

CAG questions defence deals

Statesman News Service

NEW DELHI, Aug. 7. — The CBI is going to register a few more cases in defence deals questioned by the Comptroller and Auditor General, in footnotes, mainly relating to 24 cases of arms purchase during the NDA regime.

The defence ministry has already submitted all documents to the CBI pertaining to the 24 arms deals questioned by the CAG. Though the investigating agency has started studying the documents, it would take time to register either preliminary cases or FIRs, provided, anomalies were found.

The UPA government had asked the agency to probe a total of 37 cases, 13 of which were related to the Tehelka scam. The remaining 24 were related to arms purchases during the Kargil war.

Initially the defence ministry was reluctant to submit documents of purchase to the CBI. However, after CAG's observation, the ministry submitted the documents.

Among the cases refer-

CBI may file regular case in Centaur deal

NEW DELHI, Aug. 7. — The CBI is likely to register a regular case this week to probe the alleged infirmities in the privatisation of the state-run Centaur hotels by the previous NDA government, aceding to the consistent demand of the Left parties.

Highly-placed CBI sources said today that the agency had received the first set of files and documents from the Union finance ministry in the second week of July and after scrutinising, it decided to register a preliminary inquiry. The government then submitted another set of documents and files to the CBI in the last week of July, giving more details about the case, and a note, asking the agency to probe the multi-crore deal which came under attack from the then Opposition Congress and Left parties. Mr Arun Shourie, who was the disinvestment minister when the deal was signed, has steadfastly defended it, and has already made it clear that he is prepared to face the CBI probe, "anywhere, anytime". — PTI

red to the CBI, were purchase of automatic grenade-launchers (Rs 52.13 crore), bullet-proof jackets (Rs 51.65 crore), multi-purpose boots (Rs 30.37 crore), charging/generating sets (Rs 28.15 crore), sleeping bags (Rs 20.69 crore), surveillance radar (Rs 9.86 crore) and sniper rifles (Rs 9.54 crore).

Besides this, the CBI was also asked to probe

cases which were mentioned in the Tehelka expose, including the purchase of hand-held thermal imagers and terminal-guided munitions (Krasnapol), purchase of special ammunition for 155 mm guns for Rs 166.44 crore, spares for 155mm guns for Rs 97.65 crore and special clothing and mountaineering equipment worth 95.15 crore.

THE STATESMAN

A damage-control exercise

Defence Minister Pranab Mukherjee tries to address fears about the implications of the June 28 defence deal with the U.S.

Amit Baruah

DEFENCE MINISTER Pranab Mukherjee has taken a welcome step back. Following public criticism of the "defence framework" signed by India and the United States, he told presspersons on Tuesday that the framework was not a "pact" or "treaty."

And, in one stroke, Mr. Mukherjee repudiated one of the central elements of the "defence framework" he signed with U.S. Defence Secretary Donald Rumsfeld on June 28 in Arlington, Virginia.

Mr. Mukherjee declared that India was not about to accept a missile defence shield from anyone when asked what kind of "briefings" and "discussions" the Americans were providing in an area which has the capability of fundamentally shifting India's strategic equations.

However, the framework (4 H) itself holds that India and the U.S. will expand collaboration relating to missile defence. Interestingly, Mr. Mukherjee spoke about the need to fill critical gaps in India's missile programme.

No accident

It is not an accident that the defence framework was signed weeks ahead of the scheduled meeting of Prime Minister Manmohan Singh and U.S. President George W. Bush in Washington on July 18.

With the Americans indicating that a decision on extending support for India's case for a permanent United Nations Security Council seat was to be taken by Mr. Bush, the defence framework appears to be part of the quid pro quo offered by the Government of India. It has long been known that the U.S. has its eyes on the capabilities and personnel of the Indian Army. Undeterred by the final "no" from New Delhi to sending troops to Iraq in 2003, Washington believes that in the long term India can play the role of regional policeman.

The framework only reveals again the American interest in collaborating in "multinational operations" (4 B) when it is in the common interest of the two sides. Also, it commits the two sides to assist in building worldwide capacity (4 J) to conduct successful peacekeeping operations.

Nowhere is there a reference to the U.N. in the defence framework or the fact that India is already one of the largest troop contributors to U.N. peacekeeping operations along with countries like Bangladesh and Pakistan. What is the multinational operation that India wants to participate in outside the mandate of the U.N.?

If at all there is to be any capacity building, India can and must do it under the auspices of the U.N. The American

definition of "multinational", as demonstrated by the invasion of Iraq, does not necessarily include sanction from the U.N. Security Council.

Given the continuing unilateralist trends in American foreign policy, it is very much in the realm of the possible that its next "multinational" operation would again be without the sanction of the Security Council. By committing to the June 28 framework, the U.S. can now legitimately point to India's promise contained in the defence framework.

For instance, one of the key focus areas of the "neocons" in the U.S. remains Iran and its nuclear programme. If the U.S. assembles an Iraq-type coalition of the willing for Iran, will India take a position against a friendly country that has been central to tackling the Taliban and is a key energy partner for India?

At his press interaction, Mr. Mukherjee was at pains to emphasise that documents signed between two countries could only deal with points of agreement, not points of disagreement.

However, there is a need to be realistic when it comes to building good relations with the U.S. India has no reason to turn away from having good relations with the U.S., but at the same time, it has no reason to subscribe to the American agenda without reservation.

The Congress, the leading element of the United Progressive Alliance, also needs to appreciate that it is, finally, only the largest party in the UPA – it has no absolute majority that permits it to run a foreign policy only of its own choice.

The UPA's common minimum programme commits the Government to pursue an independent foreign policy keeping in mind past traditions. "The policy will seek to promote multipolarity in world relations and oppose all attempts at unilateralism."

Guideline for ties with U.S.

And, most important, the CMP has a guideline for building good relations with the U.S. "Even as it pursues closer engagement and relations with the USA, the UPA Government will maintain the independence of India's foreign policy position on all regional and global issues." Does the June 28 defence framework conform to this paradigm? Clearly, it does not. Such a framework also goes against the grain of foreign policy initiatives such as the Russia-China-India trilateral initiative as well as the India-Brazil-South Africa forum. In the long term, lip service to multilateralism will be exposed for what it is: lip service.

Mr. Mukherjee has tried to limit some of the damage caused by the fallout of the June 28 framework. As the time approaches for Dr. Singh's Washington visit, India needs to be cautious about its overall approach to the U.S.

CBI will probe more arms purchase cases

PRESS Trust of India
New Delhi, June 26

THE DEFENCE ministry has filed a complaint with the CBI in 12 of the 24 cases of arms purchase during the previous NDA regime and the agency will soon be registering some more cases in this connection.

Sources in the ministry said the CBI had sought more details and an official complaint, which has been forwarded to it. The government had handed over 24 defence deal cases, including the casket purchase during Kargil conflict, to the CBI.

Among the cases referred to the CBI were deals involving automatic grenade launchers (Rs 52.13 crore), bulletproof jackets (Rs 51.65 crore), multi-purpose boots (Rs 30.37 crore), charging/generating sets (Rs 28.15 crore), sleeping bags (Rs 20.69 crore), surveillance radar (Rs 9.86 crore) and sniper rifles (Rs 9.54 crore).

It was not immediately clear as to which of the 12 cases had been sent to the CBI for registering of the formal cases. The CBI said the complaints or the official notification would be scrutinised by the legal cell of the agency before deciding on whether to file a preliminary enquiry or a regular case.

