# Win Chadha dies after heart attack

STATESMAN NEWS SERVICE 10 9-0 de do CII

NEW DELHI, Oct. 24. – Mr Win Chadha, a key accused in the Bofors pay-off case, died after a heart attack in his farmhouse in south Delhi this morning. He was 78.

Mr Chadha, former agent of AB Bofors, had been suffering from cancer and exempted from appearing in court.

He was admitted to Batra hospital on 17 September after he had

a brain stroke.

Last month, he had applied to the CBI special judge, Mr SL Khanna, for permission to return to Dubai and spend his last days there with his family. The matter was to have been taken up on 29 October.

At Chadha's farmhouse in Bijwasan, Gyan Vatika, on the outskirts of Delhi, there were few visitors.

Barring the immediate neighbours, few people even knew that he had died.

The family barred the media's entry.

The general manager in Chadha's firm, Avitronics, Mr Saylesh Babu, said: "His relatives want to be alone at the time of grief". "Except for close friends and relatives no one is being allowed to go inside.

Asked if Chadha's son, Mr Harsh Chadha, would come to India, Mr Babu said "Harsh is severely depressed after hearing this news and he is not speaking to anyone. We can't say anything

A private security guard at Gyan Vatika said in the months after his discharge from hospital Chadha hardly ventured out.

■ 'Bofors probe not to be affected' page 8

THE STATESMAN

2 5 367 2001

THERE WILL BE NU MUSING DAVING

# We will be ruthless with infiltrators: Fernandes

y Sandeep Dikshit

NEW DELHI, OCT. 16. A day after firing look place across the Line of Control (LoC), the Defence Minister, Mr. George Fernandes, said India would be ruthless in dealing with infiltrators in Jammu & Kashmir.

Speaking to the media against the backdrop of U.S. Secretary of State, Gen. Colin Powell's arrival in the country, the Minister said, "retaliatory action will always be taken. There will be no holding back."

Strongly defending the "punitive" army action on Monday evening that left 30 infiltrators dead and several Pakistani Army posts destroyed, Mr. Fernandes sought to downplay the impression that the army action was in any way connected to Gen. Powell's visit. Incidents of this kind were frequent along the Line of Control and to some extent on the international border as well. He denied that India initiated the strike or that the assault had anything to do with Gen. Powell's visit. Nor did the Minister subscribe to the Pakistani view that India was acting tough at this juncture.

### Only a counter-measure

"The Army took the initiative to throw back (the infiltrators) and in the process used fire on terrorists trying to infiltrate. Their desire was to prove they can still infiltrate while our action was in retaliation," he ex-



plained. The Army countered the infiltration with small arms, air defence guns, automatic grenade launchers and mortars but artillery fire was not used, the Defence Minister clarified. Commenting on the deployment of Pakistani forces along the border, Mr. Fernandes said there had been no change since the ceasefire was called off. Though some troop movement had taken place following the Afghan crisis, it was entirely of a defensive nature.

### Pak. won't get backing on Kashmir: Advani

By Our Special Correspondent

MANESAR, (HARYANA), OCT. 16. India is fully capable of dealing with its problems on its own,

Like Union Home Minister, Mr. L.K. Advani, said here today, scoffing at Pakistan's attempt to link its support to the U.S.-led coalition against terrorism with Jammu and Kashmir.

"Our neighbouring country says it is supporting the international coalition against terrorism because it feels that it will get some support for whatever it is doing in Jammu and Kashmir. This is very strange. Whatever it may say will not get any help or backing for what it is doing in Kashmir," Mr. Advani said.

On the other hand, he said, the climate the world over was such that it would prove helpful to India in solving the problem of cross-border terrorism in the Valley.

Mr. Advani was addressing the crack commandos and personnel of the National Security Guards (NSG) on its 17th Raising Day here. The two Ministers of State for Home, Mr. Vidyasagar Rao and Mr. I.D. Swami, senior officials of the Ministry and the Central forces were present.

He said no terrorist group, including the Lashkar-e-Taiba, the Jaish-e-Mohammad or the Hizb-ul-Mujahideen, could fight the "immense power" of a strong India. "Any terrorist organisation cannot do anything. The real danger is when these groups get the backing, support and patronage from another nation."

# Tehelka seeks documents on govt charges

STATESMAN NEWS SERVICE

NEW DELHI, Sept. 10. – Tehelka today asked for documents that relate to the Centre's claim that Tehelka began its sting operation to make money, but the Justice Venkataswamy Commission couldn't comply because the Centre's investigations are still continuing.

The Tehelka chief, Mr Tarun Tejpal, today filed an application requesting the Commission to release annexures filed by the Centre in its affidavit accusing the portal of master-minding the stock market crash. These documents relate to the income-tax department and the Securities and Exchange Board of India. But the Commission does not have the documents as the Centre is still investigating the case. As a result, Tehelka has to be

■ See TEHELKA: page 8

# Bofors case: CBI can argue in Malaysia

NEW DELHI, Sept. 6. – The CBI can now argue independently before the Malaysian court hearing Mr Ottavio Quattrocchi – a key accused in the Bofors case.

Terming it a "significant victory for the government of India," the CBI spokesman, Mr SM Khan, said the Malaysian High Court today allowed the CBI to argue in the case of Mr Quattrocchi and his extradition to India. He said according to the ruling, the Centre will be directly affected by the outcome of Mr Quattrocchi's application and should be party to the proceedings. The CBI will respond to Mr Quattrocchi's charges directly.

Though Mr Quattrocchi's counsel argued that "cost" should be part of the main judicial review application, the court rejected his argument and ordered that "he should pay the costs to the Union of India immediately".

The matter will come up for hearing before the Malaysian High

Court on 22 and 23 October.

Mr Khan said a CBI team will visit Malaysia to argue the case. "After the High Court judgement, the proceedings for Mr Quattrocchi's extradition will start in a trial court in Malaysia," he said.

Judge Abdul Aziz Mohamad ruled that the Indian government should be allowed to challenge Mr Quattrocchi's application to quash the extradition order. The court's decision means that Mr Quattrocchi (62) will be up against both Malaysian government prosecutors and lawyers for the Indian government.

Mr Quattrocchi's lawyers say the Malaysian authorities never explained why he had been arrested, contrary to extradition law, which states that a suspect has the right to know the charges against him.

# Defence deals to be cleared by acquisition council

### STATESMAN NEWS SERVICE

NEW DELHI, Aug. 30. — A Defence Acquisition Council, chaired by the defence minister, is being formed to clear all longterm defence purchases.

The defence minister, Mr Jaswant Singh, has already approved setting up of DAC and under it, Defence Procurement Board and Defence Production Board, as part of the restructuring of the defence ministry to deal with purchases of military equipment.

high-powered body ever formed ry will be one of the four vice-

by the defence ministry since Independence to deal with weapons purchases. It also aims to ensure there is proper planning, no fighting over resources between the three services and no

arbitrary purchases.
The DAC will include the minister of state for defence, chief and vice-chief of defence staff (when they're appointed), chiefs of Army, Navy and Air Force, secretaries of defence, defence production and defence finance, and a special secretary in the defence ministry in charge of ac-The DAC is probably the most quisitions. The member secreta-

chiefs of defence staff, but till they are appointed, the directorgeneral of defence planning staff will officiate. From the list of members, it's clear that the Centre is serious about appointing a chief of defence staff, who will be third in the hierarchy, and his secretariat.

The DAC will approve purchases spoken about in the 15-year Long Term Perspective Plan, covering three five year plans. The DAC will approve "make" projects or development of systems that'll take time.

■ See DEFENCE: page 8

Transparency in arms deals 9 Dord?

SRINJOY CHOWDHURY STATESMAN NEWS SERVICE

NEW DELHI, Aug. 29. - The defence ministry, which is about to restructure itself, has asked Transparency International, an international organisation, for help and advice to ensure that there is no corruption in arms deals.

Transparency International officials will meet defence min-istry officials to suggest chan-ges in the ministry's method of functioning, including procurement of military equipment, sometimes worth thousands of crores of rupees, officials said. The defence secretary, Mr Yogendra Narain, and other ministry officials are likely to meet

### SAMATA MEETING

NEW DELHI, Aug. 29. – Mr George Fernandes tonight called an emergency meeting of party MPs. The move comes after the defence minister distanced himself from Mr Fernandes's stand on the issue of post-Tehelka defence procurements. - SNS

■ Details on page 8

TI personnel. It is possible that Mr Arun Singh, who advises the defence minister on certain issues, may be involved.

The defence ministry has been reorganising itself and trying to ensure that there are no grey areas in buying equipment. In recent times, the ministry and to an extent, the services have faced charges of financial misdemeanours culminating with

the Tehelka expose.

Admiral RH Tahiliani (retd.), former chief of naval staff, is involved with Transparency International, which has German links. Officials approached him after an article by him about betatter an article by him about better ways of doing business appeared in a newspaper and the journal of the United Services Institute, a military think tank. He said: "Transparency International, through out the world, graphs of different ways of do speaks of different ways of doing business so that there is no corruption." Several important issues will come up tomorrow, including "the integrity pact."

## Fresh look at ban on agents in defence deals STATESMAN NEWS SERVICE

NEW DELHI, Aug. 28. – The government is taking a fresh look at the ban imposed by the Rajiv Gandhi government in 1986 on the whole factor of agents in defence deals.

Mr Jaswant Singh said the government was in the final stages of examining the "whole factor of agents in purchase of weapons

systems."
The defence minister said all the information on the issue would be put up on the ministry's website. For, he had nothing to hide. There have been reports about the decision to go back to dealing with arms dealers, but ministry officials said the defence minister is yet to take a final decision on it. It could also go to the Cabinet for clearance because it's a sensitive

■ See BAN: page 8.

# STATESMAN NEWS SERVICE

set to sign a major submarine deal Joint Commission meets later this NEW DELHI, June 14. - India is all with France after the Indo-French month.

HDW submarines) at the Mazagon Senior defence ministry officials today said the multi-million dollar deal replace the Project 75 (the building of on the Scorpene, an advanced French submarine, was "through" and it will Docks which never got off the ground

complications in the Eighties and there The HDW had run into political were further complications after the German firm was bought over.

The Centre has cleared the Navy's proposal to build 24 conventional many of them will be Scorpenes isn't certain. The initial order could be for submarines in 30 years but just how wo or four submarines.

But since the French will transfer

# lia, France set to sign sub dea

technology and help in the building of the submarines at the Mazagon Docks, it is very likely that many more will be built with minor modifications over time.

Meanwhile, the French apparently want to link the purchase of a missile

to the Scorpene deal.

The Centre is also considering.

Russian designed Amur submarines This would be the production of the which are considered as advanced. clearing a second submarine line.

But the possibility of a second submarine line being cleared and going If it is cleared, then production could into operation immediately is unlikely

military-to-military and "technical" Defence ministry and military officials of India and France usually issues. Such ties also exist with Russia, the USA, Britain, Israel and meet twice a year to discuss strategic, start in about five years. Vietnam

# NDIA MULLS RUSSIAN JET TRAINERS

**NEWS SERVICE** 

STATESMAN

Trainer and consider taking in the Russian MiG-AT and lated negotiations for the British Aerospace Hawk, India has decided to expand its hunt for an Advanced Jet NEW DELHI, June 14. - With little progress in price-rethe YAK-42.

AT were endorsed by Parliament's standing committee to take to the skies. Now, the Mig-AT has successfully Previous Russian pleas to take a close look at the MiGon defence but were rejected on grounds that it had yet cleared its preliminary trials.

ing, senior defence ministry officials said today. The latest request to consider the aircraft's inclusion had been made at the recent meeting of the Indo-Russian commis-The Russian planes are a "live" option worth considersion on military-technology cooperation in Moscow.

In the Indian context, this means a single AJT could be The MiG-AT, powered by a French engine, is touted as the most sophisticated advanced trainer in the world. Its cockpit and control panels can be re-configured to replicate those of a variety of combat aircraft.

general advanced training to pilots and also tailor the training (to a fair degree) to each aircraft-type in the IAF

British Aerospace have been on for over two years. The Though the requirement of an AJT was identified and cleared years ago, formal price-related negotiations with deal had "come close" to being finalised more than once, but complications arose inventory

India recently said there should be no American compo-

sian Advanced Jet Trainers was a signal to the British to reduce their prices or risk losing out on the deal, which nents in the aircraft since they could be covered by the also includes transfer of technology and licensed produc-US' post-Pokharan sanctions. That has pushed the price Defence analysts feel India's decision to look at the Rusup even further.

part advanced training to pilots on an aeroplane that has The IAF would still be reluctant to opt for the MiG-AT despite its unique features because it's not a "prove" aircraft like the Hawk, experts say. It'll be risky to in not established its credentials over a period of time.

tion in India.

THE STATESMAN

# ussia for T-90 deal

SRINJOY CHOWDHURY STATESMAN NEWS SERVICE

Army will lay its hands on the T-90 Russian tank, its biggest purchase since the mid-80s, later this month, when a big delegation leaves for Moscow for a 120-day training and fa-NEW DELHI, June 9. miliarisation programme.

will leave for Russia some time after the defence minister re-turns probably on 22 June, Ar-my officers said. eight other officers and 30 men A senior lieutenant-general,

They will be accompanied by the director-general of qua, electrical and mechanical engineers and a De-Research and Develop-Organisation team. sonne fence ment

Avadi, 1 The ing of tl

the acquisition of three regiments of tanks in knocked down condition to be put together in India and a the T-90 deal, worth seees, with Russia. It involves thousand crores of rupthe purchase of two regijo ments tanks, veral

lity assurance, ordnance per-transfer of technology for subsequent | manufacture of the tank here. The initial purchases will replace the five regi-ments of anti-quated Vijayantanks plus spares. ally comprises 45 A regiment usuta tanks of the armoured corps. Officials of Heavy Vehicle De-velopment Establishment, the tank manufacturing factory at Avadi, too may visit Russia.
The visit follows the signmanufactured

Smaller delegations vis-About 125 tanks may be purchased initially

ited the former Soviet Union for training when the PT-76, a regiment of T-54, the T-55 and the T-72 tanks were pur-

price negotiation agreement, it was later incorporated by Rusimproves the tank's defensive not referred to in the prolonged has been insistent about its inabilities. Sources said that even though the missile was sian manufacturers. The Army corporation. chased. Usually, the officers were trained at the elite but this time, they could be sent to an academy about 70 km from Moscow, near Vis-Officials Malinovsky Institute,

"Otherwise, we could have purchased the T-72S, an older, less sophisticated but cheaper tank," a senior official said. This tank had been "pushed"

> bly more time is required as all the

said considera-

trel.

said the T-90 was being pur-Mr HD Deve Gowda. He had chased by the army before tests in the Rajasthan desert by the former Prime Minister lectures are in Russian and have to be The deal had been signed without an agreement to incorporate the Shtora missile into the tank's system. The missile translated into English.

in the summers. The tests were conducted successfully

junk-heap despite its good gun, the T-55s are ageing and usually short of spares. Even the T-72, the Army's main battle tank so far, is prolonged negotiations. The ded new equipment as the Vijayanta is ready for the about two decades old and is The purchase comes after Army's armoured corps nee being upgraded

armoured contingent has purchased the comparatively Meanwhile, the Pakistani sophisticated more

# India, Russia discuss mega defence deal

Vishal Thapar New Delhi, June 5

**DEFENCE MINISTER Jaswant** Singh is in Moscow poring over what could turn out to be the largest-ever Indo-Russian defence-cum-economic cooperation deal.

Described as the "matrix" for future Indo-Russian strategic cooperation, the Russians are pushing a "package agreement" that includes T-90 tanks, the aircraft carrier Admiral Gorshkov along with a complement of MiG-29K shipborne fighters, and the Su-30 MKI air-superiority fighter. The bill: a clean \$6.1 billion. Earlier, it was believed that these were stand-alone deals.

Ministry Defence spokesman confirmed that there was a "totality" about the deal. Singh is working on a protocol over the modalities of the deal at a meeting of the Indo-Russian Inter-Governmental Commis-sion for Military-Technological Cooperation, of which he is cochairman along with Russian Deputy PM Ilya Klebanov.

Meanwhile, user trials of the T-90 tanks have been "successful-T-90 tanks have been "successfully" conducted in Rajasthan. India wants to purchase 124 T-90s, and licence-produce 186 more at the DRDO tank factory at Avadi. Sticker price: \$800 million.

Tagged to the T-90 is the licensed production of 140 Su-30 fighters at the Bangalore-based

HAL for \$3.3 billion.
India has already signed a

contract to purchase 50 Su-30s off the shelf. Next in the package is the mighty Admiral Gor-shkov and the accompanying shipborne MiG-29Ks.

The Gorshkov isn't going

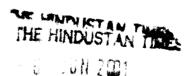
cheap either. The carrier, earlier believed to cost \$400 million-\$



700 million, will burn a \$2 billion hole in India's pocket. This, while the Russians are giving the Gorshkov free. The bill is for the refit and the aircraft.

the refit and the aircraft.

The mega-package also requires India to invest \$1.7 billion in oil exploration off Sakhalin. On its part, Russia will assist in building a nuclear power plant in Kudankulam, Tamil Nadu. A transport corridor linking Russia to Iran and India why land to the Iranian India — by land to the Iranian port of Bandar Abbas, and then by sea to Gujarat — is also envi-



# Tehelka was a big fraud, says George

EXPRESS NEWS SERVICE 6

MUMBAI, JUNE 5

"TEHELKA was a big fraud," said George Fernandes as he met the media for the first time in Mumbai after the expose.

"A fictitious play-acting has been projected as reality. Words were added, twisted to give a different meaning to what people spoke before the camera," he said, adding that the tapes have harmed national security.

When the former firebrand leader of Mumbai's working class was back in the city after an ignominious exit from the cabinet, about a thousand loyal workers thronged to the Shanmukhananda Hall to see him. The rally organised by the state unit of the Samata Party was the first public function of the former defence minister af-



George Fernandes — File Photo

ter the armsgate scandal.

Members of Municipal Mazdoor Union, Mumbai Taximen's Union and other HMKP organisations were little bothered. They presented him with a cheque of Rs 5 lakh. Fernandes said it will be utilised for paying the lawyers
CONTINUED ON PAGE 2

## Tehelka was a fraud, says George

fighting his Tehelka case. Tehelka has harmed national security by demoralising the armed forces as well as the people of the country, he alleged. "A lot of people made a lot of money. I am going to contest Tehelka's claims before the Venkataswamy Commission," he said. He refused to come out openly against the labour reforms of the Vajpayee Government.

There can be a difference of opinion over an issue," he said. "People are spreading a lot of misinformation without knowing whether it will have a negative effect."

And what about his return to the Team Vajpayee? "There have been a lot of stories cooked up in the media. I am not the type to put the pressure on the government to reinduct me,"he said.

N MAIL EXP\*ES:

# Separation of Bofors statesman news service

NEW DELHI, May 25. - A designated CBI court today ordered separation of the trial of six accused - including the NRI business men, the Hinduja brothers – from that of Italian businessman Mr Ottavio Quattrocchi and former AB Bofors chairman Mr Martin Ardbo in the Bofors kickbacks case. The six accused are Mr SP Hinduja and Mr GP Hinduja both British nationals, Mr PP Hinduja, a Swiss national, former defence secretary Mr SK Bhatnagar, Swedish gun manufacturer AB Bofors and its agent Mr Win Chaddha. Special Judge Mr RL Chugh while ordering a separation of the

trial said, "It is a matter of chance and no reasonable assessment can be made as to when the two person (Mr Ottavio Quattrocchi and Mr Martin Ardbo) would be present before the court... I direct the CBI to file separate police reports against the two accused as soon as possible and warrants of Mr Quattrocchi are extended till further orders. The CBI may also pursue the red corner alert notice against Mr Ardbo".

The court took cognisance of the fact that the case is a decade old and still in the preliminary stage. "It is also of utmost importance for the state and society that the case which originated in 1990 at least proceed with," said Mr Chugh.

The CBI alleged that the Hinduja brothers had received over 81 mil-

lion Swedish Kroners from AB Bofors who had received a Rs 1,437-

crore gun contract in the mid-1980s. The Hindujas appeared before a trial court in Delhi on 19 January when they were granted bail but were asked to stay in India. The Delhi High Court in its 27 April order asked CBI to file an application in the trial court asking for separation of charges so that hearing in the case can be completed expeditiously.

# Inquiry holds Armsgate' army

The Times of India News Service NEW DELHI: Although the Court of Inquiry (CoI) has found the six army officers named in the 'arms-gate' expose prima facie guilty of corruption and misconduct, the army says that talk of them facing a General Court Martial (GCM) is 'too premature'

"It's a long process in which only the first step (the CoI) has now been completed. The accused can face either disciplinary action (GCM) or administrative action (ranging from displeasure to termination of services)," said a senior army officer.

The officers indicted in the CoI report are Maj-Gen P.S.K. Choudhary, Maj-Gen Manjit Singh Ahluwalia, Maj-Gen Satnam

Singh, Brig Iqbal Singh and Col Anil Sehgal, all TOI Graphic: Prakash Sanap attached to Army Headquarters at present. Another

officer, Lt-Col Sharma, on deputation with the IAF, has also been found guilty of improper conduct.
Incidentally, Maj-Ger Mai-Gen

Choudhary, who was additional director general (weapons and equipment), was the only officer who had publicly admitted having taken Rs 1 lakh and a gold chain from the Tehelka journalists who had posed as arms dealers.

The report of the Columbial was

had posed as arms dealers.

The report of the CoI, which was headed by Lt-Gen S.K. Jain, was submitted to Western Army Command chief Lt-Gen Surjit Singh on Monday. The officers posted in Delhi come under the Western Army Command.

"After studying the report and consulting the Judge, Advocate General branch, Lt-Gen Surjit

Singh, the convening authority, will decide whether it warrants disciplinary or administrative action," said an officer.

The GCM will come into play only if it is decided to take disciplinary action. The army commander will first order recording of summary, following which GCM proceedings headed by a Lt-Gen (since Maj-Gens figure among the

accused) can begin.

Conversely, if the army commander opts for administrative action, punishments ranging from severe displeasure to termination

of service can be handed out to the accused under the relevant sections of the Army Act.

Under the Army Act, termination of services can take place in two waysone, after issuing show-cause notices to

the accused, or two, the services of the guilty officers are directly terminated by the President, the Supreme Commander of the Armed

Forces, without any show-cause notices. The latter step was taken in the now infamous Samba spying case. While Maj-Gen Manjit Singh Ahluwalia was clandestinely filmed by the decoy arms dealers asking for a bottle of Blue Label Scotch, Maj-Gen Satnam Singh had offered advice on procurement procedures to be followed.

Another accused, Brig Iqbal Singh, had allegedly accepted Rs 50,000 as bribe. Col Anil Sehgal, in turn, had reportedly demanded Rs 2 lakhs from the dotcom journalists, claiming the money went all the way to the term. the way to the top.

THE TIMES OF INDIA

W. TAM B !

# **Bofors: CBI gets** fresh documents, Hindujas grilled

PRESS TRUST OF INDIA NEW DELHI, MAY 15

CBI today questioned the three Hinduja brothers, accused in the Rs 64 crore Bofors pay-off case, after receiving a fresh set of documents from Swiss authorities

detailing transfer of

The three brothers, namely - S P Hinduja, G P Hinduja and P P Hinduja - were called to the agency headquarters and questioned for over three

hours regarding alleged transfer of money from their accounts to other companies, a CBI spokesman said here

The spokesman said the three brothers — British nationals Srichand and Gopichand and Swiss National Prakashchand — were examined separately by the investigating officers.

The CBI would be retaining these documents for some time for

further scrutiny, he said, adding these had already been shown to Special Judge R L Chugh, who is hearing the Bofors payoff case.

However, he said the agency would not require for questioning in the near future Srichand and Oppichand Hinduja, both British

nationals, who have been granted permission by the Supreme Court to go abroad.

The spokesman said as Prakashchand would be available, the CBI might question him if the need arose.

The Letters Roga-

tory for transfer of the documents wasn't to the Swiss authorities last year in June, the spokesman said, adding "as of now, there are no more documents about the case but if during the probe any fresh evidence comes to light about more papers, the agency would make a fresh application for their transfer.

**CONTINUED ON PAGE 2** 

🕯 Opp. Tikuji-ni-wadi, Thane (W) 🛈 5972063 / 5972064 / 597 2241

- O Dahanu (W): 24036, 24919 **THANE SUB-DIVISION**
- O Thane (W): 5339128, 5435855
- O Ghatkopar (W) : 5146800
- O Vikroli (E) : 5770098
- O Bhandup (W): 5921415/16 O Mulund (W): 5623232, 5678891
- O Mulund (E): 5623529
- O Thane (E): 5971370
- O Vasant Vihar: 5428173
- 5951224
- Vashi: 7894513/36
- O CBD Belapur : 7575984 O Panvel : 7463886/4620
- O Uran : 7224138 O Alibag : 22905

### KALYAN SUB-DIVISION

- Kalyan (W): 891551, 310313
- Dombivli (W): 494746, 498957
  Dombivli (E): 431192, 438016
  Bhiwandi: 35369, 32672.
- O Kalyan (E): 891559 Ilhasnauar (W)

INDIAN EXPRESS

) 6 MAY 2001

# SC lets two Hindujas leave on bail of Rs 30 cr, third stands guarantee

**EXPRESS NEWS SERVICE** 

NEW DELHI, MAY 12

put in India for four months, two of the three Hinduja brothers were allowed to-day by the Supreme Court to go abroad, while the third stood guarantee for their return by August 20.

Overruling the CBI's contention that their presence was required for the Bofors trial, the Court granted permission to Srichand and Gopichand Hinduja, both British nationals, to leave the country after furnishing a bail bond of Rs 15 crore each, the highest-ever in the Indian legal history.

Abench, comprising Justice M B Shah and Justice Y K Sabharwal, passed the order in line with the suggestion made the counsel for the Hindujas, Kapil Sibal, that Prakashchand Hinduja, a Swiss



Srichand Hinduja: Heavy price for limited mobility

national, would serve as a guarantor.

The bench, however, refused to pass any order on Sibal's plea to allow substitution of Prakashchand Hinduja with one of the two brothers if he came back much before August 20.

While directing Srichand and Gopichand Hinduja to furnish bail bonds of Rs 15 crore each

through bank guarantees to the satisfaction of the trial judge, the apex court clarified that during their absence the proceedings before the trial court would be unaffected and their counsel would not be allowed to take adjournments on the ground of their absence.

Thus, the Hindujas obtained an interim relief just the day before the Supreme Court closes for a two-month summer vacation.

This development followed a 24-hour ultimatum the court gave yesterday to the CBI to spell out, regardless of its reservations, the terms on which the brothers could go abroad.

Yesterday, the court brushed aside the CBI's claim that it has taken steps to separate the trial of the Hindujas from the other accused in the Bofors case so that the recording of evidence against them can be completed in six months.

Since the case involved many

witnesses, including those residing abroad, the apex court said the trial was more likely to take years.

The Supreme Court's order is in contrast to that of the Delhi High Court directing the trial court on the basis of the CBI's claim to complete the recording of the evidence against the Hindujas within six months.

This compelled the apex court to clarify that the trial court can conduct its proceedings without being "influenced" by the High Court's deadline.

Adjourning the matter to August 7, the Supreme Court said, "If there is any violation of the conditions imposed today, it will be open to the special judge to pass appropriate orders to cancel the bail of P P Hinduja," which means P P Hinduja bears the risk of being jailed in case his two brothers fail to comply with the apex court order.

The three brothers are on bail since January 19.

NDIAN EXPRESS

1 3 MAY 2001

# duja brothers can leave India (S) 6-72

OUR LEGAL CORRESPONDENT

Supreme Court today permitted Mr Gopichand Hind- juja and Mr Srichand P. Hinduja to go abroad during fithe resumed hearing of SLPs NEW DELHI, May 12. — The filed in the Bofors gun deal STATESMAN NEWS SERVICE

The permission has been is posted for hearing on 7
August, "the court said.
The Division Bench, August 2000 and the matter comprising Mr Justice MB granted till 20 August. "Interim measures are till

judge to pass an order for cancellation of bail, the each with a bank guarantee of the like amount to the satisfaction of the special val, directed them to execute a bond for Rs 15 crore and Mr Justice YK Sabhar Shah

on the ground that any of the petitioners is not present."

It directed the CBI to The court directed counsel for the not ask judge. the da (before mather

CBI counsel Mr N Natarajan, assisted by Mr P Parameshwaran, filed an affidavit which, besides seeking no interference in the fully justified having regard to the consistent course of High Court's order by the imposed while granting bail to the accused petitioners is Supreme Court held. Supreme Court, the special court) at te of posting of the for any adjournment petitioners to remain observing "they would e the trial within six as said by the High even though there are 91 witnesses out of whom 13 months Court, 6 conclud

submitted

condition

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"such

required to be present to plead guilty or not guilty, thereafter witnesses have to of the accused and at the time judgement being be examined in the presence pronounced etc. of the are foreign nationals. It conduct of the petitioners directed Mr PP Hinduja to accused in the past. The said remain in India. In the event condition imposed by the of violation of any condition it learned Special Judge and will be open to the special upheld by the Honble High ensuring the presence of the 5 Court with the view

counsel referred to the bail granted to co-accused Mr Quatrocchi, the court took a serious note of his not Kapil Sibal got a favourable the court was conditions. When the Hinduja order by submitting that his recording of evidence. But Mr client had huge estates in 2 5 returning Initially reluctant  $^{\mathrm{the}}$ requires the presence of the cognisance, being taken that accused at various stages of a the presence of the accused is trial is consistent with the provisions of the code of criminal procedure which criminal trial, such as on to be secured either by issue warrant, at the time charges summons or by issue of petitioners accused at

may be retained in India in order to ensure their availability whenever it is required by the Special order Judge.

The court, however, did not find it necessary to pass an order on Hindujas' prayer to issue directions to the Special presence at every stage their whether they were needed or requiring Judge

relax

Senior counsel Mr PP Rao, Hindujas, tried to refer to the facts submitting that there was no nexus connecting his client with the payment made appearing

India

India and one of the brothers

are framed the accused is

no evidence against them. But the court declined to the facts and left it to be accounts. He said there was examined by the special court consider any submission on

that their conduct was being in the trial. The Hinduja brothers, who certain orders but the court without issuing any order on the requests made, obtained an assurance from Mr Sibal tested and if any obstruction of the trial takes place due to were present in the court, kept instructing their counse to make requests about against them.  $_{\text{three}}$ 

THE HINDUSTAN TIME

3 MAY 201

# SC asks CBI to file affidavit

OUR LEGAL CORRESPONDENT STATESMAN NEWS SERVICE

NEW DELHI, May 11. — The Supreme Court today asked the CBI to file its affidavit by tomorrow in the controversial Bofors gun deal case.

Challenging the 27 April single-judge Bench judgment (presided over by Mr Justice SK Agarwal) of Delhi High Court, the Hinduja brothers have sought permission to go abroad.

On opposition by CBI counsel, Mr N Natarajan and Mr P Pareshwaran, Delhi High Court had already directed the prosecution to complete their evidence within six months, the Division Bench of the Supreme Court (coram, Shah, Sabharwal, JJ) observed: "Is it practical to finish the trial within this period, when there are 95 prosecution witnesses, many of whom are foreign-based?"

The court asked the CBI to give details about the number of witnesses who are in India and of those who were foreign-based and also to suggest the conditions which may be required to be imposed on the accused if the court passes an order in their favour permitting them to go abroad.

**BOFORS PAYOFFS CASE** 

The three brothers who have filed SLPs are Mr Gopichand P Hinduja, Mr Prakash P Hinduja and Mr Srichand P Hinduja and are defended by senior counsel Mr Kapil Sibal, Mr PP Rao and Mr Rajender Singh.

Counsel for Hindujas pleaded that their client had huge investments in India and had volunteered before the CBI for interrogation. They undertook to cooperate in court proceedings.

The CBI had maintained before the High Court that the case was registered on 22 January 1990 and first chargesheet was registered on 22 January 1999. The petitioners had been visiting India regularly from 1991 till 1999. However, after the Swiss Federal Court dismissed their appeal and allowed transmission of documents/evidence to India, they stopped visiting India and declined to participate in investigation on January 12, 23, 26 and 12 May 2000.

The High Court was also informed by the CBI that Mr GP Hinduja took up British nationality on 23 June 1998

after the examining magistrate, Geneva, issued a decision closing the procedure on 15 June 1998, allowing transmission of evidence to Indian authorities. Mr SP Hinduja obtained British nationality on 27 April 1999 shortly before the Swiss Cantonal Court dismissed their appeal on 17 May 1999 and Mr PP Hinduja also took up Swiss nationality on 21 September 2000.

The High Court had, in the impugned judgment, held: "In view of the above, taking into consideration the nature and gravity of the offence, conduct of the petitioner and the fact that they have no immovable or movable assets in this country, apprehension of the prosecution that the petitioners may not be available before the court, if they feel that proceedings of the case were going adverse to them, cannot be said to be unfounded." Hearing adjourned: A designated CBI court today adjourned the hearing in the Bofors gun pay-off case till 14 May as arguments by defence counsel against the petition to split the case were not completed.

The CBI has filed an appeal in the court for separate trial of six accused, including the Hinduja brothers, in pursuance of the Delhi High Court order of 27 April. The High Court directed the CBI to move to the trial court for separate trial of Hinduja brothers and other accused who had appeared before the court for expeditious trial against them.

Special public prosecutor for CBI, Mr US Prasad, told the court today: "The CBI is ready and willing to separate the trial in accordance with law and pursuance of the Delhi High Court order."

Mr Amit Desai, counsel of Mr SP Hinduja, said: "The CBI plea for separate trial is not maintainable under Section 317 of the Criminal Procedure Code as it is only applicable under those cases where all the accused have appeared before the court. Mr Martin Ardbo and Mr Ottavio Quattrocchi have yet to appear before the court."

He said: "The trial proceedings are at a preliminary stage. We have moved an application to the court to scrutinise certain documents and files to see the charges levelled against my clients."

THE STATESMAN

1 2 MAY 2001

# Cong. disapproves of Hindujas' role in diplomatic assignments

By Javed M Ansari 🎺 🗥

NEW DELHI MAY 9. After its "polite inquiry" yesterday , the Congress today expressed "strong disapproval" of the Government's decision to utilise the services of the Hinduja brothers in its meetings with various heads of states. "We totally disapprove of the utilisation of the industrial house of the Hindujas for delicate diplomatic assignments" said the party spokesman Mr. Jaipal Reddy.

The Congress also took exception to the fact that the controversial Hinduja brothers were present when discussions took place between the Principal Secretary to the Prime Minister, Mr. Brajesh Mishra and Mr. Tony Blair and also at his meetings with the President of France. Mr. Reddy revealed that an Iranian, Mr. Hakimi, was present at the meeting with Mr. Chirac which according to him was "unprecedented" in the diplomatic history of the country.

He deplored that the Indian High Commissioner to the U.K. and the Ambassader to France were both kept in the dark about "the meetings and the proceedings of the meetings". Mr. Reddy said that while it was not known how much the country gained from such "clandestine diplomatic encounters it is evident that the prestige of the Hindujas went up by leaps and bounds in the eyes of the two governments".

The party sought to rope in the Prime Minister and said that Mr. Brajesh Mishra was merely a messenger and was carrying out the orders of the Prime Minister who was also the External Affairs Minister at that time. "He could not have taken the Hindujas along without the knowledge of the Prime Minister," said Mr. Reddy.

The alacrity with which the Ministry of External Affairs had rushed with an explanation and the defence of this procedure "shows that it is the PM who was primarily responsible", for what happened.

The Congress also kept up the pressure on the BJP-led Government by making it clear that it considered the results of the current Assembly elections as "judgment on the anti-people policies and performance of the Vajpayeeled Government". He referred, in particular, to the anti-farmer policies

Mr. Reddy said that it was Mr. Vajpayee who had first referred to these polls as a "referendum on his Government." However much the Prime Minister might want to run away now, they can't escape the political responsibility of the verdict through their protestations," he said.

### Nothing wrong in taking help of Hindujas: BJP

By Our Special Correspondent

NEW DELHI, MAY 9. After maintaining silence yesterday, the Bharatiya Janata Party today defended the Prime Minister's Principal Secretary, Mr. Brajesh Mishra, using the good offices of the Hindu-

ja brothers when seeking an appointment with the British Prime Minister, Mr. Tony Blair, in

Mr. J.P. Mathur, senior party leader, saw nothing wrong in the Government approaching the Hindujas who were very much the subject of an investigation into the Bofors deal. Yesterday, the Government took shelter behind the fact that in 1998 the Hindujas were not yet chargesheeted in the case.

Recalling the difficult situation India was in after the May 1998 Pokhran nuclear experiments, Mr. Mathur said the circumstances demanded "delicate diplomatic handling" and there was "nothing wrong" in Mr. Mishra taking the help of the Hindujas. In fact, he went a step further and lauded the Principal Secretary's role (and one presumes that of the Hindujas) in improving Indo-British ties in the post Pokhran period.

Neither the government yesterday nor the BJP today saw the impropriety of seeking a businessman's help to get an appointment for the Prime Minister's personal emissary who was by his own admission carrying a letter from Mr. Vajpayee to Mr. Blair.

In fact, when the BJP now denounces the AIADMK leader, Ms. J. Jayalalitha, as "corrupt" it uses a similar argument, pointing out that she had not been convicted when she was the BJP's ally in 1998 though Ms. Jayalalitha stood chargesheeted in several cases.

THE LINEU

JUMAY 200

# admits taking Hinduja help for Blair meeting

HT Correspondent

New Delhi, May 8

THE MINISTRY of External
Affairs has admitted that Gopichand and Sri Prakash Hinduja cha had "facilitated high-level contacts" for Brajesh Mishra, the Prime Minister's Principal Sechel

litation retary, in London in June 1998. "This is usual and facilitatie

like this are carried out from time to time," the ministry spokesman said.

