REPORT OF COMMISSION OF INQUIRY APPOINTED TO INQUIRE INTO AFFAIRS CONCERNING DISPOSAL OF RICE BY THANJAVUR CO-OPERATIVE MARKETING FEDERATION

by

The Hon'ble Thiru Justice T. RAMAPRASADA RAO

Commission of Inquiry

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தமிழ்நாடு சட்டமன்றப் பேரவை
TAMIL NADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

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CHAPTER I

BEFORE THE COMMISSION OF INQUIRY.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

INTRODUCTION.

On the 8th day of April 1975, I received a communication reading as follows :—

"Commissions of Inquiry—Commission to inquire into the affairs concerning the purchase of rice from Thanjavur Co-operative Marketing Federation in the year 1971—Enquiry under the Commissions of Inquiry Act, 1952—Ordered.

G.O. Ms. No. 1149, *Public (General) Department, dated* 8*th April* 1975.

Order :—

The following notifications be published in an extraordinary issue of the *Tamil Nadu Government Gazette* dated 8th April 1975.

NOTIFICATION I.

WHEREAS it has been alleged that Thiru P. U. Shanmugham, formerly Minister for Food and now Minister for Public Works, had misused his powers of office as Food Minister in connection with the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971 and in connection with the acceptance of the negotiated tender of Thiru Thandavarayan, son of Thiru Ratnam Mudaliar in respect of such rice ;

AND WHEREAS these allegations relate to a definite matter of public importance ;

NOW, THEREFORE, in exercise of the powers conferred by section 3 of the Commissions of Inquiry Act, 1952 (Central Act LX of 1952), the Governor of Tamil Nadu hereby appoints Hon'ble Justice Thiru T. Ramaprasada Rao, Puisne Judge of the Madras High Court to inquire into the allegations aforesaid against Thiru P. U. Shanmugham and to submit a report to the State Government within a period of three months from the date of the notification. The Headquarters of the Commision of Inquiry shall be MADRAS.

NOTIFICATION II.

In exercise of the powers conferred by sub-section (1) of section 5 of the Commissions of Inquiry Act, 1952 (Central Act XL of 1952), the Governor of Tamil Nadu hereby directs that all the provisions of sub-sections (2) to (5) of the said section 5, shall apply to the Commission of Inquiry, appointed in the Public (General) Department Notification S.R.O. No. *Supra*.

(By order of the Governor.)

P. SABANAYAGAM,
Chief Secretary to Government."

From the above communication and the consequential notifications it is seen that certain allegations were made against Thiru P. U. Shanmugham, formerly Minister for Food and now Minister for Public Works in that he misused his powers of office as Food Minister in connection with the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971. It is also alleged that such misuse of power of office covered also matters connected with the acceptance of the negotiated tender of Thiru Thandavarayan, son of Thiru Ratnam Mudaliar. The Commission is to inquire into the aforesaid allegations and submit a report

to the State Government within a period of three months from the date of the notification. It was also made clear that all the provisions of sub-sections (2) to (5) of section 5 of the Commissions of Inquiry Act, 1952, shall apply to the Commission of Inquiry appointed as above. In the absence of any memorandum or data regarding the said allegations as above and having regard to the generality of the provisions of the Commissions of Inquiry Act and the Rules framed thereunder, the Commission had to issue a public notification inviting all persons acquainted with the subject matter of the enquiry to furnish a statement relating to such matters as specified in such notification. Bearing in mind Rule 7 of the Commissions of Inquiry (Tamil Nadu) Rules, 1972 framed by the Governor of Tamil Nadu under Section 12 of the Commissions of Inquiry Act, 1952, the Commission caused notification to be publisehd in the leading newspapers. Such a notification was published in the following newspapers :—

English dailies—

1. The Hindu
2. The Indian Express
3. The Mail and

Tamil dailies—

4. Swadesamitran
5. Navamani
6. Daily Thanthi

The text of the notification was as follows :—

"NOTICE.

The undersigned as Secretary, the Commission of Inquiry appointed in G.O. Ms. No. 1149, Public (General), dated 8th April 1975, under the Commissions of Inquiry Act, 1952, hereby notifies as follows :—

The Commission of Inquiry proposes to inquire into the allegations said to have been made against Thiru P. U. Shanmugham, formerly Minister for Food and now Minister for Public Works, to wit, that he is said to have misused his powers of office as Food Minister in connection with the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971 and he is also said to have misused his powers in connection with the acceptance of the negotiated tender of Thiru Thandavarayan, son of Thiru Ratnam Mudaliar, in respect of such rice.

The inquiry is a public one and is to commence at 11 a.m. on Monday, the 5th May, 1975 and shall be continued thereafter from day to day. This public notification is issued inviting all persons acquainted with the subject matter of the inquiry to furnish to the Commission of Inquiry affidavits duly sworn to containing a statement of facts relating to the above allregations, as to which the concerned person is competent to speak and depose. It is expected that such affidavits would strictly confine themselves to the allegations aforesaid. Such affidavits with one additional copy shall be forwarded to the Secretary, the Commission of Inquiry to the address given below with the detailed address of the persons concerned not later than 4-30 p.m. on the 2nd of May, 1975. Such persons shall also state the date, which shall be not later than the 10th of May 1975, when it would be convenient for them to give evidence before the Commission of Inquiry on the facts set out in the affidavit.

Persons, who forward such affidavits, will be summoned to appear at the High Court Buildings before the Commission of Inquiry on the dates fixed for the purpose and on the dates following or at such other place and at such time as may be fixed from time to time by order of the Commission of Inquiry.

As the Commission of Inquiry intends to complete the inquiry as early as possible, it is desired that all persons acquainted with the subject matter of the inquiry will duly and promptly assist the Commission of Inquiry. All persons giving evidence before the Commission of Inquiry are entitled to the protection under the provisions of the Commissions of Inquiry Act, 1952.

Any document, which such persons may desire to produce, may be filed on the date when they are summoned to appear. If any person intending to participate in the inquiry desires to appear through an advocate duly authorised for the purpose, he is at liberty to do so.

(Signed) S. Francis Sundararaj,
Secretary, The Commission of Inquiry.

Office of the Commission
of Inquiry, High Court
Chamber No. VII-A,
High Court Buildings, Madras-1."

In the meantime, the Commission was informed that the Government was appointing Thiru G. Ramaswami, Government Pleader, Madras as the advocate to appear on behalf of the Government before the Commission of Inquiry. An order to that effect (G.O. Ms. No. 611, Home, dated 11th April, 1975) was duly received by the Commission.

Pursuant to the directions contained in the public notice, Thiru K. T. K. Thangamani a whole time member of the Communist Party of India and the leader of the Communist Group in the Tamil Nadu Legislative Assembly, represented by counsel Thiru G. Desappan, filed an affidavit, which was preliminary in nature, setting-forth the quintessence of his grievances against Thiru P. U. Shanmugam, Minister for Food. Even so, Thiru P. Kannan, represented by his lawyer Thiru S. Kannan, filed an affidavit, which was again not full, but preliminary.

Thiru P. U. Shanmugam, then Minister for Food, sought permission to file a detailed affidavit after the parties filed their respective affidavits. He, however, denied the allegations that he misused his official position in any manner in regard to the sale of rice and paddy belonging to the Thanjavur Co-operative Marketing Federation. He denied that there was any irregularity in such sale and alleged that the vague allegations made are all politically motivated and denied them as false.

Thiru R. Ganesan, appearing for Thiru S. Alagiriswami, M.L.A. and Thiru K. T. Palpandian, appearing for the Communist Party of India, Tamil Nadu Council represented by Thiru D. Pandian a Secretariat Member of the Communist Party of India, Tamil Nadu Council, wanted two weeks further time to enable them to file a statement in the form of affidavit as required in the notification. The Commission granted such time as requested, to Thiru S. Alagiriswami and Thiru D.Pandian, representing the Communist Party of India. Even so, Thiru P. U. Shanmugam, the then Minister for Food, represented by Thiru R. Krishnamurthy and the Government of Tamil Nadu represented by the Government Pleader were permitted to file their respective affidavits in answer to the preliminary affidavits already on record and to those affidavits which are to be filed by Thiru S. Alagiriswami and Thiru D. Pandian. At this stage, the preliminary affidavit filed by Thiru K. T. K. Thangamani was taken up. *Inter alia* on the question of the production of documents mentioned by him in the schedules to the affidavit, certain directions were given by the Commission.

Thiru S. Kannan, appearing for Thiru P. Kannan raised two preliminary objections. Firstly, he questioned the jurisdiction of this Commission and contended that as the deal essentially related to export of paddy to other States like Kerala, West Bengal and Maharashtra, it is a matter which would come within the scope of the expression "Inter-State Trade" and as such should be dealt with as one of the subjects coming within the entries in List I of the VII Scheule to the Constitution of India. According to him as the State Government cannot appoint a Commission to enquire into a subject matter, which relates to such entries in List I of Schedule VII to the Constitution, he wanted to make elaborate submissions on this and requested time. His second objection was that there was some impropriety in the procedure adopted by the Commission.

The Commission heard Thiru S. Kannan on these questions. It was said that the impropriety in the procedure adopted by the Commission consisted in the non-publication of the notice issued by it in newspapers other than local newspapers, and he would stress that the notice should have been published in the dailies in the States of Maharashtra, Kerala and West Bengal. After hearing Thiru Kannan, the Commission was satisfied that there was no impropriety in the procedure adopted. The newspapers in which the said public notice was made, admittedly has a wide circulation outside the State of Tamil Nadu. Such being the situation, the Commission did not agree with Thiru Kannan that there was any impropriety in the procedure adopted.

The Commission on its second sitting on the 7th of May 1975 heard further arguments of Thiru Palpandian on behalf of Thiru S. Kannan who questioned the jurisdiction of the Commission to inquire into the subject matter. After hearing arguments of both Thiru Palpandian and the Government Pleader, the Commission held that the language of the notification under which the Commission was appointed being clear and unambiguous, the subejct matter of the inquiry, cannot by any stretch of imagination, be relatable to "Inter-State Trade and Commerce". As "Inter-State Trade and Commerce" has a special meaning and connotation and as the sale in the instant case did not occasion the movement of the commodity, which was sold inside the State, the Commission took the view that it had jurisdiction to inquire into the matter as contained in G.O. Ms. No. 1149, Public (General) Department, dated 8th April 1975.

Thereafter, the Commission took up the preliminary affidavit filed by Thiru K. T. K. Thangamani who desired that certain directions to the various officials of the State such as—

1. The Collector of Thanjavur,
2. The Deputy Commissioner (Distribution) Civil Supplies, Madras,

3. The Assistant Commissioner (Distribution), Civil Supplies, Madras,

4. The Commissioner of Civil Supplies and Ex-officio Secretary to Government, Food Department, Madras-9,

5. The Collector of North Arcot,

6. The Inspector-General of Police, and

7. The Commissioner of Police be given.

The orders pronounced on this account are not reproduced here, as the parties have been apprised of the same and copies were also furnished to them as and when they required.

On the third sitting, the preliminary affidavit filed by Thiru P. Kannan, in so far as it related to the production of records from Government custody was taken up for consideration. Here again, after hearing both Thiru S. Kannan and the Government Pleader, certain directions were issued in the matter of the production of certain official records. At this sitting, Thiru R. Krishnamurthy, appearing as counsel for Thiru P. U. Shanmugam, the then Minister for Food, undertook to file a detailed affidavit by 17th May 1975 at the residence of the Commission as that day happened to be a Court holiday to which course nobody objected.

On the 14th of May 1975, at its fourth sitting, Thiru N. T. Vanamamalai, appearing for Thiru K. T. Palpandian, represented that he was appearing for the Communist Party of India. The Government Pleader made certain suggestions at the fourth sitting regarding the manner in which records have to be discovered and inspected. The Commission understood the memo filed by the Government Pleader as one containing bare suggestions. The memo filed by the Government Pleader evoked serious objections from the representators and a full argument was made by all concerned in the matter of the inspection of the documents undertaken to be produced by the Government Pleader by then and to be produced by the Government in the course of the inquiry. I have already referred to the fact that the Commission gave directions in the matter of the production of certain records referred to in the affidavits of Mr. Kannan and Mr.K.T.K. Thangamani. Regarding the production of certain other documents mentioned in the preliminary affidavits filed by the above two representators, there was an elaborate discussion in Court regarding the *modus operandi* of inspection. The Commission made it clear that although the affidavits filed already by Thiru K. T. K. Thangamani and Thiru Kannan were preliminary in nature, yet as their contents reflected the minds of the representators, they should not take advantage of inspection of records as and when they are granted by the Commission and fish for information and improve their stand by making fresh allegations. In fact, it was understood by all parties and their counsel that the facts disclosed during the inspection of the disclosed documents should not form the nucleus of fresh charges.

Thereafter the Commission heard the arguments regarding the scope of the discovery of the documents to be produced.

On the 19th of May 1975, which was the seventh sitting of the Commission, orders were passed directing the Government to afford inspection of such documents specifically referred to in the said order and the order made by this Commission of such inspection is appended herewith in appendix "8". After passing such orders regarding the manner in which the documents or records filed by the State Government would be inspected by the representators, certain specific directions were issued by the Commission as to the manner in which the inspection should proceed with and the place at which the inspection can be had. Again, time was granted to the representators to file their supplemental affidavits after inspection and even so, the Government was from time to time given such an opportunity to file its rejoinder. By that time, Thiru P.U. Shanmugam, the then Minister for Food, filed his counter affidavit on 17th May 1975 as already undertaken. In the meantime Thiru D. A. S. Swamy, representing himself to be the Secretary of the Madras Law Suitors' Association, filed a petition to implead himself as a party and requested for an opportunity to participate in the enquiry. As no specific allegations were made even at such a belated occasion touching the subject matter and as the request to participate was obviously beyond time, the application of the Law Suitors' Association was dismissed on 20th May 1975 when the Commission sat for the eighth time.

At the 9th sitting, the Editor of a Tamil daily called "Thennagam" was called to Court, when he volunteered himself to correct a mistake, which has crept in his daily in the matter of publication of the news regarding the conduct of the enquiry earlier. On the 4th June 1975, the Government Pleader brought it to the notice of the Commission that certain files disclosed by him are not relevant for the purpose of enquiry and after hearing others, the Commission was satisfied that inspection of such documents mentioned by Thiru R. Kribakaran (on behalf of State) in paragraph 3 of his affidavit, filed on 20th May 1975, was not necessary. Option was, however, given to the representators to re-open the question, if any, such occasion arises.

At the eleventh sitting held on 5th June 1975 Thiru S. Alagiriswami through his counsel Thiru N. T. Vanamamalai, who by then filed a fuller affidavit after inspecting the documents, sought for certain directions regarding the production of certain other documents not already produced. After hearing the Government Pleader, the Commission gave direction as per its order dated 5th June 1975 (Appendix 12).

On the twelfth sitting of the Commission, the application filed by Mrs. T. N. Ananthanayaki, a member of the Indian National Congress and the General Secretary of the Tamil Nadu Congress Committee, through her counsel Thiru P. Chidambaram to permit her to participate in the inquiry was considered. As per order dated 11th June 1975 (Appendix 13) the Commission permitted her to participate in the inquiry for more than one reason. When she was called upon to file an affidavit setting forth her allegations in relation to the subject matter, she did so by filing the same in a sealed cover which was forwarded to the Commission on the 9th of June 1975. Though the allegations were similar to those already on record, yet some of them were new. Having regard to this and since she belongs to an independent political party, the Commission found that in public interest she ought not to be denied the oportunity to make representations. With this object in view, her affidavit dated 9th June 1975 was taken on record as containing her representations and as she did not want to inspect the documents already filed, the Commission allowed her application.

At the thirteenth sitting, namely, 12th June 1975 and as already agreed to and understood between the parties and as ordained under the rules framed under the Act, the State Government were directed to let in their evidence. Under rule 8, the relevant portion of which is reproduced herein :

" 8. *Recording of Evidence.*—(1) The Commission shall, examine all the statements furnished to it under rule 7, and if, after such examination, it considers it necessary to record evidence, it shall first record the evidence, if any, produced by the State Government and may thereafter record the evidence of others, in such order, as it may deem fit."

the Commission shall first record the evidence, if any produced by the State Government and may thereafter record the evidence of others, in such order, as it may deem fit. Pursuant to this requirement, which cannot be avoided, as a special provision has been made to this effect, the Commission started oral evidence on the 12th of June 1975.

Mr. Ramchandar, Secretary to Government, was examined in chief as G.W. 1 by the Government Pleader between 12th June and 16th June 1975 and was cross-examined by Mr. Palpandian, counsel for the Communist Party of India on the 17th and 18th of June 1975. Mr. N. T. Vanamamalai, appearing for Thiru S. Alagiriswami, M.L.A., cross-examined the witness (G.W. 1) on the 18th, 19th and the 20th of June 1975. Thiru S. Kannan, counsel for Thiru P. Kannan, belonging to Anna Dravida Munnetra Kazhagam cross-examined Thiru Ramchandar between 20th June 1975 and 25th June 1975. Thereafter Thiru P. Chidambaram, counsel appearing for Thirumathi T. N. Anandanayaki, M.L.A., cross-examined G.W. 1, Thiru Ramchandar on the 25th of June 1975. Thiru R. Krishnamurthy, counsel for the Hon'ble Minister Thiru P. U. Shanmugam, examined Thiru Ramchandar G.W. 1 on the 25th and 26th of June 1975. On 26th of June 1975, Thiru Ramchander was further cross-examined by Thiru N. T. Vanamamalai.

Thiru T. V. Antony, Special Officer, Corporation of Madras, who was the Collector of Thanjavur during the relevant period, was called as a Court witness and he was examined as C.W. 1 and cross-examined by counsel on the 26th and 27th June 1975. The Commission issued summons to the President of the Thanjavur Co-operative Marketing Federation Thiru V. S. Thiagaraja Mudaliar and he was examined in chief by his counsel Thiru V. P. Raman, as C.W. 2 on the 7th and 8th of July 1975 and cross-examined by the various counsel appearing for the representators namely, Mr. S. Kannan, and Mr. N. T. Vanamamalai between 8th and 11th July 1975. In fact, the Government Pleader has also cross-examined Thiru V. S. Thiagaraja Mudaliar on the 9th July 1975. Thiru R. Balasubramaniam, I.A.S., Additional Secretary, Department of Food, Ministry of Agriculture and Irrigation, Government of India, who was also called as a witness, was examined as C.W. 3 and cross-examined on the 14th and 15th of July 1975.

Thereafter, Thiru P. Kannan, one of the representators and belonging to Anna Dravida Munnetra Kazhagam was examined in chief as A.W. 1 by his counsel Thiru S. Kannan on the 18th of July 1975 and cross-examined by the Government Pleader, Thiru V. P. Raman and Thiru R. Krishnamurthy on the 18th and 21st of July 1975. Arising out of the testimony of the witnesses as above, the Commission had to issue subpoena to Thiru Thandavarayan and Thiru Jambulinga Mudaliar. Thiru Thandavarayan, A.W. 2, was represented by his counsel Thiru K. Rangavajjula, who examined the witness in chief. Thereafter A.W. 2 was cross-examined by Thiru P. Chidambaram, Thiru S. Kannan, the Government Pleader and Thiru R. Krishnamurthy between 21st and 23rd of July 1975. Thiru Jambulinga Mudaliar, A.W. 3, was also represented by counsel Thiru K. Sengottian, who led him on the 23rd of July 1975. Thereafter, A.W. 3 was cross-examined by

the Government Pleader and Thiru P. Chidambaram. The Commission felt that the examination of Thiru S. Arumugam referred to by A.W. 2 Thandavarayan, would be necessary and relevant for the enquiry. He was, therefore, summoned and examined as C.W. 4 and was led by Thiru Rangavajjula and cross-examined by the Government Pleader, Thiru S. Kannan and Thiru R. Krishnamurthy on the 28th of July 1975. After the examination of such witnesses, who could speak to the subject-matter of the enquiry, Hon'ble Minister, Thiru P. U. Shanmugam was called on 30th July 1975 and as by then the representators one after another withdrew their representations. Thiru P. U. Shanmugam was examined as D.W. 1 in chief by Thiru R. Krishnamurthy and with that the oral evidence closed.

In all 50 affidavits, memos, petitions and reply affidavits were filed by one or the other of the parties appearing before me in the course of the proceedings. On every occasion, when it became necessary for the Commission to issue directions as to the necessity to call for public records or subpoena witnesses, the Commission gave such intermittent directions in the shape of orders. The various orders issued by the Commission during the course of its sittings are annexed to this report and marked Appendices 1 to 23.

The last event of importance which needs a mention is the further extension of time granted in G.O. Ms. No. 2199, Public (Misc.), dated 7th July 1975 and G.O. Ms. No. 2505, Public (Misc.), dated 6th August 1975 for the submission of the report by the 7th September 1975.

Acknowledgment of Assistance.

The Commission places on record its deep sense of appreciation at the assistance which it received from Thiru G. Ramaswami, the Government Pleader, appearing for the Government and his assistant Thiru K. R. Bakthavatsalam; Thiru R. Krishnamurthy, appearing for the Hon'ble Minister, Thiru N. T. Vanamamalai; Thiru S. Kannan, Thiru K. T. Palpandian and Thiru P. Chidambaram appearing as counsel for Representators, who with care and commendability processed the enquiry by keeping up to the high standards of propriety while examining or cross-examining the witnesses before the Commission. I also acknowledge the assistance rendered by Thiru V. P. Raman, Thiru K. Rangavajjula and Thiru K. Sengottian, who appeared for the witnesses called for by the Commission and particularly, I am happy at the analysis of facts made by Thiru V. P. Raman, as advocate for Thiru V. S. Thyagaraja Mudaliar, President, Thanjavur Co-operative Marketing Federation and at the responsive assistance given by the Government Pleader in the matter of production of document from the custody of the Government and Government Offices.

My sincere thanks are due to the press for their co-operation and coverage of the proceedings and for the fair and correct reports thereof.

The Commission has noted with pleasure and satisfaction the security arrangements made by the Home Department of the State of Tamil Nadu to enable the Commission to conduct a public enquiry in the High Court Buildings.

The Commission acknowledges the sincere and devoted service of Thiru S. Francis Sundararaj, Deputy Secretary, Legal Department of the State of Tamil Nadu, who has specially deputed to be the Secretary to the Commission. I record with pleasure that he has discharged his onerous duties and responsibilities to the fullest satisfaction of the Commission. He has been in charge of voluminous public records. His success in tackling practical problems in connection with the inspection of documents and generally in conection with the Administration of the office are all noted with extreme satisfaction.

The assistance rendered by my Personal Assistant Thiru S. Muthiah, who was attending during odd hours my residence besides attendance in Court in connection with the enquiry and that of the shorthandwriters, Thiruvalargal S. Vembu, T. Sampathkumar and V. D. Srinivasan; Bench clerk, Thiru N. Chellappan; Interpreter Thiru V. Sampath and the Assistant Thiru T. C. Natesan, who spared no pains to spend long hours even besides regular office hours and indeed during the vacation time of the High Court and saw to the successful completion of the enquiry, gave me immense satisfaction and I am bound to make a sincere record of such events.

The co-operation *inter se* amidst my staff throughout the period of enquiry is commendable.

I thank my Deffadar and the peons, who ungrudgingly served me during the summer vacation of the High Court and thereafter till the end of the enquiry.

CHAPTER II

PLEADINGS

Representations have been filed on behalf of the Communist Party of India and the other supporting representators. Exs. R.-1, R-5, R-6, R-10 and R-11 are the affidavits filed by Thiru K. T.K. Thangamani, Thiru S. Alagiriswami and Thiru D. Pandian, all of the Communist Party of India.

On 2nd May 1975 Thiru K. T. K. Thangamani filed an affidavit without properly verifying the same and without canvassing in full the relevant material, which would touch upon the enquiry. Besides filing this affidavit, Thiru K. T. K. Thangamani, until he withdrew from the case, did not file any independent affidavit on merits except to give the impression that he was sailing along with Thiru D. Pandian or Thiru S. Alagiriswami. In the only affidavit filed by Thiru K. T. K. Thangamani, he would refer to the memoranda, dated 6th November 1972 presented by Thiru M. Kalyanasundaram, M.P. to the President of India and the reply given by the Hon'ble Chief Minister of Tamil Nadu, a further rejoinder thereto by Thiru M. Kalyanasundaram and a further correspondence in relation thereto. After thus prefacing his affidavit, he would say that the notification under which this Commission has been appointed is couched in general terms and the enquiry need not be restricted to the allegations made in the Legislature alone. In general, he would touch upon the policy of the Government and the report of the Estimates Committee marked as Ex. A. 37, dated 20th April 1974 and expressed his desire that the relevant, documents set out by him in the Schedules to Ex. R-1 may be summoned as early as possible, since there is the constant danger of a plea being set up that they are not traceable and there is also a possibility of the same disappearing. In particular, he prayed for permission to a file a written statement after the receipt of the records described in Schedule II to his affidavit.

On the 19th May 1975, both Thiru S. Alagiriswami and Thiru D. Pandian for the Communist Party of India, filed two affidavits. Even those two affidavits have not been properly verified in the customary manner. Generally, it may be observed that the deponents of these affidavits did not state as to what paragraphs in their respective affidavits are true to their knowledge and what other paragraphs are true to their information and belief. Further affidavits were filed on 12th June 1975 by Thiru D. Pandian and Thiru S. Alagiriswamy marked as Exs. R-10. and R-11.

In Ex. R-5 Thiru S. Alagiriswami would allege that as Member of the State Legislature, he knew about the happenings in respect of disposal of stock of paddy and rice allegedly held by the Thanjavur Co-operative Marketing Federation, which was brought about by the then Food Minister Thiru P. U. Shanmugham by gross abuse of his power as Minister. After referring to the fact that the Thanjavur Co-operative Marketing Federation was a normal co-operative society besides being a wholesale dealer, which was purchasing rice in the open market and transacting business subject to the restrictions imposed in the course of such trade, he would say that the affairs of the society were not properly administered in 1970. According to him, there were several irregularities of grave nature such as misappropriation of funds, and illegal disposal of foodgrains. It is specifically alleged that rice stocks were designedly accumulated and Thiru P. U. Shanmugham as Food Minister illegally controlled this society to enable it to freeze its rice stock. According to him no permit for transport to districts such as Tirunelveli, Ramanathapuram, Coimbatore, Salem, Kanyakumari and Dharmapuri were issued eventhough there was a great demand for rice in those districts. Having so manipulated to accumulate large stocks of rice in the said society, it is said that the Hon'ble Food Minister entertained the idea of causing such accumulated stock to be exported outside the State of Tamil Nadu for which purpose he entered into understanding with his close friends—Thiru Jambulinga Mudaliar and Thiru Rajamanickam Mudaliar. According to the deponent of the affidavit Ex. R-5, there was no reason why Thanjavur Co-operative Marketing Federation did not sell the stock in 1970 or 1971 inside the State of Tamil Nadu. There being no necessity to sell the rice outside the State, the deponent claims that the deal resulting in a sale for export of rice to Kerala (outside the State of Tamil Nadu) was solely intended to benefit the friends of Thiru P. U. Shanmugam and could not even benefit the Thanjavur Co-operative Marketing Federation. The processes adopted for the sale of such stock by calling for tenders, etc., were highly improbable and the entire scheme was so manipulated as to help a firm called A. M. Associate Traders, which was formed with the knowledge of the Food Minister and in order to help only those persons connected with the said A.M. Associated Traders. Reference is made to two sales in the process as above to one Aboo and Sankarankutty and the deponent says that these purchasers, in fact, benamidars, of A.M. Associated Traders, which eventually transported the rice sold to Aboo or Sankarankutty or both and the *modus operandi* adopted by the State was with a motive and a purpose. It is also alleged that the sales were not conducted so as to fetch the highest price to Thanjavur Co-operative Marketing Federation. A specific allegation is made that the ultimate sale effected in the name of Thandavarayan was originally on the oral orders of the Food Minister and the negotiations said to have been made by Thiru V. S. Thyagaraja Mudaliar, the Ex-President of Thanjavur Co-operative Marketing Federation, who was only a cloak to conceal

the real transaction. In gross abuse of power as Minister, it is said, Thiru P. U. Shanmugam directed the Food Secretary to effect the sale to Thandavarayan and others. It is said that Tamil Nadu is traditionally deficient in rice and other food-grains and the position was not different either in the year 1970 and 1971. The so-called change in policy in respect of export of rice made by the Council of Ministers either in 1970 or in 1971 was a subterfuge adopted to avoid responsibility in the matter of the sale of stock in question or the grant of permits thereafter for exporting it outside the State. According to Thiru S. Alagiriswami, whose statements Thiru D. Pandian also has adopted, the entire decision was an arbitrary one taken by Thiru P. U. Shanmugam in order to help his friends and even if a post-approval was accorded by the other Ministers of the Cabinet, it will not absolve the Food Minister from his responsibility, as the deponent would say that the post-approval has been accorded only to save a colleague. Thiru D. Pandian, in Ex. R. 6 reiterates that the transaction with Thandavarayan as a negotiated tender is wrong and unjustified and characterised the same as a private sale of rice to Thandavarayan. He could characterise the expression "negotiated tender" as a camouflage. He is not sure what was sought to be sold was the stock belonging to Thanjavur Co-operative Marketing Federation or to the Government. His grievance is that there was no proper or regular calling of tenders for the sale of the stock, which is the subject of this inquiry. According to him the stock allegedly belonged to the Thanjavur Co-operative Marketing Federation and the sale which resulted in lifting of about 15,000 tonnes is a sequence of misuse of power. At the same time, he contradicts by saying that there was misuse of power because the Minister, the Collector, or other Government Officials had no right to bring about the sale of the property of the Thanjavur Co-operative Marketing Federation. According to the deponent no proper steps were taken to ascertain the ruling prices in the State of Kerala or in other importing States. He would claim that the price outside the State was higher than in Madras. His complaint is that there was not enough publicity and such publicity was not done or attempted to have been done because the intention was to sell the rice at prices lower than the market prices. The deponent sympathises that the sales have been effected in reckless disregard of the interests of Thanjavur Co-operative Marketing Federation and as also the Government and the people of Tamil Nadu. A scanty reference is made to the system of distribution of paddy and rice in the State at or about the relevant period and the deponent offers that the sales in question made in 1971 have been made without regard to the relative position in the various districts of Tamil Nadu. The much needed supply of rice to districts such as Coimbatore, Ramanathapuram, Tirunelveli, Salem, Kanyakumari and Dharmapuri were denied and the process of export was conceived which by itself reflects misuse of power. Thiru Pandian also repeats that it was only A.M. Associated Traders, who are the real purchasers of the stock sold in the rice deal and that all the purchases made are by the nominees of the aforesaid firm. In the absence of any verification about the solvency of the purchasers and investigation into their solvency, etc., of others, who bid at the auction, the procedure adopted constitutes misuse of power. It is claimed that on the strength of such purchases, permits were obtained in the name of non-entities and Thandavarayan is one such benamidar of A. M. Associated Traders in the sense that he was a benamidar of Thiru Jambulinga Mudaliar, who was a partner of A. M. Associated Traders. The deponent alleges that Thiru V. S. Thyagaraja Mudaliar did not have the authority to act for Thanjavur Co-operative Marketing Federation and in consequence, the initiative taken by the Civil Supplies Commissioner which was later on approved by Thiru P. U. Shanmugam as Food Minister, was based on fiction as there was no material before the Minister or the Government Official to assess the competence of Thiru V. S. Thyagaraja Mudaliar. A detailed submission is made by Thiru Pandian Ex. R-6 about the alleged mismanagement of Thanjavur Co-operative Marketing Federation and a specific reference is made to the report of the then Registrar of Co-operative Societies Thiru P. B. Krishnaswamy. It is claimed that on the report of the Registrar, the then Chief Secretary of Tamil Nadu Government, recommended that criminal proceedings should be launched against the President of the Federation and that it was at that stage that the Hon'ble Chief Minister, and the Hon'ble Food Minister interfered in gross misuse of their powers and dropped such proceedings. In the wake of revelation, the concurrence of the Food Minister in effecting a sale through his department of the stock of Thanjavur Co-operative Mearketing Federation particularly on the representations made by Thiru V. S. Thyagaraja Mudaliar, amounts to an obvious misuse of power. It is said that in flagrant violation of the policy of the Government prohibiting export of rice to other States and in contravention of the rules relating to sale of Government property, the stock of about 12,000 tonnes of the value of Rupees Two Crores was hurriedly put through by the Food Department on the orders passed by Thiru P. U. Shanmugam so that the ultimate benefit might go to the Minister's close associates such as Thiru Jambulinga Mudaliar and Thiru Rajamanicka Mudaliar. A conspiracy is alleged as between the Food Minister and the aforesaid persons as parters of Messrs A. M. Associated Traders. A reference is also made to one Thiru Sundaram Pillai of Asoka Traders, who is also alleged to be an associate of the Minister and a person, who gained an illegal benefit by reason of the complained sale. The deponent thereafter traces the life history of Thiru Jambulinga Mudaliar, Thiru Rajamanicka Mudaliar and Thiru Sundaram Pillai and stresses that these persons were well knit with the Hon'ble Food Minister in achieving an illegal gain to themselves

by selling the stock outside the State of Tamil Nadu. It is conceded that A. M. Associated Traders, which is said to be a registered partnership firm in which Thiru Jambulinga Mudaliar and Thiru Sundaram Pillai were partners, was floated soon after the Food Minister gave his assent to the sale of the stock in question for export. Details of the formation of A. M. Associated Traders are given and it is alleged that it was formed solely with a view to deal in rice, particularly, in purchasing rice from the Thanjavur Co-operative Marketing Federation. It is particularly said that Thiru Jambulinga Mudaliar was directing the affairs of the said firm and the name of R. Thandavarayan was used to procure orders of sale as well as permits for movements of rice and paddy. It is said that Thandavarayan is not a literate but was an employee of Thiru Jambulinga Mudaliar and he was not a person who could finance to such a heavy deal nor was he a person who could negotiate with any Government Officials. All contracts with the Officials were made personally either by Thiru Jambulinga Mudaliar or Thiru Rajamanicka Mudaliar with the active help of Thiru V. S. Thyagaraja Mudaliar and this, read in conjunction with the haste with which orders were passed by the Hon'ble Minister in the matter of the acceptance of the offer of Thandavarayan, would disclose the abuse of power by the Minister. Reference is also made to the improper use of permits obtained for the export of the purchased rice and the Hon'ble Minister is said to be responsible for this. The deponent asked for permission to adduce oral evidence at the appropriate stage and complained that relevant files in regard to the transactions were not made available even to the Estimates Committee. Cataloguing but concluding, the deponent would say that—

(*a*) The manner in which the stocks of Thanjavur Co-operative Marketing Federation had been disposed of and the method adopted ;

(*b*) The absence of any attempt to ascertain the prices prevailing at Kerala ;

(*c*) The sale of stocks belonging to the Thanjavur Co-operative Marketing Federation without the society taking a decision for such sale ;

(*d*) The use of Government machinery for the sale of such private stock would constitute individually and collectively abuse of power not to speak of misuse of it by the Hon'ble Minister for Food.

It is said that Thandavarayan himself had not applied for purchasing rice and that there was no application sent in his name for purchase of the same and that all through Thiru V. S. Thyagaraja Mudaliar was acting to further his own cause and the encouragement given to Thandavarayan, who could not even be identified and who did not even pay the necessary caution deposit and whose tender was found defective by the Collector of Thanjavur, are all acts which establish that the Hon'ble Minister through his Secretary Mr. Ramchandar, has so manipulated the affairs knowing that Thandavarayan was only the benamidar for A. M. Associated Traders. It is conceded that the Minister for Food directed the Secretary to issue the order for sale. But the complaint is that neither the Co-operation Department nor the Finance Department was consulted. There was no urgency for either the Food Department or the Minister to act in the manner they did and from the fact that even before the order of sale, the stock of paddy had been placed in the custody of A.M. Associated Traders savours of misuse of power.

After full inspection of the records was availed of by the parties, Thiru D. Pandian and Thiru S. Alagiriswami filed further affidavits Exs. R. 10 and R. 11 on 12th June 1975. It may also be stated that these affidavits were rejoinder to the affidavits filed by the Hon'ble Minister Thiru P.U. Shanmugam and the Food Secretary Thiru Ramchandar.

Thiru Pandian adopts the affidavit of Thiru S. Alagiriswami marked as Ex. R. 11. He would, however, briefly complain that Thiru Ramchandar has secreted the files relating to the sale of the stocks held by Thanjavur Co-operative Marketing Federation and he kept those files as his preserve and that he attempted to obstruct investigation by the police in the crime relating to the misuse of the permits issued to Thandavarayan for the purpose of export. It is also said that Thandavarayan did not possess a licence for dealing in foodgrains and that he did not even execute an agreement in respect of the purchase in question. The deponent repeats that Thandavarayan was the benamidar of Jambulinga Mudaliar and it is because of this knowledge and the interest of the Food Minister in the matter, the Secretary did not verify either the identity or the means of Thandavarayan.

Thiru S. Alagiriswami after perusing the affidavits filed by the Food Minister and the Food Secretary says that the object of the Government in ordering the inquiry is to make it an eye wash and that the affidavits filed by the Secretary as well as by the Minister are vague. As the Food Secretary referred to the Food Policy of the Government, the deponent would say that it is relevant for the purpose of this enquiry, that the events and happenings prior to and subsequent to the actual transaction should be taken into consideration in finding out whether there has been misuse of power. At the same time it is said that the reference to the food situation in the State and the various policies of the Government is an attempt at side tracking the issue. It is admitted

Tamil Nadu was constituted as a separate zone under the Southern States Export Control Order 1964 and the movement of paddy from one State to another State was prohibited. Every year the food policy is formulated well in advance on anticipatory production and requirement. It is said that the production in the years 1970 and 1971 fell far below the normal level. A detailed analysis of the food policy, which, according to the deponent, was prevailing at or about the time in question, is referred to. The real question is whether the State of Tamil Nadu was in a position to allow export of rice and that being a policy decision which was not decided upon by the entire Cabinet and as the Food Minister alone took upon the responsibility to sell the stock for the purpose of export to Kerala savours of misuse of power. The allegations made by the Food Secretary in his affidavit are refuted and it is alleged that the Government, who are in possession of sufficient particulars in respect of the actual production realised in the years 1970 and 1971 have not placed such facts and figures with the deliberate intention of suppressing the truth. According to the deponent, the production in the year 1970–71 was far below the requirement, the deficit being about three lakh tonnes per year and the entire State was suffering due to non-availability of rice in the open market and the State was not in a position to allow export of foodgrains to other States.

It is alleged that while matters stood thus, the Food Secretary at the instance of the Food Minister created records so as to create a situation to permit export of rice to places outside the State of Tamil Nadu. He refers to certain matters contained in the files, once again to urge that the Minister for Co-operation was not even consulted in the matter before a decision was taken to sell the stock of Thanjavur Co-operative Marketing Federation for export. Further, as the records disclosed only an oral decision and not a recorded directive and as the final order to sell for export is against the policy of the Government, the deponent alleged misuse of power by the Minister; several allegations are made on the facts touching upon the issue to the effect that the Government has suppressed materi 2 documents and particularly, the instructions given to the Thanjavur Co-operative Marketing Federation have not been produced and the interference of the Food Ministry to bale out the Thanjavur Co-operative Marketing Federation from difficulties without reference to the Hon'ble Minister for Co-operation is against the normal procedure and smacks of a high-handedness which is equivalent to misuse of power. It is sought to be made out that even though a target of 80,000 tonnes was fixed for the Federation as the quantity to be procured during the Samba harvest of 1970, it is not clear as to how much tonnage of paddy was so procured. The particular allegations in regard to the quantum of paddy held by the Thanjavur Co-operative Marketing Federation may be referred to in the words of Thiru S. Alagiriswami himself thus :

"16. Strangely enough Mr. Ramchandar does not give the figure in respect of the actual procurement made by the Thanjavur Co-operative Marketing Federation. He observed that the Federation procured 35,800 tonnes rice of paddy (paddy equivalent of 35,800 tonnes rice). It is clear that there is no mention about tonnage of paddy procured. In a letter, dated 23rd September 1970 the Registrar of Co-operative Society has recorded the fact that the Thanjavur Co-operative Marketing Federation had delivered to the Government between January and September 1970 a total quantity of 15,154 tonnes of rice including 1,015 rice tonnes of paddy to Government as levy. He has recorded that the Thanjavur Co-operative Marketing Federation had sold in open market 9,428 tonnes of rice. In another letter, dated 20th September 1970, the Registrar of Co-operative Society has recorded that the Thanjavur Co-operative Marketing Federation had a total stock of 12,753 rice tonnes in the form of rice and paddy of which rice is 2,924 tonnes as on 20th September 1970. If the above figures are correct the total quantity procured by the Thanjavur Co-operative Marketing Federation is 37,335 tonnes. After delivering levy paddy and after effecting sale in the open market the Thanjavur Co-operative Marketing Federation should have been left with a stock of 22,181 tonnes. This figure, in fact approximates to the actual sales effected in the name of Thandavarayan. But even according to the version given by Mr. Ramchandar it is evident that nowhere has the Food Ministry taken into account the quantity of about 22,000 tonnes available with the Thanjavur Co-operative Marketing Federation. This is necessary because the claim made on behalf of the Government is that the stock held by the Thanjavur Co-operative Marketing Federation was 12,750 tonnes after delivering about 15,000 tonnes of rice to the Government as levy and that the loss suffered in delivering the levy paddy had to be made good by the sale of the 12,750 tonnes of rice. This quantity that was offered to the Central Pool the rate cited at that time was Rs. 1,366 per tonne for raw rice of first sort and Rs. 1,379 per tonne boiled rice of first sort. This figure had been worked out on the basis that the quantity available for the made over to the Central Pool was only 12,750 tonnes. Had the figure been worked out on the basis that the actual quantity available was 22,181 tonnes the price should have been fixed at far less an amount than Rs. 1,366. There has been a deliberate attempt in suppressing the truth even when an offer was made to the Central Government to make over the stock held by the Thanjavur Co-operative Marketing Federation. Wrong figures were furnished to the Central Government with a deliberate intention of making only a show of an offer without making a bona fide offer."

After making the above allegation as to suppression on the part of the Food Secretariat, it is alleged that the Food Ministry arrogated to itself the powers over the affairs of the Thanjavur Co-operative Marketing Federation and Thiru V. S. Thyagaraja Mudaliar acted in collusion with the Food

Minister and the Chief Minister to bring about the rice deal under review. Even though the Food Secretariat was aware of the large advances taken by the Thanjavur Co-operative Marketing Federation and inspite of the adverse report made by the Registrar of Co-operative Societies touching upon the maladministration of Thanjavur Co-operative Marketing Federation, the Federation has stage, managed to accumulate stock without selling the same in the available market so that they could indulge in the present rice deal. There is no explanation by the Food Secretary as to why the stock which was accumulated between January and March 1970 was not disposed of until 1971. The non-availability of market inside the State of Tamil Nadu is an attempt at suppressing the truth. Several districts in Tamil Nadu were affected with drought. There was no need for export. There is no clear finding anywhere to warrant the decision to export rice to out of State places. This attitude is characterised as a deliberate act on the part of the Food Minister, who has taken over the control of Thanjavur Co-operative Marketing Federation to allow large quantity of food-grains to accumulate with a view to make the best use of it in his own interest. The deponent explains that the Hon'ble Minister for Co-operation was deliberately kept in the dark about the proposed sale, since the Co-operation Minister knew about the affairs of Thanjavur Co-operative Marketing Federation and he would not have been a party to the decision. The disposal was effected on the oral order of the Food Secretary, who in turn has taken an oral order from the Minister.

The deponent thereafter sets out in detail the various irregularities in the matter of the calling of tenders, acceptance of tenders and the final acceptance of the negotiated tender with Thandavarayan. The entire process resulting in the acceptance of the negotiated tender with Thandavarayan abounds in serious irregularities appearing on misuse of power. The conduct of the Food Secretary is not having obtained written order from the Hon'ble Minister for Food is commented upon. Reference is particularly made to the fact that by 17th March 1971 even the negotiated tender which was called for for 9th March 1971 has been completed which means that the sale has taken place even without the Minister's approval in writing. It is said that the idea was to initiate the action clandestinely because it was illegal and wrong. The letter, dated 31st December 1970 alleged to have been given by Thiru V. S. Thyagaraja Mudaliar as President of the Thanjavur Co-operative Marketing Federation is subjected to severe comment. Apart from stating that the statements in the said letter are incorrect, it is said that the letter is got up in collusion with the Food Secretary for the purpose of creating records. Reference is also made to an alleged meeting of Thiru V. S. Thyagaraja Mudaliar with Mr. Balasubramaniam, Joint Secretary, Government of India, as also to the discussions which the Food Secretary had with Mr. Balasubramaniam. According to the deponent, Mr. Balasubramaniam never gave any indication that the Central Pool was not interested in purchasing the Thanjavur Co-operative Marketing Federation stock. Thiru S. Alagiriswami would deny that the Food Secretary's statement that the Government of India had not come forward to offer economic prices for the Government stocks and hence, the Government itself had sold its own stock outside the State. In these circumstances, it is said that the letter of Thiru V. S. Thyagaraja Mudaliar, dated 31st December 1970 was a got up one. A criticism is levelled once again on the various stages during which the Thanjavur Co-operative Marketing Federation's stock was disposed of. Particular reference is made to the fact that in the first three tenders, the sale was effected to Sankarankutty and Mohamed Aboo, who were nominees of A.M. Associated Traders. A series of criticism is levelled against the manner in which the Food Secretary in conjunction with the Food Minister dealt with Thandavarayan and his associates. It is said that the letters purporting to have been written by Thandavarayan was got up at the instance of the Hon'ble Minister for Food and the curious haste with which the offers made by Thandavarayan from time to time were dealt with and finally accepted savours of misuse of power. A comment is made that it is wrong to have negotiated the sale with Thandavarayan, since the deal was a heavy one and involved in the sale of huge and sizable stock. The fact that Thandavarayan did not fulfil the contract and the Government which acted for Thanjavur Co-operative Marketing Federation and processed the entire deal, did nothing about it, shows that the rice deal was put through under the circumstances,which are not clear and such circumstances by themselves proclaim gross misuse of power by the Minister for Food in total disregard of the interest of the people of Tamil Nadu and in order to help his friends to make illegal gain. The total disregard of the Ministry of Co-operation which was eschewed from sight and consideration is yet another circumstance to prove such misuse of power.

In her affidavit presented on 9th June 1975 Thirumathi Anandanayaki, M.L.A. reiterates the allegations made by the other representators. She accuses the State Government of running battle against the Central Government owing to political and idealogical differences. According to her only a pretence was made by the State Government and finally she would add that according to the files of the Ministry of Food, Government of India, at no time did the Central Government declined to take the surplus paddy and rice. She would further state that it is only on the oral statement of Thiru V. S. Thyagaraja Mudaliar, the President of the Thanjavur Co-operative Marketing Federation the State Government came to the conclusion that the Central Government were unwilling to pay economic prices for the paddy and rice. She would characterise the conclusion, arrived at by Thiru P. U. Shanmugam and the Government of Tamil Nadu that the

Central Government were unwilling to take the surplus paddy and rice at economic prices, a false conclusion and not bona fide. She would also add that the Minister for Food took a decision to sell the paddy and rice with permission to export in order to benefit certain private traders who were closely associated with him taking advantage of the difficulties of Thanjavur Co-operative Marketing Federation. She would emphasise the fact that the State Government had abandoned the policy of building up a public distribution system for paddy and rice and made over the entire trade in paddy and rice to the private sector so that the private sector could exploit the situation. According to her certain districts in the State of Tamil Nadu were chronically deficit. The surplus stock of Thanjavur Co-operative Marketing Federation could have been given to the Central Government Pool or exported outside the State by the Thanjavur Co-operative Marketing Federation itself but what happened really was such stocks in the hands of Thanjavur Co-operative Marketing Federation were made available to Thandavarayan as a benamidar for Asoka Traders and A. M. Associated Traders. She refers to the mismanagement in the affairs of the Thanjavur Co-operative Marketing Federation and would point out that Thiru V. S. Thyagaraja Mudaliar was the principal actor in the events that unfolded in January to March 1971. Thandavarayan is characterised as a non-descript person, who is not likely to engage himself in such a huge transaction in his own right. Categorically an avertment is made that Thiru V. S. Thyagaraja Mudaliar was helped to wriggle out of the awkward financial situation and there is, therefore, abuse of power by Thiru P. U. Shanmugam. References are repeated here to the alleged raids conducted in the premises of A. M. Associated Traders and its partners and finally would say that Thiru P. U. Shanmugam and his Secretary deviated from the policy of the Government and took the extreme step of a direct sale of the stock of Thanjavur Co-operative Marketing Federation to private parties. According to her this was without the concurrence of the Department of Co-operation or the Department of Finance of the Government of Tamil Nadu. In conclusion she would say that the transaction had the effect of depriving the people of Tamil Nadu of valuable paddy and rice and this having been done with the full knowledge and consent of Thiru P. U. Shanmugan, is a gross instance of abuse and misuse of power by the Minister.

This leaves the allegations made by Mr. P. Kannan, a practising lawyer in Salem, and who is admittedly a member of the Anna Dravida Munnetra Kazhagam and who has filed two affidavits Exibits R. 2 and R-8, the former on 2nd May 1975 and the latter on 4th June 1975 after having had the benefit of inspection of the documents and the affidavit of Thiru Ramchandar, Food Secretary who filed his affidavit on behalf of the Government on 19th May 1975.

In Exhibit R-2 Mr. P. Kannan adopted the affidavit filed by Thiru K. T. K. Thangamani (Exhibit R-1) and sought for the summoning of the several documents which Thiru K. T. K. Thangamani himself asked for production. Mr. P. Kannan makes a reference to the Estimate Committee's Report, Exhibit A-37, dated 20th April 1974 and would add that 19 persons, mostly influential businessmen organised the firm called A.M. Associated Traders and conspired to cheat the Government and according to him the observation in the Estimate Committee's report is to the effect that the entire partners of A. M. Associated Traders are responsible for the illegal export and for causing artificial scarcity especially in and around the city of Madras and that the value of the stocks which is the subject-matter of rice deal is about 1½ crores of rupees. Reference is also made to the various tenders received and accepted by the Government from time to time and also to the effect that after the completion of the sale to Thandavarayan, 70 export permits were issued by the Collector of Thanjavur, some of which were later surrendered in lieu of which fresh permits were issued for the same purpose.

The representator alleges that Thandavarayan did not participate in the tender auction held on 9th March 1971 but it was the Government that accepted his offer on a negotiated deal. Attention is drawn to a police case registered in the Royapuram Police Station and to certain criminal cases in the City Sessions Court against Thandavarayan and others. After having prefaced his affidavit thus, he would allege that the production and procurement in 1970 showed downward trend and according to him.

the plea of accumulation of huge stocks of paddy and rice is not correct.

The practice prevailing in 1969 for traders in districts like North Arcot, Tiruchirappalli, Salem, Coimbatore, Kanyakumari, etc., was abandoned by adopting the contrivance of not issuing permits for movement in order to make it appear that there was accumulation of huge stocks of paddy and rice in Thanjavur District. He avers that Thiru V. S. Thyagaraja Mudaliar had no *locus standi* to make a request for and on behalf of the Thanjavur Co-operative Marketing Federation and it was all made in the game of granting the deal to a person like Thandavarayan. Incidentally a reference is made to the affairs of Thanjavur Co-operative Marketing Federation and how it drew large sums of money from the State Bank of India on stocks statements, which were not correct and how the Society incurred loss of over one crore of rupees during the Presidentship of Thiru V. S. Thyagaraja Mudaliar. Provocative words, such as fraud, fabrication, misappropriation, breach of trust, possibly theft and cheating are used to say that Thanjavur Co-operative Marketing Federation could have sustained loss only by the perpetration of the above. It is the request of such person like Thiru V. S. Thyagaraja Mudaliar that is the basis for the rice deal in question and, therefore, it is said that there was no bona fide necessity at all to call for tenders

for the alleged disposal of the huge stock of paddy and rice. Special reference is made to the fact that the Government had no factual data to come to the conclusion that this so called accumulated stock with Thanjavur Co-operative Marketing Federation is actually surplus stock of the State as a whole. It is in this context Mr. Kannan says that the call for tenders and that too for export are all acts done :

" to facilitate the gang of criminals, who had conspired and organised the firm called A. M. Associated Traders ".

He criticised the extraordinary procedure adopted by the State Government in the matter of the sale of the stock of Thanjavur Co-operative Marketing Federation. He takes objection to the manner in which the tenders were called forwithout adequate publicity being given and by irregularly splitting the tender without a warrant and says that powerful persons have influenced the Collector of Tanjavur to commit gross violations and illegalities in the matter of calling for tenders etc. Reference is made to the oral order of the Minister and permission is sought to file a further and a detailed statement after inspection. I may add here that Mr. Kannan also asked for the production of the several documents and as is seen from appendices 1 to 23, I have passed orders from time to time on the request made by the representators for the production and consequential inspection of those documents.

Later, under Exhibit R-8, an affidavit running to about 50 pages was filed by Mr. P. Kannan. This was ata time when he had the benefit of perusing the affidavits Exhibits R.4 and R. 7 filed by the Food Minister and Food Secretary. I may at once state that this affidavit is so disjunctive and appears to be more or less a para to para comment on the affidavit of the Food Secretary and the Food Minister. It is, therefore, necessary for me to summarise the same and cull out the necessary objections as sworn to by the representator Mr. P. Kannan. General allegations are made in the earlier part of the affidavit about the charges levelled against the Dravida Munnetra Kazhagam as a party and as against the Ministers in charge of the affairs of the State of Tamil Nadu. The deponent would go to the extent of saying that the main object of the Dravida Munnetra Kazhagam Party was to make money for their men and principles were laid down to facilitate corruption. Various forms and contrivances were used to defy detection.

The terms of the reference to the Commission are scanned and the representator says that on a strict interpretation of the terms of the reference, the Commission of Inquiry is to find facts on a mutilated and maimed portion in the whole set up of misuse and abuse of power. The representator has also the courage to say that the appointment of the Commission is only an attempt " to make the Commission of Inquiry become a collateral security to screen misuse of power ". Reliance is placed upon the allegations in the memoranda to the President of India presented by Thiru M. G. Ramachandran to prove the misuse of power in conceiving, conducting and completing the ' negotiated deal ' in the name of Thandavarayan. According to the representator the present Commission is appointed to find facts as regards misuse of powers not upon the nicities of narrow jurisprudence, but upon the enlarged and solid principles of State morality. Mr. Kannan would say that there were several omissions on the part of Thiru P.U. Shanmugam, which was resulted in misuse of power. The competency of Thiru Ramchandar as Food Secretary to file an affidavit is questioned. Thereafter reference is made to the appendix to the Estimate Committee's Report and a comment is made that the combination of the offices of the Commissioner of Civil Supplies and the Food Secretary was unwholesome. The fact that Thiru Ramchandar became the Secretary for Public Works when Thiru P.U. Shanmugam assumed the Office as Minister for Public Works is referred to.

Thiru Kannan would plead that Tamil Nadu was not such a surplus State that could export rice and that by itself is sufficient to show that when, after the rice deal was completed, export permits were granted to export the rice from the State of Tamil Nadu to outside the State, it was gross misuse of power. Surprise is expressed on the *modus operandi* adopted as to whether the loss suffered by the Thanjavur Co-operative Marketing Federation could be made good only if the grains are sold in Kerala ; in the absence of any public decision that the stocks of the Thanjavur Co-operative Marketing Federation was surplus of the State, the very idea of sale for export savours of misuse of power. The State of Tamil Nadu is severely criticised for not carrying out the policy of the Government of India, which took a decision in 1970 to stop import of foodgrains from abroad and mobilise all resources from within. It is admitted that the stocks belonged to the Thanjavur Co-operative Marketing Federation and not to the State Government, but at the same time it is alleged that as a decision was taken to export the stock of Thanjavur Co-operative Marketing Federation there is misuse of power and it runs contra to an alleged resolution passed at the meeting of the State Ministers. Though the rice belonged to the Thanjavur Co-operative Marketing Federation, rice grown in Tamil Nadu should primarily be available to its people and any attempt to throw away the rice outside the Tamil Nadu is obvious excess of power. Event if Thanjavur Co-operative Marketing Federation was confronted with a problem of its own regarding its surplus stock, it was certainly not the responsibility of the Food Secretariat and not even that of the

Food Minister, but it was entirely that of the Department of Co-operation. It is alleged that Thiru V. S. Thyagaraja Mudaliar ignored the Co-operation Department. After referring to the alleged contrivances adopted by the Government in appointing miller agents, the representator would charge Thiru P.U.Shanmugam for sabotaging the food policy at a time when the Government of India took the momentous decision not to import rice. It is alleged that the correspondence between the Food Secretary and the Government of India would disclose a design and the sale is solely intended to make up the losses of Thanjavur Co-operative Marketing Federation and here again, therefore, the Minister, who was at the head of affairs, is guilty of misuse of power. Thereafter, certain details are given as to the price which the Thanjavur Co-operative Marketing Federation required for its stock and an incidental reference is made to the negotiations which the State Government had with the Government of India (but it may, however, be said that the representator was confusing with an issue which is exclusively relating to the offer of the State Government to sell its own stock to the Central Pool and which had nothing to do with the stock held by the Thanjavur Co-operative Marketing Federation). A comment is made on the fact that in a major policy decision such as the one involved, the Minister for Co-operation and the Chief Minister were not consulted in the beginning. The rice deal is sought to be adjudged from the fact that even after the sale for export to Kerala, Thanjavur Co-operative Marketing Federation did not recoup thier losses and, therefore, it is said that Thiru V. S. Thyagaraja Mudaliar, Food Secretary and the Food Minister were hand in glove in striking the hammer in favour of Thandavarayan. It is even alleged that the price obtained from Thandavarayan should have been more than the amount found in the books. The representator, therefore, charges the Food Minister and his Secretary to gross misuse of power.