The government had handed over cases of defence deals to the CBI in April this year.

These were handed back to the de-

fence ministry after senior CBI officials raised several queries about the nature of the cases and lack of details.

There were 13 other cases with the CBI, an offshoot of the Tehelka exposé.

The CBI was asked to probe into purchase of hand-held thermal imagers and terminally-guided munitions (Krasnapol), purchase of special ammunition for 155-mm guns for Rs 166.44 crore, spares for 155-mm guns for Rs 97.65 crore and special clothing and mountaineering equipments worth Rs 95.15 crore.

These cases had found a mention in the Tehelka expose.

The CBI has already filed a regular case to probe alleged corruption in South African armament firm Denel's securing an Indian defence deal during NDA rule.

The government has also frozen Denel's project for manufacturing of advanced illuminated artilleries and tank shells in a factory at Nalanda, former defence minister George Fernandes' erstwhile Lok Sabha constituency.

The order for a CBI probe into the Denel deal came close on the heels of the issue having rocked Parliament and the ruling Congress. Parliament proceedings were stalled by the Opposition which demanded that the Phukan Commission and CVC reports on Kargil arms purchases be tabled immediately.

DEFENCE DOSSIER

27 JUN 2005

THE HINDUSTAN TIMES

02 JUN 2005

THE HINDU

Unfortunate end to Bofors case: Jaitley

"Manmohan Government did not challenge earlier judgment"

Special Correspondent

NEW DELHI: The Bharatiya Janata Party on Wednesday said the "unfortunate end" to the Bofors corruption case came about as a result of "collusion between an investigative agency pressured by the political executive and the powerful accused."

General secretary Arun Jaitley hinted here that the BJP could decide even at this stage on appealing against Tuesday's Delhi High Court verdict quashing all charges against the

Tuesday's verdict. Mr. Jaitley's contention was that the Central Bureau of Investigation had worked "independently" on this high-profile case when the NDA was in power, but had been "pressured" by the UPA Government and also by the Narasimha Rao Government between 1991 and 1996.

He also said that the figure of Rs. 250 crores spent by various Governments on investigating the case was "not correct." The money spent by the CBI was a "miniscule fraction" of that figure, possibly around Rs. 8 crores to Rs. 10 crores. He said he did not know from where the honourable judge got the figure of



J. D. Desai

Rs. 250 crores.

Mr. Jaitley was asked whether the NDA Government had influenced the prosecution leading to the discharge of BJP president L.K. Advani in the Babri demoli-

tion case. His response was that it was a "technical fault" that led to the discharge.

"The Bofors case," he said, "throws up vital issues relating to probity in public life. Political leaders, middlemen and suppliers conspired to cause loss to the Government of India ... frequent changes of Governments added to the uncertainty of the investigation. Eventually judicial obstacles to trials are created." He said that three times the Supreme Court reversed what was done by the High Court, but when the February 4, 2004 judgment of the Delhi High Court became final, a burial of the case was inevitable."

BOFORS CHRONOLOGY

NEW DELHI, May 31. — Following is the chronology of events in the Rs 1,437-crore Bofors gun deal case.

Apr 16, 1987: Swedish Radio claims Bofors paid kickbacks to top Indian politicians and key defence officials to secure the deal.

Apr 20, 1987: Prime Minister Rajiv Gandhi assures Lok Sabha that neither any middleman was involved in the deal nor any kickback was paid.

Aug 06, 1987: Joint Parliamentary Committee set up under B Shankaranand to probe into allegations of kickbacks.

Feb 1988: Indian investigators visit Sweden.

Apr 25, 1988: JPC submits its report.

Jul 18, 1989: JPC Report presented in Parliament.

Dec 26, 1989: V P Singh Government debars Bofors Company from entering into any defence contract with India.

Jan 22, 1990: CBI registers FIR in the case.

Jan 26, 1990: Swiss authorities freeze bank accounts of Svenska and AE Services.

Feb 17, 1992: B O Anderson's sensational report on the Bofors pay-offs case published.

Dec 1992: Supreme Court reverses a Delhi High Court order quashing the FIR in the case.

Feb 09, 1993: Supreme Court rejects Win Chadha's plea for quashing of Letters Rogatory sent by the trial court to its counterpart in Sweden seeking assistance for CBI in the case.

Jul 12, 1993: Swiss Federal Court rules that India was entitled to Swiss bank documents pertaining to the kickbacks.

Jan 21, 1997: After four years of legal wrangles, secret documents running into over 500 pages given to Indian authorities at a public ceremony in Berne.

Jan 30, 1997: CBI constitutes Special Investigation Team for the case.

Feb 10, 1997: CBI questions ex-Army Chief Gen K Sunderji.

Feb 12, 1997: Letters Rogatory issued to Malaysia and UAE seeking arrest and extradition of Italian businessman Ottavio Quattrocchi and former Bofors agent Win Chadha.

May 1998: Delhi High Court rejects Quattrocchi's plea for quashing of red corner notice issued by Interpol at the behest of CBI.

Oct 22, 1999: CBI files first chargesheet naming Win Chadha, Quattrocchi, former Defence Secretary S K Bhatnagar, former Bofors chief Martin Ardbo and the company AB Bofors.

Former Prime Minister Rajiv Gandhi's name figured as "an accused not sent up for trial" as he had already died in 1991.

Nov 07, 1999: Trial court issues warrant against Quattrocchi while summoning other four accused.

Dec 13, 1999: CBI team goes to Malaysia to seek extradition of Quattrocchi but fails in its efforts.

Early, 2000: Quattrocchi approaches Supreme Court for quashing of arrest warrant against him. Court asks him to appear before CBI for interrogation while protecting him from arrest. Quattrocchi refuses to accept the order saying his counsel misled the court.

Mar 18, 2000: Chadha Comes from UAE to face trial.

Jul 29, 2000: Special CBI Court issues "open non-bailable arrest warrants" against Ardbo.

Sep 04, 2000: Chadha moves SC for permission to go to Dubai for treatment. The court rejects the plea a week later.

Sep 29, 2000: Hinduja's issue statement in London saying the funds received by them from AB Bofors had no connection with the Howitzer gun deal.

Oct 09, 2000: CBI files a supplementary chargesheet naming Hinduja brothers - Srichand, Gopichand and Prakash. As accused in the Bofors gun deal.

Dec 12, 2000: Special CBI Court takes cognisance of the supplementary chargesheet.

Jan 19, 2001: Three Hinduja brothers appear before Special CBI Court, granted bail but asked not to leave India.

May 12, 2001: Supreme Court lets Srichand and Gopichand go abroad but asks Prakash to stay in India.

Oct 24, 2001: Win Chadha dies of cancer. Another accused S K Bhatnagar passed away in the same year.

Apr 19, 2002: Special Court dismisses Hinduja's plea to quash the chargesheet.

Jun 2002: Delhi High Court quashes CBI chargesheet in the case on the ground of inordinate delay in probe and trial.

Sep 02, 2002: SC allows Special CBI court to go ahead with trial. Arguments begin on charge.

Nov 14, 2002: Special Judge Prem Kumar frames charges against Hinduja brothers and Bofors company.

Jul 07, 2003: Supreme Court sets aside HC verdict on quashing of chargesheet and orders resumption of trial.

Feb 04, 2004: Justice JD Kapoor drops corruption charges against all accused. Orders reaming of cheating charges against Hinduja's and forgery charges against Bofors.

