

## CBI charge-sheet on Hindujas to be heard today

W. U.  
PRESS TRUST OF INDIA

NEW DELHI, Nov. 19. — A special court will tomorrow consider the CBI's supplementary charge-sheet against the Hinduja brothers in the Bofors case. *J. R. New.*

The CBI went ahead with the supplementary charge-sheet just days after the Hindujas said that the money paid to them by Bofors had nothing to do with the gun deal. *S. T.*

The court of the special judge, Mr Ajit Bharihoke, had fixed 20 November for passing appropriate orders on the CBI charge-sheet which named the Hinduja brothers — Sri Chand, Gopi Chand and Prakash Chand — and accused them of receiving 81 million Swedish crowns from Bofors.

**Shift:** The Hindujas are to bring their prize asset, Gulf Oil, to Britain in a move signalling that they are poised to make Britain the base of their business empire, the *Sunday Times* reported, adds DPA.

The brothers will also bid 400 million pounds for British Airways' cut-price airline, the newspaper said.

THE STATESMAN

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# Chargesheet filed against Hindujas in Bofors case

By Vinay Kumar

*90% of the deal*  
**NEW DELHI, OCT. 9.** The 14-year-old Bofors scandal took a crucial turn today with the Central Bureau of Investigation (CBI) filing a chargesheet against the three NRI industrialist Hinduja brothers — Mr. Gopichand, Mr. Srichand and Mr. Prakash — in the Rs. 64-crore pay-offs case.

The 11-page supplementary chargesheet, second within a

*HD 1*  
year, was filed this afternoon in the court of the special judge, Mr. Ajit Bharihoke, who fixed November 20 for passing an "appropriate" order on it.

This chargesheet had been expected since the CBI filed the first one on October 22, 1999, nine years after beginning its probe into the scandal that redefined political equations in the country. The agency had said it was continuing its probe against Mr. Gop-

*10/10*  
ichand P. Hinduja, Mr. Prakash P. Hinduja, Mr. Srichand P. Hinduja, and others, including some companies. Today, the CBI urged the court to include the Hinduja brothers as co-accused along with the former Defence Secretary, Mr. S.K. Bhatnagar, the Italian businessman and friend of the Gandhi family, Mr. Ottavio Quattrocchi, the former Bofors agent, Mr. Win Chadha, and the former president of AB Bofors, Mr. Martin Ardbo. The former Prime Minister, Rajiv Gandhi, was also named in the first chargesheet as "an accused not sent up for trial".

The Special Public Prosecutor, Mr. N. Natarajan, said the CBI might seek extradition of the Hinduja brothers. The court is likely to take cognisance of the chargesheet at the next hearing and issue summons against them. The chargesheet alleged that payments to the tune of 80 million Swedish kroner was made to them by M/s AB Bofors through M/s Mc Intyre Corpn.

It alleged that the three had committed offences of criminal conspiracy and cheating under provisions of Section 120-B and 420 of the Indian Penal Code as also under Section 5(1)(d) of the

Prevention of Corruption Act as they had put the Government to a wrongful loss.

The chargesheet dealt a blow to the claim, purportedly made by Mr. Srichand Hinduja, barely 10 days ago from London that the funds received by the family were not related to the Rs. 64-crore-howitz deal, filed with the

Government by M/s. AB Bofors in March 1986. He claimed that the Swiss Investigating Judge was in the process of transmitting the relevant information to the CBI. The agency, however, remained unimpressed and went ahead with the chargesheet.

*Bofors much ahead Govt. pag*



Gopichand Hinduja and Srichand Hinduja

THE HINDU

10 OCT 2000

# Bofors misled govt about beneficiary: CBI

PRESS TRUST OF INDIA

NEW DELHI, Oct. 11. — The CBI has accused Bofors officials of having misled the Centre about the name of the company they paid SEK 81 million in the 1986 gun deal.

In the supplementary charge-sheet filed on Monday, the agency said the documents it received in December 1999 from Swiss authorities have revealed that besides paying Mr Win Chadha and Mr Ottavio Quattorocchi, M/S AB Bofors had paid SEK 81 million to Panama-based McIntyre Corporation in May-December 1986.

The amount was credited to three accounts in as many banks in Switzerland. Two of the accounts were opened by Dr Jurg W Vogel who held power of attorney of McIntyre Corporation, while the third, also in the name of the McIntyre, was opened at the orders from Mr PP Hinduja. In the 'opening form' of one of the two accounts opened by Dr Vogel, Mr PP Hinduja was mentioned as the McIntyre's

client.

Bofors had told the Centre that the payments were made to a Swiss company, M/S Moresco/Moineao SA, the CBI alleged.

The names of M/S Moineao SA directors — JP Esbino, M Biggs and M Estribi — were identical to those of the McIntyre, the charge-sheet said. The names were disclosed by Bofors in a letter on 6 October, 1987.

The CBI said the three Hinduja brothers — Srichand, Gopichand and Prakashchand — had entered into a criminal conspiracy with Mr Martin Ardbo, former Bofors chief, and others in 1985-87 and had received commissions from the gun manufacturer. The Hindujas had contested the execution of letters rogatory issued by the designated court in 1990 before the Swiss judicial authorities.

Srichand Hinduja took British citizenship and obtained British passport on 27 April, 1999, while Gopichand did so on 23 June, 1998. The charge-sheet said the change in

the brothers' nationality was directly linked to the stages of execution of the letters rogatory in Switzerland.

The three brothers have been charged under Sections 120B read with 420 of the IPC and Sections 5(1) read with 5(1)(D) of the Prevention of Corruption Act relating to conspiracy, cheating and bribing of public servants.

The special judge, Mr Ajit Bharihoke, had fixed 20 November for the scrutiny of the charge-sheet and passing of "appropriate orders".

**Hindujas' claim:** The Hindujas have accepted that they had received money from Axonobel group, part of Bofors, but said the family had been involved with them for many years in the supply of chemicals, *The Times*, London, has reported.

The money was part of normal international business deals known as "global counter trading" and had nothing to do with the gun deal between the company and India, the paper quoted the brothers as saying.

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## THE BOFORS TRAIL

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BY GOING AHEAD with a supplementary charge-sheet implicating the Hinduja brothers — Mr. Gopichand, Mr. Srichand and Mr. Prakash — along with others including the Italian national, Mr. Ottavio Quattrocchi, his wife Ms. Maria Quattrocchi, Mr. Win Chadha, his deceased wife and his son, the CBI has taken the investigation into the multi-crore pay-offs scandal to a decisive stage. The trial that must follow will by itself be of exemplar significance given the impact that the 155 mm Howitzer deal has had on the national political discourse; the Bofors scandal came to symbolise the rising spectre of corruption at the highest level. It has now become clear that middlemen were involved in pushing the deal through (contrary to what was stated by the then Prime Minister, Rajiv Gandhi) and that huge sums were deposited into the Swiss bank accounts belonging to the Hinduja brothers, Mr. Quattrocchi and Mr. Win Chadha by the Swedish gun manufacturer; the deposits were on account of winding up charges.