Thereafter a detailed analysis as to the affairs of the Thanjavur Co-operative Marketing Federation under the Presidentship of Thiru V. S. Thyagaraja Mudaliar is touched upon. In fact, the loss to Thanjavur Co-oprative Marketing Federation set out by Mr. Kannan is said to be the result of cheating, misappropriation, breach of trust and possibly theft, if not dacoity and the President of Thanjavur Co-operative Marketing Federation is said to be one concerned with such irregularities. Reference is made to the reply sent by the State Government to the Prime Minister about the affairs of Thanjavur Co-operative Marketing Federation and its officers, as also to a note put up by Thiru E. P. Royappa, former Chief Secretary to the Government of Tamil Nadu and touching upon the unsatisfactory state of affairs of Thanjavur Co-operative Marketing Federation in June 1970. After having touched upon such alleged illegalities committed by the persons in charge of the affairs of Thanjavur Co-operative Marketing Federation, Mr. Kannan alleges, as I said disjunctively, that a firm called A. M. Associated Traders was constituted in July 1970 and the partners of the said firm and Thandavarayan entered into a criminal conspiracy to cheat the Government of Tamil Nadu.

Once again, it is categorically admitted that the rice and paddy belonged to Thanjavur Co-operative Marketing Federation. But comment is made on the initiative taken by the Food Secretary of not keeping the stock of Thanjavur Co-operative Marketing Federation in the State, and throwing it away outside the State. The Minister for Co-operation having been ignored at all material times and the decision to sell the stock in question, not having been taken by the Council of Ministers, the then Food Minister, who was a party and privy to the uncalled for activities of his Secretary, is guilty of misuse of power. The Hon'ble Minister for Food is charged with failure to correct the abuse and perverse approach of his Secretary for having taken a decision by usurping the functions and powers of the Minister for Co-operation and Minister for Finance for it is alleged, he wanted to save Thiru V. S. Thyagaraja Mudaliar under whose Presidentship the affairs of Thanjavur Co-operative Marketing Federation were such that even books of accounts did not tally with the figures furnished to the State Bank of India. One another reason for charging the Food Minister with misconduct is that the entire deal in question was put through during the period when the Tamil Nadu Assembly was dissolved and the status of the Minister was that of one in a care-taker Government.

Again, a reference is made to the method by which tenders were called for and such methodology adopted by the Food Secretary and his Subrodinates are severely commented upon. Mr. Kannan would not even accept the genuineness of the signature of Thandavarayan in the letter of offer made by him and alleges that the peculiar manner in which Thandavarayan's offer was considered is by itself provocative and proof of misuse of power. There was no valid tender from Thandavarayan in any prescribed form, and therefore, there should not have been any negotiation with such a person. The process of negotiated tender comes for severe comment. Mr. Kannan invites the attention of the Commission to the suit C. S. No 9 of 1972 filed by Asoka Traders represented by Sundaram against Thandavarayan and a vague suggestion is made that the filing of the suit and the securing of an interim order, are all contrivances to pretend that there was a fair deal with Thandavarayan.

As is common in this affidavit, the affairs of Thanjavur Co-operative Marketing Federation are once again brought into the picture and it is alleged that Thiru V. S. Thyagaraja Mudaliar knew not the affairs he administered, he dare not look up his own accounts, was most anxious to get rid of the stocks whatever they be, so that he could make a pretence to credit monies in the names of balance of stocks so as to account for short fall to stocks and avoid possible action. Thereafter, Mr. Kannan goes all out to set out in detail the constitution of the firm A.M. Associated Traders and how the premises of Asoka Traders and its partners were raided by the Income-tax Department and how Sundaram, a partner in Asoka Traders as well as in A.M. Associated Traders, who filed the suit in C.S. No. 9 of 1972 on the file of the High Court, was an active participant in all the transactions and how a necessary inference should be drawn that Thandavarayan was not a benamidar for A.M. Associated Traders, but A. M. Associated Traders was constituted for some other purpose and in the circumstances of the case, could only benefit Thiru P. U. Shanmugam and or Thiru V. S. Thygaraja Mudaliar. A vague allegation is also made that the son-in-law of Thiru P. U. Shanmugam who was interested in the Pandian Finance Corporation financed the negotiated deal with Thandavarayan and, that, therefore, the inference is that Thiru P. U. Shanmugam too should have a part in the deal. Having so detailed and analysed the constitution of Asoka Traders and A.M. Associated Traders and their alleged benami concern, Mr. Kannan would proceed to say that the Commission may be pleased to summon the account books, income-tax returns, etc., of the above firms to prove the merits touching upon this enquiry. An ingenious contention is also raised. One of the successful tenderers is one Sankarenkutty. It is said that Sankaran is the son of Narayanan, who was a partner in Asoka Traders and A.M. Associated Traders and the word 'Kutti' is added to Sankaran in order to give a Malayalam accent. Taking all these circumstances into consideration, it is alleged that the A.M. Associated Traders and the other firms already referred to are benamidars of the Minister for Food and Thiru V. S. Thyagaraja Mudaliar. Mr. Kannan, therefore, submits that a legal inference should be drawn that the negotiated deal was pretendedly for Thiru Thandavarayan but really to benefit the Minister and this constitutes misuse of power on his part. A comment is made on the undue haste with which the negotiated deal was finalised and it is said that the urgent decisions taken were not in the interest of even Thanjavur Co-operative Marketing Federation, but to throw away the foodgrains from and out of Thanjavur Co-operative Marketing Federation's godowns in order to escape possible accounting by Thiru V. S. Thyagaraja Mudaliar. The case made out by Thiru Ramchandar in his affidavit that there was enough stock in the State and it was only to help Thanjavur Co-operative Marketing Federation, out of its difficulties that the tenders, etc., were called for is denied. The so called ground put forward for the action initiated by the Food Secretary and later approved by the Food Minister in selling this Thanjavur Co-operative Marketing Federation's stock, in order to overcome their losses is myth, since the losses to be made up were never made up. The fact that the entire stocks was offered to Thandavarayan even though at one time it was pretended that it would be advantageous to put up small lots for sale is only a contrivance to help Thandavarayan and to this, the Food Secretariat as well as the Food Minister are guilty of gross misuse of power.

The various allegations made by Thiru Ramchandar in his affidavit are squarely met and denied and a general observation is made that no Minister, no Secretary can seek justification on the basis of their thinking just as no citizen can cite wicked examples and profligate practices and escape the consequences of his acts. Meticulous care is taken to meet the relevant pleadings as set out in the affidavit of Thiru Ramchandar as Food Secretary and Thiru P. U. Shanmugam as Hon'ble Minister for Food. Lastly Mr. Kannan concludes by saying :

" Whether Thiru P. U. Shanmugam and his Secretary Ramchandar have no manner of responsibility at all and whether or not they provided the cause for the consequences that all well-meaning people lament and every Government should guard against at least, in future."

At this stage, it would be convenient to refer to exhibits R-3, R-4 and R-13, the affidavits filed by Thiru P. U. Shanmugam, Minister for Food and Exhibits R-7 and R-12 filed by the Food Secretary Thiru Ramchandar. Thiru P. U. Shanmugam begins by saying that in this case, no specific instances or specific allegation of any kind suggesting that he has misused his position as Minister in the rice deal transaction has been mentioned, that the so called allegations could be gathered only from the speeches of the members of Legislature and from the two affidavits by then filed (Exhibits R-1 and R-2), and that those allegations have been made maliciously without any basis, purely on account of political vindictiveness to besmirch his image as a Minister and to bring down his reputation and effect his future political career. He denies that he ever showed any favour to anybody in the matter of the disposal of the stocks of paddy and rice belonging to Thanjavur Co-operative Marketing Federation. After referring to the fact that on 5th January 1971 the Tamil Nadu Assembly was dissolved and a new Cabinet was sworn in only on 15th March 1971, the Minister says that he dealt with the files under consideration in the normal manner and he sets out such normal procedure adopted by him. A note would

ordinarily be put up by the Secretary and after perusing the same, the deponent says that he will give his approval or otherwise mention his views. Sometimes, it may so happen that on a mutual discussion between the Secretary and himself some decisions may be arrived at and on the basis of such decision, the Secretary might initiate action on the agreed lines. The Minister would add that in such cases, the file would be put up to him later for approval of the course of action as decided during the discussions. He would, however, add that as he was not the Minister for Food at the time when the Commission has been appointed, he was unable to refer to all the details of the transactions. While traversing the allegations personally made against him, the Minister would allege that the decision to sell the stocks of Thanjavur Co-operative Marketing Federation by tender was taken in the normal course and at a discussion between himself and the Secretary. That decision was approved by him as Food Minister and later by the Minister for Co-operation and the Chief Minister. He succinctly refers to the food policy in 1970 and says that there was a change in the food policy in that year resulting in the relaxation of the restrictions on the private trade with freedom to operate subject to delivery of levy paddy at the prescribed percentage. With this as the background he refers to his speeches,dated 18th March 1970 on the floor of the Legislature and in particular, invites attention of the Commission to the fact that during 1970, the food production in the State had recorded a significant increase and there were bright prospects from the Samba season as well. It is in that connection that policy changes were announced by the Chief Minister on the 5th of January 1970. He also refers to the fact of abolition of the statutory rationing in Coimbatore, Madras city and its belt areas and that the one rupee a measure scheme was continued in Coimbatore town and Madras city and belt areas of the Madras City, the benefits being limited only to cardholders with a monthly income of Rs. 200 and below. After having thus set out the change in the policy, he harps on the fact that such a change has resulted in a lesser off-take through public distribution agencies, that there was a general contentment among the public about the food situation and that there was no complaint of non-availability of rice. It is stated that the Thanjavur Co-operative Marketing Federation which purchased the stocks from the Samba paddy of 1970 could not sell them within the State without considerable loss to them and it was at that stage a decision to sell all their stocks for export to outside the State was taken and even that on their representations that they could avoid hevy losses only by sale for export. He then catalogues the various stages in the course of which the Thanjavur Co-operative Marketing Federation stock was offered for sale by open tenders, limited tenders, negotiated tenders, etc. He denies that there was any lack of bona fides either in the treatment of the transaction or the process adopted to conclude the deal. As the ultimate negotiated deal was not comparable to a contract of works and as it contemplated a case of sale of the stock which will be delivered on payment, there was no necessity to enquire into the antecedents of the offerer. An explanation is given as to why the Government involved itself in the matter. Since the Government advanced large sums to the Thanjavur Co-operative Marketing Federation as was usually done in the case of other co-operatives also, the Government got itself interested in securing the best price for the Thanjavur Co-operative Marketing Federation to help them to offset their losses. He denies that he ever wanted to help any person or Thandavarayan and equally denies the allegation that he has given instructions to his officers to show a special preference to any inidividual or group of individuals. He says that the ususal procedure was adopted. There was no secret deal at any time and the entire transaction was an open one. He says that he does not know, who Thandavarayan is; nor is he aware that A.M. Associated Traders or Asoka Traders were interested in or behind the transaction. He denies any connection either direct or indirect with the above firms or with Thandavarayan or with any of the partners of the aforesaid firms. He denies the false allegation that he was a party to a gang formed to cheat the Government. After the sale for export was concluded, when certain irregularities in regard to export outside the State was brought to the notice of the Government, immediate action was instituted against all concerned. He denies each and every one of the allegations made by Thiru Kannan and counters the suggestion that the production in 1970 showed a downward trend. He denies as mischievous and false statement that the request from Thiru V. S. Thyagaraja Mudaliar acting for Thanjavur Co-operative Marketing Federation to sell the Society's stock, is a contrivance to facilitate the fraud. He denies any interest either in the transaction or in Thiru V. S. Thyagaraja Mudaliar and also the allegation that the entire deal was a make belief affair. He reiterates that his Secretariat took a bona fide view of the entire transaction and call for tenders and that there was no secrecy about it. He specifically alleges that the stock, which was the subject matter of the rice deal, was the balance left with Thanjavur Co-operative Marketing Federation, after delivery of the levy due to the Government and that, therefore, the said stock was not available to the Government for public distribution and the question whether it is surplus stock of the Government or not does not arise. He says that even on the allegations of Thiru Kannan, there was no proximity between the formation of A.M. Associated Traders and the decision to sell the stock by negotiated tender and denies knowledge of the formation of the firm when such a decision was taken. He denies having issued any oral orders to Collector as alleged by Thiru K. T.K. Thangamani and says that the memoranda to the Prime Minister and the consequent replies and rejoinders are outside the scope of this enquiry and are irrelevant. The Commission is only concerned with the sale of the stock of Thanjavur Co-operative Marketing

Federation to Thandavarayan and it has been asked to find whether there is any misuse of power by the Minister in the course of such a deal. The deponent sumbits that the allegations are frivolous and politically motivated and reserve his liberty to proceed against persons for having made such defamatory and scandalous allegations.

Thiru P. U. Shanmugam as the then Minister for Food, expatiates the above points in Exhibit R-13 when he had an opportunity of going through the affidavits of Thiru Pandian and Thiru S. Alagiriswami. He makes it clear that he was answering only the allegations personnally made against him and wherever references are made to Government policies, they would be dealt with by the Government on merits. He denies the allegations made in the affidavit filed by Thiru D. Pandian on behalf of the Communist Party of India. Though it is true that the stocks belonged to Thanjavur Co-operative Marketing Federation and they had the right to sell them, the Government could not have sold them on their own volition and without reference to Thanjavur Co-operative Marketing Federation and the part played by the Government was to help the Thanjavur Co-operative Marketing Federation to sell its paddy and rice for export and this help, the Government volunteered to do in view of large amounts of the Government having been ploughed into the finance of the Thanjavur Co-operative Marketing Federation and also for the reason that the Thanjavur Co-operative Marketing Federation was a co-operative institution which acted as the Government's procurement agent and, therefore, deserved help and support. In the ultimate negotiated deal with Thandavarayan it was the Thanjavur Co-operative Marketing Federation's price and decision that prevailed and in this context, therefore, there cannot be use of any power to force the Thanjavur Co-operative Marketing Federation to do a particular thing and much less misuse of power. There was no action to use any power, since the whole transaction was taken on hand by the State purely as a measure of help to Thanjavur Co-operative Marketing Federation. Thiru P.U. Shanmugam denies that the ruling prices were high within the State and that no action was taken to ascertain the ruling price within or without the State. The price offered in response to the tenders established that no offers were forthcoming higher than the minimum expectation of the Government and that by itself was an indication about the prevailing prices in Kerala. The deponent says that tenders were sufficiently advertised in Kerala. He denies that the Government sold the procured stocks to wholesale dealers within the State. Such procured stocks are utilised for public distribution and only the stocks not required for public distribution are disposed of otherwise by offer to Central Pool or later by sale of the same by the Government. He denies that the relative position in various districts of Tamil Nadu were not taken into account. But on the other hand, he would swear that there was no dearth of rice in other districts and the price in other districts were lower than the price which the Thanjavur Co-operative Marketing Federation sought for its stock. He denies any association with A. M. Associated Traders and reiterates that the procedure followed by the Secretariat in selling the stock of the Thanjavur Co-operative Marketing Federation was not only regular but the best way of ascertaining the best price available in the market. As regards the allegation about misuse of export permits, they are the subject-matter of criminal proceedings and even otherwise it is entirely outside the subject-matter of reference and is, therefore, irrelevant. He denies the allegation that he was aware that Thandavarayan is a benamidar of Jambulinga Mudaliar or of A. M. Associated Traders. He refers to the request of Thiru V. S. Thyagaraja Mudaliar and says that he had the requisite authority to act for Thanjavur Co-operative Marketing Federation and it was one of the many transactions on which he took a decision in the normal course as a Minister. He denies as false the allegation that he and the Chief Minister unlawfully interfered and directed dropping of the criminal proceedings against Thiru V. S. Thyagaraja Mudaliar. Even otherwise, he would offer that the fact that some investigation is going on against Thiru V.S. Thyagaraja Mudaliar, has no relevancy to the Government dealing with the disposal of the surplus stocks of the Thanjavur Co-operative Marketing Federation so that it could give a helping hand to the Federation to recoup, as much loss it has already sustained as possible. He concedes that it was on the note put up by the Secretary he passed the orders and denies that the decision was in flagrant violation of accredited policy of the Government. As a matter of fact, the State had to sell its surplus stock by open sale for export to other States. A reference is made to Tamil Nadu Paddy and Rice (Movement Control) Order or the Southern States Rice Exports Order, 1964, and it is contended that the said orders did not prohibit export but only provide that such export should be with the permit of the State Government. He denies that he is a close associate of Jambulinga Mudaliar and Rajamanicka Mudaliar and equally denies as false the allegation that there was some understanding, or arrangement or conspiracy between him and Jambulinga Mudaliar and Rajamanicka Mudaliar and Sundaram at or about the time when the rice deal was concluded. He denies that the above persons approached him in connection with the transaction. Expecting to know Jambulinga Mudaliar as a leading businessman of North Arcot District every other connection as alleged between him and Thiru Jambulinga Mudaliar is denied. He denies that he got financial assistance from Thiru Jambulinga Mudaliar for his political activities. He says that Jambulinga Mudaliar is not, close friend of him and expressly denies the allegation that it was a matter of public knowledge that he was looked upon Jambulinga Mudaliar as his supporter. Similarly, he denies that Rajamanicka Mudaliar of Thiruvannamalai is a close

associate of his. Though his son-in-law is a partner of Pandian Commercial Financial Corporation, he denies any joint venture as between Rajamanicka Mudaliar and his son-in-law. He denies that Rajamanicka Mudaliar and/or his son-in-law Mr. Kannan had anything to do with Selvam Chit Funds. According to the Minister, prior to May 1971, his son-in-law did not have any interest in any concern or business in which Rajamanicka Mudaliar is interested. He also denies that he had anything to do with Sundaram Pillai who is said to have floated the firm A. M. Associated Traders. Even according to the representators A. M. Associated Traders, was formed in July 1970, whereas the decision to sell the rice stocks of Thanjavur Co-operative Marketing Federation was taken in early 1971. He denies knowledge of Thandavarayan being an employee in Jambulinga Mudaliar and company and refutes the allegation that there was any collusion between him and Thiru V. S. Thyagaraja Mudaliar. He particularly refers to the letter of Thiru V. S. Thyagaraja Mudaliar and how it was brought to his notice by his Secretary and how he accepted the note of the Secretary in regard to the offer of Thandavarayan. He says that the file relating to the rice deal was seen both by the Co-operation Department and the Finance Department and denies, therefore, any design or deliberateness in the conclusion of the deal. He would not accept the statement that the stocks of paddy and rice were moved before the order of sale was passed and concludes that his conduct after passing the order would not disclose any abuse of power and explains how the Government took immediate steps to stop illegal movement of rice on false permits. Thiru P. U. Shanmugam was not aware of the real beneficiaries in the purchase and that the entire transaction was a bona fide one and in the usual course of official business, according to Secretariat business. He denies any misuse of power by him. Touching upon the allegations in the affidavit of Thiru S. Alagiriswami, which, according to the deponent, are almost similar to those averred by Thiru D. Pandian, the Minister denies that he assumed control over the society and allowed the stock to accumulate. The decision to sell the stocks outside the State was only to benefit the Federation and no one else. In the rest of the paragraphs he repeats what he has stated while countermanding the allegations of Thiru Pandian and categorically states that there was no need for a decision of the cabinet to allow export of rice from Tamil Nadu. It is only under special circumstances certain exports were permitted and having regard to the pitiable representations made on behalf of Thanjavur Co-operative Marketing Federation, the Government undertook to process through the deal and sell the stock for export. He refers to similar sales outside the State by the Food Corporation of India and concludes by saying that under the rules of business governing the procedure, a subject is placed before the Cabinet only if the Minister in charge of the subject and the Chief Minister desire or if the Chief Minister so desires that the matter should be placed before the Cabinet and in all other cases, the Minister in charge can take a decision depending upon the urgency and importance of the subject and the Chief Minister can be informed later.

In these circumstances, he denies any misuse of power on his part.

வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

Chapter III

EVIDENTIARY VALUE OF THE AFFIDAVITS OF PARTIES WHO HAVE WITHDRAWN FROM THE INQUIRY AND THE WEIGHT OF THE RECITAL THEREIN.

Under the Commissions of Inquiry (Tamil Nadu) Rules, 1972, the Commission is enabled to receive affidavits from parties who pursuant to the public notice under rule 7(1)(*a*) or (*b*) furnishes such statements as in their opinion would contain such relevant material regarding the inquiry to be conducted by the Commission. Under sub-rule (2) of Rule 7, all such statements filed by persons who are interested in participating in the inquiry should be accompanied by an affidavit in support of the facts set out in the statement sworn to or solemnly affirmed by the person furnishing the statement. The Commission after examining under rule 8 all the statements furnished under rule 7 as above, is enabled to call upon the person who has given such a statement to come and give evidence before it if it considers relevant for the purpose of the inquiry. This scheme under the rules, therefore, provides a double safeguard in the matter of the truth and veracity of matters contained in such statements or affidavits. By this process the Commission could accept such averments. But if it considers it necessary to record evidence, then it is within the power of the Commission to call for the deponents of such affidavits to testify themselves in open Court. In the instant inquiry, I made it clear to the representors to file affidavits from time to time containing the subject-matter which according to them was relevant to the inquiry, to be prepared to come to the witness box and swear to those allegations made by them. The Commission was also under the impression that the representors would go into the box to speak to the facts sworn to by them. On a cursory glance of the affidavits filed by the parties, it is seen that they have not verified it in proper form, but merely said that they were solemnly affirming at Madras. It is well established that affidavits should not be based on information nor should contain merely expressions of opinion. Though the strict provisions of the procedure prescribed for the conduct of the civil litigation is not in its entirety or totality applicable, yet it is reasonable to expect that the deponents who are the representors in a public inquiry should conform to some accredited norms atleast in the matter of the verification of affidavits containing acrimonious accusations, to say as to which facts contained therein are true to their knowledge, which to their information and belief.

As regards the Communist Party of India represented by Thiru D. Pandian, Thiru Alagiriswami, M.L.A., Thiru K. T. K. Thangamani, M.L.A., Thirumathi T. N. Ananthanayaki, M.L.A., they have not offered themselves for examinations on the strength of the statements or affidavits filed by them. In this sense, therefore, the evidentiary value of such affidavits and their contents is very much watered down and it would be difficult for this Commission, even under its extraordinary powers, to accept without further proof of such allegations made in the affidavits. But even otherwise they have withdrawn from the inquiry at different stages but after taking the precaution of cross-examination of the witnesses tendered for evidence.

As regards Thiru P. Kannan who presented himself for cross-examination it was brought out even in chief examination that the affidavits filed by him were on the basis of information received by him from various quarters. He did not also want to disclose the sources of such information. He would add that if he did so, they would be murdered by the Ruling Party. He denied that he had any personal knowledge of the matters sworn to by him in the affidavits. When he was asked that when an affidavit is sworn to, he was expected to know the contents of the matter personally or disclose the source of information, he was emphatic that he need not disclose the source of information as far as this Commission is concerned. He admitted that the matters referred to in his affidavit were from information gathered by him. As already stated, he did not speak to any one of the allegations mentioned by him in his affidavit which was relevant to the inquiry. No question was put to him in chief examination that he was prepared to swear in the box that the material already on record is sufficient to infer that there was misuse of power on the part of the Minister. It was surprising that this witness was not even asked about it. He says that the information gathered by him were noted by him in a note book or otherwise and that he destroyed all of them though he kept those not books or diaries till he drafted the affidavits. He does not know the distinction between " I state " and " I believe " and he was unable to explain the context in which he used the expressions " I state ", " I submit " and " I believe " indiscriminately in the affidavits. He would also admit the information which he has given ; but to the truth of which he was not prepared to re-swear in the box. He also said that he is party organiser for Anna D.M.K. in the Salem District. To a pertinent question put in cross-examination by the Government Pleader whether he could explain as to how he believed

that Thiru P. U. Shanmugam designedly created a situation for the frauds described in the report of the Estimates Committee, he was unable to particularize excepting to refer to the entirety of the first affidavit filed by him. To another relevant question put by the Government Pleader with reference to the allegations in paragraph 9 of Exhibit R-2 in which he said :

" In this connection I submit that Thiru K. T. K. Thangamani in his speech before the Legislative Assembly referred to the 'oral order' of the Minister under which the Collector acted in the manner done."

as to where and in what connection Thiru K. T. K. Thangamani said so on the floor of the Assembly, he gave an evasive answer that he does not know whether the Government has filed the entire speech of Thiru K. T. K. Thangamani. When the question was pursued and when Mr. Kannan was asked whether he can point out any speech of Thiru K. T. K. Thangamani referring to the oral order, he suddenly made it appear that Thiru K.T.K. Thangamani told him that he made such a speech on the floor of the House. The proceedings of the Assembly produced before the Commission containing the speech of Thiru K. T. K. Thangamani, M.L.A., Ex.A-172, dated 18th December 1974 does not refer to any such oral order. If Thiru K. T. K. Thangamani, M.L.A. did say so in the Assembly, he could have gone into the witness box himself and referred to it. But unfortunately, he prematurely retired from the Inquiry. Mr. Kannan also admitted that he did not make any reference either to Jambulinga Mudaliar or Rajamanicka Mudaliar in the first affidavit filed by him. I have expressed that the representators were clearly instructed that while filing the second affidavit after the inspection of the records, they should not improve matters and introduce new materials. But in spite of it, the names of Mr. Jambulinga Mudaliar and Mr. Rajamanicka Mudaliar were only introduced for the first time in the second affidavit of Thiru Kannan. On this question, he would say that he did not mention their names because he wanted to go through the Government records and Income-Tax Department records. When a direct question was put to him as to what records which he perused prompted him to introduce the names of Mr. Jambulinga Mudaliar and Mr. Rajamanicka Mudaliar, he pleaded that he could not say so. After some wriggling, he would say that while filing the second affidavit, he went through the report of the Appraisory Board of the Income Tax Department and their names were found there and their names are exposed in the affidavit. As regards the allegation in the second affidavit, the witness admitted that a legal inference ought to be drawn that Thiru Thandavarayan was not a benamidar for A. M. Associated Traders. When aksed by Thiru V. P. Raman as to the basis on which Mr. Kannan said that the request from Thiru V. S. Thyagaraja Mudaliar is a more contrivance to facilitate the fraud, he said that it was only on information and he does not remember the people who gave the information. Ultimately he refused to divulge the names of the informants. Thus, eventhough Mr. P. Kannan, one of the representators, who ultimately withdrew from the inquiry went into the box, he was not candid enough to refer to each and every one of the series of allegations made by him apparently on information in his affidavits ; but was content by saying that those allegations are based on such materials gathered by him from others and that he would not disclose the source of such information. As already stated, even at this stage, he was not prepared to say in the witness box that there was misuse of power on the part of the Minister whilst the tenders were issued and when the ultimate negotiated tender was concluded in favour of Thiru Thandavarayan.

My conclusions on these are :—

(1) The affidavits as such filed by the representators, without the representators going into the box and speaking to such material and thereafter subjecting themselves to cross-examination, cannot be taken without further proof as containing material information or statements which could be accepted as such by this Tribunal presiding over a public inquiry.

(2) The allegations made by the representators, who withdrew from the inquiry but were rest content to plead one way or the other in their respective affidavits a *fortiori* suffer from the same defect as above. The representators have not even gone into the box. But they participated in the inquiry till the cross-examination of the material witnesses was over. The affidavits by themselves not being evidence in law and acceptable in equity in such public inquiries, cannot, therefore, form the basis for finding the facts which have to be found by this Commission.

(3) As regards Thiru Kannan, he, no doubt, went into the box, but failed to expatiate the facts sworn to by him. He would only say that he obtained the facts from others and he was not even prepared to disclose the source of that information. Apart from the allegations in the affidavits filed by Thiru Kannan being based on hearsay, his testimony in the box did not at all touch upon the material issues arising for consideration in the enquiry ; nor would he categorically affirm that he has personal knowledge about what he said in his two affidavits. Hence, it is very difficult for the Commission in a public enquiry to accept such cavalier statements and indict a public citizen.

(4) According to Rule 8 of the Commissions of Inquiry (Tamil Nadu) Rules, 1972, the person swearing to the affidavit should be in a position to prove the same by tendering himself for examination in open Court and the representators other than Thiru Kannan having failed to do so, the Commission is of the view that they have not furnished any material at all which could form the basis for investigation to find out the fact of the alleged misuse of power by the Minister.



WITHDRAWAL OF REPRESENTATORS
THE STAGE OF WITHDRAWAL
THE ALLEGED PURPOSE OF WITHDRAWAL

As an introduction to this topic, it would be convenient to state the stages at which the principal representators in this inquiry withdrew from it. In the first instance, the Communist Party of India, represented by Thiru D. Pandian and Thiru K. T. K. Thangamani, and Thiru S. Alagiriswami M.L.A.s, withdrew from the enquiry on 14th July 1975. By 14th July 1975, Thiru Ramchandar, G.W. 1, Thiru T. V. Antony, C.W. 1, Thiru V. S. Thiagaraja Mudaliar C.W.-2 were fully cross-examined by the counsel for the representators.

The next withdrawal from the enquiry was by Thirumathi T. N. Anandanayaki on 28th July 1975. By that time the above witnesses and Thiru R. Balasubramaniam, as C.W. 3 Thiru P. Kannan as A.W. 1 and Thiru Thandavarayan as A.W. 2 and Thiru Jambulinga Mudaliar as A.W. 3 were cross-examined by the counsel for the representators.

Lastly, Thiru P. Kannan, appearing in person withdrew from the inquiry and refused to cross-examine Thiru P. U. Shanmugam, the Hon'ble Minister for Food, who was called to give evidence on 30th July 1975.

I shall now briefly trace the stand taken by the representators from time to time in the course of the inquiry in the matter of calling of witnesses, who, according to the representators, would be in a position to speak about the subject matter of the inquiry. Before doing so, it is necessary to set out the limits of this inquiry which I have already briefly touched upon. Certain allegations have been made that Thiru P.U. Shanmugam, formerly Minister for Food, had misused his powers of office in connection with the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971 and in connection with the acceptance of the negotiated tender of Thiru Thandavarayan. The words " disposal of the stock " has been used in the context of the acceptance of the Thandavarayan's offer. It is very doubtful whether the other tenders or a delve into the circumstances relating to them need be considered at all. The affairs which are subsequent to the disposal of the stock and posterior to the acceptance of the negotiated or other tenders are not before this Commission, nor is it called upon to inquire into the allegations which have a bearing upon such post-tender-events. A clear cut dichotomy between the events connected with the disposal of the stock held by the Thanjavur Co-operative Marketing Federation resulting in the negotiated tender and those which followed them is apparent from Notification No.I in G.O. Ms. No. 1149, Public, dated 8th April 1975. In the light of such a clear and marked distinction between the events that happened in connection with the disposal of the stock held by Thanjavur Co-operative Marketing Federation and the resultant negotiated tender and those which followed the same, I was of the view that any evidence either oral or documentary, which would have an impact or bearing on events posterior to the negotiated tender in favour of Thiru Thandavarayan are neither relevant nor necessary for the purpose of this inquiry.

As is seen from the directions issued by me from time to time marked as Appendices 1 to 23 subpoenas, to those witnesses, who could speak to the events, which are expressly referred to in the notification, were issued. But as regards the request by the representators to call for certain other public documents, which fell within the periphery of events, which are after the negotiated tender, were negatived. As early as 12th May 1975 on the application made by Thiru S. Kannan, the Commission made it clear that there was no reference in the notification appointing the Commission to inquire into the export of rice after tender or to the permits issued in connection therewith and, that, therefore, the records from the Deputy Inspector-General of Police, Food Cell, C.I.D, relating to such investigation might not touch upon the reality of the subject matter and, while negativing the request, the Commission observed that there was time enough to consider the request of the counsel for the production of such records. A similar request to subpoena the Commissioner of Income-Tax, Tamil Nadu and the Commissioner of Income-Tax, Bombay to cause the production of the income-tax records of nearly 34 parties mentioned by Thiru P. Kannan in his memo was also refused on the same ground but with the same reservation. I reiterated the position in my order dated 19th of May 1975 that there was no negation in toto of any request for the production of records made by Thiru Kannan at any point of time.

The next matter which may be usefully referred to is the contents in the directions which I gave in Appendix 8 dated 19th May 1975. This was at or about the time when the parties were given an opportunity to inspect the records and file further affidavits and representations. I made it clear that the parties on such inspection of the records should not fish for information and improve their stand in the course of the additional representations which they may file thereafter. I also made it clear that the facts disclosed during inspection should not form the nucleus of fresh charges.

On the 5th of June, 1975, as is seen from Appendix 12, similar requests were made for, either subpoenaing witnesses or the production of public documents by Thiru S. Alagairiswami through his counsel Thiru N.T. Vanamamalai. While granting the many requests made by this representator, when it came to the question of issuing subpoena to the Director of Inspection, Income-tax, Madras, the representator was directed to file an independent petition stating clearly the purpose of such a subpoena. In the course of the proceedings, Thirumathi T. N. Ananthanayaki was brought on record and an attempt was made by Thiru P. Chidambaram appearing for the newly added party to summon the Deputy Director of Inspection, Intelligence Wing, Income-Tax Department, Madras, to produce certain documents on the ground that searches and seizures were conducted in the business and residential premises of the partners of Messrs. Ashoka Traders and A. M. Associated Traders and it was claimed that Thiru R. Thandavarayan was a benami for Ashoka Traders and A. M. Associated Traders and that, therefore, subpoena should be issued to call for such records. Mr. Palpandian, appearing for the Communist Party of India also joined in the request. By this time, the cross-examination of C.W. 1 Thiru Ramchander and C.W. 4 Thiru T. V. Antony who was the then Collector of Thanjavur was over. I, therefore, reiterated my view (as it is seen from Appendix 15) that the examination of anyone concerned with Ashoka Traders or A. M. Associated Traders or their partners was absolutely irrelevant. The evidence of the principal Government witness as also that of Thiru T. V. Antony called as a Court witness (C.W. 7) did not bring out in any measure the relevancy of such documents or the necessity for subpoenaing any of the tax officers in relation to the affairs of Ashoka Traders and A. M. Associated Traders. If at all those matters might come into the record, they could only enter as events which are posterior to the negotiated tender. I have made it clear in the above Appendix that G.O. Ms. No. 1149 (Public), dated 8th April 1975 has to be read as a whole, understood together and acted upon. The Commission, being a creature of such a notification, cannot go beyond the limits set by such notification As the Commission was expected to find the facts in relation to and in connection with the disposal of the stock held by Thanjavur Co-operative Marketing Federation by negotiated tender and as the accent was on the disposal of the stock of Thanjavur Co-operative Marketing Federation, I felt that after the negotiated tender to Thiru R. Thandvarayan was accepted and the sales effected pursuant thereto, the stock became the property of the purchaser (Thiru Thandavarayan) and it was no longer the stock of Thanjavur Co-operative Marketing Federation. Once the stocks are released on payment and the permits for export are issued, it cannot by any stretch of imagination still be said that they are the stocks of Thanjavur Co-operative Marketing Federation; that are being dealt with by the respective purchasers of such stocks; and as all the searches and seizures referred to by the representators are in connection with the commercial dealings of such purchasers of stock from the Thanjavur Co-operative Marketing Federation, I held the view that an investigation or a reference to such events by issuing a subpoena to the tax department or to the firms whose premises were raided or to their partners is completely beyond the pale of this enquiry and that the evidence, oral or documentary, which might emerge by the adaptation of such a compulsive process would only encumber the records with unnecessary and irrelevant material. It is in that context. I observed that if I were to call for such documents relating to post-sale-events and post-disposal-events, it would obviously amount to trading of paths over which I cannot pass or repass. I also categorically stated that events which have no relation at all to the sale of the Thanjavur Co-operative Marketing Federation's stock to Thiru R. Thandavarayan are irrelevant materials. I am not asked to enquire into the events which have relation to the sale of stock by Thiru R. Thandavarayan to third parties and the conduct of the said third parties in processing such sales after obtaining permits for export. All such matters, I felt and I am strongly of the view, are completely and totally outside the margin of this enquiry.

In spite of my having so expressed myself in Appendix 15 which was the result of the request made by Thiru P. Chidambaram appearing for Thirumathi T. N. Anandanayaki, Thiru P. Kannan represented by his counsel Thiru S. Kannan repeated the same request on the same day and in Appendix 17 dated 27th June, 1975. I made it clear that the Audit report of the Accountant-General, Madras, on the inspection of accounts for 1970–71, 1971–72 and 1972–73 of the Civil Supplies Department of Thanjavur District are equally unnecessary documents. The inquiry relates to a particular subject. I am not called upon to delve into the affairs of Civil Supplies Department of Thanjavur district. Hence, the request of Mr. P. Kannan was negatived.

On the 10th of July 1975, and on the eve of the close of the examination of C.W. 2 Thiru V. S. Thiagaraja Mudaliar, a petition was filed by the Communist Party of India requesting the Commission to issue subpoena to three individuals. A fair and candid concession was made by the counsel appearing for the representator, Thiru K. T. Palpandian, that he has no right to call for the witnesses of his own accord and that he should satisfy the Tribunal that the testimony of such witnesses suggested by him would be relevant for the enquiry. On this basis, the application calling Thiru R. Ramaswamy, Thiru B.K. Badsha and Thiru R. Nallakannu as Court witnesses was made by the Communist Party of India. In my order, Appendix 18, dated 10th July 1975, I negatived the request after setting out in detail the scope of the enquiry and the rules and the guidelines set out in the Commissions of Inquiry (Tamil Nadu) Rules, 1972, in the matter of calling of witnesses. After referring to Rule 8, the Commission said that the evidence of any other person, whose evidence in the opinion of the Commission is necessary to the inquiry, may also be taken. With this background, the request of the Communist Party of India was considered. The first two gentlemen admittedly belong to the Communist Party of India. They did not file any representations under Rule 7 of the rules. As the Communist Party itself is represented by counsel and as they have filed written representations from time to time, I felt that the evidence of these two persons who are the limbs of Communist Party may not improve matters. The names of these two gentlemen were never referred to either in the pleadings or any questions put to the witnesses by then examined to show that they would speak on the matter. The third gentleman is a sub-editor of a daily. He has not filed any representations before and as in my view such filing of represntations by persons is a *sine quo non* to call them as witnesses to speak to the events and as the records by then filed and the testimony of witnesses who were searchingly examined by them did not refer to these witnesses, I rejected the application.

On the same date, Thiru P. Kannan wanted me to send a subpoena to two Ministers of the State Thiru S. Madhavan and Thiru K. Rajaram. Even the materials furnished before me to request the Ministers to come and give evidence did not contain any relevant particulars, which only could prompt me to issue such summons. In the same Appendix 18, I gave reasons as to why I was not inclined to issue a subpoena to the Ministers of the State.

Mr. Kannan however wanted that this Commission should issue a subpoena to Thiru Nellikuppam Krishnamurthy, M.L.A., who was the Chairman of the Estimates Committee. The report of the Estimates Committee has already been exhibited as a public document admissible in evidence without further proof. I have observed in my order Appendix 18 that on a close scrutiny, the Estimates Committee report by itself does not touch upon events connected with the sale of the Thanjavur Co-operative Marketing Federation's stock or to the issuance of the negotiated tender in favour of Thiru R. Thandavarayan. The Chairman of the Estimates Committee dealt with certain events which are after the close of the negotiated tender and in particular the report harped upon misuse of the export permits obtained by the purchasers of the stock from Thiru R. Thandavarayan. As the testimony of Thiru Nellikuppam Krishnamoorthy, M.L.A., would not be relevant for purposes of this enquiry to enable me to find the facts in relation to it, I negatived the request of Thiru P. Kannan.

Thereafter, on the same day, Thiru Kannan wanted that I should issue subpoena to the Registrar of Co-operative Societies Thiru P. B. Krishnaswamy, I.A.S., and Thiru Keshavkini, former Registrar of Co-operative Societies. Thiru P. B. Krishnaswamy was to be called as a witness to speak to the frauds including gunny-bag-fraud and transistor-fraud, etc., in the Thanjavur Co-operative Marketing Federation. Such frauds, even if they are true, are not the subject matter of enquiry before this Commission. Thiru P. B. Krishnaswamy and Thiru Keshavkini gave reports relating to the subject matter and they have been already marked as exhibits in this case. With reference to such reports made from time to time by the Registrar of Co-operative Societies, G. W. I has been cross-examined in full. It is idle to expect the authors of such reports to come and say that their reports are manipuleted or contrived-one. It is in this context, I said that as the reports of the Registrars of Co-operative Societies by themselves throw enough light on the subject matter of the enquiry, their testimony is not likely to improve matters and as it would unnecessarily burden the records, I expressed the view that such oral testimony is not relevant.

On the request to call the Secretary of Thanjavur Co-operative Marketing Federation when the President of the Thanjavur Co-operative Marketing Federation was examined as a Court witness and when the notings of the Secretary Thiru Mohamed Saliha was put to the President when he was in the box, I was of the view that the independent testimony of the Secretary of the Federation was unnecessary.

Regarding the request to subpoena the District Revenue Officer, I said that he was acting more or less as a Ministerial Officer in the matter of calling of tenders, etc., and he did nothing more or less than to process the tenders and follow up the directions of Civil Supplies Commissioner.

A specific allegation was made that Thiru P. U. Shanmugam gave oral orders to the District Revenue Officer that the Thanjavur Co-operative Marketing Federation should deliver 20,000 tonnes and that this was agreed to by the Thanjavur Co-operative Marketing Federation. On this aspect enlightened questions were put to Thiru V.S. Thyagaraja Mudaliar examined asC.W. 2 and his testimony is already on record. When Thiru P. U. Shanmugam was in the witness-box, Mr. P. Kannan refused to cross-examine him on this. I shall advert to this later. Indeed, I openly expressed that there is scope for recalling witnesses at any time in the future and I directed the representator to cross-examine the Hon'ble Minister. He refused to do so. Of course, this happened at a later stage. But, on the date when I negatived the request to call the District Revenue Officer as a witness I was of the view that he having played the part of an Executive Officer, in the matter of processing of the various tenders, his evidence would be irrelevant in the sense that it would not touch upon the fact that there was misuse of official power by the Minister.

Again, a request was made that the Income-tax Officer and the Assistant Director of Inspection, Income-tax, should be summoned and the statements recorded by them from one Sundaram of A. M. Associated Traders should be called. The allegation is that A. M. Associated Traders were hand in glove with Thiru Thandavarayan and the *inter se* dealings and the several tax problems which cropped up on account of some malpractices in the firm of A. M. Associated Traders would throw light upon the subject matter of the enquiry. While referring to my consistent view expressed on more than one occasion, I again reiterated that these are post-sale-events with which the Commission is not concerned. Similarly, the request to examine Thiru Pravin Chandra Shah, a partner of Asoka Traders and Sundaram of Associated Traders was negatived by me. This representator sought for a subpoena to Thiru Kannan, son-in-law of Thiru P. U. Shanmugam saying that he has financed A. M. Associated Traders. For the reasons already stated and as such a connection even if true is irrelevant for the purpose of enquiry, I could not issue summons.

The prayer to call the Deputy Inspector General of Police, Food Cell in connection with the illegal export of the rice purchased from Thiru R. Thandavarayan was viewed by me as a subject which was totally outside the scope of the enquiry. Hence he was not called. The consolidated order of mine as detailed in Appendix 18 was the subject matter of a Writ Petition to the High Court in Writ Petition No. 4785 of 1975. Ramanujam, J., dismissed the Writ Petition and the representator unsuccessfully took up the matter in Writ Appeal which also suffered the same fate. Finally, Thirumathi T. N. Ananthanayaki by her counsel Thiru P. Chidambaram filed a memo on the 25th of July 1975 after the examination of Thiru R. Thandavarayan, A.W. 2, requesting that Thiru Sundaram Pillai of A.M. Associated Traders may be examined. According to him, Thiru Sundaram Pillai financed Thiru R. Thandavarayan and therefore, he was a necessary witness. In Appendix 21, I made it clear that this Tribunal was not concerned how and by whom the negotiated deal of Thiru R. Thandavarayan was financed. If material could be gathered to incriminate anyone as a result of such financing, it is for the representator to work out otherwise their rights under law. Hence, the request to examine Thiru Sundaram Pillai was again rejected. Finally, Thiru P. Chidambaram wanted that certain documents which contained the signature of one witness Thiru A.M.K. Jambulinga Mudaliar should be summoned. In Ex. A-114, dated 2nd April 1971, one Jambulinga Mudaliar has signed. Thiru Arumugam examined as C.W. 4 said that it was the signature of one of his employees. Certainly Jambulinga Mudaliar examined as A.W. 3 is not the servant of Thiru Arumugam who was partner with Thiru Thandavarayan. Of course, these events came to light afterwards. Mr. Jambulinga Mudaliar denied his signature, but said that it looks like his signature, but it is not his signature. I expressed that it was unnecessary and indeed irrelevant to call for other documents containing the admitted signature of Thiru A.M.K. Jambulinga Mudaliar to further the subject matter of the enquiry. Mr. Chidambaram wanted to call certain documents from the Syndicate Bank and Income-Tax Officer, Vellore Circle-I for the above purpose. As I felt it was unnecessary and irrelevant, his request was also negatived.

The result is that on the 28th of July 1975, Thirumathi T. N. Ananthanayaki withdrew from the enquiry. On 30th July 1975, Mr. P. Kannan also withdrew from the enquiry. He referred to certain observations made by the First Bench and asked the Tribunal to call for certain witnesses without even filing a memo as to who the witnesses were. He vaguely said that he should be given an opportunity to examine his witnesses. The Tribunal said that he should cross-examine Thiru P.U. Shanmugam who has been called for the day to give evidence and if it is necessary, he can apply for examination of his wtinesses or seek for recalling the witnesses already examined, provided he was able to satisfy the Tribunal that the testimony of such witnesses would be relevant and necessary for finding the relevant facts. In spite of such an opportunity given to the representator, Mr. Kannan refused to cross-examine Thiru P. U. Shanmugam on the 30th of July 1975. In Appendix 23, I said as follows: —

" The Tribunal also expressed that if really any occasion arises for a reconsideration of its earlier considered orders in the matter of examination of witnesses already named by Mr. P. Kannan, an opportunity would be given to Mr. P. Kannan who is now the only person prepared to participate in this enquiry.....

His emphatic stand is that if the Minister is to be examined today, he will withdraw from the proceedings .....
In view of the attitude of Mr. P. Kannan and as he is not prepared to seek for permission to examine witnesses or seek to recall witnesses after the examination of the Minister and as he would categorically state that he would not participate in this enquiry any more and cross-examine the Minister who is present in Court to tender evidence and as nothing more remains to be done by this Tribunal in so far as this representator is concerned, permission is granted to Mr. P. Kannan to withdraw from the enquiry. "

He filed a memo on that date, which I have recorded.

I shall now consider the various memos filed by the representators in and by which they withdrew from the enquiry.

The Communist Party of India by their memo. dated 14th July 1975 along with Messrs. K.T.K. Thangamani and S. Alagiriswami, who are members of the Party, withdrew from the enquiry. They have stated that the transactions of sale put through by the Government and the attendant circumstances were highly extraordinary and very unusual and were brought about by abuse of powers by the then Minister for Food Thiru P. U. Shanmugam. They would refer to the alleged connections between Thiru P. U. Shanmugam and Thiru Jambulingam of Vellore and Thiru Rajamanickam Mudaliar of Thiruvannamalai. They would introduce the name of Thiru Sundaram as the partner of A. M. Associated Traders and would assert that Thiru Thandavarayan, Thiru Sankaran Kutty and Aboo were benamidars for the said firm. They would allege that Thiru P. U. Shanmugam, G.W. 1 (Ramchandar) and C.W. 2 (V.S. Thyagaraja Mudaliar) deliberately caused the accumulation of stocks with Thanjavur Co-operative Marketing Federation so that such stock would be cornered by the firm of A. M. Associated Traders through their benamidars. It is their case that the circumstances, which led up to the sale as well as circumstances which followed them, have to be taken into consideration by the Commission. They refer to the evidence on record and admit that one of the crucial questions which arises for consideration is whether the stock that was sold was the property of the Government or that of the Thanjavur Co-operative Marketing Federation and in any event, whether the Government had any interest in it. They would vaguely refer to the evidence of G.W. 1 and abruptly conclude that the Government would not have undertaken the sale of the stock unless it felt that it belonged to it. After referring to the large advances made to the Thanjavur Co-operative Marketing Federation by the Government, and the loan facilities granted to it, they would say that the sale could well have been done by the Thanjavur Co-operative Marketing Federation itself. They would also admit that the export permits followed the sale and was not concurrent with it.

Then, they succinctly referred to the tenders and the way in which they were processed. On the question whether the Thanjavur Co-operative Marketing Federation did respect their obligation, they referred to the delivery of 18,462 tonnes delivered by the Thanjavur Marketing Co-operative Federation and would say that the balance out of the 40,000 tonnes in the hands of the Thanjavur Co-operative Marketing Federation should be deemed to be the stock of the Government. In that view the representators would assert that there has been misuse of power. They are candid enough to say that in the pleading it was common ground that the stock was that of the Thanjavur Co-operative Marketing Federation, but they would urge that the law relating to the pleadings ought not to be applied to this case. According to them, the Government irregularly acted in releasing the Thanjavur Co-operative Marketing Federation from its obligation to surrender the 40,000 tonnes. As a matter of fact, in their memorandum by which they withdrew from the inquiry, they would summarise their contentions with reference to the evidence already recorded and would say that there are unusual circumstances attendant on these transactions. They would reiterate their surmise that Jambulingam Mudaliar was really connected with these transactions because the letter Ex-A-114, dated 2nd April 1971 purporting to have been sent by Thandavarayan is signed by him. Thereafter, they conclude by stating thus :

" The representators felt that the discussion in the legislature and the question raised there were such a nature that the scope of the enquiry would embrace a probe into all the circumstances bearing upon Thiru P. U. Shanmugham's conduct including his association with Jumbulinge Mudaliar, Rajamanicka Mudaliar and others in relation to the disposal of stocks of rice under the enquiry and illegal export by the later. But the Commission has ruled that evidence in regard to the above and also evidence in regard to the way in which the affairs of Thanjavur Co-operative Marketing Federation has been conducted is beyond the scope of the enquiry. It is submitted by the representators that the misuse of power can be proved by subsequent circumstances such as A.M. Associated Traders operating through Thandavarayan and others as disclosed by Income-tax raid. It can be proved also by the anterior circumstances, such as the state of affairs

of the Thanjavur Co-operative Marketing Federation before the date of actual sale, because they will throw light as to why and how V. S. Thyagaraja Mudaliar, President of the Federation, without direct authorisation for delegation of his powers to the Government for the sale of the stock in question, purported to authorise such sale by Government and acted in collusion with Thiru P. U. Shanmugam and others.

In view of the above, the representators submit that their continued participation in the enquiry will serve no useful purpose and hence thay are constrained to withdraw from the enquiry."

From the recitals in the memo of withdrawal made by the Communist Party of India, it is not understandable at all as to why they withdrew after having participated in the inquiry to a considerable extent and after having examined the relevant witnesses, the Government witnesses as well. A major portion of the memorandum touches upon the evidence already on record and such evidence by itself, according to the representator, is enough proof of misuse of power. But what prompted them to retire dramatically is not known. They would, however, insipidly rely upon the fact that later events also should be taken into consideration as also the anterior circumstances such as the state of affairs of the Thanjavur Co-operative Marketing Federation before the date of actual sale and without considering them no useful purpose would be served. This is an extraordinary stand having regard to the scope of the inquiry which I shall refer to and which I have indicated from time to time in the orders passed by me, as disclosed by the appendices.

The accent on the anterior circumstances is relatable to the alleged mismanagement of Thanjavur Co-operative Marketing Federation. This is a statutory body governed by the Tamil Nadu Co-operative Societies Act and inbuilt in the said Act are several provisions which can take notice of several alleged mis-deeds of the managing body or individuals constituting it to enquire into their malfeasance and misfeasance and bring to book the offenders in accordance with law. In fact, it is also common ground that surcharge proceedings are pending against the members of the Board of Management and it is pendente lite. What is suggested, however, is that the State Government should not have encouraged Thanjavur Co-operative Marketing Federation in the halo of such suspicion around its affairs. It has been brought out in the evidence both in chief and cross-examination that Thanjavur Co-operative Marketing Federation was one of the accredited apex Co-operative Societies whose machinery was used for purposes of procurement in the past. The primary bodies deployed for purposes of such procurement in the lean past years were the Food Corporation of India and the Thanjavur Co-operative Marketing Federation besides some wholesale societies. There is nothing on record and no material has been brought out even in the oral evidence to suspect the bona fides of the Government in seeking the co-operation of Thanjavur Co-operative Marketing Federation in the matter of procurement of the necessary stock during the bumper year of 1970. It is far fetched to suggest that a link was forged in the above matter at the behest of the Minister or any other Government official. In fact, the Registrar of Co-operative Societies was in the picture throughout and nothing is said about the Department of Co-operation or its functioning. I am unable to countenance the vague suggestion that the anterior affairs, and in particular, the alleged mismanagement of Board of Thanjavur Co-operative Marketing Federation would in any way reflect the so-called misuse of power by the Honourable Minister. It is in this respect that the evidence sought for was not entertained on the ground that it is irrelevant.

The anterior circumstances in the sense anterior to the negotiated sale are totally disjunct from the acceptance of the tenders or acceptance of the negotiated tender. I have considered this aspect at a later stage. It would be highly speculative and unrealistic to telescope such posterior or anterior events into the subject-matter of this inquiry and ask the Commission to give its findings. It is open to the tenderer to make his own financial arrangement. If it happens to be with A.M. Associated Traders or Asoka Traders in which one or two of the partners are relatives or friends of the Minister, it does not follow as a matter of course that the transaction in question, namely, the issue of the negotiated tender to Thandavarayan is by misuse of power. Throughout the tenders were open to the public. It is not suggested that Thandavarayan was preferred with some design for, as it is common ground that it was his offer which was the highest and which was indeed acceptable to the Thanjavur Co-operative Marketing Federation. The extraordinary suggestion that Thiru V.S. Thyagaraja Mudaliar, examined as C.W. 2 did also have a hand in the alleged conspiracy to bring out the deal is without any substance and basis. Thus, it is not clear as to why the Communist Party of India withdrew from the inquiry.

The next representator to follow suit is Thirumathi Anandanayaki. According to her, she can establish her case that A.M. Associated Traders were directly and immediately involved in the transaction only by bringing on record evidence relating to the financial arrangement for the deal including payment for the stock and the lifting of the stock and by establishing that the signature in Ex. A-114, dated 2nd April 1971 is the true signature of Thiru A.M.K. Jambulinga Mudaliar, Partner of A.M. Associated Traders. She refers to the orders passed by the Commission from time to time which are inter alia referred to in the appendices and says that as the request to examine Sundaram Pillai of A.M. Associated Traders was not allowed, and as further proof of the signature of A. M. K. Jambulinga Mudaliar was not made available, it would be difficult to establish conclu-

sively the misuse of power by Thiru P.U. Shanmugam. She also concedes that the Government have so adroitly worded the reference as to rule out evidence on matters which alone would establish the misuse of power by Thiru P. U. Shanmugam. She says that she could not contribute further to this inquiry.

On her own admission, it is clear that the notification does not prompt or cannot prompt the Commission to inquire into the matters which she wants to investigate into. But on *a priori* considerations, she says that unless the partners of A. M. Associated Traders and their financial arrangements regarding the deal are scrutinised by this Commission, it would be difficult to establish the misuse of power by the Minister. But the question is whether the financial arrangements made by Thandavarayan with A. M. Associated Traders or others is a relevant consideration at all. That is a matter which followed the sale after acceptance of the negotiated tender. The Commission is concerned with the fact whether the negotiated tender accepted by the Government through its machinery does reflect any misuse of power by anyone. The representator herself is not sure about it. As regards the further probe into the signature of A. M. K. Jambulinga Mudaliar, it appears to be absolutely irrelevant for the reason that even if Exhibit-A-114, dated 2nd April 1971 is said to be signed by A. M. K. Jambulinga Mudaliar, when it is not, yet that circumstance itself would not establish any misuse of power by the Minister because the negotiated deal was pushed through by Government officials and it is not even the case of the representator in her memo that at the time of the acceptance of the negotiated tender, there was ministerial interference and influence and the Government officials acted in concert to bring about the negotiated deal. Here again, there is no particular reason why the representator withdrew after having participated in the inquiry to a considerable extent.

In fact, a further elucidation on the question whether the signature in Exhibit A-114, dated 2nd April 1971 is that of A. M. K. Jambulinga Mudaliar is outside the purview of this Commission, since the witness (A. W. 3 A. M. K. Jambulingam Mudaliar) claimed protection under Artcile 20 (3) of the Constitution of India. It may be of interest to add that Mr. Kannan did not cross-examine A. M. K. Jambulinga Mudaliar at all.

The last person to go out of the picture is Thiru P. Kannan. As was common with him, this representator uses very high sounding words such as criminal conspiracy, forgery and fraud and after setting out the manner in which he participated in the inquiry and after admitting that he cross-examined all the witnesses, both the Government witnesses and other witnesses called, he would back out from further participation on the date when the Minister was called to give evidence. He reiterates that since the Commission did not issue subpoena to all the persons whom he called for, for the purposes of examination, he was constrained to say that no useful purpose would be served by his continued participation.

