

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:908
ANSWERED ON:25.11.2002
BANK GUARANTEE BY NAFED
RAGHUNATH JHA

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether NAFED furnished a bank guarantee of Rs.1.14 crore to Army Purchase Organisation but only a cash guarantee of Rs.10 lakhs was taken from Delhi Federation sometime in the past;
- (b) if so, whether it is as per the business principles of NAFED;
- (c) whether the Central Registrar has conducted any preliminary inquiry into the scandals of NAFED and has held the business committee responsible for the losses thereto;
- (d) if so, the details thereof; and
- (e) the action taken by the Government/NAFED on the Report of the Central Registrar?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a): Yes, Sir.

(b): As per the business practice and principles, NAFED does not take any guarantee from its member organizations for completing their commercial commitments. However, NAFED took cash guarantee of Rs.10.00 lakhs from Delhi Federation as a token.

(c) to (e): The Central Registrar conducted a preliminary inquiry into supplies made to APO by NAFED and held the Business Committee responsible for losses suffered by the NAFED. However, he sought some further clarifications from the Business Committee. NAFED represented to the Central Registrar that Business Committee is a policy making body and personal liability cannot be fixed on members of the Committee. It was requested to the Central Registrar to review his decision. Subsequently, the CBI investigated the case relating to supplies made to APO and after investigation has filed charge sheet in the court against two officers of NAFED. NAFED has also initiated disciplinary proceedings against other responsible officials. NAFED has also filed a recovery case against Delhi Federation before the Central Registrar.