It is also a fact that the Hinduja brothers had pulled all the stops out in their efforts to spike the investigation. Through a series of appeals before the Swiss courts, against transfer of the bank documents pertaining to the payments into their accounts by the Swedish gun manufacturer, they managed to hold up investigation into the scandal for several years since July 1993. Add to this the efforts from behind the stage (the infamous affair involving the then Minister for External Affairs, Mr. Madhavsinh Solanki, when he handed over a note, from an undisclosed source, to his Swiss counterpart to go slow on the case) and also the coverup job that the Joint Parliamentary Committee (JPC) had attempted. Mr. Quattrocchi had also escaped from India just after he lost the legal battle in the Swiss courts against transmission of the bank documents. Given all these and the forces that were at work, the CBI has done a remarkable job in the most daunting circumstances. With documentary evidence in their possession establishing payments

into the three coded accounts — Tulip, Lotus and Mont Blanc — between May and December 1986, exactly the period when the gun deal was clinched in favour of AB Bofors, the CBI's case is now backed by a lot more evidence. It is also clear now that the payments, in nine installments, aggregating to 80,797,709.92 Swedish kroners made by the gun manufacturer between May 22, 1986, and December 22, 1986, accounted for three per cent of the total contract, which is exactly the percentage of commissions in deals of this kind.

Indeed, all these documents and also the report of the Swedish National Audit Bureau (SNAB) listing the payments by the gun manufacturer to these coded accounts as well as the statement by the then representative of AB Bofors before the JPC point strongly to the fact that the Hinduja brothers were among the recipients of one portion of the kickbacks. The Hindujas, after having denied any involvement with the Swedish gun manufacturer all these days, have now begun to claim that the payment did not pertain to the 155 mm Howitzer deal as such. While on the one hand it is difficult to dismiss all the facts — that the payments were made around the same time when the deal was clinched and that the total amount deposited by AB Bofors works out to three per cent of the contract apart from the report of the SNAB and the disclosures by officials of AB Bofors — section 105 of the Indian Evidence Act places the onus of proving innocence in this case on the accused; the Hinduja brothers in this case. Be that as it may, the CBI has still a long way to go; apart from putting together as much legally sustainable evidence as possible at every stage of the trial, the investigating agency will also have to move fast in obtaining the extradition of Mr. Quattrocchi, Mr. Chadha and now the Hinduja brothers too, who had opted to become British nationals within a week after the Swiss courts allowed transmission of documents relating to their bank accounts in June 1999.

THE HINDU

11 OCT 2000

# Chargesheet marks shift in CBI stand

By Vinay Kumar

NEW DELHI, OCT. 9. The CBI chargesheet against the three Hinduja brothers tells an interesting tale of payments made by M/s. AB Bofors to secret bank accounts and its efforts to dub the pay-offs as winding up charges for consultancy services.

It also marks a definite shift in the CBI stand as it decided to go ahead with the chargesheet against the Hinduja brothers on the basis of evidence in its possession rather than waiting for additional documents from the Swiss authorities.

For the brothers too, the development signifies a climbdown from their stand of asserting that their London-based family had nothing to do with the deal. In his latest claim from London, Mr. S.P. Hinduja, sought to convey the impression that the money paid to them by AB Bofors in 1986 had "no relation" to the 155-MM howitzer contract which the Swedish firm had bagged. It gives rise to an obvious query: why was the payment made by AB Bofors at that time?

Basing its chargesheet largely on circumstantial evidence, the CBI went ahead, confident of establishing links between payments to the code-named accounts, the contract secured by M/s. AB Bofors, the loss incurred by the Indian Government and the conspiracy allegedly hatched by the Swedish firm in collusion with the recipients of the commission. The agency felt that under Section 106 of the Indian Evidence Act the burden of proving their innocence would now rest with the Hinduja brothers.

According to the chargesheet, on May 15, 1986, Mr. P.P. Hinduja had requested Credit Suisse, Geneva, to open current accounts in U.S. dollars and Swedish kroners in the name of M/s. Mc Intire Corp., which had been recently founded in Panama through their Zurich lawyer, Dr. Rippmann. He requested the bank to accept for the company 11,774,925 kroners from Skandinaviska Enskilda Banken, Stockholm, order AB Bofors, under ref. "Mont Blanc", without the beneficiary's name or account, with the instruction that these funds be placed at two days call. He also confirmed to the bank that he was the beneficial owner of M/s. Mc Intire Corp.

Investigations revealed that account no. 229 ARAB was initially opened by Mr. Srichand and Mr. Gopichand, then Indian nationals, with Manufacturers Hanover Trust Company, New York, Geneva branch, Switzerland, on May 27, 1986. The account opening documents bore a stamp "cancelled".

However, on May 20, 1986, another account was opened in the same bank by Mr. Jurg W. Vogel in the name of M/s. Mc Intyre Corp., with the account number 229 ARAB/Tulip. A total of 37,034,590.96 kroners was credited in this account between May 22 and December 22, 1986.

In account no. 87595 (Ref. LOTUS) with Swiss Bank Corporation, Geneva, 31,988,193.95 kroners was credited in the same period. In account no. 416036-32-72 in the name of M/s. Mc Intyre Corporation (Ref. Mont Blanc) with Credit Suisse, Geneva, 11,974,025 kroners was credited.

After the scrutiny of the second set of documents from Swiss authorities, which it received in December 1999, the CBI sought additional documents and clarifications on specific points. Since the transfer of documents concerned the Hinduja brothers, they were a party before the Swiss Investigating Judge, Mr. Perraudin.

Intriguingly, the recent claim by Mr. S.P. Hinduja, made through affidavits before the Swiss judge that the funds received from AB Bofors were not related to the Bofors deal, did not convince the CBI of their innocence. It is pointed out that the Swiss court, in this instance, had merely taken note of the affidavits and that it did not amount to a certificate by the courts of the veracity of the claim. As the CBI did not have a right of hearing before the Investigating Judge in the Swiss court, the judicial forum was sought to be used rather as a "post office," CBI sources said.

However, the CBI remained firm in its request for clarifications pertaining to specific queries it had sent to the Swiss authorities in accordance with the Letter Rogatory sent earlier. The Swiss authorities are yet to furnish additional documents but the CBI feels that it would only add to the available evidence and strengthen its case.

Two of the accused — Mr. S.K. Bhatnagar and Mr. Win Chadha, who returned from Dubai in March this year — were granted bail by the Special Court, but Mr. Martin Ardbo, living near Stockholm, and Mr. Ottavio Quattrocchi, based in Kuala Lumpur, are yet to be brought to India.

THE HINDU

10 OCT 2000

# Advanced Jet Trainer deal in three weeks, says Fernandes

STATESMAN NEWS SERVICE <sup>51-8</sup>

NEW DELHI, Oct. 9. — India will sign the deal with British Aerospace for the advanced jet trainer in the next two or three weeks, Mr George Fernandes said today.

The deal had been on the cards for the last two decades.

Asked if the Indian Air Force will get 66 Hawk planes as planned earlier, the defence minister said the number could go up as licensed production by Hindustan Aeronautics in India is likely to be agreed upon.

The defence ministry and BA have gone beyond price negotiations and were discussing the last few issues before signing the deal. According to estimates, the deal is worth Rs 6,500 crore and could be signed after Mr Fernandes returns from Canada.

On India's nuclear command and control system, Mr Fernandes said it was in place.

Earlier, speaking at a seminar on Air Power in India's Security, he said having a credible deterrent capability — both nuclear and conventional

## PAK CONCERNED <sup>18/10</sup>

ISLAMABAD, Oct. 9. — Pakistan today said it was concerned over the recent defence agreements between India and Russia, claiming it could destabilise the South Asian region.

"Pakistan is concerned at the induction of new equipment contracted by India from Russia. This does not promote security environment of trust, peace and stability," a foreign office spokesman said. — PTI

— would help to keep peace. These deterrents would "raise the costs of aggression and dissuade the aggression from attempting aggression".

It would not only "deny the adversary the potential of winning on the battlefield", but also make the cost of waging war "unacceptably high".

He said many factors would affect the future air power balance in South Asia. He spoke of China's military modernisation and wondered whether Pakistan would still be as isolated and how new technology

could change the air-power equations.