There was no confirmation whether the Hinduja brothers were present during the reported meeting between Mishra and British Prime Minister Tony Blair. The then Indian High Commissioner to U.K., Salman

ning Commission. The Government repeatedly stressed that there was no charge-sheet filed in the Bofors case against the Hindujas at that point. "The Hindujas offered to Haider, was in New Delhi as he had been summoned for "urgent consultations". help and it was accepted in national interest. There was a certain urgency in establishing such a contact," the spokesman

British Foreign Secretary Robin Cook was quite cold to the suggestion of a meeting between Mishra and Blair. So the help of

issue. But the Samajwadi Party's reaction was surprising, saying it was "not fair" to attack Mishra without ascertaining the full

facts and circumstances of the post-Pokhran-II meeting.

SP spokesman Amar Singh

nations of the security concerns in its neighbourhood that forced the decision to carry out the nuclear tests. The problem was

ernment had an uphill task following the Pokhran blasts of May 1998 to convince the P-5 Sources said the Vajpayee Gov-

senior political leaders frequently socialised with the Hindujas, he said. sought Mishra's "immediate removal" as Principal Secretary and National Security Advisor, the Congress has been more guarded in its reaction and asked

visiting dignitary to the Hinduja house. The Indian envoy was extremely close to them and almost worked in tandem with former Indian High Commissioner to the UK used to, as a matter of practice, conduct every

tive of the "deep nexus between the Vajpayee regime and the Hin-duja business". the family. The CPI-M, however, dubbed the Hindujas' presence at the Mishra-Blair meeting as "shock-ing and unacceptable" and reflec-

Alleging that such a step could not have been taken without the

Vajpayee regime responsible of a dures" since the Hindujas are being prosecuted for receiving kickbacks in the Bofors gun deal "serious breach of security and elementary Government proce-

was "absolutely essential" to restore public confidence.

and Minister for Rural Development M Venkaiah Naidu were BJP spokesman V K Malhotra

> THE HENDUSTAN TIME = 9 MAY 2001

the Centre to come clean on the The BJP tried to play down the exacerbated by the fact that there was no Minister for External Affairs at that juncture. The Prime Minister himself held the portfolio. Present incumbent Jaswant Singh was then the Deputy Chairman of the Plan-

The Government claims the Indian High Commission was aware of the meeting. the Hinduja brothers was sough

The Hindujas' role as facilitators for the Mishra-Blair meeting in London has evoked mixed responses from leading political parties here. While the CPI-M

said the acquaintance could not be considered criminal. He also said the persons who organised Mishra's meeting with Blair were not chargesheeted in the Bofors case at that time. Many

The SP leader recalled that a

According to the party, Mishra's removal from office case.

The Congress found the Government's silence on the Mishra-Hindujas-Blair meeting "intriguing" and demanded an explana-

# Plot to kill Tehelka chief: 6 ISI men held STATESMAN NEWS SERVICE & PTI NEW DELHI, May 6. — Delhi Police late last evening pistols one bullets prof jacket. Two AK-47 rifles, eight magazines, 300 bullets, two pistols one bullets prof jacket. The other accused who we the other accused who we have the other accused when the othe

Police late last evening arrested six criminals backed by Pakistan's ISI and foiled their plan to kill Tarun Tejpal, tehelka.com's editor-in-chief, and his colleague Aniruddha Bahl.

Police said they wanted to kill Tejpal to embarrass and destablise the government. Their murder would have been attributed to those shown on the Tehelka's 'defence deal'

footage.

The six have been identified as Bhupinder Tyagi, Dinesh Tyagi, Raj Kumar, Rakesh, Anil and Ombir. Acting on a tip-off, a team led by Inspector Mohan. Chand. Sharma Chand Sharma Mohan arrested them from Jahangir Puri, north-west Delhi, as soon as they returned from Nepal with arms and ammunition in a stolen Tata Safari (DL8C F

The special commissioner (Intelligence), Mr S Rama-krishnan said today: "They had planned to kill Tejpal this week, because any attempt to kill him would have affected the government's stability and put it in an embarrassing situation". The plan was hatched by an ISI official

pistols, one bullet proof jacket, two mobile phones with three sim cards, fake currency notes and photographs of Tejpal and Bahl were seized from them.



Delhi Police Intelligence Division Special Commissioner Mr S Ramakrishnan speaks to the media in New Delhi on Sunday. — AP/PTI

Mr Ramakrishnan said Bhupinder had planned to kill Tejpal and Bahl last month.

He was once a Bihar-based mafia but shifted his base to Nepal five years ago. The ISI had contacted him in Nepal. "Bhupinder was promised Rs 10 lakh and was assured that he could retain the weapons he would use to kill his targets.

Bhupinder was in touch with the other accused who were living in north-west Delhi. In the first week of April, he had surveyed Tejpal's house and

After working out the details, he returned to Nepal "as more arms and money were required to execute the job," Ramakrishanan said.

"They also had drawings of Mr Tejpal's house and office and noted the timing of his going to office and returning home. The drawings suggest that they wanted to kill him while he would be driving his car."

Mr Ramakrishnan said the six had planned that they would follow Tejpal in two cars. The plan was first to intercept Tejpal's car and then to fire at him with AK-47 rifles".

He said Bhupinder used to stay with some criminals who 'do not have any crime record in the capital".

A case of has been registered with Lodhi Colony station against the six.

They were produced in the Patiala House court today.

A metropolitan magistrate, Mr MC Gupta, remanded them in police custody till 11 May.

- 7 MAY 2001

# Court rejects Hindujas' plea STATESMAN NEWS SERVICE

NEW DELHI, May 4.1-'A designated CBI court today declined to issue stay order on the trial proceedings in the Bofors case and rejected the Hinduja brothers' plea seeking exemption from appearing in

the proceedings.

Hearing a CBI plea for a separate trial of six accused, including the Hindujas, the special judge, Mr RL Chugh, asked their counsel to file replies by the next date of hearing and posted the matter for 8 May.

The six accused are Mr SP Hinduja, Mr GP Hinduja, Mr PP Hinduja, former Bofors agent, Mr Win Chaddha, former defence secretary, Mr SK Bhatnagar, and Swedish arms manufacturer, AB Bofors. The CBI application was moved its counsel Mr N Natrajan in compliance with the 27 April order of the Delhi High Court for se-paration of the trials of these accused from that of mala Lumpur-based Mr Carvio Quattrocchi and forms forschief Mr Martin Ardbo.
Mr Quattrocchi and Mr Ardbo

have not appeared so far before the court despite issuing of summonses and non-bailable warrants. Delhi High Court on 27 April had dismissed the Hinduja brothers' appeal for leaving the country, saying the CBI's apprehension that they might not be available for trial could not be said to be unfounded.

But Mr Justice SK Agagwal had directed the CBI to move the trial court for separate trial of Hindujas and other accessed who have already appeared before the court for expeditious disposal of charges against them.

The CBI had given an undertaking to the High Court that it was ready to split the trial of Hinduias and other accused who had appeared in the case from that of Quattrocchi and Ardbo in view of

delay in their extradition.

Directing the trial court to record evidence preferably in a day-to-day basis within six months, the High Court had said if CBI failed to do so, the Hindujas could move the trial court to seek permission to go out of the country.

Earlier, arguing for Mr PP Hinduja, his counsel Mr Arrind Nigam submitted for stay of the proceedings in the trial cours as the Hinduja brother had the Hinduja brother had appealed to the Supreme Court challenging the 27 April order of Delhi High Court, which upheld the trial court's order of denying the permission to the Hinduja brothers to go abroad without the court's permission.

THE STATESMAL

M. 74.

# HINDUJĂS:

(Continued from page 1)

The High Court had said that the CBI's apprehension that the Hindujas might not be available for trial could not be said to be unfounded. It had directed the CBI to move the trial court for splitting up the trial of the Hindujas and other accused who had already appeared before it and complete recording of evidence within six months.

within six months.

It said if the CBI failed to do so, the Hinduja brothers could move the trial court to seek permission to go out of the country after six months.

In that eventuality, the court would consider their plea, inter alia, on the condition that they deposit an amount equivalent to \$11.84 million along with interest at the rate of 10 per cent per annum from 1 January 1990 till the date of payment in any nationalised bank to be released subject to the orders of the court

January 1990 till the date of payment in any nationalised bank to be released subject to the orders of the court.

Mr Justice Agarwal said considering the gravity of the offence and the conduct of the petitioners, who are foreign nationals, imposition of the condition by the trial court, directing them not to leave the country without its permission were fully justified and in accordance with the law.

THE STATESMAN

# Hindujas move SC The denial of permission to leave India would be arbitrarily unjustified and violative of their right to life enshrined under Articles 14 and 21 of the Constitution, the petitioners

PRESS TRUST OF INDIA

NEW DELHI, May 1. - Hinduja brothers today filed special leave petitions in the Supreme Court against the Delhi High Court order rejecting their plea for permission to leave India pending trial in the Bofors pay-off case.

Seeking leave to appeal against the order of Mr Justice SK Agarwal on 27 April, the brothers said in their separate petitions that it suffered from lack of compassion and sensitiveness to their legitimate needs and compulsions. If the order was sustained, it would amount to punishment of the accused long before the trial, they said.

Claiming that no case had been made out against them in the CBI chargesheet, London-based Mr SP Hinduja and Mr GP Hinduja and Geneva-based Mr PP Hinduja submitted that the trial was bound to take a long time since several co-accused were yet to be produced in the court.

The petitions were moved by Mr Ujjwal Rana on behalf of the Hindujas.

14 and 21 of the Constitution, the petitioners submitted

The brothers said that besides substantial roots, they had investment programmes of about Rs 10,000 crore in India and, therefore, couldn't stay away from the country. The apprehension that they won't make themselves available to the court was an unfounded conjecture.

The petitioners submitted that the High Court had expanded the scope of the proceedings resulting in serious miscarriage of justice. The petition before the High Court was limited to modification of the bail conditions imposed by the trial court and seeking permission to travel out of India during the pendency of the case, but the court had made certain findings which were unjustified at this stage.

■ See HINDUJAS: page 8

THE STATESHAR

TIMA: 20

Parliament adjourned, Opp divided

# Cong firm on JPC over Tehelka

STI 1874 convigence

### STATESMAN NEWS SERVICE

NEW DELHI, April 17. – Parliament was adjourned today after question hour but behind-the-scenes manoeuvres to try and find a solution to the legislative logiam continued.

They include a quick sine die adjournment after the rail and general budgets are presented and, a less likely scenario, a switch from the government-instituted judicial inquiry to the Congress-demanded JPC probe into Tehelka charges.

The Congress stuck to its earlier decision of not allowing Parliament to function till its demands for a JPC inquiry and legal action against the "Tehelka-tainted" were met.

There was division in the Opposition ranks with the Left staying out of the Congress's disruptive tactics and later questioning why the main Opposition party decided on a JPC probe demand unilaterally.

There are strong indications, according to government sources, that the finance Bill may be re-tabled tomorrow and be allowed to pass on Thursday without any major discussion, after which the Houses will be adjourned sine die.

The impasse, which has

plagued the budget session with repeated adjournments ever since the Tehelka controversy erupted last month, has resulted in huge wastage, in terms of money and time. And given the proclivities of the Congress, it appears that the impasse will continue.

According to sources, the government is amenable to a sine die adjournment to enable members to be more constructively occupied. But officials denied knowledge of any such move.

It will be a mockery of the parliamentary system if the budget was allowed to pass without any discussion, observers said.

The Congress, despite its insistence on a JPC probe, seemed to have made a tactical retreat in allowing the question hour to function. It said its decisions on parliamentary conduct would depend on day-to-day strategies.

"We don't want to be seen as the villain of the piece by disrupting the proceedings of the House.

"It would be a blow-hot-andblow-cold strategy in regard to whether or not to allow the proceedings to continue," a Congress leader said.

The Congress wondered why

■ See JPC: page 8

THE STATESHAR

1.8 APR 2001

# Cracks surface within oppn. on Armsgate'

The Times of India News Service and Agencies

NEW DELHI: As both Houses of parliament were adjourned on Tuesday, deep cracks surfaced in the opposition ranks with the Left-Samajwadi Party combine differing with the Congress on the line of action to be taken on the bribery-on-tape issue. While the Left made it clear that it favoured a discussion in the House on the Tehelka issue, the Congress-RJD combine vowed to continue its agitation.

Following a meeting between Congress president Sonia Gandhi and Laloo Prasad Yadav, the RJD announced that it would press for the arrest of those found guilty in the scam. "We can give no guarantee regarding the normal functioning of the House," RJD leader in the Lok Sabha Raghuvansh Prasad Yadav later said, hinting that his party would toe the Congress line. He reiterated that there was no backing out on the demands on which the opposition had agitated before the mid-session recess.

CPM leader Somnath Chatterjee, on the other hand, said that the Congress had differed with other opposition parties by going ahead with its demand for the constitution of a joint parliamentary committee on the Tehelka issue. "We are saying, let the prosecution (of the accused) start, we want a proper discussion," Mr Chatterjee said, admitting that on this point, opposition unity had

broken down, with the Congress taking a different line.

He insisted that his party had not withdrawn the demand for the Prime Minister's resignation. Expressing dissatisfaction with the inquiry announced by the government, he said the commission was hamstrung by its limited power to take action against the guilty.

"The Prime Minister is only encouraging corruption in the country," Mr Chatterjee said, referring to the latest WLL scam. At the same time, he was emphatic that his party was in favour of a discussion in the House.

Blaming the Congress for the differences, he said that that party had come out with the demand for a JPC without consulting others. "The Congress said, 'JPC before discussion'. We pointed out that a JPC cannot punish the guilty," the CPM leader said.

Asked if the breakdown of opposition unity may have any implications for next month's assembly elections in which the Congress and the CPM are locked in a direct battle in two states, Mr Chatterjee remarked, "At least not in West Bengal." In another related development, BSP leader Mayawati said she too was in favour of the normal functioning of parliament and a proper discussion on the Tehelka issue. Explaining her party's position, she said the BSP would maintain its distance from the BJP and the Congress.

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# leads to story behind the tehellka story Three

Tr Correspondent

The Delhi, April 6

The Delhi, April 6

The Delhi, April 6

The Delhi and The The Hindustan Times Can the Lindustan Times Can the Hindustan Times Can the Hindustan Times Can the Hindustan Times Can the Lagrange and Reid, whose address was Grey, tehelka as a cover for its bogus used a arms firm. It is also focussing Westen, Johan Bank, tehelka's venture on First, whose offices have been raid. capitalit whose offices have

ed. A third line of inquiry involves the controversial Hinduja brothers.

the most intriguing. It is this firm's London address that appears on the Westend visiting cards, which were handed out by tehelka's undercover journalists. Of course, there is no Westend at the address (Suite 20, Morley House, Regent Street, London WI) but there are eight other companies, most of The Gresham and Reid connection is which are shell companies with few assets and low net worth

The exception is Gresham and Reid

Reid was hired by the estranged wife of wife advance an alimony claim in the divorce courts. Could it be, wonder ka tapes. The company's brief was to provide details of the arms merchant's investigators, that Gresham and Reid subcontracted part of this task to tehel-ka? And that once the organisation had began the sting, it was pleasantly surprised with the dirt it had dug up on on his operations to help his estranged an arms dealer mentioned on the tehelfinances and/or to dig up enough dirt which is said to be run by George The-lian Verghese, a British cit pen of Indi-an origin. According to sources, Gre-sham and Reid is in the business of conducting investigations into the finances and credit-worthiness of individuals and companies. Verghese himself says he is currently not in London, but records reveal he took the unusual step of flying to Dubai to apply for an Indian visa last month. The visa was granted for a 5-year-validity period.

One hypothesis being considered by the investigations is that Gresham and

into a journalistic exposed. This hypothesis is difficult to estab

number listed on the Westend card, a woman answered and said it was a wrong number. A little later, a man who declined to give his name, phone us back and said he was calling from West Asia. He had nothing to do with lish. Verghese is listed as a director of Gresham and Reid but is hard to trace. When the Hindustan Times phoned the tehelka, he said

Continued on Page 9

everyone else so it turned the operation

- 1 p

THE HINDUSTAN TIME

Both Bofors and Defencegate are arms scams. But that's where the similarities end

# A tale of two scandals

### By Vir Sanghvi

OLITICIANS OPERATE on the assumption hat the public has a short memory And so, while many tical loaders bear a specific to the second s political leaders have drawn parallels between the Bofors scandal that began in 1987 (and still drags on) and the Defencegate scandal set off by the Tehelka tapes, few people have bothered to tell us what exactly these parallels are.

In fact, if you delve back into the headlines of that period (1987-90), you find that while there are some points of similarity, there are also many critical differences. One reason why these are being downplayed by the ruling NDA could be that once you put the scandals side by side, neither the Congress nor those who turned Bofors into a national crusade come off particularly well.

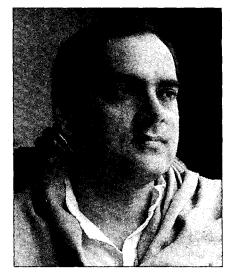
The obvious point of similarity is that both are arms scandals. But there are important differences. Bofors was a real deal. Tehelka's was a sting operation. Even while the Bofors scandal was raging, as distinguished a critic of the Rajiv Gandhi government as Jaswant Singh conceded that the Bofors howitzer was a good gun. The point, he said, was not the quality of the weapon, it was whether Bofors had paid bribes to swing the deal. In the Tehelka case, nobody in the defence ministry even bothered about the quality of the goods sought to be supplied. As Tarun Tejpal has said, if they had probed even a little bit, they would have discovered that not only did the goods not exist but that the suppliers knew nothing about their alleged trade.

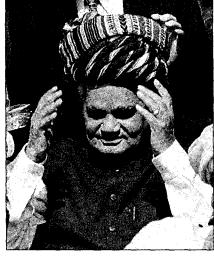
As journalistic stories, the two scandals were completely different. Tehelka was a home-grown Indian operation launched by a website which says that it is open to any examination of its motives. The Indian media did not break the Bofors story. It came from Swedish radio. After that, the scandal was sustained by documents leaked by disaffected Swedes to the Hindu's Chitra Subramaniam. Not one of the other journalists who made so much noise about Bofors ever found any new information of comparable value.

Tarun Tejpal says that Tehelka is apolitical; that his journalists had no animus against the BJP or the Samata Party; they went where the story took them. During the Bofors scandal, many of those writing about the affair were motivated by a deep and abiding desire to bring Rajiv Gandhi down.

Even the *Hindu*, which did some fine work during this period, timed its disclosures to damage the government (before the AICC session etc).

In the Bofors case, the *Hindu* broke the stories but the Indian Express provided the drama. This was at a time when the Express had already been accused of conspiring against the government. A raid on the Express guest house revealed a draft of a hostile letter from President Giani Zail Singh to Rajiv Gandhi. The draft had been corrected by the Express' S. Mulgaonkar. Eventually, the President did send the letter and when the *Express* reported its dispatch, no mention was





RECEDING HEADLINES: Rajiv Gandhi and Atal Bihari Vajpayee

It is not my case that the *Express* wilfully twisted the truth and behaved unethically. But it is worth remembering that it was around this time that there grew around Ramnath Goenka, a collection of politically aware individuals: S. Gurumurthy, Ram Jethmalani, Chandraswami, Dr J.K. Jain and others. All of these people had their own axes to grind. No similar charge can be levelled against the Tehelka team.

Further, even if the government were to fall and be replaced by a regime that wished to further investigate Defencegate, I doubt very much if the Tehelka team would join the investigation. On the other hand, the Express lobby helped with the V.P. Singh regime's investigation into Bofors. S. Gurumurthy contributed to the drafting of the letter rogatory to Switzerland. Arun Jaitley, the Express lawyer, became Additional Solicitor-General and was part of the investigating team. Even Chitra Subramaniam was drafted to help the investigators till she fell out with them.

In fact, almost everybody who led the Bofors attack received some recognition from the political establishment. Arun Shourie and N. Ram got Padma Bhushans. And T.N. Chaturvedi, who, as Comptroller and Auditor-General, wrote a damaging report on Bofors that led to mass resignations in Parliament, became a BJP MP after his retirement.

It is not my intention to suggest that any of this was improper. Most of the people I have mentioned have unimpeachable integrity and believed they were acting in the national interest. Further, it is unfair to talk of the behaviour of the Express without recognising that it was fighting for its very survival as the Rajiv Gandhi regime made a reprehensible and police-state-like attempt to shut the paper down.

But two points are worth mentioning. One: many of these people are now on the other side of the fence and they display

life that fired them in those days. And two: Tehelka's motives and approach are completely different from those who kept the Bofors issue alive. Tarun Tejpal has said that he was trying to emulate the investigative journalism of the Eighties. Perhaps he needs to rethink that position.

The political establishment has demonstrated that while governments change, its reactions don't. When the Bofors scandal broke, the Congress regime first tried to brazen it out ("no commissions were paid") and then blamed it all on a conspiracy to destabilise India. Likewise, the BJP government first tried the bold approach (Bangaru: "Why should I resign?" a few hours before he went), and then went for a conspiracy theory. In a gesture touchingly reminiscent of Indira Gandhi's reliance on the foreign hand, her old bete noire George Fernandes even suggested that the ISI could be behind Tehelka.

The Congress government's counterattack, however, came too late and relied on lies. It produced the St. Kitts forgeries to link V.P. Singh's son with numbered accounts. The NDA government, on the other hand, acted far more quickly and came out with a detailed dossier on V. George's hidden assets thereby throwing the Congress on the defensive for a day.

In terms of irresponsibility, nothing has changed for the opposition. In 1987, the opposition disrupted Parliament, boy cotted the Joint Parliamentary Committee, and made untrue allegations against Rajiv. At one rally, V.P. Singh even pulled out an electronic notebook and said that he had the number of Rajiv's secret accounts entered inside. That was foolish and irresponsible. But then so was Buta Singh's calling A.B. Vajpayee a 'chor' in Parliament (thus proving that Singh is an embarrassment to whichever party he joins) and the Congress' wilful and entirely unnecessary disruption of the parliamentary session.

During Defencegate, a concerted

parivar much more than the Congress) to drag Vajpayee's family into the scandal despite the absence of any hard evidence. Similarly, during Bofors, an attempt was made to suggest that Sonia Gandhi's Italian relatives had received kickbacks. The V.P. Singh government went a step further: it actually included the names of Sonia's brothers-in-law in the Letter Rogatory sent to Switzerland. (Nothing came out of this enquiry.)

During Bofors, the Hindu was measured and careful, depending on documents (except for one ill-judged 'Italian connection' headline before the 1989 elections). But others were less fastidious. One of the criticisms levelled against Tehelka is that it did not bother to crosscheck the allegations made against public figures by arms dealers. This may be a fair point, but with the exception of the Hindu, virtually nobody cross-checked anything during Bofors either.

For instance, the Indian Express printed a page one article called 'Would You Pay The Peruvians? listing alleged beneficiaries of the pay-offs. Not only was the list wrong — even the *Express* soon forgot about it — but it never bothered to crosscheck any of these allegations (which turned out to be false) or to obtain responses from those it had named. Similarly, during the V.P. Singh regime, investigators floated a completely false story (the charitable explanation is that they were mistaken) about a sixth Bofors account belonging to the Bachchan brothers.

Though this allegation was never backed by any evidence (the account in question probably belonged to Jubilee Finance, a Hinduja company), it was carried on the front page of many newspapers and formed the basis for many newsmagazine stories. Eventually, the Bachchans sued a Swedish newspaper for libel in London. The paper apologised, paid damages and said that it had wrongly believed the story because it came from Indian investigators.

Some tentative conclusions from all this. One: the defence establishment is just as corrupt today as it was 15 years ago. Two: that all governments believe in conspiracy theories when in trouble. Three: the moment a scandal breaks, people use it to settle their own vendettas (Sonia's relatives, Vajpayee's family etc.) no matter what the facts are. Four: whatever one's reservations about sting operations, we should not be so ready to condemn Tehelka and invest the Bofors-era journalism with qualities it clearly lacked.

And finally, five: the central thesis of the Bofors-era investigative journalists was that Rajiv Gandhi took the money. Ten years after his murder, we may have dirt on the Hindujas, Win Chadha or Ottavio Quattrochi. But there's not a shred of evidence against Rajiv that will hold up in court. On the other hand, this time around, not only do we know who took the money, we have the pay-off on videotape.

That perhaps is the most significant

Navy defends Barak deal

NEW DELHI, APRIL 4. The Navy today defended the Barak missile deal with Israel, citing the unavailability of the indigenous Trishul system and acquisition of state-of-the-art weaponry by Pakistan, as reasons.

the-art weaponry by Pakistan, as reasons.

Addressing a press conference today, the Chief of Personnel, Vice-Admiral Arun Prakash, said the missile, which can down incoming anti-ship missiles and hostile aircraft, would be fixed on seven key warships in the next seven years. The Barak system, around Rs. 100 crores each, had already been fitted on the aircraft-carrier, INS Viraat.

craft-carrier, INS Viraat.

The Navy began looking for an imported anti-missile defence system as Trishul — its preferred option — was not available. Pakistan had acquired the Harpoon subsonic missiles in 1992 and it could be delivered from its U.S.-built P3C Orion planes. Islamabad was also negotiating the acquisition of the Agosta calls submarines from France. The Indian Navy wanted to acquire a vertically-launched system to down an incoming missile faster. After short-listing other sys-

tems on paper, it decided to evaluate the Israeli system alone. The Barak was successfully tested in the Mediterranean in 1995 in the presence of representatives of the Navy and the Defence Research and Development Organ sation (DRDO). The Government approved its indurent on in 1997 for INS Viraat alone. The then Defence Minister, however, had approved the procurement all the seven systems in 1996. In view of the Kargura alone. The Government approved the procurement all the seven systems in 1996. In view of the Kargura alone. The decided to evaluate the Israeli system alone. The Mediterranean in 1995 in the presence of representatives of the Navy and the Defence Research and Development organization (DRDO). The Government approved its indurent alone. The then Defence Research and Development organization (DRDO). The Government approved its indurent alone. The then Defence Research and Development organization (DRDO). The Government approved its indurent alone. The then Defence Research and Development organization (DRDO). The Government approved its indurent alone. The then Defence Research and Development organization (DRDO). The Government approved its indurent alone. The then Defence Research and Development organization (DRDO).

Vice-Admiral Prakash cited three reasons why other anti-missile systems with a proven capability to down supersonic missiles had not been evaluated. Procedural difficulties would have inordinately delayed the induction of an anti-missile system if other systems had been brought into the fray. The imposition of post-Pokhran sanctions would also have stood in the way of acquiring a Western system. And, very few countries manufactured vertically-launched anti-missile systems.

THE HINDU

- 5 APR 2001

# Hint of Tehelka tape echo in Vittal report

## FROM OUR SPECIAL CORRESPONDENT

New Delhi, April 1: Chief Vigilance Commissioner N. Vittal today indicated that his final report on a series of defence deals since 1986 makes critical observations on the role of middlemen.

Speaking to reporters after the second D.P. Kohli memorial lecture on *Anatomy and Epidemic of Corruption* here this morning, Vittal declined any specific comments on the contents of his report, but said the Tehelka exposé only "vindicated my stand". The CBI organised the lecture, delivered by Justice K.T. Thomas of the Supreme Court, on the occasion of the agency's foundation day and in honour of its first chief, D.P. Kohli.

Asked about the role of middlemen in some of the deals which former defence minister George Fernandes had asked the CVC to probe after the Kargil war in 1999, Vittal said: "I think it will not be proper to comment on any part of the report at the moment."

He was also tightlipped on the number of "questionable" transactions. All the deals, including those made during and immediately after Kargil, which the CVC had been asked to probe were worth over Rs 75 crore.

Vittal, however, said several allegations on kickbacks appeared to be true. The commission went through nearly 500 files and scrutinised more than 20 allegations levelled against the army, air force and navy. During the probe, an important file on the role of middlemen went missing, only to be traced a couple of months later

In his speech, the CVC opposed state funding of elections, saying party candidates would "always manage to get more funds from other sources to compliment the share made available by the government". Rejecting state funding "outright", Vittal said: "When there is not enough funds for drinking water, schools and other social sectors, it is dangerous for the state to fund elections."

Vittal suggested "doing away with political corruption" by bringing in transparency in government functioning and "removing black money, which accounts for 40 per cent of the country's GDP", from the system.

In his lecture, Justice Thomas said "expensive polls was one of the real causes of corruption" in the country. Suggesting that financially dishonest individuals enter the fray to further corrupt the political system, he pointed out: "When the courts pronounce a person guilty of corruption, he contests the polls and wins."

On the state funding of elections, Vittal differed with Prime Minister A.B. Vajpayee who, after the Tehelka exposé and the subsequent resignation of BJP president Bangaru Laxman, George Fernandes and Jaya Jaitly, favoured a debate on the matter before a final decision was taken.

Vittal was also unhappy over how the recommendations of the Joint Parliamentary Committee (JPC) on the CVC Ordinance of 1998, which the Union Cabinet recently accepted, had reduced the commission from "a watchdog to a lapdog".

He particularly mentioned the government's acceptance of a key JPC recommendation to retain the 'single directive' principle. It implies that investigating agencies like the CBI and Enforcement Directorate, will need the government's permission to proceed against any officer of the rank of joint secretary and above against whom there are corruption charges.

THE TELEGRAPH

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# Vittal submits report on defence deals

STATESMAN NEWS SERVICE

NEW DELHI, March 31. – The Central Vigilance Commissioner, Mr N Vittal, today submitted his final report on all major defence procurements worth over Rs 75 crore since April 1989. The report was handed over to the Union minister for defence, Mr Jaswant Singh.

The ban on middlemen in defence deals was

imposed in April 1989.

Mr Vittal, however, refused to divulge the contents of the report. He said the Tehelka news portal was asked to send its representatives on 23 & 27 March to assist the commis-

sion in its probe but no one appeared.
"We did not wait (for Tehelka's response).
We downloaded the whole thing, examined it and took whatever was relevant to our probe,

he said.

Mr Vittal said the commission had examined about 500 confidential files provided by the government. "The government will now decide how much of the report should be made public.

Asked whether he felt middlemen continued to be involved in defence contracts, Mr Vittal recalled his earlier statement that expose by the news portal had "vindicated" his preliminary findings.

In February last year, Mr George Fernandes had asked the CVC to look into every deal

worth more than Rs 75 crore This had followed allegations about the presence of middlemen and middle companies in vital arms purchases despite the "no middleman" policy

of the government.

The CVC had submitted its interim report

within six months.

Mr Fernandes had recently said the final report would be delayed due to the tehelka episode as it was necessary to go through the content of videotapes again before submitting the report

Mr Vittal praised Mr Fernandes saying he was "sincere" in his attempts to bring about

transparency in arms acquisition matters.

Mr Fernandes had ushered in a new rule that all deals worth above Rs 75 crore would be examined by the CVC and Comptroller and Auditor General of India within one month of the deal being clinched. The CVC also probed certain specific allegations made regarding purchase of spares for submarines and ships.
The inquiry concentrated on 20 corruption

charges levelled by MP, Mr Jayant Malhotra in Parliament and allegations of graft made by Rear Admiral Purohit in naval purcha-

He had recently said it was "a basic fact all over the world" that there were middlemen in defence deals and said when "a non-transparent policy" was introduced in 1989 by prohibiting middlemen, "the entire system (of middlemen) went undergrand."

THE STATESMAN

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# ol purchase He said the army needed such cl

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New Delhi, March 30 1/ V

expose took a heavy political toll with damning revelations of shady defence deals, senior army and defence ministry officials for the first time went public in saying that purchase of Krasnopol TWO WEEKS after the Tehelka shells had been made in view of exceptional circumstances prevailing during and post-Kargil

The deputy chief of army staff, Lt Gen S S Mehta told reporters former Defence Minisminally guided shells and 10 laser target designated shells ter George Fernandes "used his waiver" on March 27, 2000 for induction of 1000 rounds of terafter the successful third round intrusion

of testing of these shells fired from Bofors 155mm guns in upper reaches of Ladakh.

Mehta admitted that after its successful first three round desert trials in Pokharan in 1999, the laser-guided shells had failed high altitude tests February-March 1999 and the vendors M/S KBP Tula had asked for three months for modiheld at Karbuthang in Kargil in fications.

ders of the Northern command had recommended induction of the shells on selective basis on two misses" and top comman-He said results of the next round of trials in August 1999 had been "50-50 with two hits and udicious positioning of Bofors guns.

their upgradation of Chinese T-59 tanks and development of their MBT Khalid with Chinese tanks by Pakistan from Ukraine, 320 frontline T-80U chase of head shells in late Bightfes.
Menta said the shells were capable of being directed during its last ten seconds in flight by lasers mounted on helishells to counter Pakistan's acquisition of US-made Copper-

sia for technical evaluation of Gen Mehta said the proposal for T-90 tanks had been made to then Defence Minister Fernandes during his visit to Moscow in high-level team had gone to Rusearly 1999 following which the tanks.

The deputy chief of army staff

picked due to their compatibility said the T-90s had been chosen with other armament systems in tions, offer of technology trans-

use with the armoured forma-

French and Ukranian company?

garding offers from Israeli's,

But, why had India gone for acquisition of T-90s tanks disre-

copters.

well as under Indian conditions and had been approved by both armoured as well as formation through trials both in Russia as the T-90 tanks had been put takes over army training command in Shimla on Monday, said Gen Mehta, who on promotion

He said Indian armed forces

fer, costs and logistics.

been concerned with pur-

said new trends were developing ministry officials asserted that "there were enough checks and balances in the procurement but he and other top defence staff, who is in charge of capital purchases at army headquarters, procedures to ensure trans-The deputy chief of the army parency."

"There can be no individuals manipulate the system," Mehta number of agencies involved assurance to prevent any single said adding that there were a vices, the ministry, DRDO and or groups of individuals who can directorate general of quality including the user, the three ser agency misuse.

HE HINDUSTAN TIMES

# Defence deals to be reviewed

STATESMAN NEWS SERVICE

NEW DELHI, March 29. — Thanks to the Tehelka expose, deals being negotiated by the defence ministry will get a relook", slowing down the modernisation process.

The signing of several defence deals the ministry was working

on to buy new equipment for the Army, Navy and Air Force will be delayed by several months, senior Services officers said today. The deals altogether could be worth more than Rs 20,000 crore,

though some believe the total could be even higher.
"Since negotiations are on for each weapon system, it is hard to say exactly how much the figure is, but it is a huge sum," a senior officer said.

The "relook", for perfectly valid reasons, could set the

negotiations back by at least two to three months. Also, with the financial year nearing its end, the Services fear a "slow-down".

A senior officer said: "The clock starts ticking all over again when the financial year begins and the `dhob mark' (an euphemism for approval) takes a while to be placed on the contracts

Also, after this financial year ends, money for modernisation not used will have to go back to the government.

"The Indian Air Force will have a bit of a problem," one officer said. A lot of money was kept aside, probably for the new Sukhoi-30s, the delivery for which has been delayed and also for the huge (Rs 6,600 crore) advanced jet trainer deal for 66 British Aerospace Hawk aircraft. This deal was in the last stages of negotiation, besides other purchases.

The entire amount anyway can't be spent this year. Payments

for such deals are made over a few years.

Similarly, with the Navy, none of the major deals such as the one for Admiral Gorshkov, an aircraft carrier, the 46 MiG-29K aircraft and the lease of the TU-22 backfire bomber are yet to be signed. These deals will be delayed.

A number of programmes have not gone through for the Navy. Things will have to move all over again," one officer said.

The Army has been comparatively lucky, for 310 T-90 tanks' deal has just been signed but there are a lot of others the ministry of defence is still looking at. They include self-propelled guns, new artillery, ammunition, unmanned aerial vehicles and a lot of protective equipment and sensors that are being used or are to be used in Kargil. Some material have come in while for others the negotiations are in an advanced stage.

THE STATESMAN

3 9 MAR 201

# Defence procurement board to be set up

By Our Special Correspondent Atal

NEW DELHI, MARCH 27. With a view to promoting transparency in defence deals, the Government today decided to constitute a defence procurement board and appoint a Chief of Defence Staff as recommended by an interministerial group which had been set up to revamp the national security architecture.

According to an official statement issued in the backdrop of the Tehelka disclosures, the recommendations of the Group of Ministers (GoM), headed by the Union Home Minister, Mr. L.K. Advani, on reforming the national security system are being placed before the Cabinet for formal approval. The Prime Minister, Mr.

Atal Behari Vajpayee, in consultation with the newly appointed Defence Minister, Mr. Jaswant Singh, took the decision to obtain Cabinet approval right away.

In order to slash bureaucratic interference, the GoM has recommended an increase in the financial powers of the three services. The Defence Minister also endorsed the appointment of an Inspector-General for the Army. Besides, issues related to logistics and functioning of Army personnel will be reviewed.

### **Priority for CDS**

Apart from procurement aspects, the Defence Minister has directed that the GoM recommendations related to the establishment of a Chief of Defence

Staff (CDS) and its associated structure should be prioritised. The CDS will be the single-point adviser on military affairs to the Government. He will also head the country's nuclear forces.

The formation of the CDS is central for implementing the recommendations of the draft nuclear doctrine. According to this doctrine, India needs the least number of nuclear weapons which are sufficient to deter an attack, and these have to be positioned on land, sea and air-based weapons platforms.

Sources pointed out that the GoM intends to separate the triservice nuclear command from the conventional forces. Conventional forces are expected to be headed by the three service chiefs separately. The GoM has also recommended the formation of an integrated tri-service Defence Intelligence Agency (DIA).