I have referred to the attitude of this representator already in this Chapter. In Appendix 23, I made it clear that if at any point of time after the cross-examination of the Minister, the representator is able to satisfy the Tribunal that more witnesses are required and their evidence would be relevant and that the witnesses already examined should be recalled, there would be no hesitation on the part of this Commission to call them. He reiterates that Thandavarayan is a benamidar of Jambulinga Mudaliar, etc. and that the examination of the partners of A. M. Associated Traders or Asoka Traders is relevant. But when Jambulinga Mudaliar was in the witness box, this representator did not even cross-examine him. As to why the representator did not take advantage of the specific opportunity given by the Commission in the matter of the examination of witnesses after the Minister is examined, is ununderstandable.

He refers to the writ proceedings and says :

" In effect the highest Court in this State has been pleased to set its seal of approval to the interpretation placed by this Hon'ble Commission of Inquiry. I am bound by the aforesaid judgment. In this view, I respectfully submit that I am no more participating in the Inquiry ".

The burden of the song of this representator is that the witnesses cited by him have not been called and the public documents requested for have not been produced on subpoena. Every person and every document cannot be called for unless he could speak to relevant facts or the document have a bearing on the inquiry and unless the Commission is satisfied that their evidence would be relevant and necessary. It may be that A. M. Associated Traders or Asoka Traders financed the deal of Thandavarayan. I have already referred to the fact that the Commission had always in view the clear cut distinction between the events that led to the sale and the events which happened immediately after the sale. Any financial arrangement which Thandavarayan might have engineered with Asoka Traders or A. M. Associated Traders is necessarily one which is after the sale of the stock to him. I have also made it clear that after Thandavarayan's negotiated tender was accepted, if he were to pay the money and obtain the release of the stock, it is his stock and not even the Thanjavur Co-operative Marketing Federation's stock. If he made any financial arrangement with anyone including A. M. Associated Traders or their partners, it is completely

outside the scope of the inquiry. In fact, the Commission queried if Thandavarayan had made such financial arrangement with a banking institution, would that circumstance or the events that immediately followed such an arrangement be relevant for the inquiry. There was no intelligible answer for this. Even otherwise, this representator was emphatic that he would not participate in the inquiry and examine the Minister. Why he did so is not clear. Various allegations were made by Mr. Kannan in the pleading and in the course of the cross-examination of the other witnesses, against the Minister. He never chose to cross-examine the Minister and elucidate the facts and material from him to advance his vituperative contentions. Equally, therefore, it is surprising that at that stage and in spite of the opportunity given by the Commission, the representator, who is the ace mover of this inquiry, stood back.

My conclusions are —

(1) Whatever might be the force of the legal contentions regarding the non-examination of witnesses and non-calling of documents, since all the representators, actively participated and cross-examined all the relevant witnesses, there was no necessity or justification for them to withdraw at the various stages at which they withdrew.

(2) The evidence sought by them has no impact on the inquiry at all, since they related admittedly to circumstances before the Thanjavur Co-operative Marketing Federation offered their stock for sale or circumstances which followed the acceptance of negotiated tender and to the sale of the stock so purchased by Thandavarayan to third parties outside the State for which he made his own financial arrangements with third parties.

(3) The financiers, who assisted Thandavarayan in the matter of the sale of the stock purchased by him under the negotiated tender, are total strangers to the tenders and if there was any *inter se* arrangements as between Thandavaryan and/or his partner Arumugam with the financiers that would not in the least establish any misuse of power on the part of the Minister in the acceptance of the negotiated tender and the events leading to which are accredited to be a public affair in which there were many participants and when there was no proof that there was any other offer by a third party which was over and above the price offered by Thandavarayan.

(4) In any event as would be shown hereafter the stock was the property of the Thanjavur Co-operative Marketing Federation and it had an absolute proprietorship over it when it accepted the price offered by Thandavarayan and therefore no more investigation as to the propriety of such acceptance of price is called for.

(5) The suggestion that Thiru V. S. Thiagaraja Mudaliar as President of Thanjavur Co-operative Marketing Federation acted hand in glove with the Minister and with the Government officials stands only as a bare suggestion and has not been established by the representators themselves going to the box and proving the same in an acceptable manner.

TRUTH ALONE TRIUMPHS

THE EVENTS WHICH MAY FAIRLY BE DESCRIBED AS THE BACKGROUND LEADING TO THE INQUIRY—FOOD POLICY IN 1970.

With reference to the evidence and on the records perused by me, the Food Policy of the Government before 1970 and in the year 1970 may be usefully gathered. The Food problem in the State of Tamil Nadu was not quite rosy ever since the years 1964–65. It became more and more difficult during the years 1968–69. The Civil Supplies Organisation had to be activated. The Office of the Commissioner of Civil Supplies and the Food Secretary for the Government of Tamil Nadu were combined as it was the practice since 1964. There was a comment that these two offices were designedly combined. But there is absolutely no substance in this contention for such an assimilation of offices was in vogue long before the accusation in this case had started. Obviously, such a combination of the offices was made so that decisions could be taken early and action on policy matters could be undertaken without undue delay. Prior to 1970, the Government had resorted to a large programme of procurement and distribution. During the year 1969, there was a good monsoon after a pause of drought, and the Samba crop of 1970 was expected to be fairly good. In this background and context, the total procurement policy which was in vogue till about the end of 1969 became unnecessary. Therefore under Exhibit G-21, dated 17th December 1969, total decontrol was ordered throughout the State with effect from a date to be fixed later by the Chief Minister ; public distribution in the family card areas and other informally rationed areas was discontinued subject to certain ad hoc issues and the one-rupee-a-measure scheme in certain areas such as Madras City, Coimbatore and the belt area of Madras City was continued with the expectation that in view of the open market sales, the demand for rice under the one-rupee-a-measure scheme will be gradually reduced and with a view to meet the requirements of the Madras City, Coimbatore and the belt area of the Madras City,it was decided to build up a sizeable buffer by procurement. This was followed up by another policy decision made by the Council of Ministers as is seen from Exhibit G-22, dated 8th January 1970. Under this Policy, all restrictions on the movement of paddy and rice within the State was removed exceptingin respect of Thanjavur District ; statutory rationing was lifted in Madras City and Coimbatore. But the one-rupee a measure scheme was continued for the benefit of the people with a monthly income of Rs. 200 and below. Procurement was to continue to meet the requirements of distribution under the one rupee a measure scheme and build a sizeable buffer. The following policy decision may, however be extracted for ready reference :

" Ryots who come forward to offer paddy at procurement rates should continue to be given an opportunity to do so and for this purpose the Civil Supplies machinery should make arrangements to purchase this paddy at collection centres, operated directly by them, or by the Food Corporation of India and the Thanjavur Co-operative Marketing Federation. Where prices tend to fall below the procurement prices, procurement will be done vigorously as a price support policy ".

As regards Thanjavur District, however, movement was partially restricted in that such movement would be permitted only after 50 per cent of the stocks purchased but to be moved are given to the Government at procurement rates. In other districts, however, all wholesale dealers in paddy and rice were directed to give 15 per cent of the stocks handled by them to Government procurement rates. Pursuant to the above policy decision, which is binding on all, there were discussion between G.W. I, Ramchandar and the President of the Thanjavur Co-operative Marketing Federation at Thanjavur on 21st January 1970. As is seen from Exhibit C-2, dated 21st January 1970 and Exhibit C-8, dated 2nd February 1970 the Thanjavur Co-operative Marketing Federation was directed to purchase not less than 80,000 rice tonnes during the season and they were ordained to deliver 50 per cent of the stocks so purchased to the Government as boiled rice at procurement rates, worked out at 68 per cent out-turn. Ancillary instructions were given in the matter of the delivery of the target tonnage fixed. The Registrar, Co-operative Societies, also under Exhibit A-1 dated 22nd January 1970 referred to the discussions which were apparently held in his presence and he referred the Thanjavur Co-operative Marketing Federation to its commitment and added that a daily supply of not less than 150 tonnes of boiled rice and not more than 50 tonnes of raw rice have to be delivered pursuant to the suggested commitment. Incidentally, he wanted the Thanjavur Co-operative Marketing Federation to settle its outstanding dues in respect of advances taken by the Federation, from the Civil Supplies Department for procurement purposes. The Thanjavur Co-operative Marketing Federation thus awakened by its commitment, was keen on respecting the same. There were constant reminders, as is seen from Exhibit A-20, dated 13th January 1970 and Exhibit-A-23, dated 15th January 1970,—to the Thanjavur Co-operative Marketing Federation regarding the procurement of the stock according to its commitment. The President of the Thanjavur Co-operative Marketing Federation was taking a keen interest on the achievement of the target arrived at in the course of the discussions between himself and other Government officials,—under Exhibit A-3, dated 21st January 1970 and as seen from Exhibit C-3, dated 25th Januaty 1970, Exhibit C-4 and Exhibit C-5, dated 27th January 1970,—he was particular to achieve the object.

G.W. 1 Thiru Ramchandar, C.W. 1, Thiru Antony and C.W. 2 Thiru V. S. Thyagaraja Mudaliar referred to the policies of the Government in their evidence and made it clear that the essential intention behind the Policy was to be a check on private trade and to keep down the price levels.

A serious comment was made by one of the representators that there was no need for a change in the Policy at all. Apart from the fact that this Tribunal cannot go into the question whether the revision of the Food Policy in the end of 1969 or the beginning of 1970 was necessary or not, yet as the relevant materials placed before me speak for themselves, the revision of policy appears to have been undertaken not only because of the beneficial change in the seasons during the year 1969, but also because there was sufficient supplies in the State to meet the demands of the public. The representators in the course of a searching cross-examination of the witnesses, vainly attempted to bring out that there was no surplus in the State. No particular document supports this case of the representators. As a matter of fact, Mr. Antony examined as C.W. 1 as Collector of Thanjavur at the relevant time states as follows :—

" In 1969, from 1st January to the end of March, what was procured, was of the order of about 3 lakhs tonnes. During Kuruvai season, what was procured was of the order of 2.25 lakhs tonnes.....In 1970, due to more relaxation of conditions, what was levied was of the order of $2\frac{1}{2}$ to $2\frac{1}{4}$ lakh tonnes.....In September, 1970, I assure, compared to the period of 1969, the paddy was moving out at sufficient space and the paddy price in Kuruvai season did not change.....We were not besieged as we were in the previous year. Despite all these we sent 2-25 tonnes out of Tanjore in 1969..... .....—I was anxious to ensure that Kuruvai 70 was purchased. Otherwise, my agricultural programmes may fail..... The Government removed the district boundaries which were in existence for years upto 15th September 1970 and there was no procurement levy.....In 1970, we had to ask the Food Corporation to purchase ; we had to ask the Civil Supplies Department itself to purchase. Not to purchase for their requirements but to ensure that the price does not go up. From February to July 1970, I used to look at from the junction of the road from Tanjore to Tiruchi and Pudukottai that rice lorries with loads going from Tanjore to other places during Kuruvai 70. I can recall today that 110 lorries have gone out a day. We were in that atmosphere from September 1969 to the end of December 1970. In 1970-71, the Commissioner had discussion regarding the question of levy of 50 per cent which was prevailing upto then and which was reduced to 15 per cent. Thanjavur District was surplus in the State by about 1971."

This testimony of C.W. 1 was not shaken in cross-examination. I accept this evidence and hold that the State was not in a state of drought, nor was it to be considered or stamped as a deficit State when the new policy under Exhibit G-21, dated 17th December 1969 and Exhibit G-22, dated 8th January 1970, followed up by the procurement policy, was introduced by the State.

In fact in 1970, the Government found that the stocks carried over from Kuruvai 1969 were available in plenty and they tried to offer the same to the Central pool of Government of India which meant that it was an offer to export. But as the economic price offered by the State was not acceptable to them and as by then the stocks were deteriorating, about 41,365 tonnes of stocks were sold for export outside the State in order that the Government may not incur much loss by any more keeping such stocks. G.W. 1 in paragraph 8 of his affidavit Exhibit R—7 would claim that as a result of the sale of such a huge amount of surplus of the Kuruvai stock of 1969 a profit of about Rs. 30.77 lakhs was obtained and this situation gained encomiums of the Prime Minister,—as is seen from Exhibit G-23, a letter dated 28th November 1970, in which the Prime Minister has stated :

" We were naturally glad that Tamil Nadu has emerged as a surplus State ".

My conclusion :

I have therefore no hesitation to find that the State Government was justified in revising their policy in 1970.

FOLLOW-UP OF THE FOOD POLICY—PROCUREMENT BY THANJAVUR CO-OPERATIVE MARKETING FEDERATION AND ITS IMPACT ON THE FEDERATION.

In the previous chapter, I referred to the Food policy of the Government. Having regard to the accredited *modus operandi*, the Government looked upon the Food Corporation of India and the Thanjavur Co-operative Marketing Federation as two primary bodies who could assist the Government in the year 1970, particularly during Samba crop of 1970 in the matter of procurement of paddy in accordance with the revised policy. A reference has already been made to the system of levy which was introduced in the Thanjavur district. This is spoken to by G.W. 1 who says that a trader who buys paddy has to surrender 50 per cent at levy rates to the Government and he was allowed to move the balance outside the district. G.W. 1 was also of the view that in 1970, the Government decided taking note of the good prospects that the statutory rationing and public distribution may be given up and movement controls may also be given up and the trader be permitted to operate freely. The above features and the pattern of operations relating to procurement are also recorded in Ex. A-11. Soon after the policy decision in Ex. A-20 dated 13th January 1970 made by the Government, the Thanjavur Co-operative Marketing Federation was asked to gear up its procurement machinery. Under Exhibit A-23 dated 15th January 1970, the District Revenue Officer made suggestions for the implementation of levy scheme in Thanjavur district. Thereafter, there was a meeting and at which the Secretary of the Food Department and C.W. 2, Thiru V. S. Thingraja Mudaliar, President of the Thanjavur Co-operative Marketing Federation who was present, it was arranged that the Thanjavur Co.operative Marketing Federation will aim at purchasing not less than 80,000 rice tonnes of paddy during the Samba Thaladi crop in Thanjavur district and 50 per cent of this will be delivered to the Government as rice at procurement rates worked out at 68 per cent out-turn. The other points discussed at the meeting are not quite relevant for our purpose. Consequent on such fixation of the target, the Registrar of Co-operative Societies, after referring to the discussion between the Civil Supplies Commissioner, G.W.1 and C.W. 2 the President of the Thanjavur Co-operative Marketing Federation and the Chief Secretary to the Government, wrote a D.O. Exhibit A-1 dated 22nd January 1970 in the nature of a directive stating that the Thanjavur Co-operative Marketing Federation is committed to procure an equivalent of 80,000 tonnes of rice during the Samba season of 1970 before the end of March 1970 and deliver not less than 40,000 tonnes of boiled rice out of its procurement to the Civil Supplies Department. He also expected that a daily supply of not less than 150 tonnes of boiled rice and notmore than 50 tonnes of raw rice to Madras should be supplied. This is also made clear under Exhibit A-2 dated 22nd January 1970. The President of the Thanjavur Co-operative Marketing Federation, therefore, in turn had to gear up his own institution as seen from Exhibit C-3 dated 25th January 1970 and Exhibit C-4. The Civil Supplies Commissioner, G.W. 1 also followed up the discussions as above held on 21st January 1970 and issued proceeedings under Exhibits C-8 dated 2nd February 1970 and C-7 dated 10th February 1970 which are more or less similar to the directions already issued by the Registrar of Co-operative Societies. Speaking on the so-called target and as to the authority which wished to enforce it, G.W. 1 when he was being cross-examined by Thiru P. Chidamberam said that as far as the Thanjavur Co-operative Marketing Federation is concerned, the drive for procurement was more from the Registrar's side and that even at the earliest time, the level of procurement (80,000 tonnes) did not appear possible. When cross-examined by Thiru N.T. Vanamamalai, G.W. 1 would say that from what he found from the papers was that it was not a stipulation made by them but a kind of understanding between the Society and the Registrar and that the prior delivery was a kind of voluntary understanding between the Registrar of Co-operative Societies and the Thanjavur Co-operative Marketing Federation. He admitted during cross-examination that there cannot be any statutory order or basis for the condition that Thanjavur Co-operative Marketing Federation should deliver first 40,000 tonnes of paddy to the Government.

It is, in this context, that we have to look into the actual facts regarding procurement by Thanjavur Co-operative Marketing Federation with special reference to the imposition of the special arrangement of procuring 80,000 tonnes so as to enable them to deliver 40,000 tonnes to the Government before March 1970.

As early as 20th April 1970, the Registrar of Co-operative Societies was not staisfied about the procurement operations by the Thanjavur Co-operative Marketing Federation and the consequent delivery of rice to Government. He wanted the Thanjavur Co-operative Marketing Federation to take all efforts to move the balance of stock of paddy without delay—*Vide* C-18 dated 20th April 1970. The Secretary of the Thanjavur Co-operative Marketing Federation answered the above note from the Registrar of Co-operative Societies and categorically expressed that as regard procurement, further progress could not be made due to want of funds. Having regard to the pace of procurement and in the light of the Federation's cry for want of funds and after the study of the ruling market price, the Registrar of Co-operative Societies wrote under Exhibit C-16 dated 16th May 1970 stating as follows :

" The Federation could procure only 35,800 rice tonnes of paddy and it has already supplied to Government, 8,800 tonnes of rice. Further supply of rice has been stopped at the instance of the Government ..... " the ruling price of paddy has gone up considerably in many places and it had become difficult for the Co-operative to procure paddy at the controlled price. With a veiw to keeping up its obligation to Government in the matter of supply of the agreed quanity of 40,000 tonnes of rice, the Thanjavur Co-operative Marketing Federation had to purchase paddy at the ruling market price ranging upto Rs. 33 or Rs. 34 per bag of 57 kgs. as against the controlled price of Rs. 26·79 per bag. This has resulted in an increase in the cost of production of rice by the Thanjavur Co-operative Marketing Federation.

If the entire committed quantity of 40,000 rice tonnes is to be supplied to the Government, the Federation will incur a loss of about Rs. 1 crore. "

Thus it is clear that the Department of Co-operation was satisfied that it has become a practical impossibility for the Thanjavur Co-operative Marketing Federation to procure 80,000 tonnes and reach the target at level.

It would also be of interest to set down here the efforts and the supplications made by C.W. 2 Thiru V. S. Thyagaraja Mudaliar, who from time to time pointed out to the Registrar of Co-operative Societies the Federation's inability to strike the target. He has written Exhibits C-13, dated 12th February 1970 and C-11, dated 14th February 1970 resulting in the Registrar of Co-operative Societies writing the letter Exhibit C-16, dated 16th May 1970 the purport of which has already been referred to. The recommendation of the Registrar of Co-operative Societies to the Commissioner of Civil Supplies was that if the commitment of the Federation is reduced and if a large quantity of rice procured by them already is released for open market sale, it would do the Federation some good. He referred to the fact that as by then, 35,800 tonnes were procured by the Federation, he was of the view that the Federation may be permitted to supply 17,900 tonnes of rice to Government instead of 40,000 tonnes as agreed and dispose of the balance of quantity by sa . n the open market and he expressly stated that the request of the Federation is reasonable and requires favourable consideration if the stock position of the Government is comfortable. This is repeated by the Registrar of Co-operative Societies in his letter Exhibit C-35, dated 20th August 1970. He would refer to the unfortunate situation that eventhough the Federation attempted open market sales, it was not successful and after reiterating that the Federation was no doubt anxious to fulfil its commitment to the Government for the supply of 40,000 rice tonnes of paddy, said that it is advisable to permit to Federation which purchased paddy at premium and which is facing considerable loss in the disposal of the rice to enable it to retrieve its position and minimise the loss to the extent possible. Even G.W. 1 admitted that the target of procurement was somewhat high and in cross-examination by Thiru Pal Pandian he said that the Government hoped that the Federation will procure 80,000 tonnes and added " Naturally if they did not reach the level, the position changes ". In the cross-examination by Thiru R. Krishnamurthy, counsel for the Minister, he said that the decision fixing the target was not in exercise of any statutory powers, but it was actually the Registrar of Co-operative Societies, who fixed the target. Further in cross-examination he would say that the entire purchase by the Thanjavur Co-operative Marketing Federation in accordance with the decision as above for procuring 80,000 tonnes was not entirely outside the levy system. But the only qualification was that they would deliver 40,000 tonnes first. He was candid enough to say that when the actual procurement level did not reach 80,000 tonnes, the levy would be reviewed. At this stage, I may refer to an incidental suggestion made by Thiru Kannan that there is discrepancy in record as to the higher prevailing market price. He would rely upon Exhibit A-24, dated 10th February 1970. In Exhibit A-24, the Joint Commissioner of Civil Supplies reported to the Collector of Thanjavur that from the bi-weekly statements and from the reports in the newspapers, he found that the open market prices of paddy in the Thanjavur district are below the procurement price. On the strength of this information, he wanted the Collector to see whether procurement by direct purchases could be stepped up. But, this is directly opposed to Exhibit A-18, dated 4th March 1970. The District Revenue Officer, Thanjavur, answering the letter of the Joint Commissioner of Civil Supplies in Exhibit A-24, dated 10th February 1970 would categorically deny in Exhibit A-18, dated 4th March 1970 that the open market prices were below the procurement prices. On the other hand, he would say with emphasis that the open market price was never below the Government procurement price after 8th January 1970. In cross-examination by Thiru Pal Pandian, G.W. 1 refers to this state of affairs and would agree that the open market prices have always been on the increase. Reference has already made to the incessant representations made by the Thanjavur Co-operative Marketing Federation regarding the higher open market prices. Even the Collector of Thanjavur examined as C.W. 1 was emphatic when he was examined by the counsel for the Minister that the open market prices will not be lower than the levy prices.

In the conspectus of the events as above, the situation has to be assessed and the facts found whether the story that the Thanjavur Co-operative Marketing Federation had suffered loss on the deliveries made to the Government was true. In Exhibit C-16, dated 16th May 1970, the Registrar

of Co-operative Societies who was the immediate superior authority of all the Co-operative Societies expressed the view that the Federation will incur a loss of about Rs. 1 crore, if the entire committed quantity of 40,000 rice tonnes is to be supplied to the Government. In Exhibit C-35, dated 20th August 1970, the Registrar of Co-operative Societies recommended to the Secretary of the Food Department the export of the available surplus with the Federation to other States so as to minimise its loss. C.W. 2 in his letter Exhibit C-37, dated 22nd September 1970 to the Registrar of Co-operative Societies, marked as urgent, after analysing the situation said that the loss sustained by the Federation by supplies to the Government under the levy system has worked out to Rs. 35,88,402 while the loss incurred on private sales comes to Rs. 1,71,890 making in all a total of Rs. 37,60,292. He also referred to the fact that the Federation had on hand stocks of paddy and rice equivalent to 12,753 tonnes of rice and suggested that this quantity could be offered to the Government of India at an economic price so that the Federation could atleast secure some reasonable percentage of profit. That the Federation had such available surplus as stocks with them and that they were fervently fighting to retrieve themselves from a bad economic situation cannot be disputed.

In the course of examination of the witnesses, bare and baseless suggestions were made that such stocks were deliberately accumulated with the Thanjavur Co-operative Marketing Federation so that at a future time, the Government could act hand in glove with the Federation to dispose of such involuntarily built-up stock and make a wrongful gain thereon. On a careful circumspection of the facts and materials available before the Commission, it is rediculous to say that there was a wanton accumulation of stock by the Federation in order to achieve a wrongful gain by some at an unknown future date. The letters of the Registrar of Co-operative Societies, who has not been the target of attack by the representators either in their pleadings or in the course of examination or in any other manner has put it bluntly that if the Federation is not encouraged, it would sustain a loss to the extent of Rs. 1 crore. It was the Registrar who imposed the target of 80,000 tonnes. It was the same officer who realised that to reach the target is more or less an impossibility having regard to the prevailing open market prices which were higher than the procurement prices. It was the same officer who fervently recommended that the Federation may be permitted to supply to the Government only 50 per cent of the quantity actually procured by it, i.e., 17,900 rice tonnes (35,800/2) without insisting on the target earlier fixed. It is in the light of such hypothes is of a public officer whose image has not been tarnished in any way by the representators and against whom they have no grievance that the situation has to be assessed. Taking all the circumstances into consideration, I am of the view that the accusation made by the representator in the pleadings without further evidence and the vague suggestions in cross-examination that the Federation deliberately accumulated stocks for a nefarious purpose to be implemented or executed in the future is undoubtedly a ridiculous suggestion besides being a baseless one.

To continue the narration, the plight of the Federation was such that they had to take steps under the immediate guidance of the Registrar of Co-operative Societies to get a release of as much stock as possible from the available surplus of 17,900 tonnes so that they could export to other States and get themselves retrieved. With this purpose, they approached the Revenue Officials for the first time. The District Revenue Officer under Exhibit C-20, dated 17th March 1970 made the following order :—

"In order to relieve the financial difficulties of the Thanjavur Co-operative Marketing Federation Limited, Thiruvarur, the Collector has, during the weekly meeting held on 16th March 1970, permitted the Federation to move a quantity of 5,000 rice tonnes of paddy out of the District on permits to be issued by the respective Taluk Supply Officers".

As the position did not improve in May and June 1970, the Thanjavur Co-operative Marketing Federation had to again pursue their policy of repatriation by requesting for the release of another allotment of 5,000 tonnes, so that they could move the same outside the District. Accordingly under Exhibit C-26, dated 4th July 1970 the Commissioner of Civil Supplies after referring to the frantic but genuine recommendation made by the Registrar of Co-operative Societies under Exhibit C-16, dated 16th May 1970 and Exhibit C-23, dated 8th June 1970 to reduce the commitment of levy from 40,000 tonnes to 17,900 tonnes, gave a further permission to the Thanjavur Co-operative Marketing Federation to dispose of another 5,000 rice tonnes of paddy procured by them in Sambah 1970 by themselves in the open market. This was followed up by another strangulatory letter Exhibit C-27, dated 15th July 1970 by the same Commissioner of Civil Supplies who said that the 5,000 tonnes released by them for disposal in the open market should be first sort paddy and such restriction would apply equally to the other 5,000 tonnes released under Exhibit C-20, dated 17th March 1970. Difficulties were felt in the matter of the disposal of first sort paddy and a request was made to the Commissioner of Civil Supplies not to impose a condition that what could be sold or moved out by the Federation under the guise of two released orders should be only first sort paddy. G.W. 1 in Exhibit C-28, dated 24th July 1970 would say that the levy paddy which is being released now really belongs to the Government and hence it is open to the Government to release the varieties as deemed fit. Under these circumstances, G.W. 1 rejected the request of the Federation. I may at once state that G.W.1 would correct himself while in the witness,

box that the view expressed by him that the levy stock, if that expression is used at all, belongs to the Government is not correct. On the other hand, he had to admit that the stock purchased by the Thanjavur Co-operative Marketing Federation was from and out of their own funds and it belongs to them. I shall expatiate this position at another stage. Similarly, and for similar reason, under Exhibit C-30, dated 22nd July 1970, another 5,000 tonnes were released. But again, a condition was imposed that it should be first sort paddy. The net result of it all is that 15,000 tonnes of paddy belonging to the Thanjavur Co-operative Marketing Federation which was in their custody and control was permitted to be sold out in the open market, provided the variety was of the first sort.

It is now necessary to see as to how far the Federation achieved their objective to retrieve themselves by obtaining the three release orders as above. The Registrar of Co-operative Societies under Exhibit C-18, dated 20th April 1970 asked for a detailed report with regard to the remaining stocks. He refers to the unfortunate position that only 324 tonnes of paddy and 695 tonnes of rice have been moved out of the District out of the released quantity and asked the Federation to take all efforts to move the balance. The Secretary replied under Exhibit C-19, dated 13th May 1970 and expressed the difficulties in pushing open market sales and made it clear that even the other Co-operative Marketing Societies were reluctant to take delivery of such paddy and that they were prepared to back out from the contracts. It is unfortunate that even though the Food Corporation of India were disposing of in the open market only second sort paddy, no such concession was shown by the Government to the Thanjavur Co-operative Marketing Federation inspite of their request to that effect. By August 1970, the Federation sold only 6,146 tonnes out of the released quantity of 15,000 tonnes. The Federation put up a note as to the circumstances under which they were unable to move the balance quantity. While reiterating the position that the District Supply and Marketing Societies and Co-opearative wholesale stores were also not inclined to buy the bulk of the stock from them, they referred to the prevailing market rates and after stating that they had a stock of 17,121 tonnes which included paddy, raw rice and boiled rice, they said that it would be difficult in the ultimate analysis to sell the available surplus in their hands and even that quantity of the released stock in their hands in the open market. In fact, this is made clearer in Exhibit C-33 dated 28th August 1970, which was a letter written by the Secretary, Thanjavur Co-operative Marketing Federation, to the Registrar of Co-operative Societies stating clearly how they were unable to push their open market sales even with the other co-operative societies in the State. The Registrar of Co-operative Societies was also aware of the position as may be seen from Exhibit C-35, dated 20th August 1970. He referred to the poor progress in the disposal of the permitted quantity and rightly assessed the difficulty as attributable to the Federation having paid a higher price for the procurement of such stock in its anxiety to fulfil its commitment to the Government for the supply of 40,000 rice tonnes of paddy.

While the Thanjavur Co-operative Marketing Federation was thus swimming in a pool of difficulty, the levy system which was introduced in January, 1970 was removed on the 16th September 1970 in Thanjavur. C.W.1 would have it that at or about the time, the Government independently had a stock of over one lakh tonnes. C.W. 1 Mr. Antony also would support this view. In fact, C.W. 1 would say that the atmosphere was such that his anxiety and that of the District authorities was to move the stock outside the district of Thanjavur obviously to avoid wastage. A reference has already been made to the fact that as early as 16th May 1970, under Exhibit C-16, the Registrar Co-operative Societies recommended that the levy paddy to be delivered by the Thanjavur Co-operative Marketing Federation to the Government under the arrangement as shown in Exhibit C-8, dated 2nd February 1970 should be reduced to 17,900 tonnes and permission accorded to Thanjavur Co-operative Marketing Federation to dispose of the balance available surplus in their hands by sale in the open market. After a prolonged correspondence the Government under Exhibit C-69, dated 6th November 1971 gave a memo. reading as under :—

"The Registrar of Co-operative Societies is informed that the Thanjavur Co-operative Marketing Federation Limited, was paid an advance of Rs. 53,12,500 at the rate of Rs. 425 per tonne for 12,500 rice tonnes of paddy. Though the levy of 50 per cent is collectable only on the movements of paddy/rice moved outside the District from 9th January 1970 to 15th September 1970 the Thanjavur Co-operative Marketing Federation was asked to surrender 50 per cent levy on the total stocks procured by it, viz.,17,900 tonnes as the Government had helped it by granting advances for procurement. The Federation has requested that a quantity of 9,130 tonnes may alone be collected from it, instead of getting 50 per cent of the total purchases made by it. In view of the financial difficulties of the Federation, it has been decided to collect the levy from the Federation based on the movements made by it outside Thanjavur District from 9th January 1970 to 15th September 1970 and not to insist on further deliveries of rice to Government. The Collector of Thanjavur has since been advised by the Commissioner of Civil Supplies to get the balance of advance of Rs. 11,85,663·87 paise adjusted by getting rice supplies from it from out of the current kuruvai harvest - 71 ".

A comment was made that this is a belated concession given to Thanjavur Co-operative Marketing Federation. But the subject abstract of the memo. itself says that the said concession was similar to those extended to private procurement agencies. The insinuation is that the memo. issued under Exhibit C-69 was in the channel of a design which was thought of even at the time when the Thanjavur Co-operative Marketing Federation was encouraged to accumulate stock. I have already said that there is no substance in the contention that there was a deliberate accumulation of stocks by Thanjavur Co-operative Marketing Federation either of their own or at the instance of the Government. Equally, there is no evidence to justify the insinuation that the memo. Exhibit C-69 was belated and was issued deliberately as late as November 1971. This circumstance by itself throws no light upon the motive of the Government to postpone the issue of the concession until a nefarious object is achieved. Apart from this insinuation being unjustified, it is baseless because the Thanjavur Co-operative Marketing Federation as a public body, acted through the resolutions of its Board from time to time and were conscious of their practical and commercial difficulties not only in the matter of procurement but also in the matter of the supply of the levy paddy at a price lower than that for which they have purchased. There is abundant proof that the market price during the year is question was higher than the procurement price.

On 3rd September, 1970, the Board resolved to authorise the Secretary to sell paddy and rice on hand at the market price to the best advantage of Thanjavur Co-operative Marketing Federation. At its meetingheld on 8th November 1970, the Board resolved to address the Registrar, Co-operative Societies regarding the disposal of paddy and rice on hand to the Government of India. Again, at its Board meeting held on 15th February 1971, the Board approved of the arrangements made by the President. These resolutions of the Board of Management of Thanjavur Co-operative Marketing Federation read with recommendations and reports made by the Registrar of Co-operative Societies from time to time establish beyond doubt that Thanjavur Co-operative Marketing Federation did suffer a loss due to the procurement of large stocks at prices higher than the procurement prices and that they were making frantic efforts through their Registrar to retrieve themselves in whatsoever convenient manner they could do so and it was this object which was predominant in their minds that made them approach the Registrar of Co-operative Societies to recommend the reduction in the level of the "target" to the stock already delivered to the Government under the levy system and finally enable them to sell the available surplus openly either by export or by persuading the Central Government to accept their stock at economic prices.

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TRUTH ALONE TRIUMPHS

EFFORTS OF THANJAVUR CO-OPERATIVE MARKETING FEDERATION IN THE MATTER OF DISPOSAL OF THE STOCKS HELD BY IT.

We, therefore, come to the stage when the Secretary of Thanjavur Co-operative Marketing Federation and the President of Thanjavur Co-operative Marketing Federation with due authority began to negotiate with the Central Government for disposal of their available surplus in their hands. We find in the record a telex message in Exhibit A-46, dated 28th August 1970 from C.W. 3, Mr. Balasubramaniam, Food Secretary, Government of India to G.W. 1 asking the latter to send detailed break up of economic cost of Samba rice lying with Thanjavur Co-operative Marketing Federation for supply to Central pool. I have only referred to this exhibit at this stage so as to respect chronology as it is not known as to how this reference has come from the Government of India and what discussions Thanjavur Co-operative Marketing Federation had at that level. To continue the narrative, however, the Thanjavur Co-operative Marketing Federation was frantically trying after the abolition of the levy system to sell the available surplus stock by export. The Government refused permission for export, but informed the Thanjavur Co-operative Marketing Federation through the Registrar of Co-operative Societies that the Federation may negotiate with the Food Corporation of India to hand over the stocks to the Central pool at mutually acceptable rates and terms for the disposal of the stocks held by it. To transgress, even at this stage the expression used by the Government in relation to such available surplus with Thanjavur Co-operative Marketing Federation was " disposal of the stocks held by it." It would be unimaginable if this expression " stocks held by the Federation " could be interpreted as " stocks owned by the Government". I shall advert to this aspect later. Following up the above direction by the Government, the President of Thanjavur Co-operative Marketing Federation wrote to the Registrar, Co-operative Societies under Exhibit C-37, dated 22nd September 1970 giving particulars of the losses incurred by them on account of rice sales and paddy sales to Government and after making out that they had incurred a loss of over 37 lakhs of rupees, indicated that they had a stock of 12,753 tonnes of rice and that they expected a small margin of at least 5 per cent to their cost of production which was also furnished thereunder in case they had to supply the same to the Central Government. Even the Registrar, Co-operative Societies under Exhibit G-3, dated 23rd September 1970 recommended the proposals of the Federation having regard to the losses already incurred by them and concluded by saying that the Government may arrange for the fixation of a reasonable price for the rice proposed to be supplied to the Central pool. The economic price was also indicated therein. The President having been apprised of the above developments, proceeds to Delhi in November as also in December and he deposed that he met the Secretary, Mr. Mathrani who was then the Secretary of the Food Department. Mr. Mathrani after some discussion is said to have given the impression to C.W. 2 that the pool price alone could be given to the Marketing Federation and that he cannot expect to get a higher price. C.W. 2 was therefore disappointed and he swears that he told Mr. Mathrani that the rates offered by him are not acceptable to the Federation. That he met Mr. Mathrani is a fact having regard to the Exhibit C-40, dated 12th December 1970 and Exhibit G-29, dated 31st December 1970. In Exhibit C-39, dated 11th December 1970 which is a copy of the letter said to have been written by him to the National Co-operative Development Corporation Limited, New Delhi, he mentions about his interview with the Food Secretary, and how the Food Secretary was able to offer the price far lower than the economic price of Federation. Mr. Mathrani, however, in his own turn, wanted to find out from G.W. 1 as to what would be the price of the stocks so offered by Thanjavur Co-operative Marketing Federation and he wrote Exhibit A-26, dated 26th October 1970 asking G.W. 1 to contact the Zonal Manager of Food Corporation of India and expedite the details. It is not clear as to why the Government of India which could contact the Food Corporation of India whose head office is at Delhi, should seek the assistance of the Food Secretary of the Government of Tamil Nadu to get the information from their own public concern. Under Exhibit A-27, dated 28th November 1970, G.W. 1 writes to the Registrar, Co-operative Societies, to obtain the costing figures from Food Corporation of India. The subject was therefore passing from pillar to post. The President of the Federation, C.W. 2 was making frantic efforts to dispose of the stocks. He writes to G.W. 1 under Exhibit C-38, dated 24th November 1970 requesting him to speak to Thiru Balasubramaniam, Joint Secretary for Food Department in connection with the acceptance of their stock for the Central Pool. In the meantime, the President having gained intelligence about the attitude of the Central Government, wrote under Exhibit C-40, dated 12th December 1970 to Mr. Mathrani expressing his inability to sell the stock to the Central Pool directly or deliver the same to Kerala at the prices indicated by the Government of India. He incidentally requested the Secretary, Department of Food, Government of India to grant the Federation permission to dispose of a quantity of about 12,000 tonnes in the open market either in Kerala or in any part of the country to enable Thanjavur Co-operative Marketing Federation to recoup the losses incurred by them as a result of the Government Food policy. He drew the attention of the Secretary for Food, Government of India to the fact that private purchasers of rice in auctions held by the Government of Tamil Nadu have been permitted to sell anywhere in the country in the open market. I have referred to a letter written by the President to National Co-operative Development Corporation (Exhibit C-39, dated 11th December 1970). The Secretary, National Co-operative Development

Corporation writes under Exhibit C-41, dated 31st December 1970 to Mr. R. Balasubramaniam recommending the purchase of the stock from Thanjavur Co-operative Marketing Federation. In fact in Exhibit C-41, dated 31st December 1970 the Secretary, National Co-operative Development Corporation which is also a Government of India concern, whose Chairman is a Union Minister, Food, says that since the Thanjavur Co-operative Marketing Federation is in charge of a modern mill sponsored by the Government of India and has been aided out of public fund, it is very necessary to help it to come out of its financial crisis. The matter ended there and no further progress is made. At this stage, a severe comment was made by the representators in the course of the cross-examination that the particulars asked for by the Central Government was deliberately withheld and that with a purpose, both G.W. 1 and the Registrar of Co-operative Societies abstained from contacting the Food Corporation of India and obtaining the particulars from them. This is a far-fetched comment. If really the Government of India was serious to purchase the stock of the Federation at the economic price quoted by them or near about, it would have with precision and promptness taken up the subject themselves and would have got the costing price from the Food Corporation of India without the Tamil Nadu officials furnishing them with such particulars. Even the letter of National Co-operative Development Corporation (Exhibit C-41, dated 31st December 1970) did not provoke the Government of India to act favourably. I am, therefore, of the view that this speculative comment made by the representators on this aspect of this case, is without any foundation.

The President having sincerely and genuinely exhausted his attempts to sell the stocks of the Federation to Government of India, reported the matter under Exhibit G-29, dated 31st December 1970 to G.W. 1 and under Exhibit C-47, dated 18th January 1971 to the Registrar of Co-operative Societies. In Exhibit G-29, he refers to the discussions he had with the Secretary for Food, Government of India, on two occasions and after pointing out that such talks failed, he said that the only way in which the Federation could recoup all its loss incurred on the delivery of paddy and rice to the Government would be by sale of the remaining stock of 12,753 tonnes of rice in the open market in Kerala. To a similar effect is Exhibit C-47 which is again a report made by the President of the Federation to the Registrar, Co-operative Societies. He hinted that he met the Secretary for Food, G.W. 1 and the Food Minister, D.W. 1 after his return from Delhi and that he wrote Exhibit C-47 to the Registrar of Co-operative Societies which is as follows:—

"They had very kindly agreed to our proposals for disposing of the paddy and rice outside the State, but only stipulated that instead of Thanjavur Co-operative Marketing Federation directly disposing of the stock in the outside market, the Government themselves would dispose of the stocks calling for tenders permitting the tenderers who purchase the stock, to dispose of the stock anywhere in the country and remit the sale proceeds to the Thanjavur Co-operative Marketing Federation. ".

The language of these two letters are clear that until 18th January 1971, the ball was in the court of the Federation and it was they who were attempting to sell their stock through the available commercial channels and that even during the time when such attempts were made, the manner by which the Thanjavur Co-operative Marketing Federation should be helped was hinted by the Government. The Representators' case is that the device of calling for tenders later to sell the stock of the Federation was an invented one and a machinated design. But we see that this was in the mind of the Government even as early as 18th January 1971 or before the negotiations for a public disposal of the stock remained undecided. The President of the Federation was so enamoured by the genuine gesture of the Government of Tamil Nadu regarding their offer to help the Federation to sell the stock by calling for tenders. This, he put it in writing in Exhibit C-42, dated 1st February 1971 to the Director (Processing and Marketing) of the National Co-operative Development Corporation and made the position clear. I have referred to Exhibit C-42 only to show that there could not have been any conspiracy as between the State of Tamil Nadu on the one hand and Thanjavur Co-operative Marketing Federation on the other, when they undertook the responsibility of selling the stocks of Thanjavur Co-operative Marketing Federation by inviting tenders.

Thirumathi Ananthanayaki who came to the arena of Inquiry at a later stage, came with a definite allegation that at no time, did the Central Government decline to take the surplus paddy and rice with the Federation and that the conclusion arrived at by the Minister to that effect is a false conclusion and not a *bona fide* one. No doubt, this representor would add, amongst other things, that the sale by negotiated tender to Thandavarayan was designed to benefit Thiru V. S. Thyagaraja Mudaliar, Asoka Traders and A. M. Associated Traders. On more than one occasion, I have harped on the view that Asoka Traders and A. M. Associated Traders were never in the picture until the negotiated tender was concluded. But in so far as the allegation made by the representor that the sale by negotiated tender was designed to benefit Thiru V. S. Thyagaraja Mudaliar, as well, I am of the view that it is an absolutely baseless and unfounded allegation. In the context of the evidence narrated above, it is seen, what steps the Federation took in order to recoup its losses and the methodology adopted by it to get out of the economic struggle in which it was involved and how it ultimately banked on the gesture of the Minister for Food, Thiru P. U. Shanmugham and his Department to help it out of the financial difficulties.

It would be convenient to refer to the evidence of Mr. Balasubramaniam, C.W. 3 so as to set at nought any misgivings about the attitude of the Government of India. After referring to the correspondence that passed between them and the Food Corporation of India in the matter of securing the price regarding their costing so as to adjudge the feasibility of accepting the economic price quoted by Thanjavur Co-operative Marketing Federation, Mr. Balasubramaniam, said that when they were making such examination as to the costing, they did not report to the State Government asking them to wait or apprising them that they were on the subject. He admits that he met G.W. 1 and C.W. 2 at Delhi in connection with the sale of the stock of Thanjavur Co-operative Marketing Federation. When a specific question was put to him whether he communicated to C.W. 2 the decision of the Government of India that they were not willing to take over the stocks, he answered that he did not by writing. But he could not remember whether he orally gave that impression. He finally tried to avoid by saying that he does not remember whether the Government of India were or were not willing to take over the stock from the Federation. But fairly he admitted that the Government of India had a procurement price and that they wanted to purchase within that price and the Thanjavur Co-operative Marketing Federation had given the price over and above their procurement price. He also explains that he received letters from National Co-operative Development Corporation. He admitted in the cross-examination by the Government Pleader that if the Thanjavur Co-operative Marketing Federation did not agree to their price, they were under no obligation to sell their stocks. When a specific question was put to him by the Commission whether he wrote to the State Government or to the Food Secretary to wait until they get information from Delhi, he answered in the negative. He had to admit that G.W. 1 was a good officer, quiet and straight forward reading his evidence as a whole and in the absence of any definite communication from the Government of India regarding their inclination to purchase the Thanjavur Co-operative Marketing Federation's stock and having regard to the impressions gained by G.W. 1 which he referred to in his examination that the Central Pool was not interested in purchasing the stocks at the Thanjavur Co-operative Marketing Federation's rate and in the light of the evidence of C.W. 2 whose evidence, I cannot lightly reject, I am of the view that the Central Pool did not, by their delay and by their silence, come out that they were anxious to negotiate with the Federation. On the other hand, the letter of C.W. 2 to National Co-operative Development Corporation setting out how the talks with the Central Government failed, makes the position rather clear and places the matter beyond doubt. I do not accept the contention of Thirumathi Ananthanayaki that the Central Government was interested in the stock of Thanjavur Co-operative Marketing Federation at all excepting for the fact that they were negotiating, and negotiating without coming to any clear cut decision on the question and accept the evidence of G.W. 1 and C.W. 2 and find that the Central Government were not interested in purchasing the stock of Thanjavur Co-operative Marketing Federation on its price. Nor were they interested even to negotiate and arrive at an agreed price at any material or convenient point of time.

It may not be out of place at this stage to refer to the efforts taken by Thanjavur Co-operative Marketing Federation to export their stocks to Kerala under Exhibit C-34, dated 27th June 1970 which was recommended by the Registrar of Co-operative Societies under Exhibit C-35, dated 20th August 1970. The Thanjavur Co-operative Marketing Federation requested for permission to export a part of their stock to Kerala. This was refused by the Food Department under Exhibit C-36, dated 16th September 1970. This attitude of the State Government at that time is rather curious. They permitted sales for export outside the State in the case of Tamil Nadu Co-operative Marketing Federation and the Food Corporation of India. *Vide* Exhibit C-69, dated 17th April 1971 and Exhibit A-56, dated 14th September 1971. But the permissions to the other Societies were long after the date of the acceptance of the negotiated tender. But on principle the treatment meted out to Thanjavur Co-operative Marketing Federation was not on a par with that given to other private traders.

My conclusions are :—

(1) The Thanjavur Co-operative Marketing Federation attempted in vain to reach their target procurement of 80,000 tonnes and supply 40,000 tonnes out of it to the State Government.

(2) There is acceptable proof that the open market prices which prevailed during the Sambha season of 1970 were more than the procurement prices and in the course of its sincere attempt to respect its moral obligation to supply 40,000 tonnes, the Thanjavur Co-operative Marketing Federation had to purchase necessarily at a higher price though it was aware and conscious that it was paying prices more than that allowed for procurement of such stock in the usual manner.

(3) By a sincere attempt to respect its obligations though not strictly legal in the matter of achievement of the target of 80,000 tonnes and supply to the Government a quota of 40,000 tonnes, the Thanjavur Co-operative Marketing Federation obviously incurred a loss.

(4) At every stage, the Thanjavur Co-operative Marketing Federation was in correspondence with their departmental superiors, namely, the Registrar of Co-operative Societies who encouraged such purchases at a higher price, but could not concurrently help the Thanjavur Co-operative Marketing Federation to come out of the financial difficulties.

(5) The Thanjavur Co-operative Marketing Federation purchased 35,800 tonnes and delivered the prescribed quota of 50 per cent thereon to the Government, but could not thereafter sustain its economic position and frantically appealed through the Registrar, Co-operative Societies for help and for releasing them from its obligation to supply any more of stock pursuant to its earlier obligation.

(6) The Registrar of Co-operative Societies agreed, as is seen from the letters written by him and exhibited in the case, that the request for release from further supplies was genuine.

(7) The Thanjavur Co-operative Marketing Federation had to thereafter negotiate through the accredited channels to dispense of their surplus stock purchased at a heavier cost and for this purpose it decided to export.

(*a*) It decided firstly to get release orders from the Government to sell their stocks in open market; and it failed in it.

(*b*) Secondly, it attempted to move the Tamil Nadu Government themselves to give it permission to sell available surplus by export to other States by itself. This was also refused.

(*c*) Thirdly, it approached the Central Pool through the Food Secretariat of the Government of India and took sincere steps through its President to strike a deal between the Federation and the Central Pool and as the Central Pool could not accept the economic price offered by the Federation, the talks between the Federation and the Central Government also failed.

(*d*) It had therefore no other option except to again approach the State Government who were prepared by then to give their helping hand to sell the stock of Thanjavur Co-operative Marketing Federation by public auction by inviting tenders for that purpose. Obviously, this advice by the Local Government was a result of the fruitful and successful experience which the Tamil Nadu Government gained when they themselves sold in public auction about one lakh of tonnes and gained a profit of about 33 lakhs of rupees. Even G.W.1. would say in the witness-box that they volunteered to help the Thanjavur Co-operative Marketing Federation to sell their stocks and it was decided that the stocks may be sold for export and for this purpose call for tenders. The comment made by the representors was that there was no Cabinet decision over this question and that the Co-operation Department did not expressly give their assent. I shall at a latter stage refer to the steps taken by G.W.1., who interviewed the Minister for Food and circulated the note of his recommending help to Thanjavur Co-operative Marketing Federation by undertaking the responsibility of selling their stocks by calling for tenders. G.W.1. is emphatic that there is no necessity for a policy decision at the level of the Cabinet to help a private trader, may be a Co-operative Society, to dispose of its stock outside the State. As would be seen later, G.W.1. who was cross-examined thoroughly, was able to satisfy the Commission that he did consult the Minister for Food and obtain his orders to help the Thanjavur Co-operative Marketing Federation and call for tenders and that he circulated a detailed note thereafter to the Minister for Food; the Minister for Co-operation and even to the Chief Minister about the steps taken by him in the matter of calling for tenders, etc. have referred to this aspect briefly in this chapter only to show that the suggestion of fraud and conspiracy as between the Food Department and or the Food Minister with the Federation is without any substance whatsoever.

This subject therefore leads us on to the *modus operandi* adopted by the Governmental machinery in the matter of the sale of the Thanjavur Co-operative Marketing Federation stock.

WHETHER THE STOCK BELONGS TO THANJAVUR CO-OPERATIVE MARKETING FEDERATION AT ALL

OR

WHETHER THE GOVERNMENT HAD ANY INTEREST IN IT.

From an appreciation of the compendium herein before made, it is fairly clear that the Government did not have anything to do with the surplus stock in the hands of the Thanjavur Co-operative Marketing Federation. It is no doubt true that large advances were made to Thanjavur Co-perative Marketing Federation and the Thanjavur Co-operative Marketing Federation had certain banking facilities with the State Bank of India. It is also common ground that it was with the money of the Federation,— may be borrowed money,—that they began procurement operations and ultimately purchased about 35,800 tonnes at an exorbitant cost. Though an attempt was made by Mr. Kannan to disprove that the procurement price was not higher than the market price, he was not successful. The material before me proves otherwise. Both G.W. 1 and C.W. 1 in their testimony harped upon the fact that the Thanjavur Co-operative Marketing Federation had to pay a higher price for their purchase in their frantic effort to reach the target of 80,000 tonnes. The point is whether by advancing money to the Federation for procurment, the Government has a prerogative right and had any interest in the paddy so purchased by the Federation. The paddy was always with the Village Societies who are the owners. The Federation from its own finances, though it might have borrowed it from the Government or from the Bank such as State Bank of India, purchases paddy from the Village Societies. It cannot be anybody's case that at the time of actual purchase by the Federation, the Government had a proprietary interest in it. Under Exs. A. 1 and A. 2, both dated 22nd January 1970, an understanding was reached that they should procure paddy of the equivalent of 80,000 tonnes of rice during Samba season of 1970 before March, 1970 and deliver not less than 40,000 tonnes of such procured rice to the Civil Supplies Department. The very fact that at whatever price the Federation might have purchased the stocks from the Village Societies or from the open market, the Federation should respect their moral obligation to deliver 40,000 tonnes of paddy to the Government at the procurement price, implies that there is a second sale by the Federation to the Government as and when the stock is delivered under levy scheme. It may be that consequent upon such delivery under the levy system or pursuant to the understanding as disclosed in Exs. A. 1 and A. 2, the payment for such stocks delivered may be by adjustment of past advances or on a cash and carry basis. The Government can only claim to be a creditor. The dealings of the borrower in the usual course of business is not the concern of the creditor. If the borrower purchases stocks for the purpose of his business or to respect an obligation, to its creditor that circumstance by itself cannot mean that the stocks so purchsaed by the borrower is the stock of the Governement. No legal right over the stock so purchased by Thanjavur Co-operative Marketing Federation can ever be projected by Governement. It cannot be said that the Federation held the stocks in trust for the Government either. Being movable property, a suit to enforce the so called contract which the representors want to cull out from Exhibits A-1 and A-2 is not permissible in law. If the Federation defaults in the delivery of the levy paddy, if that expression can at all be used, they can only be proceeded against under the Licencing Order or the Movement Control Order or other laws in force. Undoubtedly and surely, the stock purchased by Thanjavur Co-operative Marketing Federation, even as a borrower, is its property and the Government cannot be said to have any interest in it. Any default in regard to the understanding as reflected in Exhibits A-1 and A-2 or arising out of the advance given by the State to the Thanjavur Co-operative Marketing Federation for such procurement, have to be dealt with under the terms of the Licencing Orders in force at that time under the common law. But this does not mean that the Governement has any direct or indirect interest in the stocks purchased by the Thanjavur Co-operative Marketing Federation in the usual course of their business.

In the pleadings, it is not the case of the Representators that the surplus stock which was dealt with finally under the negotiated tender was the stock of the Government. On the other hand, everyone proceeded on the basis that the stock in question belonged to the Thanjavur Co-operative Marketing Federation. Apart from the sworn statement of G.W. 1 in Exhibits R. 7 and R. 12, the representors themselves in Exhibits R-5; R-6; R-9; R-2 and R. 8, did not with emphasis say that the Government had any interest in the stock in question. Mr. Kannan who sought to participate in this inquiry with virulence and upto and at the time when he retired from inquiry, admitted both in his affidavit as also when he was in the box that the stock was that of Thanjavur Co-operative Marketing Federation. The Communist Party of India admitted that the Commission had to record at one time that it was common ground that the stock was that of Thanjavur Co-operative Marketing Federation. But in their memo. filed on the 14th July, 1975 when they retired from the inquiry, they would say that such matters like this could not be judged form the pleadings. Mr. Antony, examined as C.W. 1, says accent on the fact that the

stock was always understood and dealt with as that of the Thanjavur Co-operative Marketing Federation. Mr. V. S. Thyagaraja Mudaliar, examined as C.W. 2; Mr. Balasubramaniam, examined as C.W. 3; all gave the impression to the Commission that the subject-matter of this inquiry was stock belonging to Thanjavur Co-operative Marketing Federation.

It would therefore appear to be very plain that when the Government decided to extend a helping hand to Thanjavur Co-operative Marketing Federation and that too for adequate consideration (for a commission to be paid for the services rendered), it did not involve itself in a deal in which the subject-matter was the property of the Government; nor was there any chance of the public exchequer being resorted to for the purpose of effecting the sale of the Thanjavur Co-operative Marketing Federation stock.

The specific stand taken by the Registrar of Co-operative Societies who is the departmental head of the Co-operative movement in the State lends support to the view that the stock in question is that of the Thanjavur Co-operative Marketing Federation. The representors wanted the Registrar of Co-operative Societies to be brought in as a witness. This was refused by the Commission on the ground that the Registrar has already put his views in writing and he cannot improve matters or derogate from his letters when he is in the witness box. The Commission, therefore, relied upon the reports, letters and recommendations made from time to time by the Registrar of Co-operative Societies. It is not even suggested in the course of the inquiry that the Registrar of Co-operative Societies is a partisan to the alleged conspiracy. In this light, I shall now proceed to consider the correspondence and the other exhibits in this case which establish that the stock was that of Thanjavur Co-operative Marketing Federation.

In Exhibit C-16, dated 16th May 1970, the Registrar of Co-operative Societies, after analysing the difficulties felt by the Thanjavur Co-operative Marketing Federation in the matter of supply of the agreed quantity of 40,000 rice tonnes and after referring to the fact that they had to purchase at prices ranging between Rs. 33 and Rs. 34 and had to supply to the Government at the controlled price of Rs. 26·79 and after particularising that the Federation will incur a loss of about Rs. 1 crore if the entire committed quantity of 40,000 rice tonnes is to be supplied to the Government, recommended that the request of the Federation to sell their balance of stocks after supplying 17,900 tonnes of rice to the Government in the open market was reasonable and required favourable consideration. Obviously, this letter proceeds on the footing that the stock purchased by the Thanjavur Co-operative Marketing Federation and the surplus stock after delivering about 17,900 tonnes was their own stocks over which the Government had no interest. Exhibit C-35, dated 20th August 1970 is another letter by the Registrar of Co-operative Societies. Here again, a reference is made to the purchases of paddy by the Thanjavur Co-operative Marketing Federation at premium and the necessity to permit the Thanjavur Co-operative Marketing Federation to dispose of their stock before the ensuing Kuruvai harvest and reduce their loss. It is again a pointer to the effect that the stock belongs to the Thanjavur Co-operative Marketing Federation Exhibit C-36, dated 16th September 1970 is a letter from the Government. While refusing permission to export the stocks to other States, the Government has not referred to their proprietary interest in that stock; but, on the other hand, would say that the Thanjavur Co-operative Marketing Federation may negotiate with the Food Corporation of India to hand over the stocks to the Central Pool at mutually acceptable rates. Exhibits C. 40, dated 12th December 1970 is a letter from the Thanjavur Co-operative Marketing Federation wherein they reiterated that they are the owners of the stock. Exhibit C-47, and Exhibit C. 48 both, dated 18th January 1971 are again letters from the Thanjavur Co-operative Marketing Federation wherein they reiterated that the stock was purchased by them and that they are the owners of the paddy. We have already seen that the Registrar of Co-operative Societies wrote for permission of the Government to enable the Thanjavur Co-operative Marketing Federation to sell their stock outside the State. If it is the stock of the Government, the Registrar of Co-operative Societies would not have done so; but would have adopted some other method.