Mr Fernandes feels that nuclear balance will change wars in the future. The wars are likely to be "limited in scope and aim" and "surprise would therefore assume greater importance both in terms of its likelihood as well as in its impact of victory".

Flexibility and concentration of firepower are important and this is where air power comes in.

Also, he said, since the ground forces will take more time to move in, air power will be necessary to respond effectively and on time.

He, however, cautioned about the excessive dependence on air power. "We must recognise that air power cannot win wars by itself, but no war can be won without it," he said. Air power was part of the total defence capability and its capabilities and limitations must be understood first.

At the Territorial Army Day parade in the city, Mr Fernandes said the "citizen's army" would be expanded and upgraded.

THE STATESMAN

THE STATESMAN

10 OCT 2000

# When media fed Fijian constitutional crisis

By HARVEY STOCKWIN  
The Times of India News Service

HONG KONG: As failed businessman and terrorist George Speight (alias Ilikini Naikini) is belatedly imprisoned for his crimes, and sent to an offshore island for safe keeping, the international press bears some of the blame for the protracted crisis in Fiji, which saw the overthrow of the duly elected government and the promised reduction of Fijian Indians' rights.

Essentially, blame lies with the press for treating George Speight as a credible source instead of shunning him as a terrorist, thereby extending

the original hostage-taking into a nine-week crisis which is not yet over. The nouns "kidnapper", "hijacker" or "terrorist" were seldom placed before Speight's name—the more respectable "rebel" and "nationalist" were often used. Occasionally Ilikini Naikini (the Fijian name which Speight recently adopted when signing the Muanikau accord with the military) was even allowed to become a "nationalist rebel".

The Indian media was not without fault. Adding little of its own, considering the fate of 360,000 eth-

nic Indians was at stake, as it reduplicated the mis-labelling of Speight adopted by foreign news agencies. Invariably, foreign press coverage too often assumed that Speight was a legitimate player in Fijian politics while the fact that he had become so by using criminal means was too frequently neglected. The press failure relates, of course, to the modern media's terrible lack of discrimination, amidst its frantic pursuit of the brief soundbyte.

Speight was so available, so plausible and so quotable that television particularly was too often happy to provide a platform for his

frequently outrageous comments. As he indulged his fantasy to be the real arbiter of Fiji's destiny, Speight seized the opportunity to escape from the hostage-takers normal isolation from media coverage, and sought to portray himself as a nationalist hero.

The Fijian military also failed by not trying to bottle up the hostage-taker until far too late in the game. A terrorist who has taken hostages, including the Prime Minister of the nation, would never have had such free rein in most nations of the world, certainly never in India. The normal terrorist would be kept secluded along with his

hostages, able only to communicate with those in authority who were negotiating with him. Speight-Naikini by contrast was allowed to "negotiate" in public by stating his opinions to the all-too-frequently obsequious foreign press.

Almost certainly the media thereby fed Speight-Naikini's delusions of self-importance, thereby further extending the duration of the crisis. Even the BBC, normally robust in its dedication to accepted journalistic standards, several times interviewed Speight deferentially as if he was an authority on Fijian politics, instead of a thug pointing his

guns at the Fijian cabinet.

The habits developed during these lapses endured even when Speight was finally arrested. One BBC interviewer asked a military spokesman if there was not a risk of an upsurge of sympathetic sentiment in Speight's favour, seemingly oblivious to the fact that few Fijians had heard of Speight before he turned terrorist. The BBC is far from the only institution at fault. The media failed, abjectly and broadly, by not exercising more self-control and by allowing itself to be so freely used.



George Speight



Mahendra Chaudhry

## Speight supporters released on bail

SUVA: Amid tight security, about 150 supporters of jailed Fijian coup leader George Speight were brought to court on Monday and charged with unlawful assembly.

Army snipers crouched on the roof of Suva's main courthouse and heavily armed troops cordoned off the building as the men were driven in. About 200 family members cheered, clapped and waved as the men—many of them singing—were taken inside, but there was no violence. Two courtrooms worked simultaneously to arraign all the men, some of whom bore signs—black eyes or bandaged wounds—of having been beaten. After entering pleas, they were released on bail, on condition they do not gather for political purposes, and ordered to reappear on August 28. They all face a maximum year in prison if convicted. Most pleaded innocent. (AP)

# Fiji rebels produced in court

REUTERS

SUVA, July 31. — Fijian authorities began charging the first of hundreds of supporters of George Speight today as the military-backed government tried to restore order to the country after 10 weeks of political turmoil.

Soldiers stood guard on the roof of Suva's old Parliament House as groups of around 10 rebels at a time began filing into two courtrooms inside to face unlawful assembly charges which carry a maximum one-year jail term.

The first group of rebels entered court with clenched fists raised to cheers from some of the hundreds of relatives of rebels gathered outside. The rebels pleaded not guilty and were granted 50 Fiji dollars bail, ordered not to congregate or hold political assemblies.

"These are not violent people. They were peacefully conducting their affairs when they were surprised by the military," said Mr Rabo Matabalavu, the defence lawyer.

The military launched a raid on the rebels' camp in a Suva school last Thursday capturing more than 350 of them. Speight was detained by the military the night before. The raid came two weeks after rebels freed Mr Mahendra Chaudhry, and left Suva's parliamentary compound.

Authorities today moved to strengthen order and stability after 10 weeks of political and social unrest. The military regained control of an army

barracks in Labasa where rebel soldiers had held some 40 other soldiers hostage for several weeks. The military had given the rebels until midnight today to surrender or risk an assault.

"That was not necessary in the end. They left voluntarily," Major Howard Politini, military spokesman, said. The military is also hoping for a peaceful end this week to the rebel occupation of a hydro-electric facility at Monasavu.

Fiji's media reported today that a number of Indian-owned houses north of Suva had been looted and burnt overnight. Mr Chaudhry said today maintenance of law and order was the most difficult task ahead for racially split island nation and suggested outside help might be needed. He said the new administration of Prime Minister Laisenia Qarase should look for outside help from world bodies such as the UN.

"If the regime there is unable to do so, then it should itself seek assistance," Mr Chaudhry told a news conference in Sydney after meeting the Australian Prime Minister, Mr John Howard, to discuss international help in restoring democracy to Fiji.

Mr Chaudhry left Fiji yesterday for the first time since his release after being held for 56 days by Speight's rebels. Speight demanded an end to the political power of the ethnic Indian community and only released his hostages after an interim indigenous government was named.

THE STATESMAN



# Army moves in to trouble spot

Suva, August 3

THE MILITARY sent troops to Fiji's second large island today in a bid to end the civil unrest, which has persisted since the coup in May this year.

Also, Fiji's Director of Public Prosecutions Josaia Naigolevu announced that coup leader George Speight would appear in court on Saturday to be arraigned on minor charges, including unlawful assembly.

Coup leader Speight is under investigation for treason but has not yet been charged with that offence, which carries a maximum sentence of death.

A company of soldiers was deployed in the northern island of Vanua Levu to strengthen troop numbers there and end the spate of attacks on ethnic Indians, said military spokesman Major Howard Politini.

One house was razed overnight and armed gangs have for weeks been terrorising ethnic Indian families in the island, a stronghold of George Speight.

The new deployment comes two days after the military took control of small barracks on the island, which had earlier been overrun by Speight supporters.

"We have stormed into Vanua Levu in force and that should put an end to the disturbances and enhance our search for weapons," Politini said.

Raids, hostage-taking, theft, beatings and burnings have become commonplace in ethnic

## Crisis in Fiji

Indian-dominated rural areas since the nationalist uprising in May, which toppled Fiji's elected Government.

