

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:761  
ANSWERED ON:25.02.2011  
BOFORS CASE IN ITAT  
Choudhary Shri Bhudeo

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Bofors case is also lying in Income Tax Appellate Tribunal (ITAT);
- (b) if so, the details thereof and time since when the case is pending alongwith the reasons therefor;
- (c) whether the Central Bureau of Investigation (CBI) has not taken this case seriously and filed the closure report in the court about the foreign agents who were accused of taking kickbacks in the aforesaid scam; and
- (d) if so, the details of efforts being made to repatriate the accused in the country?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b) In the case of Shri Hersh W Chaddha, legal heir of Late Shri W N Chaddha, assessment orders for AY 1987-88 to AY 1993-94 and 1995-96 to 1999-2000 were passed by the Income Tax Department on the issue of alleged commission being received from M/s Bofors. The orders were contested by the assessee before the Income Tax Appellate Tribunal (ITAT) in the FY 2005-06. The ITAT has disposed off the appeal of the assessee in favour of the Department vide order dated 31.12.2010 after hearing both the parties and have confirmed the addition to income on account of commission payment.

(c) No Madam. After conducting thorough investigation, CBI had filed a charge sheet in the Bofors Case on 22.10.1999 and a supplementary charge sheet on 9.10.2000 in the Court of Spl. Judge, Delhi against S. K. Bhatnagar, W.N.Chadha, Ottavio Quattrocchi, Martin Ardbo, M/s AB Bofors, S.P.Hinduja, G.P.Hinduja and P.P.Hinduja for offences punishable, under sections 120-B IPC r/w section 420 IPC and section 5(2) read with 5(1)(d) of the PC Act 1947 and substantive offences thereof alleging that an amount of SEK 323.42 million was paid by M/s AB Bofors to its agents as commissions which included SEK 50.46 million to Ottavio Quattrocchi through M/s AE Services, SEK 192.16 million to W.N.Chadha through M/s Svenska and SEK 80.80 million to S.P.Hinduja, G.P.Hinduja and P.P.Hinduja through M/s Mc Intyre Corpn. Accused S.K.Bhatnagar, Win Chadha and Martin Ardbo expired during the trial hence, the case against them stands abated. The Delhi High Court, vide its judgement dated 31.05.2005 dismissed the proceedings against the accused Hinduja brothers and M/s Kartongen Kemi Och Forvaltning (formerly M/s. AB Bofors). Attempts made to secure the presence of Ottavio Quattrocchi from Malaysia and Argentina have failed.

The Government, after considering all the facts and circumstances of the case consented to withdraw court case No. 2/2002 against Ottavio Quattrocchi. Pursuant to this, an application for withdrawal of court case No. 2/2002 against Ottavio Quattrocchi was filed in the trial court of Chief Metropolitan Magistrate, Delhi by Spl. Public Prosecutor, CBI on 3.10.2009 under section 321 Cr.P.C. The said application is pending consideration by the court and next date of hearing is fixed on 4.03.2011 for orders on the said application.

(d) Not applicable in view of above.