

# **PUBLIC ACCOUNTS COMMITTEE**

**1953-54**

## **TWELFTH REPORT**

**(1) Fertilizer Deal**

**and**

**(2) Pashabhai Patel Implements**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

*June, 1954*

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**Composition of the Public Accounts Committee, 1953-54**

Shri B. Das—*Chairman.*

*Members*

2. Shri Ranbir Singh Chaudhuri.
3. Shri Hari Vinayak Pataskar.
4. \*Dr. Mono Mohon Das.
5. Shri Tribhuan Narayan Singh.
6. Shri M. L. Dwivedi.
7. Pandit Munishwar Dutt Upadhyay.
8. Prof. Shriman Narayan Agarwal.
9. Shri Shree Narayan Das.
10. Shri B. Ramachandra Reddi.
11. Shri Uma Charan Patnaik.
12. Pandit Krishna Chandra Sharma.
13. Shri K. M. Vallatharas.
14. Shri V. P Nayar.
15. Shri G. D. Somani.

**SECRETARIAT**

Shri M N. Kaul—*Secretary.*

Shri S. L. Shakhder—*Joint Secretary.*

Shri V. Subramanian—*Deputy Secretary.*

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\*Resigned on the 24th December, 1953.

**Report of the Public Accounts Committee**

I, the Chairman of the Public Accounts Committee having been authorised by the Committee to present the Report on their behalf, present this Twelfth Report on the (i) Fertiliser Deal and (ii) Pashabhai Patel Implements.

2. The Public Accounts Committee at their meeting held on the 14th July, 1953 appointed a sub-Committee to consider the under-mentioned Reports furnished by the Ministry of Food & Agriculture:

- (i) Report of the Fertilizer Inquiry Committee by Justice Shri Rajadhyaksha; and
- (ii) Report of the Enquiry into the Purchase and Utilization of Agricultural Implements from Messrs. Pashabhai Patel & Co. by Shri H. V. Divatia.

The Reports of the sub-Committee which are appended herewith were considered and approved by the Public Accounts Committee at their meeting held on the 24th June, 1954 and should be treated as the Report of the Public Accounts Committee.

3. The Committee, in drawing attention to para. 5(v) of the Report of the sub-Committee on the Pashabhai Patel Implements, observe that the changing of specifications from time to time without calculating the effect of this change on the ultimate cost of the contract and not finalising them before the placing of indent is a very serious lapse on the part of the indenting as well as the supplying Departments and should be severely dealt with. It not only entails loss of public money but paves the way for certain malpractices etc. In order to countenance such a situation, the Committee desire that changing of specifications involving huge financial commitments should not be decided upon at the level of Junior Officers but in each case sanction of the Head of the Department should be obtained who should in turn consult the accredited Financial Advisers before arriving at a final decision.

4. The Committee also view with much dissatisfaction the inordinate delays that take place in arriving at decisions in disciplinary cases against officials found guilty of misuse of public money; indiscreet selection of supplying firms; dereliction of duty in not properly inspecting the finished goods tendered by the contractors; exceeding their financial powers and attempting to shift the responsibility for their acts of omission and commission to other Ministries.

5. A statement showing the summary of the recommendations is given in *Appendix II*.

B. DAS,  
CHAIRMAN,  
PUBLIC ACCOUNTS COMMITTEE.

NEW DELHI;  
*The 29th June, 1954.*

**II**

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**Report of the Sub-Committee  
on the  
'Fertilizer Deal'**

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## Introduction

I, the Chairman of the sub-Committee of the Public Accounts Committee, having been authorised by the sub-Committee to present this Report on their behalf, present this Report on the 'Fertilizer Deal' with Messrs. Kenbank & Co., Ltd., U.K.

2. At the meeting of the Public Accounts Committee held on the 14th July, 1953, a sub-Committee consisting of the following Members was appointed to consider the Report of the Fertilizer Inquiry Committee by Shri G. S. Rajadhyaksha of the Bombay High Court.

