INX Media Scam - P Chidambaram

Why in news?

- The Delhi High Court rejected Congress leader P Chidambaram's anticipatory bail application in two cases of alleged corruption and money laundering linked to INX Media scam.
- Meanwhile, officers from the CBI and ED, which are investigating the cases, are looking for him to arrest.

What is the INX media case all about?

- The Foreign Investment Promotion Board (FIPB) had cleared the inflow of Rs. 4.62 crores to INX Media in 2007.
- However, the company made a downstream investment in another company, INX News, which received Rs. 300 crores through premium shares.
- Such downstream investment required separate clearance from the FIPB; as this was not obtained, there seems to be a clear case of violation.
- Mr. Chidambaram was the Union Finance Minister at this time.

- **Case** - In 2008, the Financial Intelligence Unit (FIU-IND) of the Finance Ministry flagged FDI of over Rs 305 crore by three Mauritius-based companies in INX Media Pvt Ltd.
- It was then owned by Peter and Indrani Mukerjea.
- The Income-Tax (I-T) Department in Mumbai forwarded the case to the Enforcement Directorate (ED).
- In 2010, ED registered a case against INX Media for alleged Foreign Exchange Management Act (FEMA) violations.

- In 2018, the Enforcement Directorate (ED) registered a case of money laundering, and the CBI called Chidambaram for questioning.
- Meanwhile, the CBI (Central Bureau of Investigation) had registered an FIR in 2017.
- It alleged irregularities in the Foreign Investment Promotion Board (FIPB) clearance given to the INX group for receiving overseas funds of Rs 305 crore in 2007.
- Earlier in 2019, Chidambaram moved Delhi High Court to seek anticipatory bail in both the cases.
- **Karti Chidambaram** - Later, while investigating a company associated with

Chidambaram's son Karti Chidambaram, ED found documents linked to INX Media in the computer of Karti's CA Bhaskarraman.

- The documents indicated payments made to Karti's alleged company by INX Media at the time the Finance Ministry granted it FIPB approval.
- Mr Karti is alleged to have taken $1 million to influence the probe against the media house by using his connections in the finance ministry.
- On ED's reference in this regard, CBI registered a case of corruption in 2017 and searched the premises connected with both Karti and P Chidambaram.
- Following this, ED lodged a case of money laundering against Karti.
- Karti was arrested by the CBI in 2018 and was later granted bail by the Delhi High Court, and is now the Congress Lok Sabha MP from Sivaganga constituency of Tamil Nadu.

Source: Indian Express

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