For the first time, the Government formally indicated that internal security is also an essential part of the Army's mandate. Not surprisingly, the Rashtriya Rifles, which was earlier raised as a paramilitary force for counter-insurgency operations has been integrated into the regular Army. Its size and funding channels are, however, unlikely to be changed.

### Welfare measures

The statement included a series of welfare measures for defence personnel. Enhanced payments will now also be extended to those who have been injured prior to 1986. Housing for defence personnel will be taken up as a priority and ex-servicemen will benefit from new medical care schemes which are in the pipeline.

The Defence Minister has directed the Ministry of Defence to commence the preparatory work for the speedy implement of these recommendations.

# Role for Arun Singh

By Atul Aneja

**NEW DELHI, MARCH 27.** In a move to fine-tune the national security establishment, the former Minister of State for Defence, Mr. Arun Singh, has been appointed special adviser to the Defence Minister, Mr. Jaswant Singh.

With his present appointment, Mr. Arun Singh has emerged as the single-point of advice on security matters to the Ministries of Defence and External Affairs. He has already been appointed Adviser (Security) to Mr. Jaswant Singh in his capacity as the External Affairs Minister.

According to analysts, Mr. Arun Singh's appointment is expected to impart a fresh momentum for revamping the security architecture. As head of the committee on higher defence management set up after the Kargil war, Mr. Singh has already recommended far-reaching changes in the security establishment. He advocated the appointment of the Chief of Defence Staff (CDS) as the head of the country's nuclear forces. He also recommended creating the post of the Vice-Chief of Defence Staff, in-house "think-tank" responsible for planing integrated tri-service operations.

The combination of Mr. Jaswant Singh and Mr. Arun Singh is likely to push national security high on the foreign policy agenda.

Conscious of the geopolitical changes in India's neighbourhood including the economic and political assertion of China, both the Ministries can now be expected to lay special emphasis on building strategic relationships in the neighbourhood with greater vigour.

The new combine in South Block is excepted to strike a common chord with the Bush administration in Washington which has drawn considerable talent from the U.S. security establishment.

THE HINDU

'I DO NOT BLAME THE MEDIA'

# Tehelka has exposed shortcomings: Vajpayee

By Neena Vyas

NEW DELHI, WARCH 25. The Prime Minister, Mr. Atal Behari Vajpayee, today blamed the "system" for the "shortcomings" exposed by the Tehelka tapes.

Admitting that these needed to be "rectified" he averted accepting any responsibility on his part or that of his government, preferring to allow the corruption scandal to be seen as a disease afflicting the larger system.

Talking to reporters at the end of the twoday national executive committee of the Bharatiya Janata Party, the Prime Minister said there was a "need for introspection" to prevent the occurrence of such incidents in the future. He thus repeated the statement of the Union Home Minister, Mr. L. K. Advani, calling for "introspection" within the party while intervening in the debate on the political resolution yesterday.

That was as close to admission of any guilt that the senior party leadership got. Mr. Vajpayee said there was a need for greater transparency in collection of funds by political parties, adding the BJP would now try to get more small donations from a larger section of workers and sympathisers.

Although the party itself has begun questioning the bonafides of journalists behind the

Tehelka revelations, Mr. Vajpayee preferred to give them a clean chit, saying ''I do not blame the media.''

The short national executive meeting ended after adopting three resolutions and discussing at some length the situation in the five states going to polls in early May. While in Assam the party has decided against any major alignment, in Tamil Nadu and Pondicherry it is part of the DMK-led front. In West Bengal the situation is not so clear, with the Trinamool Congress, which was to be its major partner, still hedging its bets and trying to tie up with the Congress without saying "no" to the BJP. And in Kerala, it has no option except to find some small lightweight allies, as it finds itself hemmed in by two major fronts, one led by the CPI(M) and the other by the Congress.

It is in Assam that the party is hoping to emerge much stronger, although it admits it is not in a position to form a government. And it is here that the "political affect" of the Tehelka disclosures will be tested.

### Taliban attacked

Besides the political resolution which attacked the opposition for having unleashed the Tehelka episode as part of a larger political conspiracy, and an economic resolution which sung praises of the Government's economic policies, the party also adopted

strongly worded resolution deploring the Taliban for its "medieval barbarism" displayed in the destruction of the Bamiyan Buddhas and the rest of the non-Islamic legacy of Afghanistan.

The resolution made some sharp points—the Taliban- controlled areas in Afghanistan had emerged as the "world's principal centre of international terrorism"; there was no doubt that Pakistan was the main supporter of the Taliban militia; this was a dangerous development that could affect world peace and order; the monuments and sculpture, now destroyed, represented human civilisational legacy; and finally that the United Nations and other international bodies must "pre-empt" any future acts of "cultural vandalism" by the Taliban.

The resolution saw in these "fundamentalist deeds" of the Taliban a "conspiracy" to specifically "destabilise the Indian sub-continent." But the party did note that many Muslim organisations and Islamic countries had publicly stated their disapproval of the Taliban's actions and "no Muslim scholar through the ages had ever delivered a fatwa ordering the (Buddha) statues to be demolished. The presence of the monuments was just no way a violation of the Islamic Sharia.

BJP endorses economic policies: Page 18

THE HINDU

2 6 MAR 2001

Venkataswami to probe charges

our Special Correspondent Higheice to a re-

By Our Special Correspondent Hondice to a re-

NEW DELHI, MARCH 24. The NDA Government, which has been rocked by the Tehelka expose, today announced the appointment the former Supreme Court judge, Mr. Justice K. Venkataswami, as head of the Commission of Inquiry to go into allegations of bribery in defence deals as revealed by the portal's videotapes.

Incidentally, sources in the Government said that Mr. Justice Venkataswami, who has been given four months to complete the probe, is currently Chairman of the Chennai-based Railway Rates Tribunal and has a five-year tenure. It appears that the probe will be taken up by him as an additional assignment.

It may be recalled that the Chief Justice, Mr. Justice A.S. Anand, turned down the Government's request for making available a sit-ting judge of the apex court for the probe. This restricted the

tired judge and ultimately to the appointment of Mr. Justice Ven kataswami. The Commission, with its headquarters in Del-

hi, has been asked to inquire whether the transaction relating to defence and other procure ments referred to in the said videotapes and transcripts have been carried out in terms of the prescribed procedures and the imperatives of national security".

According to the terms of reference notified by the Government, the probe panel would also find whether in any of the aforesaid procurement transactions, illicit gains have been made by persons in public office, individuals, and any other organisation as alleged, and if so, to what extent".

been asked to suggest action against persons found responsible "for their acts of commission and/or omissions". The Commission, which is free to make interim reports, will go into all aspects relating to the allegations as well as any other matter which arises from or is connected with or incidental to any act of commission or transaction under inquiry.

The notification making the appointment said that the setting up of the Commission was necessitated as certain allegations had been made in the videotapes and transcripts, which was followed by widespread coverage in the print and electronic media.

Further, it said, these allegations tend to cast an adverse reflection on the manner in which defence procurements and other transactions of the Central Government were carried out.

More reports on Page 8

THE HINDU

# efence deals should

STATESMAN NEWS SERVICE

NEW DELHI, March 23. - The parliamentary standing committee on defence (PSCD) today said "corruption and inefficiency in defence procurement pro-cedure should not be covered "in the name of secrecy and national security

A PSCD statement after the Tehelka expose says the committee had wanted bottlenecks in the defence procurement process to be removed.

It said the Centre should avoid "wasteful expenditure on purchases and plug the sources of leakage of funds

The committee also suggested that after the vice-chief of Army staff's committee submitted his report on modifying the defence procurement procedure, the Centre should

### **GOVT HOPES FOR A NEW START IN PARLIAMENT**

NEW DELHI, March. 23. - The NDA hopes different political parties, having exhausted their energies on the Tehelka expose, organising rallies and taking the fight to the streets would allow Parliament to reopen on a new note when it meets on 16 April after a three-week recess. - SNS

ered committee for a "deeper my vice chief's committee had look into the acquisition process"

The committee today iterated that defence procurement procedures must be modified after the Army vice-chief's report is submitted.

The current system, the report said, blocks the process of buying weapons on time and this too at a time when the armed forces are fighting a tough security situation.

The committee said it should 1.99:1 in 1993 to 1.4:1 in 1997. Its

form a broad-based high-pow- be informed about what the Arsuggested for the procurement procedures.

> Speaking about specific weapons systems, it noted the defence ministry should move quickly to ensure that the armed forces had the T-90 tanks, the weapons locating radar and the refurbished MiG-21 aircraft.

> On the T-90 tank, it said the Army's combat ratio in armour against Pakistan had fallen from

imperative to keep the armoured corps strong and T-90s had to be purchased and built in India. It said since the T-90 was found suitable, its price should be negotiated quickly.

The committee said talks for the acquisition of a weapon-locating radar has been going on for a decade now, but the Army still remains without one.

The ministry has two options - it can buy a cheaper and less sophisticated but easily available Ukranian radar overruling the MEA's objections or it can buy an expensive German radar under development.

In its report, it said the MoD should sign a contract with Ukranians after taking precautions on sparce supply and keep its option open about buying German radar in the future.

#### Ministry appoints 1-man panel

From Page 1 🔾

BESIDES MAJOR General P.S.K. Choudhary and Brigadier Iqbal Singh who were summoned on the first day itself, the court of inquiry has also begun the examination of other army officials including Major General Manjit Singh Ahluwalia, Brigadier Anil Sehgal, Lt Col Sharma and Maj Gen Satnam Singh.

The court of inquiry is being assisted by Major General Mohinder Puri, former commander of the eight mountain division.

Army sources said the court of inquiry, which was examining witnesses daily, was expected to finish its probe "earlier than expected." Besides its stated terms of ref-

erence which includes establishing whether there was any deviation form the laid-down procedures relating to weapon procurement, the court of inquiry will also investigate whether there was an influence by foreign nationals. Its report will also recommend a better system of procurement which would be transparent without compromising national security.

Meanwhile, the defence ministry on Thursday appointed a one-man fact finding committee to look into the conduct of its officials whose names have figured in the Tehelka expose.

The committee to be headed by R.P. Bagai, joint secretary and chief vigilance officer of the ministry. According to a defence ministry statement, the committee has been asked to submit its report within a month to defence minister Jaswant Singh.

The committee will inquire into whether transactions pertaining to procurement of armaments, weapon systems and stores shown in the sting tapes and transcript have been carried out in terms of prescribed procedure.

The one-man probe has also been asked to examine whether existing procurement procedure in the ministry can be manipulated by individuals for extraneous considerations. Acting parallel to the army's court of inquiry, the committee would also suggest appropriate modification in the procurement system.

The Economic Time:

2 7 MAR 2001

# Guilty will not be spared: Army chief

STATESMAN NEWS SERVICE

NEW DELHI, March 20. "Not a single guilty individual will go unpunished" and "I shall do all within my power to ensure that systems and procedures are introduced or amended to minimise likelihood of repetition even by the odd black sheep in our family" — that is the Army Chief's promise to his men in the wake of the Tehelka exposures.

In a message issued last evening, which he directed be circulated among all ranks of the force, General S Padmanabhan also assured his men of protection to the innocent and cautioned them against getting carried away by gossip. It was a introspection, he time for asserted.

"I know how much the vast majority of us in the Army are concerned and hurt by the action of a few of our colleagues. I share your sense of hurt. At the same time we have to bring the guilty to account and set things to right", said the Chief of the Army Staff.

"I am determined that not a single guilty individual will go unpunished. I shall not tolerate or allow the innocent to be proabout amending the systems and procedures.

The Chief asked all commanders to ensure that "rumours, ihnuendo and gossip are neither indulged in nor encouraged" and that "we do not allow sen-



Tehelka CEO Tarun J Tejpal comes out after deposing before the Army court of Inquiry on Tuesday. - PTI

sationalism and unestablished facts to blur our focus.

Army gets tapes: A large number of tapes on which Tehelka, the dotcom company, that broke the story of

said and proceeded to speak leading to the resignation of the defence minister, Mr George Fernandes, and the suspension of defence ministry officials, were handed over by the Tehelka chief, Mr Tarun

Tejpal, to the army.

The Court of Inquiry began yesterday and today, Mr Tarun Tejpal, handed over the tapes to the three Army generals incharge. Initially, the Army had asked for the material, but Tehelka had soft-pedalled claiming that it wanted a letter on the Army chief, General S Padmanabhan's notepaper. The tapes can serve as important evidence in the court Padmanabhan's of inquiry against three senior Army officers named - Majorgeneral Manjit Singh Alhuwalia and two brigadiers.

Mr Tejpal and another Tehelka staffer, Mr Aniruddh Bahal, took part in the court-of-enquiry proceedings, though they didn't have to as civilians can refuse to participate in one. Mr Tejpal said he would help in the inquiry, adding that while the government has been going well, the Army has been very active in trying to find out the truth. If sufficient incriminating evidence is found, and those "attached" are found guilty, secuted", Gen Padamanabhan corruption in high places they could be court-martialled.

THE STATESMAN

# Tejpal deposes, hands over sting tapes to Army panel

PRESS TRUST OF INDIA
NEW DELHI, MARCH 20

EDITOR-IN-CHIEF of Tehelka.com Tarun Tejpal today appeared before the Army's three-member court of inquiry and deposed under oath.

Tejpal, who appeared before the inquiry for over 90 minutes, also handed over four and a half hours of clandestinely filmed tapes of senior Army officers and political figures discussing defence deals with the Tehelka sting team posing as fictitious arms dealers with some of them taking money and gifts.

"The Army inquiry made a formal request to me to appear before it and as the signals from them were very good as to their intentions to take the probe to its logical end, I decided to cooperate with them," the Tehelka chief told PTI as he came out after deposition

He said the Army's approach was dramatically opposed to political steps which, he alleged, were aimed at stonewalling the whole issue.

Tejpal also said along with tapes he had handed over the entire transcripts to the court headed by Lt Gen S K Jain, Director General Corp of EME.

The Tehelka chief said he had deposed before the inquiry in the presence of suspended Aditional Director General weapons and Equipment, Maj Gen PSK Chaudhary.

Gen Chaudhary, who was filmed accepting Rs one lakh alongwith a gold chain, was suspended by the Army authorities after a preliminary inquiry.

Tejpal said Chaudhary was allowed to cross CONTINUED ON PAGE 2

Tarun Tejpal, editor of tehelka.com, at South Block in New Delhi on Tuesday — PTI

NDIAN EXPRES-

2 1 MED 2001

#### Fernandes had no role in Barak deal: Navy chief

By Atul Aneja

NEW DELHI, MARCH 21. The Chief of Naval Staff, Admiral Sushil Kumar, today said the former Defence Minister, Mr. George Fernandes, had not pushed through the controversial Barak missile deal.

"It is wrong to say that Fernandes had tried to push through the Barak deal," Admiral Kumar, ac-cording to an agency report, said adding the "navy was convinced of the efficiency and cost effective ness of the Israeli missiles which had undergone tests since 1992."

According to Admiral Kumar, "(Mr.) Fernandes came into the scene only in 1998. So it is wrong to drag him into any controversy regarding the mis-

Naval sources say that the first contract for the Barak system was signed in 1997 with the concurrence of the former Scientific Adviser to the Defence Minister, Dr. A.P.J. Abdul Kalam, and the former naval chief, Admiral Vishnu Bhagwat. They, however, do not clarify whether both Mr. Kalam or Admiral Bhagwat had agreed for the induction of the entire batch of seven Barak systems, the deal for which has been signed recently.

In defending Mr. Fernandes, Admiral Kumar,

however, may not have addressed the thrust of the tehelka's allegation. According to the tapes, Mr. Suresh Nanda of the Crown Corporation paid Rs. 1 crore to the Samata Party treasurer Mr. R.K. Jain, which were then handed over to the former party president, Ms. Jaya Jaitly, to facilitate the deal. The tapes further allege that Mr. Fernandes had agreed to overrule the objections raised by Mr. Kalam about the Barak system and conveyed this to Mr. Jain.

According to Admiral Kumar, extensive trials pre-ceded the navy's recommendation for the Barak system. If so, did the navy also try out any other missiles which are in the same class as the Barak so as to strike the best possible deal?

Besides, China recently acquired supersonic Sunburn anti-ship missiles. Some naval experts here are of the view that Barak's ability to down such missiles which travel at a Mach 3 speed and are estimated to be three times faster than the Harpoon missiles with Pakistan is questionable. They, however, agree that the Barak is a user-friendly system with a proven capability against subsonic missiles. In the light of this development, which takes place after 1992 when the Barak evaluations began, should the navy not have evaluated other systems which have a capability to target supersonic missiles?

### Army could have summoned, instead it only 'requested' Tehelka to appear

MANOJ MITTA TO NEW DELHI, MARCH 21

THE Army's "court of inquiry" has begun its probe into the Tehelka allegations without following the law or precedents.

Tehelka's editor-in-chief Tarun Tejpal appeared before the court on Tuesday not because of any summons but because of a "request" made by it. He later explained: "Since the signals from them were very good, I decided to cooperate with them."

The court of inquiry is said to have claimed that it had no power under the Army Act to summon any civilian to depose before it as a witness. Facts say otherwise.

Way back in 1992, Section 135 of the Army Act was amended to empower the court of inquiry to summon "any person either to give evidence or to produce any

document or other thing."

According to the Army Act, since a civilian is not "amenable to military authority," the court of inquiry can summon him through the local magistrate who in turn shall "give effect to the summons as if the witness were required in the court of such magistrate."

#### BEYOND THE NEWS

A year after the statutory amendment of 1992, the Government even made a rule under it—Rule 179(5A) — prescribing the form in which the summons can be issued to anybody, including civilians.

In view of these express provisions, it has been a practice

among the courts of inquiry to summon civilians as witnesses in all such cases where they may have any material evidence.

Thus, the decision of the latest court of inquiry to make only a request to Tejpal instead of summoning him is a departure from the law as well as practice.

The departure assumes greater significance given the political ramifications and the high public interest in the Tehelka probe.

It may have a bearing on the manner in which and the extent to which the army court extracts information from Tehelka.

This is already evident from the fact that Tejpal yesterday gave the court tapes covering about 200 minutes of unedited tapes when the sting operation, by Tehelka's own admission, ran into almost 100 hours

MDIAN EXPRES.

#### Sushma sayš no to Sonia alone on D

#### STATESMAN NEWS SERVICE

NEW DELHI, March 21. - The Congress president, Mrs Sonia Gandhi, will not get a chance to speak directly on Doordarshan on the shady "defence deal" expose by Tehelka.

The information and broadcasting minister today told iournalists that the Congress chief should instead participate in a one-to-one debate with a BJP member on Doordarshan. But the suggestion was rejected by the Congress spo-kesman, Mr S Jaipal Reddy.

Mrs Sushma Swaraj said that if Mrs Gandhi spoke in Parliament on any subject instead of prompting her MPs to stop any debates, DD would beam that live. "Parliament is the best forum for her. We'll show it live with the Speaker's permission," she said.

Mrs Gandhi had written to the Prime Minister, asking for the same amount of time on the official media that had been granted to Mr George Fernandes to clarify his position after resigning as defence minister.
The CPI-M MP and I&B con-

sultative committee member, Mr Hannan Mollah, had written to Mrs Swaraj protesting against DD's failure to use the

Tehelka tapes

Prasar Bharati, she said, is an autonomous body (which it officially is) though an I&B additional secretary is the CEO of the organisation. Prasar Bharati said it accepted Mr Fernandes's request because it appeared to be a newsworthy

event. "Any channel would have jumped at it," she said.
But the Tehelka tapes were not newsworthy, she said.
Mrs Swaraj said that minutes

after Mr Fernandes's speech, other channels were carrying the footage, with a "courtesy Doordarshan" tag. This, she said, proved how newsworthy the event was. Mrs Swaraj refuted Mr Reddy's statement that Mr Fernandes's speech was unprecedented.

But will Prasar Bharati accept Mrs Sonia Gandhi's statement if she too had something newsworthy? Mrs Swaraj was not very forthcoming. Instead, she denied the Congress allegation that Prasar Bharati's independence was a "humourless joke" and that the CEO was appointed illegally. She insisted he was appointed under the Prasar Bharati Act.

Replying to Mr Mollah's charges, she said PB officials used the news but not the tapes as a public service body has to "show restraint". Also, the genuineness of the tapes

needed "verification'

In his letter, Mr Mollah had aid: "This expose has said: "This expose has perturbed the whole country causing the exit of two ruling party presidents, the defence minister, the resignation of five more ministers and an enquiry by the armed forces... Do you think it has no news value?" Private news channels were using the tapes, which showed the former BJP chief, Mr Bangaru Laxman, among others, "receiving bribes".

# Marshal (Rtd) S.K. Sareen cites the case of AJTs to explain how middlemen ambush crucial defence needs Air Chie

in defence deals

scam we have witnessed in Defence procurements. There have such scams earlier, covering almost all departely FHELKA Scam is not the first such headlines was exposed by Rear Admiral S.V. Purohit, wherein, he showed how ments of the government and banking system. The most recent scam which hit the spare parts for the Navy were being pro-cured at ten to fifteen times the price. One is given to understand that Central Vigilance Commission's interim report has only conexpose came some two years ago and no one has been held guilty for it — may be we are waiting for the concerned officials to retire, so as to create a fate-accompli situathe players involved are too mighty and we don't have the spine to Purohit's allegations. This tion. Or may be, firmed Admiral

take them on.

Tehelka's expose hasn't exposed someabout. The main difference is that whilst in the earlier ones, one had to give the benefit From the farmer to the fascist, soldier to were not knowledgeable devil; herein, the devil has What's more, it has travthe general and the porter to the padri, they been caught red-handed and they say "seeelled into every household in the country thing that we of doubt to the ing is believing" all have seen it.

to give his best to the na-, he neither gets shocked ed, for over the years he has accepted the rot in the society, he has to bribe the railway man to get a booking; Such scams surely do not inspire an airnor even surpris tion. Fortunately man or a soldier

he has to bribe the MCD to get his house plan approved. It is said there is always a therefore, let me assure our countrymen that this scam though having left a deeper scar or an imprint on our soldiers conscious therefore, there is no need for anyone to ing to put his head on the chopper by brighter side to every ugly happening and, is NOT going to lower their morale — and portray 'holier than thou' in its aftermath or on this count. We had the Bofors scam, and everyone does believe, after such a scam all over modernisation and procurement plans had slowed down as no one was will. putting his Dhobi mark on the file.

Let me assure you that there is no such fear in our officials. What actually happens the wheeler-dealers get cautious and wait is that the system goes into 'silent mode' for sometime — as the people interacting with till the 'mourning period' is over.

than a representation to the official or

ter or if you feel your clout is a heavy weight Mantri concerned. As soon as this happens, this silent mode goes into sleep mode. While this case is in the sleep mode and if it prolongs, one of these may befall

> goes up. If all this doesn't work then there is less to mention that the remuneration also one more trump card available — the nod This silent mode has its own devilish effect. The players (read vendors) who hadn't made it on their merit in the initial short listing or selection of a particular weapon system get a breather. These players find new contacts, with greater clout — need for playing it comes from the officials concerned and that is either an anonymous let-

AJTs. A shortlist was made in '86 and final choice was The IAF carried out flight system. The deal is still seems certain people left to the MoD. But it evaluations in '85 for managed to jam the to be signed

market in 1985. In 1986, the IAF shortchoice was left to the MOD. During 1986-92, a few players worked overtime to break into the system but the IAF stuck to its guns. In 1993, I was Director, Intelligence were abuzz with AJT induction. It will be it was going to happen any minute, for, the then Air Chief and Defence Secretary were and the 4th and 5th corridors of Air HQ signed — any day now — everyone thought the best of friends. Some individuals within evaluation of various aircraft in the world listed the Hawk and the Alpha Jet. The final sixteen years. The IAF carried out fligh

> - the official may get transferred, the Mantri may get changed and in a worse scenario the government may fall -- (we must go through labour pains all over

has not been consummated for more than

Hopefully, one would understand as to why an urgent requirement of an Advance Jet Trainer in the Indian Air Force (IAF)

again)

21 Training Squadron (being used as an alternative to AJT) had become alarming the arena - IAF once again stuck to its guns chine". In 1998, HAL said we will produce duce the aircraft. But we all knew that the HAL cannot do it even in six years. I have intentionally cited the case of AJT and not ferent tunes, it seems they managed to jam on human grounds (over 100 aircrew lives late '95 and early '96, a new player entered "no way we will take an unproven mathe channel. Aircraft accidents in the MiGsince '92 and once again one thought that lost) one would have the case through. In an AJT in three years, ie the same period any offensive/defensive weapon system but existing manufacturers would take to prothe story is the same.

for as of today neither one appears to be You have a scam, all systems go into silent mode, new bugs come in -- eating into concerned about these lapses nor anyone the system — for in 1986 an AJT was ce5 million and a pound was Rs 18. Today an creased costs and loss of invaluable lives, also of the Armed Forces—it is often difficult to AJT costs ce15 million and a pound is Rs 67. Delays in decision making, in addition to inresult in lowering the operational potential recover from it. This damage and dent to national security is surely a cause of concern made accountable for it. the Air HQ and outside were singing dif-

WDIAN EXPRESS

2 2 MAR 201

# Brajesh Mishra denies role in defence deals Twill quit the PMO if it Samata Party ministers

#### will rejoin government benefits Vajpayee' The Times of India News Service

NEW DELHI: Prime Minister Atal Behari Vajpayee's principal secretary and national security adviser Brajesh Mishra on Monday strongly denied any role in defence deals or funding for the BJP and said all

allegations in this regard were baseless.

"In the last three years I have been principal secretary to the Prime Minister and for two years and five months the national security adviser. On no occasion has the Prime Minister spoken to me about defence purchases.

"Bangaru Laxman (former BJP president) has never spoken to me about any defence deals or about funding his political party with my help or that of Prime Minister's Office," Mr Mishra told a crowded press conference at the Press Information Bureau.

Mr Mishra said he did not know any R.K. Gupta, a self-proclaimed middleman shown in the tapes, or his son and have not any contact with them.

"Media ethics demand that before allegations against a person are made public, he or she is given a chance to rebut them. It is regrettable that in the present case ethical values were not observed," he said in a statement circulated at the press conference which was also attended by N.K. Singh, officer on special duty in the PMO. Referring to the tapes, he said aspersions had been cast on the PMO, specially himself, in relation to purchases by the ministry of defence for the armed forces in the "so called" expose.

Asked if he would resign owning moral responsibil-

ity like defence minister George Fernandes, Mr Mishra said, "If it ever helps strengthening of the Prime Minister's hands, I would go." He denied that he had offered to resign or he had been asked to do so. On the allegation that Mr Vajpayee's foster son-in-law Ranjan Bhattacharya was acting as "an extra-constitutional authority", Mr Mishra said he must say that "Ranjan Bhattacharya does not go to work in the PMO. I have never seen him in the PMO in the last three years that I have been there. "There is no question of extra constitutional authority in PMO, he said. To a question whether Mr Bhattacharya was operating from PM's residence, Mr Mishra said, "In my house, I have my family. Is that extra constitutional?

NEW DELHI: It's official now. The three Samata Party ministers who resigned in a show of solidarity with George Fernandes in the wake of the 'armsgate expose have agreed to withdraw their resignations and

return to work.

The suspense over the continuance of agriculture minister Nitish Kumar, minister of state for railways Digvijay Singh and minister of state for consumer affairs V. Sreenivasa Prasad finally ended on Monday after a meeting of the Samata parliamentary party which met at the residence of Mr Fernandes.

Announcing the decision, Mr Fernandes said it was taken unanimously. "Although there are differences of opinion in a democratic party, the final decision is

taken unanimously," he said.

Regarding the charges levelled by some of his party
MPs against the Prime Minister's Office, the former defence minister said one should refrain from making allegations which could cause inconvenience to the gov-ernment. Mr Nitish Kumar, in turn, said, "What Mr Fernandes has said is final and it is a collective decision.'

However, a visibly angry Prabhunath Singh, who was among the MPs who had criticised the PMO, said that he was not aware of what was decided at the meeting. "I don't know what decision was taken," he said, before leaving. Some party workers were also of the opinion that the three ministers should not withdraw their res-

ignations until Mr Fernandes was backen the cabinet.

Meanwhile, a day after JD (U) leader Ramakrishna
Hegde favoured quitting the NDA, the party resolved unitedly to face the situation and stay within the NDA

to strengthen the ruling coalition.

Earlier, the Telugu Desam Party, a key ally of the ruling NDA, ruled out withdrawal of support to the Vajpayee government or the possibility of a mid-term poll, but said that the expose could have "some poll, but said that the expose could have a listen in the sale terms of the sale terms." impact" on the electoral fortunes of the coalition in the coming assembly elections in five states. It also made it clear that there was no prestion of the party, which has 29 MPs, withdrawing support to the Vajpayee government.

#### BRAJESH: Influence of ministries curtailed entinued from page 1) now Mr Brajesh Mishra, is at Explaining the function

(Continued from page 1) $^{5}$ 

and Mr Arun Nehru held sway. That was also the period, senior officials said, when the system of functioning in the PMO became formalised, under then principal secretary, Mrs Sarla Grewal. And the system has continued despite subsequent changes of leadership.

The structure of the PMO is such that the influence of individual ministries gets curtailed. There are senior officials within the PMO, of joint secretary rank, who "look after" each ministry and state. Above them are some additional secretary-level bureaucrats and above them a couple of secretaries. The principal secretary, the top of the pyramid, supposedly of the same rank and pay as the cabinet secretary "the first among equals") and the Railway board chairman.

A ministry moots a proposal which then works its way up all the way to the concerned minister, who then forwards it to the PMO for approval or comment. There the PS or concerned senior official sends it all the way down to an undersecretary or a deputy secretary. who drafts a note that works itself back up all the way. When approved or denied, the concerned ministry does not get to know the reasons because the internal PMO note is removed.

Explaining the functioning, a senior official said the PMO has to exist as a conduit between the ministries and the Prime Minister.

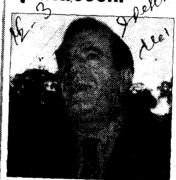
"After all, the PM has to have all the facts before he can decide and neither the cabinet nor the groups of ministers can go into all the details," the

official said.

"This Prime Minister has been accused of being too soft and wanting consensus to carry everyone along. But ultimately", he said, "the cabinet decides. Decisions are not made by the PMO. The PMO only assists the PM with details." That statement is, however, at variance with the general perception

#### THE STATESMAN

# Bofors: Court extends warrant against Ottavio Quattrocchi



PRESS TRUST OF INDIA NEW DELHI, MARCH 19 08

A DESIGNATED CBI court today extended the non-bailable warrant (NBW) issued against Kuala Lumpur-based Italian businessman Ottavio Quattrocchi, a key accused in the Rs 64-crore Bofors pay-off case.

Special Judge R L Chugh, hearing the sensitive case for the first time after Ajit Bharinoke's transfer early this month, extended the NBW till further orders following CBI's submission that extradition proceedings against Quattrocchi in a Malaysian court youtu are unore unic.

Besides Quattrocchi, Europebased Hinduja brothers— Srichand, Pfakashchand and Gopichand, former Bofors agent Win Chadha, former defence secretary S K Bhatnagar, then Bofors chief Martin Ardbo and the Swedish arms' manufacturer AB Bofors have been chargesheeted in the case.

They have been accused of criminal conspiracy, cheating and corruption in the Rs 1,437-crore deal for the supply of 400 155-mm Howitzer guns by Bofors company to India in 1986.

The court directed the CBI to supply legible copies of certain documents to the Hinduja brothers and the Bofors company, now renamed as Kartongen Kemi Och Farvaltning AB, by the next date and adjourned the proceedings for March 30 with the direction that the case file be sent to the High Court which is scheduled to hear on March 23 the Hindujas' plea seeking permission to leave the country.

The direction came in the wake of applications moved by Hindujas' counsel Arvind Nigan and Bofors counsel Alok Sengupta saying certain documents supplied by the CBI were not legible.

MDIAN EXPRESE

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#### Offence as Defence

#### Brave New World of Bluster & Bombast

By VIDYA SUBRAHMANIAM

PLACE: The PM's official residence. In one room, BJP office-bearers are meeting guests. One among them, a gent in powdered wig and black goggles, stealthily hands over a brown paper packet. The crisp notes go into the party coffers and he's told that his job will be done. Satisfied, he hurries out ONLY TO BUMP INTO NELSON MANDELA AT THE EXIT. Mr Mandela, who's being seen off by Atalji himself, looks at the shadowy figure in some puzzlement. Atalji explains that since the BJP has outgrown its party offices, it now functions out of his home. "He's the BJP's guest, not mine,"

says the PM.
Fiction? No, not if you went by the logic of the dramatis personae involved in the Tehelka melodrama. After all, there's always a throng at ministerial homes. The distinguished, the undistinguished, they are all there. And why fuss, if in the merry melee, the twain should meet? Rewind to the tell-all tapes and you have virtually the same scene enacted at the defence minister's residence. A shady arms peddler meets Samata Party chief Jaya Jaitly, donates into the party kitty and departs with the assurance that the minister will be lobbied, should the need arise. If Ms Jaitly's wigged and goggled guest doesn't encounter a visiting dignitary, it's only because the defence minister is away.

Just where does one begin? Of course, arms agents have been around for aeons. Of course, they entice big bracket politicos. So this is not to express wonderment at the nexus. What is new here is the arrogance of those caught in the act. Bangaru Laxman, George Fernandes and Ms Jaitly have been feverishly studio-hopping, saying, "SO WHAT?" So what if the line between party and government got blurred? So what if slush money was accepted for the party? So what if a favour was promised?

The old lot surely pale before this brave new brigade. Rajiv Gandhi went blue in the face denying he was bribed by Bofors. It evidently didn't occur to the poor man to say that he took the money on the Congress's behalf. AR Antulay paid with his job because he took money by cheque for a trust floated in Indira Gandhi's name. The harried man went around town, account book in hand. But no behad

to go. It must sadden Arun Shourie, who ousted him in a fit of moral outrage, that his current friends don't even have an account book to show.

The Tehelka investigation can be questioned for its methods, for possible motives and even for certain discrepancies in the transcript. But there is enough in the tapes — direct and circumstantial evidence — to nail the culprits. Both Mr Laxman and Ms Jaitly knew who they were talking to. At the meeting, Mr Laxman acknowledges the importance of political influence in pushing arms deals, mentions the role of key PMO figures in this regard, and finally, after taking the money, asks for the next instalment in dollars. Later, his secretary sets out in detail the deals that have been clinched by his boss. Yet, Mr Laxman has a single line defence: The money is for the party

money is for the party.

Ms Jaitly knows too who she is

#### · IN BRIEF -

- Defence corruption is not new but the arrogance of those caught in defencegate is.
- The line between party and government has been totally erased
- Instead of cleaning up its act, government has begun an elaborate cover-up

meeting and why. This is clear from the fact that the meeting is arranged by a petty industrialist with dubious political and defence connections. Also present is a freshly retired Major-General. Indeed, both these men affirm in a previous shot that they will brief Ms Jaitly on what is expected of her.

Just why should a Samata Party well-wisher, intending only to donate to the party, be accompanied by people who are quite clearly playing the role of middlemen? At one stage in the tapes, Ms Jaitly herself provides the answer. She says "these things" have to be tested, further that "eventually they go on quality and price." So, the donor is not a simple donor. He wants Ms Jaitly to intercede with the defence minister to have his product tested. Which she agrees to with the proviso that she would do so if the tests are not ordered in due course.

Ms Jaitly has been arguing that in a democracy anyone should be able to forward complaints to the authorities, in this case the defence minister. Yet, she forgets that Mr Fernandes had complaint boxes installed outside his office specifically for this purpose. The idea presumably was to cut out precisely this kind of personal lob-bying. Secondly, what about the money? The donation and the request for a favour came from the same person at the same time. It is irrelevant that Ms Jaitly doesn't herself touch the money - the unfortunate Mr Laxman was obviously unaware of this elementary precaution — but asks for it to be sent across to the party. It is equally ir-relevant that in the end the money may not have been donated at all. She thinks the money has been donated and she promises a favour. That is as close to quid pro quo as you can get.

More amazing is the way the NDA government as a whole has bought the story. Mr Fernandes sees nothing whatever wrong in Ms Jaitly's conduct. And why was the Samata Party working out of the defence minister's home? Because the party had no money. Really, Mr Fernandes? What would you say to some of us, including perhaps this writer, putting in an application seeking office space in the defence minister's house? And, may we please also be allowed to forward complaints?

In the end, none of this is funny. Not the fact that the once sacred line between party and government has been so nonchalantly erased. Not the fact that the defence establishment can be so easily penetrated. Not the fact that Mr Fernandes has been re-elected convenor of the NDA, with the promise that he can soon go back to his old job. And certainly not the fact that the prime minister lavishes praise on Mr Fernandes and in the same breath announces a judicial inquiry to probe him and others.

The prime minister could have used the opportunity for a complete clean-up — not just of the defence ministry, but the PMO, which by all accounts has replaced the cabinet. Instead, all indications are that 'Operation Cover-up' has begun. Had Rajiv Gandhi been alive today, he might have told Mr Vajpayee just why this is not wise.

THE TIMES OF INDIA

# PM orders judicial probe into exposé

HT Correspondent New Delhi, March 16

PRIME MINISTER Atal Bihari Vajpayee today announced an inquiry into the tehelka disclosure by a sitting or a retired Supreme Court judge, in a televised address to the nation.

To counter the gravest crisis faced by the NDA Government till date, he repeatedly harped on the security risk that the country has been supposedly exposed to by the tehelka episode in a speech laced with nationalistic rhetoric.

He promised to get to the bottom of the scandal and punish those found guilty. "I have decided to get to the bottom of the whole thing and clean up the system."

