inquiry, the truth will emerge and there would be transparency. I would urge this Government to try their best to instill confidence among the people with regard to the defence scams of 60s, 80s and now this helicopter scam.

DR. V. MAITREYAN: The latest revelations of the Agusta Westland scam is an action reply of Bofors scam. In this matter the needle of suspicion is pointing to sections of

our Armed Forces. While in Italy the bribe-giver is arrested and charge-sheeted, in India, the Government is in a denial mode. Hon'ble Minister has ordered for a CBI investigation. I will urge the Government to see that this CBI investigation is carried out under the monitoring of the Supreme Court.

SHRI C. M. RAMESH: It should be noted that the first purchase of the Agusta helicopter in the country was done by the erstwhile YSR Government in Andhra Pradesh. That also needs to be investigated. The helicopter started giving technical problems immediately after delivery. Which also needs to be investigate. The seeds of corruption of Agusta Westland that were sown in Andhra Pradesh have now grown and borne fruits in the Capital of India. Hence, this tree of corruption be investigated.

SHRI NARESH GUJRAL: It is a matter of shame that the world believes that you cannot get a defence deal in India without kickbacks. According to World media in India when you want to do business, you have to pay 10 to 12 per cent commission. It is basically our money which is going to the pockets which we need to discover. This matter is very serious and CBI must very expeditiously get to the bottom under the supervision of the Supreme Court. Whether we really need that many helicopter for the VVIP? This House needs to debate that how much money we can go wasting for protecting two families.

We have banned the term 'agent'. I can understand why it was banned, because we did not want them to act as commission agents and bribe our people. We should regulate them properly, so that they don't act and perform under the radar. You re-negotiate from the position of strength. Get concessions, but for God's sake, do not cancel the deal.

DR. CHANDAN MITRA: I hope we will get justice in this case unlike what happened during Bofors. That matter is highlighted again and again by rival companies and the

whole web of suspicion is caused. The information is on the basis of Finmeccanica's submission to the Italian investigators and on the basis of the chargesheet filed by these investigators in an Italian court. Finmeccanica is one hundred per cent owner of Agusta Westland. That company and Agusta of Italy merged and they became Agusta Westland. All this information has come out from Finmeccanica. Beneficiaries are the people who are giving us the information.

Some changes were made in the specifications so that other companies could participate and what exactly has happened. The kickbacks were received when the UPA Government was in power. You were so keen that this goes through. It was laid down officially by the Defence Ministry that all trials must happen in India. But in this particular case, the trials were held. There were two companies which were shortlisted in UK for Westland and Sikorsky in the United States where there are no extremes of temperature, there are no heights. But the DPP was altered to favour these two companies. You are now trying to say that NDA Government changed specifications is not based on fact. Ruling party is today defence less. In November, 2010 the Italian newspapers were full of this. It was said that the Ministry of External Affairs is in touch with our Embassy in Rome. There is a whole article on Christain Michel. But no cognizance is taken. We do not revel in making personal allegations against anyone. A chargesheet filed in an Italian court and the charge sheet is based on the documents recovered from one Mr. Michael Haschke. Mr. Michael Haschke is a well known Defence middlemen and procurer. Commonwealth Games Authority was negotiating the purchase of helicopters from this very Augusta. To facilitate this deal, Mr. Michael Haschke was made the Director of EMAAR MGF. But then the Government has made no effort to contact them at that point of time.

Sigsoyer is another Italian company which was actually fronting for this company, Agusta Westland. I would, however, name one interesting person in this Ms. Anca Neacsu. Ms. Anca Neacsu is Romania born wife of Mr. Abhishek Verrma. Mr. Abhishek Verma is the agent of 17 arms dealers in this country. She threw major parties for these people. Sigsoyer delegation met the Director General of the Special Frontier Force they met the Director General (Acquisition) in the ministry of Defence. Mr. Abhishek Verma and his wife are in jail right now. I would like to know from the Minister whether some instruction has been given to the CBI not to touch him? The Italian court charge sheet was based on documents recovered from Michel Haschke, as I was saying. While recording the need for the agreement of 29 million Euros with the family to be honoured in full. This fact first came to light, the attempt was to say that this family was the Tyagi family. Why the payment to Tyagi family is not being probed? But what about these 29 million Euros? Incidentally, the Sigsoyer delegation during the visit have listed in their meeting.

After the bofors, it was categorically stated that there would be no more middlemen and no more agents. But defence dealers are prowling around all over the South Block.