April 2004: Hinduja's seek recall of Justice Kapoor's order.

May 31, 2005: Justice RS Sodhi quashes all charges against Hinduja's and Bofors. (PTI)

01 JUN 2005

THE STATESMAN

Bofors case collapses after running up big bill

Crores go down the gun drain

R. VENKATARAMAN

New Delhi, May 31: After 18 years of legal tussle and a probe that cost Rs 250 crore to prove a Rs 64-crore scandal, the case which unseated Rajiv Gandhi has virtually collapsed.

Delhi High Court today acquitted the three Hinduja brothers in the Bofors payoff case and slammed the prosecution for wasting public money.

Justice R.S. Sodhi said the prosecution failed to substantiate charges that the Europe-based Srichand, Gopichand and Prakashchand Hinduja were part of the kickbacks scandal in the 1986 sale of 155-mm Howitzers to the Indian Army by Sweden's now defunct A.B. Bofors.

Expressing his disapproval at the investigation, the judge said he was given to understand that it cost the exchequer nearly Rs 250 crore.

In London, the billionaire brothers said they were "delighted" that the "truth" has prevailed. "The judgment vindicates us and provides the judicial endorsement of what we have been saying all along: that we were not involved in any wrongdoing and there was never any evidence that we were," they said in a statement.

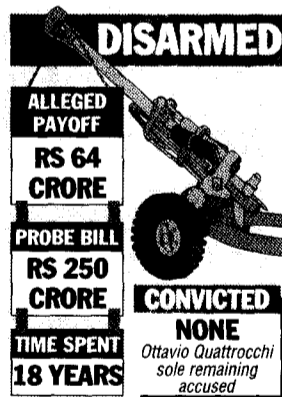
The three had been accused of taking Rs 16 crore to lobby for Bofors. A total of Rs 64 crore was allegedly paid as kickbacks in the Rs 1,437.72-crore gun deal.

After today's verdict, the lone remaining accused is Ottavio Quattrocchi. The CBI's efforts to get the Italian businessman extradited from Malaysia have not yet succeeded.

Rajiv Gandhi, who lost the 1989 polls after the scandal erupted, died in 1991. He was later given a clean chit by the high court. Three other accused — former defence secretary S.K. Bhatnagar, arms agent Win Chaddha and former Bofors chief Martin Ardbo — are also dead.

Justice Sodhi said the CBI's "inability" to produce original documents on which it had based the case was evident when it produced only the "uncertified photocopies". "No case can be proceeded against the Hinduja brothers or the Bofors company in the absence of original documents."

The judge also observed that the case was a media-created "huge bubble", which, when tested by court, "burst, leaving behind a disastrous trail of suffering". "The accused suffered emotionally. Careers — both political and professional — were ruined."



"If the Central Bureau of Investigation is incapable of producing relevant material, the case can't stand on its own legs. No case can proceed against the Hinduja brothers and Bofors," the judge said.

"Based on this dubious material, to allow prosecution for going on for many more years, in respect of a transaction of more than 20 years vintage, is sheer persecution, waste of public time and money."

Phukan Commission report rejected

It didn't look into charges of corruption: Centre

Special Correspondent

NEW DELHI: The Centre on Friday tabled the Justice S.N. Phukan Commission's "Part Report" in Parliament but said that "the Government has not found it possible to accept its findings" because it did not look into allegations of corruption in defence deals. The Government's "accompanying note" on the partial report said that "even the conclusions arrived at by Justice Phukan are bereft of reasoning."

The Phukan Commission was constituted under the Commissions of Inquiry Act, 1952 to probe into allegations of corruption in the wake of the controversy generated by the Tehelka tapes in March 2001. The expose led to the resignation of the former Defence Minister, George Fernandes.

The Tehelka tapes had shown defence "middlemen" purportedly passing off currency to Jaya Jaitly, the then president of the Samata Party, at the Defence Minister's residence. They also showed Bangaru Laxman, former Bharatiya Janata Party president, accepting money from "defence contractors." Mr. Laxman stepped down in the wake of these disclosures.

"No irregularity"

After examining 15 defence deals mentioned directly or indirectly in the Tehelka tapes, the Commission concluded "that no illegality or irregularity has been committed by Mr. George Fernandes as Defence Minister in relation to the said 15 past transactions. Therefore, the Commission is of the opinion that his reputation, as Defence Minister, in respect of past transactions was not in any way prejudicially

● **Says Commission: No illegality or irregularity committed by Fernandes as Defence Minister**

● **Says Government: Any findings on other issues without probing the main charge will be incomplete**

affected and hence no recommendation is called for against him in respect of the above transactions."

The 15 transactions inquired into were: image intensifier tubes, Carl Gustav rocket launcher MK-III, simulators, light weight binoculars, hand-held thermal imagers, Karsnopol, Advanced Jet Trainer, armoured recovery vehicle, T-90s tanks, Barak anti-missile defence system, up-gunning of 130 mm guns to 155 mm guns, tank navigation system, Kandla Bhatinda pipeline project, Sukhoi-30 MKI aircraft and Kornet-E. After examining each of these deals in terms of the Defence Procurement Procedure-1992, the Commission certified to Mr. Fernandes' non-involvement.

By its own admission, the Commission did not get around to dealing with clause 2(2) of its terms of reference. This clause reads: "To inquire 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."

"Accompanying note"

In its "accompanying note," the Government has taken a crit-

ical view of the Commission's decision to confine itself to examining whether the prescribed procedure was followed or not. "The term relating to the following of the prescribed procedure in these transactions (term b) [clause 2(2)] was inextricably interlinked with other terms, including those relating to corruption charges. The appointment of the Commission was primarily to investigate into the serious charges of corruption, as had been *prima facie* established, which prompted the previous Government to constitute the Commission."

In the Government's view, the Commission was required to investigate "the nexus, if any, with term of reference 'b' [clause 2(2)]."

Any findings on other issues without investigation into the main charge will necessarily be an incomplete one and cannot be treated as the final conclusion of the Commission even on such issues."

As per the Government's note, Mr. Justice Phukan "erred" in reaching his conclusions because he "has not appropriately dealt with the submissions of the Commission's counsel, submitted in writing, with reference to almost all the 15 transactions, that cases of wrongdoing with reference to most of the transactions were made out, without absolving any particular individual." Dissatisfied with the Commission's inability to complete its work even after three-and-a-half years, the Government has "decided to entrust the entire inquiry on the 15 transactions mentioned in the above videotapes to the Central Bureau of Investigation for a thorough investigation."

14 MAY 2005

THE HINDU

'George cleared plane for Phukan'

HT Correspondent
New Delhi, May 4

PARLIAMENT WITNESSED heated scenes on Wednesday after defence minister Pranab Mukherjee stated that his predecessor George Fernandes had cleared the use of an IAF plane for Justice S.N. Phukan while the Phukan Commission was still inquiring into alleged corruption in defence deals.

Mukherjee said Phukan wasn't entitled to a VVIP aircraft, unless in case of "extenuating circumstances" and this too would've had to be personally cleared by the defence minister. He added that the file giving clearance didn't make any mention of what "extenuating circumstances" had prevailed to allow Phukan — accompanied by his wife and eight other officials — to visit Pune, Ahmednagar and Mumbai at public expense. He also said that in addition to a personal road trip to Shirdi by Phukan and his wife, it had come to his notice on Wednesday that the team made a private visit to Ajanta and Ellora too.