**SPEIGHT TO APPEAR IN COURT:** Coup leader Speight and his co-conspirators will appear in court by Saturday, Naigolevu said today.

Speight is currently held in an island off Suva and must appear in court by 10 pm (local time) on Saturday or be released.

The coup leader will appear on

four minor charges, including unlawful assembly.

Naigolevu told reporters that he did not yet know whether Speight would face a charge of treason, which can carry the death penalty in Fiji.

Despite the success of many of the aims of his ~~coup in May 19~~ coup, including the ousting of ethnic Indian Prime Minister Mahendra Chaudhry and the installation of a Government dedicated to promoting the interests of ethnic Fijians, Speight himself was arrested by the Army a week ago.

The military, which declared a state of emergency soon after the coup, had grown tired of Speight's continued blocking of the formation of a new Government, with whose make-up he disagreed by threats of further violence.

The coup leader has been held under emergency powers, which give Magistrates the right to detain him for seven days before a court appearance. Unless Speight pleads guilty, his first court appearance will merely set the date for further hearings. (Agencies)

THE HINDUSTAN TIMES

4 AUG 2000

# Fiji Army crackdown continues

Suva, August 4

HF-14 518

**COUP LEADER** George Speight waited for his first court appearance as the military continued its crackdown on his supporters on the North island of Vanua Levu today.

Soldiers shot one rebel dead last evening and detained 37 others as it sought to restore order in Dreketi, a farming community outside the town of Labasa where Indians and their property have been targeted by gangs.

Up to 20 Indian families in Dreketi were briefly held hostage on Sunday by armed rebel nationalists, who roamed the streets at will and burned homes and farm buildings.

Over 100 soldiers moved into Vanua Levu yesterday, and were continuing to round up rebels on Friday, the military said. Road-blocks had been established on either side of Labasa. Speight and seven others held on the island prison of

Nukulau are expected to appear in court today or tomorrow.

Acting Director of Public Prosecutions Joe Naigulevu said Speight must appear in court before 10 pm tomorrow, when a court order allowing for his detention under military decree expires.

Speight plunged Fiji into political crisis when he and armed supporters stormed Parliament on May 19, taking hostage the racially divided country's first ethnic Indian Prime Minister Mahendra Chaudhry, in the name of indigenous Fijian rights.

Officials want to avoid disclosing the exact time or location of Speight's appearance for security reasons. Most of the 361 supporters arrested last week after a raid on a Suva school they had taken over have been released on bail.

"We expect it sometime at the weekend, that's all we know at the moment," military spokesman Major Howard Politini said, adding it was likely that Speight

would appear in court in Suva rather than have a Magistrate make the journey to Nukulau. "We're not putting too much publicity on it because we don't want too many people around when it happens. That makes the job a little bit difficult."

Speight was arrested last week and charged on Monday with firearm offences, illegal assembly and the illegal burial of a supporter inside Parliament House. He held Chaudhry and most of his multi-racial Cabinet hostage for 56 days in a bid to end the political influence of Fiji's Indians.

The police are still investigating possible treason charges against Speight and his men. Treason carries the death penalty, but this has never been enacted since Fiji gained independence in 1970.

Speight won a series of concessions before freeing his hostages last month. An interim Government made up almost entirely of indigenous Fijians will rule for up to three years. (Reuters)

THE HINDUSTAN TIMES

5 AUG 2000

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Fiji

# Uprooted in Fiji

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**T**HE DRAMA may have ended for the moment, but the travails continue. As media interest dwindles in Fiji and the post-coup situation turns "normal" for the international community, the South Pacific nation continues to face a crisis of confidence. A new interim Government headed by Mr. Laisena Qarase has taken power, the coup-plotter, Mr. George Speight, is behind bars and is expected to be brought to court any day, but the constitutional crisis in the country is far from over.

Fiji's case, like that of many others, also emphasises that the international community can only do so much and no more. While major players such as Australia and New Zealand remained engaged with the problems, their ability to influence the course of events remains doubtful.

In Fiji itself, 44 per cent of the 800,000-strong ethnic Indian population continues to live in terror. In the absence of constitutional democracy and given the ability of thugs (often in league with the security forces) to act with impunity, the people's faith in the law and order machinery has vanished. "The interim Government has not been able to deal with the problem of lawlessness. Many rural areas are gripped by tension. The people of Indian origin continue to live in fear and tension," Mr. Biman Prasad, senior lecturer in economics at Suva's University of the South Pacific, told this correspondent over telephone.

Rejecting claims of stability, Mr. Prasad stated that the arrest of Mr. Speight had been welcomed, especially by the people of Indian origin. However, the academic stated that what people wanted was that the charge of treason should be brought against Mr. Speight. In his view, the charges of unlawful assembly or unlawful burial would just not do. Mr. Prasad said that in the present situation, ethnic Indians continued to leave their country.

In realpolitik terms, the academic admitted that the restoration of the Mahendra Pal Chaudhry Government (ousted by Mr. Speight on May 19) had little chance. But he did say that democratic-minded Fijians wanted a Government in line with the consensus 1997 Constitution, which had been approved by the Great Council of Chiefs.

Another Suva-based analyst was of the view that the bailing out of Mr. Speight's supporters by the courts was sending a wrong message to the people of Indian origin. "These people are going back to their villages. This sends a

***Fiji's ethnic Indians are living in terror. With no base among the military and the police, they are undergoing collective and individual trauma. And, says AMIT BARUAH, as many as can leave are packing their bags.***

dangerous signal that you are free to return to your villages and harass people. The people of Indian origin are feeling harassed and terrorised."

Clearly, with no base among the military and the police, ethnic Indians are undergoing a period of collective and individual trauma. Their inability to redress the situation is leading to flight — as many people as can leave are packing their bags. "There is a feeling of complete despair among ethnic Indians. Flight seems to be only option available," another commentator stated. "The Qarase Government does not carry any credibility. It is now up to the international community to ensure that a constitu-

tional dispensation is restored," the analyst told this correspondent over telephone.

In a despatch on August 3, the Associated Press said from Muaniweni: "Raids, hostage-takings, beatings and burning attacks on the ethnic Indians of Fiji's small rural communities have become commonplace since a nationalist uprising on May 19... thousands of people — mostly ethnic Indians — are trying to flee Fiji, afraid for their safety and the potential for financial collapse following the near-collapse of their economy."

Informed opinion also suggests that the Army cracked down on Speight and Co. only after going through a prolonged period of self-doubt about whether or not the institution had the strength to go ahead with its anti-rebel campaign. Today, it is not clear if Speight and Co. still have any influence over sections of the Army or not.

There are also indications that the treason charge will not be brought against Mr. Speight now. For the moment, he will be brought to court to face charges of unlawful assembly and unlawful burial. Given the operation of the amnesty, Mr. Speight cannot be charged for events up till July 13. However, the authorities have stated they are also investigating alleged threats to the life of the President, Ratu Josefa Iloilo.

As far as India is concerned, the

ousted Prime Minister, Mr. Mahendra Chaudhury, is scheduled to make a visit soon. Mr. Chaudhury, who is at present in Australia and will be in New Zealand in the next few days, travels to India to garner support for the restoration of his Government. While Mr. Chaudhury seems to be at pains not to stress his visit to India, there are obvious limitations about what New Delhi can do about the crisis in Fiji. The Government of India's strategy appears to be to work in concert with Australia, New Zealand and other influential sections of the international community.

Mr. Chaudhury's bid to revive his Government appears unlikely to succeed. At best, Fiji can hope for the formation of a new Government based on the 1997 Constitution. There is also little doubt that the situation in the nation of islands remains very serious, especially for persons of Indian origin.