The Prime Minister expressed hope that the country would emerge stronger than ever at the end of the inquiry. "We are in touch with the Chief Justice of India to name the judge who would head the inquiry. We expect the commission to submit its report in four months."

Even as he heaped praise on NDA "stalwart" George Fernandes, he assured the nation that the morale of the armed forces would not be allowed to suffer. "We would not allow anyone to compromise the security of the nation at any cost." He also expressed distress and anguish at the way arms dealers can freely access top officials in the armed forces.

He held the Opposition responsible for stalling Parliament, where the Government, he said,



had hoped to discuss and "dissect" the exposé.

"Two political leaders against whom allegations have been made have tendered their resignations. I will not allow defence forces to be used as a shuttle cock to make allegations and counterallegations... Let us rise above the day-to-day politics."

to make allegations and counterallegations... Let us rise above the day-to-day politics."

Vajpayee said leaders of all political parties should sit together and initiate reforms across the whole range of political and administrative life. "This should cover the electoral system, funding of parties and the way cases against officials and those in public life are to be investigated and processed."

Striking an emotional chord, he said: "I have been in full view of all of you for 52 years. At no point have such allegations been made against my colleagues.

That is by itself sufficient to make them of the gravest concern to me."

Meanwhile, in a strategy aimed at breaking the deadlock in Parliament, the Government is understood to be contemplating a move to seek a vote of confidence in Lok Sabha. A decision on this is likely after consultations with crucial ally Telugu Desam Party, which has 29 members.

A day after one of the key allies withdrew support to the Government, there were problems in another one, with two senior JD(U) MPs questioning the propriety of the JD(U) Parliamentary Party leader Devendra Prasad Yadav to write a letter to Vajpayee demanding Fernandes's resignation.

More reports on pages 3 and 9

THE HINDUSTAN TERE

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#### Tehelka expose

# Probe by sitting judge unlikely

By Harish Khare

NEW DELHI, MARCH 17. The Chief Justice of India, Mr. A.S. Anand, is believed to have turned down the Government's request that a sitting judge of the Supreme Court be spared for conducting an inquiry into the Tehelka expose. The Prime Minister, Mr. Atal Behari Vajpayee, had announced the Union Cabinet's decision to hold a judicial probe in a national broadcast on Friday.

Though Union Law Ministry sources said a formal request (for a sitting judge) had been sent today, it is learnt that Mr. Justice Anand was sounded on Friday evening before the Cabinet met. He is believed to have firmly told the governmental interlocutor that it would be difficult to spare a sitting judge; hence, the caveat in the Prime Minister's broadcast of a "sitting or retired" judge.

The probe will, in all probability, be undertaken by a retired judge. The Government is not obliged to consult the Chief Justice in the choice of a judge in case a retired judge has to conduct a probe.

The Chief Justice's reluctance is being explained as part of a well-formed belief that the apex court should stay away from probing politically-sensitive cases under the Commission of Inquiry Act, 1952. The Judicial fraternity

was unhappy with the controversy that followed when it spared a sitting judge, Mr. Justice Wadhawa, to probe the burning of Graham Staines and his two sons in Orissa.

In the case of the Tehelka probe, the reluctance is even more pronounced. It is evident that the Government expects the inquiry judge to clear the name and restore the honour of the former Defence Minister, Mr. George Fernandes. No sitting judge of the Supreme Court is likely to accept the brief.

In the recent past, probes by sitting judges — like Mr. Justice Verma (lapses in Rajiv Gandhi's security), Mr. Justice M.P. Thakker (Indira Gandhi assassination), Mr. Justice Ranganath Misra (the 1984 anti-Sikh riots) — yielded a rich crop of political controversies.

Political bickerings apart, there is a feeling that the apex court was already burdened with a heavy case load, and sparing a sitting judge would not help matters. After the tragic railway accident in Punjab in December last, the (then) Railway Minister, Ms. Mamata Banerjee, had announced in Parliament that a sitting judge would probe the mishap; she made the announcement without consulting the Chief Justice of India, and later had to be satisfied with a retired judge.

More reports on Pages 8,9

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Corruption in defence deals was recognised but obviously not remedied. And this has now cost George Fernandes his job.

OON after George Fernandes assumed office he had complaint boxes installed at various defence offices in a simplistic bid to check irregularities. Last February, in the wake of allegations of kickbacks in purchases, he referred all major deals since 1986 to the Central Vigilance Commission and Comptroller and Auditor General for scrutiny. Corruption in defence deals was recognised, but obviously not remedied. And this has cost him his job.

The opposition would be cock-a-hoop, so would some of his other detractors. But all the political advantages that accrue from forcing a minister to quit would hardly suffice to tackle the central issue. It pre-dates the George-era in South Block. That is neither an excuse nor a justification, only a pointer to the need not to miss the wood for the trees. Continuing to turn a Nelson's eye to the host of filthy ground realities would only perpetuate the malaise.

The orders are always massive: whether in terms of value or volumes involveder it opaque. Graft, middle-men or fixers, and politically-directed kickbacks have become the order of the day. Regardless of which party is in power.

 $\bar{\text{Bofors}}$  and HDW had hit the headlines, as had the Jaguar deal some years earlier, then suspicions were aired over the SU-30 — there has been no major acquisition that has not generated

#### By KEITH FLORY

tapes there are "claims" of having facilitated the SU-30

Since equipment of western origin is essentially produced by private companies and government controls on export relate more to policy than specific

there is always suspicion

on a couple of them, but there are even bigger fish around. Sharks actually, whose jaws are wide enough to take in officials in civvy street and politicians too.

To have attempted to eliminate agents was myopic. For without them the forces would have little chance of

(ORRUPTION

Is there a solution? Nobody has come up with one so far. A change of government did not work — Bofors may have blasted Rajiv in 1989 but the sleaze has continued. Sacking officials in the defence forces and the ministry will have only marginal effect. A JPC or judicial probe into what is now dominating the media and public mind will serve a limited purpose unless it leads to a completely

new procedure. Yet even then it must be

remembered that systems are only as good as the people who operate them. To expect the defence establishment to remain clean while surrounded by murky waters is not only wishful thinking, it is dishonest. As one leading political personality quietly observed: "Is hamam mein kaun nanga nahin hain?" Who is the real victim — the beneficiaries are numerous of such corruption? The national exchequer? The forces' reputation? The image of the nation at large? The

ones who suffer most are the

simple soldiers. Their faith in

Time was when dealing with the erstwhile Soviet Union was assumed to be "clean", but then there were political strings attached

some degree of suspicion. Time was when dealing with the erstwhile Soviet Union was assumed to be "clean", but then there were political strings attached, or funds flowed indirectly to party coffers.

Why is it then that the

commercial "inducements"

The same is now true of dealing with Russian firms. Memoranda may still be signed at ministerial levels, contracts are executed with manufacturing concerns.

Still new to the game, the

being exposed to new and competing technologies and equipment, not just through brochures and manuals but live demonstrations. When the government adopted the 'no agent' stance it willy nilly

THE STATESMAN

1 8 MAR 2001

# Army officer, 3 // officials suspended

By Atul Aneja 🔥 🗘

NEW DELHI, MARCH 14. The Government today suspended a senior Army officer and three Defence Ministry officials even as the Army ordered an in-house court of inquiry in the wake of last evening's disclosures by the website tehelkacom about the corruption in defence deals.

According to an official statement, those suspended were Major General P. S. K. Choudhary, Additional Director-General, Weapons and Equipment Wing, Mr. H. C. Pant, Staff officer to Ordnance Factory Board, Mr. Narendra Singh, Assistant Financial Adviser, Ministry of Defence, and Mr. P. Sasi, Assistant in Army Headquarters.

A "competent authority" ordered the suspension on the basis of a "preliminary inquiry." Sources said the statements of the alleged beneficiaries were recorded. More suspensions were expected.

Other serving officers, allegedly involved in the scandal include Brigadier Anil Sehgal, Director, Directorate-General of Ordnance and Supply (DGOS), Lt. Colonel Sharma, in-charge procurement Air Headquarters, and Major General Manjit Singh Ahluwalia.

The Tehelka disclosures triggered a series of meetings in and outside the Defence Ministry. The

'> Defence Minister, Mr. George Fernandes, held a brainstorming session today with the Chief of the Naval Staff, Admiral Sushil Kumar, and the Defence Secretary, Mr. Yogendra Narain, among others.

#### Debate over Barak missile

Meanwhile, a heated internal debate has been generated within the defence forces about the possible fallout, especially of the controversial Barak missile deal. Government sources said that while the Navy expressed interest in importing a ship-borne antimissile system, there were differences over the service of the Barak system. According to one view favouring it, the Barak's advantage is its portability and user-friendly characteristics.

Critics, however, said the Barak's ability to destroy incoming missiles travelling at supersonic speeds was questionable. Its acquisition, therefore, on operational grounds could be risky as some of India's neighbours already had or were likely to acquire supersonic anti-ship missiles.

Objections were raised on other counts too. The Barak, which costs the exchequer around Rs. 100 crores, is inordinately expensive as a modern Indian naval warship comes for around Rs. 500 crores.

As of now, the Barak has been fitted on the Viraat aircraft carrier.

# pandemonium Thhatisgarh Assembly adjourns after pandel

r Principal Correspondent

RAIPUR, MARCH 14. The Chhatisgarh Assembly today adjourned without transacting any business as a resolution to condemn the alleged defence scam exposed by Tehelka.com yesterday, moved by the ruling Congress members, was opposed by the BJP MLAs.

hour of assembling when the State Home Minister, Mr. Nand Kumar Patel, moved a resolution during question hour to condemn the scam. The move was opposed by the Leader of the Opposition, Mr. Nand Kumar Sai. In the ensuing melee, the entire of the Opposition, Mr. Nand Ku-the ensuing melee, the entire moved to the well of the House, The House was adjourned within an

Opposition moved to the well of the House, protesting the resolution. When pandemonium continued even after three breaks, the Speaker adjourned the House for the day.

Talking to reporters later, Mr. Sai said it was for the first time in the history of the democratic country that the ruling party did not allow the House to function. The Opposition would soon chalk out its course

of action, which would include meeting the Governor.

# **Expose rocks Orissa Assembly**

discussion. Though several members of the ruling Biju Janata Dal-BJP alliance said the Assembly was not the appropriate forum to discuss defence matters, members of the Congress, the CPI, the CPI(M), the Janata Dal(S) and the JMM stalled the proceedings by raising slogans against the Vajpayee Government and rushing to the well time Our Bhubaneswar Staff Reporter reports: The expose rocked the Orissa Assembly with the Opposition demanding a detailed and again.

members of the Opposition and ruling alliance when some BJD and BJP members forced the Opposition members to take their seats and allow a discussion on the State budget. The Speaker, Mr. Sarat Kumar Kar, adjourned the proceedings five times between 10-30 a.m. and 3 p.m. to restore normality. Between each adjournment, the Opposition and the ruling alli-At one point, there was a scuffle between

ance members attacked each other with charges and counter-charges. The Congress was told that it had no moral right to raise the issue of corruption as many of its leaders were involved in various scams in the past. Normality returned after the Speaker told the Opposition that it had already expressed its views on the issue and the House should go ahead with the discussion on the Budget.

# 'Review support to NDA'

In another major development, seven BJD MLAs, including a Minister, appealed to their party president and Chief Minister, Mr. Naveen Patnaik, to review support to the NDA Government. In a letter, the MLAs said Mr. Bangaru Laxman's acceptance of money had "brought disgrace to all of us."

Our Special Correspondent reports from Chandigarh:

walkout in the Haryana Legislative Assembly to protest the Speaker's ruling disallowing a discussion on the impact of the defence scandal as 'unveiled' by the Te-Even as the Congress members staged a

manded the resignation of the Vajpayee Ministry on "moral grounds." As soon as zero hour began, the Leader of the Opposition, Mr. Bhajan Lal, and his colleagues demanded that the discussion on the issue be helka.com, local Congress leaders deallowed as it was a matter of national importance and concern.

PTI reports:

in Ranchi today, opposition members, Mr. Girinath Singh (RJD), Mr. Hemlal Murmu (JMM), Mr. Rajendra Prasad Singh (Congress), Mr. Bhuvaneshwar Prasad Mehta (CPI) and Mr. Mahendra Prasad Singh (CPI-ML) said the "shocking revelations" of Tehelka.com implicated senior BJP and Opposition parties in Jharkhand demanded the resignation of the NDA Government at the Centre, urging the President, Mr. K. R. Narayanan, to intervene. Addressing a joint press conference Samata leaders. The expose rocked the Jammu and Kashmir Assembly too with the Congress and members of other opposition parties staging a walkout denothing a discussion on the issue.

THE HINDU

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#### WEBSITE 'EXPOSE' ON DEFENCE DEAL PUTS NDA GOVT. IN A SPOT

# Bangaru Laxman resigns; ready

By Harish Khare

NEW DELHI, MARCH 13. The BJP president, Mr. Bangaru Laxman, resigned tonight after he was shown accepting large wads of currency from a fake "defence manufacturer". Mr. Laxman was caught with a "smoking gun" by the investigative team of an online website, Tehelka.com, in a story "of how the suitcase people are compromising Indian defence".

The Tehelka revelations have created a first rate political crisis for the NDA Government, and Mr. Laxman became the first victim. Nor is it likely to be the only one. A reluctant BJP president was reportedly asked to meet the Prime Minister, Mr. Atal Behari Vajpayee, late this evening, and was persuaded to step down, much against his own inclination.

The Union Cabinet which met this evening for its weekly meeting had to put aside the scheduled business, and, instead, took note of the political fall-out of the explosive Tehelka exposure. The senior officials, who otherwise customarily attend Cabinet meetings, were asked to leave and the political principals are understood to have evaluated how to counter the embarrassing disclosures of dirty deals and dirty money in defence purchases, that too in an establishment that wears its probity and its patriotism on its sleeve.

Mindful that the Opposition would be raising Cain in Parliament tomorrow, the Union Cabinet, in a statement, noted: The attention of the Government has



Bangaru Laxman

been drawn to the Tehelka tape. The Government is ready and willing for a thorough debate in Parliament and an inquiry, if necessary. The Government has nothing to hide. The guilty will not be spared, no innocent reputation will be allowed to be tarnished."

#### 'Govt. must fight it out'

Though the Government media managers tried to suggest that the Defence Minister, Mr. George Fernandes, too has offered to resign, it is learnt that in the Cabinet discussion, Mr. Fernandes was most vociferous in arguing that the Government should fight it out. The two Houses of Parliament are likely to witness heated moments, with the leading Opposition party, the Congress, feeling that it has now got its "Bofors"

against the NDA Government.

The revelations were presented by the website at a press conference, narrating a telling tale of how defence middlemen, political operators, politicians and officials went about accepting money from "a fictitious arms manufacturing company, based in London."

As many as 34 individuals accepted money from the purported representative of the fictitious company, called West End. The company presented itself wanting to peddle non-existent "ostensibly fourth generation hand-held thermal cameras" to the defence establishment.

The overall impression the Tehelka revelations create is to document how the corrupt ways of defence purchases have become institutionalised. To the extent no product was sold or purchased, there can be no allegation of actual corruption; but, the whole "Operation West End" adds up to a massive stink.

The ruling establishment finds itself in a politically embarrassing corner. In particular, two leading lights of the NDA — Mr. Bangaru Laxman and Ms. Jaya Jaitly, Samata Party president, — have been shown to be "on the take". The website has presented video images of the two accepting money from the West End; Mr. Laxman at his residence on January 5, 2001, and Ms. Jaitly at the residence of the Defence Minister on December 28, 2000.

It is an unseemly sight of the BJP president personally accepting wads of currency notes. About Ms. Jaitly, this is what the website



Fernandes



Jaya Jaitly

transcript notes: "After hearing a lot of talk about R.K. Jain, treasurer of the Samata Party, being the briefcase man of George Fernandes we at West End decided that a direct approach was called for. The series of meetings with R.K. Jain proved to be a goldmine of information about past and present defence deals. It incriminates beyond redemption Defence Minister George Fernandes and the Samata Party."

The Tehelka has managed to deprive the BJP and the Sangh Parivar of their pretensions of being above corruption. Mr. R.K. Jain is shown to be educating the Samata leadership how money could be made for the party in defence deals; at one point, Mr. Jain revealed that Ms. Jaitly insisted on a three per cent rather than a two per cent commission on a Rs. 600-crore defence deal.

On the other hand, Mr. Raj Kumar Gupta, who is identified as defence middleman and as a national trustee of the kSS, is shown to be entirely indifferent to the ethical issues.

The Tehelka transcript has this to

say about Mr. Gupta: "Within the RSS, Gupta is known as a 'super' trustee. His proximity with both Prime Minister Vajpayee and L.K. Advani is lore. Both have been tenants at his properties. He has also helped establish the RSS headquarters at Jhandewalan, Delhi in 1967."

Curiously enough a boastful Mr. R.K. Gupta

ends up giving a clean chit to the Prime Minister, and daringly suggests that "the Prime Minister has no guts to say he should be given, not the party." And, then, he goes on to add that even Mr. Ranjan Bhattacharya, Mr. Vajpayee's foster son-in-law, would not interfere. "And Ranjan knows my strength in the party. The RSS."

The various purported middlemen bandy about names such as Mr. Brajesh Mishra, the Principal Secretary to the Prime Minister. Mr. George Fernandes, Mr. Hiren Pathak, the then Minister of State for Defence. The Tehelka camera has on camera a number of serving and retired Army officials and Defence Ministry officials.

Call for PM's resignation: Page 13

# Opposition demands resignation of Vajpayee

By Our Special Correspondent

NEW DELHI, MARCH 13. The Opposition parties today demanded the Prime Minister's resignation in the wake of "revelations" made by an online news website, Tehelka, on corruption in a defence deal, even as the Bharatiya Janata "Party president, Mr. Bangaru Laxman, caught on camera, could not but confirm that he had accepted Rs. one lakh "for the party."

Mr. Laxman's immediate reaction was that his "conscience is "clear"and there was no question of his resignation, but later tonight he put in his resignation papers, apparently prompted by the Prime Minister. It was perhaps the most elating day for the Opposition since the NDA government came to power, and it was also the most embarrassing day for the BJP and its partners like the Samata Party. The BJP, in fact, maintained a sphinx-like silence ion the allegation of corruption in the defence deal. The party vicenpresident, Mr. Jana Krishnamurcthi, and spokesperson, Mr. Vijay Kumar Malhotra, said they had not yet seen the tape, although it thad been televised throughout the day on the Zee channel. Instead, they defended Mr. Laxman on the ground that he was only taking money for the party - a line which brought to mind a similar plea during the Jain 'hawala' days when Mr. Sharad Yadav went on television to say he was , being honest by admitting that he thad taken the money to fight elections, as all politicians do, and in-deed must do.

However, all this was before Mr. Vajpayee sent for Mr. Laxman. After the meeting, Mr. Laxman announced that he was resigning, but he would clear his name later.

The Samata Party camp was at

the centre of the 'revelation' story as its president, Ms. Jaya Jaitly, was "heard" on tape negotiating and directing how the deal was to be done and how the "boss," Mr. George Fernandes, wanted it

#### Cong. bays for PM's head

The Opposition charge was led by the Congress and the Left. In three separate statements, they demanded the immediate resignation of the Prime Minister, whose position, they said had been severely compromised, and

#### CWC discusses 'expose'

NEW DELHI, MARCH 13. The Congress Working Committee (CWC) tonight briefly discussed the expose by Tehelka.com, party sources said without disclosing the strategy it would adopt politically.

The CWC, which had met to finalise resolutions to be adopted at the AICC session at Bangalore beginning March 16, "briefly discussed the issue," they added. — PTI

who had lost all moral right to continue in office. The deputy leader of the Congress Parliamentary Party, Mr. Madhavrao Scindia, said "the matter concerns national security, we want an explanation from the Government on what seems to be irrefutable evidence, if the Government cannot refute these allegations it has no moral right to continue." The party spokesperson, Mr. Jaipal Reddy, was equally unsparing: "it is not individual Ministers or officials, it is the Prime Minister who is accountable for all this."

The opposition clearly sees this "bombshell" as holding all potential of a huge scandal that could expose the NDA Government. "In

the history of this country, we have never had such explosive evidence of corruption, it is equivalent to Pokhran 3," said Mr. Reddy, adding: "it's not just money that changed hands. India's national security has been severely compromised."

The CPI (M) Politburo saw in the scandal a confirmation of its worst apprehensions about the deep and widespread corruption in the government. The CPI Central Secretariat said Mr. Vajpayee had lost his moral right to govern after the revelations and allegations of corruption against the BJP chief and politicians belonging to the NDA. "Compared to this, the Bofors scandal appears to be a minor episode," said the CPI(M).

#### Laxman sees conspiracy

As the scandal broke out, reporters made a beeline for the residence of Mr. Bangaru Laxman who described the affair as "politically motivated" and a "political conspiracy" not only against the BJP, but against his position in the party because he was a dalit. Some people came, not defence dealers but traders, they wanted to donate money to the party, he accepted it. QED. What was the big noise about?

As for Mr Krishnamurthi, he drew a distinction between the alleged defence scandal and Mr. Laxman's role as shown in the tapes. There was nothing to connect Mr. Laxman with the alleged scandal, he only took money for the party, What the party felt was that the entire show had been meticulously planned and therefore taped, and this established that it was part of a political conspiracy. What the party was not able to explain is why officials and others said what they did, even if their rivals had planned a conspiracy. Mr. Laxman had himself hinted that his 'dalit'status could be a factor that made some plan to dethrone him, and there were some politicians who felt that there could also be other factors internal to the BJP that may be behind this 'revelation.' After all, Mr. J.K.Jain, the expelled national executive member, has been shouting about a mother of all scandals for the last several months.

PTI,UNI report:

The Samata Party said it never provided or discussed any defence deal nor interfered in any aspect of the work of the Defence Ministry. "Any claims made by anyone to the contrary is complete falsehood," the party general secretary and spokesman Mr. Shambhu Srivastava said in a statement.

#### PM must quit: Laloo

The Rashtriya Janata Dal president, Mr. Laloo Prasad Yadav, demanded Mr. Vajpayee's resignation and congratulated Tehelka.Com for "exposing the murky deal." He said Mr. Fernandes, Mr. Laxman and Ms. Jaitly should be arrested. Every thing had been captured on camera and now these people could not deny their involvement in the case. Mr. Vajpayee should apologise in public, he said and added that there was no need to probe the matter as the truth had been unravelled.

He threatened to launch a countrywide protest against the "corrupt practices" of the NDA leaders if Mr. Vajpayee did not resign by tomorrow evening.

#### Thackeray wants probe

Meanwhile, the Shiv Sena supremo, Mr. Bal Thackeray, said Mr. Vajpayee should not resign, but instead order a probe into the matter. He thanked Mr. Laxman for showing grace in resigning as party chief.

THE INDU

3. 400:

#### Payoffs' in key deals By Atul Aneja By Atul Aneja

NEW DELHI, MARCH 13. The website, Tehelka, has alleged the involvement of payoffs in key defence deals including the Sukhoi-30 planes, Barak antiaircraft missiles, the Advanced Jet Trainers and laser-guided Bofors ammunition

munition.

According to the portal, a network of middlemen including Mr. Mohinder Pal Sahni, a Honorary Consul General of Belize, the BJP President, Mr. Bangaru Laxman, his Private Secretary, Mr. Sathyamurthi, Mr. Raj Kumar Gupta, a RSS national trustee and Mr. Sudeep Choudhary have been some of the main beneficiaries of the multi-crore Sukhoi-30 deal In the negotiations for the Israeli Barak ship home and the sum of the main beneficiaries of the multi-crore Sukhoi-30 deal In the negotiations for the Israeli Barak ship home and the sum of the multi-crore Sukhoi-30 deal In the negotiations for the Israeli Barak ship home and the sum of the multi-crore Sukhoi-30 deal In the negotiations for the Israeli Barak ship home and the sum of the sum

In the negotiations for the Israeli Barak ship borne anti-aircraft missile, the main players who allegedly benefited include arms dealer Mr. Suresh Nanda, the Samata Party president, Ms. Jaya Jaitly, Mr. R.K Jain who is both a national Treasurer of the Samata Party and defence middleman, as

well as the Defence Minister, Mr. George Fernandes.

Mr. Fernandes, according to the website, was involved in overruling the objections of his previous Scientific Advisor, Dr. A.P.J. Abdul Kalam. Mr. Kalam had opposed the import of an anti-aircraft system and was instead pushing for the induction of the indigenous Trishul missile which has been undergoing trials. While overruling Mr. Kalam's stance, it was planned that the Barak system would not be positioned on key Indian warships in one go. Instead, orders would be placed for mounting the weapon only on the aircraft carrier INS Viraat. Subsequently, the Barak missiles would be placed on six other ships, but only after such a demand had been internally generated in writing. Ms. Jaya Jaitly allegedly accepted Rs. one crore from Mr. R.K. Jain who had been paid this amount by Mr. Nanda, ostensibly as donation for the party. The entire deal is estimated at Rs. 560 crores. While these contracts have involved pay-offs, the one relating to the purchase of Krasnopol laser-guided artillery ammunition appears to have compromised on quality as well. According to the portal, Major(Retd.) S.J. Singh was the key middlemen involved in this deal. These purchases worth Rs. 150 crores were concluded even though the failure rate of the shell during trials was very high. Out of six tests, this ammunition performed adequately only once.

Corruption also surrounds negotiations for the over \$1 billion contract for Advanced Jet Trainers. These trainers are necessary to impart advanced combat training to pilots. The website points out that the Russian firm MIG-MAPO, which manufactures the MIG-AT trainers and is one of the bidders for the contract had quoted the lowest price and had agreed to part with a commission of 10 per cent to Mr. R.K Jain. However, the deal could not be concluded as the manufacturers had been unable to get the required certifications of airworthiness which were necessary to enable their export. Competition from a rival middleman, Mr. Sudeep Choudhary, who had borne the expenses for ferrying the MIG-AT planes for one of the air shows in Bangalore, may have also come in the way.

of the air shows in Bangalore, may have also come in the way.

The contract for upgrading 130 mm. artillery guns to 155 mm. caliber has gone to the Israeli firm Sultam of Israel on the initiative of Mr. Fernandes, the report said

THE HINDU

going on for

7 years, the

agent was

screwing'

Cent.
TEHELKA: Yeah.
DEEPAK GUPTA: Ten per cent is your expense. Commission in this business is 15 per cent.
TEHELKA: Total commission?
DEEPAK GUPTA: Then you make five per cent. I'm talking from an agent's point of view.

Deepak also explains who he will use to get to General Choudary.

DEEPAK GUPTA: I know two people who know Gen Choudary.

who know Gen Choudary.
TEHELKA: Hmm.
DEEPAK GUPTA: One is Deepak

Chtebra...
TEHELKA: Hmm.
DEEPAK GUPTA: And the other man is a chap called Sharma. He works for my

company. TEHELKA: Haan. DEEPAK GUPTA: But I prefer Chhabra

#### Dollars! You can give in dollars, said Bangaru 'It has been

oming to know that BJP President Bangaru Laxman had taken on himself the mantle of swinging corporate kickbacks, we looked at a way of approaching him in a costless manner. For a while RSS trustee R.K. Gupta was asking for a sum of Rs. 25 lakh for an introduction to Laxman and getting the job done. Sahni, the other defence middleman, himself had put a figure of Rs. 10 lakh. West End, obviously, had no budget of that kind. We talked to H.C. Pant. He offered first to take us to Saheb Singh Verma, BJP MP, who would then at a cost of Rs. 1 lakh take us to Laxman. Eventually, Pant sent Mohan Singh, PS to former Minister of State of Defence Harin Pathak, to introduce us to Raju Venkatesh, Laxman's personal secretary. Venkatesh introduces us to Laxman. Here's the first meeting.

TEHELKA: Sir, I am from Westend international...

International...
BANGARU LAXMAN: Hmm...hmm.
TEHELKA: So I am chief representative. It's written in my liaisoning this BANGARU LAXMAN: Hmm, hmm.
TEHELKA: ...so we are interested in India investment. Around...we are interested in 2001 to 2002 around 5,000 crores. We already moved a proposal to PM that telling him that foreign direct investment. And we would like to introduce our night vision for defence. defence.... TEHELKA: Can I show you? This TEHELKA: Can I show you? This is...this is the proposal.
TEHELKA: Sir, this is hand.... This is the material... This is themal...handheld thermal camera.
BANGARU LAXMAN: Hmm...hmm.
TEHELKA: Already I talked to defence people..officers. Lt. Gen. Choudary.
TEHELKA: And Lt. Gen. Dhillon also.
BANGARU LAXMAN: Hmm.
TEHELKA: So they are willing to take our item. It is a very good item, compared to CSF-Thomson and El-Op. They...they are our compet...competitors. That everything is set up there. Now I need...uh...your favour to Defence Secretary.

Secretary.
BANGARU LAXMAN: I know him...but...no...at what stage the proposal is?
TEHELKA: The proposal is...if Defence
Secretary will send the...al... Already
the file is with the Defence Secretary.
Already users...that means they will
decide which item they will use or not.
So they'll send the file to Defence Sec-

TEMELKA: So what should we do, thinking on these lines. So if Defince Secretary will agree, so our company will be short-listed. We will get around 60 crores of rupees order.

BANGARU LAXMAN: Hmm...who are the people who...who will help this?

BANGARU LAXMAN: Hmm...who are the people who ...who will help this?

TEHELKA: Yeah.

BANGARU LAXMAN: I mean, there must be some committee, which must have gone in.

TEHELKA: No, that is they've approved. That PNC will open January first week. Before we have... Sir, there is one reason I'll tell you very frankly, openly. So in the bureaucratic and in the political level, they will not allow and in the political level, they will not he fray. Reason, two companies are already supplying. The next meeting with BJP President Bangaru Laxman takes place in the New Year. By now, the token advance of Laxman had been whittled down by West End to Rs. 1 lakh from Rs. 5 lakh. This after presenting a gold chain to his other secretary, Sathyamurthi, and a token amount of Rs. 10,000 to Raju Venkatesh. All this for the sole purpose that they would project West End as a very big and credible company to Bangaru Laxman.

TEHELKA: I have met Mr. Gupta.

garu Laxman. TEHELKA: I have met Mr. Gupta. BANGARU LAXMAN: This do not know because... TEHELKA: No, sir. What will give...my identification? Mr. Gupta told me he arranged the meeting.

BANGARU LAXMAN: Leave Mr. Gunta. TEHELKA: Okay, I will. BANGARU LAXMAN: You have come

directly.
TEHELKA: I have come directly. I have my credibility. My company's having the credibility. I don't need to meet through you. Mr. Gupta.
BANGARU LAXMAN: Okay, don't arque.

TEHELKA: Mr. Gupta told me, "I will think about it." So I said, "I am an Indian. I came directly to meet you."

BANGARU LAXMAN: He told you?

TEHELKA: There is...there is...no need. You do not ask company to do everything for you...every time. Sir, we have some...promotional projects. There is no problem...absolutely nothing? Hain! I am asking you?

asking you?

BANGARU LAXMAN: No...I don't know how you...you came into his contact TEHELKA: No. I contact that...they...they approached us. They told they are doing liaisoning work of BJP. That he...he is a trustee of RSS. So then Murli Madhavan told me that he talked to you for 10 lakts. And you asked for 20 takhs only...for this issue... My boss carne to

only...for this issue... My boss carrie to know. "If Mr. BANGARU LAXMAN takes Rs. 20 lakh?" then he asked me not to give. That is the thing, sir, I want to need clarification. Sir, I can....I can...l need for party men. BANGARU LAXMAN: You come direct. One day casually tasked him.... BANGARU LAXMAN: We have...he said.

BANGARU LAXMAN: ...He said how things we don't normally involve....! said things we don't normally involve.... I said okay.

TEHELKA: No, that No, we have a lot of other things. Power projects and lot of things we have. You know, once we are starting from the binoculars. You know, several times he asked me, "I want to introduce... I will go to introduce Mr. Bangaru... Mr. BANGARU LAXMAN." I said this, "I am an Indian. I can go directly meet... meet him... I have the company credibility there. Company's just like... bigger than Tata. You know, I can go directly to meet "Mr. BANGARU LAXMAN. He can understand my position. Isn't it?"

tion. Isn't it?

BANGARU LAXMAN: Accha:
TEHELKA: Isn't it? There is...I don't need any commitment from you also.
BANGARU LAXMAN: All right. Meeting

was set. I'm your...
TEHELKA: All right....Satya...
BANGARU LAXMAN: Directly contact

TEHELKA: Yeah... can I give you one lakh tipees for it? For a token: My... TEHELKA: Sir, can...can I give you one lakh tipees for it? For a token: My... TEHELKA: Sir, my boss is here. In...in..a...in Oberoi executive...executive

suite.
BANGARU LAXMAN: Accha.
TEHELKA; So he also wants to meet you.

BANGARU LAXMAN: Accha.

TEHELKA: So, can you arrange the appointment tomorrow? Can you BANGARU LAXMAN: Tomorrow? TEHELKA: Hmm So.... TEHELKA: So he will come and meet you. So will you...uh...what I told to Mr. Satya that matter.

BANGARU LAXMAN: Hrmm.
TEHELKA: For the party fund.
TEHELKA: I have five lakh rupees.
BANGARU LAXMAN: Hrmm.
TEHELKA: And today I will give you one lakh rupees. For just the beginning. A New Year gift.
BANGARU LAXMAN: Hrmm, hrmm.
TEHELKA: Okay? But...but...but, tell me, sir, very frankly, Mr. R.K. GUPTA told me he arranged the meeting. Outside the ... the. BANGARU LAXMAN: I do not know what exactly transpired between you and him. He just...he was mentioning.... TEHELKA: Okay.
TEHELKA: Sir, this is a small gift... small

gift
BANGARU LAXMAN: Oh, no, no...
TEHELKA: It's a small gift for the New
Year party. Right?
Bangaru Laxman opens the drawer,
takes money from Tehelkaand puts it
awayd. away!
TEHELKA: New Year party fund, hain?
One lakh rupee. hain? One lakh rupee, hain?
TEHELKA: And then...rupee.
BANGARU LAXMAN: When do you...?
TEHELKA: Tomorrow. Rupee or dollar?
BANGARU LAXMAN: Dollars. You can give dollars. **TEHELKA:** Okay. We can give you dollars. Sir, we need your blessing.

THE CAST OF CHARACTERS: ON AND OFF THE TAPES



BANGARU LAXMAN BJP president



JAYA JAITLY Samata Party president "I would only request George Fernandes' office "



**BRIG ANIL SEHGAL** Director, DGOS "There is no fixed amount to say how much Fernandes



MAJ S.J. SINGH Middleman "You can call me a fixer"



R.K. JAIN Middleman, national treasurer, Samata Party "I can't do it for less than 10 per cent in this deal, the PM will be involved?



RAJ KUMAR GUPTA Middleman, national trustee,

"I am expecting commission this year of Rs 100 crore'



MOHINDER PAL SAHNI Middleman, cor sul general, Belize "With Bungar u, we have to



MAI GEN P.S.K. CHOUDARY Additional director general, ADE, WE "Betrreen the two companies,

who gets the ministry's job. That,'s on commission



BRAJESH MISHRA Adviser, principal secretary in PMO



GEROGE FERNANDES Defence minister

Jaya Jaitly is the second wife. But not officially married to Jaya Jaitly. She's president of the party also. So there are two defence ministers. One is George Fernandes,

Jaitly. The scientific adviser is also above gave me one crore rupees. But I want to give it to the party.'

another is Jaya George now. He

to Sharma. Okay.

TEHELKA: Okay.

DEEPAK GUPTA: Because Chhabra will deliver goods. Sharma has a habit that first give the money.

TEHELKA: Hmm.

DEEPAK GUPTA: First give the money, then we will see. TEHELKA: Hmm.

TEHELKA: Hmm.

Deepak also introduces us to a secondrung defence fixer called Rakesh Nigam who claims a direct in with Defence Secretary Yogesh Narain.

RAKESH NIGAM: No, no. The commission you spelt out, 17 per cent, that will come at a later stage. We will not ask you for a letter or anything until we are sure about whether we can perform or not. But to make a breakthrough within that 17 per cent there is going to be...there could be something known as teething problems. Teething expenses...which you have to meet. How much, that's what I am asking you.

TEHELKA: You see, you are talking about the token amount?

RAKESH NIGAM: Yeah.

TEHELKA: Token amount is if you can arrange a meeting with this man, Defence Secretary. It's just a half kind of promise from his level, It won't be work out in 2000, it maybe in 2001. Now onthe-spot I can give two lakh rupees.

RAKESH NIGAM: Mr. Mathew, I will give you 25 lakhs of rupees. You arrange for my meeting with one of my contacts...with Defence Secretary. People here talk in crores, you are talking two lakhs and five lakhs...

TEHELKA: Sir, this is when nothing has happened.

Nigam talks about a deal with former Minister of State for Defence, Harin Pathak, in which he gave him kickbacks worth Rs. 1 crore.

TEHELKA: Did this man introduce lot of finance last year. Financial advisors and some defence officers...those who are related W.E. I am not blaming him. If minister is unable to reach him, then how can...?

RAKESH NIGAM: Very strange. Harin
Pathak is a very bold person. One or Pathak is a very bold person. One or two jobs he did for me, and we exchanged bags. And things moved very smoothly.
TEHELKA: Which one? In the foreign

RAKESH NIGAM: Yeah. RAKESH NIGAM: That is the very reason that you have been in this business and have not been able to make a proper breakthrough. Your own, your person whom you are naming their own ministers...! got one job...just for a breakthrough. For six years this project, they were not getting any breakthrough. I was getting competition from companies like...people like Chaudhary and Nanda. I gave one CR and things started moving.