- (i) Shri H. V. Pataskar—*Chairman*,
  - (ii) Shri M. L. Dwivedi
  - (iii) Pandit Krishna Chandra Sharma
  - (iv) Shri K. M. Vallatharas
  - (v) Shri B. Ramachandra Reddi.
- } *Members.*

3. The sub-Committee held three sittings. The Ministry of Food and Agriculture submitted to the sub-Committee a copy of the First Information Report-cum-complaint and charge-sheet filed against the following principal Officers of the Ministry who had been connected with the Fertilizer Deal and were at present being prosecuted in one of the local Courts:

- (i) Shri S. Y. Krishnaswamy, formerly Joint Secretary, Ministry of Food and Agriculture; and
- (ii) Shri C. S. D. Swamy, formerly Director of Fertilizers, Ministry of Food and Agriculture.

The sub-Committee decided that in view of the fact that the trial of the case instituted against the above-mentioned officers was pending in one of the local Courts, it was not proper to collect any further evidence in the matter.

4. The sub-Committee place on record their appreciation of the assistance given to them in the course of their consideration of the various aspects of this deal by the Comptroller and Auditor-General.

**A brief  
history of  
the deal.**

5. Under the Government of India, Ministry of Food and Agriculture, Resolution No. F.3-57/51-M, dated the 7th September, 1951, Shri G. S. Rajadhyaksha, Judge of the Bombay High Court was appointed to inquire into the various transactions relating to the purchases of fertilizers, including the Russian sulphate of ammonia, made on behalf of the Government of India (Ministry of Food and Agriculture) from 1st July, 1946 onwards, their handling, forwarding and distribution by the various Clearing and Forwarding Agents, and to determine the responsibility, if any, on the part of the various persons concerned with these transactions if the inquiry disclosed irregularities in following the prescribed procedure, errors of judgment, slackness of supervision or *mala fide* dealings etc. The terms of reference directed that the inquiry should particularly be with reference to the following matters:—

- (a) the transactions of purchases, handling, forwarding and distribution of fertilisers from the 1st July, 1946 to the 1st July, 1949, in respect of some of which Shri C. S. D. Swamy, the then Director of Fertilisers, was dismissed after due departmental inquiry;
- (b) the handling, purchase and payments for fertilisers after the discontinuance of the international allocations from the 1st July, 1949 onwards; and
- (c) the failure to obtain a written agreement from the Clearing and Forwarding Agents at Bombay and allowing them to utilise the monies due from them to the Government of India for their own business.

**Prosecu-  
tion of  
accused  
Officers.**

6. As stated in the previous Chapter, the sub-Committee after considering the contents of the First Information Report-cum-complaint and the charge-sheet filed by the Government against the accused Officers in this case did not think it expedient to proceed with their inquiry further as they were already being prosecuted in one of the local Courts.



7. The Public Accounts Committee, in Para. 33 of their First Report (1951-52), recommended that the Ministry of Food and Agriculture should immediately investigate in consultation with the Ministry of Works, Housing and Supply the case relating to the loss incurred on account of the import of fertilisers in paper bags and urged that disciplinary action should be taken against Officers concerned. The Public Accounts Committee, 1952-53 pursued this matter with the Ministries of Food and Agriculture and Works, Housing and Supply and asked for certain information from them on the various points arising out of this deal. As the requisite information was made available to the Committee by the Ministries concerned at a time when they were at the closing stage of their work, they could not examine the implications of the various matters dealt with therein and had thus to reserve their judgment on the merits of this deal. The comments made by the Committee in this behalf are contained in Paras. 17 and 18 of their Seventh Report.