The brief detention of a trade union leader this week also shows that the Qarase administration is jittery about any form of protest. No vocal opposition is to be permitted in the country — a clear sign that conditions remain tenuous and the military remains on edge. Clearly, the international community cannot afford to take its eyes off Fiji at this critical juncture of the country's history.



**An ethnic Indian in Fiji beside the remains of her ancestral home destroyed in a racist attack... a land torn in two.**

# Speight charged with treason

Suva, August 11

HT-19  
FIJI'S NATIONALIST rebel leader George Speight was charged with two counts of treason against former Fiji president Kamisese Mara, here today.

One felony charge of treason and another of conspiracy to commit treason were read in Suva magistrate's court. It was alleged that Speight "intended to levy war against the president of Fiji".

128  
Speight's security adviser Ilisoni Lingaira, media adviser Joe Nata, political adviser Tomoci Silatolu and Speight's younger brother, Jim Speight, were also indicted of treason.

The charge carries the death penalty, which has not been effected since independence from Britain in 1970.

The charges have been referred for a hearing in the high court in four weeks, after which a date for

the trial will be set. Speight for the time being is in remand custody on minor charges.

The rebel leader, George Speight plunged Fiji into crisis on May 19, when he stormed Parliament, taking former Prime Minister Mahendra Chaudhry hostage in the name of indigenous Fijian rights as a result of which Mara stepped aside after the imposition of martial law on May 29.

Reuters

THE NATIONALIST

12 AUG 2000

## TREASON TRIAL

### Speight's fortunes plunge

578  
7/28

THE military backed government in Fiji is moving cautiously but methodically against George Speight and his supporters, who cast Fiji into turmoil by taking hostage Prime Minister Mahendra Chaudhry and most of his Cabinet. Having arrested Speight initially on minor grounds such as firearm offences, illegal assembly and the burial of a comrade inside the grounds of Fiji's Parliament House, the government has now charged him and a few of his henchmen with treason which carries the maximum penalty of death. Speight has a social base among indigenous Fijians, and has succeeded in manoeuvring many Fijian chiefs to his side; the government therefore has been careful not to launch precipitate moves against him which could spark off a civil rebellion. The move to charge Speight with treason — which he undoubtedly committed by holding the legitimately elected government of the day hostage — comes only after the government is reasonably sure of controlling the ground situation.

The world is no longer as kind to armed coups and to racially segregated societies as it was, say, 20 years ago. The Commonwealth has pronounced against Fiji and Australia, New Zealand and the United States have declared economic sanctions against it — the international isolation must be hurting terribly, providing the impulse for the present drive to contain Speight and his supporters. The logical end of this process would be to re-enfranchise ethnic Indians, who make up 44 per cent of the local population, and to restore multiracial government. The mainstays of Fiji's economy are sugar, tourism and commerce, all of which are dominated by Indians. The tragedy is that Fiji has been at this particular crossroads before, but refused to draw the lessons. In 1987 Gen Rabuka, a Christian fanatic, grabbed power and cracked down on ethnic Indians, causing thousands to emigrate and the economy to go on a downward spiral. It is incumbent on the present government not to let that happen again.

THE STRAITS TIMES

13 AUG 2000

# NZ, Australia sending envoy back to Fiji

Wellington, August 14 <sup>1578</sup> ~~14-19~~

NEW ZEALAND AND Australia, who withdrew their top diplomats from Fiji in protest at the ousting of the elected government in May by armed rebels, will send their High Commissioners back this week, New Zealand Foreign Minister Phil Goff announced today.

The envoy of the United States and Britain have already returned to the Fiji capital Suva, where rebel leader George Speight, who claimed to have overthrown the multi-racial government on behalf of indigenous Fijians, is awaiting trial for treason.

Goff told a news conference in Wellington the diplomats' return recognised "the forward step of bringing to justice Speight and 13 other co-conspirators who will now be facing treason charges".

The High Commissioners are the equivalent of Ambassadors among British Commonwealth countries.

Goff said the move did not indicate recognition of the military-

## Chaudhry asked not to work against new regime

THE NEW Fijian Government on Monday called on deposed Prime Minister Mahendra Chaudhry to stop asking foreign governments to beef up sanctions against the South Pacific nation. Information Minister Ratu Inoke Kubuabola said Chaudhry, whose one-year-old administration was toppled following a May 19 nationalist coup, no longer has a mandate from Fijian people to speak to foreign leaders.

Kubuabola was speaking as Chaudhry prepared to leave Australia for India to appeal to authorities in New Delhi to keep up pressure on the new un-elected government to return to democracy. Chaudhry, has asked Australia and New Zealand to do the same and plans to take his message to Britain and the UN.

But Kubuabola, who was Leader of the Opposition before Chaudhry's Government was toppled and a vocal opponent of Chaudhry, said the deposed leader would be better off talking to Fijians.

"He should be explaining to his electorate why his son was appointed his private secretary... And why he chose to ignore the grievances of the indigenous Fijian people that was demonstrated in protests and marches," Kubuabola said.

Agencies, Suva

backed interim government led by Prime Minister Laisenia Qarase, which had "no democratic mandate and therefore no legitimacy". Goff said New Zealand and other countries considered the Qarase Government's proposal to hold power three years pending new elections too long and objected to the fact that ethnic Indians, who account for 44 per cent of the population, are not represented. But he added: "We will deal with that government because if we want a change that is the body of people that has to bring that change about."

Goff noted that a meeting of foreign ministers of the 16-nation South Pacific Forum in Samoa last week had condemned the Fiji coup and adopted a declaration supporting equal rights for all member countries' citizens regardless of gender, race, colour, creed or political belief. He said New Zealand was looking for the Qarase Government to provide firm evidence of a commitment to return to democracy with a non-racist Constitution.

"The New Zealand Government does not have an entrenched position," he said. "We will observe what happens there. When we see commitments of good faith then we can respond accordingly." (DPA)

15 AUG 2000

## India's role in Fiji

THE HONOURS conferred on deposed Fijian Prime Minister Mahendra Chaudhry and the near elevation of his visit to India to the status of a head of Government's official trip were perhaps only to be expected. There is a widespread sense of pride in this country about the multi-faceted achievements of the overseas Indians, particularly their recent gains of political power. The overthrow of a democratically elected Government in Fiji, therefore, came as a rude shock. Mr Chaudhry symbolises democratic hope in a country where the democratic roots are still shallow. Three military coups and three Constitutions in as many decades are a measure of Fiji's poor credentials in this respect. Mr Chaudhry's overwhelming victory in the parliamentary elections a few years ago was due to his broad support base among the electorate cutting across ethnic lines. Had Indo-Fijians and ethnic Fijians voted along racial lines, Mr Chaudhry would not have come to power.

Timoci Bavadra too had succeeded in enlisting the support of both the communities in the Seventies. However, both experiments were foiled by self-serving putschists. India's support for the restoration of democracy in Fiji is a matter of principle, not ethnic solidarity. What Fiji has witnessed in two decades is nothing short of a double tragedy — loss of democracy and a threat to pluralism. There have been demands from certain quarters that India should play a more assertive role in Fiji. Mr Chaudhry expects New Delhi to take its own stand and not follow the lead taken by Australia and New Zealand. But India has to tread carefully in this respect. It should make it clear that its support for Mr Chaudhry is determined not by the fact of his Indian origin but by its interest in saving democracy in Fiji and preventing the adoption of a racially biased Constitution.