Nanda. I gave one CR and things started moving.
TEHELKA: CR means?
RAKESH NIGAM: Cre...
TEHELKA: Cre crore?
RAKESH NIGAM: For MTR.
TEHELKA: MTR is?
RAKESH NIGAM: Germany.
TEHELKA: MTR is?
RAKESH NIGAM: HAL thing.
RAKESH NIGAM: HAL thing.
TEHELKA: What was that?
RAKESH NIGAM: Engines. For six years they were getting fucked in Delhi and the Indian agent was screwing them.

them
TEHELKA: So Mr. Harin Pathak...
TAKESH NIGAM: Yeah, but I don't
want to name and very few people know
about this.
RAKESH NIGAM: Very few people.

RAKESH NIGAM: I will give you an example of MTR. You must have heard of Daimler Chrysler?
TEHELKA: Which one?
RAKESH NIGAM: Daimler Chrysler. Mercedes people. Mercedes is a very small project for them. Daimler Chrysler is a big group for defence.
TEHELKA: Daimler Chrysler in Germany? many?
RAKESH NIGAM: Massive. bloody this thing. And I am doing job for them.
TEHELKA: In the ministry?
RAKESH NIGAM: In the ministry.
TEHELKA: That one you succeed in.
RAKESH NIGAM: Yeah.
TEHELKA: In HAL? That is a jet trainer,

rakesh NIGAM: No, no, no. This is for the ALH. Advanced light helicopters.

the ALH. Advanced light helicopters. ALH. TEHELKA: Okay. Already signed deals? RAKESH NIGAM: No, not deals. Just... TEHELKA: Breakthrough. RAKESH NIGAM: do a breakthrough. TEHELKA: That is a big thing. RAKESH NIGAM: it has been going on for seven years. And the bloody Indian agent was screwing these people. Dr. Fisher and Heinz. I gave him results within a time of 20 days. TEHELKA: Do the same for us also. RAKESH NIGAM: No, no. We have to develop a confidence in each other. Everyone. Jook, in Delhi, Mr. Mathew, you will find bloody out of 100 people. 90 people who will tell you, "I am this. I am accessible to the Prime Minister." Little do you know that they are only accessible to the gardener of the Prime Minister. Tata is true. RAKESH NIGAM: I have been in this business for... I own a very low profile. RAKESH NIGAM: You may not even heard of my name by now.

heard of my name by now.

TEHELKA: Yeah, first time I am...

RAKESH NIGAM: Defence Secretary papointment, I came to know one-and-a-half months back. I told **DEEPAK GUPTA**. He said, "Nigam sahab,
Rakesh bhai, really I am astonished....
And the rapport I have, is seen to believed.

Of course, now we go straight to West End's first meeting with R.K. Gupta. It was Pant who took us there. Gupta straightaway talks about his Atal Behari Vajpayee connections and what the Prime Minister has told Bangaru Laxman.
R.K. GUPTA: PM told BANGARU LAXMAN whatever Gupta says, do it.

#### Sashi Menon and Brigadier Anil Sehgal, the deputy director in DGOS, give it the two things that it needed — a defence product Your work will be 'Nanda paid Rs 1 Jain'. There are 2 done: RSS trustee crore to Samata' defence ministers

Investigated by ANIRUDDHA BAHAL & MATHEW SAMUEL

Tehelka.com managed to sell the Lepage 90, the ALION and the Krueger 3()00 to the Indian defence establishment — ostensibly fourth generation hand-held thermal cameras and, needless to add, non-existent.

It all started with Senior Section Officer Sashi Menon, in the Ministry of Defence, wanting to make some money from arms dealers. Tehelka.com floated a fictitious arms manufacturing company, based in London, called West End International. It was in search of a product whose indent existed in the Indian Army. It also wanted to get an entry into the lowest end of the defence chain and work its way upwards through the Indian scenario of graft.

TEHELKA: Haan.

Army and spent Rs. 10 lath, a months the project. He is confident of doing the project within 6 months.

R.K. GUPTA: No, me Just listen. When the order is with us...LC is with us...then we are paid. Drawdown 30 per cent payment. When you get the payment, then you get the project will be built up. TEHELKA: Okay, o

R.K. GUPTA: And we take from them. In six months the project will be built up. Complete project will be built up. TEHELKA: Okay, okay, okay. R.K. GUPTA: Then at the highest level... TEHELKA: Hmm. R.K. GUPTA: Secretary of Defence is the highest boss.

the highest boss.
TEHELKA: Okay, okay.
R.K. GUPTA: That "Sir, we are interested in this project. How should we go?" once you have built ground below. Then he will Gupta admits say, "Okay, I will charge this much. One per cent, one and-a-half per cent." Then rest you manage below. Everything. Users and other things.... Then when 40

other things... Then when 40 crores...total expense how much is possible...six per cent, seven per cent, eight

TEHELKA: got it.

R:K. GUPTA: Then we give...when the tender is given to us...we are the lowest, we have been granted... They'll place orders, open the LC. It is very, very

Gupta admits to expecting commissions of around Rs.100 crore in the year 2000. He says if the Defence Secretary wants money, he will give it with his 'own' hands R.K. GUPTA: I have direct relations with the Defence Secretary.
TEHELKA: Sir, Naresh Nigam entered the plan and I had some doubts about

him. —

R.K. GUPTA: Nigam is a small type of person. Give him 10,000, 4,000, plane ticket to Bombay. We oblige him. TEHELKA: Okay.

R.K. GUPTA: How does it matter? When the game is big, when I am expecting commission this year...myself

commission...100 crores...
TEHELKA: Okay.
R.K. GUPTA: Why should I bother about him, giving him, two, three, four, ten lakhs? iatkns?
TEHELKA: Yeah, yeah, that's all.
R.K. GUPTA: I don't care.
TEHELKA: Okay, okay.
R.K. GUPTA: He's a small timer.
TEHELKA: Now I got it, the picture, sir.
R.K. GUPTA: Defence Secretary when

R.K. GUPTA: Defence Secretary when he wants money, I'll give him with my own hand. That, "Sir, this is a cheque worth two crore..." So I'll tell your principal to deposit in his account.
TEHELKA: Okay.
R.K. GUPTA: Hmm.
TEHELKA: That's all.
R.K. GUPTA: And this party people...that they are supposed to settle for two per

R.K. GUPTA: Now we have beaten everybody. Americans had come, sraelis had come, South Africans had come, European friends. not take the money. R.K. GUPTA: Who?

TEHELKA Defence Minister. R.K. GUPTA: We have already tied with Jaya Jattly.
TEHELKA: Tie-up?
R.K. GUPTA: Samata Party General

Secretary.
TEHELKA: Okay.
R.K. GUPTA: Defence Minister. One or two per cent. We'll settle with Jaya Jaitly. It's her job to give him or not give him. Our file is signed. She takes the morey.
TEHELKA: That's all.
[Gupta mekes dectural]

TEHELKA: Inat's all. [Gupta makes gesture] Shockingly, fuelled by a sense of his own power, he talks again about how he cut-up Ranjan Bhattacharya in a deal. Bhattacharya has a reputation as a fixer-dealer. The cory details... dealer. The gory details...

R.K. GUPTA: Ranjan Bhattacharya is doing for himself. He is Prime Minister's

son-ĭn-law. TEHELKA: Yeah. R.K. GUPTA: You know that?

TEHELKA: PANT Sahib told me.

R.K. GUPTA: He is Prime Minister's son-in-law. I've cut him into pieces. I've gone through the party. PM can't say no. Party's getting 100 crores. He won't say, "No, my son-in-law's getting 100 crores. Leave it." We are his father's father loointing to himself].

TEHELKA: Yeah.

R.K. GUPTA: And he doesn't know my name also, though he has been corriling.

name also, though he has been coming to my office hundred times. He doesn't know that my uncle has cut me to pieces.
He calls me uncle. I've cut him to pieces.
He doesn't know it. Who's the man who
has taken half the order and we're left
high and dry. He's still trying to find out
who is the man behind it. He can't find
out. If he find out then I'm not a good
operator. If left up and spakes Gupta's

operator. [T gets up and shakes Gupta's hand] TEHELKA: Okay. No, the people told me. Mr. PANT also told me. In fact, users also told me that this man is behind CSF-Thomson. R.K. GUPTA: Then they get more

Isowhere, the brew, is simmerine.

Jain, treasurer of the Sama ta Party, being the briefcase man of George Fernandes, we at West End decided that a direct des, we at West End decided the La direct approach was called for. The series of meetings with R. Lain proved to be a goldmine of information about past and present defence deals. It Incriminales beyond redemption Defence Minister George Fernandes and the Samata Party. Jain was conned by emphasising the size of West End as a group, the contributions it would make to the Samata Party fund an Ato Jain's own coffers. An introduction to Jain.

R.K. JAIN: I am the natic nal treasurer, I have given you the card. The treasurer is close to the boss because for money matters he has to talk to the treasurer only. Even if he talks to '10 others, he has to talk to the treasurer. TEHELKA: Bilkul, natu rally.

R.K. JAIN: Please corusider that it is no hidden from the treas urer that the party is getting money. Money is withdrawn when I pass the che que, when I sign it. And why should I lie? I would take money only in lieu of work done for you.

Jain explains what his role will be for West End. He also goes on to narrate the details of one of the first defence deals that he did for Samata party, when the party had no money and had just come to power. Suresh Nanda of the Crown Corpora ion paid them Rs 1 crore for help in getting the order of 250 Armoured Recovery Vehicles for a Slovakian company vakian company
R.K. JAIN: Arm oured recovery vehicle
was my first ca se which I did it for Slo-

vakia.
TEHELKA: Ok ay.
R.K. JAIN: W nen George was Defence
Minister for the first time. After one year,
then he became another Defence Minis-

TEHELKA: Yeah, yeah.

T.K. JAIN: T his is I am talking about the first time when he became the defence minister. As soon as he became the defence minister, after six or seven

monts.
TEHELKA: Okay.
R.K. JAINI: Suresh Nanda approached
me for a moured recovery vehicle. He
was the agent for the Slovakian compa-TEHELK A: What was the product?
R.K. JA! N: Armoured recovery vehicle.
TEHEL! (A: Oh! Yeah, yeah.
R.K. JA!M: There were 250 vehicles
were there. The tender was worth say
250 cm; which was a control of the control of

were there. The tender was worth say 250 crures.

TEHEL.KA: Okay.

R.K. JAIN: There were two...three, competitions — Slovakia, Czechoslovakia and there was a company from Poland.

TEHF:LKA: Okay.

R.K. JAIN: Boomer.

TEH ELKA: Yeah, yeah, that jet plane and everything.

A HELKA: Yean, yean, that jet plane and everything.

R.K. JAIN: Nanda approached me. Czeichoslovakia's price was the lowest, set ond Slovakian, third was the Poland.

TE HELKA: Hean, Hean.

R.K. JAIN: He said, "I will give you one corpe rupees in advance..."

TI HELKA: Okay.

R.K. JAIN: "You get disapproved the last one...Czechoslovakia because they are so lower that we cannot match their

aars. They will start only aars order.

"EHELKA: Yeah, yeah.

3.K. JAIN: "I will give one crore rupees.
And I will give you...if they are technically disapproved, then you are my agent."

TEHELKA: Yeah.

R.K. JAIN: "For this particular perks and I will you so much of commission."

TEHELKA: Okay.

R.K. JAIN: I said, "Fine." He gave me the correspondence. I took the correspondence to George.

TEHELKA: Hrim.

R.K. JAIN: And he said, "All right, I'll reject it." He is a very intelligent man.

R.K. JAIN: And he said, "All right, "il reject it." He is a very intelligent man. Next day he called Rajiv Goba.

TEHELKA: Hmm.

R.K. JAIN: He said, "Ring up to this Indian Embassy in Czechoslovakia and find out whether this company is closed for the last two years or not."

TEHELKA: Hmm.

R.K. JAIN: And he rang up. It was closed.

closed.
TEHELKA: Hmm.
R.K. JAIN: He told me, "...said the company is closed for the last two years. There is no point of a delegation to go. And therefore this company is technically disqualified."
[Jain's phone is ringing.]

TEHELKA: Okay, it is manipulated.
R.K. JAIN: He wrote straight away on the file himself. He never goes and orders to a Joint Secretary. He wrote it himself, and sent the file back. Nanda gave me one crore rupees. He called me, "Yes, Mr. Jain, the file has come down. Like you know George..."
TEHELKA: Yeah, yeah.

R.K. JAIN: "The file is down, my work has been done, I am very happy. You take your one crore rupees." I said, "Fine, give it to me."

TEHELKA: Yeah, this kind of work.

R.K. JAIN: After that...

TEHELKA: Yeah.

R.K. JAIN: After that, the bugger could not get lowest into the PNC. Poland become the lowest.

TEHELKA: Okay.

R.K. JAIN: Then he started running around. "Mr. Jain..." I was very angry. "You bastard." And on the instruction of George Fernandes, Raijiv Goba attended that PNC to see that what is happening in the case.

Later, Jain explains to the President of West End how he lobbied with Defence Minister George Fernandes to get the Air Jet Trainer project for Samata Party R.K. JAIN: You now I worked for your project initially here. I started with this project called Air Jet Trainers. TEHELKA: Okay.

want you. Whether his office is being done or not done, I don't care. But I want to give it to the party. You give it and please try, and help me. Money is not a problem. I went and paid.... I fold Jaya Jaitly, "Look, so much of money he has already given to me now. If you accept it, that means we have to do something for the party. If you don't accept it, well, I'll go and give it back. But only accept it when we feel that we can do something. Otherwise, he won't say anything to me, but he won't feel good. He won't feel nice." She said, "Give me time for two days. She kept the money. After two days, she says, "I've spoken to the boss. Don't worry. He said he'll make everything fine." The file was called. He wrote on the file. "Vikrant is our main ship, is the main yessel." vessel."
TEHELKA (interrupts): That's your air-

craft carrier?
R.K. JAIN: Yeah. "Pakistan has the sur-R.K. JAIN: Yeah. "Pakistan has the sur-face-to-surface missiles. And our ship is very well equipped because we have...air landing...air take-off.... TEHELKA: Yeah. R.K. JAIN: (continuing): "We can't leave this ship, you know, like this. So in my suggestion, in my view, at least one sys-tem should be purchased. And put on our main vessel."

our main vessel."
TEHELKA (Interrupts): That is INS Viraat also. He can give that to.
R.K. JAIN: Yeah, yes, INS Viraat.
TEHELKA: Yeah, INS Viraat.
R.K. JAIN: Yeah, not Vikrant. INS Viraat.

R.K. JAIN: Yeah, not Vikrant. INS Viraat. Sorv.
TEHELKA: This is for INS Viraat.
R.K. JAIN: INS Viraat. And he told me, "Look, Mr. Jain, I'm doing it, I'm overruling the comments of the scientific advisor, so it is not good to allow seven pieces in one go, because we have seven ships. Naval... the seven ships who are real fighters. But tell your company that they should try and push from the down level. That after one is approved, 'No, no, we can't do with ohe. All ships are very important. Please allow us to buy all seven. Then I'll give them the permission to buy and burchase the rest of the six." Same thing happened after six moniths. The file went to the boss again because Nanda managed to, you know, from the bottom he managed to get a letter in the name of George Fernandes, that "This is very important. Without this we can't survive." So. vive." So.... TEHELKA: So Mr. Kalam took the

money?
R.K. JAIN: No.
TEHELKA: Not Kalam?
R.K. JAIN: Not Kalam. Kalam, because see Kalam was overruled by George Fernandes.
TEHELKA: Okay, okay.
TEHELKA: How much was the deal worth?

worth?

R.K. JAIN: 560 crore. Eighty crore was one piece. The deal is still going on. The PNC is going on. It's not yet through. The final negotiation is going on.

TEHELKA: The percentages are decid-

R.K. JAIN: But for myself also...

In an explosive revelation, R. K. Jain continues to spell out the incredible corruption and compromise of the Indian defence at the highest level. He explains how the actual monetary transaction takes place in a defence deal, and how much money he has made for Samata Party - so far -Rs. 50 crore, for himself a rather substantial sum of Rs. 10 crore. In the beginning, he speculates about whether the Prime Minister forwarded some of the Sukhoi fighter aircraft money to George Fernandes TEHELKA: That's right. G...G...George Fernandes, had nothing to do with it? Okay?

R.K. JAIN: (nods his head): Maybe the PM must have got some money and forwarded to George Fernandes also. That I. Ital...

TEHELKA: Forwarded it to you and not to him?

R.K. JAIN: Not necessarily because sometimes they have given the...

Both laugh,

TEHELKA: You normally use Zurich or

NEMELIA: 100 Hornally use 2 Lines which place?
R.K. JAIN: No, I normally use a different man... a third man.
TEHELKA: Okay.
R.K. JAIN: See I'm only concerned...like I talk to somebody in Delhi.
TEHELKA: Okay.
R.K. JAIN: He will come and sit with me. He will give me the guarantee of that amount, which I'm giving it to him in his account. amount, which I'm giving it to him in his account.
TEHELKA: Abroad?
R.K. JAIN: I have a guarantee here.
TEHELKA: Okay. Bank guarantee?
R.K. JAIN: Not bank guarantee.
R.K. JAIN: Not bank guarantee.
R.K. JAIN: Verbal guarantee with one or two common friends...
R.K. JAIN: As soon as the money is transferred, we show him the slip. The money is being transferred.
TEHELKA: Then he gives you the equivalent in Indian rupees.

alent in Indian rupees.
R.K. JAIN: Then he gives...
TEHELKA: Okay.
R.K. JAIN: That's the way they do it. Sometimes my brother needs money abroad. All right? Then I push it to my brother's account.
TEHELKA: Okay. Which is the biggest transaction you have done?
R.K. JAIN: I've done the Sultam.
TEHELKA: How much was it worth?
R.K. JAIN: That was 600 crores. Three per cent for me. per cent for me.
TEHELKA: So that was worth how
much to you? Half a per cent of 600 crore? R.K. JAIN: Nothing much. TEHELKA: That's quite a lot of

money. R.K. JAIN: You see, the kind of... TEHELKA (interrupts): Half a million dollars.
R.K. JAIN: Jaya Jaitly is the second wife. But not officially married to Jaya Jaitly. She's president of the party also. So there are two defence ministers. One is George Fernandes, another is Jaya Jaitly.

[Both laugh]

#### We have been taking Brajesh's help: Bangaru

TEHELKA: And did you see any other things that, basically how to approach it? Considerable work has been done on the users side military they all liked the product. And they foresee no problems in it going through. It's the fourth governition. BANGARU LAXMAN: (interrupts): ...on Brajesh Mishra? How? TEHELKA: That...that defence people told me, that officers told me, that bureaucrats also told me this matter.

TEHELKA: Do you see that as...
BANGARU LAXMAN: You see, also there is the PNC [Price Negotiation Committee]?
FEHELKA: Sir, there is a PNC there but there is lot of process there before PNC. You know they have to first...eval-uation, and then short-listing, and then he PNC will come. You know, they are

not allowed to...third party inside that...in the evaluation. That is a... TEHELKA: Are you experienced with defence matters generally? BANGARU LAXMAN: (nods in assurance): Hmm. No, my experience is... TEHELKA: Mr. R.K. Gupta told me on that day, I told you, na? BANGARU LAXMAN: Hmm.

TEHELKA (continues): That through you, sir, he can break that one. I said, "I don't, I don't want to...I don't need any third party to meet Mr. Bangaru Laxman I can go directly to meet Mr. Bangaru." So he asked me 20 lakhs for the meeting to you. I said, "If...but in front of me I cannot...I can give that money to Mr. Bangaru Laxman in a party fund." Sir, that, that also I told Satya also we are ready to give 4 to 5 per cent as are ready to give 4 to 5 per cent as commission. [Laxman nods] Political commission. That other...that we have o give...rest of that we have to give siep-

arate.
TEHELKA: Do we do it with the treairer? I don't know how do we pro seed in this. Do we wire transfer the money? BANGARU LAXMAN: Yeah, yeah. I will tell you.... TEHELKA: Okay.

TEHELKA: Do you see any problems in that? I mean, we we are not saying that that this has to happen, in the we have a 25 per cent chance, we're BANGARU LAXMAN: (nodding): That's true.
TEHELKA: So tell me what exactly is the procedure? If you could just tell me the details.

BANGARU LAXMAN: Look...no. Probably you may be knowing the procedure better than me.

TEHELKA: Yeah, yeah. That's why I was here. But things don't move in India without some political....

BANGARU LAXMAN: Yes, that is true, provided We shall try to do that. provided.... We shall try to do that... TEHELKA: Yeah.

Pause)
BANGARU LAXMAN: (continuing): So far we have been taking the help of Brajesh Mishra to organise this because Brajesh Mishra is there on a number of committees apart from Principal Secretary to Prime Minister. TEHELKA: Okay.
BANGARU LAXMAN: And any ence issues, he is... BANGARU LAXMAN: (continuing): We

normally turn to him because he has access to the Defence, Foreign and other related ministries.

TEHELKA: Yeah.

BANGARU LAXMAN: But in this you said that somebody...
TEHELKA: Yeah. I don't know how true
that thing is. I mean, it's just that somebody told us. It could be wrong. We're not sure. BANGARU LAXMAN: Yes. I will...(nods) TEHELKA: And basically, is he the only

carry more influence than him. BANGARU LAXMAN: It's like.... No, he deals with the bureaucracy....

TEHELKA: Okay.

BANGARU LAXMAN: (continuing):

And also conveys the views of the bureaucracy to Prime Minister. So he is

and the Prime Minister
TEHELKA: Prime Minister. Okay. BANGARU LAXMAN: So. therefore, whatever we tell to Prime Minister, he also normally have a word with Mishra. TEHELKA: Okay.

BANGARU LAXMAN: And then certain the second s

BANGARU LAXMAN: And then certain things he will say that "No, no, you convey this to Mishra..."

TEHELKA: Okay.

BANGARU LAXMAN (continuing):
"...You pass on this information to Mishra..." That's how things here....

TEHELKA: Okay. So basically he is the lynchpin in all the dealings? BANGARU LAXMAN: He is. But I'll find

out all this information.
TEHELKA: Okay.
BANGARU LAXMAN (continuing): But since this is a...the superior thing, I think they shouldn't have any kind of... Tehelka (completing Laxman's sentence): Major roadblock on it?

TEHELKA: Okay.

BANGARU LAXMAN: At...in any case, I'll.... What would be the total worth of TEHELKA: It could be anything above 200 crores, as they say. So about 50 million dollars to 60 million dollars. But then, if you give us the whole order, then that's, like, much more. It'll go up to, like, 600 [crore], so that would be about, I guess, 180 million dollars or something. Two hundred million dol-

lars.
TEHELKA (continuing): That's...that's
...it's much easier for us to transfer
funds abroad than deal within India on
a day-to-day basis. So we'll come to a day-to-day basis. So we if conting? Is there...you don't deal with.... There's a Mr. Rafijan Bhattacharya also, I'm told. Is he also important?

BANGARU LAXMAN: Well, he is a

family member of Prime Minister.

TEHELKA: Okay.

BANGARU LAXMAN: And...he does something. But these things I don't think he will get involved.

TEHELKA: Accha. I was told that he's got a...I mean, lots of projects and all being moved. I don't know how far it's BANGARU LAXMAN: Maybe. I don't

say that he might be involving himself in many other things. But as far as defence things are concerned, I don't think he has much.

TEHELKA: Yeah.

BANGARU LAXMAN: Somewhat in power projects. This and that.

TEHELKA: Yeah. | believe in Enron he TEMELKA: Yean. To eleve ill Entor he had a major hand to play. And would it be like...their accounts, I believe....I mean which banking nerve centers do you operate in? Do you use Zurich or which cities do you use?

BANGARU LAXMAN: You have to consult our treasurer who will be dealsult our treasurer who will be deal-TEHELKA: Okay.
BANGARU LAXMAN: I will have to find

out from him first. I have taken over recently. I was not dealing, with these matters earner...
TEHELKA: Okay.
BANGARU LAXMAN: (continuing):
...when I was in party. So I will have to check up from him. In such cases

TEHELKA: Okay,
BANGARU LAXMAN: And so far, you have yet to start. Certain things are in...still in the pipeline. That through establish agent who maintains a liaison with the supplier and also with the government.

#### It's in national interest to consider all: Jaya Jaitly

here's a small wait at Defence Minister George Fernandes's house for "discussions" with the president of the Samata Party, Ms Jaya Jaitly The meeting has been organised by Surendra Sulekha and General Murgai is also there, besides Member of Parliament Srinivas Prasad and some others. The sequence begins with Sulekha asking for the Rs. 2 lakh token money due to Jaya Jaitly for the first face meeting. On this occasion we are carrying two camera devices so that in the event one of them malfunctions, we have a back-up.

malfunctions, we have a back-up. (Surendra Sulekha walks in) SURENDRA SULEKHA: Packet is where? TEHELKA: Packet...that money's in the briefcase. SURENDRA SULEKHA: That you take in this hand. That give to me because... I'm handling that matter.

that matter.
TEHELKA: Okay, okay.
[Sulekha looks up, calls to someone, pre-sumably to take the briefcase.]
TEHELKA: No, I will take, I will take. You take SURENDRA SULEKHA: Okay, you just give it. Give that.
[Tehelka starts taking out money from the briefcase and wrapping it in a newspaper. Sulekha now comes clearly into the frame, bending down.]
SURENDRA SULEKHA: You want coffee or

TEHELKA (continues wrapping): No, that's okay. SURENDRA SULEKHA: Our director...it will not look nice. TEHELKA: No thanks. SURENDRA SULEKHA: Not look nice.

Just...cover it.

[He turns around to check the door.]
TEHELKA: No, I will cover it. Just put it.
SURENDRA SULEKHA: Let's take it.
[Tehelka gets up and prepares to follow Sulekha out.]
TEHELKA: That also I want to show her?
SURENDRA SULEKHA: What is the need for that?

TEHELKA: No? SURENDRA SULEKHA: Madam, he is Mr. Samuel.
[Tehelka folds hands in a greeting]
TEHELKA: West End...
SURENDEA SULEKHA: He's dealing in electronics and...
JAYA JÄITLY: Yeeh...
SURENDRA SULEKHA: I am also joining them.

JAYA JAITLY: Hmm.
SURENDRA SULEKHA: Now they'll be starting something with the Defence. He's brought something for the party.
JAYA JAITLY: Hmm. [Jaya laughs] TEHELKA: So I'm from Kerala.

JAYA JAITLY: Oh.

MAJ. GEN. MURGAI: I have been telling him for a long time. I told him, "You maybe a specialist in textiles, but now you must diversify into electronics."

JAYA JAITLY: Till now, luckily I don't think too many people-have become too enamoured by that. Till now everyone was going to IT.

TEHELKA: Yeah. People are interested in it.

MAJ. GEN. MURGAI: I'm talking venture capitalist IT. tal in IT only.

JAYA JAITLY: Hmm.

JAYA JAITLY: Hmm.
MAJ. GEN. MURGAI: See, those people who
have made lot of money in...
TEHELKA (proferring the packet of money,
interrupts): Can I... can I give it to madam?
[Tehelka gives the package to another man
standing to the right of the screen and folds
hands. JAYA JAITLY acknowledges the gesture I ture.]
MAJ. GEN. MURGAI: This company...
JAYA JAITLY: Please send this to our minister...Mr. Srinivas Prasad.
TEMELKA: Yeah.

JAYA JAITLY: He is the ... hosting the National Council.
TEHELKA: Okay, okay, okay. Okay.
JAYA JAITLY: We have two days where about. National President....
TEHELKA: Okay.
JAYA JAITLY: That is a once in two year affair.

JAYA JATLY: That is a once in two-year affair. TEHELKA: Okay.
JAYA JATTLY: And a new executive... the whole internal elections of the party finishes and democratically a new president is elected.
TEHELKA: Okay, okay, okay.
JAYA JATTLY: So that process...
[Tehelka laughs and the rest of Jaya Jaitty's sentence is inaudible]
JAYA JATTLY (continuing): ... We near! some help because he said, "Look, I can do 50 per cent expense. You do the rest."
[Tehelka laughs loudly]
JAYA JATTLY (continuing): So the rest... what-Tehelka laughe loudly! JAYA JAITLY (continuing): So the rest...what-

ever contribution...

TEHELKA: Yeah, yeah...

JAYA JAITLY (continuing): ... We can manage.

TEHELKA: We need your blessing also for this...our company.

MAJ. GEN. MURGAI: This company is making quality products. MAJ. GEN. INC...
[Jaya Jaithy nods]
MAJ. GEN. MURGAt: And now they are going
MAJ. And also in a big way for commercial selling. And also make a mark in Defence.

JAYA JATILY: Hmm.

MAJ.GEN. MURGAI: That is what they're

doing. And they are making these night-vision binoculars, cameras...

JAYA JAITLY: Naturally, probably as far as I know tracause I don't know much about these things, but you all have to...whenever some new entry into...entrant into the field, they have to test the trings.

MAJ. GEN. MURGAI; That's right.

JAYA JAITLY (continuing): ...and all that.

MAJ. GEN. MURGAI: So for that testing, a

JAYA JAITLY: Hmm.
MAJ. GEN. MURGAI: That we would like to give and but item should be tested. Generally what happens is that lot of requests keep on

JAYA JAITLY: Eventually they go on quality and price.

MAJ. GEN. MURGAI: That's right. But initially

MAJ. GEN. MURGAI: That's right. But initially they have to short-list.

JAYA JAITLY: Hmm.

JAYA JAITLY: If there's any way...if they are refusing to test it, that's...then we can step into the picture. In normal course, they would be...

SURENDRA SULEKHA: They should be...

JAYA JAITLY (continuing): If they are impressed with either the price or the look or whatever, there has to be something which would attract their attention. TEHELKA: Yeah.

they don't, then probably your help may be required.

JAYA JAITLY: Yeah.

MAJ. GEN. MURGAI: ...at least test the equip-

ment.

JAYA JAITLY: Yeah, if they don't, we can always say, "Look you mustn't treat anybody unfairly. Give everybody a chance."

TEHELKA: Yeah, yeah, yeah.

JAYA JAITLY: That's right. If there is any unfair practice, we can step in.

MAJ. GEN. MURGA!: Yeah, that's right. That's right. SURENDRA SULEKHA: Where is the justice? Here is the only justice. FEHELKA: Yeah, yeah. SURENDRA SULEKHA (continuing): Absolute

icustice is done...

J.(\YA JAITLY: Because if we...if we try to favour anybody particularly, specially when we don't know a thing then we maybe doing injustice to sorn'ebody else.

TEHELKA: Yeah.

JAY.(\) JAITLY: But if we say, "Look, don't do injustice to anybody...." And if somebody is

injustice to anybody...." And if somebody is being unfairly treated, not being called....

TEHEL KA: Okay.

JAYA JAITLY (continuing): ...somebody else is

asked...

TEHELKA: Okay.

JAYA JAITLY (continuing): ... then we'll say,
"Look...you please do...because then there's...it's

TEHELKA: Okay.

JAYA JAITLY: ...it's in national interest to con-

JAYA JAITLY: ...it's in national interest to consider all."

TEHELKA: Okay.
JAYA JAITLY: "You then take the best, which is at the best price."

SURENDRA SULEKHA: Okay.
JAYA JAITLY: So if any...that whole thing is going wrong, then we can step in if need be.

TEHELKA: No, we need that, at this stage we need that. Two companies, they are...they are not allowing the third company to the picture.

MAJ.GEN. MURGAI: That's right.
JAYA JAITLY: No, why should they not?

SOME crosstalk!

SURENDRA SULEKHA: First...whether they do or not, then we will see...
JAYA JAITLY: First you'd be...you'd be applying. Then you'll naturally grab an opportunity to ask them, "Look, now I have applied. Are you going to respond to me at all or not?" If they say, "No, no", "we can't", "we don't know", "we'll let you know", and they don't sound very convincing, then we'll see.

SURENDRA SULEKHA: Then we'll see.

SURENDRA SULEKHA: Then we'll see.

JAYA JAITLY: But otherwise...after all when somebody applies, they can't just say, "We'll JAYA JAITLY: But otherwise...after all when somebody applies, they can't just say, "We'll see." You know....
TEHELKA: Yeah, yeah, yeah.
JAYA JAITLY: If they say, "Yes, certainly we'll consider your thing and get back to you by such and such a time..."
TEHELKA: Okay.
JAYA JAITLY: If they do that... I really don't know how they function at all.

know how they function at all.

SURENDRA SULEKHA: First, you have to apply, then you have to wait for the response.

TEHELKA: That already...that process is over

chat with them and say...send them a reminder. And then if they don't, we can ask. TEHELKA: Okay.

MAJ. GEN. MURGAI (addressing Tehelka):
You see, sometimes, as Madam has very rightly brought out, things are moving in right direc-

ly brought out, things are moving in right direction.

TEHELKA: Okay.

JAYA JAITLY: And also, you know what it is. I have no... I will not have any direct this thing. I would only request Sahib's office that somebody is not being considered even. So please send a word down that if anybody is fairly offering a good quality thing at a good price, they should also be considered.

TEHELKA: Okay.

JAYA JAITLY: Now...when that happens, we don't want anybody to feel that anybody has any extra interest.

MAJ. GEN. MURGAI: That's true.

JAYA JAITLY: Because we don't have any extra interest in the good quality and good price.

SURENDRA SULEKHA: That's right.

JAYA JAITLY: In the interest of the nation. So that we'll ensure that they don't neglect you.

TEHELKA: Okay.

JAYA JAITLY: After that, it's up to you and your product.

product.
TEHELKA: That's all. That's all we're expect-TEHELKA: Friat's all. Hait's all we're expecting...that's all.
MAJ. GEN. MURGAI: So let's go?
TEHELKA: That's two lakhs. Two lakhs.
Jaya Jaithy nods]
SURENDRA SULEKHA: Thank you very much.
JAYA JAITLY: Thank you very much.
JThey converse in Malayalam for a while]
TEHELKA: Isn't George sahib here?
JAYA JAITLY: No, he's not here.
TEHELKA: If there are any problems, can icome and see you?

come and see you?

JAYA JAFFLY: You can come anytime. Give me

TEHELKA: What is the problem?
NARENDRA SINGH: And they have a

office in Delhi. TEHELKA: Uh-huh. NARENDRA SINGH: One General-level

officer has been posted here.
TEHELKA: General?
NARENDRA SINGH: One General-leve

TEHELKA: Indian Army? NARENDRA SINGH: French army. TEHELKA: French army. NARENDRA SINGH: Hmm. He is been

posted here. They have a office in Golf Links, All that, I mean, Colonel Sengal will, of course, not be aware of these things because his department is differ-

TEHELKA: Hmm.
NARENDRA SINGH: So it is not very easy...to get an entry is not very easy...
You see...your principals are which

"You see...your principals are which company?
TEHELKA: West End.
NARENDRA SINGH: West End.
NARENDRA SINGH: I know, I know...no...actually I had...actually when you compared yourself with Thomson and all that, I started thinking that way. It is not that way. It is off-the-shelf. It is different.
NARENDRA SINGH: So they will...I know now...now I know what will they do is this emergency requirement.
TEHELKA: It's emergency requirement.
NARENDRA SINGH: So emergency requirements, so far it is not there in our list.

TEHELKA: Yeah.

NARENDRA SINGH: So, there are...I
will tell you there are number of persons
to be contacted. Confacting one person
will not help in MoD also. There are
number of persons. One person will be
helding the project.

holding the project.
TEHELKA: Hmm.
NARENDRA SINGH: One person who

will be clearing the demand.
TEHELKA: Yeah.
NARENDRA SINGH: Another person who will be sitting in the PNC.
TEHELKA: Right.
NARENDRA SINGH: Right? See...so

there will be four-five at working levels? TEHELKA: Yeah. NARENDRA SINGH: So I am more con-

cerned with people who are at the working level.

TEHELKA: Yeah.

NARENDRA SINGH: So, then it is your job, if there are any problems I will tell you, you will have to handle this person or that person.

TEHELKA: Okay.

NARENDRA SINGH: So before that...keep, kindly keep quiet on that and you should not meet anybody till then. And then I will tell you if it, I mean, comes to that stage then how to go ahead. You have to tackle that man. How you tackle that has to be your...

[Narendra Singh smiles and Tehelka gives him a wad of currency notes, which Singh takes and puts under the table between them.]

TEHELKA: Sir, this is 10,000 bucks. So what is my request is that, please arrange these kind of meetings. We can meet these people in Park Hotel anywhere.

NARENDRA SINGH: Let me tell

NARENDRA SINGH: Let me tell

NARENDRA SINGH: Let me tell you...see, you let the demand come. TEHELKA: This is 10,000...this is 10,000 bucks. Small, this is just a...
TEHELKA: They are the major players. NARENDRA SINGH: These are the

officer has been posted here. TEHELKA: Retired?
NARENDRA SINGH: Retired.

TEHELKA: In the Indian Army? NARENDRA SINGH: French army.

person in MoD

Narendra Singh

will not help:

us to Shukla, the Personal Secretary to Minister of

State Harin Pathak. The Ketan

Shukla line wasn't pursued vigor-

ously by West End because of the

order from the Indian Army is not

politicians. The finance guys also

have to be kept in good humour.

Brigadier Sehgal puts us through

Defence, to brief us on how things

meeting, Singh accepts Rs. 10,000

West End where to concentrate on and says that things in the finance

noduct has been accepted.

NARENDRA SINGH: So...but initially what I think is that your...first of all, your product should be tried out by infantry or artillery and they should say, you know, they have seen the product and it

is very good.
TEHELKA: Okay.
NARENDRA SINGH: That is regarding

TEHELKA: So what I have to do first?

Already this channel is okay.