Mukherjee further stated that the NDA government had said the commis-

Reject report: Cong

THE CONGRESS demanded that the Phukan Commission report be "outrightly" rejected as it has lost its sanctity. Spokesman Anand Sharma described the use of IAF aircraft by Justice Phukan as an act of "impropriety and gross misuse" of public fund. The CPI(M) too said the defence minister's statement had brought the credibility of the report into question. Nilotpal Basu said it was clear the commission was created to "whitewash" reality. *HTC*

sion had visited these locations to "inspect" equipment relating to the defence deals under inquiry but it turned out that none of the officials accompanying Phukan had been technical experts.

Since commercial flights were available to at least three of the places visited, he said the commission could have

refused to take up the government's hospitality offer. Mukherjee clarified that IAF aircraft are ordinarily reserved for the President, Vice-President and PM, and thereafter for the three Chiefs of Staff, the defence minister and home minister. "The rules clearly state that these should only be used in exigent situations and if possible, commercial aircraft should be given preference.

Normally, for a visit of a commission (of inquiry), IAF aircraft are not provided," he said. He added that the rules stated that even those entitled to use the aircraft are required to pay for the service if the trip isn't an official one. He said that his ministry was scrutinising the subject of recovery of dues for use of the aircraft by Phukan and his entourage.

In the Lok Sabha, Speaker Somnath Chatterjee rejected requests by Congress and Left MPs for clarifications from the minister, saying they could ask for a full-fledged discussion on the issue.

In the Rajya Sabha, Mukherjee cautioned party colleagues, saying comments on any individual must be made with caution.

05 MAY 2005

THE HINDUSTAN TIMES

George rap for Sonia, thumbs down to probe

Agencies
New Delhi, April 23

FORMER DEFENCE minister George Fernandes on Saturday said the proposed CBI inquiry into the allegations of corruption in purchase of rifles from the South African firm, Denel, would demoralise the armed forces.

"When the army officers will have to appear before the CBI, it would demoralise them," he said on the sidelines of a seminar here. Fernandes, who is under attack from the Congress over the defence deals made during the Kargil conflict, subsequently said the purchases were as per the requirement of the army. "No raksha mantri (defence minister) can refuse the demand for arms by the army." He charged Congress president Sonia Gandhi with "spreading lies" about corruption in defence procurements. "Congress has been demoralising the armed forces for years, especially its president has been spreading lies at every given opportunity."

Addressing a seminar on 'Threats to India's Integrity' organised by the Centre for National Renaissance, Fernandes termed the Congress-led UPA government as a threat to internal the country's security. He said India now faced more dangers since partition, the maximum from the "so-called secular-communal divide imposed on the country by a combine of Congressmen and Marxists with the RJD playing the role of the supporting ac-

tor. The secular dispensation believes that the secular chant gives them the license to create situations which can and will create fissures in the polity that in turn will be exploited by the nation's enemies to their advantage."

Apparently referring to the charges of corruption in defence deals levelled against him, Fernandes said he also foresaw a danger to the country "from those who are illiterate on matters of security and defence of the country and those who have an agenda of their own to weaken the nation's security and to demoralise the military."

He said that "the shock the troops underwent both after the Tehelka scandal, masterminded by the Congress, and the Coffin scam of Sonia is yet to be fully erased."

Attacking the CAG, Fernandes said: "His point is that he knows better than the military about what they need, when and from where and how much they should procure it." He said he has been under attack from people who had no clue about the procurement processes and the requirement of the military. Talking about the other dangers to the country, Fernandes said the Naxalite threat has not been taken with the seriousness that it deserved. Stating that the Naxalites had stopped fighting for social justice, he said the movement now was about political power. "If not today, tomorrow, they are willing to expand their arsenal and spreading their reach, never mind how many lives it may cost," he said.

24 APR 2005

THE HINDUSTAN TIMES

37 defence deals now under CBI scanner

By Amit Mukherjee & Rajat Pandit/TNN

New Delhi: The defence ministry has launched a two-pronged offensive against George Fernandes.

On the one hand, defence minister Pranab Mukherjee has ordered his officials to go over all the arms deals signed with South African firm Denel with a fine toothcomb to detect "irregularities".

On the other, the CBI has been tasked with investigating as many as 37 defence deals, which include at least 23 "emergency" purchases for the 1999 Kargil conflict, signed during Fernandes' tenure as defence minister.

The cases referred to the CBI, interestingly, include the Rs 55 crore contract signed with Denel in August 1999 to supply 9,000 rounds of 155mm "red phosphorous ammunition". The Army received the first lot of 1,200 rounds of this ammunition only in June 2000, 10 months after "Operation Vijay" was over.

Sources say CBI officials have now begun to actively study the voluminous documents provided by the defence ministry to ascertain whether the contracts were pushed through, on the

"pretext" of the Kargil conflict or otherwise, in violation of rules and regulations for "pecuniary benefits".

"The CBI top brass is analysing the documents to ascertain how many officials should be assigned to each case. The idea is to register the FIRs as soon

Mukherjee has asked his officials to "thoroughly" go through the files pertaining to the acquisition of arms from the South African firm and "put up the case" before him "at the earliest".

All ongoing negotiations with Denel, as reported earlier, have already been frozen. These include the anti-material rifles contract and the NDA regime's "nod" to Denel's collaboration in the ordnance factory project at Nalanda to manufacture propellant charges for heavy calibre artillery ammunition.

If a preliminary case of wrongdoing is established, these cases too will be referred to the CBI. The defence ministry has already asked the South African government and Denel, which is state-owned, to respond to its queries.

Some of the cases already handed over to the CBI are the ones for aluminium caskets (Rs 6.55 crore), hand-held thermal imagers (Rs 41.95 crore), Krasnapol terminally-guided munitions (Rs 151 crore), T-72 tank ammunition (Rs 116.83 crore), bullet-proof jackets (Rs 51.65 crore), and special ammunition for the 40mm L-70 guns (Rs 166.44 crore).



George Fernandes addresses a meet on the 'Politics of vendetta' while his NDA colleague Yashwant Sinha looks on in New Delhi on Friday

as possible," said sources.

In the light of allegations that Denel paid money to influence the tender to supply anti-material rifles to India,

Weapons for politics

Govt and Opposition should work out a consensus on signing and investigating defence deals

DEFENCE-RELATED issues unite most countries. In India they have become the weapons of division, recrimination and sordid politics. Nobody denies that defence deals, given their magnitude and importance, should come under vigilant scrutiny. The potential for corruption in these deals needs to be curbed. But our investigations into defence-related corruption are now no longer about either corruption or defence. They are characterised by endless procedural wrangles rather than a concern for the truth. These investigations are more concerned about hounding political opponents than punishing the guilty. Ever since Bofors, Indian politics has been rocked by alleged defence scandals. But these alleged scandals, and for the most part they remain alleged, now detract from the real issue.

The main consequence of these investigations is that the nation's defence has suffered immeasurably. There are inordinate delays in arms purchases. No honest official wants to sign on quickly on defence purchases for fear of being investigated. More attention is given to keeping up appearances in purchases than to India's real strategic needs. It is the height of absurdity to suppose that vital strategic purchases can be governed by the same tendering rules that apply to purchases of furniture. There will always be scope for some doubt on any defence deal. The important thing is not to clutch on to straws to keep investigations endlessly

alive. Either we should swiftly come up with credible evidence and punish the guilty, or we should give decisions the benefit of the doubt. But creating a perpetual fog of doubt simply obscures the issues. And the victims are India's Armed Forces. Their political masters would rather embarrass their political opponents than pay swift attention to the country's defence needs.

