



RAJEEV CHANDRASEKHAR  
MEMBER OF PARLIAMENT  
RAJYA SABHA

Member of Standing Committee on Information Technology  
Member of Consultative Committee on Finance  
Member of Parliamentary Forum on Youth  
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District

*Respected Prime Minister,*

04 August 2011

This is further to my letter dated 11<sup>th</sup> January 2011 with regard to the irresponsible and certainly unsubstantiated public statements by Mr. Kapil Sibal, Hon'ble Minister of Communications & IT- in his over-zealous attempt to defend the former MoCIT, Mr. A. Raja, by arguing that there was 'zero loss' from the 2G spectrum scam.

I had, in my letter, warned you of the serious consequences of Mr. Sibal's statements and the need for you to direct him to withdraw his statements immediately as it would impinge upon the independent investigation process as well as provide a safe passage for those who are accused of perpetrating the largest ever financial scam in the history of independent India.

Regrettably, those predictions have come true. In the hearings earlier this week, Mr. S. Balwa's lawyer has argued - exactly as I had predicted - that there was no loss whatsoever from the 2G spectrum scam because the Hon'ble MoCIT, Mr. Sibal had said so. He went on to argue that given Mr. Sibal's position as the MoCIT and his indepth knowledge of the sector, such a claim cannot be doubted, and therefore, the entire case made out against them is fictitious. This not only makes the task virtually impossible for the CBI, but now pitches the Hon'ble Judge hearing the matter against public statements made by a senior Cabinet Minister, Mr. Kapil Sibal.

You will see from Section 2 and 4 of the Annexure of my letter dated 11 January, 2011 (enclosed herewith) that I had predicted these arguments in the exact way that Mr. Balwa's lawyer has (press clips also attached herewith for reference).

It is a matter of great shame that while Congress spokespersons talk about supporting an independent investigation, your Cabinet colleague is constantly, directly and indirectly misusing his official position as the MoCIT to subvert and weaken the process of investigation on one hand, and constantly bat for the accused, providing them arguments and safe passage, on the other.



I have this and several other instances to show you Mr. Sibal's willingness to stand by the accused and protect their interest, rather than that of the exchequer, the citizens of this country and most certainly the 'aam aadmi'.

I request you, even at this stage, having regard for my letter and the regrettable self-fulfilling prophecy, to place Mr. Sibal under severe restraints from making irresponsible and indefensible statements where the 2G spectrum scam is concerned. His silence on the issue would actually be golden.

I trust you will understand the seriousness of this matter, including the fact that Mr. Sibal's statements have also been attributed to you by Mr. Balwa's lawyers – which leaves you in a vulnerable position as well. I urge you to please do everything in your power to rein in Mr. Sibal before he brings further disrepute to the role of a Cabinet Minister in an investigation, but even more so, the position of the Hon'ble MoCIT, and indeed, the Government itself.

Yours Sincerely,

RAJEEV CHANDRASEKHAR

Dr. Manmohan Singh  
Hon'ble Prime Minister  
Government of India  
New Delhi

Enclosed:

1. Press clips regarding statements made by Mr. Balwa's lawyers about Mr. Sibal
2. My letter dated 11<sup>th</sup> January 2011, predicting that the accused will use Mr. Sibal's statements in their defence. (Relevant sections – Section 2 and Section 4 of the Annexure to my letter)



# THE TIMES OF INDIA

New Delhi, Tuesday, August 02, 2011

## Balwa drags Sibal, PM into 2G scam

### 'If Kapil, Singh Cite Zero Loss, Why Am I Being Booked'

Abhinav Garg | TNN

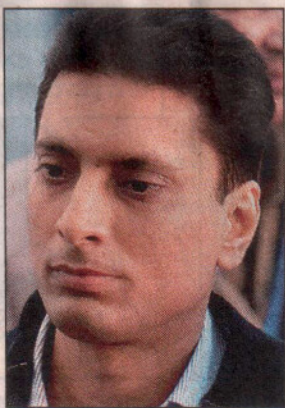
New Delhi: The first high profile corporate accused in the 2G spectrum scam began his arguments in court against the CBI charges on Monday by relying on "zero loss" statements made by the prime minister and telecom minister Kapil Sibal.

Shahid Usman Balwa of DB Realty argued before the special CBI court of OP Saini that he didn't cause any loss to the exchequer and quoted PM Manmohan Singh and Sibal's statements, wondering how the CBI could book him when both the PM and the telecom minister "have said that there was no loss in the 2G case".

"Sixteen months after the FIR was registered, the PM gave a statement in Lok Sabha that there was no loss in the 2G case. The government of India is the main victim in this case. Why didn't the CBI write a letter to any minister or relevant person in the government who could tell about the actual loss to the exchequer," Balwa's lawyer Majid Memon asked, seeking his client's discharge in the case.

He added that telecom minister Kapil Sibal had categorically stated that there was no loss in the 2G case. "Who can know better than him? He is a responsible minister and hence will not make an irresponsible statements... he made the statement after he got the feed by a team of his people," Memon said.

Balwa contended that his



Balwa asserted that tele-density in the country increased in 2010

incarceration had spoiled the investment climate in the country and caused alarm worldwide and many international agencies were contemplating sending observers to monitor the trial. "A wrong message has gone to the world by jailing Balwa. Members of International Bar with Amnesty International want to send observers. So do members of Fair Trial International and United Nations human rights wing," Memon claimed. The observers wanted to monitor the trial as "they are wondering why corporate accused charged under these offences continue to be in jail so long".