NARENDRA SINGH: I...I...you know, I

tan give you some references.
TEHELKA: Okay.
NARENDRA SINGH: Once you meet
them officially, you explain them your
problem.

problem. **TEHELKA:** Sir. that Ranjit Issar in the

competition.

Deputy Secretary Narendra Singh imphasizes time and again that in the origin chain of people required to be preased, General Choudary was the first nk. He advises West End to concentrate on getting the product trials gains.

rate on getting the product trials going.

IARENDRA SINGH: I give you one
xample, then you will know the terms.

There is one more very established

ompany - Sagem. TEHELKA: Which one? HARENDRA SINGH: Sagem! Sagem! TEHELKA: Sagem. Which...foreign

company? #ARENDRA SINGH: Foreign company.

french company.
TEHELKA: Haan.
NARENDRA SINGH: For the last five

as a token advance. He advises

world will move only when the

to Narendra Singh, Additional

Finance Advisor, Ministry of

niove in the maze of the babu number-crunchers. In the first

resignation of minister Harin

Pathak. However, getting an

just greasing the army and the

#### QUOTE UNQUO

Tehelka: What is the grapevine?

Lt. Col. Berry: Grapevine is that he is the one who worked for George Fernandes. He is the conduit. So he is [gestures]. The main thing is that. And prior to that, actually speaking, this deal iust fell into his lap.

See when Deve Gowda and his somewhere. He was involved in this. Initially. It is only lately he has been involved to get the kickback. So it was that thing.

So now that you are already in number of businesses you know the Indian market, and you know Indian culture. Everything is known to. So things have to be controlled like that.

Lt. Col. Berry: If you shake hand, it is shaken forever. Otherwise, people will say "sorry". Like he told you that first thing is for them resolution. He has given you a feeler already that Look, if your resolution is okay, you are okay." Absolutely. Because on resolution, he cannot force cannot compro-Tehelka: Okav.

Tehelka: This is for INS

Viraat. R.K. Jain: INS Viraat. And he told me, "Look, Mr. Jain, I'm doing it, I'm overruling the comments of the scientific advisor, so it is not good to allow seven pieces in one go. Because we have seven ships. Naval...real seven ships who are real fighters.

But tell your company that they should try and push from the down level. That after one is approved, 'No, no, we can't do with one. All ships are very important.

Please allow us to buy all seven.' Then I'll give them the permission to buy and purchase the rest of the six." Same thing happened after six months.

The file went to the boss again because Nanda managed to, you know, from the bottom he managed to get a letter in the name of George Fernandes, that This is very important. Without this we can't survive." So .

Tehelka: Not Kalam? R.K. Jain: Not Kalam, Kalam because see Kalam was overruled by George Fernandes.

Tehelka: (interrupts): Half a million dollars.

R.K. Jain: Yeah. But you see. the place where you're sitting; you can make any amount of money you want. One deal of Sukhoi, one deal of air jet trainers and one big deal of submarines, or like there was a. In defence deals are all deals are you know, 500 crore, 700 crore.

Tehelka: That's cute. Very

R.K. Jain: And I am basically the front of Jaya Jaitly and George Fernandes. If you want, I can show you the minutes of the meetings. It is cyclostyled in our different conferences... national conferences, that whenever party needs money, Mr Jain will have to arrange that money and give it to the party. That's the job of the national treasurer.

Bangaru Laxman: Let me get in touch with those people. I will tell you tomorrow. I will find out from my treasurer and I will let you know.

Tehelka: Then can you can you sir, we can work out Bangaru line also.

Mohinder Pal Sahni: I can. Hundred per cent. Not even ninety-nine. Let's not talk blahblah. We should work if tomorrow we fail even in the technical end.

R.K. Jain: Party was wanting money. We just came into the power, we had no money.

R.K. Gupa: How much commission do we pay to each person? The complete equipment bill is 12 to 15 per cent. But 50 per cent they take back. Tehelka: Okay. R.K. Gupta: With Russians

that is the practice. They take back 50 per cent.

R.K. Jain: George won't take money. He won't take money. Tehelka: Haan?

R.K. Jain: George is not like Yashwant Sinha takes money Tehelka: Haan?

R.K. Jain: Yashwant Sinha takes money

Tehelka: Haan. R.K. Jain: George doesn't take money

Tehelka: His image yeah, yeah very socialist background and everything all R.K. Jain: It's not easy to give money to George.

#### Brajesh Mishra Now it is only is opportunity Contacting one will order George on this: RSS trustee

R SS trustee R. K. Gupta talks about how much West End will contribute to the party fund, how the commission percentages will be divided, how he finished both Ranjan Bhattacharya and Brajesh Mishra, Principal Secretary to the Prime Minister, in one deal.

R.K. GUPTA: This minister is a fool BANGARU LAXMAN is a useless fool PANT: Yes. PANT: Yes.
R.K. GUPTA: ...You tell him this, this work has to be done.
PANT: If Bangaru tells him...
R.K. GUPTA: To whom?
PANT: Who should we ask to do the

RAIL: The shadal work?

R.K. GUPTA: We should tell Bangaru that Brajesh Mishra should order from Defence Ministry.

PANT [turning to address TEHELKA]: Brajesh Mishra, principal advisor to PM, he will order the George Fernandes, Defence Minister, or recommend some

TEHELKA (interrupts): We are... PANT & R.K. GUPTA: (together) Defence Secretary. **TEHELKA:** Sir, we are ready to give the party fund also, no problem. The token R.K. GUPTA: No, rio. What is the total

cost of the project? **TEHELKA:** Sir, total cost of the project s a big one. R.K. GUPTA: How much? TEHELKA: Now we are expecting...we will get around 40 crores or 50 crores. Small lot.

R.K. GUPTA: How much is the commis-

sion given to the party?
TEHELKA: Tell me, sir....
TEHELKA: I...I will tell you, sir, that nowadays for the binoculars...in the hand-held... R.K. GUPTA (interrupts): | got some order for Russians?
TEHELKA: Hmm.
R.K. GUPTA: They give 12 to 15 per

cent. TEHELKA: Yeah.

R.K. GUPTA: But they take back 50 per cent themselves. The rest is given. Out of that, users, they take one per cent...

TEHELKA: They take two per cent.

R.K. GUPTA: Users?

R.K. GUPTA: Okay. They will take two per cent. I have given only one. TEHELKA: Yeah. R.K. GUPTA: And the Defence Secre-

R.K. GUPTA: And the Defence Secretary will take...
TEHELKA: One per cent.
R.K. GUPTA: One...one-and-a-half per cent. He'll settle with one.
TEHELKA: Yeah.
R.K. GUPTA: Plus there are other...
TEHELKA: bureaucrats...
R.K. GUPTA: ... bureaucrats. Joint secretaries, all the others...from where we have to start.
TEHELKA: Yeah.
R.K. GUPTA: New Yeah.
R.K. G

at least two-three per cent. **TEHELKA:** Okay. Ready to give. No problem. R.K. GUPTA: I'll get it done. My job. TEHELKA: Ready to give. No problem. R.K. GUPTA (pointing to PANT): He's like our younger brother. Whatever he orders, it will be done. Because our relations are not from today. When Mr. Tewari was Finance Minister, since then we know him.
PANT: My son from the US just came.
TEHELKA: Yeah, yeah.
R.K. GUPTA: This my, son won't handle. I will handle personally. Myself.
TEHELKA: Sir, Ranjan also...Mr. Ranjan

R.K. GUPTA: But he has been asked to keep off.
TEHELKA: Okay.
R.K. GUPTA: In one deal...I killed Ranjan and Brajesh Mishra both. Got through directly. PM blasted him.

and Brajesh Mishid both. Gos alloagh directly. PM blasted him.

[Pause]
R.K. GUPTA: There are ways to do things. First we will make a plan. Your order is ready?

TEHELKA: Yeah, everything is ready.
R.K. GUPTA: There we're wanting some TEHELKA: Sir, if a political pressure will be there. So, already, sir, they've short-listed. Sir, and there is a big kickback...is going in the users' side and bureaucrat-

R.K. GUPTA: No, no, just listen. If Bra-jesh Mishra tells the Defence Secretary, "It has to be done," the Defence Secre-tary's the last word... [gestures] TEHELKA: Yeah, exactly.

[Pant and Gupta talk in inaudible tone]

R.K. GUPTA: This Yogesh Narain I went

b...
PANT: Haan, Yogesh Narain...
R.K. GUPTA: So that...l... Yogesh Narain,
I will get it spoken to by the PM.
TEHELKA: Okay.
R.K. GUPTA: Not PM himself. Brajesh R.K. GUPTA: Not PM himself. Brajesh Mishra is PM. After that I'll talk to Yogesh myself. I know him very well. He will want that somebody should tell him. Okay? Then I'll tell BANGARU LAX-MAN...
TEHELKA: Hmm.
R.K. GUPTA: That "Sir, this is a 40 crores worth order. Out of this party will... How many orders will it get?"

mar corcres will it get?"
Le per cent. That's very

centage.
TEHELKA: Three per cent.
R.K. GUPTA: They are not bothered about percentage.

TEHELKA: Haan.
R.K. GUPTA: They are bothered about

"what we'll get", money!
TEHELKA: Okay.
R.K. GUPTA: Like for now, you will not give one crore or two crore.
PANT: Give one or two, that's it. Let's

say one.
TEHELKA: One. One crore.
R.K. GUPTA: It's the first order. First take the order and get them under your thumb. Then...first you give more, then you give less. TEHELKA: Okay. TEHELKA: Okay.
(Within the RSS, Gupta's known as a 'super' trustee. His sproximity with both Prime Minister Vajpayee and L.K. Advant is lore. Both have been tenants at his properties. He has also helped establish the RSS headquarters in Jhandewalan, Delhi, in 1967.)
R.K. GUPTA: With this party, we have built their RSS headquarters in '67.
TEHELKA: Delhi! R.K. GUPTA: Delhi! In '67 I spent more than 50 lakhs of rupees to build that leadquarters.
TEHELKA: In '57?
R.K. GUPTA: '67.

R.K. GUPTA: '67. TEHELKA: '67. In Jhandewalan? PANT: Jhandewalan. R.K. GUPTA: It's built by me. TEHELKA: Hmm?

R.K. GUPTA: It's built by me. Free-of-R.K. GUPTA: It's built by me. Free-of-cost.
TEHELKA: Okay.
R.K. GUPTA: We know anybody there...you go there and say, "Who made this? It's very good. Who made it?" And they will tell you, "It was made by Raj Kumar, a RSS worker, free of cost." And they tell this to everyone.
TEHELKA: Hmm?
R.K. GUPTA: They're telling this to everyone.

R.K. GUPTA: In Emergency, I gave...given them one crore 10 lakhs when nobody was even prepared to listen to telephone calls. And \$500,000. In London and USA.

London and USA.
TEHELKA: Okay.
R.K. GUPTA: And became the sole, trustee of Friends of India Society International. This is a society floated by rife. I'm still sole trustee. When you come to me, I will take you to BJP. You will see how...see how they respect.
TEHELKA: Okay, okay.
TEHELKA: Okay, okay.
TEHELKA: You are basically from RSS? (Gupta nods)
PANT: He's the trustee...
R.K. GUPTA: You have to have this big heart [makes a gesture] if you want to work. This much I can guarantee you, your money will never go waste. I only take personal responsibility.
TEHELKA: Thank you, sir. Thank you.
R.K. GUPTA: Because I can force them.
TEHELKA: Hmm.

TEHELKA: Hmm.

R.K. GUPTA: f can also slap on the face if they don't do the work. If it's not paid back, I will have to pay the money. I will pay, don't worry. **TEHELKA:** Sir, I have full faith of you. Hundred per cent faith.

R.K. GUPTA: Monday evening I will be on your work. But you have to have

some money.
TEHELKA: Okay, I have
R.K. GUPTA: You know...[now explains along with hand gestures]..."Sir, this is five lakh rupees." TEHELKA: Okay. R.K. GUPTA: When I do the work...I put

H.K. GUPTA: When I do the work...I put 20-25 lakhs in my pocket...
TEHELKA: Hmm.
R.K. GUPTA: I will just go and give to these... Like Defence Secretary...five lakhs... | dismisses with hand gesture|
Then Ved Prakash Goyal. Five lakh rupees for the party, "Can I take this work,...sir" Then I go to BANGARU LAXMAN. You just give them for no work. There are people who don't even... even.... TEHELKA: We have to give...BANGARU LAXMAN? R.K. GUPTA: No, not BANGARU LAX-

MAN. Ten lakhs is too less. I will give to Defence Secretary. TEHELKA: Okay. R.K. GUPTA: Then Ved Prakash Goyal, treasurer of the party. **TEHELKA:** Okay. Treasurer of the party?
R.K. GUPTA: Treasurer of BJP.
TEHELKA: Yes.
PANT: Ved Prakash Goyal.
TEHELKA: Okay, Brajesh.
R.K. GUPTA: Not Brajesh.

PANT: Ved Prakash.
TEHELKA: Okay, Ved Prakash.
R.K. GUPTA: Brajesh's price is one crore. I don't want to go to him with

R.K. GUPTA: We will handle them Don't worry.
TEHELKA: Okay.
R.K. GUPTA: You keep Rs. 20-25 lakhs ready. Then blast your work. **TEHELKA:** Okay, sir. (At a later meeting, Gupta discusses the modalities further. He admits to giving the BJP 3-4 crores every month.)

TEHELKA: No, I am telling that, because we have already spent more than 45 lakhs of rupees.

R.K. GUPTA: That is your job. We are seem that seems.

and opportunity: Paswan (Brief snippets of the comical meetings with Telecom Minister Ram Vilas Paswan, and Minister of State for Petroleum Santosh Gangwar. Meetings with Finance Minister Yashwant Sinha, and Samata minister Digvi-jay Singh were also fixed but West End didn't go for them as we had reached a stage with R.K. Jain where he was getting testive at the

[Camera shifts. T1, now in view to the extreme right side of the screen, places his calling card on the table in front of Paswan. A man in a black cap is seen sitting to Paswan's right Paswan picks up card and inspects it.]

TEHELKA: I'm Alvin D'Souza, President of Westend International. High technology areas in defence. And we were looking at a kind of private projects in India. TEHELKA. Obviously. VSNL and . We plan to come in. We have huge plans to invest, provided the opportunity is bright. pright. PASWAN (smiling): Now, they've opened all that
TEHELKA: Yeah.
PASWAN (turning to man in cap sitting
to his right): now it is only is opportuni-

ty and opportunity.

PASWAN: you have got any papers roday?
TEHELKA: Yeah. They withheld
PASWAN: Yeah, just give me, I'll give it
to my officer, she'll guide you and I'll just to my officer, she'll guide you and I'll just tell her. [PASWAN dials number on phone to his left and speaks into the mouthpiece. PASWAN: This is D'Souza Alvin D'Souza. He is President of West End. He's interested in Internet the ISP. He will meet you now. Talk to him. [PASWAN hangs up]
TEHELKA: And generally about the telecom scene and like, encouraging the Indians to take the opportunity. PASWAN: I trying to We've opened all the fields, see [spreads his arms]. Except this international gateway. TEHELKA: Aaah!
PASWAN: Otherwise everything is open.

PASWAN: International gateway?

PASWAN: International this international this long-distance we had eavilier planned for 2004, but now we have announced that 2002 sometime in 2002. And if you want that submitting rates all this this TEHELKA: Give me that thing as PASWAN: All the we have all the amounts.
TEHELKA: Madras, Singapore?

(Here we chat with Minister of State for Petroleum Santosh Gangwar. In a few days time he was about to leave on a roadshow to Europe and the US) GANGWAR; You are based from? TEHELKA: I'm based in London. GANGWAR: London? TEHELKA: Yeah. We represent a company called West End International, which are interested in GANGWAR; I am there on 17-18 TEHELKA: Okay.

TEHELKA: Okay. GANGWAR: 17-18 III be in Houston. TEHELKA: Houston GANGWAR: Road show our oil our ministry are in for exploration blocks. Anyway 1% be going.
TEHELKA: Right now we are looking at sourcing crude oil from countries, other than which have already sourced them, to buy from the open market.
GANGWAR: Open market, by OPEC countries, by contracts, national companies Iraq. Actually our demands are very much. That's why we have to And that's why actually our indigenous production is 30 per cent. And they are importing 70 per cent. And in the terms of urgent rates, in respect of rupees, we are 80,000 crore rupees.
TEHELKA: Per annum? istry are in for exploration blocks. Any-

(A breather here before we go for the sprint. (A breamer nere vegore, we go for me sprime, Let's get an overview of the profession, of defence middlemen, in India, from Colonel Berry who in his nine years of liasoning has worked with all the big players.)
TEHELKA: You've been in the liaisoning

TEHELKA: Nine years? LT.COL. BERRY: Yeah. TEHELKA: So where all you just take me through those nine years? LT.COL. BERRY: See, I'll tell you TEHELKA: And the biggest deals that you have done. you have done. LT.COL. BERRY: Yeah, I'll just do a TEHELKA; Briefly, yeah LT.COL. BERRY: Basically this is the main thing I mean TEHELKA: Yeah. LT.COL. BERRY: how we are going to

LT.COL. BERRY: how we are going to proceed TEHELKA: Yeah.
LT.COL. BERRY: and which are the ways and means of doing the things. TEHELKA: Okay.
LT.COL. BERRY: See, basically, initially I started with Mr. Vipin Khanna, whom you wanted to meet also.
TEY-ELKA: Okay. Khanna, yeah, yeah.
LT.COL. BERRY: Yeah. Because there are only three-four names which rotate aro und here. Because it is very secretive ancl, you know, one has to be very, very

ancl, you know, one has to be very, very cautious also in this field. Mr. Vipin Khaina, Chaudhary and Nanda. These hear. TEHEL KA: Mathew was telling about a Mr. Sainni. are the three names which you'll always Mr. Saumi.
LT.COL. BERRY: Hmm? Listen. See, these are first rung. I'm talking about the first rung. First rung is these three. Then after that second rung, you know

TEHELK4: Okay. LT.COL. BERRY: Yeah. And then in the LT.COL. BERRY: Yeah. And then in the second rang, you know, people like Sahni, Gupta, even R.K. Gupta's brother. Those grays are there.
TEHELKA: Cokay.
LT.COL. BERRY: There is a Pichoria also there. There is there are plenty you know just trying to make their...
TEHELKA: Okay.
LT.COL. BERRY: I mean at least giving an impression as if they are number one and all that. So, this is that. So I started my thing basically with Mr. Vipin Khanna

PASWAN: Otherwise everything is open. The basic availability with the long-distance, the Internet Telephone Telephon

# Myself and Mr Laxman, we

SATHYAMURTHI: It is true.
TEHELKA: Gupta told me. It's a big deal, na?
SATHYAMURTHI: They were here about a month back.
Sukhoi. Nobody knows that in my office. They know that some delegation has come.
TEHELKA: Okay.
SATHYAMURTHI: Because myself and Mr. Laxman, we operated

ated...
TEHELKA: That Sukhoi very well....
SATHYAMURTHI: We operated very...nobody, nobody can smell.
TEHELKA: Okay, fine.
SATHYAMURTHI: That's what you've seen in our office, you know we're very normal.

TEHELKA: Okay.

SATHYAMURTHI: It's like a very small needle behind that

kind of a congested place, and we are very cautious.

TEHELKA: That money entire...go to the party?

SATHYAMURTHI: Yeah. Even the money, what you giving, we give it to the party. We won't take it.

TEHELKA: No, Mr. Gupta, he said. Yesterday Mr. Bangaru told me that he will give his overseas accounts also.

SATHYAMURTHI: That is a second part. I'll tell you.

TEHELKA: He told me that "I will give the overseas." You any accounts overseas? I can open an account for you.

SATHYAMURTHI: I'm doing it in London now. TEHELKA: Okay.
SATHYAMURTHI: I've told my friend.
TEHELKA: Is very fast. It will not take time. That is a big ben-

TEHELKA: The Sukhoi, party got how many percentage? SATHYAMURTHI: It's a good job.

DEEPAK GUPTA: Now, if you look at the entire Russian business, it is all single vendor. TEHELKA: Okay.
DEEPAK GUPTA: Okay? So...there is no question. See, if we have to buy T-90, then we only have to buy T-90.

See, if we have to buy 1-90, then we only have to buy 1-90.

TEHELKA: Okay.

DEEPAK GUPTA: There's nothing else. When we have to buy Sukhoi-30. It is only Sukhoi-30. When we have to buy Goldskoff, it is only Goldskoff. So

there's no competition.

TEHELKA: Yeah, exactly. That is true.

DEEPAK GUPTA: But when you bid small prod-

ucts...
TEHELKA: Haan?
DEEPAK GUPTA: And it's not small, let me tell you.

used.

TEHELKA: Yeah.

DEEPAK GUPTA: In fact, there is a PNC on in the first week of December to upgrade the T-72... where 250 tanks are going in for upgradation.

TEHELKA: Okay.

TEHELKA: Okay.
DEEPAK GUPTA: That's an order of about 400 crores. Okay? Thereafter, they are going to give another 750 units. Like this they will carry on.
TEHELKA: Okay.
DEEPAK GUPTA: So...yours is hand-held, which would be for the infantry, I guess? PANT: Yeah.

DEEPAK GUPTA: Tell me one thing.

PANT: Hmm.
DEEPAK GUPTA: If secretary's told.
PANT: Hmm?

SATHYAMURTHI: Hmm.

DEEPAK GUPTA: If Defence Secretary's told, can Defence Secretary ask W.E. to go in for trial? PANT: Yeah, certainly. DEEPAK GUPTA: That I will do. That I will do. TEHELKA: No, that...that I will tell you that difficulties of that also. Sir, I asked this matter also. PANT: General Choudary is a man basically they are looking for. TEHELKA: I...I asked this matter also. DEEPAK GUPTA: General P.S.K. Choudary is our... PANT: Hrmm.

PANT: Hmm.
DEEPAK GUPTA: Only he takes too much money. If

e is ready to give the money, then we can discuss with General Choudary. If he's willing to spend

the money, I'll try… **TEHELKA:** Yeah, sir, I'm willing to spend, no prob-

em... DEEPAK GUPTA: I can talk to even General

Choudary, let's talk.

PANT: All right. How much should we fix the deal

Deepak also impresses West End with his clout in

**DEEPAK GUPTA:** Let me tell you briefly my job profile. My job profile is Power, Defence, Telecommunication and highways. **TEHELKA:** Aviation?

TEHELKA: Highways.
DEEPAK GUPTA: And these four areas...whatever

money that has to go to the government, goes

**DEEPAK GUPTA:** Highways, Highways.

DEEPAK GUPTA: Right.

TEHELKA: Really? SATHYAMURTHI: Yes, I have a...he and him. I have not met him. I have not met him. Because I am not close to many peo-

SATHYAMURT HI: NOT necessarily. Actually I will tell you.
TEHELKA: Hmm.
SATHYAMURTHI: it's only... we have a very good hold on this.
What yesterday! was telling you.
TEHELKA: Okay.
SATHYAMURTHI: Because after P.V. Narasimha Raso, he is
the only South Indian who is involved in this.
TEHELKA: Yeah!
SATHYAMURTHI: And this kind of deals in India only South
Sathyamurthi: And this kind of deals in India only South
Sathyamurthi: And this kind of deals in India only South
Sathyamurthi: And this kind of deals in India only South Indians: can do. Nobody else can do. TEHELKA: That is true! True fact.

SATHYAMURTHI: We do in a very systematic way and wya are the trusted people. Maybe our charges may be one or two per the trusted people. TEHELKA: Yeah! Yeah!

SATHYAMURTHI: But we don't cheat people.
TEHELKA: No, no. You know, if we can go through one or two
percent, that is not a problem. I am telling very frankly. But our
work should have the best.

TEHELKA: Okay.

DEEPAK GUPTA: Which gives me the access to

In the next meeting. Deepak explains what prob-lems there would by the took up the liaisoning work of West End. His said that West End's com-petitors Thomson-CSF and El-Op have already struck deals and it might be too late. Then he goes on to giving details how exactly he operates.

DEEPAK GUPTA: "...this file needs to begin."
TEHELKA: Hmm.
DEEPAK GUPTA: So we are in a area of big fish.
We catch big fish. We don't catch small fish.
TEHELKA: Hmm, hmm.
DEEPAK GUPTA: We catch the big fish. If you want to catch the big fish, it is 35 per cent business:
TEHELKA: That is true.
DEEPAK GUPTA: It is 35 per cent business.
TEHELKA: Hmm.

**DEEPAK GUPTA:** You understand? We don't catch the small fish. But while the net is put for the big fish, there are people who hold the net. There is Defence Secretary, there are some joint secretaries...
TEHELKA: Hmm.
DEEPAK GUPTA: So I come to know.

only one per cent. Eight per cent. Imayes one of the per cent expenses.

TEHELKA: Again tell me, politician will take?

DEEPAK GUPTA: Four-five per cent.

TEHELKA: Okay.

DEEPAK GUPTA: Bureaucracy will take two per

#### FHELKA: Sir, that Ranjit Issar in the brdnance is very crucial factor. #ARENDRA SINGH: No, no...see, I am eliling you that these people, what your re talking is Bhutani, Bunker or Ranjit saar or...I will give a parallel line in the inance division. They will come into picture only when there is a procurement proposal. Before that they have nothing to do. TEHELKA: Hain! SATHYAMURTHI: It's a good job. More than 7, nearly 8%. TEHELKA: 7, 8 %. You got? How much you got? SATHYAMURTHI: I am quite happy! TEHELKA: Sukhoi is a historical deal, baba! SATHYAMURTHI: Yes. TEHELKA: 34,000 crores of rupees. So did Mr. Gupta get? SATHYAMURTHI: Gupta is also involved. TEHELKA: Gupta... and Sudeep Chaudhary also involved? SATHYAMURTHI: He is not, he is not the only one. It is a group work. It is tearnwork. TEHELKA: That Mohinder Pal Sahni involved? SATHYAMURTHI: Yes. TEHELKA: He was? SATHYAMURTHI: Yeah! TEHELKA: Really? different foreign accounts. TEHELKA: Okay, fine. That's fine. My boss yesterday also asked Mr. Bangaru...about you. I can fix the deal with my...officers can fix the deal with Mr. Satya. He said, "Yes". Now Mr. Gupta told me he done the deal of Sukhoi-30 in India. That is o do. TEHELKA: Okay. WARENDRA SINGH: They are conterned only with the procurement of hings. Before that necessity and acceptability of the product has to be they should say, you know, that initial states that the states are the states and the states are t

TEHELKA: Yeah, Mr. Mohinder Pal Sahni approach and me a lot of times. He will do the work through Mr. Bangaru, like that. See, I am an Indian, I am not a foreigner, I can come and directly meet you. If I will give Mr. Gupta for a Rs. 1\(\text{1}\) lakh. He will not give 10 lakh to your boss.

SATHYAMURTHI: Not necessarily. Actually I will tell you.

## We have good relations... Deepak Gupta

get any instructions done. TEHELKA! Okay, ok ay.

DEEPAK GUPTA (continuing): Let me explain to you my operation or you will not understand. TEHELKA: Yeah.
DEEPAK GUPTA: I operate from the PMO. TEHELKA: Okay DEEPAK GUPTA: Okay? Brajesh Mishra gives in

suggestions...
TEHELKA: Okay.
DEEPAK GUPTA: "Do this, do this." "This needs to be done", "This file needs to stop...."
TEHELKA: Hmm.
DEEPAK GUPTA: "...this file needs to begin."

DEEPAK GUPTA: So I come to know.
TEHELKA: Hmm.
DEEPAK GUPTA: They know this man operates
from the political area. So be good friends with him.
TEHELKA: Okay.
DEEPAK GUPTA: And I always tell them, "You need not be free friends..."
TEHELKA: Haan.
DEEPAK GUPTA: "You know what to do with your

DEEPAK GUPTA: "You know what to do with your money."

TEHELKA: Hmm.

DEEPAK GUPTA: So, we have good relations. Now, at the user level, when it comes to army, air force...! have people who are operating in small areas. Small-time agents. They can be worked upon for clearances. "Clear our money..." "Clear our order..." Because main payment goes to bureaucracy and politicians. You see, in order, if you want political interference politicians take four-five per cent, bureaucracy takes two per cent, user takes only one per cent. Eight per cent. Maybe one or two per cent expenses.

cent. TEHELKA: Okay.

#### operated in Sukhoi: Satya II involvement of R.K. Gupta, Sudeep Choudhary and Bangaru Laxman in the deal. And says that Bangaru Laxman has 5-6

#### I was planning to go to Thailand: Bangaru aide

Here Sathyamurthi talks about the Sukhoi deal. He confirms the involvement of R.K. Gupta, Sudeep Choudhary and Bangaru Laxman in the deal. And says that Bangaru Laxman has 5-6 different foreign accounts. TEHELKA: Okay, fine. That's fine. My boss yesterday also asked Mr. Bangaru. about you. I can fix the deal with my...officers can fix the deal with Mr. Satya. He said, "Yes". Now Mr. Gupta told me he done the deal of Sukhoi-30 in India That is the? India. That is true?

SATHYAMURTHI: It is true.

TEHELKA: Gupta told me. It's a big

deal, na?

SATHYAMURTHI: They were here about a month back. Sukhoi. Nobody knows that in my office. They know that some delegation has come.

TEHELKA: Okay.

SATHYAMURTHI: Because myself and Mr. Laxman, we operated...

TEHELKA: That Sukhoi very well....

SATHYAMURTHI: We operated SATHYAMURTHI: We operated very...nobody hobody can smell. TEHELKA: Okay, fine. SATHYAMURTHI: That's what you've seen in our office, you know we're very normal.

Sehgal: I will tell you where to go, whom to meet

SASHI MENON (to Sehgai): Today we got that Malaysian binoculars. QA man-ual. Quality Assurance...call it as manual type. I think you might not have seen. Today there...there is a bunch of...one book, booklet is there. Sponsored by Malaysia....
BRIG. ANIL SEHGAL: I know. I've seen

BRIG. SEHGAL: ... in which ADC has written that this should be handed over to W.E.

to W.E.

SASHI: Haan, W.E. Of course.

TEHELKA: Sir, you have to tell us what are the things which, what we should do. because, this is a field.

BRIG. SEHGAL: This is a very vaşt field. It's a very, very vast field.

TEHELKA: We are the people who have absolutely no absolutely no...
[Sashi comes and sits next to Sehgal.]
BRIG. SEHGAL: Okay.
BRIG. SEHGAL: (continuing where he

left off); There is an annual requirement...what I foresee...at present, of present equipment of...about 10,000 II tubes per year. And in the next four to five years I have not yet calculated.

TEHELKA: Huge purchases. And those people who are geared...

BRIG. SEHGAL: ...good period. I stay in the background... What I am tellimg you don't discuss it with anyone. It's just between...not meant for your ears also, but the

but then...
SASHI: That way you can put in a peg and prepare it.

BRIG. SEHGAL: If you can find some-

TEHELKA: Where do you want me to go...from Russia, Israel? I have got base in New York, I have got abase in Canada, Argentina, Chile! have got.

BRIG. SEHGAL: Roy can find some one of the second of

tubes...
TEHELKA: France. They II be coming to BRIG. SEHGAL: France they've been BRIG. SEHGAL: France they be been happily...I'll be very frank. You have to break this...this thing...of BE-Delft BE-Delft is a PSU, which was...India invested. As of late, there has been a certain policy that nothing would be imported. There are many people who are really interested in that. So you have to get the nexus broken up at the top. And this BE-Delff thing...

ing anyone else. **TEHELKA:** Okay. BRIG. SEHGAL: BE-Delft is Bharat Electrical (sic) Delft. Delft is Holland. TEHELKA: Holland. Okay, BRIG. SEHGAL: Holland has branched

BRIG. SEHGAL: Holland has branched out from itself after the sanctions: US sanctions. What you have to do is get little open...because they have been talking big. Yeah, we can do this much. But he [referring to SASHI] is aware of it, how much less. They have been taking us, taking us for a ride. And somehow the bureaucracy also. And things have been badly manipulated in the Ministry. I'll be very frank with this. Things have been manipulated in the Ministry that...delay things deliberately, to suit them.

them.
[Drinks arrive. They toast each other].
BRIG. SEHGAL: He doesn't have... there are so many other things also which are coming in this. Like you have spares. I can give you which spares' indent was made. I can give you the last procurement price. Generally what happens, what the scene is. They are not aware till the last minute what rate it was taken at That Lan calculate and you will also at. That I can calculate and you will also

at. That I can calculate and you will also do. Everyone has been coming up with an offer. But I said, "Look, first give me 10 lakhs, then we will talk."

TEHELKA: If they are not ready to place the information then the question of talking further does not arise. Who wants to discuss the future? Sir, in this I, my people are very clear. They have straight away said that "You go ahead and you be a part of the venture." It's not as if I am separate...would need a quide.

guide. **BRIG. SEHGAL:** I can help in so many things. I will tell you where to go, whom to meet.
TEHELKA: Everything...meaning...you tell me everything. BRIG. SEHGAL: But then, see, I can show you the way.
TEHELKA: Bilkul.
BRIG. SEHGAL: But you'll have to

move on your own.
TEHELKA: Yes, yes, sir. Once you show us the way, we'll automatically follow it. low it.

Soon enough comes a demand to be enter-tained in a five-star hotel. Brigadier Sehgal comes there with a Li. Colonel Sharma, who is an army officer posted in the Air Force procurement section.

Here, they are entertained and disclose how to proceed.

LT. COL. SHARMA: Because those kind of PNCs [Price Negotiation Committee] and negotiations are done at the ministry level. We don't involve ministry

needle behind that kind of a congested place, and we are very cautious. **TEHELKA:** That money entire...go to the party?
SATHYAMURTHI: Yeah. Even the money, what you giving, we give it to the party. We won't take it.
TEHELKA: No, Mr. Gupta, he said. Yesterday Mr. Bangaru told me that he will give his overseas accounts also.
SATHYAMURTHI: That is a second part l'Ille la voi. part. I'll tell you. **TEHELKA:** He told me that "I will give the overseas." You have any accounts overseas? I can open an account for you. SATHYAMURTHI: I'm doing it in London now.
TEHELKA: Okay.
SATHYAMURTHI: I've told my friend.
TEHELKA: Is very fast. It will not take time. That is a big benefit for....
SATHYAMURTHI: Hmm.

TEHELKA: The Sukhoi, party got how

many percentage?

SATHYAMURTHI: It's a good job.

TEHELKA: Hain!

got? How much you got? SATHYAMURTHI: I am quite happy! TEHELKA: Sukhoi is a historical deal, baba! **SATHYAMURTHI**: Yes. TEHELKA: 34,000 crores of rupees. So

did Mr. Gupta get?
SATHYAMURTHI: Gupta is also involved.
TEHELKA: Gupta...and Sudeep Chaudhary also involved? **SATHYAMURTHI:** He is not, he is not the only one. It is a group work. It is teamwork.
TEHELKA: That Mohinder Pal Sahni involved? SATHYAMURTHI: Yes. SATHYAMURTHI: res.
TEHELKA: He was?
SATHYAMURTHI: Yeah!
TEHELKA: Really?
ATHYAMURTHI: Yes, I have a...he and

him. I have not met him. I have not met him. Because I am not close to many people.
TEHELKA: Yeah, Mr. Mohinder Pal
Sahni approached me a lot of times. He
will do the work through Mr. Bangaru, foreigner, I can come and directly meet you. If I will give Mr. Gupta for a Rs. 10 lakh. He will not give 10 lakh to your SATHYAMURTHI: Not necessarily.

SATHYAMURTHI: Not necessarily. Actually I will tell you.

TEHELKA: Hmm.

SATHYAMURTHI: It's only...we have a very good hold on this. What yesterday I was telling you.

TEHELKA: Okay.

SATHYAMURTHI: Because after P.V. Narasimha Rao, he is the only South Indian who is involved in this.

TEHELKA: Yeah!

SATHYAMURTHI: And this kind of deals in India only South Indians can do. Nobody else can do.

TEHELKA: That is true! True fact.

SATHYAMURTHI: We do in a very systematic way and we are the trusted people. Maybe our charges may be one or two per cent higher than...

TEHELKA: Yeah! Yeah!

SATHYAMURTHI: But we don't cheat people.

people.

TEHELKA: No, no. You know, if we can go through one or two percent, that is not a problem. I am telling very frankly.

But our work should have the best. SATHYAMURTHI: First we'll short-list it. And this, if you give him the dollars today...so that your, your credibility will

TEHELKA: Okay, today I'll give the dol-SATHYAMURTHI: Okay. Security money. TEHELKA: \$31, 500 I will give you. SATHYAMURTHI: It's six o'clock, he'il

SAINTAMURTH: 118 and Saintamurth be free:
TEHELKA: Hmm. Yeah.
SATHYAMURTH: 118 make sure that he meets you there. -10-15...you know. You meet Bangaru-ji. Depends on his suggestion. If it is necessary, we can...
TEHELKA: Mr. Bangaru, how many accounts in foreign? One or two?
SATHYAMURTH: He must be having

SATHYAMURTHI: He must be having five, six.

TEHELKA: Five, six?

SATHYAMURTHI: Different places.

TEHELKA: In his own and party? In his own? Fine. In Swiss bank, there is no problem, we can transfer any time. We can have, we can have... wire transfer.

SATHYAMURTHI: What I was planning to do...actually I was supposed to go to Thailand last week.

TEHELKA: Okay, okay.

SATHYAMURTHI: During that time I was supposed to do that.

TEHELKA: Okay.