The ruling party and the Opposition really need to work out a consensus on procedures for signing arms deals and investigating them. Perhaps bipartisan committees that are routinely used the world over in defence matters need to be strengthened, so that parties cannot play post facto politics with decisions taken. And the investigative agencies need to be made immune from becoming the handmaidens of partisan politics. It is absolutely extraordinary that so many different agencies are now involved in investigating defence deals. These agencies are now called upon not only to investigate corruption charges, but also make prima facie assessments on whether arms purchases were made on considerations that were other than strategic. Having this kind of information proliferating across so many agencies is to treat national security very cavalierly. The politicians are simply conniving with each other to keep a political circus going. They are not interested in fairness, in the rule of law — or in India's defence needs. And it is our soldiers who pay the price.

22 APR 2005

INDIAN EXPRESS

অস্ত্র ক্রয়ে সিবিআই তদন্ত দাবি ইউপিএ-র

স্টাফ রিপোর্টার, নয়াদিল্লি, ২১ এপ্রিল: প্রায় দু'বছরের পুরনো বেড়াল ঝুলি থেকে বেরিয়ে আরও এক দফা অস্ত্রসত্তিতে ফেলেছে প্রাক্তন প্রতিরক্ষামন্ত্রী জর্জ ফার্নান্ডেজ-সহ এনডিএ-কে।

দক্ষিণ আফ্রিকার একটি সংস্থা থেকে বেআইনি ভাবে অস্ত্র কেনা নিয়ে সিবিআই তদন্তের দাবিতে আজ সংসদের ভিতরে ও বাইরে সরব হয়েছে প্রধান শাসক দল কংগ্রেস-সহ ইউপিএ-র শরিকেরা। এমনকী এই দাবিতে সংসদে স্লোগান দিতে দেখা গিয়েছে রাহুল গাंधীকেও। প্রতিরক্ষামন্ত্রী প্রণব মুখোপাধ্যায় অবশ্য তাঁর সতীর্থদের এই দাবি নিয়ে লোকসভার ভিতরে কোনও কথা বলেননি। পরে বাইরে প্রতিরক্ষামন্ত্রী বলেন, “সংসদ সিবিআই তদন্তের দাবি জানাচ্ছে। আপাতত ওই সংস্থার সঙ্গে লেনদেন বন্ধ রাখতে বলেছি। সব তথ্য চেয়ে পাঠানো হয়েছে। তদন্ত করতেই হবে। তবে কোন স্তরে তা দেখতে হবে।” বিহারের নালন্দায় ওই সংস্থার সঙ্গে (ডেনেল) যে প্রযুক্তি হস্তান্তরের প্রকল্পটি চলছে সেটিও আপাতত বন্ধ রাখা হবে বলে জানান তিনি।

সংসদে আজ প্রথম বিষয়টি তোলেন কংগ্রেস সাংসদ পবন বনসল ও আরজেডি নেতা দেবেন্দ্রপ্রসাদ যাদব। বনসল বলেন, “অস্ত্র কেনার ক্ষেত্রে মূল্য নির্ধারণের মতো স্পর্শকাতর বিষয়ের যাবতীয় খুঁটিনাটি দেশের বাইরের একটি সংস্থার কাছে ছিল। অবিলম্বে বিষয়টির সিবিআই তদন্ত প্রয়োজন।” দেবেন্দ্র বলেন, “এই কেলেঙ্কারি নজিরবিহীন। সিএজি এই ডেনেল সংস্থাকে কার্গিল যুদ্ধের সময়েই বাতিল করে দিয়েছে।” সি পি এমের বাসুদেব আচারিয়া ও মহম্মদ সেলিমও যাদবের বক্তব্য সমর্থন করেন। পরে কংগ্রেস মুখপাত্র আনন্দ শর্মা সাংবাদিক সম্মেলনে বলেন, “সংসদে যখন বিতর্ক চলছে, তখন আশা করেছিলাম তদানীন্তন প্রতিরক্ষামন্ত্রী জর্জ ফার্নান্ডেজ কিছু বলবেন। কিন্তু তিনি আশ্চর্যজনক ভাবে নীরব রইলেন।”

সংসদে আজ ফের সিভিসি রিপোর্ট নিয়েও বাদানুবাদ হয়। বিরোধী দলনেতা লালকৃষ্ণ আডবাণী বলেন, “সংসদীয় কমিটি যখন কার্গিল অস্ত্র কেনাবেচা সংক্রান্ত সিভিসি রিপোর্ট চেয়েছিল, নিরাপত্তার খাতিরেই তৎকালীন এনডিএ সরকার তা দেয়নি। কিন্তু আজ যখন তা সুপ্রিম কোর্টের কাছেই তুলে দেওয়া হচ্ছে, তা হলে কেন সংসদে পেশ করা হবে না?” জবাবে প্রণববাবু বলেন, “প্রতিরক্ষা মন্ত্রক নিজে থেকে আদালতে এই রিপোর্ট দেয়নি। সুপ্রিম কোর্টের নির্দেশেই দিয়েছে। আর দিয়েছে ব্যবস্থা গ্রহণের অংশটুকু।”

22 APR 2005

ANANDABAZAR PATRIKA

Defence deals: affidavit issue rocks Parliament

Fernandes "defamed," Pranab should quit: Opposition

New Delhi Bureau

NEW DELHI: Uproarious scenes caused by the Opposition and the Government over the filing of a second affidavit in the Kargil defence purchase cases led to the adjournment of Parliament on Tuesday, the opening day of the second part of the budget session.

After a brief adjournment failed to restore calm, the Lok Sabha was adjourned for the day by the Speaker, Somnath Chatterjee, when repeated pleas for order had little effect on the Opposition members who trooped to the well of the House raising slogans. They demanded the resignation of the Defence Minister, Pranab Mukherjee, and the withdrawal of the second affidavit.

The Opposition charged that the second affidavit was "politically motivated" after the first gave the former Defence Minister, George Fernandes, a "clean chit."

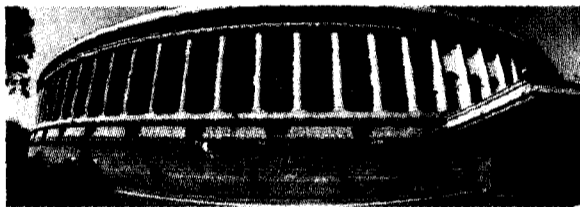
Similar scenes were witnessed in the Rajya Sabha that too adjourned for the day. In both Houses, the issue was raised soon after obituary references and before the start of question hour.

The Leader of the Lok Sabha, Mr. Mukherjee, told the House that the Government was willing to discuss the issue at any time and said the Opposition's insinuations were not correct and insisted that the filing of a second affidavit was a normal legal practice.

Before adjourning the Lok Sabha, the Speaker, Somnath Chatterjee gave a "public notice" that from tomorrow "come what may" he would not adjourn the House under such circumstances.



"I will not adjourn the House from tomorrow under similar circumstances, come what may"



Raising the issue in the Lok Sabha, Vijay Kumar Malhotra, BJP leader, demanded that the Central Vigilance Commission report on the subject and the Phukan Commission report that probed the Tehelka episode be tabled. He said there was a contradiction between the two affidavits but what evoked protests from the ruling coalition benches was his charge that the Congress president, Sonia Gandhi,

campaigned against Mr. Fernandes during the elections on coffin purchases.