**Import of  
Fertilisers  
in paper  
bags.**

8. In view of what has been stated above, the sub-Committee content themselves by referring to some of the grave procedural irregularities that were committed by the authorities concerned in the matter of purchase of Fertilisers from Messrs. Kenbanks, Ltd., by the High Commissioner for India in the U.K. They would observe that this was not the only instance of bypassing the specially appointed authorities in the India Stores Department, London for the purpose of procurement of stores from the U.K. and other continental countries. They find that the firm of Messrs. Kenbanks Ltd. had only an authorised capital of £1,000 and it was indiscreet to enter into this contract of the order of £9 million with such a firm. The sub-Committee desire that in future such transactions should not be entered into except through the Officers appointed for the purpose and departures should be supported by adequate justification for which sanction of the competent authority should be taken. The sub-Committee are of the opinion that the procedure followed by the High Commissioner for India in London in the matter of purchase of fertilisers was not correct. As Russia was the source of supply in this case, the Ambassador for India in that country should have been the proper authority through whom negotiations should have been carried on with the parties concerned. The sub-Committee would point out that there was clear non-compliance of the standing rules regarding the purchase of stores from abroad in

**Procedural  
Irregularities.**

pushing through this deal. They should like the Government to take suitable steps to prevent the recurrence of such cases.

H. V. PATASKAR,  
*Chairman,*  
SUB-COMMITTEE OF THE  
PUBLIC ACCOUNTS COMMITTEE.

*Dated the 18th March, 1954*

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**III**

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**Report of the Sub-Committee  
on the  
'Pashabhai Patel Implements'.**

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## I

### Introduction

I, the Chairman of the sub-Committee of the Public Accounts Committee, having been authorised by the sub-Committee to present this Report on their behalf, present this Report on the 'Pashabhai Patel Implements'.

2. At the meeting of the Public Accounts Committee held on the 14th July, 1953, a sub-Committee consisting of the following Members was appointed to consider the Report of the Enquiry into the Purchase and Utilisation of Agricultural Implements from Messrs. Pashabhai Patel & Co. by Shri H. V. Divatia:

Shri H. V. Pataskar—*Chairman.*

Shri M. L. Dwivedi	} Members.
Pandit Krishna Chandra Sharma	
Shri K. M. Vallatharas	
Shri B. Ramachandra Reddi.	

3. The sub-Committee held five meetings. They also heard Shri R. A. Gopaldaswami, lately Special Secretary, Ministry of Home Affairs, who while working in the Ministry of Food and Agriculture, had been associated with this deal in the initial stages. The sub-Committee also visited the Central Tractor Organisation Workshops at New Delhi and Bairagarh (Bhopal) for an on-the-spot study of the working of Pashabhai Patel Implements etc.

4. In view of the fact that most of the recommendations made by Shri Divatia in his original and supplementary Reports are still under consideration of the Government of India for the last two years, the sub-Committee are unable to record their findings. The sub-Committee also regret that Government have not so far been able to apprise them of the final decision taken on the recommendations made in the report of Mr. Grisperger, the F.A.O. Expert, a copy of which was made available to the Committee in February, 1954.

5. In the circumstances, the sub-Committee can do no more than to express their disapproval of the long delay in arriving at Government decisions specially in the

matter of taking of disciplinary action against the Officers responsible for committing the following alleged important types of irregularities:

- (i) selection of contracting firms without inviting tenders;
- (ii) drawing up of contracts in vague and indefinite terms and failure to embody in the contract the assurance given by the firm to obtain the blueprints, drawings and technical assistance from their American principals, Messrs. Allis-Chalmers Corporation;
- (iii) failure on the part of the Director General, Supplies and Disposals to take stricter guarantees from the supplying firm about technical advice, etc.—the firm had no previous experience of manufacturing implements;
- (iv) lack of co-ordination between the Indenting and Supply Departments and especially between the two Finance Officers attached to these Departments in the matter of price fixation;
- (v) changing of specifications from time to time without calculating the effect of this change on the ultimate cost of the contract and not finalising them before the placing of indents; and
- (vi) undue indulgence shown by the Director General, Supplies and Disposals in not enforcing the remedies provided under the contract when there was a clear breach of several terms of the Contract.

The sub-Committee have, however, dealt with certain aspects of the report of Mr. Grisperger, the disciplinary action proposed by the Works, Housing and Supply Ministry and the surplus stores lying undisposed of in the C.T.O. Workshops.