If Thanjavur Co-operative Marketing Federation sold it in open market by themselves, there was no bar and the Government cannot by any process, governmental or legal, can object to the disposing of their stock in the open market. In fact, out of the 15,000 tonnes which were so released for open market sale, they were not able to sell a considerable part of it. This factor is again an indicia that the stock is that of Thanjavur Co-operative Marketing Federation and not that of State of Tamil Nadu.

Much was made on the release orders issued by the Collector of Thanjavur under Exhibit A. 14, dated 15th April 1971; A. 16, dated 19th March 1971; and A. 17, dated 15th April 1971. The Collector of Thanjavur has used the expression "release". C.W. 1 Mr. Antony explained that the usual procedure adopted in the matter of Government sales was also adopted in this case as a matter of course when tenders were called for and when the successful tenderers were given delivery orders. A person can release his right over the property provided he has any conceivable right in it under law. The use of the word "release" cannot tilt the matters and vest the

stock of Thanjavur Co-operative Marketing Federation with the Government. Though initially a mistake was committed in the matter of the remittance of money paid by the purchaser who bid at the tenders, yet it was rectified and it is common ground that the money paid by the successful bidder at the auctions held by the Government was always remitted to the Thanjavur Co-operative Marketing Federation Exhibit G. 45, dated 23rd February 1971 shows that the Government was only acting for consideration. It says :

" I leave it to the C.C.S. to take to the decision in the best interests of the T.C.M.F. Thiru V. S. Thyagaraja Mudaliar should not hold us responsible with these series of letters for the loss sustained by the T.C.M.F. due to wrong policies adopted by the institution earlier during the procurement. What we are now doing is trying to help the T.C.M.F. out of a bad situation."

Finally, the note ends with a remark :

"that the C.C.S. is only selling on behalf of the Thanjavur Co-operative Marketing Federation".

This again is an uncanny recognition of the ownership of the stock in the Thanjavur Co-operative Marketing Federation. At one stage, the Commission has recorded thus :

"The common ground of the parties herein in this case is that the stock in question is not the Government stock ; but the manner in which it was dealt with is the subject matter of investigation".

Even Mr. Balasubramanian, examined as C.W. 3, said that the Government of Tamil Nadu represented that the Marketing Federation had lot of stock and it was prepared to give to the Government of India at certain prices which it had quoted. This is obviously on the footing that the stock belonged to Thanjavur Co-operative Marketing Federation C.W. 3, C.W. 1. and G.W. 1 would make it clear in their evidence that it was the Thanjavur Co-operative Marketing Federation who had the final say in the matter of fixation of price to the paddy which was to be sold openly.

Incidentally, a reference is made to the loss of the Thanjavur Co-operative Marketing Federation. If the stock belonged to the Government, there would have been no occasion at all to refer to the loss of Thanjavur Co-operative Marketing Federation in its dealings. It was to retrieve the loss and make the Thanjavur Co-operative Marketing Federation to recover back from their rather unsatisfactory economic position that the Government through the Registrar of Co-operative Societies and the Food Department and at the behest of the Minister for Food ultimately decided to take up the responsibility of acting for Thanjavur Co-operative Marketing Federation and selling their stock in the market for a commission to be paid by the Thanjavur Co-operative Marketing Federation for the efforts taken.

As already referred to, the pleadings which are in the shape of affidavits filed by the representors do not say that the stock is not that of the Thanjavur Co-operative Marketing Federation. It has been brought out clearly that the money recovered by the sale of such stock in the tenders called for by the Government at the instance of the Thanjavur Co-operative Marketing Federation was sent to Thanjavur Co-operative Marketing Federation and they do not form part and parcel of the public funds of the State of Tamil Nadu. There has been, therefore, no occasion for the Food Department or the Food Minister to deal with the stock belonging to the Government or public money. They acted as agents for consideration and called for tenders to sell for export the stock of Thanjavur Co-operative Marketing Federation and in that bargain, no doubt, the Governmental machinery was to be deployed. However, the irresistible conclusion from the attitude of the parties and from the oral evidence let in and from the unimpeachable documentary evidence in this case is that the stock is that of the Thanjavur Co-operative Marketing Federation and no part of public money was ever spent in the course of the calling of tenders, etc., leading up to the acceptance of the negotiated tender and the question of misuse of power by any one including the Minister does not arise at all.

My conclusion is that the stock under consideration always belonged to the Thanjavur Co-operative Marketing Federation and the Government did not have any interest in it and the Government had no occasion to spend any of its funds for putting up the stock of Thanjavur Co-operative Marketing Federation in public sale ; but, on the other hand, they earned the agreed commission for which consideration, they undertook to sell publicly through their machinery, the stock of Thanjavur Co-operative Marketing Federation.

WAS THE INTERFERENCE ON THE PART OF THE GOVERNMENT TO SELL THE, STOCK OF THANJAVUR CO-OPERATIVE MARKETING FEDERATION JUSTIFIED ? THE EVENTS CONNECTED THERETO—DOES IT REFLECT ANY MISUSE OF POWER ON THE PART OF THE MINISTER FOR FOOD ?

C. W. 2, Thiru V. S. Thyagaraja Mudaliar, the President of the Thanjavur Co-operative Marketing Federation in Ex.G.29, dated 31st December 1970 makes a frantic appeal regarding the available surplus of about 12,753 tonnes of rice with the Federation. He mentions that his negotiations with the Central Government were not encouraging. He suggests that the only way in which the Federation would recoup all its losses incurred on the delivery of paddy and rice to the Government would be by sale of the remaining stock in the open market in Kerala. He sought for such permission. Though the Government was under no legal obligation to initiate action on such an appeal made by an apex co-operative society, it decided to use the Government machinery, so that it could help the Federation. We have already seen that the stock does not belong to the State, but to the Federation. It is only to render service to the Federation that the Secretary for Food took up the matter further and processed it through in accordance with the common Secretariat practice. D.W. 1, whose evidence has not been shattered in any manner since all the representators retired by then and one of them refused to cross-examine him, said as follows :—

" I was told that the loss incurred by Thanjavur Co-operative Marketing Federation was due to the supply of levy paddy to the Government. The Thanjavur Co-operative Marketing Federation contacted the Central Government and they were told that the Central Government would not be able to purchase at the cost price of Thanjavur Co-operative Marketing Federation. The Thanjavur Co-operative Marketing Federation is a quasi-Government body connected with the Government. The Government has advanced money to the Federation for procuring paddy. The decision was taken with the good intention of getting back all the money and not for favouring any individual. Now only I come to know that there exists an opinion whether the Government should at all have intervened in this transaction. I would like to submit certain informations relating to other departments for your Lordship's information. Municipalities and Corporations have got powers to construct buildings of their own. They have got the necessary powers and also the facilities. I shall submit one such instance as an example. Madurai Corporation wanted the Government to construct a building for them, though they have the necessary means to do so. The Government have taken upon themselves the responsibility of calling for tenders and construct the building. Of-course, the Government collected centage charges from the Corporation. Likewise, so many other works were being done on behalf of Municipalities and Corporations. I can quote yet another instance. The T. V. Station that is to be constructed at Madras for the Central Government was entrusted to the State Government, eventhough the Central Government has got all facilities, men and material. One or two years back, Hon'ble Prime Minister Indira Gandhi laid foundation stone for the bridge between Rameswaram and Mandapam. The cost estimated to be incurred for the construction is about Rs. 5 crores. The entire money belongs to the Central Government. But, it is the State Government which alone constructed the same and collected centage charges. These I submit only as examples. I do not argue that for taking up the transaction of selling the rice, etc., of Thanjavur Co-operative Marketing Federation these are all the only reasons. In day-to-day affairs, the Government is undertaking the work of other departments, eventhough they are not bound to do so. Only thinking on those lines, the Government took over the responsibility of disposing off the stocks of the Thanjavur Co-operative Marketing Federation and not with any other motives. When I see that a big enquiry like this is going on now, I feel that I need not have intervened. Even then, I think it is the duty of the Government to take up the responsibility of disposing of the stock of Thanjavur Co-operative Marketing Federation ".

He felt that he never apprehended that such an inquiry of such magnitude would come up and said that he intervened as is usual for Government to render such helping hands to those who needs such help. Moreover, from the files it is seen that the Government did not render even free service. It collected service charges of Rs. 2 per tonne and the evidence discloses that a sum of Rs. 26,000 was collected as, and towards, the charges. It is also clear that the name of Thandavarayan was not in the picture at all at the time when the Government took its first decision to sell the stock of Thanjavur Co-operative Marketing Federation in open and public auction. In so far as C.W. 2, the President of the Thanjavur Co-operative Marketing Federation is concerned, it cannot be said that he initiated action under Ex. G. 29 because he wanted to benefit therefrom or benefit others. This is because that whatever money was realised by the sale of such stock was credited to the accounts of Thanjavur Co-operative Marketing Federation and this was ensured by the officers of the Government who took upon themselves the responsibility to conduct the open and public auctions. Calling for open tenders through the Government machinery will be inconsistent with any desire to help any individual much less favour C.W. 2. It is in this background that the events that led to the decision of the Government to sell in public auction can now be taken up for consideration.

G.W. 1 says that he discussed the matter with the Minister who gave directions to him to accept the proposal of C.W. 2 and take up the responsibility of putting up the stock of Thanjavur Co-operative Marketing Federation for sale in batches in public auction with permission to export to Kerala. Incidentally, we may refer to the apprehensions entertained by the Registrar of Co-operative Societies who was also of the view as is seen from Exs. C. 35, dated 20th August 1970 that Thanjavur Co-operative Marketing Federation would not be in a position to secure fair prices inside the State. Under Ex. A. 7 dated 20th January 1971, G.W. 1 says that it would be beneficial having regard to the practical negative stand taken by the Central Pool to dispose of the Thanjavur Co-operative Marketing Federation stock by public sale for export to Kerala. He refers to the discussions he had with the Minister for Food and records that he had initiated action for the sale of the stocks in the Thanjavur Co-operative Marketing Federation in batches with permission to export to Kerala. It is seen from the File Ex. G. 1 that this note was circulated for post sanction by the Minister for Food and for approval of the Minister for Co-operation and the Chief Minister. The Minister for Food approves of the action already initiated pursuant to his directions and he signs the note on 17th March 1971 in token thereof. The Minister for Co-operation signs the file six days later on 23rd March 1971 and finally the Chief Minister signs the note on 28th April 1971. The delay was because it was election time. In this connection the Hon'ble Minister when he was in the witness box refers to such signatures on a similar occasion and says that if the Minister for Co-operation had indicated anything contrary to his views, then he would have stopped further action in the matter. No such thing happened here. In fact, there is no comment made by the Minister for Co-operation or the Chief Minister. D.W. 1 also says that in urgent matters decisions are taken at informal discussions with the Secretaries of the Department and having regard to the fact that Thanjavur Co-operative Marketing Federation was facing a crisis such an urgent decision had to be taken.

The next plane from which the representators attack the decision to sell the Thanjavur Co-operative Marketing Federation stock in an open sale was that there was no pucca evidence to show that the Thanjavur Co-operative Marketing Federation stock represented the surplus of the State as a whole and without proof that there was no deficit in other districts of the State, such an action to sell the Thanjavur Co-operative Marketing Federation stock in public auction was unwarranted. G.W. 1 as well as Thiru Antony C.W. 1 graphically explained the position in which the State was placed at the relevant time. At a time when there was no total public distribution system, it was impossible to assess whether any particular stock was surplus or not. It is the price level and the stability of the price which ordinarily provided the hypothesis to decide whether commodities are freely available or not. Inadequacy of essential articles or non-availability of the same would be reflected in the price paid by the consumer in respect of such goods. G.W.1's evidence on such a stable price level has not been shaken in cross-examination. He says that the prevailing price in other districts, did not indicate non-availability. If there was really local non-availability, the stocks could have moved easily. The Thanjavur Co-operative Marketing Federation could have taken advantage of such a situation. On the other hand, C.W. 1 Thiru Antony says that far from other district collectors coming and making demands of paddy from Thanjavur district, he had to send enquiries to other districts to find whether they wanted any stock. I have already, in another connection referred to the sale of 41,365 tonnes which was apparently surplus in the hands of the Government for a profit of over 30·77 lakhs of rupees. Further in letter, dated 28th November 1970 under Ex. G. 23, the Prime Minister had complemented that the Tamil Nadu State has emerged as a surplus State and again in this context of special bonus on supplies to the Central Pool, referring to newly emerging surplus States, the Prime Minister had illustrated by saying ' like Tamil Nadu '. These facts establish beyond doubt that at the relevant time, the Tamil Nadu State was indeed a surplus State.

If really the representators intended that the decision to sell in open auction was merely a camouflage, they could have waited and cross-examined, the Minister but they did not do so. Further, it is incomprehensible as to how an agent can dictate to his Principal as to how the principal should do business. Indeed, the Government machinery was deployed in this case for a consideration of about Rs. 26,000 to sell the stock of Thanjavur Co-operative Marketing Federation. Repeatedly, I have mentioned in this report that it is the Tamil Nadu Co-operative Marketing federation which has to decide and finally accept not only the price for which their stock could be sold but the method and manner by which it should be sold. Ex. G. 29 is a letter from Thiru V. S. Thyagaraja Mudaliar, the President of the Thanjavur Co-operative Marketing Federation who, after being authorised to act for the Society, pleaded that the only method by which the Fede ration could be retrieved is by sale of their stock in open market in Kerala.

In these circumstances, the following conclusions emerge :—

(1) The utilisation of the Government machinery though for consideration for sale of Thanjavur Co-operative Marketing Federation stock is prima facie justified since it is explained on the grounds of expediency and as a gesture on the part of the Government to

help an apex Co-operative society which was working in the interests of the State for a long time. Even then, as conceded by D.W. 1, this could have been avoided. G.W. 1's initial action to dispose of the Thanjavur Co-operative Marketing Federation stock and towards which he had prior discussions with the Minister and obtained oral orders from him appears to be a move which is not normal and certainly not in the usual course of Governmental business. I find, that the action voluntarily undertaken by the Government is justified since it could be expalined as expedient in the context of events.

(2) Such action undertaken by the Government, though not in the normal rut of administration, does not, however, throw any light upon the misuse of power on the part of the Food Minister. This is so, because that such an action to help one of Government's associated public bodies did have the seal of approval of both the Minister for Co-operation and Chief Minister.

(3) The searching cross-examination by one or more of the representators when G.W. 1 was in the box, regarding the time to secure post sanction for the already initaiated action by G.W. 1 does not worsen matters nor does it help in any way what-soever to bring out any abnormal or improper use of power by the Minister for Food.

(4) The oral permission granted by the Minister at the behest of his Secretary for Food, which again is based on the request of Thanjavur Co-operative Marketing Federation was totally disjunct and unconnected with Thandavarayan or any other name brought into the picture in various ways by the representors.

(5) The initiated and the follow up action as is seen form the events that happened were all public events and there was no secrecy about it. There is evidence as would be seen later that several persons participated in response to the call inviting tenders, made security deposits and later withdrew the same because they were unsuccessful. In fact, Thandavarayan was not successful up to the stage of limited tender. But he was frantically offereing his own prices for the stock put up for autcion and there were competitiors who wanted that Thandavarayan's bid ought not to be accepted. This shows that there was enough publicity and the action undertaken by the Government officials both at Madras and at Thanjavur do not savour any malpractice nor does it provoke a poser whether the action is for a design or halood by a motive. The very fact that the representors conceded that the evidence on record does not bring out any material to prove misuse of power and that some more mateiral is required shows that the action to sell by public auction the stock of Thanjavur Co-operative Marketing Federation under the oral orders of the Minister for Food which was later affirmed by him in writing does not establish any misuse of power on his part or on the part of the Government officials. The very decision to sell by open tender, which would as of right entitle any competitor from any part of the country to participate, would automatically exclude favourtism to any individual.

(6) The suggestion without any basis by the representors that the State contrived with the Thanjavur Co-operative Marketing Federation to accumulate the stock of about 12,753 tonnes is only to be recorded to be rejected. The stock of about 12,753 tonnes is an infinitesimally small stock compared to the large quantities of the tonnes dealt with by the State themselves during any period. I do not agree that the accumulation or the building up of the stock by the Thanjavur Co-operative Marketing Federation was at the instance of the Minister for Food or his Secretary. But that is purely an accident which has occurred from which the Federation wanted relief at the hands of the Government.

THE TENDERS LEADING TO THE NEGOTIATED TENDER.

In the previous Chapter, we have seen that the decision to call for tenders was taken by G.W.1 after apprising the Minister for Food of the expediency of such a process and after obtaining his orders. The intendment in calling for the tenders in relation to the stock of Thanjavur Co-operative Marketing Federation was to sell the same to the highest bidder provided the said bid was acceptable to the Thanjavur Co-operative Marketing Federation which was the owner of the stock. The other benefit which these tenders provided was that it enabled the purchaser to seek for a permit form the appropriate authority and under the appropriate law to export the same for sale in Kerala. In the instant case, it is singularly brought out that such sale by tenders were for the purpose of sale for export in the State of Kerala.

The relevant events that led to the first tender may now be stated. After C.W. 2 realised that his attempts to sell the Federation stock to the Central Pool failed, he under Ex. C-47, dated 18th January 1971 apprised the Registrar of Co-operative So cieties that the State of Tamil Nadu was inclined to dispose of the Thanjavur Co-operaiven Marketing Federation stocks by calling for tenders and permit the tenderer, who purchases the stocks to dispose of such stocks anywhere in the country and remit the sale proceeds to the Thanjavur Co-operative Marketing Federation. Apparently, C.W. 2, obtained such intelligence from the Food Secretariat. This is clear from Ex. A. 7, dated 20th January 1971 in which G.W. 1 records that with reference to the directions of Minister (Food and Local Administration), following the discussions on the subject he had initiated action for sale of the stocks of the Thanjavur Co-operative Marketing Federation, in batches with permission to export to Kerala. He also directed that about 3,000 tonnes be sold in the first batch for which tenders were due on 25th January 1971. It is also clear that G.W.1 as the Secretary of Food or as the Commissioner of Civil Supplies has already passed on the decision of the Minister and his own effort to initiate further action, to sell the stock by calling for tenders, to the District Revenue Officer Tanjore. We have also seen in the earlier Chapter that the Minister should have orally authorised C.W. 1 to sell the stock in open tenders in the early part of January, 1971. That this is so, is clear from the action taken by the District authorities under Exs. A. 8, dated 8th January 1971 G-71, dated 8th January 1971, C-45, dated 11 th January 1971 and G-5, dated 13th January 1971, In Ex. A. 8 the District Revenue Officer refers to the instructions given to him by the Commissioner of Civil Supplies on 7th January 1971 to sell a part of the stock held by Thanjavur Co-operative Marketing Federation by inviting sealed tenders before 25th January 1971. Even the Federation is prompted to take action at their end so as to alert the dealers in Kerala about the impending auction on 25th January 1971. This is seen from Ex. C-48, dated 18th January 1971. Several tenderers participated and sought for inspection of the stocks—(*Vide* Ex. A-119, dated 21st January 1971 and Ex. A. 120 dated 19th January 1971). On 25th January 1971, the first tender is processed through (*Vide* Ex. G, 31, dated 25th January 1971, Ex. A-145, dated 26th January 1971, Ex. G-61, dated 26th January 1971 and Ex. A-90, dated 27th January 1971). Finally, the Commissioner of Civil Supplies accepted certain tenders under Ex. G-32, dated 27th January 1971. In fact, the tenders of Sitaraman and Muthuswamy Chettiar and Sankaran Kutti were accepted. Sitaraman and Muthuswamy Chettiar are uncontroversial figures. With reference to Sankaran Kutty a suggestion was made by Mr. Kannan, that the word "Kutty" has been added on to the name Sankaran and that Sankaran wa the son of Narayanan, who was a partner in M/s. Asoka Traders and A.M. Associated Traders. These details are mentioned only to establish that the tenders, the consequential auctions, are not events which could be drawn up from imaginations but which did really happen in a public office in the presence of several competitors. in fact, Sankaran Kutty has established his identity by writing a letter Ex. A-91, dated 28th January 1971 to make some corrections in his quotation. After the auction was so concluded on 25th January 1971, deposits were called for from the successful tenderers and orders were made refunding deposits to unsuccessful tenderers etc., The Thanjavur Co-operative Marketing Federation on its own part makes a report to the Joint Registrar regarding the first tender under Ex. C. 55, dated 9th February 1971. The comment that is made by the representators and their line of cross-examination was to the effect that the Commissioner of Civil Supplies was in double haste in passing orders of confirmation of the tenders and he would even invoke the means of telegram to communicate such acceptances. In an auction in which the subject matter of the auction is rice or paddy, the tenderer whose bid has been accepted would expect that he would get immedate orders of confirmation, the release of the stock etc., so that he could further his business on such purchase which was solely for purposes of export to Kerala. There is nothing very strange about the speedy disposal of the matter by the Commissioner of Civil Supplies. Even here, in the lengthy cross-examiantion of G.W. 1 by Mr. S. Kannan, advocate, such matters were brought. But his client would not swear to it in the box, nor did he comment upon the action of the Commisiioner of Civil Supplies. He chose to withdraw from the inquiry. Even otherwise, there is nothing for me to castigate G. W. 1 as a partisan in an unknown conspiracy along with the Minister for Food when he acted with precision

and speed. I hold that the auction put through pursuant to the first tender called for on 25th Janaury 1971 was a public one in which several persons, who are not in the field of controversy, participated, and successfully participated.

The second auction was announced to take place on 15th February 1971. The Thanjavur Co-operative Marketing Federation in its anxiety to secure the best price for its stock has written under Ex. C-51. dated 6th February 1971 to its various dealers and associates in Kerala. There is evidence on record to show that between 8th February 1971 and 13th February 1971, the intending tenderers inspected the stock-vide Exs. A-127 to A-137. Even a party from Bombay by name Natwar Parikh offered for the stock in response to the publication in the newspapers *Vide* Ex.A-88, dated 9th February 1971. By that time, the Collector of Thanjavur passed orders refunding Thandavarayan's deposit, but actually the refund has not been made. It appears that Thandavarayan also tendered on this occasion. But as he did not pay the tender deposit as proclaimed in the tenders, a mahazar was sent by several competing tenderers pointing out that no special favour should be shown to Thandavarayan as the highest tenderer in the second auction, when he has not paid the requisite tender deposit. In fact, in a letter written by N. S. Nanjappa Chettiar and Sons, Dindigul, dated 18th February 1971 as also S. Sadasivam of Madurai on the same date, the Commissioner of Civil Supplies received an offer which was Rs. 10 more than that quoted by Thandavarayan-*Vide* Ex. G. 37 to Ex. G-40 and Ex. G-42 and the unmarked letter, dated 18th February 1971. The Collector's report on the auction is found in Ex. G-6 and Ex. A-34 all dated 16th February 1971. Thandavarayan himself would admit that he was present at the second auction . The President of the Thanjavur Co-operative Marketing Federation would naturally recommend the acceptance of the offer for raw rice alone as is seen from Ex.G-28. The Secretary of Thanjavur Co-operative Marketing Federation state that excepting for a small increase in the price for raw rice over the previous auction generally the rates offered by the merchants for boiled rice and paddy have been lower (when compared with the rates offered in the previous auction). A recommendation was made that the highest tenders in respect of raw rice may be accepted. An additional suggestion was made that in the peculiar circumstances limited tenders may be called for. In the ultimate analysis Thandavarayan was not considered as an oliferer even in the second tender. But the tender made by Periakaruppan Nadar, who is also not a controversial figure for boiled rice was accepted-*Vide* page 125 of Ex. G-4 which has not been marked. The events that happened in the second tender also indicate that Thandavarayan is not a mythical figure or an imaginary personality or one who has been set up by the Minister or his so called associates. But he was physically participating in the tender by quoting for it and that in the second tender the offer by Periakaruppan Nadar was accepted. This action shows that there was no secret about the second tender nor could it be said that G. W 1 or C. W. 1 or any District Official of Thanjavur made a hush-hush of the affairs with the connivance of the Minister so as to help or assist Thandavarayan.

The next phase in the process of tendering the stock to the public for purchase was by what is commonly known as "Limited Tender". It is beyond dispute that though the stock belonged to Thanjavur Co-operative Marketing Federation the procedure adopted in the public sale of such stock was the usual procedure which was followed while selling Government stock. It was this adaptation of the procedure which probably was the immediate cause for the vague suspicion entertained by critics that the Government was frittering away Government stock by exporting the same to Kerala. G.W. 1 after referring to the Financial Code Vol. 1, 5th Edn. invited the Commission's attention to the fact that Article 193 enabled the Government to select a contractor and allot the work to him but this should be done after obtaining the sanction of his immediate superior. In Ex. G-44, dated 20th February 1971 which is a note put up by G.W. 1, there is an uncanny admission that the stocks belonged to Thanjavur Co-operative Marketing Federation. A detailed analysis is given about the earlier tenders and its painful effects on the Thanjavur Co-operative Marketing Federation After making certain recommendations, and after referring to the discussions he had with C.W. 2, V. S. Thyagaraja Mudaliar, G. W. 1 felt that the best course would be to call for limited tenders. He also mentioned about his requisition to C. W. 2 to record his views on the matter. C. W. 2 in a detailed letter which, G. W. 1 says, was handed over to him in person by C. W. 2, accepted the proposal made by G.W.1 and requested that necessary steps may be taken for the issue of a letter to all the bidders in second auction. The Secretary, Co-operation Department to when the file was circulated was not inclined to suggest a distress sale, as it would involve the Thanjavur Co-operative Marketing Federation in huge loss. The Secretary, Finance Department, however, agreed to the course. On the note of the Secretary, Co-operation, G. W. 1 again expressed that a higher rate may not be possible, though some lots may fetch higher rates. With all such notings G.W. 1 met the Minister for Food and Local Administration Thiru P. U. Shanmugam, and had discussions with him. This is confirmed by the Minister when he was in the box and examined as D.W. 1. G. W. 1 again noted that auction may be taken as proposed by him to call for limited tender from those who participated in the early tenders indicating a minimum price of Rs. 1,250 for boiled rice, Rs. 1,100 for raw rice and Rs. 800 for paddy. He also added that one lot which fetched more than Rs. 1,250 per tonne may

be confirmed. Regarding the proposal which apparently had the approval of the Minister as well he noted that the Secretary, Co-operation and the Secretary, Finance, may also see. On this, Co-operation Secretary left it to the G. W. 1 to decide and he was particular that C.W. 2 should, not hold the Government responsible for the loss which Thanjavur Co-operative Marketing Federation sustained earlier during the procurement. He rightly expressed that what the Government was doing was trying to help the Thanjavur Co-operative Marketing Federation out from a bad situation. The Secretary, Finance Department, did not make any further remarks. Finally, therefore on this note initiated by G. W. 1 under Ex. G-44, he wanted to initiate action on the basis of the above decision. This is the stage when the further processing of the limited tender begins. Here again, could it be said that there was improper motive behind the action proposed by G. W. 1 and approved by the Minister? When the Minister was in the box Mr. Kannan who took a prominent part to delve deep into these matters whilst cross-examining G. W. 1 refrained from cross-examining the Minister D. W. 1, for reasons not known. In the absence of any suggestion to the Minister in the witness box and as the pleadings themselves do not prove anything or establish anything as they stand as bare allegations the Commission is of the view that the directive issued by the Minister to adopt process of a limited tender as the earlier tenders proved abortive, does not in any manner throw light upon any misuse of power by Thiru P. U. Shanmugam as Minister.

G.W. 1 explained what a limited tender is. It would be a process by which the auctioning authority would call for tenders from those who participated in the earlier tenders. That meant that the further enquiry is only to the same persons who participated in the earlier tender to see whether they were willing to offer a minimum expected price.

The Collector of Thanjavur as the auctioning authority was duly instructed to proceed with the limited tender. In Ex.A-101, dated 22nd February 1971, G. W. 1. asked C. W.1. to fix the date for limited tenders fixing the minimum price of Rs. 1,250 for boiled rice and Rs. 800 for paddy. This was followed up by Ex.A-102, dated 24th February 1971 whereunder G. W.1 fixed the minimum price for raw rice at Rs. 1,075. On the 24th February 1971, after the second tender was over, a firm called Natwar Parikh and Company, Private Limited, Bombay, offered to purchase a lot of about 800 tonnes of raw rice at Rs. 107 per quintal and one lot of boiled rice at Rs. 125 per quintal if immediately accepted. But as by then the second tender was over apparently no action could be taken on this offer. The Collector of Thanjavur fixed 9th March 1971 as the date for opening the limited tender and is said to have sent notices to all concerned. His report Ex. G-47 equal to Ex. G-8, dated 9th March 1971 indicates the persons, who participated in the limited tender. Here a reference is made to Natwar Parikh and Company, who made an offer for raw rice subject, however, to the five conditions, that the payment for the stock will be made in April 1971 and the stock will be lifted by 15th of May 1971, that they will not be liable to pay godown rent for the period upto 15th May 1971, that the tender deposit will be adjusted while paying the five per cent security deposit, and the security deposit shall be adjustable in the final payment payable for lifting the stocks, that the export permit should be issued from the stations where the stocks are lying or from Tiruchi or from Madras and that the tender deposit may be adjusted from the amount of Rs. 5,500 previously paid in the last tender. Obviously, no tenderer can impose conditions and rightly, therefore the tender of Natwar Parikh and Company, Private Limited, Bombay, was not considered. In this note, a reference is also made to two telegrams sent by Thiru Thandavarayan, one dated 6th March 1971, Ex. G-9 and the other dated 9th March 1971 Ex. C-10. In the former he offered Rs. 1,081 for the entire lots of raw rice and in the latter he offered Rs. 800·50 for certain lots of paddy at Mannargudi. There were other offerers like Sakthi Ganapathi Traders, Madras, Md. Ashroff and Company, Cochin, and Md. Aboo of Calicut, besides many from Dindigul, Kovilpatti, Trichur, Peravurani, Koothankulam, Madurai also made offers in response to the call for limited tender. To make the record complete, reference may also be made to the reports given by Thanjavur Co-operative Marketing Federation to the Registrar of Co-operative Societies regarding the proposal to auction the stock of Thanjavur Co-operative Marketing Federation by calling for limited tender. On receipt of the Collector's report regarding the tenders as is seen from Ex. G-47, equal to Ex. G-8, dated 9th March 1971, G.W.1 issued proceedings under Ex. A-43, dated 15th March 1971 accepting the tenders of Md. Ashroff of Cochin and Md. Aboo of Calicut and formulating the procedure for delivery of such stock after receipt of the requisite deposits. After the limited tenders were opened, one Md. John of Trichur made a post-tender offer which was naturally felt as unacceptable. A severe comment was made by Thiru Kannan and the other representators that Thandavarayan, who did not participate in the second tender ought not to have been invited to take part in the limited tender. Here again, a vague and an unjustified criticism is levelled that the invitation to Thandavarayan to make a tender whilst the limited tenders were being offered was an instance of partisanship. Apart from the fact that Thandavarayan did not get any benefit at all either in the second tender or in the limited tender excepting that he sent two telegrams which are on record, there is nothing to indicate that the officials of the Government such as the Secretary for Food or the Collector of Thanjavur or the District Revenue Officer ever thought that they were inclined to make a concession to Thandavarayan in the matter. Capital

is made out of the fact that though the Collector recommended in Ex. G-6, dated 16th February 1971 equal to Ex.A-34, dated 16th February 1971 that Thandavarayan's bid should not be considered, the Commissioner of Civil Supplies did not pass any orders on merit on this aspect, since he rejected all the tenders on the ground that the minimum accepted price was not offered. In these circumstances, there is nothing extraordinary or provocative in the action of the authorities when they invited Thandavarayan to participate in the limited tender. In fact, as would be seen later, the two telegrams issued by Thandavarayan in the course of the processing of the limited tender were not even the basis for the acceptance of the negotiated tender. In the limited tender, the true controversial competitors Messrs. Ashroff and Company, and Aboo, who were both from Kerala, were the sucessful tenderers. The tender of Natwar Parikh and Company, was subject to several searching conditions. Sakthi Ganapathi Traders, Madras, also gave a post-tender offer. From a resume of the above facts, it is seen that there was no irregularity and much less any misuse of power by the Minister, when action was taken to call for the limited tenders and when two of the offers of two tenderers were accepted and when Thandavarayan at that stage was only frantically making one offer after another by telegrams which were only taken on record and on which no action was taken.

My conclusion :—

It is seen from the methods adopted by the Government in calling for tenders that there was no abnormality or irregularity in the above. It should also be observed that any irregularity should not be looked at from the point of view of a criticism as if sitting in appeal to say whether what they did is right or wrong. Any irregularity which is obvious and which is apparent on the face of the record should have an impact upon the misuse of power by the Minister or it should probablise such misuse of power on the part of the Ministry. It is only in this context, even if any irregularity exists, would be relevant to the matter. But the way in which the tenders have been called for, the purpose for which the onerous responsibility was undertaken and the final decision to sell in the open market do not show any irregularity either and much less an irregularity touching upon the alleged misuse of power on the part of the Minister. The Government did not blindly accept the highest tenders but fixed the minimum for each variety above which alone tenders were accepted. Publicity regarding the minimum price was avoided, lest it should be construed as a distress sale. The Governmental machinery was fairly utilised without being partial to anyone, as all offers by tenderers were subject to confirmation by G.W. 1. as the Commissioner of Civil Supplies. Care and caution was taken to offer only a small quantity in the first tender and then only the quantity was improved in the second tender. Though normally when tenders failed, it was open to the Federation to sell it directly by negotiation, the intermediary stage of limited tender, namely, negotiations with a limited number of people was undertaken. If any misuse of power was intended in the first, two tenders and as there was no minimum rates published, then the Government, if they wanted to assist Thandavarayan, could have accepted his bids for a number of lots, as he was the highest bidder then. Again, the fact that the beneficiaries to the first three tenders were total strangers shows absolute impartiality. It cannot be said in the circumstances, that the tenders were make belief affairs. As no irregularity has been proved, it follows that no misuse of power on the part of the Minister in the course of first three tenders have been established.

TRUTH ALONE TRIUMPHS

NEGOTIATED TENDER.

After having seen the results of the limited tender, it is convenient at this stage to pass on to the events relating to the negotiated tender. The expression 'negotiated tender' is neither an accredited expression in comon use nor is it found in the Financial Code. Apparently, this expression has been coined as a result of the discussions in the Assembly. Financial Code refers only to a nominated tender. The Commission of course, proceeds on the basis that it is this nominated tender or negotiated tender which is the bone of contention between the parties.

In order to appreciate the events that led the authorities to consider this negotiated tender, a general reference to the letters written by Thiru R. Thandavarayan and the telegrams sent by him which prompted the Government machinery to act and initiate action may be referred to for purposes of convenience. The first two telegrams Exs. G.9, the original of which is Ex. C-89 and Ex. G. 10, the original of which is Ex. C.-90, dated 6th March 1971 and 9th March 1971 respectively addressed to the Collector, Thanjavur were at a time when the limited tenders were called for. Thereafter, under Ex. G-11, dated 13th March 1971 addressed to the Commissiomner, Civil Supplies, and with reference to the Thanjavur Co-operivea Marketing Federation stock held on 25th February 1971, Thiru Thandavarayan confirms the telegram, dated 6th March 1971 sent to the Collector, Thanjavur, offering for the stocks of raw rice at Rs. 1,111·25 per metric tonne. On 18th March 1971, having received no reply to his earlier letter, Thiru Thandavarayan says under Ex. G-12, dated 18th March 1971 addressed to the Commissioner, Civil Supplies, that he is prepared to buy the entire stock of raw rice paddy, and bolied rice at the following rates :—

Paddy	Rs. 820 per metric tonne ;
Raw Rice	Rs. 1,111·25 per metric tonne ;
Boiled Rice	Rs. 1,150 per metric tonne ;

He refers to the sum of Rs. 17,000 which was by then to his credit and which was not refunded to him and says that he would arrange to pay the balance amount of security deposit on acceptance. On 19th March 1971, under Ex. G-15, the original of which is Ex. C-58 and a copy of which is Ex.A-104, Thiru Thandavarayan refers to certain discussions he had with G. W. 1 and ofiers to purchase the stocks at the following rates :—

(1) About 7,300 tonnes of paddy at Rs. 822 per metric tonne including gunny except 295 tonnes of paddy of Mannargudi for which he quotes a rate of Rs. 830 per metric tonne ;

(2) About 800 tonnes of raw rice at Rs. 1,111·25 per metric tonne ;

(3) About 770 tonnes of CO-25 boiled rice at Rs. 1,250 per metric tonne.

As regards item 3, he indicated his choice as to the stock for which he was offering. Then on 24th March 1971, coming to know that there was a competitor who was also offering along with him for some stock, he wrote Ex. G-17 dated 24th March 1971 equal to Ex. A-105 and to Ex. A-115 which is the original. He makes it clear in this letter, with special reference to raw rice lots offered by a competitor and said

"If by chance, all the raw rice lots are not made available to me on the ground that M/s. Sakthi Trading Co. have offered rates higher than my rates for certain specific lots, I hereby undertake to have these lots also for which they have offered higher rates at still further higher rate. I undertake to pay at Rs. 10 per metric tonne more than what they have offered."

He requested that his offer may be considered, since he was taking the entire paddy, raw rice and boiled rice at a great risk. Under Ex. G-18, dated 2nd April 1971, the original of which is Ex.A-114, a letter signed by one A. M. K. Jambulingam for R. Thandavarayan, addressed to the Commissioner of Civil Supplies, he offered to take the entire balance stock of boiled rice available with the Thanjavur Co-operative Marketing Federation at Rs. 1,250 per metric tonne. He refers to the discolouration of the portion of the stock. But, he would add that he was making the offer since he wants to clear the entire stock of Thanjavur Co-operative Marketing Federation. He also indicated that he was prepared to take any more stock of paddy if available with Thanjavur Co-operative Marketing Federation at the rate of Rs. 830 per metric tonne.

It is in this background that the so-called negotiated tender and sale of stock to Thiru R. Thandavarayan has to be considered.

Ex. G-9 dated 6th March 1971, the original of which is Ex. C-89, G-10 dated 9th March 1971, the original of which is Ex. C-90, G-11, dated 13th March 1971 and G-12, dated 18th March 1971, though contain the offers made by Thiru Thandavarayan from time to time, yet they do not have any practical effect since they were not effectively considered or accepted by G.W.I. Nor do they have any impact on either the limited tender which was practically abortive or on the negotiated tender for which the basis is Ex. G-15, dated 19th March 1971 which is equal to Ex. A-104, and the original of which is Ex. C-58. Ex. G-15 is the first letter in the series which set in motion the so called negotiated tender. We have already referred to the contents of Ex. G-15. This offer has been forwarded by the Federation. C.W.-2, Thiru V. S. Thyagaraja Mudaliar says that Ex. G-15, was brought to him by Thiru Thandavarayan, who was introduced to him by one Packiriswamy Pillai. C.W.-2 rings up G.W.-1 and recommends acceptance of that offer. At that particular point of time, G.W.-1 says that there was no comparable composite offer by anyone else though at that time, there were the offers of Natwar Parikh and Sakthi Ganapathy Traders which were not composite offers. G.W.-1 would say that he had to accept this offer of Thiru Thandavarayan not only because C.W.-2 made his recommendation, but also because it was in the interest of the Federation. Further, Thiru Thandarayan made it clear that the authorities in-charge of the auction should not split his offer, as he was agreeable to take all the stocks at a time and in order to avoid under-cutting in respect of a small quantity being given to another. On this, G.W.-1 made a note, copy of which is Ex. G-51, dated 24th March 1971, that he anticipated such an objection and made an endorsement on Ex. A-115 dated 24th March 1971, which is equal to Ex. G-17 and Ex. A-105, which reads as follows :—

" We cannot afford to sacrifice a large transaction covering boiled rice and paddy for which tenderers have not quoted good rates for a piecemeal requirements at a comparatively small quantity of 240 tonnes. "

He therefore expressed the view that the offer may be accepted. (*Vide* Ex. G-51). According to G.W.-1, Ex. G.-48 dated 23rd March 1971 is the first note regarding the offer of Thiru Thandavarayan circulated to the Secretary (Co-operation) and Secretary (Finance). This was at a time when G.W.-1 did not receive Ex. A-115 dated 24th March 1971, copy of which is Ex. G-17. On the first note, that is, before Ex. A-115 sent by Thiru Thandavarayan was received, the Secretary (Co-operation) said that the Minister for Co-operation may also see prior to the final decision. The Secretary (Finance), however, did not make any remarks. The note was continued under Ex. G-49, dated 23rd March 1971 and was marked to the Minister for Co-operation also, apparently, as desired by the Secretary (Co-operation). As soon as Ex. A-115 dated 24th March 1971 was received, G.W.-1 after making the endorsement Ex. G-51 made a further note, Ex. G-50 dated 24th March 1971 referring again to the later development as disclosed in Ex. A-115 and recommending the acceptance of the offer of Thiru Thandavarayan. We find that the Secretary (Finance) and Minister for (Food) having seen this file did not differ from it. The Food Minister after seeing the file marked it 'after issue' to both the Minister for Co-operation and the Chief Minister. Consequently, G.W.-1, made an endorsement Ex. G-53 dated 24th March 1971 whereunder he instructed the Commissioner of Civil Supplies (by a memorandum dated 25th March 1971) to accept the offer of Thiru Thandavarayan. In Ex. A-107 dated 26th March 1971, an official communication is sent by G.W.-1 to the Secretary to the Government, Food Department, referring to the memorandum dated 25th March 1971 where in he says as follows :—

" The Government in their memorandum cited have issued instructions to accept the offer of Thiru R. Thandavarayan in respect of Boiled Rice, Raw Rice and Paddy put up for sale. The order of the Government does not mention the rate at which various lots should be accepted. I request to be informed of the rates for various lots of R.R., Paddy and B.R., for the acceptance of the offer made by Thiru R. Thandavarayan of Coimbatore. "

Thus, the Governmental machinery was put in action in order to approve and accept the offer of Thiru Thandavarayan. This is also seen from Ex. C-60, dated 26th March 1971 wherein the Collector of Thanjavur is informed about the offer of Thiru Thandavarayan and the acceptance thereof. Under Ex. C-66, dated 26th March 1971 C.W.-2 rightly informs the Registrar of Co-operatives Societies of the developments and the acceptance of the offer of Thiru Thandavarayan. Thiru Thandavarayan also is informed about the acceptance. It would be convenient to refer to the comments made by the representators on the exhibits so far referred to, in relation to Thandavarayan's offer. According to them, as G.W.-1 is not in a position to identify Thiru Thandavarayan and as the entire proceedings leading to the acceptance was completed with extraordinary speed, there is some suspicion about it. What is the nature of the suspicion they entertained and how they were able to link it with the alleged misuse of power by the Minister is not clear. The primary body which has a final say in the matter is the Thanjavur Co-operative Marketing Federation C.W. 2 was acting under due authority as the

representative of the Thanjavur Co-operative Marketing Federation. The Government had no interest in the stock or sale proceeds thereof excepting that they were acting for the benefit of Thanjavur Co-operative Marketing Federation and in order to save it from financial crisis. The Government, no doubt, were interested in the entire process since they wanted to realise as much as possible towards large sums of money which they have advanced to the Thanjavur Co-operative Marketing Federation. The comment, therefore, that there was some unknown link between Thiru Thandavarayan and the Government officials as well as the Minister remains unsubstantiated.

To continue the sequence, Thiru Thandavarayan examined as A.W. 2 admits that he met the Commissioner of Civil Supplies on the 19th of March 1971. He candidly explains as to why he increased his price as disclosed in Ex. G-12 and Ex. G-15 which is equal to Ex. A-104, the original of which is Ex. C-58. He expressed that he was a bit hard of hearing and that it was Arumugam, whom he claims to be a partner, who was discussing with G.W. 1. He also refers to his meeting C.W.-2 along with Arumugam and Packiriswamy Pillai. On account of his physical infirmity, he did not take part in the discussion. Searching questions were put in the course of cross-examination to the rather inexperienced and illiterate witness whether Ex. C-58, dated 19th March 1971 equal to Ex. G-15 and Ex. A-104 was handed over to Thiru V. S. Thyagaraja Mudaliar. He was shrewd enough to answer that he did not remember the position. Thereafter, he was asked about the letter Ex. G-17, dated 24th March 1971, the original of which is Ex. A-115. An attempt to trap him was made in cross-examination by asking him whether he met the Commissioner of Civil Supplies along with Ex. A-115. But he was not trapped. Thus, we see that till the acceptance of the offer as made by G. W. 1 in his notes already referred to, nothing incriminating has been brought out to suspect the bonafides of the Minister. Above all, the representators having retired from the picture and Thiru Kannan in particular having refused to cross-examine the Minister, the burden of the song that at every-point of time it was the Minister's mind or hand that was working remains only in the fertile imagination of the representators. As a matter of fact, the entire cross-examination proceeds on the basis that Thiru Thandavarayan did make an offer in his individual capacity with the assistance of his co-businessman, whom he calls as a partner, Thiru Arumugam examined as C.W. 4.

Thiru Arumugham speaking to the events that surround Ex. G-15, dated 19th March 1971 equal to Ex. A-104, the original of which is Ex. C-58 and the interview with G.W. 1 and C.W. 2 would also more or less confirm the version given by G.W. 1, C.W. 2 and A.W. 2. Under Ex. A-195 dated 30th January 1971, he enters into an agreement with A.W. 2, Thiru Thandavarayan and when asked as to in what connection that agreement was entered into, he would say that it was in connection with the tenders applied for by Thiru Thandavarayan for purchasing the Thanjavur Co-operative Marketing Federation stock. He would say that he adopted the name of Thandavarayan as the name of the firm and not as an individual and at the behest of his *Co-entrepreneur*, he was signing the letters or causing them to be signed on behalf of Messrs. R. Thandavarayan. He speaks to the fact that he left the firm of one Ashoka Traders and that he gained experience in the filling up of the tender forms and sending offers for the stocks sold by public authorities, and that he came out to eke out his livelihood himself. He impressed me as one who knew the method of tendering, etc. He knew Thiru Thandavarayan for a long time as a Broker,who was dealing with big dealers, and refers in particular to a decision that tenders should be made by them for the purchase of the Thanjavur Co-operative Marketing Federation stock in the name of U.N. Sankaran Kutty firm and R. Thandavarayan firm. After the offer of the firm Sankaran Kutty was accepted, the arrangement between himself and R. Thandavarayan was entered into under Ex. A-195, dated 30th January 1971. In the course of his examination, a reference is made to the various letters signed by him and whether he was present at the first and the second tenders. He also refers to the two telegrams, dated 6th March 1971 and 9th March 1971 issued in the name of the firm of R. Thandavarayan and signed by him (Ex. C-89 equal to Ex. G-9 and Ex. C-90 equal to Ex. G-10) and says that having got no reply thereto, they wrote Ex. G-12, dated 18th March 1971 making a definite offer. He refers to the meeting of Thiru Packiriswami Pillai, a common friend, who was well-known and in particular an acquaintance of C.W. 2 and refers to his meeting of the Commissioner of Civil Supplies along with Thandavarayan on 19th March 1971. He claims that he knew the Commissioner and that the Commissioner himself knew him as representing the firm of Thandavarayan. After meeting the Commissioner, Ex. C-58, dated 19th March 1971 equal to Ex. G-15 and Ex. A-104 was prepared at Madras using, however, the Coimbatore address which was the firm's address. He along with Packiriswamy Pillai and Thandavarayan met C.W. 2 and on the assurance of Packiriswamy Pillai that the rates quoted in Ex. C-58 is to the satisfaction of the President of Thanjavur Co-operative Marketing Federation handed over a copy of the said letter to the Commissioner of Civil Supplies. Getting information in the Commissioner's Office that there was offer from Messrs. Sakthi Ganapathy Traders, which was more favourable, he wrote Ex. G-17, dated 24th March 1971 equal to Ex. A-105, the original of which is Ex. A-115 offering Rs. 10 more than the price offered by Messrs. Sakthi Ganapathy Traders. He learnt along with Thandavarayan

that their tender was accepted and it is with this assurance that he entered into the financial agreement with A. M. Associated Traders under Ex. A-196 equal to Ex. A-200, dated 26th March 1971. Here again, a comment is made that it would not have been possible for these two persons to have secured such a large finance within such a short time.

It would be convenient to scan the finance agreement Ex. A-200 equal to Ex A-196 with particular reference to the testimony of A.W. 3 Thiru A. M. K. Jambulinga Mudaliar. He is one of the partners of M/s. A. M. Associated Traders. But, he is only a sleeping partner. The active partner is one Sundaram Pillai. He knew Thandavarayan, as he was working with him in 1962 as his clerk. He denies that he has any connection with the negotiated deal; nor did he have any contact with the Minister or officials of the Government. He will emphasise on the fact that if he purchases and sells, he will not get profit, and the main profit of a rice dealer is what he gets as a commission agent. He admits that when a business deal is of the value of one crore rupees, it is not necessary for him to have the entire money required for the transaction on hand and that it is enough if a small amount is available with him and that it could be rotated in the course of business. He also candidly concedes that he was also a clerk before he became a businessman and partner of A. M. Associated Traders. He refers to the expertise gained by Thandavarayan as a Commission Broker and denies that Thandavarayan took the tender on somebody else's behalf and acted as a benami for another. On the point as to how his firm was prepared to advance such a large sum of about Rs. 7 lakhs to Thandavarayan, the following two questions were put to A.W. 3 and were answered by him :—

"*Q.*—How are you prepared to trust to the extent of 7 lakhs rupees of money ?

A.—He was making use of this sum as a deposit with the Government. The deposit with the Government could not be withdrawn without our consent. There was a condition to that effect in Ex. A-200 (the agreement). He was also a straightforward man. Therefore we were prepared to advance 7 lakhs of rupees to him.

Q.—This 7 lakhs was not to be handled by Thandavarayan and it was not likely to be brittled away by him and it was to lie solidly as deposit with the Government and it could not be withdrawn without your permission ?

A.—Yes."

He would say that apart from the deposits lying with the Government at any one point of time, the maximum risk that they were taking would be to advance only about Rs. 1 or Rs. 1½ lakhs. Even as regards this sum of Rs. 1 to Rs. 1½ lakhs, the money was to be given not without security, but only on the discounting of the railway receipts. He explains the mechanics of the agreement as meaning that apart from Rs. 7 lakhs deposit the sum of Rs. 1 to Rs. 1½ lakhs was to be rotated from time to time by discounting the railway receipts with the Bank and then by earning the commission. At no time, the risk could exceed a lakh or a lakh and a half rupees. Under the terms of the financial agreement, a large profit by way of interest over the advance plus commission from each discounting process was expected. He denied that he had any connection or knowledge of the deal which Thandavarayan was earlier making to secure the tender.

Ex. A-200 therefore is the usual finance agreement which financiers enter into when they get involved with financing a broker in the trade, who on his own volition has secured some business, but requires finance. It is also seen that as soon as the firm A. M. Associated Traders found that Thandavarayan or his firm is alleged to have got themselves caught in illegal exports of the rice purchased by them, on false permits, they filed a suit on the original side of the High Court in C.S. No. 9 of 1972, the plaint in which has been marked as Ex. 199, dated 16th January 1972. As is seen from the plaint allegations, a sum of Rs. 4,91,250 has been deposited by the Financier with the Collector of Thanjavur and another sum of Rs. 1,23,650 with the Thanjavur Co-operative Marketing Federation in respect of supplies to be made by that Society and a sum of Rs. 1,06,212 50 was remitted as costs of the purchase price to the Thanjavur Co-operative Marketing Federation. The net risk as stated by Thiru Jambulinga Mudaliar A.W. 3 is really around a lakh and a half of rupees. In order to secure their interest, they have already effected an attachment before judgment, of the funds held as deposits, and the High Court has passed an order in Application No. 167 of 1972 in C.S. No. 9 of 1972 on the 14th of April 1972, certified copy of which is Ex. G-72 which runs as follows :—

" That subject to priority claim by the 2nd respondent in respect of the sum of Rs. 4,91,250 being the security deposit with the 2nd respondent herein, the interim prohibitory order, dated 20th January 1972 restraining the Collector of Thanjavur, the second respondent herein from paying to R. Thandavarayan, the defendent the said sum of Rs. 4,91,250 is hereby made absolute."

It is seen that a decree also has been passed in favour of the plaintiffs for a sum of Rs. 9,86,452·33 by this court. In the light of such disclosed documents, it is difficult for this Commission to say that every move of Thiru Thandavarayan including his agreement with Arumugam and his finance agreement with A. M. Associated Traders to enable him to process through his successful negotiated tender are all sham and nominal documents got up with a sinister design or objective and that such a design had the approval, assent and encouragement of the Minister for Food. Having thus dealt with the first offer made by Thiru Thandavarayan under the caption of negotiated tender Ex. G-15, dated 19th March 1971 equal to Ex. A-104 the original of which is Ex. C-58 which was followed up by another offer Ex. G-17 dated 24th August 1971 equal to Ex. A-105, in connection with G. W.1 moved at the appropriate time both the Minister for Food and Minister for Co-operation and having seen that they have been accepted, we come to the next stage in which Thiru Thandavarayan makes another offer under Ex. G-18, the original of which is Ex. A-114, dated 2nd April 1971. This letter is signed in Tamil which reads as "A.M.K. ஜம்புலிங்கம்". In this letter signed by "A.M.K. Jambulingam" for R. Thandavarayan, a reference is made to the discussions had between Thandavarayan and the Commissioner of Civil Supplies and an offer which is in addition to the offers earlier made to take the entire balance of boiled rice available with Thanjavur Co-operative Marketing Federation at Rs. 1,250 per metric tonne has been made. Thiru Thandavarayan was also prepared to take any more stock of paddy if available with Thanjavur Co-operative Marketing Federation at the rate of Rs. 830 per metric tonne. A. W. 3 was asked whether the writing "A. M. K. Jambulingam" in Ex. A-114, is his signature. He denied in chief examination that it is his. He also added that the writing reads "A. M. K. Jambulingam". It is written as A. M. K. Jambulingam Mudaliar, but it is not written by him, but it looks like his signature, and it is not his signature. He was asked to sign in Tamil by the Commission and his writings were marked as Ex. A-201, dated 23rd July 1975. Those signatures obviously differ from the signature which appears in Ex. A-114. Mr. Chidambaram cross examined this witness on this aspect. Here again A. W. 3 reiterated that it looked like his signature, but he did not sign in Ex. A-114. When questions were sought to be pursued by counsel, the witness claimed privilege under Article 20 (3) of the Constitution of India stating that a criminal charge has been leveled against in the Criminal Court in relation to the signature in Ex. A-114 and that he was not prepared to answer any more questions. The Commission upheld the privilege claimed by the witness.

At this stage, if we refer to the testimony of C. W. 4 on this aspect, some intelligible light is thrown. C. W. 4 is a friend, philosopher and guide besides being a business associate of Thandavarayan. When questions were put to him on Ex. A-114, he says that it was prepared on 24th March 1971 and that he did not sign it nor does it contain the signature of Thandavarayan. But he was emphatic that some one working under him might have signed this letter. In cross-examination, he denies that A. M. K. Jambulinga Mudaliar of A. M. Associated Traders had any connection with Ex. A-114 and that there is no need for him to sign on his behalf. It is rather curious to to find that after all this, the question put in cross-examination is as follows :—

"So when you wrote the letter, dated 2nd April 1971, you also took into account the requirements of Thanjavur Co-operative Marketing Federation, etc. "

No doubt, this witness has denied that he had anything to do with the Minister. Having thus seen that there is no infirmity in accepting the letter Ex. A-114, dated 2nd April 1971, the original of Ex. G-18 signed by Thiru A. M. K. Jambulinga Mudaliar who is claimed to be one of the assistants of the firm Thandavarayan as spoken to by him, it is now for us to proceed further to find out as to what consequence followed after Ex. A-114 was written. C. W. 2 under Ex. G-19, dated 7th April 1971, refers to Ex. A-114 and discussed the pros and cons of the offer made by Thandavarayan. Excepting for the vague suggestion to C. W. 2 that he was hand in glove with the Minister, no other effective material has been brought out in his examination, furnishing relevant materials for this commission to find that there was such link forged as between the Minister and C. W.-2 as President of the Thanjavur Co-operative Marketing Federation so as to bring out an illegal activity for a wrongful gain to themselves. Apart from this suggestion which was made from time to time by the representators being without any foundation whatsoever, it is surprising that no one was prepared to cross-examine the Minister examined as D. W.-1 when he was in the box. By that time, every one of the representators, quietly, but without a proper explanation, retired from the inquiry and Mr. P. Kannan for reasons better known to himself refused to cross-examine. On this final offer which we term as a residuary offer of Thandavarayan, G. W.-1 put up a note Ex. G-54, dated 7th April 1971. He refers in his note to the prices furnished by Thanjavur Co-operative Marketing Federation regarding their balance of stock and says that since tenders on two occasions—open tender followed by limited tender—had not fetched the minimum price it would appear to be advantageous to accept the offer of Thandavarayan who was reluctant to offer this rate earlier. He also refers to the consultations he had with Thiru V.S. Thiyagaraja Mudaliar who agreed that it would be advantageous for the Thanjavur Co-operative Marketing Federation to accept the offer of Thiru Thandavarayan. He stressed on the urgent need for cash to the Federation in connection with their financial commitments and ultimately recommends the acceptance of the offer. Apparently, G. W. 1 had discussions with

Minister for Food and he notes in Ex. G-55, dated 8th April 1971 that in connection with the discussions he had with the Minister for Food has approved the proposals. The Secretary (Co-operation) suggested that this matter may be brought to the notice and approval of the Minister for Co-operation. We find a note here that after issue, a note for circulation may be put up.