SHRI P.BHATTACHARYA: When some newspaper came out with this news our Defence Ministry, Government of India, immediately took up this matter at various levels. They contacted the Embassy and other agencies to find out what exactly happened there. The procurement case progressed in accordance the established procurement procedure in a transparent manner. Contract signed with Agusta Westland includes specific contractual provision against the 'use of undue influence'. The clause entitles the buyer to cancel the contract with the seller. Kindly tell us what more better contract can be made than this. If these things go on like this, ultimately, it will cause problems

for the Defence Ministry in procurement. If we want to strengthen our Army, then we have to do procurement. In addition to the above contractual provisions, M/s. Agusta Westland has signed an Integrity Pact with the Government. Under the Integrity Pact, it is essential for the bidder to take all measures necessary to prevent the corrupt practices. Media reports have alleged wrongdoing and unethical contract by some company in connection with the purchase of 12 VVIP helicopters. The Ministry of Defence pursued the matter with the Embassy of Rome to get credible information. When they brought the information, they immediately took this action. Material thing is that the Prime Minister has taken the correct steps to find out the truth from the British Prime Minister. The matter was also taken up through the MEA with the Indian High Commission in London in view of the alleged involvement of British consultant. A show cause notice was also issued to the company on 15th February, in terms of contract and the Integrity Pact to explain as to why action should not be initiated.

M/s. Agusta Westland has categorically stated that the company has not undertaken or instigated any financial transaction with Indian individual or entity. In addition to that, our hon. Minister ordered a CBI inquiry. Some Members would like to have a Joint Parliamentary Committee. Even if it is agreed to form a Joint Parliamentary Committee, what is the guarantee that the same JPC will continue to work? Are you enhancing the image of the country or are you reducing the image of the country? Our functioning is absolutely transparent. I would request all the hon. Members of the House to kindly accept it and support our honest and sane Defence Minister, Mr. Antony.

SHRI D. RAJA: It is an acknowledged fact that there was a scam. Scams, one after the other are taking place in our Defence establishments. Now, we are seeing a

helicopters, scam. Hon. Defence Minister, Mr. Antony, made a very emotional statement.

I appreciate that he ordered CBI inquiry but the CBI inquiry can be under the Supreme Court monitoring. I do not know what is the technical problem involved in not allowing it to be monitored by the Supreme Court. It is for the Government to explain. There are two issues. One is the criminality involved in the scam and the other one is the policies involved in the entire scam. As far as the policies are concerned, it needs to be scrutinized as to how policies were manipulated or allowed to be used by some middlemen to make money. We will have to evolve a kind of mechanism to scrutinize these policies. Can the Government assure the Parliament that it is serious in dealing with the situation? Clarify your position as to what is Government's take on these issues.

DR. BHARATKUMAR RAUT*:

SHRI RAVI SHANKAR PRASAD: I have to seek certain specific clarifications from the Hon'ble Defence Minister. The only thing required to be known in India is who got the kickbacks. Why didn't the Government of India pursue the matter with the prosecutors in Naples in view of the enormity of the situation? Did you order a CBI investigation to go into how classified documents went to Mr. Edmund Allen of Ganton Limited? Did you order a CBI investigation to know the veracity of the allegations made? What did the CBI do in terms of the Defence Ministry report in April, 2012? Nearly five months ago, a letter from the Income Tax Department said that the matter required serious scrutiny and, therefore, the MoD needed to swing into action. Why was action not taken then and there? Therefore, three parallel investigations are going on. What made you say that

* spoke in Marathi

no formal probe is needed in the absence of information? Two middlemen, allegedly paid huge sums of money to several Indian nationals. Who are these several Indians? There are other people involved. Therefore, we want a fair probe. We demand that inquiry to be fair, time-bound so as not to meet the fate of what happened in Bofors. Assure this House that regardless of the stature of these recipients, they will not be spared.

The Hon'ble Minister, replying to the debate, said:

Every scam concerning the public exchequer is a matter of serious concern to the country and we have to go to the root of the scam and punish the culprit. I have ordered many CBI inquiries. We don't believe in cover-up.

While criticizing my ordering the CBI inquiry, you go to the track record. We took strong actions at every stage. And, one of the action ended with blacklisting six of the powerful companies including two Indian companies. So, we don't believe in cover-up. We will go to the root cause and whoever is involved will be booked. That is my assurance to Parliament. When a newspaper reported about this scam on 24th February, immediately, the MoD requested our Ambassador at Rome on the 25th February to send us the factual report. From that day onwards, MoD has correspondence with the Italian Government and the UK Government.