Demanding Mr. Mukherjee's resignation for "defaming" Mr. Fernandes, Prabhunath Singh, JD (U) sought to know the "pressure" under which the second affidavit was filed after the first document gave a clean chit to Mr. Fernandes.

(Mr. Chatterjee told reporters separately that he had asked the

Government for its views on the tabling of the Phukan Commission report as demanded by the Opposition.)

In the Rajya Sabha, several attempts by the BJP leader, Yashwant Sinha, to raise the issue before question hour were foiled by Congress members. Nothing could be heard in the din but Mr. Sinha was trying to say that he was raising the issue of two completely different affidavits filed by the Government in the Supreme Court. "In the affidavit filed on 10th March..." was all that was audible.

The Chairman, Bhairon Singh Shekhawat, tried to bring the House to order in vain. He said he had allowed Mr. Sinha to raise the issue so that he could decide whether to postpone the question hour. "I know question hour is not postponed. I know it has been postponed in the past and I also know that matters have been raised before the question hour," he said. However chaos prevailed, forcing him to adjourn the House till noon.

Nothing to hide: Manmohan

NEW DELHI: The Prime Minister, Manmohan Singh, on Tuesday declared his Government's willingness to discuss all aspects of the controversy surrounding the filing of the two affidavits before the Supreme Court in the Kargil Defence Deals issue.

"We are prepared to discuss anything ... in any form ... we have nothing to hide," he said, referring to the controversy which derailed Parliament work earlier on Tuesday.

Talking to mediapersons on the sidelines of the Defence In-

vestiture function at the Rashtrapati Bhavan here, the Prime Minister denied there was "any misunderstanding" between the Ministries of Law and Defence in the matter of filing an affidavit in the apex court.

He said "too much" was being read between the lines in the first affidavit filed by the Government early this month. — UNI

Special Correspondent reports:

Dr. Singh said the Government could consider additional

confidence-building measures in Jammu and Kashmir, including a reduction of troops, if there was an improvement in the law and order situation.

"Everything is possible if there is amity and if there is improvement. What is the need [for so many troops]," he said, when asked whether the Government would consider reducing the number of troops in Jammu and Kashmir.

He termed the talks with the Pakistan President, Pervez Musharraf, "very satisfying."

Big defence deal with USA on the cards

April 13. — The USA may be on the verge of clinching its first big defence deal with India since the Army's "breakthrough purchase" of fire-finding radars, with the price negotiations for the specially-protected Boeing planes complete.

India is buying three Boeing jets for intercontinental travel for VVIPs like the President and the Prime Minister, for about Rs 1,000 crore. Price negotiations are over and now the financial clearance and a nod from the Cabinet Committee on Security are required.

Discussions began when the Vajpayee government was in power. The planes, bought on the Indian Air Force's budget, will replace the Air India Jumbos the VVIPs now use.

Each plane will have a Special Protection Suite, including a Missile Approach Warning System that will take counter-measures. If, for instance, a missile is fired at the plane, it

will be detected on the radar and immediately, action can be taken. In case it is a heat-seeking missile, there are flares that when released would attract the missile away from the plane.

There is considerable worry about shoulder-fired surface to air missiles being in the hands of terrorists. US forces have faced such attacks in Iraq. Some such weapons may also be in Taliban's hands. After the Soviet invasion of Afghanistan in 1979, the USA had supplied Stinger SAMs to the Afghan resistance.

The IAF has already bought similarly equipped Embreair Brazilian planes for the internal flights of VVIPs. They should start arriving next year.

■ Though the US offer to sell F-16, F-18 and the PC-3 Orion has gained publicity, US firms also have a chance of selling VVIP helicopters to the IAF. T

■ The USA is also trying to push through the case of C-130J Hercules transport aircraft for use in commando operations.

15 APR 2005

THE STATESMAN

23 more defence deals for CBI probe: Centre

“Strict action against officials, Fernandes if found guilty”

J. Venkatesan

NEW DELHI: The Central Government filed on Wednesday an additional affidavit in the Supreme Court stating that it had decided to refer 23 more cases, including the Kargil coffin purchase deal, to the Central Bureau of Investigation for a fresh inquiry.

Two cases mentioned in the Tehelka tapes had already been referred to the CBI for probe.

The Comptroller and Auditor-General, while scrutinising the 123 defence purchase deals, had found irregularities in 35 cases. While the CBI is already conducting a probe in respect of three cases on the recommendations of the Central Vigilance Commission, 25 more cases are now to be probed.

The Court had issued notice to the Centre on a public interest petition filed by Dhananjay Chauhan alleging that the irregularities in the Kargil scam caused a loss of Rs. 2,175 crores to the exchequer.

It was alleged that the Government during the Kargil war had relaxed the norms for the purchase of equipment, arms and ammunition but did not revert to the old procedure even after the cessation of the armed operations.

Denying this allegation, the

Defence deals to be probed	(Rs. in crores)
Purchase of 500 aluminium caskets (coffins)	6.55
Ammunition for T-72 tanks	116.83
Ammunition	402.76
Bullet proof jackets	51.65
Universal variable time fuses	8.59
Illuminating ammunition for 155 mm guns	52.47
Special ammunition for 40 mm L-70 guns	166.44
Multipurpose boots	30.37
Automatic grenade launchers	52.13
AK-14 ammunition	9.2
Gloves	1.6
Spares for 155 mm guns	97.65
Kolos tyres	3.37
Spares for combat engineer tractors	3.18
Surveillance radar	9.86
Special woollen socks	5.86
Sniper rifles	9.54
Charging/generating sets	28.15
Underslung cargo nets	8.65
155 mm red phosphorous ammunition	55.1
Tyres for 155 mm towing vehicles	0.55
Sleeping bags	20.69
Special clothing and mountaineering equipment	95.15
Those referred in tehelka tapes	41.95
Hand held thermal imagers	
Terminally guided munitions (Krasnapol)	151

Centre in its earlier affidavit filed last week, had said that defence procurements were being made under the Defence Pro-

curement Procedure, 1992.

It said the simplified procedure “in no way violated any of the financial rules of the govern-

ment or the Defence Procurement Procedure, 1992.”

Strict action

The new affidavit made it clear that “the Government is committed to taking strict action against officials/authorities, including the former Defence Minister, [George Fernandes] if it is found that the excuse of Kargil war was taken to make the purchases with a motive of personal benefit in violation of rules and regulations.”

It said:

“The CAG report has brought out that modified procurement procedure was used to push through deals in the name of Kargil long after the hostilities had ceased and if the deals were to be scrutinised in normal circumstances, these would not have been entered into, thereby, suggesting serious misconduct on the part of officials/authorities in the government, including the then Defence Minister.

“The Government is now exploring whether the facts reveal a *prima facie* case of commission of criminal offences under law as heavy financial losses in excess of Rs. 2,000 crores [as per the CAG Report] were caused, in addition to the fact that the equipment did not materialise in the time of its need.”

Clean chit on arms purchase by George

Nodal agency for defence acquisition?

HT Correspondent
New Delhi, April 5

THE UPA government has found nothing wrong with the arms purchases made during George Fernandes' stint as defence minister, most of it for the Kargil war.