India can take the lead in mobilising the support of other Commonwealth countries as well as the United Nations to put pressure on Fiji's present rulers to retrace their steps. New Zealand and Australia have not been quite as strident as they were in the Seventies in their demand for the restoration of democracy. Both the countries have already decided to send their envoys back to Suva. But India has to ensure that the rise of neo-apartheid Fiji is not lost sight of. Denying ethnic Indians the right of political participation and reducing them to the status of second class citizens solely on the basis of race runs counter to the tenets of democracy and human rights.

THE HINDUSTAN TIMES

25 AUG 2000

22 AUG 2000

# T-90 tank deal with Russia this week: George

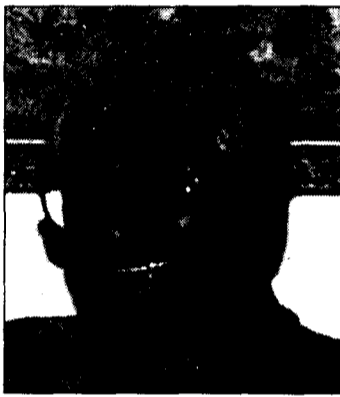
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**PRESS TRUST OF INDIA**

MOSCOW, June 29. — Defence minister Mr George Fernandes today announced that the much awaited T-90s tank deal with Russia would be finalised this week and the decision on acquiring "Kiev" class aircraft carrier for the Indian Navy would be taken soon.

"One minor detail" is to be taken care of in the deal, Mr Fernandes told a joint news conference with Russian defence minister Marshal Igor Sergeev, hoping experts accompanying him would resolve the issue during the remaining period of his Russia visit, which ends on Friday.

Under the 400-million-dollar deal, India is to buy 100 T-90s main battle tanks and get licence for producing another 200 tanks at the Avadi Heavy Vehicles Factory to restore the



**Mr George Fernandes**

balance of forces in the sub-continent following the purchase of 350 Soviet-designed T-84 main battle tanks by Islamabad from Ukraine, media reports here said.

Mr Fernandes said the decision on acquiring "Kiev" class aircraft carrier "Admiral

Gorshkov" for the Indian Navy would also be taken soon. "We are going to St. Petersburg, where this issue will be discussed."

In St. Petersburg, the Indo-Russian sub-group on naval ship-building would negotiate the "Admiral Gorshkov" deal and review progress on the construction of the "Krivak" class modern frigates and naval submarines for the Indian Navy.

Russia has agreed to transfer the de-commissioned aircraft of its navy to India free of cost. But India is to finance its modernisation and acquisition of weapon systems, including two squadrons of naval version of MIG-29 fighters, at the cost of two billion dollars.

Russian deputy prime minister Mr Iliya Klebanov said about three years would be required to complete the "Gorshkov" project.

**THE STATESMAN**

30 JUN 2000



# India, Russia to set up panel for military-technical co-operation

PRESS TRUST OF INDIA  
MOSCOW, JUNE 28

INDIA and Russia have decided to set up a Commission on Military-Technical Cooperation to impart "greater impetus" to defence ties and accelerate decision making, Defence Minister George Fernandes said today.

The decision to establish the Commission was taken at a meeting between Fernandes and his Russian counterpart Marshal Igor Sergeev. It would be co-chaired by Fernandes and Russian Deputy Prime Minister Ilya Klebanov.

Fernandes, who is on a five-day

visit to Russia, said, "This step is aimed at imparting greater impetus to military cooperation between the two countries and to ensure accelerated decision making".

The Commission will have two working groups — one to be headed by Defence Secretary and his Russian counterpart and the other by Secretary of Defence Production and his counterpart.

During Fernandes' meeting with Russian leaders, the two sides voiced concern at the growing menace of international terrorism and religious extremism which have been threatening to destabilise the situation in various parts of Asia.

The two sides reiterated their resolve to continue to draw the attention of the international community to such destabilising developments and the need for assessing them in the right perspective, a senior official said. Fernandes also discussed the recent developments in Sierra Leone and Fiji. The two sides agreed to work together on such issues and hoped that the impasse would not continue for long. New Delhi and Moscow held parleys on all aspects of bilateral relationship while recalling the close ties which existed between the two countries, particularly in various areas in defence.

INDIAN EXPRESS

INDIAN EXPRESS

28 JUN 2001

## Deals of four years escape defence investigation

middlemen all these facts will never emerge. Then this entire process will be an exercise in futility," sources added.

"This is just hair-splitting," said a senior MoD official about the change of date from 1985 to 1989. "The minister's orders have to be seen in its entirety. The probe was ordered in the context of a debate in Parliament in which members said that despite a ban on middlemen there was no deal contracted without agents. Therefore, Fernandes ordered the probe into the role of agents," he said. "Of course, the CVC is independent to probe whichever deal it wants even before that," he added.

"Raksha Mantri (Fernandes) has decided that all major procurement cases which have been finalised after Government Orders

(April 1989) banning agents, middlemen or middle companies in defence procurement, should be referred to the CVC. Our focus is therefore the middlemen," an official in the MoD said. "But that is not all. The allegations levelled by Rear Admiral Suhas Purohit in his petition have also all been sent to the CVC for investigation," he added.

Officials conceded that initially the probe ordered by the minister was far too sweeping and had to be streamlined. "There had to be some limits set somewhere. There had to be a cut-off date especially since the CVC would also be probing such cases for the first time," the official said.

In fact, the MoD has also directed the services to brief CVC on the procurement process. Union, sources said. This, apart from the Bofors deal and the HDW submarine deal which are already being investigated by the Central Bureau of Investigation

## Deals of four years escape defence investigation

(CBI). Earlier in the year, on February 5, Defence Minister George Fernandes spoke to Chief Vigilance Commissioner N. Vittal and asked him to carry out investigations into all important defence deals after 1985.

The urgency was apparent as the minister ordered the sweeping probe on telephone on a Saturday. But his ministry (MoD) in a subsequent letter, apprising the services of the probe, has said that only cases after 1989 were being referred to the CVC.

There is no mention of the year 1985 at all. A senior ministry official speaking to *The Indian Express* said that the minister was advised to change the year from 1985 to 1989 because it was only in April 1989 that orders were passed to ban middlemen and agents from

defence deals. But he too refused to comment on why had the minister earlier decided on 1985 as the cut-off year to order the probe.

However, sources in the services insist that middlemen are not the only problem in the defence deals. "Middlemen in defence deals are only a part of the malice. This extends beyond to wrongful pricing and purchases without requirement. This has been conveniently brushed under the carpet," sources said.

"In several deals, a different price has been quoted for us (India) and a different price for other countries. Also there have been complaints of considerations other than ability of equipment playing a role in purchases. If the CVC or the CBI only investigate the role of

**CONTINUED ON PAGE 2**

# Probe into defence deals may be delayed

By Vinay Kumar

HD-13  
6/3

**NEW DELHI, MARCH 5.** With all the major defence deals since 1985-86 coming under the scrutiny of the Central Vigilance Commission (CVC), the painstakingly slow pace of the decade-long CBI probe into two defence deals — the Bofors and the HDW submarine — indicates that investigations in other defence deals over allegations of the presence of agents and payoffs would likely be a time-consuming affair.

As the CBI has already filed a chargesheet in the Rs. 65-crore Bofors payoffs case, it is left with the decade-old probe into the HDW deal.

The CBI is not probing any other defence deal at present, but the CBI Director, Mr. R. K. Raghavan, had expressed readiness to form special teams to probe the defence deals whenever asked by the CVC.