The Italian Government said that, as per their law, their Judiciary was independent and that they could not do anything. Finally, the Italian prosecutor informed our Embassy in Rome that the investigations were at a preliminary stage during which, as per Article 329 of their Code of Penal Procedure, all information was covered by secrecy and at the moment, only they parties and their lawyers were allowed to have access to the information, documents. It was added that when the secrecy obligation was

over, they would be glad to share all that information with the interested parties. So, the Italian Government, the UK Government, the Italian prosecutor, the Italian Judge, told us that they could not share it with us as per their law. That is why this delay took place. So, one inquiry is going on in Italy. We also ordered a CBI inquiry. The CBI team went there. On the basis of their findings, the CBI has ordered inquiry against 11 individuals and against four companies.

Regarding this contract, the procurement started in 1999 as per the request of the Indian Air Force. The Indian Air Force was telling that the present VVIP helicopters' time was expiring. In the year 1990, the then Air Force Chief wrote to the Government of India. In 2000, Air Force sought to purchase eight helicopters. Somehow or the other, it was almost ended in a single vendor i.e. Eurocopter. Then, in 2003, there was a meeting by the then Principal Secretary to PM. He felt that ending up with a single vendor was not acceptable. That time onwards only, the PM was involved. So, the almost-nearing-deal to purchase helicopters from Eurocopter was cancelled. The negotiations went on from 2003 to 2010, at various levels, under various Governments, various Ministers, various Air Force Chiefs etc. At all the stages, the procedure was completely followed. The selection was on the recommendation of, mainly, Air Force, and, on certain parameters by the SPG. Nobody doubted the procedures. Ultimately, even though the official records are not with us, doubt is there. That is why we ordered the CBI inquiry.

We have issued a show cause notice to the companies, as per integrity pact. Under the Integrity Pact the company agrees that in case of any foul play, if any middleman is bribed, then the Government has got the main power to immediately cancel the contract without giving any compensation to the bidder, to recover all sums already paid by the buyer, to encash the advance bank guarantee and

performance bound guarantee bond if furnished by the bidder, to cancel any other contract to the bidder to debar the bidder from entering into any bid from the Government of India for a minimum period of five years. It may be further extended at the discretion of the buyer. The CBI has now started the preliminary inquiry. The Italian Prosecutor, has told the CBI that once the secret inquiry is over, they are willing to share all information with us. If we get any evidence from other quarters, I assure you that we will take the strongest action as per the Integrity Pact. There is a doubt that this kind of action will affect the modernization. We will give maximum support to Armed Forces for speedy modernization. In addition to these two inquiries, if the Hon'ble Members feel that one more inquiry is needed, the Government is willing to have an inquiry consisting of all political parties' representatives. In the case of scam or allegations, especially in the Defence, considering the security of the nation, we will not compromise at any time.

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****Supplement covering rest of the proceedings is being issued separately.

**ERRATA TO THE SYNOPSIS OF DEBATE DATED
26TH FEBRUARY, 2013**

Page No.	Line No.	Correction
26	10	Read 'Article' for 'Section'
31	16	Add 'of' before 'poor'
	18	Read 'existing' for 'exists'
34	28	Read 'till date' for 'to pass'
	29	Read 'by' for 'Buy' and delete 'of'
	30	Delete 'which'
35	34	Read 'There' for 'They'
	35	Read 'sectors' for 'authority' and 'to' for 'of'
36	-	Add following para after line no. 24:- "I request the hon. Minister to find a mechanism so that they are also covered under this. I also request that recommendations of the Local Committee should be made binding and ensure that no further inquires be initiated. I have a strong objection to Clause 14 of the Bill which seeks to punish false or malicious complaints. Now Clause 14 of the Bill asks for evidence of acts like verbal favour that often would be done in an implicit or clandestine manner. Certain forms of sexual harassment cannot be proved beyond reasonable doubt as may be possible with physical injury or other crimes. In such a situation, it is very unfortunate that the lack of proof of a crime makes the complainant liable for punishment. Most of the women did not report for fear of being victimized. I support the Bill brought forward by the hon. Minister."
37	-	Delete following para after line no. 19:- " I request the hon. Minister I support the Bill brought forward by the hon. Minister."