6. The sub-Committee place on record their appreciation of the assistance given to them in the course of their examination of the various aspects of this deal by the Comptroller and Auditor-General of India and his Officers.

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## II

7. By a D.O. letter No. F.240/52/F.A.M., dated the 19th February, 1952 from the Minister of Food and Agriculture, Government of India, Shri H. V. Divatia, a retired Chief Justice of the Saurashtra High Court was appointed to conduct an enquiry into the whole transaction relating to the purchase of 250 sets of the following types of agricultural implements from Messrs. Pashabhai Patel & Co. Ltd., Bombay in 1946: A brief history of the case.

- (i) Mould Board Ploughs
- (ii) Disc Ploughs
- (iii) Pan Breakers
- (iv) One-way Disc Ploughs
- (v) Disc Harrows.

The terms of reference for the enquiry were:

- “(a) The circumstances that led to the placing of the indent and the subsequent placing of the order on Messrs. Pashabhai Patel & Co. Ltd., Bombay, with particular reference to
  - (i) the justification for the demand, and
  - (ii) the regularity of procedure in placing the indent and selecting the firm.
- (b) The reasons why the implements have not been utilised. Particularly, is this due to
  - (i) unsuitable designs,
  - (ii) defects in manufacture, and
  - (iii) any other causes?
- (c) Disposal of the implements to the best possible advantage.”

8. The Public Accounts Committee, in para. 32 of their Seventh Report (1952-53), drew attention to the long time Government had taken over the matter and urged that Government should take early decision on the recommendations made in Shri Divatia's Report. But the sub-Committee regret to observe that even up till now not

much headway has been made in this direction and the case is stated to have been submitted to the Cabinet. For the reasons given in the previous Chapter, the sub-Committee are of the opinion that as no useful purpose will be served by their making any observations at this stage, they would only ask the Government to take their final decisions as early as possible.

**Loan of the services of the F.A.O. Expert.**

9. Towards the close of 1952, the Government of India, Ministry of Food and Agriculture commissioned from the F.A.O., the services of an expert, Mr. Grisperger for the remodelling and rehabilitation of the five types of agricultural implements referred to in para. 7 above. This Expert arrived in India by mid-December, 1952, and worked in the Central Tractor Organization for a year. He investigated into the possibility of rehabilitation and modification of some of the implements to suit the local conditions. By the end of October, 1953, he carried out some modifications in the following implements:

(i) Disc Ploughs	12
(ii) Mould Board Ploughs.	2
(iii) Pan Breakers	2
(iv) Disc Harrows	1

(Government purchased in all 1250 implements—250 of each of the five types referred to in para. 7 above).

**Report of the F. A. O. Expert.**

10. At the meeting of the sub-Committee held on the 9th December, 1953, the Chairman, Central Tractor Organisation informed them that the F.A.O. Expert had left the country and he would submit his report to the Government of India through the F.A.O. On receipt of this report, the Government would take a final decision whether the additional expenditure to the tune of Rs. 4 lakhs—the estimated cost that the modification and rehabilitation of these implements would entail — would be commensurate with the results expected to be achieved. The sub-Committee, therefore, held over further examination of the matter till such time as the Report in question was made available to them. While forwarding this Report in February, 1954, the Ministry of Food and Agriculture stated that it was under their examination and the decisions taken thereon by them would be communicated to the sub-Committee in due course.

The sub-Committee considered the Report of the F.A.O. Expert at their meeting held on the 26th February, 1954 and as a result of the discussions held by them, they asked

the Ministry to state the decision taken by them on the recommendation made by the F.A.O. Expert in the matter of rehabilitation of the four types of implements in question and their suggested sale to the various State Governments. In a note submitted to the sub-Committee on the 10th March, 1954, the Ministry stated that they were in general agreement with the recommendations of the F.A.O. Expert and a few rehabilitated implements had accordingly been sent out for field trials and detailed reports about their working were awaited. The sub-Committee have not so far been informed of the reports received on the working of these modified implements.