I shall revert to the fact how the file to the Minister was circulated and what action was taken and whether there was any disapproval at all by any other Minister. Suffice it to say that neither the Minister for Co-operation nor the Chief Minister at any time when they were apprised of the acceptance of such a negotiated tender on the direction of the Minister for Food, had any remarks to make or expressed a dissent over the action.

After obtaining the orders of the Minister for Food as above, the final and residuary offers of Thiru Thandavarayan were also accepted as is seen from Ex. A-80, dated 8th April 1971 and Ex. C-62, dated 19th April 1971 equal to Ex. A-147.

To complete the narration in the note for circulation, Ex. G-56, dated 12th April 1971 which sets out the two primary offers of Thiru Thandavarayan, viz., his offer of 19th March 1971 and his further offer of 2nd April 1971, G. W.1 has said that he has taken oral orders of the Food Minister and issued instructions to the Commissioner of Civil Supplies to proceed with the matter. This particular situation was assented to by the Minister for Co-operation on 13th May 1971 and the Chief Minister on 26th May 1971. As the Minister (Co-operation) and the Chief Minister had no comments to make, and as they did not make any note of disagreement with the orders of the Food Minister, further progress as contemplated was made as regards the negotiated tender. The President of the Thanjavur Co-operative Marketing Federation informs the Registrar of Co-operative Societies under Ex. C-68 apprising him of the then position with regard to the disposal of paddy and rice stock of Thanjavur Co-operative Marketing Federation. In fact, the further proceedings either at the end of the Commissioner of Civil Supplies or that of the Secretary of Food Department only point out that Thiru Thandavarayan's offers were confirmed and certain stipulations were imposed on him in the matter of taking delivery of the stocks. Under Ex. C-63, dated 22nd April 1971 and under Ex. C-64, dated 23rd April 1971 such confirmatory orders were issued. The Collector of Thanjavur under Ex. A-122, dated 25th April 1971 wanted that Thiru Thandavarayan should execute an agreement in connection with the sale of Thanjavur Co-operative Marketing Federation stock to him. But till July 1971, no such agreement was entered into. This is a matter of procedure in which the Government was not interested.

On an overall apprisal of the facts and circumstances surrounding the negotiated tender, the following facts and conclusion emerge :—

(1) Even at the stage of the negotiated tender and after the failure of the earlier open tenders, there was a genuine competition as is seen from the fact that Thandavarayan was over bidding over the rate quoted by Sakthi Ganapathy Traders.

(2) At no time there was any attempt to buttress material, since every negotiation leading to the acceptance of Thandavarayan or Messrs. Thandavarayan & Co., was in the nature of written offers, which were routed through the Thanjavur Co-operative Marketing Federation and had their approval before they were acted upon by the Government authorities.

(3) The Thanjavur Co-operative Marketing Federation which is the moving force and which owned the stock and which had the final say in the matter stood by Thandavarayan and his offers and that being so, the Government had no option except to accept them, as they were only acting for Thanjavur Co-operative Marketing Federation.

(4) The evidence of Jambulingam, A. W. 3, the evidence of Thandavarayan, A. W.-2 and the evidence of Arumugam, C. W. 4 establish beyond reasonable doubt that Thandavarayan and Arumugam are not strangers to rice business, but were brokers in the field for over two decades, and rice dealers derived more profit as commission agents rather than as direct dealers. The fact is that the factum of finance needed for this enterprise, was only about a lakh or a lakh and a half rupees as is seen from the evidence of Jambulingam A. W. 3 and the plaint in C. S. No. 9 of 1972 Ex. A-199.

(5) It is not within the scope of this inquiry to find as to who all profited by a subsequent sale of the stock purchased by Thandavarayan or Arumugam in the negotiated deal and who all shared the profits arising therefrom, for, those matters would be outside the scope of this inquiry. This has been consistently felt by the representators themselves, who, without such extraneous material being brought into the record, were unable to establish on the disclosed facts that there was any misuse of power on the part of either the Minister or the Secretary to the Government in-charge of Food Department at the material time. In fact the Communist Party of India and

Thiru K.T.K. Thangamani and Thiru S. Alagiriswami, who initially participated in the inquiry, felt that without an inquiry into the subsequent circumstances, the alleged misuse of power, cannot be proved. Mrs. T.N. Anandanayaki would say that the Government have adroitly worded the reference so as to rule out evidence on matters which alone would establish the misuse of power meaning thereby that the evidence so far let in cannot establish any such misuse of power. Thiru Kannan, who stood till the Minister came into the box and who refused to cross-examine the Minister, accepts that he is bound by the judgment of the Division Bench of this Court in the matter of the examination of witnesses and production of documents and says that in those circumstances, he is unable to participate in the inquiry.

(6) Ex. G-15, dated 19th March 1971 and Ex. G-17, dated 24th March 1971 are the two offers of Thandavarayan before he made the residuary offer under Ex. G-18, dated 2nd April 1971. On the basis of these two offers, a note for approval Ex. G-49, dated 24th March 1971 was put up by G. W. 1 and the Minister examined as D. W. 1 said that he approved of it on 24th March 1971 and the Minister for Co-operation did not dissent from it, as is seen from his signature on the note on 30th March 1971. D. W. 1 also explained that he directed the circulation of the file to the Chief Minister after issue because he wanted to apprise the Chief Minister of the position and he wanted that the matter should progress because of the urgency. In the absence of cross-examination of the Minister by the representators, the explanation given by the Minister has to be accepted.

(7) As regards the residuary offer made by Thandavarayan under Ex. G-18, dated 2nd April 1971, the original of which is Ex. A-114, the Secretary for Food once again puts up a note Ex. G-54, dated 7th April 1971 recommending the acceptance of the residuary offer. He also notes under Ex. G-55, dated 8th April 1971 that he had discussions with the Minister for Food who has approved of his proposal and D. W. 1 admits that he had such discussions. A further note on the residuary offer under Ex. G-18 equal to Ex. A-114 is put up by G. W. 1 for circulation to the Hon'ble Ministers. This is seen from Ex. G-56, dated 12th April 1971. This contains a detailed note which refers to the earlier abortive tenders as well and finally to the negotiated tender and the residuary tender of Thandavarayan. Under Ex. A-109 a portion in Ex. G. 56 a reference is made to the oral orders issued by the Minister for Food regarding the acceptance of the said tenders. The note contemplates circulation of the file to the Minister for Food, the Minister for Co-operation and the Chief Minister for post approval. It is seen that the Minister for Food approves of the note Ex. G. 56 on 10th May 1971, the Minister for Co-operation approves on 13th May 1971 and the Chief Minister on 26th May 1971. Even a casual inspection of this note and the order, though it is approved afterwards by the Minister for Co-operation and the Chief Minister, points out that the Food Department nor the Minister for Food, never kept this affairs as a secret amongst themselves for purposes of benefiting anyone as suggested by the representators.

(8) The insignificant facts such as the non-investigation of the opulence of Thandavarayan or his capacity to lift the stock of Thanjavur Co-operative Marketing Federation worth about a crore of rupees placed in the fore-front by the representators in their cross-examination sinks into insignificance, if the essence of the bargain is understood. Thandavarayan is a broker, even so Arumugam. Their sole purpose is to sell the stock purchased by them in the negotiated tender outside the State of Tamil Nadu and particularly in the State of Kerala. It is their head-ache, therefore, to see that they promptly pay for the stock and take delivery of the same. Without payment, it is common ground, that no delivery was effected. All such payments were credited to the Thanjavur Co-operative Marketing Federation's accounts. This is more or less a cash and carry transaction and not in the nature of works contract or such other contracts in which merit and the capacity of the tenderers enter into the computation. Moreover, the owner of the stock approves of the action taken by their agents, namely, the Government. All these factors putting together establish that a probe into the capacity of Thandavarayan at the time when he offered was not necessary.

(9) By accepting the negotiated tender and also the residuary tender as analysed before, the Minister for Food could not have misused his power. Indeed no event, which has an impact on this, points out any such misuse of power or attempted misuse of power.

PART PLAYED BY THIRU P. U. SHANMUGAM, THE THEN MINISTER FOR FOOD AND THE ALLEGATIONS AGAINST HIM.

The gravamen of the charges levelled against Thiru P. U. Shanmugam in the uncorroborated affidavits the methodology adopted by the cross-examining counsel and the vague suggestions about misuse of power by the Honourable Minister are with reference to the circumstances and material which are either relatable to the prior affairs of Thanjavur Co-operative Marketing Federation or those events posterior to the negotiated tender. Before I deal in seriatum such allegations of alleged misuse of power, certain broad contentions of the representators may initially be taken up.

No doubt some sketchy or scrappy questions have been asked in cross-examination of G.W. 1 about the irregular numbering of the pages in the Government files the custody of the files ; and the manner in which notes have been circulated and orders of the Ministers obtained with haste. It has not been brought out in the cross-examination of G.W. 1 whether he had a personal interest in the transaction nor was held by the Honourable Minister. From the narration in the previous chapters it is rather clear that G.W. 1 acted on his own initiative, but successfully persuaded the Minister to tow in his line and accept his proposals. This is not unusual in any Government. Mr. Balasubramaniam, C. W. 23, has a good chit for G.W.1 and he says that he is a good and straightforward officer. This certificate by C.W.3 is a significant one. Apart from this, as Secretary for Food, he has certain responsibilities of his own. He cannot afford to gloss over an appalling situation when large stocks with an apex Co-operative Society which was closely associated with the Government in the public distribution system was about to be wasted and spoiled if the problem is not tackled with precision and without delay. In his first note Ex. A-7, dated 20th January 1971 under which he initiated action for sale of the stocks of the Thanjavur Co-operative Marketing Federation in batches with permission to export to Kerala, he has set out the circumstances under which he wanted the Government to take over the responsibility of clearing the stocks of the Thanjavur Co-operative Marketing Federation by open sale, in order to off-set the deficit sustained by Thanjavur Co-operative Marketing Federation on account of delivery of the levy paddy at the prices fixed by the State Government. There is nothing sinister in this move. But on the other hand, it appears to be a *bona fide* and a necessary step taken by the responsible and straightforward officer which incidentally might, to a large extent, reduce the outstandings payable by the Thanjavur Co-operative Marketing Federation to the Government. It is this Officer, who explains the so called discrepancies pointed out by the counsel in the cross-examination. He would refer to some of the noting on a current file shown to him which read " wrongly numbered". He denies the suggestion that the files were made up. He illustrates that as long as there is continuity in the notes or in the files and they relate to the same transaction, there is no reason to think that the papers have all been made up. He denies the suggestion that papers were removed from files and there is nothing to indicate that any papers have been removed or new papers have been put up. Regarding the pasting of some pages, he explains the practice in the Secretariat. He says that such practice is that " when a note is to be put, if it is untidy, it is typed and pasted over the whole sheet." He adds " the question may be asked as to why a new sheet cannot be put in ? It may happen that there may be some noting in the previous page. If the page which is untidy, is to be removed, then the previous noting will also go. In order to preserve the previous noting, the new notes is pasted over the portion where the untidy portion is, after retyping the same. In Ex. G-43, I find the last line of the pasted over portion which is inside is the first line in the next page. I suppose it must be only a case of pasting over, because they might have typed it on a different sheet leaving a blank page when I dictated the matter. It might have been typed in a fresh sheet. In order to leave a blank sheet, it might have been pasted over after retyping. With a mirror, I will be able to read the rest of it."

" Re. Ex. A-50 : This portion has been pasted on the sheet. I am not able to see why that portion has been cut off. All that I can say is that the contents is merely reporting the position. It is available in the current file. I do not think here again, there is anything to conceal. But, I am not able to see why the portion is taken off and pasted here."

The complaints about the files Ex. G-62, Ex. G-14, Ex. G-7 and Ex. G-28 are fully and satisfactorily explained by G.W. 1. The question, however, remains that the representators who were tossing G.W. 1, about the double numbering of the files and the alleged genuineness thereof, never followed it up by a specific question that such re-numberings, such pasting of such papers in the files were all at the instance of the Minister. Again they never cared to remain in the scene of inquiry till the Minister came in but withdrew from the inquiry. Mr. Kannan, in particular, though he had the opportunity to examine the Minister refused to do so. On an overall appreciation of the alleged discrepencies as above, I am of the view that these factors do not prompt me to opine that there has been any misuse of power by the Honourable Minister in the matter of keeping all the files, the numbering of the files and their custody.

Certain exhibits namely, Ex. G-16, dated 20th March 1971, Ex. G-19, dated 7th April 1971 Ex. G-28, Ex. A-114, dated 2nd April 1971, Ex. A-115, dated 24th March 1971 and Ex. C-58, dated 19th March 1971 do not bear the seal of the Government or the initial of the receiving officer. A comment was made that these letters have been manipulated either by the Minister or by Secretariat. This is without any basis. However, such letters which does not bear the seal has been explained away by G.W. 1 and as letters which were handed over to him in person and that such letters are referred to by him in his note which he prepared with as much expedition as possible soon thereafter. The suggestion that the Minister might have handed over such letters for follow up action by the Secretariat is far fetched one.

Regarding the other general allegation that G.W. 1 as Food Secretary was moving with in ordinate haste and in that alleged design, he was encouraged by the Minister, here again, the allegation is without any substratum whatsoever. It has already been pointed out that the exigencies of the situation required prompt and quick action. It transpires that eventhough matters relating to the food trade in the case of Co-operative Societies, the Food Ministry is not required to consult the Co-operation Department (*vide* the evidence of G.W. 1), yet it was sent to the Minister for Co-operation and ultimately to the Chief Minister as well. G.W.1. denied the suggestion that the relative files were not put up to the Chief Minister in order to avoid all possibilities of his being persuaded or compelled to put the matter before the Council of Ministers. There is no purpose in this cross-examination at all. As already pointed out in the other Chapters, the file was circulated to the Minister for Co-operation and the Chief Minister when the Food Minister decided to help the Thanjavur Co-operative Marketing Federation as he felt it was his duty to do so. He undertook the responsibility of selling the stock and also apprised the Ministry of Co-operation as also the Chief Minister at a time when the initial action was taken and when the negotiated tender was finally accepted. If the Chief Minister felt that the matter should go before the Council of Ministers or the Co-operation Minister was of the view that he was not inclined to help the Thanjavur Co-operative Marketing Federation they could have said so. On the other hand, they did not make any such remarks. It follows, therefore, that notwithstanding some questions of non-adherence to numerology in the files yet, the sum and substance of the files were noticed by the Hon'ble Minister for Co-operation and the Hon'ble Chief Minister and in the absence of any direct and indirect material to support the allegation of misuse, I find that there is no misuse of power on the part of the Minister. I also find that Thiru P. U. Shanmugham did not usurp the powers of Minister for Co-operation and Minister for Finance and what all he did came within the purview of his Ministry.

But the other unsubstantiated allegation against the Minister is that there was an internal desire on his part to assist Thiru V. S. Thyagaraja Mudaliar through his friends and beneficiaries, namely., A. M. Associated Traders of which Thiru Jambulinga Mudaliar and Thiru Sundaram Pillai are partners. What prevented the representors to bring this out in cross-examination when D.W.1. was in the witness box, is not explained at all. The only insipid explanation given is that they should have been given a chance to burden the record with the events which are after the negotiated sale, and in which A.M. Associated Traders and others might have played a prominent part to finance the transaction. This request was not acceded to. The representators were told that having regard to the scope of this inquiry, they had to limit their examination within the four boundaries of the notifications and it is not proper, nor is it necessary to bring in extraneous material to prove the allegations made against the Minister. The representors also felt that the notification has been adroitly worded and it would not be possible for them to prove the alleged misuse of power with the evidence on record unless they are permitted to bring in all such out of bounds materials. It is therefore abundantly clear that from the evidence on record, there is no proof of misuse of power by the Minister. The unchallenged testimony of D.W. 1 establishes beyond doubt that he interfered on behalf of Thanjavur Co-operative Marketing Federation because he felt it as his duty to do so and inasmuch as his collagues, the Minister for Co-operation and the Hon'ble Chief Minister did not express any dissent over the action already initiated by him, directed by him or proposed by him. He denied that he had any financial dealings with one Rajamanickam of Thiruvannamalai. He equally denies any connection with Jambulinga Mudaliar and Sundaram Pillai of A. M. Associated Traders. He emphatically says that he never misused his position in any way with a view to help Thiru V. S. Thyagaraja Mudaliar or Thandavarayan or A.M. Associated Traders or anybody. Such a testimony which has not been challenged by any of the representors who participated in the inquiry in the earlier stages, has to be accepted and on this basis, it has to be found that from no angle it could be said that Thiru P. U. Shanmugham, misused his power while dealing with the stock of Thanjavur Co-operative Marketing Federation.

Mr. Kannan who failed to cross-examine the Minister, in his representation would say that Thiru P. U. Shanmugam disobeyed the directions of the Government of India as he was unfaithful to an unanimous decision to which the Tamil Nadu Government was a party. But when Thiru Balasubramaniam, Secretary for Food, Government of India, was in the box, he did not even pursue the same. But he accuses Thiru P. U. Shanmugam of misuse of power. This is without substance.

The burden of the song is that Thandavarayan is a benamidar and a mythical person that Arumugam is a creation so as to sustain the alleged nefarious activities of A. M. Associated Traders, and Jambulinga Mudaliar played an important part in bringing about the negotiated deal. Thandavarayan is not a person without means; nor does he lack experience in rich trade. He had experience in the rice trade from his teen age and was connected with Commission agents of repute. He would say that he used to purchase 50 bags of rice and paddy and sell it on commission the next day and again purchase fresh stock and again sell it for commission. The value of 50 bags is about Rs. 10,000. If his gross turn over is about Rs. 10,000 a day, then he cannot be brushed aside as a person without means and without financial potential. He associated himself with Arumugam since he was physically infirm and cannot negotiate with officers by himself. There is nothing wrong in this. He approached A.M. Assoctaed Traders for finance and Jambulinga Mudaliar explained the Finance Agreement Ex. A-196, dated 26th March 1971 and said that they were taking a risk to the extent of a lakh or a lakh and a half rupees and that the security deposit of five to six lakhs of rupees was always safe with the Government. The decree in C.S. No. 9 of 1972 confirms that the security deposit of over four lakhs paid by the financiers is not lost. Arumugam, on the other hand, was acting for Thandavarayan throughout and he denies that Jambulinga Mudaliar or Sundaram Pillai had any connection with the tenders. In fact, and admittedly, too, the tenders have not been signed by anyone other than those connected with Thandavarayan or the firm of Thandavarayan as spoken to by Arumugam. Arumugam is definite that Ex. A-114, dated 2nd April 1971 alleged to have been sent by Jambulinga Mudaliar was signed by one of his servants, Jambulinga Mudaliar denies that Ex. A-114, contains his signature. Arumugam in his evidence admits that he was the author of the letter Ex. A-114 and there was no need for Jambulinga Mudaliar, A.W. 3, to sign on his behalf. As the Commission is obliged to find that facts as are made available to it and as are relevant for the discussion, it is of the view that the attempts of the representators to make out a case that Thiru P. U. Shanmugam set up his own associates for the purposes of initiating and finalising the purchase of the stock from Thanjavur Co-operative Marketing Federation, are not justifiable and in the result, the Commission finds that there has been no misuse of power by the Minister.

As already expressed in the Chapters which preceded, there is no basis for the suggestion that Thanjavur Co-operative Marketing Federation accumulated the stocks with a deliberate design and the letters written by Thiru V. S. Thyagaraja Mudaliar is a make-believe affair and there is no bona fides at all in the Government taking the responsibility of acting for Thanjavur Co-operative Marketing Federation and calling for tenders. I have already stated that there was no proof of any other district in the State being stamped and characterised as a deficit district at the relevant time. There is no evidence that there was any drought in any other part of Tamil Nadu. There is equally no substance in the contention that the tenders were called for with a view to perpetrate a contrivance and to manipulate the situation. The oral orders of the Minister obtained by G. W. 1 before he initiated action to call for tenders, does not pose an extraordinary or a suspicious situation. The facts and circumstances of this case which include the post approval granted by the other Ministers certainly throw light upon the genuine and the unquestionable part played by the Food Minister Thiru P. U. Shanmugam. The allegation that the post approval has been agreed only to save a colleague is only to be read to be rejected.

No doubt there is no expression by name "negotiated tender". The exigencies of the circumstances compelled the Government machinery to act quickly and accept the only conceivable and beneficial offer made by Thandavarayan and which was properly routed and which had the concurrence of the Thanjavur Co-operative Marketing Federation. Though the more on the part of the Government to offer assistance for a Co-operative Society is not in the rut of normalcy, but as explained by D.W. 1, when he was in the witness-box in detail that it was his duty to help a Co-operative Society in trouble, it cannot be the sole criteria to judge the entire situation and name the same as a contrivance, as a machination, as a conspiracy or as a design to defraud either the Government or the public exchequer. The representators had to concede if not necessarily bow down to the situation that in the instant inquiry, no occasion has arisen either for the Food Department represented by G.W. 1 or the Food Ministry headed by Thiru P. U. Shanmugam to deal with Government stock or utilise Government money, for any purpose. Misuse of power on the part of the Minister is not an expression of art, but it should have some bearing upon the use of Government property or money. That is not the case here at all. What was dealt with was the property of Thanjavur Co-operative Marketing Federation, the sale proceeds as a result of the tenders were credited to Thanjavur Co-operative Marketing Federation and therefore, no grain which part of such a huge stock worth about one crore and half rupees belonging to Thanjavur Co-operative Marketing Federation was ever in the custody or control of the Government of Tamil Nadu; nor were they in their granaries; nor could it be said that the proceeds of such stocks as a result of the tenders were to be credited to the public exchequer. I do not find the stock of Thanjavur Co-operative Marketing Federation is thrown out in order to escape possible accounting by Thiru V. S. Thyagaraja Mudaliar.

Misuse of power can arise normally in a situation where the stock belonging to the people and the money of the people are mis-spent or misused. No such occasion has arisen here. Therefore, there is undoubtedly no misuse of power by the Minister.

I have dealt with in detail in the Chapter XI under the caption ' Negotiated tender ' as to the necessity for the adoption of such a procedure. It is not in dispute that this procedure was acceded to by the Thanjavur Co-operative Marketing Federation who is the owner of the stock. The Government was acting as agents of Thanjavur Co-operative Marketing Federation and they obtained also a considerable sum as commission for such acting. If therefore, the ultimate voice which had to dictate the prices agreed with their agents, namely, the Government to negotiate with Thandavarayan and finalise the deal, then it is for none to question as to why a negotiated deal or a nominated deal was thought of. When the first, second and limited tenders proved abortive, and when the President of the Federation thought that the only devise which could save the Federation was to negotiate with Thandavarayan who was the only person keen on negotiation then it is unimaginable as to how it could be said that the Hon'ble Minister for Food, Thiru P. U. Shanmugam imposed his authority and misused his power when he allowed his officers to accept the negotiations with Thandavarayan and see to its successful conclusion. After all, the Government was selected as the medium to act and in that situation it cannot be said that at any particular point of time and in the course of his exercise of powers and duties as Minister, Thiru P . U. Shamnugam departed from the usual norms and engaged himself in an alleged contrivance so as to misuse his power. There was no occasion for him to use his power, excepting for subsidiary or routine purposes. The Government acted as agents for sale on the incessant request made by the Thanjavur Co-operative Marketing Federation which was the sole force to draw up its itinerary and the method by which its stock could be publicly and profitably sold.

Further the stock was dealt with in open tenders. Open tender itself would mean when once a tender is to be invited, anybody can bid. It is not as if the Minister or the Secretary for Food contrived as between themselves to sell the stock of the Federation with the connivance of its President for a song to Thandavarayan. There is no proof of collusion between the Minister and the President of the Federation. He did not allow the Federation to sell it as they liked in the open market in Thanjavur by giving them permits for export. On the other hand, he fixed a minimum price with the consent of the Thanjavur Co-operative Marketing Federation and was meticulous enough to see that at every stage such price which the Thanjavur Co-operative Marketing Federation wanted, was fetched in the public dealing with their stock. The tenders called from the very beginning and the ultimate sale by negotiation to Thandavarayan does not indicate that the Minister had any ulterior motive or interest in the adoption of such a method.

In conclusion, the facts disclose that the possibility of misuse of power in the circumstances of this case is very remote as the Government had no final say in the matter at any time, as the ultimate authority to accept the offer, sell and deliver the paddy is the Federation and the Government had no legal or statutory right to compel the Federation to accept a particular price or sell it to a particular person of the choice of the Minister or the Secretary. I therefore, find that there is no substance in the allegation that Thiru P. U. Shanmugam formerly Minister for Food and now Minister for Public Works had misused his powers as Food Minister in connection with the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971 and in connection with the acceptance of the negotiated tender of Thandavarayan in respect of such rice.

(Signed) T. RAMAPRASADA RAO,

Commission of Inquiry.

26—8—75.

EXHIBIT LIST

List of Witnesses

Witness for the Government

G.W. 1 Thiru S. Ramchander.

Witnesses for the Commission

C.W. 1 Thiru T. V. Antony.

C.W. 2 Thiru V. S. Thyagaraja Mudaliar.

C.W. 3 Thiru R. Balasubramaniam.

C.W. 4 Thiru S. Arumugham.

Witnesses for the Representators

A.W. 1 Thiru P. Kannan.

A.W. 2 Thiru R. Thandavarayan.

A.W. 3 Thiru A. M. K. Jambulinga Mudaliar.

Witness for the Defence

D.W. 1 Thiru P. U. Shanmugam.

List of Exhibits.

R—1	2— 5—1975	Affidavit of Thiru K. T. K. Thangamani.
R—2	2— 5—1975	Affidavit of Thiru P. Kannan.
R—3	2— 5—1975	Affidavit of Thiru P.U. Shanmugam.
R—4	17— 5—1975	Affidavit of Thiru P.U. Shanmugam.
R—5	19— 5—1975	Affidavit of Thiru S. Alagiriswami.
R—6	19— 5—1975	Affidavit of Thiru D. Pandian, representing the Communist Party of India.
R—7	19— 5—1975	Affidavit of Thiru S. Ramchandar, Secretary to the Government.
R—8	4— 6—1975	Affidavit of Thiru P. Kannan.
R—9	9— 6—1975	Affidavit of Thirumathi T. N. Anandanayaki.
R—10	12— 6—1975	Affidavit of Thiru D. Pandian.
R—11	12— 6—1975	Affidavit of Thiru S. Alagiriswami.
R—12	12— 6—1975	Affidavit of Thiru S. Ramchandar, Secretary to the Government.
R—13	12— 6—1975	Affidavit of Thiru P. U. Shanmugam.

LIST OF EXHIBITS MARKED FOR THE GOVERNMENT

G—1	18— 6—1971	Entire file G.O. Rt. 145 of 1971 of the Food Department, Government of Tamil Nadu regarding the subject Co-operative Societies—Thanjavur Co-operative Marketing Society—Tiruvarur—Stock of Samba rice held by Thanjavur Co-operative Marketing Federation—Transfer to Central Pool—Cost data from Food Corporation of India.
G—2		Statements showing the wholesale prices of paddy and boiled rice in Tamil Nadu.
G—3	28— 9—1970	Letter R.C. No. 125396/70–C.2 of the Registrar, Co-operative Societies, Madras, addressed to the Secretary to the Government of Tamil Nadu, Food Department, regarding the supply of Samba rice lying with the TCMF to Central Pool (At pages 41 to 58 of the file Ex. G-1.)
G—4		Entire file No. B.3/2136/71 (Volume I, pages 1 to 204 of Office of the Commissioner of Civil Supplies, Madras) (Tender file).
G—5	13— 1—1971	Publication in Indian Express—Tenders—Government of Tamil Nadu (Civil Supplies Department) Tender Notice for sale of paddy and rice lying at various godowns of the Thanjavur Co-operative Marketing Federation Limited, Thiruvarur in Thanjavur District (at page 9 in file Ex. G-4).
G—6	16— 2—1971	Letter Rc. 2457/71 M.2 from the Collector, Thanjavur addressed to the Commissioner of Civil Supplies, Madras, regarding the tender sale on 15—2—1971 at page 55 in file Ex. G-4).
G—7		Entire file B3/2136/71 of the office of the Commissioner of Civil Supplies, Madras (Vol. II, pages 205 to 476) (Tender file).
G—8	9— 3—1971	Letter Rc. 2457/71 M.2 from the Collector, Thanjavur addressed to the Commissioner of Civil Supplies, Madras, regarding the limited tenders opened on 9th March 1971 (at pages 159 to 161 in Ex. G-4).
G—9	6— 3—1971	Copy of the Telegram from Thandavarayan of Coimbatore addressed to the Collector of Thanjavur accepting the entire lot of raw rice (at page 163 in file Ex. G-4).
G—10	9— 3—1971	Copy of the Telegram from Thandavarayan addressed to the Collector of Thanjavur accepting paddy—Mannargudi lots (at page 163 in file Ex G-4).
G—11	13— 3—1971	Letter by R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras, offering Rs 1,111·25 per metric tonne of raw rice (at page 193 in file Ex. G-4).
G—12	18— 3—1971	Letter by R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras, offering Rs. 820 per metric tonne of paddy, Rs. 1,111·25 per metric tonne of raw rice and Rs. 1,150 per metric tonne of boiled rice (at page 197 of the file Ex. G-4).
G—13	17— 3—1971	Letter by M.O. John, Rice Merchant, Trichur addressed to the Civil Supplies Commissioner, Tamil Nadu stating that he is prepared to modify his offer (at page 195 in the file Ex. G-4).
G—14		Current file of the Government relating to the acceptance of negotiated tender No. 4892/A.1/71 (pages 1 to 50).

G—15	19— 3—1971	Copy of letter by R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras, offering rates for the purchase of 7,300 tonnes of paddy at Rs. 822 per metric tonne (except 295 tonnes), 800 tons of raw rice at Rs. 1,111·25 per metric tonne and 770 tons Co. 25 boiled rice at Rs. 1,250 per metric tonne (at page 13 in the file Ex. G-14).
G—16	20— 3—1971	Letter by the Tanjore Co-operative Marketing Federation Limited to Thiru Ram Chandar, I.A.S., Commissioner of Civil Supplies, Madras, saying that the offer of Thiru Thandavarayan could be accepted (at page 15 of the file Ex. G-14).
G—17	24— 3—1971	Copy of letter by R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras, requesting to consider his request to take the entire raw rice lot (at page 23 in the file Ex. G-14).
G—18	2— 4—1971	Copy of letter by R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras, offering Rs. 1,250 per metric tonne of boiled rice (at page 35 in the file Ex. G-14).
G—19	7— 4—1971	Letter by the Tanjore Co-operative Marketing Federation Limited to Ram Chandar, I.A.S., Commissioner of Civil Supplies, Madras, offering their views and requesting the orders accepting the offer of Thandavarayan (at page 33 in the file Ex. G-14).
G—20		File containing the minutes of the meeting of the Ministers held on 17th December 1969 and 8th January 1970.
G—21	17—12—1969	Minutes of the meeting of the Council of Ministers regarding Food policy (Ex. G-20).
G—22	8— 1—1970	Minutes of the meeting of the Council of Ministers regarding Food policy (in Ex. G-20).
G—23	28—11—1970	Copy of the letter by Mrs. Indira Gandhi to Thiru M. Karunanidhi, Chief Minister of Tamil Nadu, Madras regarding the payment of special bonus for the supply of rice to the Central Pool.
G—24		Entire file D.Dis. No. 24001/70 (C.S.) dated 27th August, 1970 of the Commissioner of Civil Supplies, Madras.
G—25	July, 1970	Copy of D.O. Letter P.V.C. 24001/70 C.S. by Thiru Ram-Chandar, Commissioner of Civil Supplies to the Collectors regarding the reports on prices, etc. (no signature) (at pages 19 and 20 in the file Ex. G-24).
G—26	13— 7—1970	Wholesale/retail issue prices of Essential Commodities (at page 15 in the file Ex. G-24).
G—27	27— 4—1971	Office copy of the D.O. letter No. C.3/2136/71 (C.S.) by the Deputy Commissioner of Civil Supplies to Thiru M. Viswanathan, District Revenue Officer, Tanjore District regarding service charges (at page 303 of the file Ex. G-7).
G—28		Letter by the Tanjore Co-operative Marketing Federation, Madras to Thiru Ram Chandar, Commissioner of Civil Supplies, Madras, regarding the recoupment of loss incurred by the Tanjore Co-operative Marketing Federation (at pages 1 to 3 in the file Ex. G-14)

G—29	31—12—1970	Letter by the Tanjore Co-operative Marketing Federation Limited to Thiru Ram Chandar, Secretary, Food Department, Government of Tamil Nadu stating that the losses could be recouped only by selling the paddy and rice in open Market in Kerala (a [illegible] Ex. G-1).
G—30	19— 8—1971	Letter D.O. Rc. No. 9939/71 P and R (S) by the Tanjore Co-operative Marketing Federation Limited to Thiru Ram Chandar, Secretary for Food, Government of Tamil Nadu, Madras, requesting to permit the purchaser of raw rice to take delivery after payment (at page 45 in the file Ex. G-14).
G—31	26— 1—1971	Letter by the Collector, Thanjavur to the Commissioner of Civil Supplies, Madras, requesting confirmation of tender sales held on 25th January 1971 with annexures (at pages 13 to 33 in the file Ex. G-4).
G—32	27— 1—1971	Office copy of the telegram from the office of the Commissioner of Civil Supplies to the Collector of Thanjavur confirming the tender sale regarding certain lots (at page 35 of the file Ex. G-4).
G—33	..	Entire file (pages 1 to 68) No. Rc. 2457/71, M.2 dated 26th January 1971 of the office of the Collector, Thanjavur, regarding Tanjore Co-operative Marketing Federation rice tender auction.
G—34	..	Entire file (pages 1 to 248) No. R.C. 2457/71 dated 16th February 1971 of the office of the Collector, Thanjavur, relating to the sale of rice and paddy of the Tanjore Co-operative Marketing Federation on 15th February 1971.
G—35	15— 2—1971	List of tenderers (signatures) who were present on 15th February 1971 while opening the tenders and reading the contents (at pages 241 to 243 in the file Ex. G-34).
G—36	15— 2—1971	Mahazar by the Rice/Paddy tenderers, Tanjore to the District Collector, Thanjavur and true copy of the telegram, dated 15th February 1971 sent by K. R. Natarajan and Company and others requesting to reject the tender of R. Thandavarayan (at pages 59 to 61 in the file Ex. G-4).
G—37	15— 2—1971	Petition by tenderers for the rice/paddy tender, dated 15th February 1971 in Thanjavur to the Commissioner of Civil Supplies, Madras, requesting to reject the tender by Thandavarayan (at pages 101 to 105 in Ex. G-4).
G—38	15— 2—1971	Original telegram sent by the tenderers to the Commissioner of Civil Supplies, Madras, praying for summary rejection of the tender by Thandavarayan (at pages 107 and 109 in the file Ex. G-4).
G—39	18— 2—1971	Letter by S.Sadasivam, Partner, S.M. Subramania Chettiar and Sons, Madurai to the Commissioner of Civil Supplies, Madras, requesting to consider his offer at the rates as quoted by Thandavarayan plus Rs. 10 per ton regarding lot No. 14 at Pattukkottai (at page 113 of the file Ex. G-4).
G—40	19— 2—1971	Letter by Thiru A. Pandiarajan, Madurai, to the Commissioner of Civil Supplies, Madras, requesting to consider his offer at the rate as quoted by Thandavarayan plus Rs. 10 per ton regarding lot No. 13 at Pattukkottai (at page 115 of the file Ex. G-4).

G—41	..	Copy of the letter from the Thanjavur Co-operative Marketing Federation Limited addressed to the Commissioner of Civil Supplies, Madras, regarding the recoupment of losses incurred by the TCMF. (at pages 119 and 120 of the file Ex. G-4) (Copy of Ex. G-28).
G—42	15— 2—1971	Telegram to the Collector of Thanjavur by the Rice/Paddy tenderers, Thanjavur, agreeing to pay higher price of Rs. 10 per ton (at pages 5 to 13 in the file Ex. G-34).
G—43	..	File No. 4892/71 relating to the acceptance of the negotiated tender (note file pages 1 to 26).
G—44	20— 2—1971 to 23— 2—1971	Office note explaining the circumstances leading to call for the limited tender (at pages 1 to 6 in the file Ex. G-43).
G—45	23— 2—1971	Office note by the Secretary, Co-operation Department, (at pages 5 and 6 in the file Ex. G-43).
G—46	..	Entire file (pages 1 to 138) No. R.C. 2457/71-M.2 of the Collector's office, Thanjavur relating to the Thanjavur Co-opertive Marketing Federation rice tender sale on 9th March 1971.
G—47	..	Letter Rc. 2457/71-M.2 from the Collector, Thanjavur to the Commissioner of Civil Supplies, Madras, with the schedule of tenders and copy of telegram (pages 5 to 17 in the file Ex. G-46).
G—48	23— 3—1971	Office note regarding the acceptance of offer of Rs. 1,120 per ton of rice, etc. (at pages 8 and 9 in the file Ex. G-43).
G—49	23— 3—1971 24— 3—1971 30— 3—1971	Office note (at pages 9 to 13 in the file Ex. G-43) by the Secretary, Food, seen by the Secretary, Finance, Minister for Food and Minister for Co-operation (pages 9 to 13 in the file Ex G-43).
G—50	24— 3—1971	Office note regarding the sale of 240 tons of raw rice to Thandavarayan at Rs. 1,130 per ton (at page 13 in the file Ex. G-43).
G—51	24— 3—1971	Copy of endorsement in Ex. G-17 (at page 23 of the file in Ex. G-14) for accepting the offer of Thandavarayan.
G—52	24— 3—1971	Ministers noting as C.M. (A.I.) in page 13 of the file Ex. G-43.
G—53	24— 3—1971	Secretary's note to instruct the Commissioner of Civil Supplies to accept the offer of Thandavarayan (at page 13 of the file Ex. G-43).
G—54	7— 4—1971	Note by the Secretary, Food Department, regarding the acceptance of the offer by Thandavarayan at Rs. 1,250 per ton of boiled rice (at pages 15 and 16 of the file Ex. G-43).
G—55	8— 4—1971	Note by the Secretary, Food Department at pages 16 and 17 of the file Ex. G-43 regarding discussion with Minister for Food, etc.
G—55 (*a*)	7 —4—1971	Office note by the Secretary, Co-operation Department regarding the taking of the deal to the notice and approval of the Minister for Co-operation (at page 16 of the file Ex. G-43).
G—56	12— 4—1971 to 1— 6—1971	Note for circulation to the Minister for Food, Minister for Co-operation and Chief Minister regarding the acceptance of tender by Thandavarayan (at pages 17 to 21 in the file Ex. G-43).

G—57	25— 1—1971	Copy of the list of tenderers or their agents who were present at the time of opening of tenders by the District Revenue Officer on 25th January 1971 (page 53 of the file Ex. G-33).
G—58	29— 3—1971	Office copy of the Telegram issued by the PRICES (Commissioner of Civil Supplies) to the Collector of Thanjavur (copy marked to TCMF) regarding the sale of certain lots of rice to Thandavarayan (at pages 255 and 256 of the file Ex. G-7).
G—59	30— 3—1971	Office copy of the letter by the Commmissioner of Civil Supplies, Madras, to the Collector, Thanjavur, regarding the sale of certain lots to Thandavarayan (at pages 257 and 258 in the file Ex. G-7).
G—60	30—3—1971	Proceedings of the Collector of Thanjavur Rc. 2457/71-M-2 issued to Thandavarayan to remit Rs. 3,90,000 towards 5 per cent deposit and also directing the full value of the tender within 15 days from the date of receipt of this order (at page 261 of the file Ex. G-7).
G—61	26—1—1971	Copy of the report to the Commissioner of Civil Supplies, Madras by the Collector, Thanjavur with regard to the tender sale on 25th January 1971 requesting confirmation of sale (pages 1 and 2 of the file Ex. G-33) (Copy of portion of Ex. G-31).
G—62	..	Entire file No. 13864/AIII/70-74 of the Food Department, Government of Tamil Nadu, relating to offer of rice to the Central pool.
G—63	..	Particulars of economic cost of boiled rice (fine) Kuruvai at Madras City and the connected correspondence (at pages 7 to 12 in the file Ex. G-62).
G—64	31—10—1970	Office copy of D.O. letter No. 34933/AIII/70 by the Secretary, Food Department, Government of Tamil Nadu, to Thiru K. P. Mathrani, Food Secretary, Government of India, New Delhi (at pages 23 and 24 of the file Ex. G-1).
G—65	..	Entire file R. Dis. No. 45783/71, dated 19th October 1973 pages C.F. 376 N. F. 82 of the office of the Commmissioner of Civil Supplies, Madras.
G—66	27—8—1971	Letter by the Regional Manager, Food Corporation of India, Madras, to the Commissioner of Civil Supplies, Madras, requesting permission to dispose of the stocks outside the State also (at page 111 in the file Ex. G-65).
G—67	26—10—1971	D.O. Letter by the Food Corporation of India, Madras, to the Deputy Commissioner of Civil Supplies (Shri Vedasundararaj) Madras, requesting permission to export the entire quantities of raw rice relating to Kuruvai 69. (at page 207 of the file Ex. G-65).
G—68	..	Entire file B3./23866/71 (pages 1 to 300) of the office of the Commissioner of Civil Supplies, Madras.
G—69	17—4—1971	Letter by the Assistant Marketing Officer, Tamil Nadu Co-operative Marketing Federation Ltd., Madras to the Commissioner of Civil Supplies, Madras, furnishing the details of stock available with them for export outside Tamil Nadu (at page 29 of the file Ex. G-68).

G—70	12—7—1971	Letter by the District Supply Officer (in-charge) Ramanathapuram at Madurai to the Commissioner of Civil Supplies, Madras, stating that no stock of rice or paddy is available with Rajapalayam Co-operative Stores for sale by tender to be held on 16th July 1971 (at page 37 of the file Ex. G-65).
G—71	8—1—1971	Copy of the letter Rc. No. 90/71 dated 8th January 1971 sent to all the Revenue Divisional Officers, etc., with the copy of the tender notice for sale of paddy and rice lying at various godowns of the Thanjavur Co-operative Marketing Federation in Tiruvarur.
G—72	14—4—1972	Certified copy of the order in Application No. 167 of 1972 in C.S. No. 9 of 1972 on the file of the High Court, Madras.
G—73	..	Statistical handbook of Tamil Nadu 1972 issued by the Department of Statistics, Madras–6.
G—74	..	Table 5-4—Area, Production and average yield of Principal Crops 1970–71 (Pages 94 and 95 of the Book Ex. G–73).
G—75	..	By-laws of the Thanjavur Co-operative Marketing Federation Ltd. No. 898, Tiruvarur.
G—76	13—11—1973	List of files handed over by Thiru Ramchandar, I.A.S., to Thiru J. S. Bhango, I.A.S.
G—77	9—2—1971	Office copy of the letter No. C.3/2136/71-C.S. by the Deputy Commissioner of Civil Supplies, Madras to the District Revenue Officer, Thanjavur requesting to accept initial deposit of 5 per cent from tenderers (at pages 53 and 54 of the file Ex. G–4).
G—78	30—1—1970	Copy of the Circular letter No. Rc. 128/70/ Sales by the Secretary, TCMF Tiruvarur sent to All District Co-operative Supply and Marketing Societies and all Co-operative Wholesale Stores stating that the TCMF are producing both raw and boiled rice at their fine modern rice mills and other mills under their control and could arrange to supply their requirements at prevailing market rates (at page 11 of the file Ex. C–6).
G—79	2—9—1970 to 11—1—1972	Minutes Book of The Thanjavur Co-operative Marketing Federation, Tiruvarur.
G—80	3—9—1970	Resolution authorising the Secretary to sell paddy and rice on hand at the market prices to the best advantage of the TCMF (item 9–page 15 of the Book Ex. G–79).
G—80 (*a*)	2—9—1970	Entire file containing the agenda for the meeting of the Board of Directors of the TCMF, Tiruvarur to be held on 2nd September 1970 (pages 1 to 41).
G—81	8—11—1970	Resolution approving the D.O. letter, dated 22nd September 1970 of the President addressed to the Registrar regarding disposal of paddy and rice on hand to the Government of India (Central pool) (item 8—page 39 of the Book Ex. G–79).
G—81(*a*)	2—11—1970	Entire file containing the agenda for the meeting of the Board of Directors of the TCMF, Tiruvarur to be held on 8th November 1970 (pages 1 to 7).
G—82	15—2—1971	Resolution approving the arrangements made by the President, TCMF in respect of the disposal of paddy and rice (Item 7—page 53 of the Book Ex. G–79).

G—83	26—6—1970	Copy of the letter D.O. No. 11533/70-C2 written by Thiru P. B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies to Thiru Ramchander, I.A.S., Commissioner of Civil Supplies, Madras, requesting permission for the TCMF to sell in the open market another instalment of 5,000 tons of rice and inviting reference to the letter of the Collector, Thanjavur wherein the Collector had recommended the proposal of the TCMF to dispose of in the open market 50 per cent of the total procurement of 35,800 rice tonnes (at page 217 of the file Ex. C-6).
G—84	25—11—1970	Draft reply by Thiru P.G. Mohammed Saliha to Thiru M. Viswanathan, District Revenue Officer, Thanjavur mentioning that the Food Minister had denied having told him or the Collector anything about rice deliveries to be made by the TCMF and that the Minister had promised to consider the representations made by the President in consultation with the Commissioner of Civil Supplies and requesting to wait for some time till the Government takes a final decision about the whole question (at page 163 of the file Ex. C-10) (Copy of Ex. A-168).
G—85	1970-71	Allotment Register for sales of paddy and rice maintained by the Thanjavur Co-operative Marketing Federation Ltd., Tiruvarur.
G—86	..	Bound volume of the statistical supplement to TAMIL NADU GOVERNMENT GAZETTE containing wholesale prices of commodities in Tamil Nadu for the year 1970.
G—87	..	The Statistical Supplement to *Tamil Nadu Government Gazette* containing the wholesale prices of commodities in Tamil Nadu for the weeks ended 1st January 1971 to 26th February 1971.
G—88	24—10—1970	Office note No. 5 (Extract taken from file No. 167 (23)/70 PYI (Part) furnishing the price of boiled rice as indicated by Thiru Ramchandar and saying that it was hardly likely that the associate finance would agree to pay such high prices for old rice from TCMF (at pages 3 and 4 of the file Ex. C-86).
G—89	5—11—1970	Portion marked in the office note No. 7 put up by Thiru D.N. Prasad, D.S. (FCI) stating that the Government of India has to heavily subsidise if the rice is purchased from the TCMF, and however the offer is under examination (at page 5 of the file Ex. C-86).
G—90	19—11—1970	Letter D.O. No. 7-8/70, P.C written by Thiru R. Balasubramanian to Thiru K. V. Ramanathan, Zonal Manager, F.C.I., Madras requesting to furnish the detailed costing and the comments of the FCI on the incidentals claimed by the TCMF since the Federation was pressing hard for finalisation of the price (at page 16 of the file Ex. C-86).
G—91	4—12—1970	Letter from Thiru V. Subramanian to the Joint Secretary to the Government of India, Food Department, stating that Thiru Mudaliar had requested to take an immediate decision and also stating that the future of the Federation would depend to a large extent on a quick acceptance of the rice by the Government (at page 20 of the file Ex. C-73).
G—92	7—12—1970	Letter written by Dr. V. Subramaniam, to the Joint Secretary (Policy) Department of Food, New Delhi, suggesting that the matter might be considered at a joint meeting of the authorities concerned and a decision taken (at page 31 of the file Ex. C-73).

G—93	31—12—1970	Letter No. 10—13 (1)/64-FM (NCDC) written by Thiru M. M. K. Wali, I.A.S., Secretary, National Co-operative Development Corporation, New Delhi to Thiru Balasubramaniam, Joint Secretary (Policy) Department of Food, New Delhi enclosing a copy of the letter from Thiru V. S. Thyagaraja Mudaliar and requesting that the Union Department of Food may take necessary steps to help the Federation in disposing of the remaining rice stocks with the Modern rice Mill at remunerative prices to enable it to recoup the losses (at page 27 of the file Ex. C-73).
G—94	2—1—1971	Office note No. 26 stating that the Tamil Nadu Government and the FCI might be again asked to furnish the information regarding price being allowed by Tamil Nadu Government for Thanjavur rice to the FCI (at page 12 of the file Ex. C-86).
G—95	....	Entire file regarding the following subject—Civil Supplies—rice—Stocks of Government of India rice held by the State Government—offer to FCI—Delay in take-over—Loss to State Government—Claim to FCI to pay interest—rejected—papers—recorded. (O.F. 1 to 61—N.F. 1 to 16).
G—96	18—11—1970	Letter No. 63 (6) 1/70—BF II written by Thiru C. Banerji, Deputy Secretary to the Government of India, Food Department to the Secretary to the Government of Tamil Nadu, Food Department stating that the general policy regarding disposal of food grains supplied to the State Governments from the Central pool was that those were not allowed to be sold in the open market and that the Government of India take back those stocks at the price they charged from the State Government. (at page 9 of the file Ex. G-95).

EXHIBITS MARKED FOR THE REPRESENTATORS.

A—1	22— 1—1970	Letter No. Rc. 7220/70-Cl. from Thiru P. B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies Madras to Thiru V. S. Thyagaraja Mudaliar drawing the attention to the commitment of Thanjavur Co-operative Marketing Federation and requesting to achieve the target of 80,000 tonnes.
A—2	22— 1—1970	D.O. letter No. Rc. 7220/70-Cl. from Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies to Thiru Das, Joint Registrar/Secretary, Thanjavur Co-operative Marketing Federation, Thiruvarur drawing his attention to the need for despatching not less than 150 tons of boiled rice and not more than 50 tons of raw rice every day to Madras and for early completion of the quota of 40,000 tons of boiled rice due to Government.
A—3	21— 1—1970	Minutes of the discussions held by the Secretary, Food Department with the President T.C.M.F. at Thanjavur.
A—4		Entire file No. 14616/CA1/70 (pages 1 to 124) of the Government.
A—5	30— 5—1970	Review of the Registrar of Co-operative Societies, Madras after his visit to the Thanjavur Co-operative Marketing Federation (Rc. No. 16894/Cl/69-17) (at pages 103 to 120 of the file Ex. A-4).

A—6		Entire file D.Dis. 907/70, dated 28th January 1971 **(Vol. I** pages 1 to 412) of the Commissioner of Civil Supplies, Madras.
A—7	20— 1—1971	Office note by the Secretary, Food Department, Government of Tamil Nadu (at pages 75 to 77 of the file Ex. G. 1) (seen by the Secretary of Co-operation and Finance and Ministers for Food, Co-operation and the Chief Minister).
A—8	8— 1—1971	D.O. letter R.C. No. 90/71 M-2 from Thiru M.Viswanathan Collector (in charge), Thanjavur to Thiru T.V. Venkataraman, Director of Information and Publicity, Madras, regarding the publication of the tender notice (at page 7 in the file Ex. G-4).
A—9		Circulation Register of the Secretariat for the period from 2nd January 1970 to 11th June 1975.
A—10	25— 1—1971, 18— 3—1971, 25— 3—1971	Entry showing the circulation of the file No.34933/AIII/70 (G.O. No. 145, dated 18th June 1971) (G. 1) to the Minister for Food, Minister for Co-operation and to the Chief Minister.
A—11		Pattern of Civil Supplies Operations in Thanjavur District in Samba 1970 (pages 37 to 41 of the file Ex. A-6).
A—12	9— 1—1970	Letter from the Collector-in-charge and District Revenue Officer, Thanjavur to the Commissioner of Civil Supplies, Madras asking whether the levy stock may be arranged to be delivered to the Food Corporation of India, Tanjore Co-operative Marketing Federation and the authorised millers of the C.S. Department and also asking for clarification regarding certain other matters (at pages 7 to 11 of the file Ex. A-6).
A—13		File C.N. 2457/71-M-2 of the office of the Collector, Thanjavur (pages—Note 15 to 28—Current 431 to 498) regarding the subject—Civil Supplies—Thanjavur District—Levy Samba paddy and rice 1970—Stock held by the Tanjore Co-operative Marketing Federation Limited,—Tiruvarur disposal by tender system.
A—14	15— 4—1971	Proceedings of the Collector, Thanjavur regarding the issue of the release order and the transport permit to Messrs. Periakaruppa Nadar and Sons, Madurai (at page 459 of the file Ex. A-13).
A—15		Entire file Rc. 2457/71 M-2 of the office of the Collector, Thanjavur regarding the subject—Civil Supplies—Rice and paddy available with Tanjore Co-operative Marketing Federation in Thanjavur District—Disposal of stocks by limited tender—(pages 499 to 596).
A—16	19— —1971	Proceedings of the Collector of Thanjavur in RC. 2457/71 M-2 directing Messrs. Mohamed Ashroff and Co., Cochin, to remit a sum of Rs. 12,600 towards 5 per cent deposit and also to remit the full value of Rs. 2,51,400 within 15 days from the date of receipt of the order (at page 509 of the file Ex. A-13).
A—17	15— 4—1971	Delivery order issued by the Collector, Thanjavur to P. S. Periakaruppa Nadar and Sons, Madurai for 60 tons of C.O. 25 boiled rice (at page 461 of the file Ex. A-13).

A—18	4— 3—1970	Letter No. 2453/70 M-2 from the District Revenue Officer, Thanjavur to the Joint Commissioner of Civil Supplies, Madras, regarding procurement. (at pages 371 and 372 of the file Ex. A-6).
A—19		Report by Mr. P. U. Shanmugam, Minister for Food and Commercial Taxes regarding the call attention notice by Mr. Krishnamurthy, M.L.A., (at page 131 of the file Ex. A-6).
A—20	13— 1—1970	Copy of the letter No. Rc. 2453/70-M-2 from the District Revenue Officer, Thanjavur to the Officer on special duty, Food Corporation of India, Thanjavur and to the Secretary, Thanjavur Co-operative Marketing Federation Limited, Tiruvarur requesting to gear up the procurement machinery (at page 151 of the file Ex. A-6).
A—21	14— 1—1970	Letter No. 2453/15/70-M-2 from the District Revenue Officer, Thanjavur to the Commissioner of Civil Supplies, Madras, soliciting clarification whether the stock of rice voluntarily delivered by the procuring agents may be accepted and paid at the existing procurement rate (at page 155 of the file Ex. A-6).
A—22	15— 1—1970	Portion marked in pages 1 and 2 of the note on the implementations of the order of decontrol and for discussions with the Commissioner of Civil Supplies, Madras during his visit to Thanjavur district in January 1970 (at pages 139 and 140 of the file Ex. A-6).
A—23	Do.	Portion marked in page 2 of the note on the implementations of the order of the decontrol and for discussions with the Commissioner of Civil Supplies, Madras during his visit to Thanjavur district in January, 1970—principles to be adopted under the levy scheme (at page 140 of the file Ex. A-6).
A—24	10— 2—1970	Office copy of the D.O. letter No. 907/70-C. 1 from Thiru P. V. Venkatakrishnan, I.A.S., Joint Commissioner of Civil Supplies to Thiru T. V. Antony, I.A.S., Collector of Thanjavur requesting to see whether procurement by direct purchases can be stepped up in view of the low open market prices (at page 245 in the file Ex. A-6).
A—25	3— 2—1970	Note by the Joint Commissioner of Civil Supplies (at page 211 of the file Ex. A-6).
A—26	26—10—1970	Extract of the paragraph 5 from the letter of the Food Secretary, Government of India No. 167(23)/70 PYI/435/SF-70 (received in file No. 34933/AIII/70 of the Government) (at page 59 of the file Ex. G-1).
A—27	28—11—1970	Office copy of the D.O. letter No. 34933/A.III/70-4, from the Secretary, Food Department, Government of Tamil Nadu, to Thiru K. J. M. Shetty, I.A.S., Registrar of Co-operative Societies, Madras, requesting to furnish the date of costing in regard to Ex-mill price of rice in the mills of the Food Corporation of India as also the data of costing and other details regarding the Ex-mill price of rice for Co-operative rice mills for transmission to the Government of India (at pages 27 and 28 of Ex. G-1).
A—28	7— 4—1971	Page containing the copy of the petition received from the Tanjore Co-operative Marketing Federation Limited, (Madras) to the Commissioner of Civil Supplies (at page 283-2 numbers are given 283—279 of the file Ex. G-7).