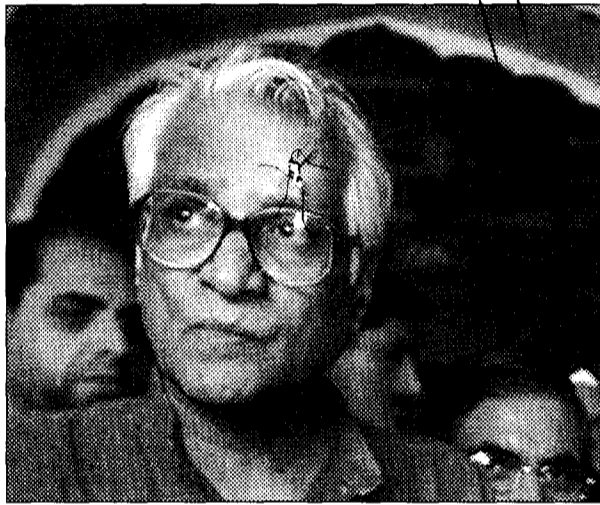
In a detailed affidavit submitted to the apex court the ministry of defence stated that the procedure was substantially simplified for faster procurement during the war, but denied that these violated any rules.

"These in no way violated any of the financial rules of the government or the Defence Procurement Procedure, 1992," the affidavit, filed in response to a court notice, said.

The apex court had issued a notice to the Centre on a PIL seeking a CBI probe into arms purchases made during Operation Vijay and its aftermath. The court had not issued notice to George Fernandes although he had been named as a party in the case.

The petition had sought a CBI probe against defence ministry officials and the political leadership of that time on the basis of the CAG report, which had pointed to irregularities in arms purchases worth Rs 2,175 crore to the exchequer.

The government, in its



George Fernandes

affidavit, also stated that the Public Accounts Committee's report on the Kargil purchases had been presented to Parliament. The committee had expressed its inability to give its findings on the CAG report, as it had not been supplied to it.

The government had under a proviso to Rule 270 of the Rules of Procedure and Conduct of Business in Lok Sabha stated that it would be prejudicial to the interest of the state to supply a copy.

The ministry claimed it was taking steps to address the issues raised in the CAG report. It said that at least 35 cases had been formally vetted to the CAG's

satisfaction.

It stated that the CBI was already seized of two cases — involving purchase of hand-held thermal imagers and terminally-guided munitions (Krasnopol) — raised in the Tehelka exposé.

Besides, it is also looking into three other major deals — the T-90S tanks, Armoured Recovery Vehicle and the upgradation of 130 mm M-46 field guns to 155mm calibre.

The ministry claimed that it had taken action on the CVC report on defence procurement and among other things permitted Indian agents in arms deals and initiated action against erring defence personnel.

HT Correspondent
New Delhi, April 5

THE KELKAR Committee has recommended the setting up of a new "professional" agency for defence acquisition.

In the first part of its report, presented to defence minister Pranab Mukherjee on Tuesday, it also suggested that procurement of weapons systems be done on the basis of a 15-year plan for defence acquisitions, a spokesman of the Ministry of Defence said.

For 2005-06 alone, the government has proposed a capital outlay of Rs 34,375.14 crore for defence procurements.

It had set up a panel, headed by former finance secretary Vijay Kelkar, to recommend changes in defence acquisition procedures and policy inputs to enable greater participation of the private sector in defence production.

The suggestions for a "professional" agency for defence procurement are aimed at encouraging a specialist approach to defence spending and removing ad hocism.

CCS nod for deals worth Rs 3,645 cr

Vishal Thapar
New Delhi, March 29

THE CABINET Committee on Security (CCS) on Tuesday gave its approval for defence acquisitions and projects that will cost Rs 3,645.69 crore. It also cleared raising of 20 more battalions for the Shashastra Seema Bal (SSB) for beefing up deployment along the India-Nepal and India-Bhutan borders.

In addition, the acquisition of the 12 used Mirage 2000-V fighters from Qatar got an in-principle nod from the CCS, which authorised the ministry of defence to start price negotiations for these aircraft, which still have an 80 per cent residual life.

The CCS approvals announced by defence minister Pranab Mukherjee included the acquisition of 11 Dornier-228 aircraft for maritime reconnaissance by the Navy for Rs 726 crore, the upgrade of 14 carrier-based Sea Harrier fighter aircraft of the Navy at a cost of Rs 476.69 crore and an additional allocation of Rs 287 crore for the development of the intermediate jet trainer (IJT).

Besides, Rs 1,084 crore have been made available for the construction of three offshore patrol vessels (OPVs) for the Navy at Goa Shipyards. "An in-principle approval has been given for building six more ships of this type", the defence minister said.

A deal with an Italian firm, Wass, has been okayed for the acquisition of nine C-303 submarine fire torpedo decoy systems at a cost of Rs 355 crore. One readymade system will be imported, while eight more will be made at the Hyderabad-based Bharat Dynamics Ltd under a technology transfer arrangement.

Rs 393 crore have been made available to the army for the establishment of satellite imagery interpretation teams at the level of division headquarters. "So far, such facilities are available only at command and corps headquarters. Taking this facility to the division level will also involve a recurring expenditure of Rs 38.3 crore annually", Mukherjee said.

A composite missile propellant facility will be set up at Nasik with an investment of Rs 324 crore. "This DRDO facility will have a capacity to produce 100 tons of propellant a year. The project cost has a foreign exchange component of Rs 53.6 crore", he added.

Mukherjee said the limited upgrade of 14 Sea Harriers would include replacement of radar and the incorporation of latest Israeli Rafale air-to-air missiles.

India, US to ink defence deal

Navy subs in distress to get American cover

Agencies
New Delhi, March 22

OVERCOMING WRANGLES over product support assurances, India and the US are all set to conclude a major defence deal on American assistance for Indian Naval subs in distress and for purchase of submarine rescue vehicles (SRVs).

The two countries are also in the final stage of working out a deal for purchase by India of 10 retrofitted Lockheed Martin P3C

Orions long-range Naval maritime spy planes to fill the gaps in the Navy reconnaissance capability hit by recent crashes of two Russian-acquired IL-38 aircraft.

"We are in intense negotiations and are likely to sign a contract for US cover for Indian Naval submarines in distress and for purchase of SRVs by the year-end," Vice Chief of the Naval staff Vice Admiral Yashwant Prasad told newsmen here.

Washington and New Delhi almost finalised a

contract for US Navy cover to rescue Indian submarines in distress in 1999, when American sanctions following the Pokhran nuclear blasts hit the project.

Prasad said India had already paid earnest money for the contract.

"The US experts are now evaluating the Russian-supplied Foxtrot and Kilo class submarines to point out alterations to be undertaken on them to make them capable of such air and deep sea rescue by US Navy," he said.

Pentagon leery about F-16 deal with India

American Officials Bombard Indian Counterparts With Searching Questions

By Chidanand Rajghatta/TNN

Washington: The Bush administration is having a hard time believing India is serious about acquiring F-16 fighter planes from American firms.

Despite the keen interest shown by Lockheed Martin to sell the F-16s to India and reciprocal interest from the Indian Air Force about acquiring the fighter jets, Pentagon officials are leery about the deal.

Indian officials, who last week met the concerned officers from the Defense Security and Cooperation Agency (DGCA) in connection with the inquiries about F-16, encountered incredulity and searching questions about the sudden interest. The DGCA will be the nodal government agency for the deal on the US side.

What's even more surprising is the Indian Ministry of Defence has given only a three-week window for a response to the Request For Information (RFI). US officials are wondering if this is mere tokenism to keep American companies interested, since RFIs have also been sent to French, Swedish and Russian jet manufacturers.