With the CVC gearing up to probe the post-1985-86 defence deals, well-placed sources in the CBI said the status of the HDW case would be made known to the CVC as and when a request was received by the agency. The CBI is yet to get parameters from the CVC to go ahead with the probe but it still remains unclear whether the by-now-familiar angle of criminal conspiracy, illegal payoffs and siphoning off payoffs to Swiss and other foreign banks will end in filing chargesheets against the accused in a court of law. Experience in the Bofors probe indicates that the path may not be all that smooth because it would also involve cooperation from foreign countries and tedious follow-ups before a number of authorities.

The FIR in the HDW deal was registered by the CBI on March 5, 1990 but the agency has so far failed to make any concrete progress in its probe. It has sent letters rogatory to the competent authorities in Germany and Switzerland but is yet to receive any "concrete" response and cooperation from there.

The latest attempt by the CBI also dates back to nearly a year when it had sent revised letter rogatory to Germany. Similar requests sent to Switzerland had

not been considered by the authorities of that country, sources told *The Hindu*. It was pointed out that one of the reasons behind pendency in Switzerland was the cooperation the CBI got from Swiss authorities in the Bofors case probe. It was made clear that the two sets of Swiss documents handed over to the CBI in 1997 and last year after protracted legal battle in Indian and Swiss courts would not be used in any other case.

The HDW case relates to contracts entered on December 11, 1981 by the Indian Government with M/s HDW and M/s AEG-T for the purchase of two submarines as well as material packages for the two submarines to be constructed in India and torpedoes at Rs. 465 crores at February 1979 price level as against the price of Rs. 374.99 crores quoted by the HDW when their offer was accepted in 1980.

Sources said the CBI had gathered reports and material which gave it reason to believe that the payments by way of commissions which were made in the HDW deal were in the vicinity of 10 to 15 per cent of the cost. Further, alleged commissions or bribes were transacted through Swiss banks like Bank of Credit Suisse at Geneva and other banks in Switzerland. Information with the CBI indicated that some of the public servants and middlemen involved in the HDW deal also had a hand in the Bofors case. Bank accounts channel for payment of commissions and bribes are apparently common to Bofors and HDW. To sum up the FIR of the CBI, it was alleged that Mr. S. S. Sidhu, Capt. M. Kondath, Mr. B. S. Ramaswamy, Vice-Admiral M.R. Schunker, Mr. S. K. Bhatnagar, Mr. Gopichand Hinduja, Directors, employees, and middlemen/agents and representatives concerned of the HDW and M/s AEG-T, M/s Ferrostaal, West Germany and representatives concerned of M/s Roger Enterprises Private Limited, New Delhi, and certain public servants empowered to sanction the transaction were parties to a continuing conspiracy at Delhi and other places between 1977 and 1988.

THE HINDU

- 6 MAR 2 000

# Bofors case: CBI to seek details from Swiss authorities

New Delhi, March 17

IN A bid to identify the end beneficiaries of pay-offs in the Rs 1,437-crore Bofors gun deal, CBI will seek some clarifications from the Swiss authorities on the final set of bank documents received by it.

"We need some more clarifications on certain open-ended bank documents which are not complete" and the agency will be approaching the Swiss authorities asking for some more information, CBI director R.K. Raghavan told PTI here today. Asked whether the investigating agency was expecting some more papers relating to the 155-mm Howitzer deal case from abroad, he said, "Papers will keep coming. Whatever we want, most of it has come."

Regarding the response from the Hinduja brothers, based in London and Geneva, to CBI letters seeking their cooperation, Mr Raghavan said, "They want us to go there. But we have to check whether we can go there or they will have to come here."

The CBI recently sent two letters to the Hinduja asking them to

come to India to assist in the investigation but they expressed their inability to do so while denying their involvement in the gun deal. A third letter to them is on its way.

Dismissing allegations that the CBI was slow, Mr Raghavan said the agency was operating against many odds.

"You must understand the difficulties under which we operate. In Bofors itself, some governments have not cooperated."

The Interpol has its limitations "but we keep the pressure on," he said referring to a high-level team of officials deputed by the investigating agency to Kuala Lumpur last month to explore the possibility of securing the extradition of Italian businessman Ottavio Quattrocchi to India.

"We have made a strong case for his extradition and I am hopeful of getting cooperation from the Malaysian authorities," he said.

The CBI has sent letters rogatory to nearly 10 countries through which the kick-backs may have passed in a bid to trace the identities of those who received pay-offs.

(PTI)

THE HINDUSTAN TIMES

18 MAR 2000

# Chadha arrives

to face

trial

FROM R. VENKATARAMAN

**New Delhi, March 18:** After evading the courts for months, Dubai-based businessman Win Chadha finally arrived here today to face trial in the Bofors case.

Soon after landing at Indira Gandhi airport here, the 76-year-old ailing Chadha was whisked away to a south Delhi hospital. He will appear before the special court on Tuesday.

Last month, trial judge Ajit Bharihoke issued a non-bailable arrest warrant against Chadha, considered one of the most crucial links in the payoff chain, for failing to abide by an undertaking given to the court. But he later withdrew the warrant and issued a fresh summons.

Chadha, who was the Indian agent for Bofors — now known as Celsius Corp. — when the gun deal was struck, has been accused of taking kickbacks and engaging in criminal conspiracy.

Chadha's arrival has shifted the focus to Ottavio Quattrocchi, a friend of the Gandhi family and an accused in the case. Quattrocchi lives in Malaysia and has also evaded court summons.

The CBI stirred a hornet's nest by including Rajiv Gandhi's name in the non-trial section of the Bofors chargesheet filed in October



Chadha

1999. But so far the investigating agency has not furnished any proof linking the assassinated former Prime Minister with the kickbacks.

The move triggered howls of protest from the Congress which charged the government with carrying out a witch-hunt. But the Centre scoffed at the charges, saying it had nothing to do with the CBI action.

Legal sources in the Congress were confident that Chadha's cross-examination would not reveal any evidence that could nail Rajiv. "Even a single miss in the long chain will be enough for us to demolish the government's case," one of the sources said.

Investigations are on to establish that a part of the Rs 64-crore bribe found its way to Chadha and Quattrocchi. But the prosecution is yet to table any additional chargesheet in the case.

The CBI says that Quattrocchi deposited money in Swiss banks "in a clandestine manner" as "illegal gratification" for the benefit of "certain public servants and their nominees". At the time of the deal, Quattrocchi was posted in Delhi as an employee of the Italian firm Snam Progetti. The CBI says he furnished "non-existing address of Delhi in the relevant bank documents abroad".

Besides Chadha and Quattrocchi, the CBI chargesheet names former defence secretary S.K. Bhatnagar and Martin Ardbo, the then chief of Bofors, as accused.

The special court had issued summons to all accused, directing them to appear before it on December 13.

THE TELEGRAM  
19 MAR 2000

# Win Chadha granted bail in Bofors kickback case

The Times of India News Service

NEW DELHI: A city court on Tuesday granted bail to former Bofors agent Win Chadha, a key accused in the Rs 64 Bofors guns kickback case, after he appeared in the court in response to the summons.

Special Judge Ajit Bharihoke also issued non-bailable warrant (NBW) for the arrest of former Bofors chief Martin Ardbo, after the prosecution informed the court that he had refused to accept summons served upon him at his home in Sweden.

Granting bail to Mr Chadha, the judge observed: "The investigation in the case is over. From the (number of) documents and witnesses relied upon by the prosecution it is obvious that the trial will take some time. The accused is an old man suffering from various ailments. The co-accused (former defence secretary) S.K. Bhatnagar has already been granted bail. Therefore, I direct Win Chadha to be released on bail."

The judge also directed him to surrender his passport, make himself available to investigating agency whenever required and not leave Delhi without prior permission of the court.