Now, to go back in time and bring you up to date about where West End had reached with some of the other channels it had opened. Major General Murgai (Metd.) had suddenly assumed a very key role as far as West End was concerned. He was going to be the person to introduce West End to Jaya Jaitly, Major General Choudary of Weapons and Equipment, and L.M. Mehta, the additional defence secretary. Gen. Murgai himself was being motivated at sufficient intervals with sums of around Rs. 25,000 and the promise of future employment with West End at a dollar salary. Here Gen. Murgai is introducing West End to Surendra Sulekha, an industrialist from Kanpur, who has strong links with the Defense Mirlistry. Sulekha has been supplying clothing to the Indian Army for the last 20 years and is close to Jaya Jaitly, president of the Samata Party

MAJ.GEN. MURGAI: Come, I am bring-

#### Gen. Ahluwalia: If '5 lakhs for man who takes you want to make you there, one for the party'

Let's come back a bit to our old friend R.K. Jain of the Samata Party. For the president of West End, Jain was busy organizing meetings with Cabinet ministers-the likes of Ram Vilas Paswan and Yashwant Sinha. Also ministers of state like Santosh Gangwar, Digvijay Singh and five-six Members of Parliament. The purpose of the exercise was to show off his access, make money from organizing the access and further money by brokering any deal with any of these ministers. In fact, Jain thought, the big group that West End was it would have a 'project' for each of the ministers. Though none of the ministers had anything to do with West End's defence project, we decided to undertake the exercise if only to show the porousness of our political system and their shocking susceptibility to money power. crores get me Blue Label for Diwali

Colonel Sayal also takes us to Major Gener-al Manji Singh Ahluwalia, Director General Quality Assurance. Gen. Ahluwalia starts off cautiously, then in no time is swinging deep in it. Though Ahluwalia's role kicks in a little later, he MAJ. GEN. MANJIT SINGH AHLUWALIA: Currently they are taking from a French company already. TEHELKA: CSF-Thomson. MAJ. GEN. AHLUWALIA: See what happens is, understand the systems. Before we start procuring, you carry out user trials before we start procuring, you carry out user trials.

Having done the user trial, we start the procurement process, which has started. There is already a linkage. If you think anybody is dding it without linkages, it is stupid to believe. The linkage is there, it has started, it has been trial evaluated, found successful, it's been booked. Now why should that man put in a new bloody spoke?

n a new bloody spoke? [Long pause]
MAJ. GEN. AHLUWALIA: It's already coming III. I doubt it, you can try it. Gen. P.S.K. Choudary is the person. Why should he do it, tell me?

[Long pause]
MAJ. GEN. AHLUWALIA: Fine, no problem, I'm dealing with it in the sense... You see, I don't do this procurement ex-import. That is capital work that is done by the ADG, W.E. Once it is is done by the ADG, W.E. Once it is introduced item, then we will place the indents. Then we will do it. Even if it is imported it will be done by PPO. If it is indigenous, we will do it here. As of now, it is still a W.E. item, and it is not likely. And at this juncture. Let me tell you... Organisationally, not talking of the other benefits which you are suggesting for that person which he would also be getting from the other person. ting from the other person.

MAJ. GEN. AHLUWALIA: You have to

create a network and let me tell you it has got, you know, because the carrot at the other end is big for everybody. You need very deep pockets. Let's be very clear about it. LT. COL. SAYAL: No, that is understood. That is the first step.

MAJ. GEN. AHLUWALIA: So if you want it, if you have that type of a thing only then venture into it...because you know why? Now understand, if you are know why? Now understand, if you are talking about a deal which is 20 crore here, 60 crore there, make a profit of 5 crore, saala; if you come to my house to meet me on Diwall, you can't talk without bringing Blue Label. If you are talking of bloody making a couple of crores of rupees, you can't give me bloody Black Label also? Isn't it? Let's be very elegrabut it.

clear about it.
TEHELKA: True fact, sir.
MAJ. GEN. AHLUWALIA: Şo, if, when MAJ. GEN. AHLUWALIA: So, if, when you are talking big, you got to also project big. You have had access to me because you know me pointing towards syau]. If under normal circumstances you want to meet with me, tombrrow, you say...you are talking in terms of making a deal of a couple of crores, you can't tell me to come and have a meal with you at bloody DSOI.

MAJ. GEN. AHLUWALIA: Then you have to say, "Sir, if you want that person...want to meet Gen. P.S.K. Choudary..." you say, "Sir, can we have dinner at Maurya Sheraton?"

MAJ. GEN. AHLUWALIA: (continuing) I am talking of the bare minimum, I am

MAJ. GEN. AHLUWALIA: (continuing) I am talking of the bare minimum. I am talking about when you come for Diwali, you come and say, "Sir, good evening, sir." Then you give me bottle of ##%... bloody.

LT. COL. SAYAL: RC... Hundred Pipers... MAJ. GEN. AHLUWALIA: Youknow, be clear about it. And it's going on for donkey's years. And you're getting bloody small bits of information out of that chap. For... in two years, three years a chap wants to know bloody up from there, "Yaar, I've already invested you so much You tell me where is the file?" Now just to find out where the file is, and what is the position about it, it would have cost you easily 25-30 thousand rupees.

rupees.
TEHELKA: Barabar.
MAJ. GEN. AHLUWALIA: I've been MAJ. GEN. AHLUWALIA: I've been here now two years, I must have met at least 35-40 people. Every other ff#"%' knows bloody Putin. Everybody knows bloody Putin, everybody knows bloody Putin, everybody knows bloody Putin, everybody knows bloody Saddam. Then they say "get this done for me now."

IPause!

MAJ. GEN. AHLUWALIA: And that "here is a letter. I have got agency."

hat... Here is a letter. I have got agency from bloody exports." There are 25 buggers who are carrying a letter from exports. This is big. The carrot at the other end is one bloody deal. This Kaun Banega Crorepati will go into f#\*%\* bloody... (all laugh) So, therefore, unless way are high people are happy.

a massive bloody system, there is no place for friends. There is no place for singleton. It requires very deep pockets. Nobody talks small. I'm being very honest with you. Every single person is...name dropping is the smallest part of the whole bloody transaction. And I also ended up with bottles of Black Label, Blue Label in this bloody business. Because it is easier to come and bloody talk; as I said, if you're going to talk about a couple of crores, even to say "good evening" you have to present that bloody "good evening" properly. TEHELKA: That's true, very true.

MAJ. GEN. AHLUWALIA: So it's not small; you are doing nothing, just to TEHELKA: That's true, very true.

MAJ. GEN. AHLUWALIA: So it's not small; you are doing nothing, just to keep the contact alive. What do you achieve? Nothing. Because the time spent is three years. And the moment you show certain stinginess, that indicates that the bloody joker doesn't have any strength in him. The bloody contact breaks. Please understand one thing, there is a network in the whole thing. There are 20 different people who has got decision-making 'power at Stage Two can say at that particular point intime recommend or not recommend to a particular thing. Right? That is his authority at that stage. That authority is two years before the final deal is struck. Okay? Today I say I am that man. I have to say today whether I should say "Let me...let us trial and evaluate this thing." That's all my decision-making. That I have to say... suggest that we include this firm for trial evaluation, once I have included it in trial evaluation, my utility is lost. I have no power after this. If it is found fit or not, somebody else down the ladder will take the decision. Now I have done my work today. My work is done, whether you have, succeeded or not succeeded. You are telling me to write on a file "recommended firm AB included in the list" for some reasons which I have to justify and do my work for a deal which is...40-50-60 crofes, now how much will you give me today to do this? After which I have no role to play. If I have written yes...you get your 60-crofe deal...I want it upfront today.

MAJ. GEN. AHLUWALIA: It's a Rs. 60 croré deal and it's a very important line l have to write there. My line is written today...! take that line...so it's a 60 crore deal. I'm giving you a hypothetical fig-ure, it's a 60 crore deal. How much will you say that you have to take now, tell me? Or for what amount should I put my neck out to write that important line? So it's not a Maurya Sheraton dinner (all of

it's not a Maurya Sheraton dinner (all of them laugh).

MAJ. GEN. AHLUMALIA: So where do you go? Everybody wants to aim big. You have to assess it. This is how it is. Your organisation can do it...then go ahead but ther as I told you where it stands. And when I say deep pockets that means bloody deep pockets. Please let's be very clear. When I say deep pockets I mean deep pockets... It is not chicken feed, I'm telling you at different stages, different fellows will come into in...and a lot of people have nuisance value. I may not be able to do anything. I might not be able to help you, but I can ruin it. That man has got a nuisance value.

sance value.

Our next meeting with General Ahluwalia takes place 10 days later. Here he accepts a token bribe of Rs. 50,000, which is never delivered to him.

MAJ. GEN. AHLUWALIA: General
Choudary nor myself, Dhillon, Mehta,
would be...want to be seen there, just to
eat food. We go five tirries a week to the
bloody hotels in any case. Why should
we be seen with Mr. Mathew? I don't
know from before who is the representative of X company and 10 people walkknow from before who is the representative of X company and 10 people walking outside seeing me.

TEHELKA: Exactly. That is a true fact.
MAJ. GEN. AHLUWALIA: It doesn't happen like that; it's unlikely to happen. That's what I was trying to explain. It doesn't happen like that, and those people they are big players in this damnthing. They are. they are hosting parties every day, not for them, there are 20 different items in the singles. In the pipes. TEHELKA: Okay.

MAJ. GEN. AHLUWALIA: There is a famous bloody arms dealer called Mr. MAJ. GEN. AHLUWALIA: There is a famous bloody arms dealer called Mr. Chaudhary. You must have heard of him. Bloody everywhere he roams around in a 500 SEL, Mercedes. Okay? TEHELKA: He is a retired general? MAJ. GEN. AHLUWALIA: No, no, his claim to fame was that his brother-in-law was a chairman of Alp... MAJ. GEN. AHLUWALIA: ... So he got into...so he got into the all-important MiG deal. So from the MiG deal he got into other deals. So it is a big... big game, each of these same.
R.K. JAIN: He does limited work and

to money power.

R.K. JAIN (interrupting): Hundred per cent. With Sharad Yadav, with Yashwant Sinha we can do 100 per cent work. With Digvijay Singh...I am not lying,

work. With Digvijay Singh...I am not lying, boss.
TEHELKA: Okay, tell me.
R.K. JAIN: They are there...
TEHELKA: Sir, I know...I know your frankness I like.
R.K. JAIN: Then? I don't want to give you false commitments. Whatever I say because I am not naming 10 people. Sharad Yadav is 100 per cent. Yashwant Sinha is 100 per cent. Railways' Digvijay Singh is 100 per cent, Mamta Bannerjee 70 per cent.
TEHELKA: Okay.
R.K. JAIN: Ram Vilas PASWAN, again, 99 per cent.

saying because...one is very close to Ram Vilas **PASWAN**. The party is sepa-rate. Now **PASWAN** has gone and made rate. Now PASWAN has gone and made another party. Importantly. Finance Minister Yashwant Sihha stands induced by Jain hugely for his corruption. Sinha even managed a loan of Rs. 30 crore for one of Jain's business proners and just because Jain was a fellow politician, he took a paltry Rs. 50 lakh pay-off. Rd. JAIN: George won't take money. Ha woo't take money.

He won't take money. TEHELKA: Haan? R.K. JAIN: George is not like ... Yashwant Sinha takes money openly, TEHELKA: Haan? R.K. JAIN: Yashwant Sinha takes money. TEHELKA: Haan.

TEHELKA: Haan.

R.K.,JAIN: George doesn't take money.

TEHELKA: His image...yeah, yeah... very socialist background and everything all that?

R.K. JAIN: It's not easy to give money to George.
TEHELKA: Hmm.
R.K. JAIN: I told you that day also.
TEHELKA: Yeah, yeah, you told me the

MAJ. S.J. SINGH: In the defence. I am talking in the defence. It way a Russian missile. Bomb. This is laser-guided bomb. It was not being cleared and... TEHELKA: Due to what?
MAJ. S.J. SINGH: Various reasons. Firstly, out of six tests, it was only one test which was successful. Five test failures. Then the bureaucracy was not at all in favour of it. They were totally against it inspite of pressure from some angles. So these were the various reasons and there were options available

sons and there were options available to them from French people, from Ger-many, but, ultimately, we were able to push it through as for the Russian...and

now it is a repeat order.

TEHELKA: This is called smart ammu-

TEHELKA: Same thing.
MAJ. S.J. SINGH: Krasnopol is the name of the bomb.
TEHELKA: The bomb will go around 14

MAJ. S.J. SINGH: The total deal was of

MAJ. S.J. Singh: Ine total deal was of 5,000. It was 150 crores. Now the fresh order will be again. There are lot of broblems, but again because of my friends. because this is being used by

TEHELKA: This will be used for the

nition something?
MAJ, S.J. SINGH: Yeah.

TEHELKA: But Yashwant Sinha will take

money?
R.K. JAIN: Haan?
TEHETKA: Yashwant Sinha?
R.K. JAIN: Haan. Yashwant Sinha takes money. Digvijay Singh takes money. Sharad Yadav takes money. PASWAN takes money. takes money. TEHELKA: If I will give you.

TEHELKA: If I will give you.

R.K. JAIN: Yeah.

TEHELKA: You done any big work too?

R.K. JAIN: Yeah, yeah. I got loan. Just by chance I told you that day, I got loan from Yashwant Sinha to one of my brothers. 30 crores, just I think it has to be opened now within four-five days.

TEHELKA: Okay.

R.K. JAIN: I got... Yashwant Sinha have very good... terms and conditions with one of my colleague MP.

TEHELKA: Okay, Okay.

R.K. JAIN: He will.: he's a BJP MP.

TEHELKA: What is his name?

R.K. JAIN: He's Rudi.

TEHELKA: Okay. Which State? Bihar?

R.K. JAIN: Yeah. There are numbers...

that's what I... you know...

that's what I... you know...
TEHELKA: Sir, in 30 crores slot how

TEHELKA: Sir, in 30 crores slot how much you paid?
R.K. JAIN: Haan?
TEHELKA: To Yashwant Sinha?
R.K. JAIN: What this... getting this know... this was my own group. One of my company having a joint collaboration with an Italian company.
TEHELKA: Okay, Okay.
R.K. JAIN: Sorry Korean company. The plant is in Surat. All the machinery was given by the plant people.

plant is in Surat. All the machinery was given by the plant people.

TEHELKA: Himm.

R.K. JAIN: And here we do the operations. We have expanded on it. That is why, whatever we had to give... our MP was there at the time. Suit it paid him so lakhs of rupees.

TEHELKA: Yashwant Sinha?

R.K. JAIN: Because it was my own work, not a party man.

work, not a party man.

R.K. JAIN: Why do you... you are not concerned. You see Yashwant Sinha is not honest man

not a honest man. **TEHELKA:** Haan. **R.K. JAIN:** He takes money from every-

TEMELKA: Okay.

R.K. JAIN: Everybody in the sense whom... with whom he has a little rapport... good rapport with, he'll take money. It's not only that In George Fernandes... there are certain difficult officers and difficult ministers are there. TEHELKA: Okay.

R.K. JAIN: There you cannot approach him. But Ranjan Bhattacharjee can be...

same place as Indira, Feroze

Major Singh reveals his relationship with Sahni, boasts of his relationship with a friend who is 'the head of the set up' today. He boasts about how he got a defence job cleared by his friend in three days.

MAJ. S.J. SINGH: May I tell you something. I am not employee of Mr. Sahni. Number 1. Number 2, we met to be associate of each other.

associate of each other.
TEHELKA: In the ammunition busi-

ness?

MAJ. S.J. SINGH: Yeah, from project to project. And I was introduced to him by a common friend. I had gone to my common friend for a different job and in the due course of the conversation, he found out my connections in the ministry.

ministry.

He mentioned something and I said, "I can help you out if you want," without knowing what he was meaning, immediately he jumped on the conclusion and he rung up Sahni...fred of mine. I would like you to meet anyway. MAJ. S.J. SINGH: So that "show we got into...and he said, "This is my job to be done" and he had tried this through many people and he was unable to get that job done.

TEMELKA: Which one? The smart

ammunition?

MAJ. S.J. SINGH: Now the particular bureaucrat he wanted to reach, he could not reach. He tried his best and those people were kicked out from there. Now this bureaucrat is an old friend of mine for last 15 years. Okay? Who is now the head of the set-up.

TEMELKA: He is the Defence Secretar?

tary?
MAJ. S.J. SINGH: Anyway.
TEHELKA: It is excellent!
MAJ. S.J. SINGH: Okay. Now he is a friend of mirre. So I said, okay. I asked him, "This is the job to be done. Can you do it?" So he laughed and said, "Now the bastard has caught hold of the control of th

S. J. Singh: I belong to the

can be approached by 15 people.
TEHELKA: Himmin
R.K. JAIN: But... you see like Yashwant
Sinha also can be approached by differ-

Sinha also can be approached by different.

TEHELKA: People.

R.K. JAIN: You should always need a man who is... because this will help you in the long run. tomorrow after three months you are well into the job; you have already paid money for the first job. Your second job will go very slowly. Because your channel is already opened through somebody. But you have got your one job done through Bangaru Laxman Next time you have another job then Yashwant Sinha will say, "My foot, bastard! Every time he goes to Bangaru Laxman what do I do? I am not getting my share." So it is always better to have a connection where you know that the minister... the man who is doing the job is getting the money.

TEHELKA: Veah, Yeah.

R.K. JAIN: ... Ten lakhs to five lakhs.

TEHELKA: Yeah, yeah.

R.K. JAIN: Five-farkhs for a man who will take you there.

R.K. JAIN: Five takins for a man who will take you there.
TEHELKA: Yeah.
R.K. JAIN: And one lakh give for the party. That's what we talked about. But for Yashwant Sinha if we clinch, it will be little more. Then it is better.
TEHELKA: How much more?
R.K. JAIN: It depends upon... if you have big work; if you have a small work, 15 should be all right. Let it go at that.
TEHELKA: No, this is not a big work. This is small work.
This is small work.
R.K. JAIN: Then let it go there.
TEHELKA: Ten lakhs?
R.K. JAIN: The let it go there.
TEHELKA: Plus five lakhs to that MP. Which MP?

not allowed anyone to talk to me. So I said. "Forget about it. What you have done, you tell me now. This is the job that is to be done."

MAJ. S.J. SINGH: I belong to a place called Rae Bareilly.

LT.COL. BENRY: Indira Gandhi's.

MAJ. S.J. SINGH: Indira Gandhi's.

MAJ. S.J. SINGH: Indira Gandhi's late husband Feroze Gandhi, I worked with him 152 and 157.

'52 and '57.

TEHELKA: Okay, that's excellent.

MAJ. SJ. SIMGH: Okay, Indira Gandhi's family we knew inside out and they knew us inside out. We are ex-zamindars of that place. We don't belong to a pauper's family. Okay?

cars of that place. We don't belong to a pauper's family. Okay?

TEHELKA: Basically feudal landlords.

MAJ. S.J. SINGH: My educational background is...I am M.A. in English from Lucknow University and also M.Sc. in Military Science from Staff College of...

College of ... TEHELKA: You are from NDA or from

MAJ. S.J. SINGH: No I am a direct

MAJ. S.J. SINGH: No I am a direct entry, I am from the NCC.
MAJ. S.J. SINGH: From Rae Bareilly we shifted to Delhi in 1960. We migrated to Delhi from that time. I have...I was in Services, in Army. In '71 war, I became war casualty and was boarded out on medical grounds with 80, per cent disability.

But no one can see I had any disability. I was injured twice in '65 war and '71 war and I was awarded... recommended for MVC.

Then I was recommended for MVC.

mended for MVC.
Then I was recommended for MVC again. So both the times, I got...barred but I don't write my army rank anything. I don't talk about my army background because that is a negative point to do. Because then you lose your access to friends.

Major Singh also gives an example of how he's manipulating the Price Negotiation Committee in a deal worth Rs. 480 crore. Each one of the 6-7 committee members will get about .25 per cent each.

TEHELKA: Plus five lakhs to that MP. Which MP?
R.K. JAIN: Rudi.
TEHELKA: Okay, done. In his home?
R.K. JAIN: Now, I have to tell him now, na? Now the last time we talked...
TEHELKA finterupting! Can we go with money inside his ministry? There's checking...
JAIN: He won't discuss about the money and all that in front of you. The money will be given separately.

money will be given separately. **TEHELKA**: To that MP? TEHELKA: To that MP?

"JAIN: The money wift be given to the MP. to be given to Yashwant Sinha.

TEHELKA: Haarl, haan.

JAIN: The money given to Yashwant Sinha, you will come to know about at the meeting. Now if Yashwant Sinha will happily listen to your talk, offer you tea and ooffee and talk about supporting you... when you come out from meeting him you know that.

JAIN [continuing]: ...then naturally I will have to give him the money te-the MP.

TEHELKA: Yeah, yeah. along loose political lines,

is all the more keen with the announcement of a full BJP-

With 47,000 voters, the two. Assembly constituencies and its neighbouring Taleigno, represented by Congress M. A

The seriousness with which the ruling BJP is viewing this poll became apparent when the administration reorganised 18 wards, after the voting list had been finalised and the poli process was officially under-

Some key sitting councillors cried foul when they found the wards they had nursed were now reserved for women, forcing them to field their wives instead.

#### Congress plenary to focus on policy of saffronisation

BY SHAHID FARIDI

New Delhi, March 13: Saffronisation of education and institutions under the present BJP-led NDA government at the Centre will be highlighted in detail in the political resolution to be adopted at the Congress plenary scheduled to be held in Bangalore on March 17 and 18.

There was a move by a section of party leaders to have a separate resolution on saffronisation. A note was sent to party president Sonia Gandhi apprising her of what was happening in the academic sphere and seeking her support for a separate resolution "in view of the dangerous longterm implications of the communalisation of school and college textbooks and institutions such as the ICSSR, ICHR and ICPR."

But the party high command felt that the issue could be included in the political resolution as part of the overall Hindutva agenda being pursued by the pre-

sent government. Congress sources said the saffronisation of education, and institutions, the Gujarat governpart in RSS activities and Prime Minister Atal Behari Vajpayee's statement terming the demolition of Babri Masjid as the manifestation of national sentiment would form a large part of the political

Parties get ready for Goa civic elections

BY PAMELA D'MELLO

Panaji, March 13: Upcoming elections to Goa's capital eit civic body has polarised the ruling BJP government and the Congress-NCP combine in an unofficial trial of strength. Though no political parties officially participate in civic polis, the battlelines are drawn

complete with defections and incorporations after the ballots are counted. This time round the polls for the Panaji Municipal Council

Council's jurisdictions covers --- Panaji proper represented by BJP CM Manohar Parrikar

Somnath Zuarkar.

Meanwhile, the Congress will, for the first time, adopt a separate resolution on agriculture in view of the difficulties faced by the farming community due to "reduction in subsidy, lifting of restrictions on imports and inade-quate rise in the minimum support price of foodgrain and insuf-

ficient procurement by the Food Corporation of India.' While Mr Arjun Singh is the head of the committee that would draft the political resolution. Dr Manmohan Singh, Mr Natwar Singh and Dr Balram Jhakhar will respectively head the teams for drafting resolutions on economic affairs, foreign affairs and plight of farmers, respectively.

Besides the communalisation of education and institutions, the political resolution would also focus on Kashmir and Constitution review, besides a host of other issues. The political resolution may also clear the way for the party to form a coalition government at the Centre.

The resolution on foreign policy would "express concern over the government destroying ment's decision to allow state national consensus on foreign government employees to take policy, especially that on West policy, especially that on West Asia.

A senior leader said the resolution would underline that "unipolarity is transitory, and criticise the government for putting all the 'eggs in one basket.'

Goa Congress files defection cases against 4 ex-MLAs

BY OUR CORRESPONDENT

Panaii, March 13: With the Congressifiling defection peti-tions against four of its former MLAs on Monday, the tally of Goan legislators facing potential disqualification rises to 15 in the 40-member House.

In less than two years since the June 1999 elections, the state has seen three governments in a political chessboard, where cony and ivory have merged to

a murky grey. Nearly seven months after they left their parent party, the Congress on Monday filed defection petitions against four of a five member group that split to join the BJP. Six other MLAs who left the Congress in October and November to join the BJP government now in power, also face disqualification petitions filed by Nationalist Congress Party leader Wilfred de Souza.

"The ball is now in Speaker Pratap Singh Rane's court," Dr de Souza said. Goa's 1999 Assembly verdict was a landslide for the Congress, who got a clear majority of 21 to the BJP's ten but its government did not even last out the year.

Congress chief minister Luizinho Faleiro's strategy of coopting smaller regional parties to buttress his strength against other Congress stalwarts, spawned an 11 member split in November 1999.

#### Forget wheat, rice, move to maize: Borlaug to India

By OUR CORRESPONDENT New Delhi, Murch 13: Nobel

laureate Prof. Norman Borlaug. the man who is considered to be father of green fevolution, on Monday advised Indian farmers to divert attention towards lucrative crops. Prof. Borlaug, who is touring

India, said that Indian farmers should take advantage of the opening up of global markets. To reap its benefits, he said that farmers should move away from traditional wheat and rice crops as it would be difficult for them to make a break in the international market as most of the wheat exporting countries give huge subsidies to the grain. He said India's basmati rice also has a limited international market. Bihar last week laid stress on the cultivation of Quality Protein Maize. QPM has been identified as one of the most important ingredient of India's mission to eliminate hunger and malnutrition from the country by 2007. He said diversion of part of the Indian wheat and rice area to

and nutrition for the Indian farm-

ers. Maize has increasing demand from food and feed industries. The agriculture scientist, who is

in India to popularise QPM, suggested that soybean-maize could be good combination for the Indo-Gangetic belt which these days resort to just rice-wheat rotation. He had been to Bihar along with agriculture minister Nitish Kumar to popularise QPM varieties during the rabi season. He said OPM can be successful-

ly grown in most parts of the country during kharif, rabi and zaid season and agronomic practices of OPM are same as maize. Prof. Borlang said while India had made significant progress in terms of achieving some food security, a lot was needed to be done. He praised Indian scien-Prof. Borlaug, who travelled in - tists and farmers for turning the food scarcity in the country to surpluses. "It is better to deal with surpluses rather than scarcity," he said.

Prof. Borlaug said the world can not be complacent towards feeding an ever increasing population. "In 1940s, the population of the world was only 1.6 billion maize would fetch better prices and last year it crossed the six billion mark." he said.

#### Major-General Murgai: I thought if you can spare the car...

thing...
TEHELKA: Yeah, yeah, yeah, but they don't know that one. They given this kind of...
MEHTA: You can make public relation, sales prothere can be so many designation.

to present it to Mehta.]

MEHTA: No, no, no, no, nahin, nahin.

MAJ.GEN. MURGAI: Sir, this is nothing.

MEHTA: What shall I do with? This.

MAJ.GEN. MURGAI: Sir, there is nothing sir. [Murgai places the box under the table.] **MEHTA:** Please, no.

MAJ.GEN. MURGAI: Should we leave? Sir, this MEHTA: Please keep this back. MEHTA: Please keep first back.
[Camera shift to give the full view of the sitting room.]
TEHELKA: No, no, please.
MEHTA: No, no, it is okay.
TEHELKA: Nothing, sir.
MEHTA: Nahin, nahin this is not good.

The above was the first meeting with Mehta. Mean-

while, very interestingly, Gen Choudary rang Mathew Samuel of West End asking for some help in lobbying with a CVC official who was examining a corruption case against him. In this last meeting with Choudary, he relents more or less. West End tells him he will get Rupees five or six lakh initially.

then you start pushing things to us. You see results in even if you are not there. Works are very... See if you have already contacted the minvery.... See if you have already contacted the minister There is no need TEHELKA: No need right? That... that is what I am asking, that is what I am asking, Already I have met Java Jaitly and Rajiv Goba.

MAJ.GEN.CHOUDARY: See if you are already there, Then... then there is no need for you to go elsewhere.

MAJ.GEN.CHOUDARY: No problem...I will approach you and say this is the response.

TEHELKA: Okay. Then after one hour I willingive you the car. The car will be here.

TEHELKA: Okay... all right. There is no problem. I have already given the message today. They can send five or six. Okay Sir, I am moving.

THELKA: Okay. Then after one hour I willingive you the car. The car will be here.

Major order in the picks up the briefcase and prepares to leave.]

MAJOR GENERAL MURGAI: Okay, all right.

The walks out, Murgai accompanies him.

TEHELKA: He should letter will issue...General Choudhury. I met Gen Choudhury day before yesterday.

MAJ. GEN. MURGAI: Okay.

T: Will it go today or tomorrow to L M Mehta?

MAJ. GEN. MURGAI: I'll talk to him. Sit down. TEHELKA: All right.

MAJ. GEN. MURGAI: What is L M Mehta's office

number?
TEHELKA: I don't know.
MAJ GEN MURGAI: End of the ..., he's having ... TEHELKA: Okay.
MAJ, GEN. MURGA!: Then I'll fix up.
TEHELKA: When you need the car?
MAJ, GEN. MURGA!: Car?

TEHELKA: Sir, please tell Mr. L.M. Mehta that clear that financial equation. Tell Mr Mehta that clear the financial equation.

MAJ. GEN. MURGAI: The what?

TEHELKA: That we will like that... like this. That financial equation. If he will write that letter, we will sive the the control of th MAJ. GEN. MURGAI: Hmm! TEHELKA: We will give like that...finally...to Mr MAJ. GEN. MURGAI: No, I will tell him that this

Additional Secretary L.M. Mehta issued a letter to Major General Choudhary in the second week of January. He asked for Rs 2 lakh in cash. He was paid Rs 50,000 by Major General Murgai as advance in his office and the rest was promised upon receipt of the letter. Of course, we just planned to collect the let-You see we couldn't go any further. We couldn't produce hand-held thermal cameras and submit them

for trials.

Major General Choudary issued a trial evaluation order in the third week of January. It was a 26-page order. General Murgai collected it for us. Mehta's dilemma was that he couldn't organize an evaluation letter just for West End and had to include 3-4 more companies. He did that.

In the meantime around January 10 our cover had aiready blown with Samia Party treasurer R.K. Jain and BIP President Bangaru Laxman Both had been expecting money and were desperately looking for West End representatives. We kept our fingers crossed so that our cover remained with General Murgai for some more time.

But it was not to be. We delayed by 24 hours our visit to General Murgai to collect the letter. Our cover blew. For three days we tried to ambush General Murgai at his home. On each of those ocassions the cars of Surendra Singh and General Choudhary were parked outside. The trio have been in constant con-

parked outside. The trio have been in constant con purked ouiside. The trio nave been in constant con-sultation to plan a damage limitation exercise. It's been nearly two months since the letter was issued. We are told they have doctored the files. We hope they haven't been able to doctore the despatch

Anyways, if the Military Intelligence interrogates the office staff of General Choudhary they shall have the truth.

#### TEHELKA: This will be used for the Bofors. WAJ. S.J. SINGH: Various guns...so it depends on the charge now...Another bomb which is being propagated. TEHELKA: Same American company? MAJ. S.J. SINGH: No, no, one is Krasnopol...is Russian. The other is from South Africa. Now the South Africars are pushing it through their agent. So my job is not only to block that, but to see that the repeat order is given. Now we are waiting for the terms to be cleared as to whether if I do this job how much will you give me. If that understanding takes place we will clear this project. If it doesn't take place, someone else will take it. It is as simple as that...mathematics is very simple. He used this word, I said, "Why are you calling...?" He said he tried his best and I have kicked out everyone. I have So it is a big...big game, each of these order is worth thousands. They have people representative sitting and just waiting. So it is a big group. you are big...people are happy... MAJ. GEN. AHLUWALIA: See it's a...it's

motion; there can be so many occup.

TEHELKA: No problem:
[Mehta takes his gold chain gift.]
[The camera frame moves to C M Mehta and General Murgai. Tehelka gives Murgai a box having gold chain to present it to Mehta.] MAJ.GEN.CHOUDARY: One thing you should be clear in your mind. As I explained to you last time, this is not a one-man show.
TEHELKA: Yes sir. That I know very well sir...
MAJ.GEN.CHOUDARY: So what you must do is, start contacting somebody from the ministry. You might be having contacts there in his office. From the property of the pr

TEHELKA: For one hour?

MAJ GEN MURGAI: No, how are you.... You tell me how are you placed?

TEHELKA: That...that is...you need not worry.

After one hour you need the car?

MAJ. GEN. MURGAI: I thought that if you ... if you meet the car? elsewhere.
TEHELKA: There is no need. Right? This I want to... I want to know from you, sir.

MAJ.GEN. CHOUDARY: They are the main peo-

can spare,it then I can ... go and meet,..

#### THE T-90 TANK DEAL

THE FORMAL INKING of the deal for 310 T-90 tanks with Russia concludes the extended rounds of negotiation which, at one time, seemed in danger of getting bogged down in a disagreement over pricing. What the Defence Minister had described as only "a small matter of price" created a number of hiccups in finalising the transaction and it wasn't until Mr. George Fernandes' visit to Moscow in June last year that hopes were revived about breaking the deadlock. Complete technology transfer has been acquired for this third generation main battle tank (MBT) under the terms of the deal, which is estimated to cost a staggering \$ 650 million and under which about twothirds of the T-90s acquired would be assembled under licence at the Heavy Vehicles Factory, Avadi. The acquisition, which will considerably enhance India's offensive capability, is closely related to Pakistan's decision to acquire the T-80 UD from Ukraine.

The T-90 is considerably more expensive that the T-72, which India already possesses, but is packed with features such as thermal imaging sighting and a laser warning system. Although upgraded T-72s were reportedly also on offer. India's decision to plump for the much more expensive T-90s was influenced by the perceived need of countering the recent Pakistani acquisition, on the one hand, and of possessing an MBT which will effectively serve India's battle needs for at least the next two decades. The fact that it will become necessary to phase out the ageing fleet of Vijayantas and the T-55s in a few years from now was another compulsion for upgradation and replacement. It is now certain that the T-90 is being looked upon as the fighting nucleus of India's armoured regiments. What this means for the Arjun project will deserve to be closely watched. The Defence Minister has repeatedly claimed that the T-90 acquisition is not intended at crippling the Arjun but only complementing it,

thereby obliquely suggesting that the Russian deal is being effected only to tide over the delay in the materialisation of the country's indigenous MBT. Although indents have been placed by the Army for 124 Arjun tanks, fears or doubts connected to the manufacture could well have influenced the decision to look towards outside sources.

This T-90 deal is a huge one in financial terms but it is particularly important for Russia, where the military-industrial establishment is limping because of the lack of orders from its own armed forces - a result of the end of the Cold War and the breakup of the Soviet Union. The Russians are engaged in actively pursuing arms exports to countries in Asia and Africa; other deals with India are in the pipeline, including that for SU-30 multi-role fighters, TU-22 strategic bombers. Smerch artillery and the aircraft carrier Admiral Gorshkov (a replacement for the retired INS Vikrant). At another level, the very size of the T-90 deal and other proposed acquisitions from Russia undermine the view that becoming a nuclear power will reduce the Indian military's requirements for conventional arms. The theory that nuclearisation will result in a natural cut in military budgets is actively canvassed by members of the strategic/defence establishment in both India and Pakistan, the implication being that the saving on military expenditure could be channelled into more productive uses. However, there is no evidence of this having ever taken place. The T-90 acquisition, which was preceded by Pakistan's T-80 UD purchase, is one more illustration that the race for conventional arms will carry on regardless of developments on the nuclear front. The race for nuclear arms and the race for conventional arms are different races but those who run the first invariably end up running the second as well.

THE HINDU

# Hinduja probe: UK Cabinet Secretary ing a full explanation. (A) Norman Baker, last night said was told by the Foreign Office Friends of Mr Peter Man- he would be tahling Parliamen was told by the Foreign Office Friends of Mr Peter Man- he would be tahling Parliamen as tary questions on the issue. (S):

dence in the inquiry he had himself set up into the Hinduja passport affair, following media reports that he had lunch with Wilson, may have to give evi-LONDON, Feb. 12. <sup>1</sup> The UK Cabinet Secretary, Sir Richard

A report in the Daily Telegraph today said Sir Richard had lunch with the Hindujas at their London home in July 1998 along with the minister for Europe, Mr Keith Vaz. the NRI brothers.

Sir Richard's spokesman insisted that the passport issue was not raised at the lunch.

delson, who resigned as Northern Ireland secretary over the affair accused Sir Richard of "compromising" himself. Mr Mandelson is due to mond inquiry at the Home Ofgive evidence to the Hamfice tomorrow.

Sir Anthony Hammond was appointed by Prime Minister Mr Tony Blair to inquire into Former treasury solicitor the circumstances surrounding the application and granting of citizenship to Srichand

Liberal Democrat MP, Mr Hinduja in March 1999

turning down the Hindujas' passport applications because tary questions on the issue. Significhard must have been aware led to the last government he sits on internal Intelligence of secret service reports, which committees," he said.

Hindujas have managed to "It is peculiar that a Cabi-net Secretary should have lunch with people who seem to have no connection with his other important person the get access to for reasons that job in anyway. He is yet an are unclear," he said

THE STATESMAN

13 FEB 2001

that the Hindujas were important to commercial ties be tween UK and India.

sion...They did not discuss passports, and he was not aware that either of them was the lunch, at a time when Mr Srichand Hinduja was trying to get a British passport, as a to know you ses-The spokesman described get

with both the Tories and the applying for a passport." The report said Sir Richard's presence at the lunch rang Liberal Democrats demand-"alarm bells" at Westminster

#### 📈 Hindujas case 🔇 hearing on Feb. 26 By J. Venkatesan DELHI, FEB. 14. The three alia brothers, accused in the liab brothers, accused in the liab brothers.

NEW DELHI, FEB. 14. The three Hinduja brothers, accused in the Rs. 64-crore Bofors payoffs case, wanting to go abroad to look after their business interests, have to wait till February 26 as their applications seeking permission to leave the country have been adjourned by the Delhi High Court.