According to the expert, the four types of implements mentioned above, which number 935, can be rehabilitated at an estimated cost of Rs. 3,60,000. The expert has also suggested that all State Agricultural Departments should be furnished with copies of the specification etc., of these implements and they should be urged to cover their requirements from the stocks available with the C.T.O. It is not known to the sub-Committee whether any action has been taken by the Government to implement this suggestion of the Expert.

11. During their visit to the C.T.O. Workshops at New Delhi and Bairagarh (Bhopal), the sub-Committee saw how the Pashabhai Patel implements were lying idle there and rusting with the efflux of time. A large number of these implements were lying exposed to the inclemencies of the weather. At the New Delhi Workshop, the sub-Committee were informed by the F.A.O. Expert on the 16th September, 1953 that the defects noticed by him in the disc ploughs and pan breakers were due to 'faulty designs' and 'faulty material'. During their visit to the Workshops at Bairagarh, the sub-Committee were informed by the Divisional Engineers of the C.T.O. that the Pashabhai Ploughs were put on work but they broke down.

**Visit to the  
C. T. O.  
Workshops,  
New Delhi  
and Bairagarh  
(Bhopal).**

12. The sub-Committee endorse the recommendations made by the Estimates Committee in Para. 27 of their Seventh Report (1953-54) that the Central Tractor Organisation should not proceed with the wholesale rehabilitation of these implements until the utility of the rehabilitated implements has been established and the State Governments place firm orders for their purchase.

**Recommendations**



**Exclusion of the interest on the capital invested on the purchase of Pashabhai Patel Implements from the present cost of reclamation charges per hour/acre.**

The sub-Committee are anxious that the Government should arrive at an early decision in this matter as they feel that it is unfair to the cultivator to include the amount of interest on the capital invested in the purchase of Pashabhai Patel implements in the cost per acre for reclamation of land recoverable from him. In this connection, the sub-Committee asked the Ministry to furnish them with a statement showing the method of calculation of the cost of reclamation charges per acre which are at present being recovered from the cultivators (after taking into account the interest on the capital invested in the purchase of Pashabhai Patel implements). From the statement submitted by the Ministry (*Appendix I*), they note that if interest on Pashabhai Patel Implements is excluded from the present cost per hour/acre, the cost per hour would be Rs. 51.66 and cost per acre Rs. 59.65 instead of Rs. 52.02 and Rs. 60.07 respectively.

**Disciplinary action against the Inspecting Officers concerned.**

13. The Public Accounts Committee of 1952-53 took up with the Ministry of W. H. & S. the question of taking disciplinary action against the persons responsible for not properly inspecting the agricultural implements and parts supplied by Messrs. Pashabhai Patel & Co. In a note furnished to the Committee in May, 1953, the Ministry stated as below:

“\* \* \* \* \*

It is admitted that there were some failures on the part of the Inspecting Officers in respect of inspection. Mr. \_\_\_\_\_ (Director of Inspection) has retired and the possibility of taking departmental proceedings against him is under consideration. Departmental proceedings have, however, been taken against \_\_\_\_\_, Deputy Director of Inspection and Messrs. \_\_\_\_\_ (Inspecting Officers). Their explanations have been called and they are being examined in the Ministry of Works, Housing and Supply.”

The sub-Committee pursued this disciplinary aspect of the matter with the Ministry of W. H. & S. and in their Office Memorandum No P.II-212(7), dated the 22nd April, 1954, they stated as below:

“\* \* \* \* \* no

decision has yet been taken by the Cabinet on the Divatia Report and it has not consequently been

possible for this Ministry to consider the question of taking action against the Inspection Officers involved in the case. \* \* \*

The sub-Committee pressed the Ministry of W. H. & S. to expedite decision in the matter of taking disciplinary action against the Inspecting Officers concerned.