The judge also extended the non-bailable warrant of co-accused Italian businessman Ottavio Quattrocchi after the Central Bureau of Investigation (CBI) informed that it was still awaiting response from the Malaysian government on its formal request for his extradition. In an application moved through his counsel Ritu Singh Maan, Mr Chadha said he has been suffering from diabetes, heart disease, kidney

failure and arthritis of knee joints. He has been bed-ridden for the past three years and needs 24 hours medical attention, he said.

"Despite such acute condition, he has come from Dubai and appeared before the court which establishes his bona fides," his counsel pleaded. Mr Chadha, who was admitted to Batra Hospital in south Delhi after his arrival last Friday, was brought to the court in wheelchair, under escort of his brother, doctor and lawyers.

He had arrived at Tis Hazari courts complex at 9:25 a.m., much ahead of opening of the court, and waited in his car outside before being shifted on a wheelchair. The police threw a security ring around Mr Chadha. "You are W.N. Chadha," the judge asked. Mr Chadha replied with a nod and feeble "yes".

CBI prosecutor N. Natrajan opposed the bail saying he should be taken into custody and a medical board should be set up to assess his condition.

Mr Chadha appearance came in the wake of "last chance" given by the court on February 3.

On November 4 last, court had issued summons to him, followed by an NBW on December 14. The warrant was cancelled after his counsel pointed out that Mr Chadha did not have proper documents to travel to India. But when Mr Chadha again failed to appear, the court warned that he will get just one last chance.

In its chargesheet filed before the court, the investigation agency alleged that in a Rs 1,437 crore deal struck during late prime minister Rajiv Gandhi's tenure in 1986.

THE TIMES OF INDIA

22 MAR 2000

# Govt. plans action against Gowda, Shekhar in aircraft case

NEW DELHI: The government on Thursday informed the Delhi high court that it was proposing to take legal action against former prime ministers Chandrashekhar and H.D. Deve Gowda for recovery of over Rs 6.28 crore for using defence aircraft for private purposes during their tenure.

Additional solicitor general S.B. Jaishingami, while requesting a division bench comprising Justices Arun Kumar and D.K. Jain to issue notices to Mr Chandrashekhar and Mr Gowda as their respective parties had raised certain "objections" to the payments, said, "The government proposes to initiate legal action against defaulters."

Mr Jaishingami further submitted that the government had recovered Rs 1,86,17,280 from the Congress

on account of the bills raised for the use of planes by the late Rajiv Gandhi, but the party had been "very submissive" in its approach regarding the payment of Rs 5.52 crore for use of aircraft by former prime minister P. V. Narasimha Rao.

The government has given time to the Congress until March 31, 2000 to clear the bills, he said.

The bench, however, refused to issue notices at this stage and directed the government to file an affidavit giving details of further action against the "defaulters".

The court was hearing public interest litigation by advocate B.L. Wadhwa seeking the recovery of over Rs 13 crore from the four former premiers for using defence aircraft for personal purposes during

their tenure.

The judges, during arguments, told Mr Jaishingami that the government should first use all options available to it instead of seeking notices from the court. "First, we want to see what action you take," the bench observed while turning down the request for notices against Mr Chandrashekhar and Mr Gowda.

Meanwhile, the defence ministry, in its affidavit, said that the Congress party had sought time to make payment for use of aircraft by Mr Rao in "easy instalments" and that it had been asked to clear the dues by March 31 "so as to avoid initiation of any legal process".

The Samajwadi Janata Party (SJP) headed by Mr Chandrashekhar had raised "objections"

to the government claim and questioned the "basis of making political parties responsible" for the payments of the alleged unofficial journeys made by him, the affidavit said.

Mr Gowda's Janata Dal (Secular) had also sent a communication in December questioning the demand on "various" grounds, it said.

By raising objections to the very basis of the government claim, the two parties had in a way "disowned the liability" to pay the dues, it said, adding that their pleas were not "tenable".

Regarding the petitioner's plea for the recovery of interest on arrears, the court said this was an issue to be settled through a civil suit, not through the PIL. (PTI)

# CBI likely to constitute special teams

New Delhi, February 13

THE CBI is likely to form "special teams" and seek additional manpower to probe various defence deals signed since 1985-86 as decided by Defence Minister George Fernandes.

The investigating agency has yet to receive the go-ahead for the probe from the Central Vigilance Commission (CVC).

"All I know about it is what I have read in the Press. But we are ready if asked to investigate", CBI Director R K Raghavan said today.

"If the magnitude of the cases to be investigated turns out to be very high, I may have to think of form-

ing special teams", he said.

In a wide-ranging interview, Mr Raghavan said if the workload turned out to be huge, the agency could always co-opt personnel temporarily from state police forces who find assignments with

the CVC". The Government last week ordered a sweeping probe by CVC through CBI into allegations of presence of agents in all identified major defence purchases since 1985-86".

Central Vigilance Commissioner

## Probe Into Defence Deals

N Vittal has said he would accord very high priority to the probe.

Major defence deals likely to come under fresh scrutiny could include acquisition of frontline MIG-29s, Mirage-2000s and the recent induction of multi-role SU-30 fighter planes for the Air Force

and purchase of billions of dollars worth of spares mainly for Russian armament in the inventory of the Navy, IAF and Army.

Maintaining that he has an "excellent partnership" with the CVC in the battle against corruption, Mr Raghavan said both the agencies were examining the need for increasing the number of special courts trying CBI cases.

"There are only about 100 courts in the country which deal with CBI cases despite manifold increase in the volume of pending cases over the years", he said.

On the progress made in some of the sensitive cases, he said the results had been mixed. (PTI)



# No letter on defence deals yet, says CVC

STATESMAN NEWS SERVICE

MUMBAI, Feb. 15. — The Central Vigilance Commissioner, Mr N Vittal, has not received any "formal reference or letter" from the defence ministry asking him to probe defence deals made after 1985.

Stating this to a section of the media, Mr Vittal, who inaugurated the widearea network of the Union Bank of India here today, said he had received a call from the defence minister, Mr George Fernandes, on 5 February afternoon asking him to inquire into all defence deals signed after 1985 with CBI help, if necessary.

Though 10 days have passed since, there has been no formal follow-up in the absence of which he cannot begin the task, he said.

Mr Vittal said Mr Fernandes told him that on the last day of the Rajya Sabha, Mr Jayant Malhotra had raised many issues about the post-1985 deals and Mr Fernandes had taken serious note of the matter.

Asked if the CVC had been asked to probe likewise the Caribjet wet lease deal of 1995 by the civil aviation ministry, Mr Vittal replied in the negative. He denied newspaper reports to this effect, contending that he had not received a telephone call either from the civil aviation minister, Mr Sharad Yadav, till last Saturday.

Mr Vittal told The Statesman that the CVC has plans to empower the 500-odd central vigilance officers with temporary police powers. The logic is that if they are capable of conducting an inquiry honestly, they should have the power to take suitable action like arrests as well, Mr Vittal said.

On the controversial inclusion of the names of 82 government IAS and IPS officials on the Central Vigilance Commission's website, Mr Vittal clarified that it was not a list of corrupt or condemned officials — "rogue's gallery as painted by the media" — but a factual listing of 11 officials against whom prosecution has been recommended and others against whom major penalty has been recommended by the CVC. He asserted that under Section 500 of the IPC, it did not amount to defamation since nobody was being called corrupt or guilty. Contending that it would have a deterrent effect, Mr Vittal said he had learnt that "corruption flourishes because of secrecy and delay".

While disclosure ensures end of secrecy, the delay in action would be pursued by the CVC and the people. In an order on 18 November 1998, the CVC had directed that departmental inquiries should be completed in six months. The CVC has 1,100 cases under investigation while another 1,200 were facing departmental inquiries.

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