Balwa asserted that CBI's entire case was based upon the loss to the state exchequer but the government clearly stated in Parliament that no loss was suffered and instead tele-density in the country increased in 2010 from what it was in 2004. "The PM simply

### SC rejects interim bail to Morani

The Supreme Court on Monday rejected 2G scam accused and Bollywood producer Karim Morani's plea for release from jail on interim bail, which he wanted to utilize to take medical help for his serious health condition. Refusing to interfere with the Delhi High Court order declining relief to Morani, the bench said, "The concerned authorities are bound to take care of you in view of this order. Ask your client to move the concerned authority for medical examination. If they deny, then you may approach the special court."

The bench pointed out that since the high court order, neither had Morani made any request for treatment nor had he sought permission to be examined as an outpatient in cardiology or neurosurgery ward on account of his reported ailments. The HC had denied bail to Morani after a medical board examined him and reported that there were no substantial medical grounds for grant of bail and that he could be treated in custody. TNN

supported a policy that was entirely consonant with TRAI recommendations and the 10th five-year plan, which talked of increasing tele-density, non-revision of prices and not to auction spectrum. We are not saying PM supported wrongdoers. He just supported the right policy," Balwa argued.

He also slammed the Comptroller and Auditor General's (CAG) report, claiming the then external affairs minister Pranab Mukherjee and then solicitor general G E Vahanvati were aware of A Raja's telecom policy. Balwa claimed the duo was aware of the telecom policy and the PM endorsed all the decisions.

He accused the CBI of withholding from court crucial documents that disclosed a discussion between Mukherjee and the then solicitor general on the allocation policy. "There was a personal

discussion between the then minister of external affairs (Pranab Mukherjee) and the solicitor general (G E Vahanvati) on the allocation policy. CBI should place all the documents before this court."

Accusing the CBI of leaving influential persons untouched, Balwa said, "I am here because of my business rivals. Certain powerful people have not been touched."

Balwa also tagetted the Tata group in his arguments. "Due to Tatas, the exchequer suffered a loss of Rs 4,930 crore while Swan Telecom is placed seventh in the alleged list with its contribution Rs 2,624 crore. The highest contributor of loss is Tata."

"Tata was the only company to sell secondary equity. They earned Rs 12,000 crore from it, out of which Rs 3,000 crore went into Tata Sons' pocket while only Rs 9,000 crore was put into the company," Balwa alleged.



# MAIL TODAY

New Delhi, Tuesday, August 02, 2011

## WHO'S ACCUSING WHOM?

### FORMER TELECOM MINISTER A. RAJA

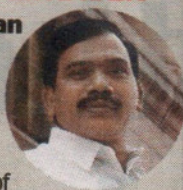
■ **Prime Minister Manmohan Singh:** Chose not to constitute GoM on spectrum policy

■ **Home minister (then-finance minister) P. Chidambaram:** Approved dilution of shares in Unitech Wireless and Swan Telecom

■ **Attorney general (then-solicitor general) G.E. Vahanvati:** Cleared spectrum allocation policy

■ **Predecessors:** Arun Shourie and Dayanidhi Maran, who carried out the same policy of not auctioning spectrum as he did

■ **DoT officers:** The creators of the policy Raja pursued



### A RAJA'S FORMER PRIVATE SECRETARY R.K. CHANDOLIA



■ **Former telecom minister A. Raja:** Behind all official actions and decisions taken by Chandolia

■ **Corporate lobbyist Niira Radia:** Lobbied through Raja to get Kalaigarnar TV into the Tata Sky bouquet

■ **Ratan Tata:** Installed two representatives (WPC Officers) in the DoT through Radia

■ **Raja's alleged associate Aseervatham Achary:** Acted as a conduit between Radia and Raja on the Kalaigarnar TV deal

■ **Datacom:** Benefited from the allocation; got 2G licences in 21 circles

### SWAN TELECOM PROMOTER SHAHID BALWA



■ **PM Manmohan Singh:** Defended the 2G policy in Parliament and the marking on a letter stating he had "seen and deliberated" the spectrum policy details

■ **Telecom minister Kapil Sibal:** Asserted in Parliament that there had been no loss

■ **Finance minister (then minister for external affairs) Pranab Mukherjee:** Had a personal discussion with G.E. Vahanvati about spectrum allocation policy

■ **AG (then SG) G.E. Vahanvati:** Cleared details of the first-come-first-served policy

■ **Tata Sons Co.:** Caused the maximum notional loss of ₹4,913 crore of the presumptive ₹30,000 crore loss, and also pocketed ₹3,000 crore

■ **Corporate lobbyist Niira Radia:** Lobbied for Ratan Tata and for telecom portfolio to A. Raja

### TELECOM EX-SECY SIDDHARTHA BEHURA

■ **RBI governor (then finance secretary) D. Subbarao:** Supported the decision to not to raise entry fee beyond 2001 prices

■ **Home minister (then finance minister) P. Chidambaram:** Despite being aware of entry fee decision, chose not to convene a cabinet meet

■ **Prime Minister Manmohan Singh:** PMO was kept in the loop on details of first-come-first-served policy

■ **Attorney general (then-solicitor general) G.E. Vahanvati:** Cleared details of the policy

■ **Former telecom secretary D.S. Mathur:** Cleared spectrum allocation policy

■ **Former member-finance (DoT) Manju Madhavan:** Disagreed with non-revision of entry fees in a note but kept silent when matter was brought up