A—29	7— 4—1971	Page containing the last portion of the copy of the petition received from the Tanjore Co-operative Marketing Federation (Madras) to the Commissioner of Civil Supplies (at page 285 of the file Ex. G-7).
A—30	26— 3—1971 2— 4—1971	Entry relating to the circulation of the file No. 4892/A1/71 to the Minister for Co-operation and the Chief Minister (in Ex. A-9).
A—31	4— 5—1971	Copy of proceedings No. C.3/23866/71 C.S. of the Commissioner of Civil Supplies, Madras issued to Thiru G. Sathyanarayana accepting his tender (in pages 109 and 110 of the file Ex. G-68).
A—32	7— 5—1971	Office copy of the proceedings of the Commissioner of Civil Supplies, Madras in Rc. C.3/23866/71 regarding the rice and paddy disposal by tender collection of 5 per cent security deposit and cost of grain for the stock held by the Rajapalayam Co-operative Stores (at pages 119 to 122 of the file Ex. G-68).
A—33	24— 2—1971	Copy of notice No. 2457/71-M-2 issued by the Collector's office, Thanjavur for sale of paddy and rice lying at various godowns of the Tanjore Co-operative Marketing Federation Limited, Tiruvarur in Thanjavur District, under limited tender system (at page 141 of the file Ex. G-4).
A—34	16— 2—1971	Copy of letter No. Rc.2457/71 from the Collector, Thanjavur to the Commissioner of Civil Supplies, Madras regarding the tender dated 15th February 1971 (at pages 3 and 4 of the file Ex. G-34).
A—35	26—10—1970	D.O. letter No. 167/(23)/70 PYI-435/SF/70 from Thiru K. P. Mathrani, Food Secretary to the Government of India, New Delhi to Thiru Ramchandar, Secretary to the Government of Tamil Nadu, Food Department, Madras regarding the take over of Samba stocks from the Tanjore Co-operative Marketing Federation and the working out of the Ex-mill prices (at pages 17 to 21 of the file Ex. G-1).
A—36	19—11—1970	D.O. Letter No. 7-8/70 PC from Thiru R. Balasubramanian, Joint Secretary, Ministry of Food, Government of India, New Delhi to Thiru Ramchandar, Secretary to Government of Tamil Nadu, Food Department, Madras requesting to furnish the details required in Shri Mathrani's D.O. letter (Ex. A-35) urgently (at page 25 of the file Ex. G-1).
A—37	20— 4—197	wenty-Fourth Report (Printed Book) of the Committee on Estimates 1973–74 presented to the Assembly.
A—38	Do	aragraph 31(2) at page 8 of the Report of the Committee on Estimates regarding the lillegal procurement of and export of 4,000 tons of rice (at page 3 of Ex. A-37).
A—39	Do	ortion marked in paragraph 28 at page 7 of the Report of the Committee on Estimates regarding the unusual movement of paddy and rice during May and June 1971 which caused artificial scarcity of rice in and around Madras City (at page 7 of the Ex. A-37).

A—40	....	The Madras Government Business Rules and Secretariat instructions (Printed book.....1961 Edition).
A—41	....	Rule Nos. 14 and 15 of the Madras Government Business Rules and Secretariat instructions (at page 3 of the book Ex. A-40).
A—42	27— 1—1971	Office copy of the proceedings No. C.S. 2136/71 C.S. issued by the Commissioner of Civil Supplies, Madras accepting and confirming the tender of K. N. Sankar Kutty, and requesting the Collector, Thanjavor to arrange to collect the security deposit and also to issue an invoice to the tenderer and also to issue an export permit in case of movement to other States. (at pages 39 and 40 of the file Ex. C-4).
A—43	15— 3—1971	Office copy of the proceedings No. C.S. 2136/70 C.S. issued by the Commissioner of Civil Supplies, Madras accepting and confirming the tender by Mohamed Ashraff and Co., Cochin and M. K. Aboo, Calicut and requesting the Collector, Thanjavur to arrange to collect the security deposit and also to issue an invoice to the tenderer and also to issue an export permit in case of movement to other States (at pages 187 and 188 of the file Ex. G-4).
A—44	....	Paragraph 39 of the Report of the Committee on Estimates saying that the Committee is of opinion that the entire partners of A. M. Associated Traders are responsible for the illegal export causing artificial scarcity (at page 9 of Ex. A-37).
A—45	20— 7—1974	Office note regarding the handing over of the file (Ex. G-43) to the investigating Officer after taking copies (at pages 24 and 25 of the file Ex. G-43).
A—46	28— 8—1970	Telex from the Government of India requesting to send detailed break up of Economic cost of Samba rice lying with the T.C.M.F. for supply to Central Pool (at page 35 of the file of G-1).
A—47	....	Entire file D. Dis. 8300/70, dated 31st December 1971 (Vol. VI pages 2223 to 2454) of the Collector, Thanjavur.
A—48	3— 5—1971	Copy of the letter sent by K. A. Natarajan, Renganatha Rice Mill, 69, Sandaipettai Main Road, Shevapet, Salem to the Collector requesting extension of time to deposit (at page 2335 and 2336 of the file Ex. A-47).
A—49	4— 9—1970 27—11—1970 28—11—1970	Approval of the office note dated 12th August 1970 by Mr. K. A. Mathialagan and Mr. M. Karunanithi (at page 12 of the note file G-62).
A—50	23— 8—1971	Office note regarding the proposal of the Commissioner of Civil Supplies to utilise the balance stock (4730 tonnes) for local distribution (at page 19 of the note file Ex. G-62 pasted).
A—51	13— 4—1970	D.O. Letter No. 13864-ACI/70-2 from Thiru Ramchandar I.A.S., to Thiru R. Balasubramaniam, I.A.S., Joint Secretary to Government of India, Ministry of Food and Agriculture, New Delhi regarding the offer of the 50,000 tonnes of rice to the Government of India by the Government of Tamil Nadu and requesting to consider the payment of the bonus (at page 1) (of the current file Ex. G-62).
A—52	....	Particulars regarding the quantity and value of rice and paddy relating to the I, II and III tenders (at page 17 of the file Ex. G-14).

A—53	24— 7—1971	Letter No. Rc. B-3/22427/70/C3 from the Commissioner of Civil Supplies to the Secretary to the Government of Tamil Nadu, Food Department, Madras, requesting to discontinue the progress report prescribed regarding the handing over of the Government of India rice to F.C.I. (at pages 31 and 32 of the file Ex. G–62) (Current file).
A—54	11— 8—1970 12— 8—1970 23— 8—1970	Note for circulation putting up proposals (1) supply of Kuruvai stock of fine varieties to the extent available and acceptable to the Government of India subject to a minimum realisation of Rs. 103 per quintal and (2) Return of the balance of the Government of India stocks even though it involves a loss of Rs. 7·86 lakhs (at pages 7 to 12 of the note file Ex. G–62).
A—55	20— 8—1971	Office copy of the letter No. B-3/45783/71 from the Deputy Commissioner of Civil Supplies, Madras to the Regional Manager, Food Corporation of India requesting to take over the stocks of raw rice held by the F.C.I. at Tanjavur and Avadi against the Central Pool to sell the same in the open market within the State (at pages 81 to 83 of the file Ex. G–65).
A—56	14— 9—1971	Office copy of the letter from the Deputy Commissioner of Civil Supplies to the Regional Manager of the Food Corporation of India, Madras, intimating that the stock could be offered for export outside the State if the F.C.I. themselves transport the rice in question outside the State and no individual person who buys the stocks from F.C.I. would be permitted to make the stock outside the State and in that case, the F.C.I. should repay the advance with interest (at page 115 of the file Ex. G–65).
A—57	28—10—1971	Office copy of the telegram by "Prices" to the Collector, Tanjore, directing to release the entire quantity of raw rice relating to Kuruvai 1969 to F.C.I. for export outside Tamil Nadu approximately 1,100 tonnes (at page 211 of the file Ex. G–65).
A—58	26—11—1971	Letter from the Food Corporation of India, Madras to the Commissioner of Civil Supplies, Madras intimating that the payment of interest charges for the advance taken is not justified and requesting to reconsider the matter (at pages 223 and 224 of the file Ex. G–65).
A—59	...	Entire note file No. 2136/71 of the office of the Commissioner of Civil Supplies, Madras (pages 1 to 150).
A—60	15— 2—1971 18— 2—1971 19— 2—1971	Office note (at pages 9 and 10 of the file Ex. A-59) containing the observation of the Commissioner for Civil Supplies regarding the stocks to be delivered by T.C.M.F. towards Samba 1970 procurement.
A—61	17— 2—1971	Office note on the report of the Collector, Tanjore, regarding sale (of the levy Samba paddy) through sealed tenders on 18th February 1971 (at pages 11 to 13) in the file Ex. A–59).
A—62	21— 2—1971	[At page 18(a) of the file Ex. A–59] Instructions of the C.C.S. Madras for sending the file to the Secretariat.
A—63	2— 2—1971	Office note (page 7) (pasted) of the file Ex. A–59.
A—64	6— 9—1971	Office note on the letter from the T.C.M.F. requesting that the present purchaser of raw rice may be permitted to take delivery of it after payment. (at page 22 of the file Ex. G–43).

A—65	7— 9—1971	Note by the Secretary, Food Department, regarding the office complying with simple instructions regarding economy in the use of stationery. (at page 22 of the file Ex. G–43).
A—66	19— 2—1972	Office note regarding handing over of the current file to the Investigating Officer, F.C.(C.I.D.) for investigation and Court purposes (at page 23 of the file Ex. G–43).
A—67	20—12—1973	Instructions by the then Deputy Secretary, Food regarding the handing over of the file on 17th December 1973 (pasted) (at page 24 of the file Ex. G–43).
A—68	11— 9—1974	Office note for closing the file and keeping as back papers (at page 25 of the file Ex. G–43).
A—69	12— 9—1974	Office note by the then Deputy Secretary saying that the food cell has obtained copies of papers and they are proceeding with the inquiry and that the Assistant Secretary will keep the file in his personal custody as there is no back file. (at page 25 of the file Ex. G–43).
A—70	25— 2—1971 26— 2—1971	Pasted pages 7 and 8 in the file Ex. G–43 (containing office note stating that the C.C.S. has already taken action to call for fresh limited tender for the disposal of stocks of boiled rice and paddy with T.C.M.F. as instructed by Government and he will take action as regards the disposal of stocks of raw rice (at page 7 in Ex. G–43).
A—71	5—12—1973 7—12—1973	Office note by Mr. Bango, the successor of G.W. 1 (at pages 134 and 135 of the file Ex. A–59).
A—72		Rule 3(3) of the Part II Secretariat Instructions—Chapter I —General (at page 61 of the Madras Government Business Rules and Secretariat Instructions Ex. A–40).
A—73	7—10—1970	D.O. letter No. 391/SF/70 from Thiru K. P. Mathrani, Food Secretary, Government of India to Thiru Ramchandar (G.W. 1) Secretary to the Government of Tamil Nadu Food Department, Madras in pursuance of the discussions held in the Chief Ministers Conference and Food Secretaries in the meeting in September, 1970 regarding the necessity of maximising internal procurement during the year 1970–71 (at pages 1 to 3) of the file Ex. G–1).
A—74	16—10—1970	Office copy of the D.O. letter No. 34933/A/III/70 1 to Thiru K. P. Mathrani, I.C.S., Food Secretary Government of India (in reply to Ex. A-73) regarding procurement (at pages 9 to 11 of the file Ex. G–1).
A—75	30—10—1970	Office copy of the D.O. letter No. 34933/A-III/70-II to Thiru K. P. Mathrani I.C.S., Food Secretary, Government of India (in continuation of Ex. A-74) (at pages 13 to 16 of the file Ex. G–1).
A—76	9— 1—1971	True copy of the D.O. letter No. 125396/70/C-2 from the Registrar of Co-operative Societies furnishing certain particulars regarding cost data (at page 65 of the file Ex. G-1).

A—77	....	Entire file G. No. 2457/71 (pages 597 to 682) of the office of the Collector, Thanjavur.
A—78	3— 5—1971	Office copy of the letter No. R.C. 2457/71-M2 from the Collector, Thanjavur to the Commissioner, Civil Supplies Madras, intimating that he had already issued orders allotting a quantity of 1978-096 tonnes of boiled rice to Thandavarayan (at page 615 of the file Ex. A. 77).
A—79	25— 3—1971	Office copy of the telegram from "prices" (office of the Commissioner of Civil Supplies, Madras) to R. Thandavarayan, Coimbatore, accepting his offer (at page 247 of the file Ex. G. 47).
A—80	8— 4—1971	Office copy of the telegram from "prices" (Commissioner of Civil Supplies, Madras) accepting the offer of Mr. Thandavarayan of Rs. 1,250 per tonne of boiled rice and Rs. 830 per tonne of Paddy (at pages 289 and 290 of the file Ex. G+7).
A—81	19— 4—1971	Office copy of the letter from the Commissioner of Civil Supplies to the Collector of Thanjavur calling for certain particulars regarding the disposal of rice available with TCMF (at pages 299 to 301 of the file Ex. G. 7).
A—82	13— 4—1971	Copy of the proceedings No. Rc. 2457/71-M2 by the the Collector of Thanjavur intimating that the C. C. S. has confirmed the sale of TCMF stocks of boiled rice in favour of Thandavarayan of Coimbatore and requiring Thandavarayan to remit the amount (at pages 321 to 324 of the file Ex. G. 7).
A—83	14—10—1970	Office note regarding purchase of paddy as price support measure, the procurement of coarse grains, etc. (at pages 69 to 71 of the file Ex. G.1—note file.).
A—84	21—11—1970 25—11—1970	Telex from Khadyavibhag requesting to send specific proposals giving extent of the problem of discolouration and full justification (at page 29 of the file Ex. G. 1).
A—85	30—11—1970	Office copy of the Memo No. 39345/Aiii/70-1 from the Deputy Secretary to the Government of Tamil Nadu to the Commissioner of Civil Supplies, Madras forwarding a copy of telegram from the Government of India together with a copy of the Govt. D. O. 34933/Aiii/70-2, dated 30th October 1970 for remarks. (at page 33 of the file Ex. G. 1.).
A—86	6— 5—1971	Letter from R. Thandavarayan, 47, Thathamuthiappan Street, Madras-1 to the Commissioner of Civil Supplies, Madras requesting that he may be permitted to get the deposit covered by the stocks lifted only, adjusted towards the value of stocks to be lifted. (at page 381 of the file Ex. G. 7).
A—87		Entire file C. No. 2457/71 of the office of the Collector of Thanjavur (pages 357 to 430).
A—88	9— 2—1971	Telegram from Natwarparikh and Co., Private Limited of Bombay, care of Panamavana, Madras, to the Collector to the Collector's Office, Thanjavur requesting to furnished details of the tender sale. (at page 383 of the file Ex. A. 87).

A—89	25— 1—1971	Office note with regard to the discripancy in the date for the submission of tenders. (at pages 1 and 2 of the file Ex. A 59.)
A—90	27— 1—1971	Office note regarding the tender sale held on 25th January 1971 (rates furnished) and the confirmation thereof (at pages 2 and 3 of the file Ex. A. 59.)
A—91	28— 1—1971	Letter from Thiru V.N. Sankaran Kutty, 213, Amman Koil Street, Madras to the Collector, Thanjavur, intimating his willingness to take certain lots of boiled rice at Rs. 1,243 per ton (at page 45 of the file Ex. G. 4).
A—92	15— 2—1971	Letter from Thiru M. K. Muthusamy Chettiar and Co., Tiruppur, to the Commissioner of Civil Supplies, Madras requesting extension of time (at page 147 of the file Ex. G. 4.)
A—93	29— 7—1971 30— 7—1971 2— 8—1971	Office note on the petition of Messrs Muthusami Chettiar and Co., dated 28th July 1971 (regarding the detention of rice at Cochin by the Railway authorities (at pages 71 and 72 of the file Ex. A. 59).
A—94	11— 8—1971	Office note regarding the adjustment of the amount remitted by Thiru Thandavarayan (at pages 73 and 74 of the file Ex. A. 59).
A—95	30— 1—1971	Office note on the petition, dated 28th January 1971 by V. N. Sankaran Kutty, Madras, addressed to the Collector, Thanjavur (Ex. A 91). (at pages 4 to 6 of the file Ex. A 59.)
A—96	1— 2— 1971	Office note with regard to the allotment of lots to Sankaran Kutty and the order for re-tender (at page 6 of the file Ex. A 59).
A—97	26— 6—1971 29— 6—1971 30— 6—1971	Office note regarding the allowance of out-turn for short term crops at 66 per cent and for long term crops at 68 per cent and with regard to the refund of initial cost to Md. Ashrofi and Co., M. K. Aboo and Sankaran Kutty (at pages 54 to 56 of the file Ex. A. 59.)
A—98	4—11—1972	Memorandum presented to the President of India, by Thiru M. G. Ramachandran, M. L. A., Madras (printed book.)
A—99	14—12—1972	Reply to the Memorandum presented to the President of India by Thiru M. Karunanidhi (printed book.)
A—100	10— 1—1973 5— 2—1973 28— 5—1973	Rejoinder dated 10th January 1973 and reply. (rejoinder by Thiru M. G. Ramachandran, M. L. A. and rejoinder and note by Thiru M. Kalyanasundaram, M. L. A., dated 5th February 1973 and reply thereto, dated 28th May 1973 (printed book.)
A—101	22— 2—1971	Letter No. C. 3. 2130/71 from the Commissioner of Civil Supplies, Madras to the Collector, Thanjavur, directing to conduct a limited tender sale during the first week of March (at page 11 of the file Ex. G. 14).
A—102	24— 2—1971	Office copy of the letter No. C. 3. /2136/71 C. S. issued by the Commissioner of Civil Supplies, Madras to the Collector of Thanjavur, enclosing a copy of petition of Natwar Parikh and Co., (P) Ltd., Bombay and requesting to arrange to call for limited tenders (at pages 135 and 136 of the file Ex. G. 4).

A—103	17— 3—1971	Office note stating that Thiru Thandavarayan of Coimbatore has offered Rs. 1, 111·25 per tonne for all the raw rice available with the TCMF and an initial deposit of a sum of Rs. 17,000 remitted by Thiru Thandavarayan, on 25th January 1971 is available with the Collector of Thanjavur (at page 33 of the file Ex. A-59).
A—104	19— 3—1971	Letter from R. Thandavarayan, 23/118, Diwan Bhagadur Road, Coimbatore to the Commissioner of Civil Supplies, Madras agreeing to purchase the stocks at the rates quoted therein (at page 207 of the file Ex. G-7).
A—105	24— 3—1971	True copy of the letter from Thiru R. Thandavarayan, Coimbatore, to the Commissioner of Civil Supplies Madras-1, requesting to consider his offer and to help him to take the entire raw rice lots as his offer is beneficial to the Federation (at page 219 of the file Ex. G-7).
A—106	23— 3—1971	Remarks by the Secretary, Co-operation Department stating that Minister (Co-operation) may also see prior to the final decision (at page 9 of the file Ex. G-43.)
A—107	26— 3—1971	Letter No. 2136/71 C.S. from Thiru Ramchandar, I.A.S., Commissioner of Civil Supplies, Madras to the Secretary to Government, Food Department, Madras, requesting to be informed of the rates for various lots of raw rice, paddy and boiled rice for the acceptance of the offer made by Thiru R. Thandavarayan, Coimbatore (at page 31 of the file Ex. G-14).
A—108	23— 4—1971	Letter from the Thanjavur Co-operative Marketing Federation Limited, Tiruvarur, to the Commissioner of Civil Supplies, Madras, stating that they have got the stock of 1978·096 tonnes of boiled rice on hand for disposal by tender. (IV tender) (at page 359 of the file of Ex. G-7.)
A—109	12— 4—1971	Portion marked in Ex. G-56 "oral orders of M (F and R) and instructions issued to C. C. S." (at page 21 of the file Ex. G-43).
A—110	30—10—1970 31—10—1970 26—11—1970 28—11—1970 10—12—1970	Office note on the D. O. letter from the Food Secretary, Government of India, regarding procurement (at pages 71 to 75 of the file Ex. G-1.— Note file).
A—111	27— 8—1971	Office copy of the D. O. letter No. 1597/A. III /71-3 from the Food Department, Government of Tamil Nadu to Thiru R. Balasubramaniam, I.A.S., Joint Secretary to the Government of India stating that the prices quoted by the Co-operative Institutions may be agreed to and requesting to examine the matter and to issue orders early to permit the accounts relating to operations during 1970 Kuruvai season to be finalised and also for the concession regarding discolouration (at pages 73 and 74 of the file Ex. G-1. —current file.).
A—112	20— 8—1971	Office note (Summary) in which it has been stated that orders were obtained in circulation for the approval of the following proposals (i) supply of Kuruvai stock of five varieties to the extent available and acceptable to the Government of India subject to a minimun realization of Rs. 103 per quintal and (2) return of the balance of the Government of India stocks eventhough it involved a loss of Rs. 7.86 Lakhs (at pages 17 and 18 of the note file Ex. G-62).

A—113		Portion marked (in red pencil) "wrongly numbered" on the (docket of the file Ex. G-1.)
A—114	2— 4—1971	Original letter from Thiru R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras offering Rs. 1,250 per metric tonne of boiled rice (original of Ex. G-18.)
A—115	24— 3—1971	Original letter from Thiru R. Thandavarayan addressed to the Commissioner of Civil Supplies, Madras requesting to consider his request to take the entire raw rice lots (Original of Ex. G-17).
A—116	..	Entire file C. No. 2457/71 (pages 1 to 132) of the office of the Collector, Thanjavur.
A—117	..	Entire file C. No. 2457/71 (Note file pages 1 to 14 and current file pages 133 to 356) of the office of Collector, Thanjavur.
A—118	..	Entire file C. No. 2457/71 (pages 683 to 704) at the office of the Collector, Thanjavur.
A—119	21—1—1971	Letter from Thiru K. K. Abdul Kareem, Paddy and Rice Merchant, Kamudhi to the Collector, Thanjavur, forwarding a draft for Rs. 1,000 towards tender deposit and requesting permission to see the stocks for sale (at page 43 of the file Ex. A-116).
A—120	19—1—1971	Chalan for the remittance of the cost of tender forms (at page 125 of the file Ex. A-116).
A—121	22—2—1971	Copy of the letter No. C. 3/2136/71 from the Commissioner of Civil Supplies, Madras to the Collector, Thanjavur, requesting to take action for calling for a limited tender and to fix a date for the conduct of the sale (at page 1 of the file Ex. G-46).
A—122	25—4—1971	Copy of the proceedings of the Collector, Thanjavur No. Rc. 2457/71 issued to Thiru Thandavarayan, requiring him to remit Rs. 1,23,650 towards 5 per cent deposit and to execute an agreement (at page 77 of the file Ex. G-46).
A—123	23—4—1971	Copy of the letter No.C. 3/3136/71 CS from the Commissioner of Civil Supplies, Madras to the Collector of Thanjavur, requesting to obtain an undertaking from Thiru Thandavarayan agreeing to certain terms for allotment (at page 83 of the file Ex. G-46).
A—124	30—3—1971	Copy of proceedings Rc. 2457/71 M2 issued to Thiru Thandavarayan by the Collector, Thanjavur requiring him to remit a sum of Rs. 3,90,000 towards 5 per cent deposit within 24 hours from the date of receipt of this order and the full value of Rs. 77,91,995/97 within 15 days (at page 37 of the file Ex. G-46).
A—125	3—2—1971	Office copy of the delivery order Rc. 2457/71-M2 issued by the Collector, Thanjavur requesting the Secretary, Co-operative Marketing Society, Arantangi to release certain quantities of paddy [at page 165 (another No. 61) of the file Ex. A-117] Thiru R. Seetharaman of Thalaikulam.
A—126	13—2—1971 25—2—1971 19—3—1971 22—3—1971 30—3—1971 31—3—1971	Office note in the file C. No. 2457/71 of the office of the Collector, Thanjavur regarding the refund of initial cost deposit to the unsuccessful tenderers in the sale held on 25th January 1971 (pages 1 to 6 of the file Ex. A-117).

A—127	8—2—1971	Letter No. Rc. 2457/71-M2 from the Collector, Thanjavur to the Assistant Regional Officer, TCMF Thanjavur and others intimating that M/S. Mohamed Ashroff & Co., Mattanchery, Cochin-2 are permitted to inspect the stock itended for sale (at page 377 of the file Ex. A-87).
A—128	9—2—1971	Letter No. Rc. 2457/71-M2 from the Collector, Thanjavur intimating that K. E. Abdul Kareem Rice Mills, Kamudhi is permitted to inspect the stock intended for sale. (at page 387 of the file Ex. A-87).
A—129	9—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that V. A. Shanmughanathan & Co., Thuvaraikkadu are permitted to inspect the stock intended for sale (at page 391 of the file Ex. A-87).
A—130	10—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that M. Ahmed Kutty, Venkara is permitted to inspect the stocks intended for sale (at page 395 of the file Ex. A-87).
A—131	10—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that M/s. P. S. Periakaruppa Nadar and sons, Madurai is permitted to inspect the stocks intended for sale (at page 399 of the file Ex. A-87).
A—132	10—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that S.S.N.T. Durairaj Nadar, Kalpatti is permitted to inspect the stocks intended for sale (at page 43 of the file Ex. A-87).
A—133	11—2—1971	Letter Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that Thiru R. Seetharaman, Thalaikulam is permitted to inspect the stocks intended for sale (at page 407 of the file Ex. A-87).
A—134	12—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur intimating that Thiru M.O John, Trichur is permitted to inspect the stock intended for sale. (at page 409 of the file Ex. A-87).
A—135	13—2—1971	Letter Rc. No. 2457/71-M2 from the Collector, Thanjavur, to the Assistant Regional Officer, TCMF, Thanjavur and others, intimating that Thiru S.N. Radhakrishnan is permitted to inspect the stock intended for sale. (at page 411 of the file Ex. A-87).
A—136	12—2—1971	Letter No. Rc. No. 2457/71-M2 from the Collector, Thanjavur to the Assistant Regional Officer, TCMF, Thanjavur intimating that M/s. Natwar Parick & Co., are permitted to inspect the stock intended for sale. (at page 413 of the file Ex. A-87).
A—137	12—2—1971	Letter Rc. No. 2457/71-M2 from the Collector, Thanjavur to the Assistant Regional Officer, TCMF, Thanjavur intimating that M/s. K. R. Natarajan & Co., Pollachi are permitted to inspect the stock intended for sale. (at page 417 of the file Ex. A-87).
A—138	..	Entire file D.D. No. 8300/70, dated 31st December 1971 (Vol. IV., pages 1495, 1802) of the office of Collector, Thanjavur.
A—139	2—11—1970 3—11—1970 4—11—1970	Office note regarding the remittance of the entire costs tender paddy by Thiru K.A. Natarajan (at pages 16 and 1641 of the file, Ex. A-138).

A—140	..	Entire file D. Dis. No. 8300/70, dated 31st December 1971 (Vol. I—pages note Life 1 to 102 and current file pages 1 to 548) of the office of the Collector, Thanjavur.
A—141	3—10—1970	Office note stating that the Deputy Commissioner has phoned up and stated to issue release order to Thiru K. A. Natarajan without waiting for 5 per cent additionl deposit (at page 37 of the note file Ex. A–140).
A—142	3—10—1970	Office note regarding the application of Thiru K. A. Natarajan for permit for certain quantities. (Page 38 of the note file Ex. A–140).
A—143	6—4—1971	Office note stating that Thiru K. A. Natarajan, has not lifted the entire quantity of tender paddy after remittance before 31st March 1971 and that the fact may be reported to C.C.S. (page 93 of the note file Ex. A–140).
A—144	15—10—1970	Letter No. C. 3/35202/70, C.S. from the C.C.S. Madras to the Collector, Coimbatore requesting to arrange to issue permits for the transport of resultant rice from Pollachi to Kerala either by road/rail without delay. (at page 1541 in Ex. A—138).
A—145	26—1—1971	Statement showing the lot No. variety, quantity, economic cost per metric ton, total value, highest rate received, for total value, disposal witin the State, highest rate received for disposal outside the State, total value, name of the tenderer, gain and loss relating to Tiruvarur Centre. (at pages 19 and 21 of the file Ex. G–4).
A—146	16—2—1970	Working sheet—Government economic cost of paddy and rice. (at page 57 of the file Ex. G–4).
A—147	19—4—1971	Letter No. C. 2/2136/71, C.S. from Thiru Ramchandar, I.A.S., to the Collector of Thanjavur requesting to send a copy of proceedings issued to Thandavarayan, confirming the remaining lots of boiled rice of about 1592 tons and report whether Thandavarayan has remitted 5 per cent security deposit and also requesting to collect storage charges for the stocks unlifted by Thandavarayan (at page 603 of the file Ex. A–77).
A—148	3—7—1971	Letter by Mohamed Ashroff Co., Mattancherry, Cochin to the Collector of Thanjavur requesting to refund the sum of Rs. 14,000 remitted by them towards 5 per cent deposit and security deposit (at page 693 of the file Ex. A–118).
A—149	30—3—1971	Letter by S. Natarajan for R. Thandavarayan, to the Collector, Thanjavur requesting him to intimate to him balance amount which has to be remitted by him and also stating that he will try his best to clear all the rice especially raw rice and a sizable portion of paddy before 30th April 1971. (at page 269 of the file Ex. G–7).
A—150	..	Pages 205 to 207 in A–99 containing the charge No. 32 that Thiru V.S. Thyagaraja Mudaliar, President, Thanjavur Co-operative Marketing Federation had swindled over Rs. 2 crores but no tangible action was taken against him due to the interference of the Chief Minister and Thiru Aditanar and the members of the Committee of the Federation were allowed to resign, but they were not prosecuted and the answer to that charge. (at pages 205 to 207 Ex. A–99).

A—151	10—1—1973	Pages 113 to 117 in Ex. A-100. Rejoinder and reply with regard to charge No. 32, Chief Minister's friend swindles Rs. 2 crores with impunity and immunity from prosecution (pages 113 to 117 in the book Ex. A-100).
A—152	..	Pages 259 to 261 in Ex. A-100 containing the Departmental-note on charge No. 32, Chief Minister's friend swindles Rs. 2 Crores with impunity and immunity from prosecution (at pages 259 to 261 in the Book Ex. A-100).
A—153	..	Copy of the notification by the Collector of Thanjavur on behalf of the Government of Tamil Nadu inviting sealed tenders, for the sale of 2,650 tonnes of boiled rice and about 800 tonnes of raw rice and 360 tonnes of paddy as detailed in Appendix " C " attached thereto lying in various places in Thanjavur District on " as is where is " basis (at pages 25 to 27 of the file Ex. C-44).
A—154	..	Copy of the tender from (offer for paddy and rice) to be submitted to the Collector of Thanjavur (at pages 29 to 31 of the file Ex. C-44).
A—155	..	Copy of the terms and conditions for the sale of paddy/rice by tender (at pages 33 to 39 in the file Ex. C-44).
A—156	18—7—1971	Copy of letter from R. Thandavarayan, General Merchant and Commission Agent, Coimbatore (signed by his manager for R. Thandavarayan) addressed to the Collector, Thanjavur intimating that the has remitted Rs. 1,75,000 towards the cost of the boiled rice and requesting the Collector to issue necessary instructions to the Secretary, T.C.M.F. Ltd., Tiruvarur to release rice or paddy equivalent to the value of 84,970 tonnes of boiled rice (at page 83 of the current file Ex. C-61).
A—157	29—4—1971	Letter R. C. No. 52/71/P & R (S) from P. G. Mohammed Saliha, Joint Registrar/Secretary Tanjore Co-operative Marketing Federation Ltd., Tiruvarur addressed to the Special Officers and Secretaries of Various Co-opertiave Societies drawing their attention to the instructions issued for their guidance while delivering the rice or paddy to the successful tenderers and requesting to furnish the sales particulars along with the duplicate printed bills soon after delivery is made (at page 113 of the file Ex. C-53).
A—158	6—12—1971	Note R. C. 52/71 P and R by the Secretary, Tanjore Co-operative Marketing Federation Ltd., Tiruvarur to the Superintendent, Transport Department with regard to the Collection of lorry hire charges from Thiru R. Thandavarayan (at page 227 of the file Ex. C-53).
A—159	8—6—1971	Letter D. R. C. No. 52/71 P. and R (S) written by Thiru P. G. Mohammed Saliha, Secretary, Tanjore Co-operative Marketing Federation, Tiruvarur to Thiru V. S. Thyagaraj Mudaliar enclosing a copy of the letter received from Dr. V. Subramaniam and stating that they have already informed the purchaser to lift the stocks immediately without any further delay (at page 65 of the file Ex. C-59)
A—160	7—6—1971	Copy of the letter from Dr. V. Subramaniam, addressed to the Secretary, T. C. M. T. Tiruvarur wherein he has stated that if the lots were not returned quickly they would become unfit for human consumption (at pages 67 and 68 of the file Ex. C-59).

A—161	28—7—1971	Note by the Secretary, T. C. M. F. Tiruvarur to its President stating that the Modern Rice Mill at Tiruvarur had been stopped from working from 21st July 1971 and that Thiru Jayaraman, Manager of Thandavarayan was requested to arrange to send paddy but he had not sent and suggesting the President to see whether they can get any paddy from the Civil Supplies Department for hulling purposes at their Modern Rice Mill (at page 159 to the file Ex. C-53).
A—162	31—1—1971	Note R. C. 52/71 P and R (S) by the Secretary, T.C.M.F. Tiruvarur to its President with regard to the tender sale proposed to be held on 15th February, 1971 and with regard to the acceptance of the tenders for certain lots by the Commissioner of Civil Supplies at the previous tender sale (at page 157 of the file Ex. C-46).
A—163	1—2—1971	Letter by Thiru V.S. Thyagaraja Mudaliar to Thiru Saliha, Secretary, T.C.M.F., Tiruvarur stating that the Food Secretary has told him his instructions that all lots fetching a price of over Rs. 1,245 should be accepted when whether the tenderer had deposited the requisite money or not and that even in cases where the higher bids were not accepted for want of deposit, they had been asked to be accepted by taking the deposits from the concerned parties (at page 177 of the file Ex. C-46).
A—164	26—2—1971	Note R.C. No. 128/71 P and R (S) by the Secretary, T.C. M.F Tiruvarur to its President putting up the letter by the Collector, Thanjavur wherein the Collector had requested to resume the supply of boiled (medium) rice to the Government at the rate of 100 to 200 tonnes per day and stating that the Federation had already not only delivered the required quantity but also delivered 896 rice tonnes in excess of the requirements (at page 311 of the file Ex. C-10).
A—165	19—3—1971	Letter by Thiru V. S. Thyagaraja Mudaliar to Thiru Saliha, Secretary, T. C. M. F. Ltd., stating that he would like to check up the particulars furnished in the statements and asking him whether the balance of quantity between the figures given as on 19th March 1971 and the total quantity tendered was available for further sale (at page 37 of the file Ex. C-53).
A—166	15—10—1970	Note R.C. 494/70/Sales submitted by the Secretary T. C. M. F., Tiruvarur to its President stating that the District Revenue Officer, Thanjavur had asked the Federation to resume the despatch of rice to the Government and adjust the balance amount due to the Civil Supplies Department under ad hoc payment account and that the President had told the Secretary, that the Federation need not move the stock further stock on Govrnment account since it was deserved to supply the entire stock to the Central pool and also soliciting instructions for sending their reply to the District Revenue officer (at pages 81 and 82 of the File Ex. C-10).
A—167	9—11—1970	Copy of D. P. Rc. 9884/70 from the District Revenue officer, Thanjavur addressed to the Joint Registrar and Secretary T.C. M. F., Thiruvarur stating that the Minister for Food Govenment, of Tamil Nadu had informed him that the T. C. M. F. Tiruvarur should deliver 20,800 tonnes of rice from out of their purchase of Samba paddy and requesting to see that the balance quantity of 12,450 rice tonnes due to the Government might be arranged to be delivered (at page 129 of the file Ex. C-10).

A—168	25—11—1970	Carbon copy of the D.O. letter No. P.C. 128/70/Sales from Thiru Mohamed Saliha to Thiru Viswanathan, District Revenue Officer, Thanjavur, stating that the Hon'ble Minister had promised to consider the representations made by the President in consultation with the Commissioner of Civil Supplies and requesting to wait for some time till the Government takes a final decision about the whole question (at page 165 of the file Ex. C-10) (Copy of Ex. C-84).
A—169	23—11—1970	Letter written by Mr. V. S. Thyagaraja Mudaliar to Thiru P. G. Mohammed Saliha, Secretary, Thanjavur Co-operative Marketing Federation, Tiruvarur asking him to send the reply to the District Revenue Officer, Thanjavur as per the draft enclosed therewith in view of the denial by the Food Minister that he never spoke to either the District Revenue Officer or to the Collector regarding the delivery of rice by the Thanjavur Co-operative Marketing Federation and stating that he is pursuing the matter with the Minister and the Food Secretary at Madras and that he would be leaving for Delhi on 24th November 1970 to see if the delivery to the Central Pool could be finalised (at page 161 of the file Ex. C-10).
A—170	9—1—1971	Office copy of the letter by Thiru V. S. Thyagaraja Mudaliar, President, Thanjavur Co-operative Marketing Federation, Tiruvarur to Thiru Subramaniam, Deputy Commissioner of Civil Supplies (Distribution), Madras, intimating that the Government had taken a decision to agree to their request that they should not insist on delivering 50 per cent of the quantity procured to the Government and that the Federation should not be asked to deliver any quantity more than what had been delivered as on that date (at page 223 of the file Ex. C-10).
A—171	9—9—1970	Office copy of the letter written by Thiru P. G. Mohammed Saliha to Thiru K. Keshav Kini, Registrar of Co-operative Societies (in-charge), Madras stating that he had discussed with the District Revenue Officer and others regarding the quantity of rice to be delivered to the Government and informing that the Society had delivered to the Government 15,132 rice tonnes and had sold 8,069 rice tonnes up to 9th September 1970 in the open market and could sell 6,931 rice tonnes in the open market (at page 65 of the file Ex. C-10).
A—172	18—12—1974	Tamil Nadu Legislative Assembly Debates—Vol. LX—No. 6 issued by the Legislative Assembly Department, Fort St. George, Madras (Printed book).
A—173	18—12—1974	Reply by the Hon'ble Chief Minister M. Karunanidhi that action has been taken against V. S. Thyagaraja Mudaliar who has taken active part in conducting Avadi Congress (at page 779 of the Printed Book A-172).
A—174	21—8—1970	Copy of the D.O. letter No. 113042/70 C.2, dated 21st August 1970 written by Thiru K. Keshav Kini, Registrar of Co-operative Societies (in-charge) to Thiru Saliha, Secretary, Thanjavur Co-operative Marketing Federation, Tiruvarur, requesting to send a detailed report regarding the correct stock position with the Federation with details of quantities available for supply to Government and sale in the open market (at pages 11 and 12 of the file Ex. C-10).

A—175	20 —7—1970	Office copy of the letter No. R.C. 128/70/Sales from the Secretary, Thanjavur Co-operative Marketing Federation, to the Commissioner of Civil Supplies, Madras, requesting permission to dispose of any sort of paddy in open market without restriction (at pages 251 to 253 of the file Ex. C. 6.).
A—176	5— 2—1971	Note. R.C. No. 52/71/P and R (S) by the Secretary, Thanjavur Co-operative Marketing Federation, to its President indicating the procedure adopted in the Civil Supplies Section in respect of the remittance of the cost of paddy or rice and suggesting that, for remitting the cost in the name of Thanjavur Co-operative Marketing Federation, the Commissioner of Civil Supplies Madras, might be contacted for issue of suitable instructions to the District Revenue Officer, Thanjavur (at page 141 of the file Ex. C. 44).
A—177	31—12—1970	Letter D.O.R.C. No. 35052/C-1/70 C.S. from Thiru S. R. Subramaniam, Deputy Commissioner (Distribution), Office of the Commissioner of Civil Supplies, Madras, addressed to Thiru V. S. Thyagaraja Mudaliar, stating that the Thanjavur Co-operative Marketing Federation had supplied only 13,545 tonnes of rice up to that date and requesting to make immediate arrangements to supply the balance quantity of rice due to the Government without delay (at page 215 of the file Ex. C. 10).
A—178	6— 1—1971	Office copy of the leter D.O.R.C. No. 128/70 written by Thiru P. C. Mohammed Salina to Thiru V. S. Thyagaraja Mudaliar stating that the Deputy Commissioner of Civil Supplies, Madras, had requested to supply the balance quantity of 9,560 tonnes of rice due to Government and also furnishing figures regarding the total quantity of paddy procured from 9th January 1970, opening stock etc, (at page 217 of the file Ex. C. 10.).
A—179	31—10—1970	Entry at page 23 of the Book No. G. 79 " Proceedings of the meeting of the management of the Thanjavur Co-operative Marketing Federation held at 4 p.m. on Saturday the 31st October 1970 in the premises of the Office of the Thanjavur Co-operative Marketing Federation, Limited, Thiruvarur " and the name of the persons who were present and also the adjustment of the meeting as there was no quorum (at page 23 of the Book Ex. G. 79).
A—180	31—10—1970	1st item of the agenda for the meeting to be held on 31st October 1970—Consideration of the draft reply to be sent to the Registrar on his review and on the comments of the Chief Audit Officer, Madras (page 23 of Ex. G. 79.).
A—181	8—11—1970	Resolution approving the draft replies to the Registrar's review and to the Chief Audit Officer's reports passed by the Board of Management of the Thanjavur Co-operative Marketing Federation during the meeting held on 8th November 1970 (item 1 (*a*) at page 36 of the Book G. 79).
A—182	5— 4—1966 7— 5—1970.	Minutes Book of the Thanjavur Co-operative Marketing Federation.
A—183	19—11—1970	Office copy of the D.O. letter No. 7-8/70 PC. written by Thiru R. Balasubramanian to Thiru Ramchander, Secretary to the Government of Tamil Nadu, Food Department, requesting to furnish the information required in Shri Mathrani's D.O. letter, dated 26th October 1970, regarding procurement of paddy and rice by the Food Corporation of India during Kuruvai season and the working out of ex-mills price of rice in consultation with the same for the approval of the Central Government also regarding the question of taking over of Samba stocks from the Thanjavur Co-operative Marketing Federation (at page 17 of the file Ex. C. 73).

A—184	4—12—1970	Office copy of the D.O. letter No. 7-8/70 PC. written by Thiru R. Balasubramaniam to Thiru Ramchander, Secretary to the Government of Tamil Nadu, Food Department reminding his letter dated 19th November 1970 (Ex. A-183) regarding procurement of paddy and rice by the F.C.I. during Kuruvai season and the working of ex-mills price of rice in consultation with the F.C.I. and also regarding the question of take over of Samba stocks from the T.C.M.F. (at page 19 of the file Ex. C-73).
A—185	21—12—1970	Office copy of the D.O. letter No. 7-8/70 PC. from Thiru D. N. Prasad to Thiru Ramchander, remainding Thiru R. Balasubramaniam's letters. dated 19th November 1970 and 4th December 1970 (Exs. A-183 and A-184) and requesting to furnish the requisite information regarding procurement of paddy and rice by the F.C.I. during Kuruvai season and the working out of ex-mills price of rice in consultation with F.C.I. and also regarding the question of taking over of Samba stocks from the T.C.M.F. (at page 24 of the file Ex. C-73).
A—186	13— 1—1971	Office Copy of the D.O. letter No. 7-8/70 PC. written by Thiru R. Balasubramaniam to Thiru Ramchander requesting to send a report regarding taking over Samba stocks from the T.C.M.F. and procurement of paddy and rice by F.C.I. (at page 29 of the file Ex. C-73).
A—187	21—12—1970	Office copy of the D.O. letter No. 7-8/70 PC. written by Thiru D. N. Prasad to Thiru V.S. Thyagaraja Mudaliar referring to their discussion with the Food Secretary on 4th November 1970 regarding the question of finalisation of the offer of 12,753 tonnes of rice made by Thiru V. S. Thyagaraja Mudaliar to the Central Pool through the State Government and requesting to send his comments in the matter (at page 26 of the file Ex. C-73).
A—188	11—12—1970	Letter written by Thiru V. S. Thyagaraja Mudaliar, President, Thanjavur Co-operative Marketing Federation Ltd. Tiruvarur to the Secretary, National Co-operative Development Corporation Ltd., New Delhi, where in has been stated that the T.C.M.F. had incurred a loss of Rs. 295 per tonne of rice for the quantity supplied to the Government and this has to be recouped from the remaining quantity of paddy and rice amounting to about 12,000 rice tonnes and requesting to impress upon the Government the need to pay the full price asked for to enable the Federation to avoid loss which would be disastrous to the Federation (copy of Ex-C-39) (At page 28 of the file Ex C-73).
A—189	18— 1—1971	Letter written by the Under Secretary to the Government of India, Ministry of Food, Agriculture, Community Development and Co-operation to the Secretary to Government of Tamil Nadu, Food Department, Madras requesting that specific proposals giving extent of problem of discolouration and full justification as required in the Department's telex of even number dated 21st November 1970 and 2nd December 1970 may be sent to the Department for necessary action (at page 69 of the file Ex G-1)
A—190	13— 9—1971	Letter D.O. No. 167(23)/71-PY I written by Thiru R. Balasubramaniam, Joint Secretary to the Government of India, Department of Food to Thiru Ramchander, Secretary to the Government of Madras, Food Department intimating the decision to allow the tolerance

		and rejection limits for discoloured grain up to 10 per cent and 15 per cent respectively for boiled rice, that rate of cut between the tolerance and rejection limit would be at ¼th value and beyond rejection limit of half value and that the limits would be applicable only to Kuruvai rice (boiled) of Tamil Nadu (at page 75 of the current file Ex. G-1).
A 191	5—11—1970	Portion markrd in the note by Thiru D. N. Prasad, D.S (F.C.I.) stating that the Secretary had also suggested to Thiru Mudaliar that he might consider supplying the rice directly to Kerala Government at central issue prices, that Mudaliar had agreed to examine this proposal and send his comments and that the Government may persue obtaining the material required from all concerned. (at page 6 of the file Ex. C-86).
A—192	3— 2—1971	Office note No. 28, regarding the offer of the T.C.M.F. to the Central Pool 12,753 tonnes rice and suggesting to convene a meeting for which a representative, each of the T.C.M.F., Zonal Manager, F.C.I., Madras and State Government might be asked to attend the meeting (at pages 13 to 16 of the file Ex. C-86).
A—193	29— 4—1971	Office note No. 37, put up for consideration whether the Government of India should write to Zonal Manager asking him to find out whether any stock was left with the Federation for sale to Central Pool and thereafter they would recast the costing sheet (at page 17 of the file Ex. C-86).
A—194	3— 2—1971	Statement showing the incidentals claimed by the T.C.M.F. for 12,753 tonnes of rice with those considered reasonable by the Government of India (last 6 sheets in the file Ex. C-73).
A—195	30— 1—1971	Original agreement between R. Thandavarayan, son of Rathnam Mudaliar, residing at Dewan Bahadar Road, Coimbatore and also at 88, Acharappan Street, Madras (First party) and S. Arumugham, son of Sudalaimuthu Pillai residing at Portuguese Church Street, Madras (Second Party) for doing joint business in the export of rice.
A—196	26— 3—1971	Photostat copy of agreement between R. Thandavarayan, son of Rathnan Mudaliar, residing at Dewan Bahadur Road, Coimbatore and also residing at No. 88, Acharappan Street, Madras (Borrower) and A. M. Associated Traders, a registered partnership concern carrying on business at No. 139, Audiappa Naicken Street, Madras (financier) by which the borrower needed finance for his business of buying and selling rice and paddy under permits and the Financier agreed to finance the borrower's business on certain terms and conditions.
A 197	..	Copy of the charge sheet in Madras Central Railway Police Station Crime Nos. 1420/71, 23/72 and 24/72 and Madras Egmore Railway Police Station. Crime No. 81/72 under Sections 120B, 419, 420, 467, 471, 477-A, 109 I.P.C. and Cl. 3 of Tamil Nadu Paddy and Rice Dealers (Licensing, Regulation and Disposal of Stocks) Order, 1968, Clause 3 of the Southern States (Regulation of Export of Rice) Order, 1964 read with Section 7(1)(a)(ii) of the Essential Commodities Act in which Thiru R.Thandavarayan has also been shown as one of the 42 accused.

A—198	16— 7—1975	Original Postal acknowledgement by Thiru R. Thandavarayan for the service of witness summons issued to him by the Commission of Inquiry, Madras (address—R. Thandavarayan, 47, Thatha Muthiappan Street, Madras-1).
A—199	16— 1—1972	Copy of the plaint in C.S. No. 9 of 1972 on the file of the High Court, Madras. (Suit filed by A. M. Associated Trader by partner S. Sundaram against R. Thandavarayan, praying for a decree directing the defendant Thandavarayan to pay to the plaintiffs Rs. 9,60,708·05 with further interest at 12 per cent per annum on the principal sum of Rs. 8,87, 733·75 from the date of plaint up to the date of decree and thereafter at 6 per cent per annum up to date of payment and also for costs of the suit.
A—200	26— 3—1971	Original agreement between R. Thandavarayan son of Ratnam Mudaliar, residing at Dewan Bahadur Road, Coimbatore and also residing at No. 88, Acharappan Street, Madras, (borrower and A. M. Associated Traders a registered partnership concern carrying on business at No. 139, Audiappan Naicken Street, Madras (financier) by which the borrower needed finance for his business of buying and selling rice and paddy under permits and the financier agreed to finance the borrower's business on certain terms and conditions.
A—201	23— 7—1975	Three specimen signatures of Thiru A. M. K. Jambulingam in Tamil taken in open court.
A—202	23— 7—1975	Three specimen signatures of Thiru A. M. K. Jambulingam, in English taken in open court.

EXHIBITS MARKED FOR COMMISSION.

C—1 series	....	Bulletins of Agricultural prices for the Weeks ended 4th September 1970, 11th September 1970, 18th September 1970, 25th September 1970, 2nd October 1970, 9th October 1970, 16th October 1970, 23rd October 1970, 30th October 1970, 6th November 1970, 13th November 1970, 20th November 1970, 27th November 1970, 4th December 1970, 11th December 1970, 18th December 1970, 25th December 1970, 12th February 1971, 5th March 1971, 12th March 1971, 19th March 1971, 26th March 1971, 2nd April 1971, 9th April 1971, 16th April 1971, 23rd April 1971, 30th April 1971, 7th May 1971, 14th May 1971, 21st May 1971 and 28th May 1971. (Total 31 Bulletins).
C—2	21— 1—1970	Minutes of the discussions held by the Secretary, Food Department, with the President, T.C.M.F. at Thanjavur on 21st January 1970.
C—3	25— 1—1970	Letter from the Thanjavur Co-operative Marketing Federation Limited (signed by Mr. V. S. Thyagaraja Mudaliar) addressed to Mr. Das, Secretary, T.C.M.F., Tiruvarur enclosing copy of the D. O. letter dated 22nd January 1970 received from the Registrar of Co-operative Societies and requesting to take immediate action and to send a report on alternate dates about the quantity of paddy procured and about the rice despatched to the Government to reach the target.
C—4	1970	Procurement programme for Samba 1970.

C—5	27— 1—1970	Office copy of the letter from the Thanjavur Co-operative Marketing Federation Limited (initialled by Mr. V. S. Thyagaraja Mudaliar) addressed to Thiru P. B. Krishnaswami, I.A.S., Registrar of Co-operative Societies, Madras stating that they will arrange for returning the margin money of Rs. 60 lakhs given by the Government and also stating that it would not be possible for them to return the margin money before 30th June 1970 in view of the massive procurement programme they had to undertake.
C—6	....	Entire file (pages 1 to 282) R.C. No. 128/70 Sales, Volume I of the Thanjavur Co-operative Marketing Federation Limited, Tiruvarur.
C—7	10— 2—1970	Proceedings ROC No. 907/70/CS of the Commissioner of Civil Supplies, Madras (Thiru K. Diravium) directing the District Revenue Officer, Thanjavur, to step up the movement of rice at the rate of 600 tonnes per day with immediate effect from the Food Corporation of India and T.C.M.F. apart from the Government hulling centres, and other Millers who have private stock of paddy procured by them (Page 33 of the file Ex. C-6).
C—8	2— 2—1970	Proceedings ROC No. C1/907/70/CS of the Commissioner of Civil Supplies, Madras issued to the Tiruvarur Co-operative Marketing Federation Limited, Thanjavur regarding the arrangements made for stepping up the procurement of paddy (Samba and Thaladi crop 1970) through the Food Corporation of India and the Thanjavur Co-operative Marketing Federation and stating that the T.C.M.F. will purchase not less than 80,000 rice tonnes during the season and 50 per cent of the stocks so purchased will be delivered to the Government as boiled rice at procurement rates worked out 68 per cent outturn (at page 35 of the file Ex.C-6).
C—9	24— 1—1970	Copy of the circular R.C. No. 7220/C1/69-ii issued by the Registrar of Co-operative Societies Madras-5 regarding the subject (Marketing-procurement of paddy and supply of rice to the Co-operative wholesale stores and District Co-operative supply and marketing societies) and requesting the 18 Co-operative wholesale stores listed in the annexure to keep in touch with the T.C.M.F. and obtain their terms and conditions for delivery of agreed quantity of rice between January and September, 1970 and take appropriate further action to ensure from flow of rice at reasonable prices (at pages 5 to 7 of the file Ex.C-6).
C—10	1970–71	Entire file RC. No. 128/70/Sales, Disposal Department, 1970–71 (pages 1 to 459—Vol. II) of the Tanjore Co-operative Marketing Federation, Tiruvarur.
C—11	14— 2—1970	Office note in the file No. 128/70/Sales of the Tanjore Co-operative Marketing Federation. Tiruvarur wherein it is stated as follows: "Attended the meeting. Before Registrar came to the meeting the following was ascertained. (1) All the stores, Super Markets and District Supply and District Supply and Marketing Society required only rice except the Virudhunagar stores which wanted paddy. (pages 425 to 427 of the file Ex. C-10).

C—12	7— 2—1970	Circular RC. No. 16830-C1-70-1 issued by the Registrar of Co-operative Societies, Madras proposing to hold the meeting at 11 a.m. on 13th February 1970 in the Chambers of the Registrar of Co-operative Societies in Madras and requesting the representatives of all the Co-operative Wholesale Stores and the District Co-operative Supply and Marketing Societies (including Super Markets) to attend the meeting and to come prepared with necessary data for the discussions (at page 13 of the file Ex. C- 6).
C—13	12— 2—1970	Letter written by Mr. V. S. Thyagaraja Mudaliar, President, Tanjore Co-operative Marketing Federation to Thiru P. B. Krishnaswamy. Registrar of Co-operative Societies, Madras pointing out that the market price for paddy is going up and seven Government controlled institutions like Devasthanams and Temples have resorted to the practice of holding open auctions with a view to secure the maximum price in the market (at pages 15 and 17 of the file Ex. C-6).
C—14	22— 2—1970	Letter R.C. No. 16930-C1-70-4 from the Registrar of Co-operative Societies, Madras to the Commissioner of Civil Supplies, Madras wherein it has been stated that the 18 Societies mentioned in the annexure may be allowed certain concessions :— (1) permission to procure and move paddy from Thanjavur without the obligation to deliver 50 per cent to Government at Thanjavur ; (2) permission to purchase paddy at a price slightly higher than the controlled price; and (3) permission to stock the minimum requirements of rice for a period of 4 months for distribution in the specified centres. (at pages 61 to 65 of the file Ex. C-6).
C—15	8— 3—1970	D. O. Letter No. 16830-C1-70-6 from Thiru P. B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies, Madras to Mr. Das, Secretary, Thanjavur Co-operative Marketing Federation, Tiruvarur wherein it has been stated that the Commissioner of Civil Supplies had not agreed to his proposal to permit the co-operatives to procure and move paddy from Thanjavur without the obligation to deliver 50 per cent to the Government and therefore it had become necessary to bring about an effective arrangement by which the Co-operative wholesale stocks would be able to get supply of rice from the T.C.M.F. out of the free quota, available against deliveries to Government and asking the T.C.M.F. to draw up a programme for the purpose and take steps to meet the requirements of the 18 Co-operative wholesale stores (at page 73 of the file Ex. C-6).
C—16	16— 5—1970	Copy of the Letter R.C. No. 11533/70-C-2 from Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies, Madras to the Commissioner of Civil Supplies, Madras stating that the open market price of rice was already registering a downward trend and the price was likely to decline further and requesting that the Tanjore Co-operative Marketing Federation might be permitted to supply 17,900 tonnes of rice to the Government and dispose of the balance quantity by sale in the open market.

C—17	1— 3—1970	True copy of the D. O. Letter No. R.C. 1245/70–C from the Joint Registrar of Co-operative Societies addressed to all the Deputy Registrars requesting to do their best and see that substantial progress in the procurement of paddy is made before 7th March 1970.
C—18	20—4—1970	Letter RC. No. 11533/C-2/70-25 from Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies Madras to the Secretary, Tanjore Co-operative Marketing Federation Limited, Vijayapuram, Tiruvarur wherein it has been stated that there had been practically no procurement since 3rd April 1970 and requesting to report at once the reasons for the poor progress in the procurement and the steps taken to achieve the target (at page 145 of the file Ex. C-6).
C—19	13—5—1970	Office copy of the letter D.O. No. RC. 128/70 sales from Mr. G.N. Das, Joint Registrar/Secretary, Tanjore Co-operative Marketing Federation Limited, Tiruvarur to Thiru Swayamprakasam, Joint Registrar (Intensive Agricultural Area Programme), Madras wherein it has been stated that the Federation had sold 1846 rice tonnes in the open market out of 5,000 rice tonnes permitted to be sold by the Collector of Thanjavur that the Federation was not able to secure orders from the Co-operative Institutions on account of downward trend in the market and that further progress could not be made regarding procurement due to want of funds (at pages 157 and 159 of the file Ex. C-6).
C—20	17—3—1970	D.O. letter No. 9884/70-M-2 from Thiru M. Viswanathan, District Revenue Officer, Thanjavur, to Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies, Madras wherein it has been stated that in order to relieve the financial difficulties of the T.C.M.F. Limited, Tiruvarur, the Collector of Thanjavur had permitted the Federation to move a quantity of 5,000 rice tonnes of paddy or rice out of the District on permits to be issued by the respective Taluk Supply Officers (at page 35 of the file Ex. C-6).
C—21	20—3—1970	Tentative tour programme of visit to Southern Districts by the stock and storage officers of the Tanjore Co-operative Marketing Federation to canvass orders for paddy and rice (at pages 87 and 88 of the file Ex. C-6).
C—22	24—3—1970	D.O. letter No. 16830/C1/70-9 from Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies, Madras to Thiru G.N. Das, Secretary, Tanjore Co-operative Marketing Federation, Tiruvarur wherein it has been referred to the release of 5,000 tonnes of paddy to be sold in open market and that the price at which the rice may be sold by the Federation should not exceed Re.1 per kilo and to send proposals if there by any need for upward revision of this price (at page 89 of the file Ex. C-6).
C—23	8— 6—1970	Copy of the D.O. letter No. 11533/70-C-2 from Thiru P.B. Krishnaswamy, I.A.S., Registrar of Co-operative Societies, Madras to Thiru Ramachandran, I.A.S., Commissioner of Civil Supplies, Madras, (G.W. 1) (copy marked to the Secretary, T.C.M.F., Tiruvarur) requesting for the issue of early orders with regard to his request that the Tanjore Co-operative Marketing Federation may be permitted to supply 17,900 tonnes of rice to the Government and dispose of the balance quantity by sale in the open market (at page 197 of the file Ex. C-6).