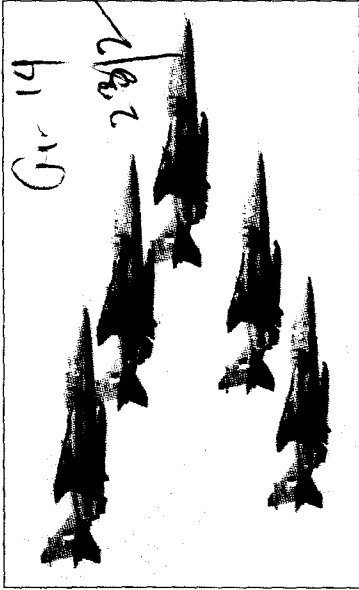
There is also some conjecture in de-

sidering that the IAF already has fighter planes from Russia, Britain and France, besides the first of its home-manufactured jets, in its 1500-plane inventory. Adding an American fighter jet to the mix could throw things out of whack.

One official explained that acquisition was not simply a matter of adding new squadrons to the IAF. It involved getting familiar with whole new platforms, systems and cultures.

"It starts with simple things like heights and distances... computing in the metric system versus the imperial system," he said. "When two different jets are approaching the runway you don't want to be talking to one pilot in miles and to the other in kilometres. It will drive the Air Traffic Control folks nuts."

Doubts in official circles aside, Lockheed Martin is eager to get a slice of the Indian defence pie, considering New Delhi is currently one of the biggest spenders in the world as it updates its antiquated military. Pakistan too has indicated it has not problems with India getting the F-16s as long as it gets them too.



A formation of the Indian Air Force's Jaguar aircraft. Experts say New Delhi's wish to acquire F-16s is hard to explain considering that it already has fighter planes from Russia, Britain and France

fence circles that the RFI on F-16 is aimed at scuppering the Bush administration's move to supply the fighter jets to Pakistan. By the same token though, it also opens the window for US to sell the planes to Pakistan.

The IAF has indicated that it wants to acquire 126 multi-role combat aircraft soon. It wants to source all 126 from the same manufacturer in what could be a deal worth around \$3 billion.

Those who are familiar with inventory and composition of air forces say the Indian move is hard to explain con-

Pak to take up with US Patriot sale to India

Islamabad: Pakistan may take up with the US the "proposed sale" of Patriot missile defence systems to India, the Dawn said in a report from Washington on Tuesday quoting Pakistani defence officials.

Pakistan's general headquarters believes that the sale of Patriots to India would deliver a "serious blow" to Pakistan's nuclear deterrence against India and tilt the balance of power in favour of New Delhi, another daily, Pakistan Observer, said in a report. "If India gets the Patriot anti-missile defence system, where do we go, because it would almost be impossible to penetrate with the Ghauri and Hataf missiles that we have," it quoted a Pakistan defence official as saying.

Reports published in the media here claimed that US officials were offering to India the Patriot Advanced Capability-II Missile defence system. Agencies

India developing missile defence

System to use Prithvi, Greenpine radar *\$1.7-b deal inked at Aero India*

Vishal Thapar
Bangalore, February 11

INDIA HAS set out to configure its own ballistic missile defence on the basis of Prithvi missile and the Israeli Greenpine radar.

The DRDO will attempt to integrate this system into an effective missile defence within a five-to-seven-year time, highly-placed sources disclosed. At a Press conference at the Aero India air show on Friday, the head of DRDO's Integrated Guided Missile Development Programme V.K. Saraswat confirmed the existence of ballistic missile defence programme without going into details. "The system is intended to provide an area missile defence cover in a radius of over 200 km," he said.

Earlier, India was considering an Israeli Arrow-based missile defence cover in respect to the threat from the nuclear armed western neighbour.

The "robust" Greenpine radars have already been acquired from Israel. Saraswat disclosed that the range of the Prithvi short-range ballistic missile was being increased to 350 km. He also announced that there would be no more developmental test-firings of the 700 km Agni-I and 2,500 km Agni-II missiles.

TWO BIG-TICKET aviation deals collectively worth \$1.7 billion were signed at Aero India 2005. The first involves the purchase of 10 Boeing 737-800 jet aircraft by the new low-cost carrier Spicejet for \$1.2 billion, with the option to order 10 more later. The other is a \$528 million deal for the acquisition of 30 Franco-Italian ATR 72-500 turboprop aircraft by Air Deccan. This is the first time mega deals have been signed at Aero India since its inception in 1993.

Spicejet director Ajay Singh said the airline would commence operations from May by taking three 737s on lease from Boeing. Delivery of the aircraft ordered now will begin in 2006 and be completed by 2008.

The Air Deccan deal is the largest for Avions de Transport Region, the European manufacturer of the 70-seater aircraft, in the Indian market. Air Deccan will purchase 15 ATR 72-500s and lease another 15 from French export credit agency COFACE & Italian credit agency SACE under the deal. ATR CEO Filippo Bagnato said delivery would begin this May and will be spread over five years. The deal is valued at a \$17.6 million for each aircraft. Air Deccan MD Capt G.R. Gopinath said they got credit and substantial discount from the aircraft maker

THE HINDUSTAN TIMES

12 FEB 2005

HC stays Bofors trial, focus on Swiss papers

Statesman News Service

NEW DELHI, Feb. 4. — The trial in the Bofors case was stayed by the Delhi High Court today as the Union government sought time to ascertain the value of the evidence against the accused.

Mr Justice RS Sodhi stayed the trial proceedings against the Hinduja brothers — Srichand, Gopichand and Prakashchand — and the Swedish arms manufacturer, AB Bofors, after Additional Solicitor General Mr B Dutta said he needed time to ascertain if the Swiss documents placed on record were capable of being considered for framing of charges.

“This is necessary to inform this court whether the documents placed on record are material which can be considered for the purpose of framing of charge as they will be capable of being converted into evidence in accordance with the provisions of the Indian Evidence Act,” he submitted.

Mr Dutta's submission is contrary to the CBI's affidavit filed in the court which said “the said documents are admissible in evidence as per Section 166-A of the Code of Criminal Procedure”.

Urging the court to dismiss Hinduja's plea, the CBI cited its contention in its affidavit that “authenticated copies of the aforesaid documents duly forwarded through Embassy of India, Berne, in execution of the Letters Rogatory by the Swiss authorities, are already available on record of the case and are admissible in evidence under Section 166-A of the CrPC”.

Hindujas' counsel Mr Ram Jethmalani sought dropping of cheating charges against them on the ground that the CBI did not have original documents to prove the case during trial.

Meanwhile, the court issued notice to the CBI on the Bofors' plea for discharge and fixed 4 March for the next hearing.

Mr Jethmalani submitted that the High Court's earlier direction to the trial court to frame cheating charges against the accused was based on the assumption that the agency had all documents in original to support its allegations. “The documents sought to be relied upon by the prosecution are not material which can be considered for framing of charge since they are incapable of being converted into evidence at the pre-



sent stage,” he had argued. The Hinduja's also claimed in their plea that “no harm and prejudice will be caused to the respondent (the CBI) if the prayers are granted by the court in favour of the petitioners”.

Exactly a year back, the High Court had said that the charges that needed to be framed against the Hinduja's were of offences punishable under Sections 120 B and 420 of the IPC — for having entered into criminal conspiracy and dishonestly representing that there was no agent involved in the Bofors gun deal.

THE STATESMAN

05 FEB 2005