The sub-Committee regret to observe that the Ministry of W. H. & S. in their last Office Memo. No. P-11-216(7) dated the 11th June 1954 have not only taken too lenient a view in awarding condign punishment to the Officers who had been guilty of dereliction of their duties, but have sought to shift the responsibility on to the Ministry of Food & Agriculture. They would draw attention to para. 33 of the First Report of the Public Accounts Committee criticising the lack of coordination between the various Ministries and strongly urge that this case should be reconsidered by both the Ministries and the action taken by them against the Officers concerned be reported to the Public Accounts Committee as early as possible.

14. Another important matter that attracted the attention of the Committee was that stores worth about Rs. 27 lakhs which had been declared surplus to the Directorate-General, Supplies and Disposals were lying in the C.T.O. Workshops, New Delhi. Apart from this, thousands of empty barrels were lying there awaiting disposal by the Disposals Directorate. At Bairagarh also, the Committee found that about 1,28,000 empty barrels (as reported by the local authorities) were lying in the Base Workshop and Unit Workshops and they were told that the Disposals Directorate were not taking prompt action to dispose them of. The sub-Committee express their dissatisfaction over the delay on the part of the Disposals Directorate in not taking expeditious action to dispose of such huge quantities of stores which, if continued, will fetch much lower prices on account of continued wear and tear by the lapse of time. Another concomitant evil of this dilatoriness on the part of the Disposals Directorate is that the huge space occupied by these stores and the man-power employed on their supervision are being wasted and these can be utilised more profitably if the C.T.O. is relieved of the responsibility for the upkeep and custody thereof.

**Accumulation of huge surplus stores in the C.T.O. Workshops.**

The sub-Committee desire that the Ministry of Works, Housing and Supply should investigate into the delay caused in the disposal of the stores declared surplus by the C.T.O. and ensure their early clearance.

H. V. PATASKAR,

CHAIRMAN,

SUB-COMMITTEE OF THE PUBLIC ACCOUNTS COMMITTEE.

*Dated the 22nd June, 1954.*

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**Proceedings of the Thirty-seventh Meeting of the Public Accounts Committee held on Thursday, the 24th June, 1954.**

The Committee met from 10-30 A.M. to 12-40 P.M.

**PRESENT**

Shri B. Das—*Chairman.*

Shri Ranbir Singh Chaudhuri	}	<i>Members</i>
Shri H. V. Pataskar		
Shri T. N. Singh		
Shri M. L. Dwivedi		
Prof. S. N. Agarwal		
Shri S. N. Das		
Shri Uma Charan Patnaik		
Pandit Krishna Chandra Sharma		
Shri K. M. Vallatharas		
Shri V. P. Nayar.		

Shri V. D. Dantiyagi, Additional Deputy Comptroller and Auditor-General.

Shri P. N. Krishnaswamy, Accountant-General, Food, Rehabilitation & Supply.

**SECRETARIAT**

Shri V. Subramanian—*Deputy Secretary.*

The Committee took up consideration of the following Reports of the sub-Committee appointed by them last year:

(i) Report on the Fertilizer Deal; and

(ii) Report on the Pashabhai Patel Implements.

2. The Committee read the above Reports para. by para. and approved them subject to minor additions or alterations here and there.

3. The Committee authorised the Chairman to present these Reports to the House as their 'Twelfth Report'.

4. The Committee then adjourned till 10-30 A.M. on Friday, the 25th June, 1954.

**\* APPENDIX I**

**COST PER HOUR/ACRE 1952-53**

	Cost per hour	Cost per acre
	Rs.	Rs.
1. Fuel . . . . .	9.76	11.27
2. Lubricants . . . . .		
3. Repairs . . . . .	17.72	20.46
4. Operational cost . . . . .	6.92	7.99
5. Cost of supervision . . . . .		
6. Amortisation charges . . . . .	15.68	18.10
7. Unforeseen items . . . . .	1.94	2.25
<b>TOTAL</b>	<b>52.02</b>	<b>60.07</b>

**Note:**

1. Interest on capital is included in item No. 6.
2. If interest on Pashabhai Patel Implements amounting to Rs. .36 per hour is removed from the above figures, the cost per hour would be Rs. 51.66 and cost per acre would be Rs. 59.65 instead of Rs. 52.02 and Rs. 60.07 respectively.