C—24	20— [illegible]—1970	Office copy of the D.O. letter RC. No. 128/70/Sales from Thiru G.N. Das to Thiru M. Viswanathan, District Revenue Officer, Thanjavur, requesting permission for the Federation to move 5,000 tonnes further for disposal in open market (at page 203 in the file Ex. C–6).
C—25	28— 6—1970	Office copy of the letter from the Secretary, Tanjore Co-operative Marketing Federation Limited, Tiruvarur, to the Registrar of Co-operative Societies, Madras, requesting that the Commissioner of Civil Supplies, Madras, pending orders on the Registrar's proposal for the allotment of 17,900 tonnes for open market, may be requested to issue orders for a further allotment of 5,000 tonnes to the Federation for sale in open market (at page 215 of the file Ex. C–6).
C—26	4— 7—1970	Proceedings No. Cl/907/70-CS issued by the Commissioner of Civil supplies, Madras to the Registrar of Co-operative Societies, Madras, the Secretary, TCMF, Tiruvarur and the Collector, Thanjavur, permitted the Tanjore Co-operative Marketing Federation to dispose of another 5,000 rice tonnes of paddy, procured by them in the Samba, 70, by themselves in the open market (at page 237 of the file Ex. C–6).
C—27	15— 7—1970	Letter No. C-1/907/70-C.S. from the Commissioner of Civil Supplies, Madras to the Collector, Thanjavur clarifying that only 5,000 rice tonnes of first sort paddy be permitted to be disposed of by the TCMF in the open market and that the total quantity permitted to be disposed of by the TCMF in the open market would be (5,000 plus 5,000) 10,000 rice tonnes of paddy only (at page 249 in the file Ex. C–6).
C—27 (a)	20— 7—1970	Endorsement made by the stocks and storage officer of the Tanjore Co-operative Marketing Federation in Ex. C-27 (at page 249 in the file Ex. C–6).
C—28	4— 7—1970	Letter No. C-1/907/70/CS from Thiru Ramachandar, I.A.S., Commissioner of Civil Supplies, Madras, to the Secretary, Tanjore Co-operative Marketing Federation Limited, Tiruvarur, wherein it has been stated that the levy paddy which was being released then really belonged to the Government and hence it was open to the Government to release the varieties as fit and requesting to arrange for the release of the entire I sort paddy available with the Federation and to intimate the exact quantities so released (at page 259 of the file Ex. C–6).
C—29	11— 7—1970 21—7—1970	Office note put up to the Secretary, TCMF and orders thereon with regard to the movement of another 5,000 rice tonnes (at pages 433 and 434 of the file Ex. C–10).
C—30	22— 7—1970	Proceedings No. C—1/907/70/CS of the Commissioner of Civil Supplies, Madras granting permission to the TCMF to dispose of another 5,000 tonnes of first sort paddy in the open market and requesting the Collector, Thanjavur to arrange to release the stock to be disposed by the TCMF, Tiruvarur in open market and stating that the total quality permitted to be disposed of by the TCMF in the open market would be 15,0000 rice tonnes (at page 261 of the file Ex. C-6).

C—31	6— 8—1970	Draft for approval (D.O. Rc. No. 128/70/ Sales put up to Mr. B. Ramakrishnana Lal and addressed to Thiru K. Kesava Kini, Registrar of Co-operative Societies (incharge) Madras), wherein it has been stated that the demand for the first sort paddy in the open market was negligible and the price was also very low and that there was a good demand for the second sort paddy in open market and therefore requesting the Registrar to bring this matter to the notice of the Commissioner of Civil Supplies and obtain orders permitting the Federation to sell any sort of paddy in the open market, without any restriction (at pages 271 and 273 of the file Ex. C–6).
C—32	11— 8—1970	Notice submitted by the Secretary, T.C.M.F. Truvarur regarding the disposal of pady in open market (at pages 3 to10 of the file Ex. C–10).
C—33	28— 8—1970	Office copy of the letter by Mr. Mohamed Saliha, Joint Registrar, Secretary, T.C.M.F. Tiruvarur(No. 128/70/ Sales addressed to Thiru Kesairi Kini, Registrar of Co-operative Societies (in charge) Madras regarding the sale of paddy in open market and giving details with regard to the efforts for the sale (pages 33 to 37 in the file Ex. C–10).
C—34	27— 8—1970	Letter No. RC. 364/70/Sales from the Tanjore Co-operative Marketing Fedcratiion Limited, Tiruvarur to the Registrar of Co-operative Societies, Madras, requesting to move the Government for getting an allotment of 5,000 tonnes of boiled rice for sales in Kerala State (a copy marked to the President T.C.M.F.).
C—35	20— 8—1970	True copy of the letter Rc. No. 102519/70-C2 from Thiru K. Kesav Kini, Registrar of Co-operative Societies (in-charge), Madras to the Secretary to the Government of Tamil Nadu, Food Department, Madras requesting that the Government might be released to permit the T.C.M.F. to export 5,000 tonnes of paddy to other States.
C—36	16— 9—1970	Copy of the Government Memo. No. 28537/A-III/70-1, of the Food Department informing the Registrar of Co-operative Societies that the Tanjore Co-operative Marketing Federation might negotiate with the Food Corporation of India to hand over the stocks to the Central Pool at mutually acceptable rates and terms for the disposal of the stocks held by it.
C—36(a)	26—10—1970	Note No. Rc. 486/70/Sales from the Secretary, T.C.M.F. to its President enclosing a copy of the Government Memorandum (Ex. C–36).
C—36 (b)	28—10—1970	Endorsement by the President, Tanjore Co-operative Marketing Federation, "I shall proceed to Delhi on 2nd November 1970 for negotiation of this supply" in Ex. C–36(a).
C—37	22— 9—1970	Letter by the Tanjore Co-operative Marketing Federation Limited, (Madras) to Thiru Kesava Kini Registrar of Co-operative Societies (in-charge) enclosing statemenet giving particulars of supplies of rice and paddy to the Government during the period from 9th January 1970 to 15th September 1970, statement working out cost of production of raw and boiled rice and requesting his good offices to ensure that a reasonable price is fixed for the supplies to the Government of India ensuring at least a small margin of 5 per cent over their cost.

C—3	24—11—1970	Office copy of the letter by Thiru V.S. Thyagaraja Mudaliar to Thiru Ramchandar, I.A.S., Secretary to the Government of Tamil Nadu, Food Department, wherein it has been stated that out of the sum of Rs. 53,12,500 granted by the Civil Supplies Department, Rs. 39,22,594 had already been adjusted and bills to the extent of Rs. 2,66,316 were pending in all account cells and also stating that he would be leaving for Delhi on 24th November 1970 and would be meeting Thiru Balasubramaniam, Joint Secretary of Food Department in connection with the acceptance of their stocks for the Central Pool.
C—39	11—12—1970	Office copy of the letter from the President, Thanjavur Co-operative Marketing Federation Limited, to the Secretary, National Co-operative Devlopment Corporation Limited, New Delhi, wherein it has been stated that the T.C.M.F. had incurred a loss of Rs. 295 per tonne of rice for the quantity supplied to the Government and this had to be recouped from the remaining quantity of paddy and rice amounting to about 12,000 tonnes and requesting to impress upon the Government the need to pay the full price asked for to enable the Federation to avoid a loss which would be disastrous to the Federation.
C—40	12—12—1970	Letter (copy) from Thiru V. S. Thyagaraja Mudaliar, President, Thanjavur, Co-operative Marketing Federation Limited, Tiruvarur to Shri K.P. Mathrani, Secretary to the Government of India, Department of Food, New Delhi requesting to agree to give the price that the Federation had asked for, and if for any reason, it was not possible to purchase for the central pool at the price quoted by the Federation to grant permission to dispose of 12,000 tonnes of rice in open market either in Kerala or in any part of the country to enable the T.C.M.F. to recoup the losses incurred by the Federation as a result of the Government Food Policy.
C—41	31—12—1970	Letter from Shri M. M. K. Wali, I.A.S., Secretary, National Co-operative Development Corporation, New Delhi to Shri R. Balasubramaniam, Joint Secretary, (Policy), Ministry of Food, Agriculture, C.D., and Co-operation Department of Food, New Delhi (copy forwarded to Mr. V.S. Thyagaraja Mudaliar for information by Shri S.T. Khushalani) when it is stated that the Modern Rice Mill put up by the T.C.M.F. is one of the imported pilot project units sponsored by the Union, Department of Food and a sum of Rs. 38 lakhs have been provided by the National Co-operative Development Corporation out of its own resources with a view to encourage modernisation of rice hulling industry in the country in general and in the Co-operative sector in particular and it is necessary to help it to come out of its financial crisis.
C—42	1— 2—1971	Office copy of the letter by Thiru V.S. Thyagaraja Mudaliar to Thiru S.T. Kushalani, Director (Processing and Marketing) National Co-operative Development Corporation. New Delhi giving information with regard to the sale of the stocks and stating that the Government would be willing to be periodically auctioning their stocks and giving them the benefit of the higher price obtained in Kerala, till they recoup all the losses that they had incurred on their sales to the Government and requesting to inform Thiru Wali about these developments.

C—43	23—12—1970	Office copy of the letter from Thiru V. S. Thyagaraja Mudaliar to Thiru V. S. Subramaniam, Professor and Head of the Department of Linguistics, University of Kerala, Trivandrum introducing Sri Sivasubramaniam, Co-operative Sub-Registrar, working with the T.C.M.F. and requesting him to help Sri Siva Subramaniam in connection with the intention of the T.C.M.F. applying to the Government to permit them to dispose of their stocks in the Kerala Market.
C—44	....	Entire file RC. 52/71, P and R. Paddy and Rice Sale Department, 1971 of the Tanjore Co-operative Marketing Federation (Vol. I, pages 1 to 172).
C—45	11— 1—1971	Acknowledgement given by M2 Section of the Asst. Collector's Office, Thanjavur for the receipt of 100 tender forms from the Secretary, T.C.M.F. Tiruvarur (at page 41 of the file Ex. C-44).
C—46	....	Entire file R.C. 52/71 (P and R) Paddy and Rice Sale Department, 1971 of the Thanjavur Co-operative Marketing Federation, Tiruvarur (Vol. II pages 1 to 306).
C—47	18— 1—1971	Carbon copy of the letter from Thiru V. S. Thyagaraja Mudaliar, President, Thanjavur Co-operative Marketing Federation, Ltd., Tiruvarur to Thiru Shetty, Registrar of Co-operative Societies, Madras regarding the disposal of paddy and rice stocks of T.C.M.F. and giving details with regard to his visits to Delhi (at pages 165 and 167 of the file Ex. C–46).
C—48	18— 1—1971	Office copy of the letter by Mr. P.G. Mohammed Saliha, Secretary, T.C.M.F. to Messrs. M.M. Haneefa, Quilon and some others requesting them to participate in the sale of paddy and rice by calling for tenders by the Collector, Thanjavur on behalf of the T.C.M.F. on 25th January 1971 (at pages 119 and 120 of the file C–46).
C—49	27— 1—1971	Proceedings No. C3/2136/71-CS issued by the Commissioner of Civil Supplies, Madras accepting the rates offered by the highest tenderers as per the details furnished therein in the sale of paddy subject to certain conditions and also giving other directions (pages 169 and 170 in the file Ex. C–44).
C—50	2— 2—1971	Circular R. C. No. 52 of 1971 P and R (a) issued by Thiru P.G. Mohammed Saliha Joint Registrar, to the Secretary, Thanjavur Co-operative Marketing Federation, Tiruvarur, regarding the disposal of paddy and rice by sealed tenders through Civil Supplies Department and furnishing the quantities of rice and paddy included in the second tender and giving further directions (pages 147 to 151 in the file Ex. C–46).
C—51	6— 2—1971	Office copy of the D. O. Rc. No. 52 of 1971 written by Thiru R. Sivasubramanian, Thanjavur Co-operative Marketing Federation, Ltd., Tiruvarur wherein it has been stated that the Collector, Thanjavur has called for sealed tenders (second series of tender) on behalf of the Federation for the sale of certain quantities of rice and that the last date for submission of tender would be 15th February 1971 and requesting to participate in the sale of paddy and rice (at pages 197 and 198 of the file Ex. C–46).

C—52	....	Letter by the Thanjore Co-operative Marketing Federation, Madras to Thiru Ramchandra, Commissioner of Civil supplies, Madras, regarding the recoupment of loss incurred by the Thanjore Co-operative Marketing Federation—Copy marked to the Secretary, T.C.M.F., Tiruvarur and received by him on 22nd February 1971 (at pages 247 and 248 of the file Ex. C-46).
C—53	....	Entire file R.C. 52 of 1971 P and R (S) of the Thanjore Co-operative Marketing Federation, Tiruvarur (Vol. III—Pages 1 to 232).
C—54	9— 3—1971	Note by the Secretary of the T.C.M.F. to its President furnishing the details regarding the tender opened at 3 p.m. on 9th March 1971 by the District Revenue Officer, Thanjavur and also stating that Thiru Thandavarayan Pillai, Madras, had sent a telegram to the Collector of Thanjavur before 2 p.m. that day intimating his offer of Rs. 800·50 per tonne for the entire paddy lot Nos. 8 to 24 relating to Mannargudi Centre (at page 5 of the file Ex. C-53).
C—55	9— 2—1971	Office copy of the D.O. letter R.C. 52 of 1971 P and R (S) written by Thiru P.C. Mohammed, Saliha to Thiru Sivayamprakasam, Joint Registrar (I.A.A.P.) office of the Registrar, Co-operative Societies, Madras wherein it has been stated that tenders were received for all the 43 lots and tenders were accepted relating to all lots and that it had been proposed to call for tenders for 797·398 tonnes of raw rice, 2,962·311 tonnes of boiled rice and 7,259·526 tonnes of paddy including the lots not accepted and that the last date for the receipt of tenders was noted as 2 pm.. on 15th February 1971 (at page 145 of the file Ex. C-44).
C—56	23— 2—1971	Carbon copy of the letter by the Secretary, Thanjore Co-operative Marketing Federation, Tiruvarur to the Registrar of Co-operative Societies, Madras furnishing details regarding the second series of tender (at page 253 of the file Ex. C—46).
C—57	25— 2—1971	Office copy of the letter R.C. No. 52 of 1971 P and R (S) written by the Secretary, Thanjore, Co-operative Marketing Federation Ltd., Tiruvarur to the Registrar of Co-operatice Societies, Madras stating that after discussion by the President with the Commissioner of Civil Supplies, the Collector, Tanjore had issued notice for sale of paddy and rice under limited tender system for certain quantities of paddy and rice (at page 279 of the file Ex. C-46).
C—58	19— 3—1971	Original letter by Thiru R. Thandavarayan, addressed to the Commissioner of Civil Supplies, Madras offering rates for the purchase of 7,300 tonnes of paddy at Rs. 822 per metric tonne except 295 tonnes) 800 tonnes of raw rice at Rs. 1,111·25 per metric tonnes and 770 tonnes of 25 boiled rice at Rs. 1,250 per metric tonne.
C—59	....	Entire file R.C. 52 of 1971 P and R (III Tender Thiru R. Thandavarayan, Paddy and Rice Merchant (Coimbatore), (page1 to 102).

C—60	26— 3—1971	Letter No. C. 3/2136/71 C.S. from Thiru Ramachandar, I.A.S., Commissioner of Civil Supplies, Madras to the Collector, Thanjavur, wherein it has been stated that the rates in respect of certain lots offered by the highest tenderer Thiru R. Thandavarayan, Coimbatore in respect of the stocks of paddy and rice sold by the Collector on 9th March 1971 were accepted and that the successful tenderer R. Thandavarayan should remit the initial 5 per cent of the total value of the lots sold to him towards security deposit before 31st March 1971 and that he should pay the entire value before 30th April 1971 (at pages 1 and 2 of the file Ex. C-59).
C—61	....	Entire file R.C. 52/71/P and R of the Thanjore Co-operative Marketing Federation (Vol. IV—pages 1 to 126, current file—pages 1 to 104 note file).
C—62	19— 4—1971	Letter No. C. 3/2136/71/CS from Thiru Ramachandar, I.A.S., Commissioner of Civil Supplies, Madras to the Collector Thanjavur, indicating the conditions subject to which the offer of Thiru Thandavarayan was accepted and requesting to send a copy of proceedings issued to Thiru Thandavarayan, confirming the remaining lots of boiled rice of about 1,592 tonnes and to report whether Thandavarayan had remitted 5 per cent security deposit (at page 21 of the file Ex. C-61).
C—63	22— 4—1971	Copy of a telegram sent by the Commissioner of Civil Supplies, Madras to Thiru R. Thandavarayan, confirming the acceptance of the offer subject to the various conditions (at page 29 in the file Ex. C-61).
C—64	23— 4—1971	Letter No. C. 3/2136/71 CS from Thiru Ramachandar, I.A.S., Commissioner of Civil Supplies, Madras to the Collector of Thanjavur accepting the offer of Thiru Thandavarayan for the allotment of additional quantity of 1978·096 tonnes of boiled rice of T.C.M.F. stocks at Rs. 1,250 per tonne and requesting to obtain an undertaking from Thiru Tandavarayan agreeing to the terms stipulated in this letter (at page 41 of the file Ex. C—61).
C—65	28— 7—1971	Note put up by the Secretary, T.C.M.F., to its President stating that the Collector had not issued transport permit pending execution of the agreement for the 4th tender by Thiru Thandavarayan (at page 93 of the file Ex. C-61).
C—66	26— 3—1971	Letter written by Thiru V.S. Thyagaraja Mudaliar, President, Tanjore Co-operative Marketing Federation to Thiru K.J.M. Shetty, I.A.S., Registrar of Co-operative Societies, giving him the position on that date and enclosing a copy of his letter, dated 20th March 1971 addressed to the Commissioner of Civil Supplies Madras regarding further disposal of paddy and rice (page 49 in the file Ex. C-53).
C—66 (a)	Do.	Statement containing the quantities of paddy and rice accepted for sale and the amounts expected to be realised from the sale of those quantities. (at page 51 of the file Ex. C-53).
C—67	2— 4—1971	Copy of the letter R.C. 1311/71-A from Thiru Mohammed Saliha, Secretary, T.C.M.F., Tiruvarur, to the Registrar of Co-operative Societies, Madras furnishing particulars regarding the quantities of paddy and rice offered for tender sale arranged by the Commissioner of Civil Supplies, Madras (at pages 59 and 60 in the file Ex C—53).

C—68	15— 4—1971	Letter-carbon copy-written by Thiru V.S. Thyagaraja Mudaliar to Thiru K.J.M. Shetty, I.A.S., Registrar, Co-operative Societies, Madras, enclosing the copy of the letter, dated 7th April 1971 addressed to Thiru Ramachandar, Commissioner of Civil Supplies, Madas, which explains the position with regard to the disposal of paddy and rice of the T.C.M.F., and also enclosing a statement showing the quantities of rice and paddy for which tenders were accepted (at pages 69 and 71 of the file Ex. C-53).
C—69	6—11—1971	Copy of the Government Memorandum No. 7799/A/IV/71 of the Food Departmnet to the Registrar of Co-operative Societies, Madras informing him of the advance of Rs. 53,12,500 paid to the T.C.M.F., and about the decision to collect the levy from the Federation based on the movements made by it outside, Thanjavur District from 9th January 1970 to 15th September 1970 and not to insist on further deliveries of rice to the Government (at page 419 of the file Ex. C-10).
C—70	10—12—1970	Office copy of the letter written by Thiru V.S. Thyagaraja Mudaliar to Thiru S.T. Kushani, Director, Processing and Marketing National Co-operative Development Corporation, New Delhi, enclosing a note on comparative economics of production of raw rice and parboiled rice in the Modern Rice Mill of 5 tonnes per hour capacity, sending copies of two letters addressed to the Secretary of the NCDC and informing that he would be at Delhi on 18th and 19th December 1970 and requesting to discuss the matter of the supply to the central pool with the Minister also to fix up an engagement with him.
C—71	9—11—1970	Entire file relating to Thanjavur Co-operative Marketing Federation Review of accounts by the Chief Audit Officer conveyed in Registrar's letter, dated 10th May 1970. Review of Thiru P.B. Krishnasamy, the then Registrar, dated 30th May 1970.
C—72	....	Entire file No. 817/70-F/P and R, 1970 of the Thanjavur Co-operative Marketing Federation Ltd., Tiruvarur relating to Kuthanur Co-operative Marketing Society—paddy procurement Samba 70-audit report (page 1 to 122).
C—73	....	Entire file Rc. 7-8/70/PC of the Government of Indi New Delhi relating to the offer of 12,753 rice tonnes both in the form of paddy rice—Tanjore Co-operative Federation Ltd., Tiruvarur (pages 1 to 53).
C—74	28— 9—1970	The actual cost of production of rice in the modern rice Mill at Tiruvarur including the cost of gunnies (at page 1 of the file Ex. C-73).
C—75	7—10—1970	D.O. letter No. 7/8/70/PC from D.N. Prasad, Deputy Secretary to the Government of India, New Delhi to Thiru K.V. Ramanathan, Zonal Manager, Food Corporation of India, 1/144, Mount Road, Madras, stating that the Government of Tamil Nadu had intimated to the Government of India that the T.C.M.F., has a total stock of 12,753 rice tonnes and that the entire quantity is being offered to the Government of India subject to the condition that the loss suffered by the T.C.M.F., was made good and asking the Food Corporation of India to work out the detailed costing, etc., if the above rice was to be taken to the Central Pool (at page 4 of the file Ex. C-73).

C—76	4—11—1970	Office copy of the D.O. letter No.7/8/70 P.C. from Thiru D. N. Prasad, Deputy Secretary to the Government of India to Shri K. V. Ramanathan, Zonal Manager, Food Corporation of India, Madras reminding to send the detailed costing and the comments of Food Corporation of India on the incidentals claimed by T.C.M.F. (at page 13 of the file Ex. C—73).
C—77	4—12—1970	Office copy of the D.O. letter No.7/8/70 P.C. from Thiru R. Balasubramanian, Joint Secretary, Ministry of Food and Agriculture, Government of India, New Delhi to Thiru K. V. Ramanathan, Zonal Manager, Food Corporation of India, Madras, remanding to send him the detailed costing and the comments of the Coporation on the incidentals claimed by the T.C.M.F. (at page 18 of the file Ex. C—73).
C—78	4—12—1970	Letter from Thiru V. S. Thyagaraja Mudaliar to Thiru R. Balasubramanian, Joint Secretary, Ministry of Food and Agriculture, Government of India, New Delhi asking for an engagement on 10th December 1970 and stating that he had sent the samples to the Food Ministry through Dr. V. Subramaniam, enclosing a statment of stocks available for which the samples were sent (at pages 21 and 22 of the file Ex. C—73).
C—79	13— 1—1971	Office copy of the D.O. letter No. 7/8/70 P.C. from Thiru R. Balasubramanian, Joint Secretary, Ministry of Food, Government of India to Thiru K. V. Ramanathan, Zonal Manager, Food Corporation of India, Madras again reminding to send the detailed costing and comments of the Corporation on the incidentals claimed by the T.C.M.F. early as the T.C.M.F. was pressing hard for it. (at page 30 of the file Ex. C.—73).
C—80	12— 1—1971	Letter No. 2 (27)/70 D.C.L.—From Thiru K. V. Ramanathan, Zonal Manager, Food Corporation of India, Madras enclosing a note giving comments on each one of the incidentals claimed by the Federation and highlighting two general questions (1) that the T.C.M.F. had taken into account the normal outturn percentages stipulated by the Government of Tamil Nadu, after providing for fairly generous cleaning and drying losses and once the cleaning and drying losses had been provided for and the paddy was hulled in a modern rice mill, the actual outturn percentage would have been taken into account and (2) that the T.C.M.F. had claimed recompense for the loss incurred by it delivering levy rice to the State Government (at pages 33 to 35 of the file Ex C—73).
C—80 (a)	12— 1—1971	Comments on the items included in the costing furnished by the Thanjavur Co-operative Marketing Federation Limited, to the Government of India in respect of Samba 1970 rice (at pages 36 to 39 of the file Ex. C—73).
C—81	28— 1—1971	Letter D.O. No. 2 (23)/70-D (C.II) from Thiru S. P. Vishonic, Manager (Commercial), Food Corporation of India, New Delhi to Thiru D. N. Prasad, Deputy Secretary, Ministry of Food and Agriculture, New Delhi enclosing the following :— (1) statement showing break up of economic cost of open market rice of Samba—1970 at ex-mill Thanjavur' (2) Economic cost of Thanjavur Samba 1970 rice ex-mil. Tiruchirappalli;

(3) Cost of open market rice Samba, 1970;

(4) Economic cost of rice produced out of paddy procured in Thanjavur in open market; and 5) Average cost of rice to be exported to Kerala from Tamil Nadu out of open market purchased in Samba 1970 (at pages 40 to 45 of the file Ex. C—73).

C—82 26— 2—1971 Letter from Thiru D. N. Prasad, Deputy Secretary, Food Ministry, Government of India to Thiru K.V.Ramanathan Zonal Manager, Food Corporation of India, Madras requesting further clarifications in respect of the comments (1) Average rate of premium; (2) Drying and storage charges and (3) Hulling and parboiling charges (at page 46 of the file Ex. C—73).

C—83 24— 3—1971 Letter D.O. No. 2 (27) 70-D. (C-1) fromThiru K. V. Ramanathan, I.A.S., Zonal Manager, Food Corporation of India to D. N. Prasad, Deputy Secretary to the Government of India, Ministry of Food, New Delhi, giving further comments on the following: —
(1) Average rate of premium;
(2) Drying and storage charges and
(3) Hulling and parboiling charges (at pages 49 and 50 of the file Ex. C—73).

C—84 4— 5—1971 Letter D.O. No. 7-8/70 P. C. from Thiru D. N. Prasad, Deputy Director-General of Food, to Thiru K. V. Ramanathan, Zonal Manager, F.C.I., Madras, requesting to ascertain from the State Government whether any stock was left with the Federation for sale to Government of India (as on 4th May 1971) and if so what would be the quantity that would be offered (at page 51 of the file Ex. C—73).

C—85 7— 5—1971 Letter D.O. No. 2 (21)/70-D (C1) from Thiru K. V. Ramanathan, Zonal Manager, F.C.I., Madras, to Thiru D.N. Prasad, Deputy Director-General of Food, Government of India, New Delhi, intimating that he had talked to Thiru Ramadhandar, Food Secretary, Government of Tamil Nadu who told him that the entire stock had been sold out (at page 53 of the file Ex. C—73).

C—86 .... Entire note file No. 7-8/70 P.C. relating to the offer of 12,753 tonnes rice of both in form paddy/rice—Thanjavur Co-operative Marketing Federation Limited, Tiruvarur (pages 1 to 15).

C—87 24— 2—1971 Copy of the notice Rc. 2457/71-M2 for sale of paddy and rice lying at various godowns of the T.C.M.F. Limited, Tiruvarur in Thanjavur district under limited tender system to be held on 9th March 1971 issud by the Collector, Thanjavur to all the tenderers.

C—88 27— 2—1971 Copy of the notice Rc. 2457/71-M2 in connection with the sale of paddy and rice lying at various godowns of the T.C.M.F., Tiruvarur under limited tender system to be held on 9th March 1971 issued by the Collector, Thanjavur in continuation of his previous notice, dated 24th February 1971 (Ex. C—87) informing that the offer of the minimum price of Rs. 1,075 per tonne for raw rice alone could be considered and that the raw rice purchased through tenders would be permitted to be exported outsides the State.

C—89 6— 3—1971 Original Telegram from Thiru Thandavarayan of Coimbatore addressed to the Collector of Thanjavur accepting the entire lot of raw rice (original of Ex. C—9).

C—90	9— 3—1971	Original Telegram from Thiru Thandavarayan addressed to the Collector of Thanjavur accepting paddy—Mannargudy lots (Original of Ex. G—10).
C—91	25— 3—1971	Post copy of telegram sent by the Office of the Commissioner of Civil Supplies, Madras to Thiru R. Thandavarayan, 23/118, Dewan Bahadur Road, Coimbatore accepting the offer of Rs. 1,250 per tonne for B.D. Lot V, VIII, XV, XVI, XVII (at) Tiruvarur Lot. I, II and III (at) Kuttalam Rs 1,130 per tonne for R.R. Lot II (at) Tiruvarur. Lot I and Lot II (at) Pattukkottai. Rest P.R. Lot at Rs. 1,111·25 per tonne Rs. 830 per tonne for paddy Lot XXII, XXIV (at) Mannargudy Rest paddy Lots at Rs 822 per tonne and directing to remit 5 per cent security deposit before 31st March 1971.
C—92	8— 4—1971	Original telegram sent to Thiru Thandavarayan from the Office of the Commissioner of Civil Supplies, Madras, accepting his offer, dated 2nd April 1971 for paddy and rice stocks with the Thanjavur Co-operative Marketting Federation at Rs. 1,250 per tonne for boiled rice and at Rs. 830 per tonne of paddy and directing to remit 5 per cent of the value of stocks before 15th April 1971 for 1592 tonnes of boiled rice and also informing that additional quantity of boilded rice and paddy stocks available would be intimated separately and the value of stocks should be remitted before 31st May 1971.

EXHIBITS MARKED FOR DEFENCE.

D—1	18— 3—1970	"The Food Demand"—Speech by Thiru P. U. Shanmugham, Minister for Food and Commercial Taxes. (Printed book issued by the Government of Tamil Nadu Food Department).

TAMIL NADU LEGISLATIVE ASSEMBLY
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TRUTH ALONE TRIUMPHS

APPENDICES

Appendix I.

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 5th day of May 1975.

Present :

The Hon'ble Thiru Justice T. Ramaprasada Rao.

ORDER :

Thiru K. T. K. Thangamani's preliminary affidavit taken up.

On the issue of the production of documents mentioned in the schedules the following points were noted :—

The Government Pleader appearing for the Government said that he would produce a copy of the memorandum mentioned in items 1 to 4 schedule II.

Item 5 is a public document which will be produced.

Regarding schedule II for the argument adjourned to 7th May 1975.

Mr. Kanaan raised two preliminary objections.

On the question of jurisdiction of this Tribunal he elaborated his contention and said that as the deal essentially is connected with exp. to f paddy to other States like Kerala, West Bengal and Maharastra, it is a matter which is covered by the expression inter-State export and as such is one dealt within List I of the VII Schedule to the Constitution of India. In this behalf the learned counsel says that the State Government cannot appoint a Commission to enquire into a subject matter which relates to an item coming within the List I of the schedule VII of the Constitution. When I wanted the learned counsel to elaborate on this, he wanted time till 7th May 1975. On this question, arguments will be heard at 11 a.m. on 7th May 1975.

Another perliminery objection was raised in his affidavit which I characterise as a preliminary affidavit filed by him and this referred to paragraph in 12 which runs as follows :—

" 12. As regards the propriety of the procedure hitherto adopted by the Commission of Inquiry, I respectfully submit I may be permitted to file my objections."

As matters of procedure have to be set right even at the initial stages, lest, it should make a dent in the entire process at a later stage, I asked Mr. Kannan to elaborate on this preliminary objection of his. He stated that the impropriety in the procedure adopted by this Commission consists in the non-publication of the notice issued by my Secretary and which was published in the local newspapers only, in the dailies in the States of Maharashtra, Kerala and West Bengal in the least. In my view, such publication is not necessary, as the dailies in which the notification was made have wide circulation outside the State. Hence, I hold that there is no imporpriety in the procedure.

The Government Pleader appearing for the Government and counsel for Thiru P. U. Shanmugam desire to file their counter affidavits to the affidavits already filed by Thangamani and Kannan. They are directed to file such counters by 4 p.m. on 15th May 1975.

After considering the verified petitions of Sri R. Ganesan and Sri K. T. Paupandian, I consider that in the interests of justice, they should be given further time for filing an affidavit alleging what they want to say on the subject. Time is finally granted to the two petitioners, who have filed such verified petitions through counsel till 19th May 1975. The Government Pleader and Thiru P. U. Shanmugam, if they choose shall file affidavits which shall be as far as possible a statement of facts and counters to the affidavits of Thiru S. Alagiriswami and Thiru D. Pandian, representing the Communist Party of India by 26 th May 1975. The Commission will sit next on 7th May 1975 at 11 a.m. to consider the question of jurisdiction and also pass orders for the production of the documents asked for.

APPENDIX 2.

BEFORE THE COMMISSION OF INQUIRY.

Wednesday, the 7th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

ORDER :

Under G.O. Ms. No. 1149, Public (General), dated 8th April 1975, this Commission was appointed to enquire in to the affairs concerning the purchase of rice from Thanjavur Co-operative Marketing Federation in the year 1971 and with reference to certain allegations said to have been made against Thiru P. U. Shanmugam, formerly Minister for Food and now Minister for Public Works and who is alleged to have misused his powers of office as Food Minister in connection with the disposal of stock of rice held by the Federation in 1971 and also to enquire into certain matters in connection with the acceptance of the negotiated tender of Thiru Thandavaryan, son of Thiru Ratnam Mudaliar in respect of such rice.

On the last occasion, when certain personalities interested in the enquiry filed their preliminary affidavits and made representations through counsel, in one such representation made by Thiru S. Kannan, the practising lawyer in Salem, who, though belonging to A.D.M.K. party, wanted to make his own representations in his individual capacity, stated in paragraph 11 of his affidavit thus :

"I shall deal with the question of competence and jurisdiction to this Commission of Inquiry in my subsequent statements."

But as the Commission felt that matters relating to jurisdiction go to the core of the subject matter of the enquiry, I asked the counsel appearing for the representators whether they have individually anything to say for or against the subsistence of jurisdiction in this Commission under the Commissions of Inquiry Act, 1952. Excepting for Thiru S. Kannan, advocate appearing for Thiru P. Kannan, advocate, Salem, no one else objected to or made representations against the subsistence or existence of the jurisdiction in the Commission to enquire into the subject matter referred to it by the State Government. As already stated matters in which jurisdiction is involved necessarily has got priority and precedence and unless this matter is settled even at the outset and at the threshold further investigation and enquiry into the subject matter might result in waste of public time. This being a public enquiry, the Commission was not inclined to waste such time. I, therefore asked Thiru S. Kannan, appearing for Thiru P. Kannan, advocate , Salem, as to what he had to say on the question of jurisdiction. He wanted time. The Commission adjourned the enquiry for the above purpose to this date. Even on the 5th of May 1975, Thiru S. Kannan, appearing for the representator expressed his inability to be present today and indeed he requested Mr. Paulpandian, who, on record, is appearing for the Communist Party of India, to appear for him on the 7th. Accordingly, the Commission adjourned the enquiry to 7th of May 1975 and it has met today to hear arguments on the question of jurisdiction.

Mr. Paulpandian, representing Mr. S. Kannan referred to me Entry 42, in List I of the VII Schedule of the Constitution of India and urged that the matter under enquiry would squarely come within the meaning of expression "inter-state trade and commerce". Beyond referring to this, the learned counsel was unable as at present to expatiate his objections as to jurisdiction of this Tribunal. Mr. G. Ramaswami, appearing for the State Government, besides referring me to the above entry in List I, invited my attention to Entries 26, 27, 64 in list II and Entries 33, 34 and 45 in List III to the VII schedule, Constitution of India. According to him the periphery of the enquiry is set out in the notification appointing this Commission and, as there is no prima facie reference to the export of paddy in the said notification but as it essentially deals with the alleged exercise of power by the then Minister for Food and also to the fact that the said deal was completed by what is known as negotiated tender. The learned Government Pleader said that even on a reading of the notification prima facie and otherwise it does not touch upon the inter-state trade and commerce. But on the other hand it would, if at all, be covered by entries 26 and 27 read with entries 33 in the concurrent list over the State has the power to seek for an enquiry as is provided for in entry 45 in List III of VII schedule. In the alternative, but without the necessary facts in support thereof, the learned Government Pleader would continue his arguments and say that the further export of the paddy by the purchaser of the same "either in the auction or in the negotiated tender" was by virtue of special permits issued to him by the appropriate authority under the Southern States Export of Rice Regulation (Order) 1964. He would, therefore,

incidentally urge that having regard to the language of the notification appointing this Commission an enquiry into the alleged export of rice which is the Subject matter of the notification would be beyond the scope of the present enquiry. Contradicting this Mr. Palpandian would say that in the absence of full facts and as there were other orders also, such as the Movement Control Order of 1969, etc., passed under the Essential Commodities Act, which governed such transportation either from one District to another or from one State to another, it would not be quite proper at this stage to attempt at the content of the notification and its scope and in particular, venture to exclude any enquiry relating to the export of rice which is the subject matter of the notification by the ultimate purchaser of such goods within the State.

I am not inclined, as at present and in the absence of fuller facts, to venture to make a suggestion regarding the competence or otherwise of this Commission to go into the propriety or otherwise of the alleged export of the rice which is the subject matter of this enquiry outside the State. It is elementary that a Commission appointed under section 3 of the Commissions of Inquiry Act, 1952, functions under the order appointing it and it therefore, follows that the notification appointing such commissions is the Magna Carta which invariably settles the margin and the periphery of any jurisdiction of such Commissions. It is, therefore, necessary for me to just recapitulate the Government Order appointing the present Commission and the purpose of such appointment. I have already excerpted the material portion in the earlier portion of this order. The notification requires the Commission to enquire into the alleged misuse of power of office as Food Minister of Thiru P. U. Shanmugam in connection with the disposal of stock of rice belonging to the Federation. It also ordains the Commission to go into the matter which is intricately connected with the above and particularly in the matter of the acceptance of the negotiated tender of Thiru Thandavarayan. The language of the notification, therefore, is neither ambiguous nor is it capable of being made elastic. Within the periphery of such unambiguous and specific language under which the Commission is appointed, I am of the view, that this subject matter of the enquiry cannot by any stretch of imagination be relatable to inter-state trade and commerce. It might come within the Entries 26 and 27 of List II to the VII schedule of the Constitution. It is not even neccessary to express any final opinion on that, as the other facts, which would make this enquiry full and complete, are not yet before me. That an enquiry could be ordered for the purpose of any matters specified in List II is provided for in Entry 45 of List III. It, therefore, appears to me that on the hypothesis and the material made available before me, the subject matter can never be one which could be said to be relatable to inter-state trade and commerce. 'Inter-state trade and Commerce' has a special meaning and connotation both in the commercial parlance as well as under the various statutes of Parliament such as the Coutral Sales Tax Act, etc. It is by now clear and probably established that unless a particular purchase or sale occasions the movement of the subject matter of such purchase or sale from one State to another, it cannot be said that the said deal in the commercial sense or in the legal sense be captioned as a deal involving inter-state trade and commerce. Be that as it may, in the absence of material and as I said being essentially guided by the language of the notification, I am unable to agree with Mr. Palpandian that this Commission has no jurisdiction to enquire into the matter as indicated in the Government Order referred to above.

The Commission then took up the question as to what documents have to be called for from the Government through the Government Pleader appearing for the Government and what directions are necessary in relation to it.

Firstly, the affidavit of Sri K. T. K. Thangamani was taken up.

As the Commission has already dealt the production of the memoranda and other matters called for by the representator in schedule I, no further orders are necessary.

ITEM 1.

Schedule 2.

Issue of subpoena to the Collector of Thanjavur.

The Government Pleader rightly raises the objection that sub-items (iii) and (iv) of Item 1 thereto contain vague particulars and unless the documents to be called for from this official are specified, it would be rather difficult for him to comply with the orders of Court. Mr. Desappan made his position clear that he was not interested in fishing for information, but was anxious to secure the necessary files relatable to the matter under enquiry. According to him, the purpose would be served if the items (i) and (ii) and the current and note files with reference to the other sub-items are produced by the Collector of Thanjavur. He also adds that if any such relatable material is available for 1969, they may be produced. The Government Pleader, was, therefore

satisfied on such expatiation of Mr. Desappan. The learned Government Pleader, however, generally reserves his right to state his objections regarding the production of the files either in whole or in part and that if any such occasion arises which would compel him or provoke him to claim privilege, he would make it clear and would seal up such of those papers and obtain orders of the Commission regarding the public disclosure of the same.

Therefore, issue supoena to the Collector of Thanjavur to cause the production of papers set out in sub-items (i) and (ii) of item I and the current and note files with reference to sub-items (iii) and (iv).

ITEM 2.

Issue of Subpoena to the Deputy Commissioner Distribution (Civil Supplies), Madras.

Similar objections which were raised in relation to sub-items (iii) and (iv) of item 1 were raised by the learned Government Pleader. As regards sub-items (ii), (iii) and (iv), he would say that copies of export permits issued to tenderers would ordinarily form part of the records produced by the Collector of Thanjavur and it would be unnecessary for the Deputy Commissioner Distribution (Civil Supplies), Madras, to once again produce the same copies. Mr. Desappan, however, is not sure whether one would be the copy of the other. As the matter has to be settled only on and after inspection, I issue the following directions:—

(*a*) I direct that the records mentioned in sub-items (i) and (ii) of item 2 may be produced by he concerned officer.

(*b*) Regarding sub-item (iii), it would be sufficient, if the officer produces the note file and the current file relating to the tenderers and release of consignment.

(*c*) As regards sub-item (iv), the applications together with connected files may be produced.

ITEM 3.

Issue of Subpoena to the Assistant Commissioner, Civil Supplies, Madras.

Mr. Desappan does not press for the production of the stock registers mentioned in sub-item (ii) of item 3. As regards sub-item (iii) relating to the records relating to the issue of rice to Thandavarayan and other tenderers in 1970 and 1971, the request for their production is reiterated. The following directions, therefore, are issued :—

(*a*) The Officer shall produce the records mentioned in sub-item (i) in item 3.

(*b*) The Officer need not produce the records enumerated as sub-item (ii) of item 3.

(*c*) The officer shall produce the records relating to the issue of rice to Thandavarayan and other tenderers in 1970 and 1971.

I may add that there was no serious objection to the production of the above sub-items on the part of the learned Government pleader.

ITEM 4.

Issue of Subpoena to Commissioner of Civil Supplies and Ex-Officio, Secretary to Government, Food Department, Madras.

Mr. Desappan did not insist upon the production of documents mentioned as sub-items (iii) and (iv) in item 4. Therefore, they need not be produced.

As regards sub-items (i) and (ii), as there is no serious objection for their production the following directions are given:—

(*a*) The Officer shall produce the letter referred to in sub-item (i) and the connected files "the current and the note files" in relation thereto.

(*b*) The Officer shall produce the file current as well as the note files in relation to sub-item (ii) of item (4).

ITEM 5.

Issue of Subpoena to the Collector of North Arcot.

Mr. Desappan does not press for the production of the files enumerated in sub-item (ii) of item 5.

Therefore, the subpoena shall issue to the officer requesting him to produce the file relating to the drought conditions that prevailed in 1968–69, if one was maintained by him.

ITEM 6.

Issue of Subpoena to the Inspector-General of Police and Commissioner of Police, Madras.

Regarding this item, Mr. Desappan rightly submitted that at this stage he is not insisting upon the production of the various records detailed by him in item 6. He, however, reserves his right to call for them as and when occasion arises.

When the affidavit of Sri S. Kannan, Salem was taken up for the purpose of issuing directions in the matter of production of documents mentioned therein, Mr. Palpandian representing Mr. S. Kannan of Salem wanted time. Hence, adjourned to 12th May 1971 for further consideration.

7th May 1975.

TAMILNADU LEGISLATIVE ASSEMBLY
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APPENDIX 3.

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 12th day of May 1975.

PRESENT :

THE HON'BLE JUSTICE T. RAMAPRASADA RAO.

(Orders passed on the affidavit of P. Kannan filed on 2nd May 1975.)

SCHEDULE.

ITEM I.

Mr. Kannan says that the production of these documents will enable the Commission to find out whether the Government, which in his own words, would include Thiru P.U. Shanmugam, former Minister for Food and now Minister for Public Works, had misused his powers of office in connection with the disposal of the rice held by the Federation and in connection with the acceptance of the negotiated tender of Thiru Thandavarayan. The request as at present in the context of Item I of the Schedule to the affidavit is for calling for the records from the Deputy Inspector General of Police, Food Cell, C.I.D., Madras, relating to the investigation regarding the export of rice through false permits by persons connected with A.M. Associated Traders, Audiappa Naicken Street, Madras. In the notification, there is no reference to export or rice nor does it refer to false permits having been issued by anyone and that was in connection with A. M. Associated Traders, Audiappa Naicken Street, Madras. As the facts disclosed and as the material on hand do not touch upon the export of rice through false permits, there is time enough to consider the request of the counsel for the production of these records. As at present, these records need not be called.

ITEM II.

Issue of subpoena to the Chief Secretary, Government of Tamil Nadu, Madras-9.

Call for the production of Secretariat business Manual, if any, and Madras Financial Code.

ITEM III.

Already orders in relation to the production of the documents called for in this item have been pronounced in connection with the production of documents requested for by Thiru K. T.K. Thangamani.

No further orders are necessary.

ITEM IV.

The representator wants me to issue subpoena to the Commissioner of Income Tax, Tamil Nadu to cause production of the Income-tax records of nearly 34 parties mentioned in this item and in particular for the assessment year 1967–68 to 1974–75. As at present I am unable to decipher as to what connection they have with the subject matter under the enquiry. In view of this, without negativing the request, the records mentioned in item IV need not be called for for the present; but the request in the same fashion or in any other way can be renewed in the course of the enquiry and at the appropriate time.

ITEM V.

The reasoning given by me as regards the non-calling of records mentioned in Item IV will apply to this also. But I make it quite clear that if in the course of the enquiry, the production of such records from the Commissioner of Income-tax, Bombay would assist me in finding out the facts, which I have to find as the Commission of Inquiry, necessary steps will be taken. The representators is also given the liberty to seek for such appropriate relief in the course of the enquiry either in reiterating the request as made or in any other fashion.

ITEM VI.

Issue of subpoena to the Secretary, Food Department, Government of Tamil Nadu, Madras.

The letter referred to in this item if available may be sent in a sealed cover to the Commission of Inquiry. The Commission shall peruse the same and if it is relevant for the purpose of enquiry, it shall make the same part of the record subject to the usual procedure.

Mr. R. Krishnamurthy, appearing for Thiru P. U. Shanmugam undertake to file his clients statement by way of an affidavit by the 17th of this month. He shall present the same at the residence of the Commission, as 17th happens to be a Court holiday.

Adjourned to 14th May 1975 (3 p.m.).

12th May 1975.



APPENDIX 4.

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 12th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(*Orders passed on the affidavit filed by P. Kannan.*)

The Government Pleader clarified in person that he is not only assisting the Commission in the matter of the speedy production of records in the compilation and analysis of such facts as found in the records, but he is also appearing for the Government as a party to the enquiry.

In view of this clarification, no further orders are necessary..

12th May 1975.



APPENDIX 5.

PROCEEDINGS OF THE COMMISSION OF INQUIRY.

Wednesday, the 14th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

The procedure indicated by the State Government is understood by the Commission as mere and bare suggestions of the Government Pleader and not as something which is binding on the Commission. It is with this preface that the procedure indicated by the Government is taken on record.

14th May 1975.



APPENDIX 6.

BEFORE THE COMMISSION OF INQUIRY.

Friday, the 16th of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(*Orders passed on the memo. filed by Mr. P. Kannan on 16th June 1975.*)

Excepting for high sounding expressions used by Mr. S. Kannan as counsel for the representator, I feel that there is nothing in this memo. which touches upon the real subject under discussion before me regarding discovery and production. I have heard the counsel in full and in fact Mr. N. T. Vanamamalai, who led the representator made the position clear and has openly stated and in my view, rightly, that the Government pleader ought not to have filed the undated memo. on the 14th of May 1975 making certain suggestions of his own and of his client. I have already passed the order that the Commission is not bound by the said suggestions. As I have completed the hearing on the subject of discovery and production and as I have preserved orders on the matter of inspection of the documents to be produced by the State Government and other interested parties, I feel that this memo. filed by Mr. Kannan does not provoke me to pass any orders thereon.

The memo is recorded and no orders as necessary..

16th May 1975.

TAMILNADU LEGISLATIVE ASSEMBLY
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APPENDIX 7.

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 19th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

The Communits Party of India represented by counsel Mr. K. T. Paul Pandian, and Mr.S. Alagiriswami, M.L.A., represented by M. R. Ganesan filed their repsetive affidavits as already undertaken. The learned Government Pleader on behalf of the Government has filed an affidavit sworn to by Ramchandar, now Secretary to Government for Public Works Department, Government of Tamil Nadu. The learned Government Pleader wants time to file a rejoinder to the representations of Mr. S. Alagiriswami and the Communist Party of India. Even so, the other parties already on record desire to file a counter affidavit to the affidavit filed by the Government as above. All the counter affidavits by the State Government and the counsel for Thiru P. U. Shanmugam and the other Counter affidavits by the parties before me shall be filed in the office of the Secretary to the Commission of Inquiry before 4 p.m. on 30th May 1975.

19th May 1975.



APPENDIX 8.

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 19th of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

Even at the first sitting, affidavits were filed by Thiru K. T. K. Thangamani and Thiru P. Kannan, Salem. In those two affidavits, they requested for discovery and production and thereafter inspection of the documents which the State Government might produce on matters touching this enquiry. Even at the first sitting, the Government Pleader appearing for the Government did not seriously object to the production of certain documents contained in schedule I to the affidavit of Thiru K. T. K. Thangamani. As regards discovery, production and inspection of the other documents mentioned in schedule II to the affidavit of Thiru K. T. K. Thangamani, orders were passed at my second sitting when, I directed the issue of subpoena to the various Government Departments and offices for the production of the relevant records subject however to the general objection made by the Government Pleader as regards the privilage which he could claim in the matter of the inspection of some of the files or documents which he might produce. At the third sitting, the affidavit of Sri P. Kannan, in the matter of the production of the documents asked for, was taken up. Specific orders were passed by me on the 12th of May 1975 regarding the production of the documents asked for. Excepting for those documents which in my view were not imminently relevant, general directions for the production of all the other records called for were made. Even in respect of such of those documents for the production of which no orders were passed on that date, it was made clear that they need not be called for the present and if in the course of enquiry and at the appropriate time such records were necessary to be brought in to the file, appropriate orders will be passed then. There was, therefore, no negation in toto of any request for the production of records made by Thiru Kannan at any point of time. In the course of giving such directions as above, the counsel who are apprearing for the parties and who have filed, their representations or who wanted to file their representations urged that as soon as discovery and production of the documents are over, they should be given the liberty to inspect the same so that they would expatiate their allegations already made. It was made clear that the parties on such inspection of records, if it is to be granted by the Commission, should not fish for information and improve their stand by filing additional affidavits after such inspection. It was specifically understood by all parties before me and their counsel that the facts disclosed during inspection of the disclosed documents should not form the nucleus of fresh charges. This course adopted by the Commission was generally agreed to.

Thereafter, arguments were addressed by the counsel for the parties on one side and by the Government Pleader on the other, regarding the scope of the discovery that could be directed by this Commission. I may mention here that the term discovery was understood at that time as including inspection of unobjectionable files and documents. It is common ground that it is the State Government which is the custodian of all such files and documents relatable to and connected with the present enquiry. In order to save time and also assist the parties before me to file thier representations early, I took up the subject of issuing directions to the Government in the matter of the discovery and production of the documents and consequential inspection of the same.

I have already referred to the fact that at the initial sitting of mine, I passed necessary orders for the production of the documents and incidentaliy the discovery of such documents as is legally understood from the custody of the Government. Whilst the Government Pleader was fair enough to say that he would produce before the Commission all such documents as are available and relevant to the subject matter, he reserved his right to state his objections regarding the inspection of the whole or portion of such files and documents to be produced from the custody of the Government. In particular he reserved his right to claim privilage in the matter of the disclosure of some of the documents. The Commission, however, made it clear that it is the ultimate authority to decide whether privilege as to non-disclosure of the files or parts of them which might be producesd by the State Government in the course of this enquiry, entirely rests with the Commission and this aspect of it could be considered as and when the occasion arises. In the initial stages a question arose as to the place where the documents are to be producesd. The Commission directed that such documents which are called for by the Commission and which are in the custody of the Government or their officers may be produced at the office of the Secretary of the Commission of Inquiry; and that after their due production, the Commission would give suitable directions regarding inspection of the same. For convenience I gave an opportunity to the parties to file a memo indicating therein their proposals in the matter of the inspection of the documents to be produced by the State. The Government Pleader filed one such memo on 14th May 1975 which sparked a controversy. The Commission felt that the memo

filed by the Government Pleader touched upon the manner of inspection of documents and more or less like a directive to the Commission and, therefore, it accepted the same only suggestions made by the Government. The memo. of the Government Pleader evoked counter memos from the parties. In the end, therefore, I called upon the parties as well as the Government Pleader to argue on the subject of inspection of the documents, which are to be produced by the Government.

The Government Pleader referred to the rules 7, 8, 9, 10 and 13 of the Commissions of Inquiry (Tamil Nadu Rules) of 1972, framed under section 12 of the Commissions of Inquiry Act, 1952 (hereinafter referred to as the Act) by the Governor of Tamil Nadu. He also referred to sections 4 and 5-A of the Act. His contention was that even documents are produced and disclosed by the Government, those documents could be inspected only by the Commission and so far as the other parties to the enquiry are concerned, they have no right to inspect them. According to him, even the principles of natural justice would not enable the parties to the enquiry such as those who filed affidavits as called for by the Commission pursuant to its notification in the dailies to have inspection of the records produced by the State as both under section 4 and under the rules, no specific provision is made enabling the parties to make such inspection. He thereafter referred to the analagous provisions relating to the discovery and inspection in C.P.C. and submitted that inspection of documents being an independent matter, and such inspection not having been specifically provided for under the act, and the rules framed thereunder no such inspection of documents, which might be produced by the State can be had by the other parties. Reliance was also placed on section 5-A of the Act for the contention that the provisions of law sets an embargo on the inspection of such documents by anyone other than the Commission of Inquiry. A practical difficulty was stressed by the Government Pleader in support of his argument. He would say that the enquiry being a public enquiry, there may be of thousands of persons, who though not seriously involved in the enquiry might apply for such inspection of state records and then the position would become intolerent. Lastly, however, the Government Pleader, conceded that if the State lets in oral evidance and refers to a particular document or file, the other parties would then be entitled to inspect the file for the purpose of cross-examination. He would, however, have it that the parties, who have filed affidavits before me have no such right to cross-examine a witness tendered by the State because their evidence could not be recorded under rule 8 before the oral evidence of the witnesses examined on behalf of the State Government is recorded.

Mr. Vanamamalai, appearing for one of the parties and who practically made the leading arguments on the subjects, stated that the Government is taking an inconsistent stand. In the memo. filed by the Government on 14th May 1975 regarding the manner of inspection of document which might be produced by the State, the Government has practically taken the stand that the unobjectionable documents could be inspected. But in the course of his argument before the Commission, he has given a volte-face to the same. He would urge that as under the rules, the State has to let oral evidence first and as it is the duty of the party to assist the Commission of Inquiry by cross-examining the witnesses so tendered by the State, then it is obvious that if the witness refers to any document at that particular point of time at least the cross-examining party would have the right to inspect the same. This being the position, and as all parties before me gave me the impression that they are going to examine themselves, it would be anamalous to postpone such inspection of documents till that stage and refuse the right of inspection of such files and documents soon-after their disclosure and production by the State. Reliance was placed on the decision in *State* V. *Justice* B. P. Beri (A.I.R. 1968 Rajasthan-77).

Certain general observations are necessary before the contention of parties are considered. No doubt in an enquiry under the Act, the parties are not arrayed one as against the other, as in the list, but are all brought before the Commission with the avowed object of assisting the Commission to find out the real facts touching the matters referred to in the notification issued by the State Government appointing the Commission. But as the parties other than the Government, are all those who were responsible for provoking the State Government to apoint the Commission under section 3 of the Act and as the Government and the Minister concerned are called by necessary, implication to purge themselves of the allegations made by the parties, there is an effective quasi judicial process before the Commission in which two distinct parties play distinct parts. The enquiry has allthe trappings of a civil proceeding, though it is not strictly one; in the absence of any sepcific guidenlines in the matter of the procedure to be adopted other than that generally provided for under the rules, principles of natural justice whose roots are founded in justice equity and good conscience would apply. No doubt section 4 (b) of the Act speaks of the powers of the Commission as that of a Civil Court while trying a suit under the Code of Civil Procedure 1908, in respect of requiring the discovery and production of any document. While this provision expressy empowers the Commission to direct discovery and production it is silent about inspection of such documents disclosed or produced. That by itself cannot be a ground to assume that the discovered and produced documents can only be inspected by the Commission and not by the other parties, who are deeply involved in the enquiry as any others including those complained against. No doubtin certan given circumstances, the mere production of a

document does no give any immediate and indefeasible right of inspection to the other party But this is an exceptional circumstance. Ordinarily, every document, which will throw light on the case is a document relating to the matter in dispute. "Such a document may contain information which may either directly or indirectly enable the party seeking discovery either to advance his case or to damage his adversary's case or which may fairly lead him to a train of enquiry which may have either of the consequences."