Mr. Justice A. K. Agarwal after hearing arguments from Mr. Ra-jinder Singh and Mr. Kapil Sibal, counsel for the Hindujas, posted the case to February 26.

Mr. Singh said the three brothers — Mr. G.P. Hinduja, Mr. S.P. Hinduja and Mr. P.P. Hinduja voluntarily came to India and had fully cooperated with the investigation though the chargesheet did not list any offence. Mr. G.P. and Mr. S.P. Hinduja were the third richest persons in the U.K. and their global business interests ran into billions of dollars.

Mr. Singh said the brothers had deep roots in India where they had invested over Rs. 10,000 well-founded, and there was no justification to deny them permission to leave the country.

On the CBI's opposition to the Hindujas' plea, counsel said it was nothing but harassment. He pointed out that the CBI had not stated anything about the present apprehensions and it related only to future apprehensions. What had been stated was that if the trial went against the three brothers they might not return.

The revision petitions were filed by the Hinduja brothers to set aside the trial court order denying them permission to go abroad.

In its reply, the CBI said the fact that the three brothers appeared in court on January 19 was no guarantee that they would not again elude the due process of law once they were allowed to leave the country, particularly when they feel the proceedings were go-ing against them.

THE HINDU

15 FEB 2001

#### 310 T-90s TO ENHANCE FIREPOWER IN DESERT

#### seal tank deal

By Atul Aneja

NEW DELHI, FEB. 15. India today signed a major tank deal with Russia, which will appreciably enhance its offensive punch in the deserts.

The deal for 310 T-90 tanks was signed today in the presence of the visiting Russian Deputy Prime Minister, Mr. Ilya Klebanov, and the Defence Minister, Mr. George Fernandes. It also caters to the manufacture of these tanks, including its key weapons, in India, under a Russian licence

According to an official statement, 124 T-90s would be transferred off-the-shelf and the remaining 186 assembled in In-dia. Mr. Fernandes, who held talks with Mr. Klebanov, described the contract as "signifi-

cant", adding "we want to make many more of these tanks in India."

The tank deal, estimated at \$650 million, has been signed in the backdrop of India's doctrinal preference to fight its future wars in the deserts rather than the mountains of Kashmir or the riverine terrain of Punjab. Deserts, according to military strategists, offer the opportunity of launching rapid thrusts by mechanised columns, spearheaded by tanks. Offensive sweeps, in turn, facilitate the subjection of key command and control centres as well as strategic roads.

In case of a war with Pakistan, the Army is likely to quickly advance in the Thar desert area to-

wards the communication nodes around Rahimyar Khan.

Rapid military thrusts in the de-Serts are preferred on two other counts. First, international pressure is likely to shorten the duration of a future Indo-Pak engagement. This pressure is likely to be unprecedented as both countries have developed nuclear weapons, a matter of international concern. Armoured thrusts can achieve decisive military gains in a short- duration conventional conflict. Besides, desert warfare also better integrates the use of the IAF for ground attacks.

With a 1,100 horsepower engine, the T-90s will also offset the around 300 T-80UD tanks, acquired by Pakistan from Ukraine.

The selection of the T-90, as the core of Indian's armoured fleet in the coming decades, has been driven by key technical considerations as well. Military planners have been looking for tanks which can fire missiles, especially while on the move. Not surprisingly, the T-90 has "reflecks" guided missiles with a five-km reach. The main gun, which can rapidly fire 125 mm. shells on account of automatic loading mechanism, further enhances its punch. Besides, the tank's laser-guided missiles can pierce the armour of most contemporary tanks.

#### Arjun marginalised?

With the T-90 as the nucleus, Indian armoured columns in the future will also include modernised T-72s and the Arjun Main Battle Tanks. Analysts critical of the deal, however, say such large inductions of T-90s would mean the indigenously-built Arjun, at least in the near future, has been marginalised.

During their talks this morning, the two leaders discussed the other military hardware deals in the pipeline. The negotiations for the TU-22 strategic bombers, which can also fire cruise missiles, apart from delivering nuclear weapons, are at an advanced stage. The next round of high-level defence talks are expected next month when the Indo-Russian joint military and technical commission convenes in St. Petersburg.

#### PM for Russia in Sept.

At a press conference later, Mr. Klebanov said the Prime Minister. Mr. Atal Behari Vajpayee, was expected to visit Russia in September-October. The process of drafting agreements, likely to be finalised during the visit, is already under way. ready under way.



Indo-Russian officials exchanging documents after signing a major defence deal for purchase of 310 T-90 MBTs in the presence of the Defence Minister, Mr. George Fernandes, and the Russian Deputy Prime Minister, Mr. Illya Klebanov, in New Delhi on Thursday. — PTI

DIE HIND

#### The Hinduja Affair

#### Great Gatsby Comes to Life

By RASHMEE Z AHMED

ONDON: The row over the Hinduja family's alleged influence on the course of British public life may be described in several neat sets of contraries — exaggerated nonsense vs evangelical comeup-pance; hysterical witch-hunt vs high justice delayed-but-not-denied, and so on. But, there are no contrary views to the single unalterable truth that much of this would not have mattered and certainly, would not have mattered in the same way, if it were not 2001, just months before an expected British general election. A controversy over rich foreigners allegedly buying up British morals and into the bargain, obtain-ing passports and a place for a favoured Asian friend in government has particular resonance at a time when the British people are expected soon to commune with their souls and the ballot box.

Even so, like other political scandals, this too will pass. What is likely to last much longer than the outraged morality of the British tabloids and the public bloodletting of various factions within the governing Labour party is the newly-chastened manners of Britain's huge Indian community. Some would say this is no bad thing and it had to happen; that the much-publicised successes of the numerous, conspicuously rich Jay Gatsbys within Britain's one-million strong Indian community were riding for a fall.

For some years, Britain's Indians have been in the news, basking mostly in a series of sunshine stories about unimaginable wealth, sterling endeavour, sheer grit and old-fashioned family values. Much of this came about because the Indians, unlike British Jewry, actively courted a higher profile, seeming to revel in their place in that supremely vulgar national ritual, the annual Rich List and showy parties with the great and the good of the land. As in Scott Fitzgerald's sublime savaging of the American dream, The Great Gatsby, they had houses "blazing with light a tale of the west subtly unadaptable to the eastern life", with its excesses and glamour, its conspicuous consumption and the mysterious young millionaire Jay Gatsby's belief "in the green light, the orginatic future that year by the programme of the control of the contr

year recedes before us."

Photographs of the British prime minister's wife in an ornate salwaarkameez gifted and chosen by the daughter of Srichand Hinduja at their annual Diwali crush must

surely rank alongside one of the great PR mistakes of all time. It was superb as a cameo shot of the extent of their influence, but it also excited jealous comment, and emphasised their foreign-ness to a people who value understatement above all. Prime minister Tony Blair may once have prophesied great things for an exaggeratedly Cool Britan-nia, but Britain essentially remains a nation of minimisers

The native boastfulness of the Indian import was often crude, per-haps as Lord Bhikhu Parekh told this paper with distaste, "an error routinely made by the first genera-tion of rich people", but it made for easy targets. It was supplemented by an accidental, extended season of mellow fruitfulness for anything to do with India. During the season of the India hype, the mood music was all about the coming infotech superpower and its awesome computer literacy, with desirable over-

- IN BRIEF -

- The Hinduja affair has got particular attention since elections are likely soon in
- Indians in the UK have actively courted a high
- The scandal might push Indians back into their shell

tones of the exotic orient and its bindis, mehndi, sari-tops and jewel-bright zari cushions. Bollywood came to mainstream Britain's atten-tion with *Dil Se's* dizzying climb to the top of the film charts. Suddenly, Hindi movies were being pre-miered in London's sniffy West End. India was hip and its scores of well-connected podgy millionaires only the most visible proof of its

mystical strengths.

That was then. Now, the Hinduja affair has given rise to a new, uglier, stereotype, that of the rich corrupt Indian, with a native innocence of governable standards in public life and a mulish unwillingness to uphold them in a law-abiding land. Unsurprisingly, much of the Indian community begs to disagree, though sotto voce, a cultural conundrum explained by the recently-ennobled Lord Adam Patel of Blackburn: "What's wrong with any of this? I represent the minority community.

I take up immigration cases, pass-

port cases for any of our people, I ask politicians about them. If anyone has a problem with this, it may be because they're British and we are not"

Even so, the Hinduja family is now seen as the subcontinent's answer to that thorn in the flesh of the British establishment, Mohammed al Fayed, Egyptian owner of the up-market London store, Harrods and several other bits of British history; desperate for naturalisation as a British subject. It is Mr al Fayed's histrionics, more than anyone else's, that might prompt the question, "Who is this Gatsby anyhow? Some

big bootlegger?"

The new stereotype and murmurs of the Indian connection at the highest reaches of British government will have two immediate, if only medium-term consequences for the community. It will force it into a diffidence it only recently and somewhat recklessly shook off. It will also prompt the British establishment to be wary about publicly embracing Asian talent and enter prise. A question mark looms over British Asian political self-determi-nation as well, now that its only ministerial representative, Keith Vaz, is seen by, say, The Times, London as "an unusual minister an ambassador to a section of society, Anglo-Asians, (though) the ministerial code does not allow a minister of state to double up (in this way)". Mr Vaz, of course, has never denied his proximity to the Hindujas and his efforts in support of their passport applications, though he explains this by stressing an indisputable truth his status as one of Britain's few prominent Asian politicians and his role as a conduit between ethnic community and establishment.

This cultural confusion could perhaps explain the British Indian community's bewilderment over the Hinduja affair. After all, might the network created by rich Asian businessmen not be multi-culturalism's answer to the old school tie, the criss-crossing links forged within the highest echelons of the establishment on the manicured grounds of Eton and Harrow? Could Diwali parties not be the Indian version of discreet portstained interludes at stiff London clubs such as the Garrick? And can passports not be bought and sold just as much as British peerages? These are not black and white issues, but the trick may lie in adopting the British practice of discretion.

THE TIMES OF INDIA

6 FEB 2001

#### More revelations in Hinduja passport affair

By Hasan Suroor W LONDON, FEB. 3. The "passport affair" has taken the lid off what seems like a can of worms designed, perfected and patented, as it were, by the Hinduias.

It appears that almost everyone who is anyone in the British political establishment, cutting across parties, supped with the brothers at some point or the other and enjoyed a cosy and mutually-beneficial relationship until Mr. Mandelson inadvertently dropped a brick hurting not only himself but also exposing the whole network.

There is a picture of the Lory chief, Mr. William Hague, flanked by the three Hinduja brothers at a party they gave in March 1999 to brothers at a party they gave in March 1999 to help raise funds for the party: there is a video of the Hindujas' famous 1999 Diwali reception at which one of the brothers compared the Prime Minister, Mr. Tony Blair, to Lord Rama ("Hello, Lord Rama" is how he is seen and heard addressing the PM) while Mr. Keith Vaz addressed the brothers with their initial. addressed the brothers with their initials "S.P." and "G.P.". Then of course there is the former Tory Minister, Mr. Timothy Kirkhope, who got himself a job with the Hindujas after he lost the last parliamentary election. And it now emerges that Mr. Blair's tennis partner and party's fundraiser-in-chief, Lord Levy, negotiated the Hindujas' £ one million donation to the Millennium Dome. It is stated that in a moment of ecstasy "an affusive Lord Levy hugged Srichand (Hinduja)" and followed in and followed it up with an equally effusive lette

To return to the Hindujas' party for Mr. Hague, the guest list included some of the richest Asians in Britain besides such marquee olitical names as Sir Edward Heath and Mr Michael Heseltine, not to mention Mr. Man-

Vdelson. According to a report in The Times, which has not been contradicted, a week after the event "some guests were surprised to be ent a letter from Jane Keene, director of income generation and marketing for the Conservative Party" asking them for donations. "If you give over 1,000 pounds to the party per annum you can become a member of one of the treasurers clubs and will be invited to events at which you will have opportunity to discuss the issues that matter to you directly with shadow Cabinet Ministers," the letter said, explaining how the party was going to set up a unit to promote multi-culturalism etc.

The newspaper pointed out that the Tory leader's "own exploitation of links with the Indian billionaires casts fresh doubt on the wisdom of his (House of) Commons attack on Mr. Blair and Mr. Mandelson.

The more important point is that the Hindujas have been on everybody's wish list. The Torics used their good offices to raise funds, the Labour used them to save a cashstrapped project, and individual politicians used them to advance their own interests (indirectly, Mr. Vaz is said to owe his ministerial berth to the Hindujas). Is it then such a big deal if once in a

while they decide to drop by to collect their

#### Hindujas' plea to be heard on Monday

By I. Venkatesan

NEW DELHI, FEB. 3. The three Hinduja brothers, accused in the Rs. 64 crores Bofors payoffs case, today moved the Delhi High against the special court's order rejecting their

plea to leave India. The revision petitions filed by the Hinduja brothers — S.P. Hinduja, G.P. Hinduja and P.P. Hinduja to set aside the trial court's order are likely to come up for hearing on Monday.

In the supplementary chargesheet the CBI had accused the three brothers of receiving 81 million Swedish kroners as kickbacks from A.B. Bofors company in the Howitzer gun deal.

The trial court had on February 1 accepted the CBI's objections that they might not come back to India to face trial if the proceedings

went against them and dismissed the applications.

The Judge had pointed out that S.P. Hinduja and G.P. Hinduja obtained British citizenship after the FIR was filed in the Bofors case in 1990. Similarly, the Judge said P.P. Hinduja had obtained Swiss citizenship and under Swiss law a citizen could not be extradited without his written consent. Hence if no consent was given it would be impossible for the CBI to get him extradited to face the trial.

Notwithstanding the assertion by the Hinduja brothers that they had fully cooperated with the CBI in the investigation and because of their absence from their business headquarters, their global business running into billions of dollars had suffered, the Judge turned down their plea to go abroad

While the CBI had maintained that during the interrogation they were very "evasive" and did not answer the main issue at all, the three brothers asserted that they had fully cooperated with the CBI in the investigation and they would continue to do so.

The Hinduja brothers were granted bail on January 19 soon after they appeared before the court but were directed not in leave India without prior permission.

THE HINDU

AFEB 2001

## **Court blow** to Hinduja hopes of leaving India

STATESMAN NEWS SERVICE

NEW DELHI, Feb. 1. - The designated court of Mr Ajit Bharihoke today dismissed the three Hinduja brothers' application for permission to leave

ihe country.

Mr Bharihoke said the application of Mr SP Hinduja, Mr GP Hinduja and Mr PP Hinduja is dismissed on the ground of the apprehensions sited by the CRI cited by the CBI. cited by the CBI. St.

not to allow the brothers to leave India. CBI counsel, Mr N Natrajan, said that as the three brothers are foreign nationals, chances are that they might not present themselves before the court if they see that the case is going against them.

Mr Natrajan, mentioning Mr PP Hinduja, said: "He is a Swiss national and according to Swiss law, a person can be extradited only if he/she gives her consent in writing to the authorities."

After the court passed the order, Hinduja's counsel said: "It was an unexpected order. We will see the court's order

before moving to the court."
He added: "We do not have a copy of the order yet and are not aware of the reasons which persuaded the special judge to reject the application", adds PTI.

He said the Hinduja brothers had expressed disappointed with the CBI's attitude.

They had taken objection to the agency's stand that they might not come back to India if the trial happened to go against them.

The Hinduja brothers had voluntarily appeared before the court to honour their undertaking, he said.

"They faced the CBI interrogation for nearly 10 days with an attitude of cooperation. With all their family and business interests in India, there is no reason why they should not come

■ CBI inches towards Bofors conclusion, page 8 Labour chief brokered Hinduja deal, page 9

THE STATESMAN

2 FEB 2001

# Srichand was granted citizenship against M16 advice's By Hasan Suroor Whindujas. The brothers are said to have played a result.

LONDON, JAN 30. The Tories gave a twist to the Hindujas passport affair today, alleging that Mr. Srichand Hinduja was investigated in 1998 by Britain's secret intelligence service MI6, who recommended that his

application be turned down.

The Tories said Mr. Srichand was granted citizenship against the advice of M16 as a favour for his £ one million donation to the Millenium Dome and following the then Dome Minister, Mr. Peter Mandelson's intervention.

The Shadow Home Secretary, Ms. Ann Widdecombe, has written to Sir Anthony Hammond, who is conducting an inquiry into the "scandal", to look into this and also whether the British High Commission in India was privy to this or helped MI6 in gathering information about Mr. Srichand's suitability for British citizenship.

According to one newspaper, Ms. Widdecombe's claim that MI6 opposed Mr. Hinduja's application was based on a "highly-placed tip-off to the Conservative HO".

Ms. Widdecombe told a TV channel that the main point to be investigated was whether there was a link between the donation and the grant of citizenship, and if true, it was a serious case of "corruption". She was convinced Mr. Srichand was rewarded for rescuing the cash-trapped Dome.

The Tories also demanded that the scope of the Hammond inquiry be widened to include the role of the Foreign Office Minister, Mr. Keith Vaz, in view of the revelations indicating his close links with the

Hindujas. The brothers are said to have played a role in Mr. Vaz becoming a Minister, and later hosted a reception to mark his promotion.

The Times reported that the Hammond inquiry, likely to be completed by the end of next month, was "certain to look at a letter from Mr. Vaz to the Hindujas promising to sign letters they composed to Mr. Tony Blair and Mr. Mandelson". It said that only five days after the letters, signed by Mr. Vaz, Mr. Gopichand "received his passport on November 4, 1997."

The inquiry would no longer to be restricted to the controversy over Mr. Srichand's passport but also look into the previous cases relating to the efforts of the brothers to get British citizenship, allegedly as an insurance against possible extradition to India in connection with the Bofors scandal.

Official sources did not rule out the possibility of British diplomats in India keeping the Government here informed about the Bofors investigations against the brothers, but whether MI6 played any role was not clear.

It was also pointed out that MI6 generally did not make recommendations though the tone of its reports could influence decisions. Meanwhile, Mr. Mandelson, who was forced to resign for lobbying for Mr. Srichand — was said to be firm on clearing his "name", saying he was "hustled" into quitting. While Mr. Mandelson was reported to be away on a holiday, his friends were lobbying for his case to be reopened even as the message from Downing Street was to close the chapter and get on with business.

THE HINDU

#### HINDUJA STORY — MARK II

#### It is not possible to prove a negative

RACED with documents that establish payments into their accounts in Switzerland by Bofors, Hindujas have had to revise their earlier story. They had been asserting all along that they have been falsely implicated and that they have had no relations with Bofors at any time. There is also evidence that they have had close connections with Martin Ardbo, the Managing Director of Bofors, who knows all there is to know about the sordid deal, and has mentioned them in his diaries although in enigmatic terms and with Hans Ekbolm vice-president of Bofors. No longer able to deny these payments in the face of documents they have been shown, they produce a fallback story; they admit they received the money from Bofors but assert that it did not relate to the controversial gun deal. Ottavio Quattrrochi, made the same change in his story except that he had told our reporter when he left Delhi at leisure that he had not had any relationship with Bofors at any time and this was published then. For him to say now that he did receive the money but it related to another deal seems an afterthought.

seems an afterthought. There are several difficulties in accepting the Hinduja story—Mark II. The first is that it is not possible to prove a negative. Merely to assert that the money received from Bofors related to another deal runs into the following difficulties. I) The Swiss froze their accounts and they remain frozen. They would have acted only on the certainty that the money came from Bofors and it related to the gun deal, which was the subject of the Letters Rogatory. It is unthinkable that the Swiss would proceed otherwise. Have the CBI looked into the three separate judgments of the Swiss Federal Tribunal dated 12 July 1993, rejecting their several contentions and fining them SF 3000 each? Indeed some time later the brothers succeeded in getting the investigating magistrate to delete items of payments in the same advice, which they satisfied him related to other items. The simple question is why did they not do the same in respect of the payments disclosed by the Swiss to India, which they now claim related to other items? 2) The Hindujas, and Quattrocchi among others were defendants in the Swiss courts and for many years; if as they now say, the Swiss have got the deal wrong, two consequences follow. The Swiss would not have pursued them and it was a simple matter to have proved that the properties related to another case to the investigative wagis rate before he decided to release the documents to India. In fact the brothers led the investigating magistrate a merry dance for many months putting out the idea that they would agree to release certain documents if the magistrate agreed to withhold others, they did they not go through with it. They still have a further opportunity. They can prove to the Special judge in Delhi, in chambers, what deals the payments were for and they would be off the hook. Having proved that they received money from Bofors and the disclosure came under Letters Rogatory, limited to this gun deal, the burden of proof is on them, not on the CBI.

While under court orders to be interrogated in Delhi, the brothers manage to make a trip to a VVIP ghat in a private plane to take a dip in the Kumbh Mela and return in the same luxury. If the government continues to show them such special courtesies it sends entirely wrong messages to the prosecutors.

# Hindujas' reply evasive,

STATESMAN NEWS SERVICE

NEW DELHI, Jan. 30. — The court of special judge, Mr Ajit Bharihoke, reserved its order till 1 February on the application of the Hinduja brothers to leave the country.

The court heard the application filed earlier by Mr Srichand P Hinduja, Mr Prakash P Hinduja and Mr Gopichand P Hinduja, to leave the country once the CBI has finished their interrogation.

Special public prosecutor for the CBI, Mr N Natarajan, objected to the Hindujas' plea, after the agency submitted its

Editorial: Hinduja story
 Mark II: page 6
 Hinduja fire now
 engulfs Tories: page 9

status report before the court. He said the Hindujas had been giving "evasive replies".

Earlier, Mr Rajender Singh, counsel for the Hindujas, argued "their conduct is in front of you. They have given the surety and if you want another surety they can give it. Their conduct in the past has been proof in itself".

Another counsel for them, Mr

Another counsel for them, Mr Amit Desai, said despite being residents of another country and hence under the jurisdiction of another court, the Hindujas had presented themselves the Indian courts as they were anxious to clear their stance.

Mr Desai said the Hindujas will co-operate with the CBI whenever they are called for another hearing in India. But the CBI counsel objected, saying if the Hindujas felt the case was going against them, they will

HINDUJAS:

(Continued from page 1)

never return to India and it will be impossible to extradite them on legal grounds, especially in the case of Prakash P Hinduja, who is a Swiss national.

According to Swiss law, the extradition of any Swiss national can take place only after the person gives his/her consent in writing to the authorities. If the person person withdraws his consent even seconds before his surrender, his extradition can not take place, Mr Natarajan told the court. The court also today issued non-bailable warrant against former Bofors chief Martin Ardbo sounding a red corner alert through Interpol, reports UNI. The CBI also said efforts to extradite another accused Italian businessman Ottavio Quattrochhi was on in a Malaysian court and hoped that it would come through in the next few days.

■ See HINDUJAS: page 5

#### Srichand Hinduja denies lobbying for Keith Vaz





Vaz (left) and Hinduja: More worms out of the can

London 28 JANUARY

INDUJA GROUP chairman S.P. Hinduja, on Sunday, described as "totally false" the reports that he had lobbied with British Prime Minister Tony Blair to make Keith Vaz a minister.

"Well, I am not the person to decide anybody's Cabinet position but I have been suggesting to the Labour government, even to the Opposition, whoever has been in power, that knowing Britain's multi-cultural understanding, they should also promote and introduce in the machinery, ministers and civil servants from the minority communities.

"At no time have I written or said anything specifically for Keith Vaz," Mr Hinduja told David Frost in BBC's television programme Breakfast With Frost.

The question pertained to a report in the Sunday Telegraph that the Hinduja brothers had lobbied with Mr Blair to give Mr Vaz a ministerial job.

"(It is) totally false and moreover, the decision is with the Prime Minister. Who am I to decide that?" Mr Hinduja said.

Asked specifically what transpired between him and Northern Ireland secretary Peter Mandelson, who quit following the row over the "passport-forfavour" controversy, Mr Hinduja said: "Well, I just casually enquired from him, could you please let me know what is happening to my application...What is the progress of my application."

"I never thought that the developed world and the people of Britain, the media in Britain, would get up one morning and tell me that this donation (£1 million for the Millennium Dome), which was given by my foundation, is linked with the passport."

He said it was not only Mr Mandelson "I enquired from. I asked a couple of others, people in the political world, whether they had any idea about what was happening with my passport application"

He said that among others, he had made such enquiries with Mr Vaz and a couple of other "friends" too.

Peter Mandelson claimed that he was "forced" from his Cabinet job on the basis of incomplete evidence and that he never lied during the passports for favours affair.

Writing at length in the Sunday Times, he said: "A small mistake turned into a monumental disaster" and that he is determined to fight back to reverse that error. He believed the inquiry set up by the Prime Minister would find him innocent.

He maintained he still has no recollection of a telephone conversation with a home office minister, an alleged discussion which was at the heart of his removal from office. He said a former civil servant at the Cabinet office spoke to him on Friday, saying that a colleague who handled the matter in 1998 did not remember Mr Mandelson speaking to the minister, Mike O'Brien.

The Economic Time.



BRITISH MINISTER Peter Mandelson, accused of helping businessman S P Hinduja get a British passport, resigned on Wednesday. Mandelson's resignation came

Mandelson's resignation came shortly after he was summoned by PM Tony Blair to "establish the facts" following a political storm over the intervention of the Secretary of State for Northern Ireland in the second passport application of Hinduja, a major donor for the Millennium Dome project project.
Blair called the minister to his

Blair called the minister to his residence in the wake of Mandelson's "about turn" that he had asked Immigration Minister Mike O'Brien to consider the application.

After the two-hour meeting with Blair, the Minister announced his resignation but maintained he had not acted improperly in the passport issue.

"I do not accept in any way that I have acted improperly in respect of any application for naturalization as a British citizen," he said outside Blair's office.

outside Blair's office.

Srichand interrogation over

(Srichand interrogation over

(Strichand Correspondent ) A Confidence of the other two brothers, we will have to call M

NEW DELHI, JAN. 23. The CBI today again questioned Mr. Srichand Hinduja, chairperson of the Hinduja group, on several aspects of the alleged commission received by the Hinduja brothers in the Rs. 1,437crore Bofors gun deal in 1986.

Though for the time being the agency appears to have rounded off the interrogation of Mr. Srichand Hinduja, the CBI spokesperson, Mr. S.M. Khan, said he could be summoned again, if needed. He said the agency would question Geneva-based Mr. Prakash Hinduja tomorrow. Mr. G.P. Hinduja would be called later.

Mr. Srichand Hinduja has been quizzed by the CBI every day since Saturday afternoon and today's session lasted nearly three hours. The agency submitted a progress report to the Special Court yesterday and granted time to proceed with the interrogation of the three NRI business tycoons till January 30.

Well-placed CBI sources said the agency could need at least two to three days each for questioning Mr. Gopichand and Mr. Prakash Hinduja for their alleged role and receipt of kickbacks in the Bofors deal. The Hindujas have maintained that the money they received from the Swedish arms manufacturer was not related to the Indian Howitzer deal.

Responding to a query if Mr. Srichand Hinduja could move an application before the Special Court to go abroad as his interrogation was over, the CBI spokesperson said, "We will answer it in the court but if certain issues figure during the interrogation of the other two brothers, we will have to call Mr. S.P. Hinduja again." Mr. Khan said the Hinduja brothers were replying to all questions.

Emerging from the CBI headquarters after his session with the detectives, Mr. Srichand Hinduja said that he had offered all cooperation to the agency and hoped that the CBI would come out with truth. "At the end, everything will be crystal clear."

The Hinduja brothers appeared before the Special Court on January 19 after years of dilly-dallying and were asked to join investigations.

#### Mandelson denial

Reuters reports:

In London, the Northern Ireland Secretary, Mr. Peter Mandelson, the British Prime Minister's closest political ally, strove today to rebut allegations that he acted improperly in British passport applications by Mr. Srichand Hinduja.

Mr. Mandelson, who has already resigned from Government once, authorised Mr. Tony Blair's spokesperson to tell reporters he had talked to the Immigration Minister in 1998 about a passport application by Mr. Srichand Hinduja. The official spokesperson said Mr. Mandelson had checked his records and found that he had talked to the Home Office Minister, Mr. Mike O'Brien, about the process of passport applications, having met Mr. Hinduja at

However, "he did not promote or endorse any application. There is nothing improper at all in Peter having been approached at an event."

THE HINDU

2 4 JAN 201

BI gets one more week to grill Hindus.

Hinduja, chairman of the Hinduja group, and would require at least one week more to conclude examining his two dues brothers was a service.

The diabete of the brothers have been cooperating with the CBI. "If the questioning of any of the Hindus questioning of any of the Hindus to conclude examining his two dues brothers was a service."

STATESMAN NEWS SERVICE

NEW DELHI, Jan. 22. - The Hinduja brothers today received a setback when a designated CBI court allowed the investigating agency another week's time to interrogate them for their alleged involvement in the Rs 64-crore Bofors pay-off case.
The Special CBI Judge, Mr

Ajit Bharihoke, also directed the CBI to file a report on 30 January when the court will take up hearing on their app-

lication seeking to go abroad.

The court's direction came after the CBI investigating officer, Mr Keshav Mishra, submitted that the agency had so far partly interrogated Mr SP

to conclude examining his two other brothers — Mr G Hinduja and Mr PP Hinduja accused in the case.

Mr Mishra has requested more time so that the agency can get more details and clarifications from the brothers.

The CBI official furnished details of the case dairy of the agency that started interrogating Mr SP Hinduja from Saturday afternoon and continued all through Sunday till Monday morning. The judge perused the dairy.

Earlier, counsel for the Hin-ujas, Mr Arvind Nigam, duias. submitted before the court that

before 30 January, he be permitted to go out of the country," he pleaded. Mr Bharihoke said: "You are free to move an application in this regard anytime.'

Asked whether the agency would complete its interrogation by 30 January, Mr Mishra said: "If not, then we would seek court's permission for more time to interrogate them." He said: "They (Hindujas) are behaving nicely and so are we.

But the task before us is to find the truth and for that we will continue the interrogation." On Saturday, the court had given

order to the CBI to start interrogation of the brothers.

Quattrocchi: In Kuala Lu-

mpur, Mr Ottavio Quattrocchi-today stepped up his legal fight to stop extradition from Malaysia, claiming he would become a victim of politics and not receive justice, AP adds.

A Malaysian high court judge fixed 16 february to hear Mr Quattrocchi's application to quash the home ministry's approval to have him sent to India on a request from New Delhi. Mr Quattrocchi said there was no need for him to go to India, claiming "there is no case."

■ Will CRI escape unlucky 13? page 8

THE STATESMAN

2 3 JAN 2001

#### SP Hinduja grilled again

STATESMAN NEWS SERVICE AND AGENCIES

NEW DELHI, Jan 21. — The CBI today interrogated Mr SP Hinduja for the second day over the alleged involvement of Hinduja brothers in the Bofors deal.

The Hinduja brothers have been accused of involvement in the deal. Kickbacks for the purchase of the 155mm howitzers from the Swedish company were paid into three Swiss Bank accounts — Tulip, Mont Blanc and Lotus — which allegedly belonged to the Hinduja brothers.

Mr SP Hinduja, the London-based billionaire, spent nearly six hours in two sessions at the CBI headquarters. He said the payments received by the Hindujas were not related to the company's gun deal with india.

The brothers, no longer Indian citizens, recently returned for interrogations by the CBI. The investigating agency is now trying to secure the extradition of Mr Ottavio Quattrocchi, who had links with Rajiv Gandhi and is now in Malaysia.

A CBI SP, Mr Umesh, has left for Malaysia to assist its counsel, Mr Cyrus Das, in the extradition proceedings against Mr Quattrocchi, beginning tomorrow, agency sources said here

today.
Oher brothers — Mr GP Hinduja and Mr PP Hinduja — may be interrogated.

Denial: Mr SP Hinduja today denied media reports in Britain that Mr Peter Mandelson, Northern Ireland secretary, had helped him and his brother, Mr GP Hinduja, obtain British citizenship after they agreed to donate one million pounds to bail out the Millennium Dome in London.

#### Indujas can't leave without court no

STATESMAN NEWS SERVICE

NEW DELHI, Jan. 19. — A designated CBI court, trying the Bofors case, today directed the Hinduja brothers not to leave the country without the court's permission. It, however, granted them bail on furnishing of bail bonds of Rs 2 lakh and a surety each of like amount.

An application seeking court permission to go abroad, which was filed today, will come up for hearing at 10 a.m. tomorrow.

The three Hinduja brothers — Londonbased group chairman Mr SP Hinduja, group President Mr GP Hinduja and Geneva-based Mr PP Hinduja – had arrived in Delhi yesterday. Today, they drove to the court of the special CBI judge, Mr Ajit Bharihoke, under heavy security cover and appeared before him at 12.30 p.m.accompanied by a battery of senior

After an hour of arguments between defence and prosecution counsel in the court. Mr Bharihoke directed the Hinduja brothers "to join the investigation as and when required by CBI and not to leave the country without prior permission of the court".

no stone unturned to question the brothers, sought three days' time at their convenience to question them. The agency was not interested in taking them into custody, Mr Natarajan pleaded. However, the court should take necessary precautions to secure their presence during the trial, CBI counsel submitted.

Arguing for the Hindujas, senior advocates Mr Arvind Nigam, Mr Amit Desai and and Mr Rajinder Singh contended that as their clients "have voluntarily appeared without receiving any summons issued by the court, any mention about taking into custody would affect their global business worth billions of dollars"

Mr Singh further submitted that "even if the court takes them into custody and releases them immediately on bail, it also would have grave consequence on their global business interests as in signing of any contract, the first question asked is whether you have been released on bail".

"The three brothers have roots, business interests and so many things in India, where their investment was to the tune of

Prosecution counsel Mr N Natarajan Rs 10,000 crore," Mr Singh told the court. Submitted that the agency, which had left At one point of time, Mr Singh objected to Mr Natarajan's submission that the Hin-Mr Natarajan's submission that the Hindujas had not cooperated with the investigation and contended that their clients had been questioned by the agency even before the FIR was registered in 1990.

Immediately after the court direction, the three brothers, through their counsel, filed a petition giving details of their business commitments in various countries. They also submitted in their applications that as the financial year is going to end in March, they have to participate in board meetings of various companies to approve their budget.

The CBI prosecutor said that if the Hindujas can give an undertaking that they will be present during every hearing. they will be exempted from the requirement of the bail application.

The court has given time till 30 January for scrutinising the documents and information regarding pending application of granting them permission for the hearing outside India.

■ Another report on page 8

THE STATESMAN

# ja brothers get bail in Bofors kickback case

New Delhi

Bofors payoff trial, the rich and powerful Europe-based Hinduja brothers on Friday which granted them bail but barred them from leaving India court appeared before a special

man S.P. Hinduja and the group president G.P. Hinduja as well as Geneva-based P.P. Hinduja — Accompanied by a battery of the London-based group chairlawyers, the three brothers without its permission.

JAI HINDUIAS: Gopichand (left), Frakash and Srichand (right) leave a New Delhi courtroom on Friday. — AFP

drove to the court of special judge Ajit Bharihoke on Friday mornance in the case in which they have been charged by CBI with receiving kickbacks in the Rs ing for their significant appear-1,437-crore Bofors gun deal.

brothers to join the investigation as and when required by CBI and permission of the court. He granted them bail after they furthe judge ordered the three After hours of arguments by their lawyers and CBI counsel, not to leave the country without nished bail bonds of Rs two lakh

before giving a decision Immediately

sought to question Hindujas, told the court that it was not keen on tody but wanted three days time The CBI, which for long has the brothers being taken into custo question them "at their conve-

nience and appointed time" but the court should take necessary precautions to secure their presence during the trial, its counse N. Natarajan submitted.

Maintaining their innocence in the case, the Hindujas submit-ted that they had voluntarily appeared without receiving the summons issued by the court.

global business worth billions of "Any mention about taking dollars," their counsel Rajinder into custody would affect their Singh submitted.

judge's order, the brothers filed application seeking the morning on their application The judge will hear arguments from both sides on Saturday court's permission to go abroad

2 0 JAN 2001

The Economic Times

#### Hindujas keep court date

#### FROM R. VENKATARAMAN

New Delhi, Jan. 18: In a step shrouded in mystery, the Hinduja brothers arrived in India today, a day before they are due to appear before the Bofors trial court, despite "not having received the summons" issued by the special judge.

judge.
The Hindujas' defence counsel, Ujjawal Rana, said all the three accused in the kickbacks case, will appear in the special court of additional district and sessions judge, Ajit Bharihoke, tomorrow.

Chairman of the Hinduja group, Shrichand P. Hinduja, arrived in Delhi from London while his brothers, London-based Gopichand and Geneva-based Harichand, landed in Mumbai. "Now that they (Hindujas) have arrived, they will appear before the court tomorrow. They firmly believe that the allegations made against them in the case were false and motivated," Rana said.

The lawyer asserted that his clients were not the ones to shy away from any judicial process as they believed that the law would take its own course. "They will come like any ordinary accused or litigants and wait for their turn in the courtroom before the judge," Rana said.

The special court had issued summons to the Hinduja brothers, asking them to appear before it on January 19, after taking cognizance of the CBI chargesheet, which alleged that they had received 81 million Swedish kroners from the now-defunct AB Bofors

which bagged the Howitzer guncontract in 1986.

On January 10, the decks were cleared for the brothers' appearance when the CBI said it had asked the immigration authorities not to detain or arrest them on their arrival in India.

"After all, nobody wants to be arrested and for that matter every human being fears the term 'jail'. And they are, after all, human beings," a lawyer said.

ings," a lawyer said.

Alleging that the government was not taking action against the Hindujas because of the Prime Minister's proximity to them, the Opposition had challenged Atal Bihari Vajpayee to chargesheet the three brothers. Political circles argued that the arrival of the business tycoons will blunt the Opposition attack.

THE TELEGRAPH

19 JAN 2001