\* As furnished by the Ministry of Food and Agriculture (Agriculture) *vide* their Office Memorandum No. F. 8-64/53-LR, dated the -12-53.

## APPENDIX II

### Summary of the main recommendations of the Twelfth Report of the Public Accounts Committee

Sl. No.	Para of the Report	Ministry concerned	Recommendations
1	2	3	4
1	3 (I)*	<u>Food &amp; Agriculture.</u> <u>All other Ministries.</u>	The changing of specifications from time to time without calculating the effect of this change on the ultimate cost of the contract and not finalising them before the placing of indent is a very serious lapse on the part of the indenting as well as the supplying Departments and should be severely dealt with. It not only entails loss of public money but paves the way for certain malpractices etc. In order to countenance such a situation, the Committee desire that changing of specifications involving huge financial commitments should not be decided upon at the level of Junior Officers but in each case sanction of the Head of the Department should be obtained who should in turn consult the accredited Financial Advisers before arriving at a final decision.
2	4 (I)*	<u>W. H. &amp; S.</u> <u>Food &amp; Agriculture.</u> <u>Home Affairs.</u> <u>Cabinet Secretariat.</u> <u>All other Ministries.</u>	The Committee view with much dissatisfaction the inordinate delays that take place in arriving at decisions in disciplinary cases against officials found guilty of misuse of public money; indiscreet selection of supplying firms; dereliction of duty in not properly inspecting the finished goods tendered by the contractors; exceeding their financial powers and attempting to shift the responsibility for their acts of omission and commission to other Ministries.
3	8 (II)**	<u>W. H. &amp; S.</u> <u>Food &amp; Agriculture.</u> <u>All other Ministries concerned.</u>	The procurement of stores from the United Kingdom and other continental countries should be made through the agency of the India Stores Department, London and departures from this procedure should be supported by adequate justification for which sanction of the competent authority should be taken.
4	Do.	Do.	The procedure followed by the High Commissioner for India in London in the matter of purchase of fertilisers was not correct. As Russia was the source of supply in this case, the Ambassador for India in

(i)\*Part I refers to the Report of the Public Accounts Committee approving the Reports of the two sub-Committees.

(ii)\*\*Part II refers to the Report of the sub-Committee of the Public Accounts Committee on the Fertilizer Deal.

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that country should have been the proper authority through whom negotiations should have been carried on with the parties concerned.

The Committee would point out that there was clear non-compliance of the standing rules regarding the purchase of stores from abroad in pushing through this deal. They should like the Government to take suitable steps to prevent the recurrence of such cases.

5 12 (III)\*\* Food and Agriculture.

The Central Tractor Organisation should not proceed with the wholesale rehabilitation of the Pashabhai Patel implements until the utility of the rehabilitated implements has been established and the State Governments place firm orders for their purchase.

The Government should arrive at an early decision in this matter as the Committee feel that it is unfair to the cultivator to include the amount of interest on the capital invested in the purchase of Pashabhai Patel implements in the cost for reclamation of land recoverable from him.

6 13 (III)\*\* Food and Agriculture  
W. H. & S.  
All other Ministries  
concerned.

There should be closer co-ordination between the indenting and supplying Ministries at all stages and no attempt should be made by either of them to shift responsibility on to the other.

Food and Agriculture  
Works, Housing & Supply.

The Ministries of Food and Agriculture and Works, Housing and Supply should conjointly consider the cases of Officers involved in the purchase of these implements and award them condign punishment for dereliction of their duties, and report the action taken to the Committee.

7 14 (III)\* • Food and Agriculture  
Works, Housing & Supply.

The Ministry of W. H. & S. should investigate into the delay caused in the disposal of stores declared surplus by the Central Tractor Organisation and ensure their early clearance.

\*\*Part III refers to the Report of the sub-Committee of the Public Accounts Committee on the Pashabhai Patel Implements.