This cannot be achieved if the party who sought for discovery and production is not able to secure inspection of such documents which are produced by the other party. Discovery and inspection are like two bogies in the train of enquiry which are linked up inextricably one with the other. There are of course, certain well laid limitations to this general concept. If by such disclosure the party's evidence will become known, if the document produced is within the doctrine of privilege or if its disclosure is injurious to the public interest, then in a commom civil case production of documents for inspection can be resisted. As to how far this proposition is totally acceptable and applicable to discovery and inspection of documents before a Commission of Inquiry under this Act, is doubtful because the procedure before the Commission is not strictly iron jacketted but is extremely elastic according to the circumstances attendant upon each dispute. In fact, it was this which was in the minds of the rule making authority when it said in rule 14 of the rules that the Commission shall have the power to set down its own procedure in respect of any matter for which no provision has been made in the rules. It is not in dispute that no specific provisions have been made under the Act or the rules for inspection of documents discovered and produced.

Certain guidelines set for discovery and inspection in the Code of Civil Procedure can be usefully referred at this stage. Secton 4 of the Act says that the Commission shall have the power of a Civil Court whilst it directs discovery and production. Section 5 (4) of the Act says that the Commission shall be deemed to be a Civil Court and Section 5 (5) says that any proceeding before the Commission shall be deemed to be a judicial proceeding. In the back round as above, the norms of procedure set out in the Code of Civil Procedure, as far as possible, could be usefully adapted by the Commission in exercise of its residuary power under rule 14 of the rules. A Tribunal like the one man Commission, no doubt, like a Court ought not to order discovery or inspection of documents which are burdensome and not necessary for disposing of fairly the subject matter. It is foundamental and indeed equitable that in any enquiry under the Act, the party accusing the other is entitled to know the nature of his opponent's case, so that he may before hand know what case he has to meet.

Order 11, Rule 14, Code of Civil Procedure runs thus :

"14. It shall be lawful for the Court, at any time during the pendency of any suit, to order the production by any party thereto, upon oath of such of the documents in his possession or power, relating to any matter in question in such suit, as the Court shall think right ; and the Court may deal with such documents, when produced, in such manner as shall appear just."

The Commission of Inquiry just like a Court has to exercise its judicial discretion in dealing with the documents produced on discovery. Again Order 11, Rule 15 C.P.C. says that documents referred to in pleadings and affidavits, can be inspected by the other party. Conversely, if on a call by one party, the other party produces the documents referred to by the former in his affidavit, then the party would be entitled to inspect the same, unless the presiding officer is satisfied that the other party producing it has sufficient cause to oppose such inspection. To a similar effect is Order 11, Rule 18 (1) C. P. C. Even wider is the scope of Order 11, Rule 18 (2) which runs as follows :

"(2) Any application to inspect documents except such as are referred to in the pleadings, particulars or affidavits of the party against whom the application is made or disclosed in his affidavits of documents, shall be founded upon an affidavit showing of what documents inspection is sought, that the party applying is entitled to inspect them, and that they are in the possession or power of the other party. The Court shall not make such order for inspection of such documents when and so far as the Court shall be of opinion that it is not necessary either for disposing fairly of the suit or for saving costs."

The Supreme Court in *Ram Sewak* v. *H. K. Kidwai* (AIR 1964 SC. 1249) (1251) observed thus :

"Inspection of documents under 0·11 of the Code may be ordered under Rule 15 of documents which are referred to in the pleadings or particlulars as disclosed in the affidavit of documents of the other party, and under R. 18 (2) of other documents in the possession or power of the other party."

The Madras High Court in *Management Agri. Horticultural Society Workmen* (AIR 1966 Madras 375) held the same view. That the Commission has a right to direct inspection of unobjectionable but disclosed documents, is recognised as is seen from the dicta in STATE VS. JUSTICE B. P. BERI (AIR 1968 Rajasthan 77).

I am, therefore, unable to accept the contention of the learned Government Pleader that as regards the documents and files which are unobjectionable in the sense that no privilege is claimed by him, it is only the Tribunal which could inspect the same and not the parties. Wasps which run through the fabric of discovery and inspection of documents produced before a Court or a one man Commission under the Act are essentially highlighted by the principles of natural justice. It would be, therefore, in equitable to prevent inspection of the documents produced by the State Government which are not objected to in a manner known to law, by the other parties, who are participating in this enquiry. Section 5-A of the Act referred to by the Government Pleader does not provide any assistance at all. That only enables the Commission to utilise the services of certain officers and investigation agencies for conducting the investigations pertaining to enquiry. Even here, section 5-A (2) provides that such officer or agency may require the discovery and production of any document subject, of course, to the direction and control of the Commission. The cycle, therefore, is repeated in section 5-A. The question therefore, is whether the disclosed but unobjectionable documents could be inspected. I do not find any guidelines in section 5-A which would be an embargo on the inspection of such documents by the other parties. The apprehension of the Government Pleader is that there may be thousands of persons, who may seek such inspection as the enquiry is a public one. The general sense in the objection is appreciable. But having regard to the procedure adopted by me and as I have fixed the 2nd of May 1975 as the date when persons could come and make representations and as in the present enquiry there is no such possible inconvenience as apprehended by the Government Pleader, the contention does not appeal to me.

One other argument of the learned Government Pleader is that rule 8 gives the discretion to the Commission to record oral evidence after examining the statements furnished before it by all persons who have been invited by the Commission for filing such statements or affidavits. While doing so, the Commission is enjoined to first record the evidence produced by the State Government and may thereafter record the evidence of others in such order as it may deem fit. I am not however referring to the various guidelines referred to in rule 8 in the matter of examination of witnesses. What is stressed by the learned Government Pleader is that under rule 11 the State Government.....and any other person whose evidence is recorded under rule 8 may cross-examine a witness other than a witness produced by it or him. As under rule 8 it is the State Government which has to tender its oral evidence first can it decide that the other parties before me has no right of cross-examination of such witnesses tendered by it. Though this position seems to spring from a literal interpretation of rule 8 read with Rule 11, I am of the view that the contention of the learned Government Pleader is not well-founded. If the evidence of the party is not recorded under rule 8, it is for no fault of that person. This happens so because rule 8 prescribes that in case oral evidence is allowed by it, the State shall first record the evidence and thereafter only the evidence of others has to be taken. Having regard to this and being bound by the principles of the natural justice, I am unable to agree that since prima facie under Rules 8 and 11 the representator has no right of cross-examination they have no right of inspection of documents produced by the State.

On a fair consideration of the process to be adopted in relation to the subject matter of the enquiry, I am satisfied that it is not only just but it is necessary for a fair disposal of the subject matter of the enquiry before me that unobjectionable documents over which no privilege is claimed by the State can be inspected by the other persons participating in this enquiry. Such an inspection shall be given in the manner hereinafter to be suggested.

19th May 1975

APPENDIX 9

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 19th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

1. The parties who have already filed their representations and—or their counsel, who have filed their vakalats on behalf of such parties, are entitled to inspect the documents produced by the State.

2. The inspection shall be during office hours between 11 A.M. and 1 P.M. and 2 P.M. and 3 P.M. at the office of the Commission of Inquiry in the presence of the Secretary of the Commission of Inquiry.

3. The Government Pleader or his juniors, who are authorised may be present during such inspection but shall not raise any objection regarding the inspection of documents by others. If during the course of inspection any difficulty arises, the parties through their counsel including the Government Pleader shall bring it to the notice of the Commission for appropriate orders. The Government Pleader, if he chooses, is at liberty to take notes of the files produced by him.

4. The counsel for Thiru P. U. Shanmugam and/or his juniors, who filed Vakalat for the purpose may be present during inspection. He or they shall only be observers and if they so desire are entitled to bring to the notice of the Commission any objections entertained by him or them in the matter of such inspection and obtain appropriate orders. If Thiru P. U. Shanmugam is inclined to be present at the inspection he is at liberty to do so. The counsel on his behalf or his juniors are at liberty to inspect the documents by himself and take notes with or without the assistance of his assistant.

5. Objections if any in the matter of the disclosure of the whole or part of a document or file produced by the State Government shall be pre-determined by the Government Pleader before production and before inspection of the concerned document or file by the other parties to this enquiry. The Government Pleader shall formulate his objections and file an affidavit duly sworn to by a responsible officer in support thereof. The parties claiming a right of inspection of such undisclosed document or files may file a counter to the same. The Commission shall hear both parties on such objections and pass necessary orders thereon.

6. The inspecting parties are entitled to take notice of the documents or files produced for inspection but shall not take copies of the same unless otherwise directed. The inspecting counsel are entitled to take such assistance as may be necessary for taking notes of documents.

7. On such inspection by the inspecting parties, they are at liberty to file a further affidavit but not including therein any fresh allegations which were not traversed earlier and serve a copy of the same on the other parties such as the Government Pleader and the counsel for Mr. P. U. Shanmugam not later than 30th May 1975.

8. The Government Pleader and the counsel for Mr. P. U. Shanmugam are at liberty to file a rejoinder to the further statements so filed by the inspecting parties by 6th June 1975.

9. The inspection of the files shall not be discontinued because of any objection that the Government may take in the matter of total or partial non-disclosure of some of the documents produced by them.

10. All objections as to inspection of documents or files raised by the Government Pleader or other parties or the counsel for Mr. P. U. Shanmugam and not acceded to by the inspecting parties shall be considered by the Commission on 4th June 1975 at 11 A.M.

19th May 1975

APPENDIX 10

BEFORE THE COMMISSION OF INQUIRY.

Tuesday, the 20th day of May 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

In the instant case, the Commission gave a wide publicity inviting persons acquainted with the subject matter to make representations on or before the 2nd of May 1975. The present petitioner did not appear on the 2nd May 1975, nor did he make any request on that date that he would be making written representations on a later date. But on the 16th of May 1975, he has filed certain representations the merits of which I am not going into, as they are not necessary, requesting for an opportunity to participate in the enquiry. As the Commission has fixed the 2nd of May 1975 for the reception of such representations written or oral and as no such representations was made on or before the date so fixed, I am unable to assist the petitioner and give him the liberty to participate in this enquiry. No question of excusing the delay in filing the statement arises in this case because on and after 2nd May 1975, the Commission has made it clear that it would not entertain such representations, if not made as per the prescription in the notification. In these circumstances, the application made by the Madras Law Suitors' Association by its Secretary I, Mr. D. A. S. Swamy is dismissed.

20th May 1975.

TAMIL NADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

APPENDIX II

BEFORE THE COMMISSION OF INQUIRY.

Wednesday, the 4th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(Order on the affidavit filed by the Government on 20th May 1975)

So far as the files which are objected to on the alleged ground of irrelevancy and mentioned in paragraph 3 of the affidavit of Thiru R. Kribakaran filed on 20th May 1975, I am prima facie of the view that they might not touch upon the material which is to be scrutinised by the Commission in this enquiry. As at present, the inspection of such documents are not necessary. The representators are at liberty to reopen the question, if any such occasion arises.

4th June 1975.

TAMIL NADU LEGISLATIVE ASSEMBLY
தமிழ்நாடு சட்டமன்றம்
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

APPENDIX 12.

BEFORE THE COMMISSION OF INQUIRY

Thursday, the 5th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

Mr. S. Alagiriswami through Mr. N.T. Vanamamalai has filed a representation on the 4th June 1975. This affidavit was filed after inspecting the documents produced by the other side which was more or less in accord with the directions issued by the Commission of Inquiry on 7th May 1975. He seeks for the production of certain other documents which, according to him, have not been produced in spite of orders made by this Commission. After setting out in detail as to how some more documents referred to by him in the annexure to the representation are necessary for the enquiry and how it is purposeful to inspect them, the learned counsel stated that the documents set out by him in this annexure to the representation may also be called for. The learned Government Pleader, when the matter came up yesterday, took time for instructions.

ITEM I.

Issue of subpoena to the Chief Secretary to Government of Tamil Nadu.

In so far as item I is concerned, the statement of the Governement Pleader is that there are no minutes of the proceedings of the Council of Ministers relating to the decision of the Food Policy taken, particularly in the matter of its export during the years 1967, 1968 and 1969. There are however policy statements which the Minister concerned from time to time declared in the floor of the Legislature.

ITEM II

Issue of subpoena to the Chief Secretary to Government of Tamil Nadu.

The learned Government Pleader says that there are no instructions issued by the Government to the Thanjavur Co-operative Marketing Federation pursuant to the alleged decision of the Council of Ministers taken on 8th January 1970.

ITEM VII.

Issue of subpoena to the Registrar of Co-operative Societies, Madras.

The learned Government Pleader says that the surcharge proceedings are still pending before the Statutory Tribunal and there being no order of surcharge made by the concerned officer, he is unable to produce the same.

ITEM VIII.

Issue of subpoena to the Chief Secretary to Government of Tamil Nadu.

Regarding item VIII, the learned Government Pleader says that there is no report of the members of the Board, namely, Mr. S. Krishnaswamy, I.A.S., Mr. Mani, I.C.S., and Mr. Sivasubramaniam, I.A.S., relating to the drought condition in Tirunelveli, Ramanathapuram, Pudukottai, Dharmapuri, North Arcot, Salem, either for the years 1970 or for 1971.

On such representations made by the learned Government Pleader, the representator requested that they may be recorded. Hence the above remarks.

Regarding the other items necessary subpoena will be issued as requested, but subject to the qualifications and limitations already indicated by the Commission in the open Court.

ITEM III.

Issue of subpoena to the Registrar of Co-operative Societies.

(Resolution of Board of Directors of T.C.M.F. relating to procurement of rice during samba harvest in 1970.)

As regards item III, the learned Government Pleader himself undertakes to send for the same from the concerned officer, if available.

ITEM IV.

Issue of subpoena to the Registrar of Co-operative Societies.

The request of the learned counsel for the representator is that at least one set of registers or books of accounts of the T.C.M.F. showing the price at which the Samba (harvest) paddy was purchased or the price at which it was sold may be produced instead of all the registers asked for. In order to avoid cumbersome invitation of documents which would flood the office of the Commission and as the counsel himself would be satisfied that if one set of books of purchase and another corresponding sales register relating to it are produced, it would satisfy the purpose.

In view of the above, the following directions are given :—

The Government Pleader would see to it that one set of each of the purchase and the sale ledgers of the T.C.M.F. with reference to the details set out above are produced as early as possible.

ITEM V.

Issue of subpoena to the Secretary, Co-operative Department, Government of Tamil Nadu.

The Government Pleader undertakes to produce the report of the Registrar of Co-operative Societies submitted to the Government.

ITEM VI.

Issue of subpoena to the Registrar of Co-operative Societies, Madras.

Bills or vouchers connected with the delivery of paddy and/or rice to Messrs. (1) Ashroff & Co., (2) Md. Abboo and (3) Thandavarayan may be called by the learned Government Pleader from the officer in charge of the records and if available they may be produced.

ITEM IX.

Issue of subpoena to the Secretary, Co-operative Department.

The learned counsel for the representator says that regarding this item i.e., to being the draft copy of the notification published or circulated relating to the tender for 15th February 1971, 9th March 1971, no orders are necessary.

ITEM X.

Issue of subpoena to the Deputy Inspector-General, Food Cell, Madras.

As regards the originals of the letters called for, after some discussion, it was agreed that if the original of the letter, dated 19th March 1971 written by Thandavarayan is obtained by the learned Government Pleader and if inspection thereof is afforded to the counsel for representators that would suffice the representator. As this original letter has to be brought from the Deputy Director General, Food Cell, Madras, who is having the same in connection with a criminal case, the same may be sent back to the same officer after inspection.

ITEM XI.

Issue of subpoena to the Deputy Inspector-General, Food Cell, Madras.

The learned Government Pleader will get the originals of the telegrams from the custody of the officer in charge of the same and after inspection by the counsel of representators, shall return the same to the Deputy Inspector-General, Food Cell, Madras, who is said to be in charge of it.

ITEM XII.

Issue of subpoena to the Director of Inspection, Income-tax, Madras-33.

The representator will file an independent petition with a detailed affidavit stating clearly as to what he wants from the Income-tax Department which Department is Government by its own laws even in the matter of documents in their custody. If such petition is filed, the Commission will peruse the same and after hearing the parties, pass such further orders as are necessary thereon. For the present no orders are necessary in regard to this item.

ITEM XIII.

Issue of subpoena to the Deputy Director-General, Food Cell, Madras.

The learned Government Pleader says that the first information report and the voluminous statement under section 162 C.R.P.C. has to be obtained from the officer in charge of the same for the purpose of affording inspection to the counsel for representators. He shall do so . After the inspection is over, the documents may be sent back to the person from whose custody they were obtained.

5th June 1975.

TAMILNADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

APPENDIX 13.

PROCEEDINGS OF THE COMMISSION OF INQUIRY.

Wednesday the 11th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

Mrs. T. N. Ananthanayaki, who is a member of the Indian National Congress and is the General Secretary of the Tamil Nadu Congress Committee and a member of the Tamil Nadu Legislative Assembly representing the Mylapore Constitutency, filed before me on the 27th May 1975 an application to implead her as a party to the enquiry proceedings and allow her to make her representations. The Commission took the application on file and gave notice to the Government Pleader, who took time for filing a counter affidavit which he did on 9th June 1975. On the date when the application was filed for the purpose of enabling the petitioner to make representations before the Commission of Inquiry, Mr. P. Chidambaram, learned counsel for the petitioner, made it clear that he was dispensing with the inspection of the documents filed on behalf of the State which inspection by then was over for and on behalf of the other representators, who came in time. Having this in view, the Commission directed the petitioner to file an affidavit stating her representation briefly to find out whether, though the request for representation was admittedly belated, she should be given an opportunity to participate in the enquiry. Such an affidavit was filed on the 9th of June 1975 in a sealed cover which the Commission opened on the 11th June 1975. Prima facie the Commission is satisfied that though the allegations made are mostly similar to those already on record, yet some of them being new and having regard to the fact that the petitioner belongs to an independent political party and is also a member of the Legislative Assembly of the State, the Commission is of the view that she should be given an opportunity to make her representations in the course of enquiry.

The Government filed a counter affidavit raising two concrete objections. One was that a similar petition filed by one D.A.S. Swamy on an earlier occasion was not taken on file and it was dismissed in limine on the ground that it was belated. Secondly, the Government is of the view that the petitioner being a member of the Assembly ought to have filed her representations earlier with due regard to the call made by the Commission. So far as the first objection is concerned, I do not agree that the petitioner has to be placed on a par with Mr. D. A. S. Swamy who came to Court with a request that he is the Secretary of the Law Suitors' Association and that he wants to make representations in that capacity. He did not even give an impression to the Commission that he was aware of any incidence or affairs concerning the enquiry before me. Mainly, on that ground and incidentally on the ground of belatedness, the request of Mr. Swamy was not adhered to.

So far as the petitioner is concerned, I have already stated that she is a member of the Tamil Nadu Legislative Assembly and she has also filed an affidavit in writing stating the scope of the representations which she intends making before the Commission. Above all this, she belongs to an independent political party. As the enquiry itself has sprung from some discussions on the floor of the House between dissentient political parties, I am of the view that it would not be conducive nor it would be of any public interest to reject the petition of Mrs. T. N. Ananthanayaki to make her representations in the enquiry. I have already made it clear that she is not seeking for inspection of the documents already in the office of the Commission.

In the above circumstances, the petition is ordered.

Copies of the representations filed by Mrs. T. N. Ananthanayakai shall be served on the Government Pleader representing the Government and Mr. Krishnamurthy representing Thiru P. U. Shanmugam and the other representators already on record.

11th June 1975

APPENDIX 14

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 23rd of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(Orders on the affidavit and Petition of Thiru V. S. Thiagaraja Mudaliar, represented by Mr. V. P. Raman.)

Mr. V. S. Thiagaraja Mudaliar, who was summoned to appear today to give evidence on matters touching upon the subject of enquiry before me, appears by counsel Mr. V. P. Raman. A verified petition has been filed signed by Thiru V. S. Thiagaraja Mudaliar stating that he is willing to give evidence, but he wishes to refresh his memory over the subject matter which is nearly 5 years old and for this purpose, he requests that necessary directions to the Government may be given to make available the relevant files to enable him to take notes and that he may be permitted to see the transcript of evidence already recorded. When Mr. V. P. Raman was asked as to what are the documents or files which he seeks for inspection, he made it clear that his client wants to refresh his memory with reference to files of the Tanjore Co-operative Marketing Federation and that he may be permitted to look into the pleadings already on record as also the evidence so far given by the witness examined on behalf of the Government. He did not seek for inspection of the Government files and in my view, rightly no such request has been made. So far as the request for the inspection of the documents of the Tanjore Co-operative Marketing Federation, which institution is now being manned by a Special Officer appointed under the Tamil Nadu Co-operative Societies' Act I am satisfied that the request is genuine and has to be granted, since the matter relates to a period beyond 5 years. As and when the record of the Tanjore Co-operative Marketing Federation are brought to the Office of the Commission, the petitioner (Thiru V. S. Thiagaraja Mudaliar) either by himself or through his counsel may inspect the same and take such necessary notes from them in the presence of the Secretary of the Commission.

Regarding the furnishing of copies of the pleadings, the petitioner shall secure the pleadings from the representators and the counsel appearing for the Government and the Hon'ble Minister. But, so far as the recorded evidence is concerned, he shall make an application for the same and on payment of the usual charges, it shall be furnished to him in due course.

Summons to the Special Officer for the production of the aforesaid documents need not be sent by post as required by Rule 9 (3) and it shall be personally handed over to the Government Pleader who undertook to contact the Special Officer and produce the documents as expeditiously as possible.

Though on this petition of Mr. V. S. Thiagaraja Mudaliar, it may not be necessary for me to say so, for purposes of completion I make it clear that as and when the documents called for as above are made available in the office of the Commission, the other representator or the counsel as usual can inspect them, as they did in the past in relation to the Government files. The inspection shall begin on the 30th June 1975 and shall be completed by the 4th July, 1975.

23rd June 1975

APPENDIX 15

PROCEEDINGS BEFORE THE COMMISSION OF INQUIRY.

Friday, the 27th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(Orders passed on the affidavit of Mrs. T. N. Ananthanayaki.)

Mrs. T. N. Ananthanayaki through counsel Mr. P. Chidambaram, filed an application seeking for two directions. The first one is that having regard to the nature of the evidence already let in and the contentions raised by her in the main affidavit, Thiru R. Balasubramaniam, the Joint Secretary for Ministry of Food, Government of India, at the relevant period and the files and documents kept by him and maintained by him in relation to the transaction and particularly bearing on the negotiations between the Government of Tamil Nadu and the Government of India in the matter of the disposal of surplus stock of rice and paddy belonging to the Thanjavur Co-operative Marketing Federation pertaining to the years 1970–71 would be relevant and essential. Though in the affidavit filed in support of the first direction an express request to call Thiru R. Balasubramaniam, as a witness, was not made that was pursued in the course of argument by Mr. Chidambaram. He, however, sought for a direction for calling for the above records, as they have an immediate bearing on the subject under enquiry. The second requisition made by him was to direct the Deputy Director of Inspection, Intelligence (Intelligence Wing). Income Tax Department, Madras, to produce before this Commission certain documents the nature and purport of which are given out by him in the last paragraph of his affidavit. The basis for the requisition appears to be this. The counsel would say that searches and seizures were conducted at the business and residential premises belonging to one Ashoka Traders and A. M. Associated Traders and their partners. It is claimed that such searches and seizures were conducted on 28th November 1972 at Madras, two places in Calicut and seven places in Cochin. It is averred that money, jewellery and slips of paper with certain notings were seized. After having stated such hypothesis, reference is made to certain averments in the main affidavit of Mrs. Anantha-nayaki. In the main affidavit there is an averment that Thiru Thandavarayan is a benami for Ashoka Traders and A. M. Associated Traders. There is also an allegation that the sale by negotiated tender to Thiru Thandavarayan with permission to export was not in the interests of the people of Tamil Nadu but solely designed to benefit Thiru V. S. Thiagaraja Mudaliar and Ashoka Traders and A. M. Associated Traders. In paragraph 7 a detailed description is attempted about the nature of the seizure and the searches and the places which were searched and the incriminating material said to have been seized in the course of such seizures and searches. In particular, it is averred that such incriminating material would reveal the true scope of the activities of the Ashoka Traders and A. M. Associated Traders. Lastly, it is said that the records in the intelligent wing, Income-Tax Department will reveal the connections between Thiru P. U. Shanmugam and the said concerns.

Mr. Palpandian, pursuing the request made by Mr. Chidambaram referred me to certain allegations made earlier by Thiru S. Alagiriswami in his affidavit filed before the Commission. My attention was drawn to the allegations in paragraph 7 of the affidavit dated 4th June 1975 of Thiru S. Alagiriswami. The allegations are more or less similar to those already referred to by me as the allegations of Mrs. Ananthanayagi. Mr. Pandian would say that in the course of such searches and seizures of the account books of Ashoka Traders and A. M. Associated Traders, Jambulinga Mudaliar and Kanniappa Mudaliar of Vellore several books of accounts including several slips wherein he understands large sums of money to several persons including Thiru P. U. Shanmugam are recorded and such documents seized would have a bearing on the subject matter of the enquiry.

The learned Government Pleader opposing this part of the request of Mr. Chidambaram says that these account books relate to concerns whose affairs are not under enquiry and the allegations made in the affidavit and submitted before the Tribunal today cannot provoke the automatic issuance of a subpoena to public officers compelling them to disclose certain material which in the eye of law are secret material for their own purposes and which cannot be lightly brought to light in ancillary proceedings.

After hearing counsel I am satisfied that the first direction asked for by Mr. Chidambaram is reasonable and has to be granted. Government Pleader, however, would say that the examination of Mr. Balasubramaniam in person may be dispensed with and the files called for by Mrs. T. N. Ananthanayagi in her petition may only be directed to be produced. After giving my thought over the subject, I am of the view that the production of the files without the author of the files would create confusion and may not at all serve the purpose. In the course of the evidence, it was brought out that Mr. Ramchandar examined as G.W. 1. had personal discussions with Mr. R. Balasubramaniam on various occasions. Apart from such meetings of two officers, one of the State Government and the other of the Government of India, the correspondence *inter-se* between the State and the Government of India, would certainly reveal certain facts which touch upon this enquiry. But while attempting to read the files, it appears to me that the person, who was responsible for the creation and the maintenance of such files has to be examined in order to intelligently understand such files. I am, therefore, satisfied that in instant case summons should go to the appropriate authority for the production of the files and documents relating to the negotiations between the Government of Tamil Nadu and the Government of India in the matter of disposal of surplus stock of rice and paddy belonging to the Thanjavur Co-operative Marketing Federation pertaining to the years 1970–71. The petitioner seeks for such summons to be served on the Secretary of Food and hence, the summons shall issue to the Ministry of Food represented by its Secretary for the time being.

In so far as the other ancillary prayer which was made in Court, though not in the affidavit in writing, I am also satisfied that the examination of Mr. R. Balasubramaniam the then Joint Secretary, Ministry of Food, Government of India and now said to be the Additional Secretary, Ministry of Food, Government of India, may be summoned so as to speak to the facts as disclosed in the files and in relation to the disposal of surplus stock of rice and paddy belonging to the Thanjavur Co-operative Marketing Federation, Madras State pertaining to the years 1970–71. Appropriate summons shall issue to the Department concerned and to Thiru R. Balasubramaniam, returnable by 14th July 1975 at 11 a.m.

Regarding the second direction asked for I have expressed my view tentatively on an earlier occasion that the examination of any one concerned with Ashoka Traders and A. M. Associated Traders and or their partners is absolutely irrelevant. But I reserved my final decision on it so that I could pass the final orders as and when the occasion repeated itself. The occasion has now repeated itself. It is conceded that these searches and seizures are best sale events. The sale, which I refer to is the disposal of the stock of rice held by Thanjavur Co-operative Marketing Federation in the year 1971. In connection with such disposal of the stock, which in commercial parlance is known as sale, the notification which appointed this Commission, says that I should go into the matters in connection with the acceptance of the negotiated tender of Thiru Thandavarayan, son of Ratnam Mudaliar in respect of such rice. The first paragraph in notification I of G.O. Ms. No. 1149 (Public), dated 8th April 1975 has to be read as a whole, understood together and acted upon. It sets out the periphery within which the Commission could function. It is well established that the Commission being creatures of such notifications made under the Commissions of Inquiry Act, 1952, it cannot go beyond the clear cut marginal limits set by such a notification and the subject matter of the said notification. It is clear to me that I am only concerned with the finding out of the facts in relation to the disposal of the stock held by Thanjavur Co-operative Marketing Federation by negotiated tender to one Thiru Thandavarayan. The affairs now referred to by Mrs. T. N. Ananthanayagi through counsel Mr. Chidambaram, as also Mr. Pandian appearing for Mr. S. Alagiriswami, as I observed already, are post disposal events or post sale events. If I were to call for such documents relating to post sale events and post disposal events, it would obviously amount to treading on paths over which I cannot pass or repass. I have already explained that the jurisdiction of this Tribunal, if I use that expression is limited and springs from the notification. I am asked to find facts relating to the sale and not about the post sale events. I consider that the seizures and searches said to have been made in the various premises of Ashoka Traders or A. M. Associated Traders or their partners, or Mr. Jambulinga Mudaliar or others, referred to, are events, which are not only after the event which cannot be inquired into by the Commission ; but events which have no relation at all to the sale of the stock to Thiru Thandavarayan with which alone I am concerned. In these circumstances, I am of the view that the second direction asked for need not be granted.

27th June 1975

APPENDIX 16.

PROCEEDINGS BEFORE THE COMMISSION OF INQUIRY.

Friday, the 27th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO

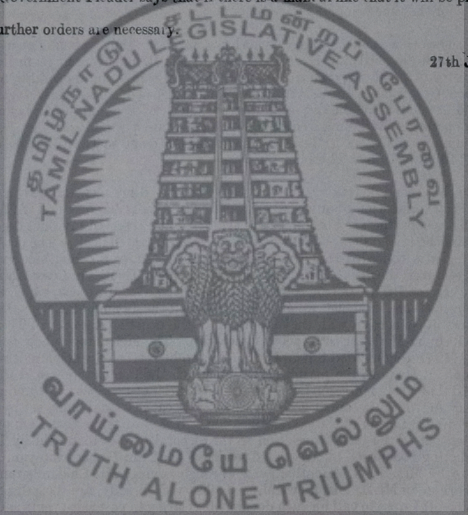
(Memo filed by Counsel for P. Kannan.)

Mr. P. Kannan, represented by Mr. S. Kanann, advocate, files a petition praying that the Commission may summon the Chief Secretary to Government, Madras, to cause the production of the District Office Manual

The Government Pleader says that if there is a manual like that it will be produced.

No further orders are necessary.

27th June 1975



APPENDIX 17

PROCEEDINGS BEFORE THE COMMISSION OF INQUIRY.

Friday, the 27th day of June 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(Memo filed by Mr. P. Kannan.)

Mr. P. Kannan, has filed an application today praying as follows :

"Petitioner prays that this Hon'ble Commission of Inquiry may be pleased to summon :—

1. Accountant-General, Madras.
2. Collector, Thanjavur.

To cause the production of

1. Audit report of the Accountant-General, Madras, on the inspection of accounts for 1970–71, 1971–72 and 1972–73 of the Civil Supplies Department of Thanjavur District."

I do not think that the audit report of the Accountant-General, Madras, on the inspection of accounts for 1970–71, 1971–72 and 1972–73 of the Civil Supplies Department of Thanjavur will ever throw any light upon the disposal of the stock of rice held by the Thanjavur Co-operative Marketing Federation in the year 1971 and the connected acceptance of the negotiated tenders of Thiru Thandavarayan, son of Thiru Ratnam Mudaliar in respect of such rice. In this view this application is dismissed.

27th June 1975.

APPENDIX 18

PROCEEDINGS OF THE COMMISSION OF INQUIRY.

Thursday, the 10th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

Memo by Communist Party of India.

To Summon : 1. Thiru R. Ramaswamy.
2. Thiru B. K. Badsha.
3. Thiru R. Nallakkannu.

The Communist Party of India, who was one of the representators before me in this inquiry, has filed a memo through counsel Thiru K. T. Palpandian, requesting that the above three persons may be called as witnesses. During the course of the enquiry and at the close of the case as opened by the Government Pleader and spoken to by his witnesses and after examining some Court witnesses, I felt that in order to conserve time, which is very important to me, asked the counsel to give the names of witnesses, whose testimony could be of assistance to this public enquiry. Apparently, in consequence of this suggestion of mine, the memo has been filed.

It is admitted that persons Nos. 1 and 2 in the memo, though are members of the Communist Party of India, one is stationed at Chengam and the other at Thiruvannamalai, they are to be examined as witnesses on the material furnished by the Communist Party of India itself in paragraph 10 of the affidavit dated 19th May 1975 filed by Mr. D. Pandian, as the Member of the State Secretariat of the Communist Party of India, Tamil Nadu Council. The sum and substance of the allegations made therein and on which reliance is placed for the contention of the counsel that the above two persons should be examined is that Thiru P. U. Shanmugam, Minister for Food, at the relevant time and Thiru Jambulingam and Thiru Rajamanickam were very close associates and in fact Rajamanickam is one of the Directors of the Company in which the Managing Director is the son-in-law of the then Minister for Food Thiru P. U. Shanmugam. Reference is also made to Selvam Chit Funds and Pandian Industries, in which it is alleged the relative of Thiru Shanmugam is interested. On the basis of this, it is sought to be Made by Mr. Palpandian, Counsel for the Communist Party of India that the two persons sought to be brought in for examination, are persons who have intimate knowledge about such intimacy between Thiru P. U. Shanmugam on the one hand and Thiru Jambulingam and Rajamanickam on the other. In order to establish such nexus or connection, the request is pursued.

The Learned counsel fairly concedes that he has no right to call for a witness on his own. The rules to wit the Commissions of Inquiry (Tamil Nadu) Rules, 1972, are clear on this question. Rule 7 enables a person on the issue of a notification by the Commission inviting all persons acquainted with the subject matter of the enquiry to furnish to the Commission a statement relating to such matters in the shape of affidavits. This is provided for in Rule 7 (i) (*b*) and (2). Rule 7 (3) also enables such persons to furnish a statement and also to file such of the documents in his possession or mention the names of those persons who are likely to be in possession of such documents referred to by him in the statement filed on a call made by the Commission. It is such a person, who responds to the notification of the Commission and files a statement that could be called by the Commission as a witness, even then, if the Commission considers it relevant for the purpose of this enquiry. The scheme of the Act as well as the rules appears to be that the enquiry is iron jacketed by the prescribed process of law and if there should be any relaxation thereto, it is for the Commission to decide whether it is relevant to deviate from the Mandatory prescribed procedure. The other mode in which a person other than that who gave a statement under rule 7 could be examined is also provided for in rule 8 (*b*). This sub-rule says that the evidence of any other person whose evidence in the opinion of the Commission, is relevant to the enquiry may also be taken. With the above background, if I analyse the argument of Mr. Palpandian, I do not find any justification at all to call the first two persons referred to in the memo. Firstly, they belong to the Communist Party of India, which by itself is the representator before me. These two persons obviously are members of the party and they are not going to do any way better than the party itself. Secondly, the Communist Party of India through its main representator Mr. D. Pandian has specifically pleaded about the alleged nexus between Thiru P. U. Shanmugam on the one hand and Thiru Jambulingam and Rajamanickam on the other. Obviously, it is expected that the representator, who has sworn to the affidavit, will necessarily speak about it from his personal knowledge. But what is sought to be made out is that in order to support the said allegations the testimony of the two persons would be necessary. Quantity is not likely to improve quality. If what is alleged in paragraph 10 of the affidavit is relevant at all for the purpose of the enquiry, it can be spoken to by the Communist Party of India through

its main representator and it is, therefore, unnecessary to burden the record by calling the above two persons. Even otherwise, I am satisfied that having regard to the progress made in this case and the heavy records filed, the evidence that they are likely to give in this case may not be relevant at all. I, therefore, reject the prayer to call the first two persons as witnesses to this enquiry.

The Third person is one R. Nallakannu, Sub-Editor, Ulavu Chelvam, Broadway, Madras. Obviously, therefore, he is a public citizen. What he knows no one knows and he has not chosen to figure as a representator under Rule 7 and has not chosen to file any affidavit bringing home the facts within his knowledge and which, according to him might touch upon the relevant issues in this enquiry. Excepting for the fact that he is a Sub-Editor of a newspaper at Madras, no other point was urged before me to prompt me to call this person as a witness for this enquiry. For the main reason that he did not file the necessary statement under Rule 7 so far and as it is not known what he is going to depose before this enquiry, the request to call Thiru R. Nallakannu as a witness is also rejected.

One other general reason which applies to all the three persons also must be stated. The names of these three persons were not even referred in the records so far filed before me nor any question put to any witnesses referring to them or their alleged involvement in the subject matter of the enquiry.

For all the above reasons, I reject the application.

Memo of Mrs. T.N. Ananthanayaki.

Ordered as prayed for provided the representator gives the address of the witnesses Thiru A. M. Jambulinga Mudaliar and Thiru R. Thandavarayan by 3 p.m. on 11th July 1975.

Memo by Thiru P. Kannan.

Two Ministers of the State of Tamil Nadu are sought to be called as witnesses by Thiru P. Kannan, who is one of the representators. I have already stated the scope of Rules 7 and 8 of the Commissions of Inquiry (Tamil Nadu) Rules 1972, when I issued the necessary direction in the application filed by the Communist Party of India. The same reasoning shall apply to the present case also. The purpose for which Thiru Madhavan, Minister for law, is sought to be examined it set out in an independent affidavit filed by Mr. P. Kannan. Quotations from the proceedings of the Tamil Nadu Legislature held on 13th December 1974, 14th December 1974, 16th December 1974, 17th December 1974 and 18th December 1974 are pressed into service to show that there is some variance as between such statement made by the Minister on the floor of the house and that of G.W.I examined in the course of this enquiry. Even otherwsie, the material referred to as being the subject matter of the speech of the Minister, has relation to the tenders limited or otherwise with which the Commission is concerned. As records from very inception leading to the call of such tenders and the acceptance of such tenders have already been filed and as the records prove for themselves and any version given by any other person in any capacity might not improve or derogate from the value of such records, I am of the view that no further elucidation in the matter of the processing of tenders is necessary. In this context the examination of Thiru Madhavan, is not relevant for the purpose of this enquiry.

Thiru K. Rajaram, Minister, is sought to be examined. According to the representator his attitude would establish a design, a contrivance and a pattern of misuse of ministerial power. Unfortunately, this enquiry is concerned with the alleged misuse of power of one Minister and it is not called upon to decide any alleged existing pattern of general misuse of power by all the Ministers or the body of Ministers one in conjunction with the other. That apart, the material on which the request is based relate to an incident of August 1970 during which period it is stated that Thiru K. A. Natarajan of Salem, who purchased 2,113 tons of rice or paddy did not lift the same in proper time and that several concessions were given by Thiru K. Rajaram in the matter of lifting, in the matter of payment of deposit, etc. Be ft noted that these 2.113 tons of rice or paddy do not form part of the rice deal with which I am concerned. This is sufficient to reject the application to invite Thiru K. Rajaram to give evidence as a witness in this case. A vague allegation on which the request is founded is that the alleged help rendered by Thiru K. Rajaram to Thiru K. A. Natarajan from time to time in the matter of lifting the stock, etc., is a pattern which has been adopted by the ministry is not one which commends to me or am I called upon to comment upon it or examine the same. On the ground that no cause has been shown for issuing a subpoena to Thiru K. Rajaram, this part of the prayer to examine Thiru K. Rajaram in the memo is rejected.

Mr. Kannan as representator says thus :—

(3) *Nellikuppam Krishnamurthy,* M.L.A.

" In my earlier affidavit, I had submitted that I refer to and rely upon the 1973–74 report of E.C. (Marked A. 34) of which Thiru Nellikuppam Krishnamurthy, M.L.A., was the Chairman. Various frauds described in the aforesaid E.C. report would show the several frauds in peoples food under the leadership of Thiru P.U. Shanmugam. Further, at page 175 of Legislative Assembly Debate on 13th December 1974 (filed by the Government) it is stated that the police furnished consideration ( ) information to the Estimates Committee. I pray summons be issued to Thiru Nellikuppam Krishnamurthy, M.L.A., Nellikuppam."

From a retrospect of the events placed before me so far and from the gist which could be made out from the relevant records already marked, I am unable to find any nexus between the Estimates Committee's report and the enquiry before me, excepting that the Estimates Committee's report may be a tangent to this enquiry and it will not do any better. The Estimates Committee's report was rendered long after the sale of the stock held by the Thanjavur Co-operative Marketing Federation under a negotiated deal to Thandavarayan. I am asked to find out whether by such an ultimate negotiated deal resulting in a sale to Thandavarayan, there has been a misuse of power on the part of Thiru P. U. Shanmugam. The Estimates Committee's report by itself does not touch upon it and in this view, therefore, Thiru Nellikuppam Krishnamurthy, M.L.A., who was the Chairman of that Committee might not improve matters at all by examining himself. As it is necessary for me to call a witness if I am satisfied that his testimony is relevant for the enquiry and as, in my view, the testimony of Thiru Nellikuppam Krishnamurthy may not give me such assistance as could be expected I am unable to accede to the request of the representator to issue summons to Thiru Nellikuppam Krishnamurthy, M.L.A.

(4) *Thiru P.B. Krishnaswamy,* I.A.S.
and
(5) *Thiru Keshava Kini.*

The next request of Mr P. Kannan is the representator is that Thiru P.B. Krishnaswamy, I.A.S., former Registrar of Co-operative Societies, Madras, and Thiru Keshava Kini, former Registrar of Co-operative Societies, Madras, both be called as witnesses to speak about the subject matter of the enquiry. In order to put his case to justify a call on Thiru P.B. Krishnaswamy, as a witness in this case, the representator says that Thiru P.B. Krishnaswamy had listed various frauds including gunny bags fraud, transistors frauds, etc., in the Thanjavur Co-operative Marketing Federation and that according to their representator it will be seen that the publication of the invitation for tenders and subsequent negotiations and conclusion of deal were more or less similar to the gunny bags deal of Thanjavur Co-operative Marketing Federation. It is common case that this Commission is not enquiring into the frauds of Thanjavur Co-operative Marketing Federation whether it be the gunny bags or transistors frauds. The wishful thinking of the representator is that Thiru P.B. Krishnaswamy's report which is also on record by itself would establish that the oral testimony of Thiru P.B. Krishnaswamy would be requried to prove that the normal practice of the Thanjavur Co-operative Marketing Federation. As I began, I am not enquiring into the frauds of the Thanjavur Co-operative Marketing Federation. The vague allegation which is equally an unfounded one is that the examination of Thiru P.B. Krishnaswamy will probablise the submission of the representator that Thiru P.U. Shanmugam as Minister for Food did help Thiru V.S. Thiagaraja Mudaliar in order to help himself and Thiru V.S. Thigaraja Mudaliar and Jambulingam and others. This stands as a bare surmise and an invitation to Thiru P.B. Krishnaswamy to speak as a witness would only be to encumber the records. There are enough connecting links on the files produced before me which rationally project the link as between the incidents to be enquired into.

In fact Thiru Keshava Kini as Registrar of Co-operative Societies, who is also sought to be brought in as a witness, has in his report Ex. G. 3 has said that T.C.M.F. requires sympathetic consideration in the hands of the Government. The statement of the representator that Thiru P. B. Krishnaswamy, if examined, will prove that there was a pattern of administration when Thiru P.U. Shanmugam was the head of the Food Department could only be said to be one weaved out from the imagination of the representator. The further allegation, in so far as it relates to Thiru Keshava Kini that Ex. G. 3 is a fraudulent and a contrived one, has prima facie no basis whatever. In fact on the basis of that record, G.W. 1 was cross-examined at length. For all the above reasons and also for the reason that the reports of the Registrars of Co-operative Societies referred to above, by themselves throw enough light on the enquiry the testimony that is likely to be given by the two officers may not in any way improve matters and it would not be relevant also or the purpose of this enquiry.

(6) *Thiru Mohamed Saliha.*

The next request is to call Mohamed Saliha former Secretary, T.C.M.F., Thanjavur. That this person is required is not in dispute and the representator is unable to state his whereabouts, but he wants subpoena to be issued C/o. The Chief Secretary, Government of Tamil Nadu, Madras The reason for the request is set out as under :—

" In my earlier affidavit, I had submitted Sankaran is a son to Narayanan partner in Asoka Traders, to his name is added " Kutty " to give a Malayalem accent and Sankaran Kutti, like Thandavarayan was a benamidar for A.M. Associated Traders, and Thiru P.U. Shanmugam, shall, in the circumstances of the case, be deemed to be corruptly interested in them. I submit that Sankarankutti was allotted lot 2 of Mannargudi at Rs. 1,245·11 instead of his offer Tiruvarur lot 6 at Rs. 1,295·91 thereby, Sankarankutti got an undeserved benefit of Rs. 5,000 and more. Even when this was brought to the notice of Thiru V.S.T. Mudalair, no prompt action had been taken. Besides Mr. Mohamed Saliha was the Secretary to T.C.M.F. his several notings would show that T.C.M.F. had not discharged minimum obligations nor repaid over Rs. 11 lakhs to the Government.."

The President of the T.C.M.F. is now being examined as a Court witness C.W.2. Several notings made by Thiru Mohamed Saliha has been put to him and he has been searchingly examined on these notings and letters of Thiru Mohamed Saliha. I find, there is no justification to call Thiru Mohamed Saliha as a witness. Further, the reasoning given to call him appears to be disjunct and unconnected and this by itself is sufficient to reject the request to call Thiru Mohamed Saliha, whose whereabouts are also not known, as witness in this case. Hence, the request is rejected.

(7) *The District Revenue Officer, Thanjavur.*

As the Collector of Thanjavur has been examined and as the District Revenue Officer who is sought to be called in as a witness was more or less acting ministerially in the subject matter and as every concrete decision had to be taken by the Collector of Thanjavur himself, I find that an invitation to the District Revenue Officer to come and give evidence is neither relevant nor could he speak to the facts which have not already been spoken to by the witnesses examined on the side of the Government. As regards the allegation that Thiru P.U. Shanmugam gave oral orders to the District Revenue Officer that T.C.M.F. should deliver 20,000 tons and this was agreed to by the T.C.M.F. Thiru V. S. Thiagaraja Mudaliar, as Court witness, was asked about this and it is for the Tribunal to adjudge on the basis of the material already on record whether the alleged oral orders do have any bearing at all in the case under enquiry. In any event, as the evidence of the District Revenue Officer cannot improve matters and indeed would not be any more relevant, I am not inclined to subpoena the officer.

(8) *Thiru G. Lakshminarasimhan.*

The other request is to examine Thiru G. Lakshminarasimhan, Income-tax Officer and Assistant Director, Nungambakkam High Road, Madras, and he be summoned to give evidence and to produce what is termed as appraisal report and statements recorded under section 132(4) of the Income-tax Act from Sundaram and others. Fairly however, it is stated that the basis of the request is that a firm called A.M. Associated Traders were hand in glove with Thiru Thandavarayan and that in their inter-sea dealings several tax problems have come up and that such reports and statements taken by the officer would be relevant for the purpose of this case.

I have already expressed from time to time that in so far as the present enquiry is concerned, the tax affairs or the affairs of Messrs. A.M. Associated Traders is absolutely an irrelevant matter and quite extraneous to the enquiry ; anything connected with it is, therefore, equally extraneous. It may be that Thiru G. Lakshmi Narasimhan might have given an appraisal report or statement might have taken under section 132 (4) of the Income-tax Act in connection with tax affairs of Messrs. A.M. Associated Traders. We are not, however, concerned with it. Under these circumstances, I am not prompted to call the tax Officer to give evidence or to produce any record.

(9) *Thiru Thandavarayan,* (10) *Thiru Jombulingam*

The representator Thiru Kannan wants to examine Thiru Thandavarayan of Coimbatore and Thiru Jambulinga Mudaliar. I have already acceded to the request of Mrs. T. N. Anantha-nayaki as representator to issue summons to the above two persons. I also make it clear that is for the representator to give the correct address to the office of the Commission at 3 p.m. on 11th July 1975 to enable the office to issue summons to the above two persons.

(11) *Thiru Pravin Chandra H. Shah.*

Thiru Pravin Chandra Shah, and Thiru Sundaram said to be partners of a firm called Asoka Traders are sought to be called in as witnesses.

(12) *Sundaram.*

For the reasons already stated in connection with the issue of subpoena to Thiru G. Lakshminarasimhan, Income-Tax Officer, I am unable to issue any summons to these persons, who cannot speak about the sale of stock held by the T.C.M.F. to Thandavarayan. Whatever relation ship or otherwise they might have had with Thandavarayan after the sale is beyond pale of this enquiry, As their evidence is totally irrelevant to the subject matter, I am unable to issue a subpoena as asked for.

(13) *Thiru K. A. Natarajan.*

The next person sought to be invited to give evidence is Thiru K.A. Natarajan, 69. Shandypet Main Road, Shevapet, Salem. Here again, Thiru K. A. Natarajan's deal is not connected with the rice deal under enquiry. I have already made this clear in dealing with the request of Mr. Kannan to invite Thiru K. Rajaram, Minister to give evidence in this case. As his evidence is not only irrelevant but totally unnecessary, the request to call Thiru K. N. Natarajan as a witness is rejected.

(14) *Thiru Kannan son-in-law of Thiru P. U. Shanmugam.*

Thiru Kannan, son-in-law of Thiru P. U. Shanmugam sought to be brought in as a witness. The only ground on which the request is founded is that Thiru Kannan financed A. M. Associated Traders which in turn financed Thandavarayan. I am not enquiry into as to how Thandavarayan secured finance for his deal, but the purport of the enquiry is whether in the rice deal there was misuse of power on the part of the ministry. In this view, the request to subpoena Thiru Kannan, who is connected with the Pandian Finance Corporation, which is said to have financed A. M. Associated Traders is unnecessary and in that view the request to call Thiru Kannan is rejected.

(15) *Deputy Inspector-General of Police, Food Cell, Madras.*

The next request is made to summon the Deputy Inspector-General of Police, Food Cell, Madras, who was also holding office in 1971. It is conceded that he dealt with matters which are posterior to the rice deal. In that view his evidence may not improve matters. I find it would not be relevant to the enquiry either. In these circumstances, the prayer to call the Deputy Inspector-General of Police, Food Cell, Madras, is rejected.

(16) *Thiru Bhango, I.A.S.*

The request to call Thiru Bhango I.A.S. appears to be without any logic or justification. He never played any part in the transaction with which this commission is concerned. But Mr. Kannan's request is based on the fact that G.W. 1 did not hand over a particular file when he stepped down from the office to Thiru Bhango. Ex. G. 76 proves that Thiru Bhango did receive the file from G. W. 1. Even otherwise such details cannot make any dent upon the real issue in question. His evidence, therefore, would be irrelevant. The prayer to call Thiru Bhango is, therefore, rejected.

(17) *District Statistical Officers in Salem, Tiruchi and Thanjavur.*

Regarding the prayer to call the Distict Statistical Officers in Salem, Tiruchi and Thanjavur the representator now says that he will furnish better particulars of the data which he wants to enable the Government Pleader to produce the same. Hence, no orders are necessary.

10th July 1975.

Appendix 19

BEFORE THE COMMISSION OF INQUIRY.

Monday, the 14th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

(Orders on the affidavit of Thiru Thengovan dated 14th July 1975, represented by Thiru P. H. Pandian.)

One Mr. Thengovan, who has apparently become enlightened after months and days of enquiry, now says that the Commission may sit at Tiruvarur to examine publicitly witnesses there. He is represented by counsel. Under the Commssions of Inquiry Act 1952, no one has the right to call for the witnesses for being examined in an inquiry under the Commissions of Inquiry Act. On that ground itself, this application is not maintainable.

Even otherwise I am satisfied that the enquiry ought to be held at Madras and it has been held at Madras without any objection by anyone and it is unnecessary at this stage which is almost the fag end of the enquiry to shift the situs to any other place for the purpose of examination of witnesses who have not filed any statment in response to the notification issued by the Commission and under Rule -7 of the rules framed under the Commissions of Inquiry Act. On the merits also, I am satisfied that the testimony of the members of the public at Tiruvarur, not already disclosed, may not be relevant at all.

This petition is, therefore, rejected.

14th July 1975

TAMIL NADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

APPENDIX 20

BEFORE THE COMMISSION OF INQUIRY, MADRAS.

Thursday, the 17th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

Mr. S. Kannan, appearing for Mr. P. Kannan, one of the representators, prayes for a day's adjournment as the concerned representator is said to have filed a writ petition in connection with certain issues already decided upon by this Tribunal. His supplication is so appealing that I could not resist the adjournment. As a special case, the hearing is postponed and fixed at 12 noon tomorrow for examination of Mr. P. Kannan, the representator. Under no circumstance, the examination of the representator, which appears to be imperative under Rule 8 (a) of the Commission of Inquiry (Tamil Nadu) Rules, 1972, can be postponed and mutually it is made clear that no such adjournment would be asked for tomorrow.

17th July 1975.

TAMIL NADU LEGISLATIVE ASSEMBLY
TRUTH ALONE TRIUMPHS

APPENDIX 21.

BEFORE THE COMMISSION OF INQUIRY.

Friday, the 25th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

T. N. Anandanayaki—*Representator.*

It is no doubt true that Thiru R. Thandavarayan examined as A. W. 2 did bring in the name of one Thiru Sundaram Pillai. He described him as a partner of A. M. Associated Traders. He also said that it was Mr. Sundaram Pillai, who dealt with him and entered into the borrowing or finance agreement, dated 26th March 1971 marked as Ex. A-196. But the question is whether Mr. Sundaram Pillai who obviously financed the transaction should be brought in and be examined as prayed for. It is common ground, in so far as this Inquiry is concerned, that Thiru Sundaram Pillai figures as a person who took a leading part in the broaching and the conclusion of the finance agreement. This Tribunal is not concerned with how and by whom the negotiated deal with Thandavarayan was financed. If material could be gathered to incriminate any one as a result of such financing, it is for the representators to work out their rights as is possible and plausible under law. But in so far as this Inquiry is concerned, I have repeatedly said that this would come within the pale of the post negotiated tender with which this commission is not at all concerned. In these circumstances the examination of Thiru Sundaram Pillai, partner of A. M. Associated Traders cannot in my view, bring in relevant material for the purpose of finding the facts which ought to be found by this Commission. The petition is dismissed.

25th July 1975.

TRUTH ALONE TRIUMPHS

APPENDIX 22.

BEFORE THE COMMISSION OF INQUIRY, MADRAS.

Friday, the 25th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

T. N. Anandanayaki—*Representator.*

The witness, A. M. K. Jambulinga Mudaliar did not emphatically say in the box that his signature in Ex. A-114 is not his signature. On the other hand, he would say that it appears to be his signature and that he did not sign it. In these circumstances, it appears to me that it is not necessary to further investigate into the question whether the name A. M. K. Jambulinga Mudaliar appearing in Ex. A-114 is not the signature of his or not. There is ample scope for the counsel to proceed on the assumption that Ex. A-114 might contain the signature of A. M. K. Jambulinga Mudaliar. For these reasons, I am not convinced that the record should be further burdened and the time of this Commission further taken by calling this Syndicate Bank and the Income-tax Officer, Vellore, Circle I for the purpose stated in the memorandum. The petition is dismissed.

25th July 1975.

TAMIL NADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

APPENDIX 23.

BEFORE THE COMMISSION OF INQUIRY.

Wednesday, the 30th day of July 1975.

PRESENT :

THE HON'BLE THIRU JUSTICE T. RAMAPRASADA RAO.

ORDER :

Mr. P. Kannan appearing in person says that in view of certain observations made by the First Bench in writ A peal No. 273 of 1975 he should be given an opportunity to examine his witnesses. But, he has not made it known who those witnesses are by filing a memo to that effect today. He vaguely said that he should be given an opportunity to examine his witnesses. He further said that unless his witnesses are examined, he would not be in a position to cross examine Thiru P. U. Shanmugam Hon'ble Minister now for Public Works who has been called today for tendering evidence. The Tribunal made it clear that the cross-examination of Thiru P. U. Shanmugam can go on and he can undertake such cross examination without delaying the enquiry and after the evidence of the Minister is closed, he can apply for examination of his witnesses to recall the witnesses already examined, provided he is able to satisfy the Tribunal that the evidence of such witnesses would be relevant and further examination by recalling of witnesses would be necessary. In spite of such a specific opportunity given to the representator, he would not avail himself of it. The Tribunal also expressed that if really any occasion arises for a reconsideration of its earlier considered orders in the matter of examination of witnesses already named by Mr. P. Kannan, an opportunity would be given to Mr. Kannan, who is now the only person prepared to participate in this enquiry. This proposal also was not to the acceptance of Mr. Kannan. His emphatic stand is that if the Minister is to be examined tod he will withdraw from the proceedings. The Tribunal closed the evidence as such eved on 28th instant and posted the enquiry for today for the specific purpose of examining Thiru P. U. Shanmugam, who is practically the accused in the case. This is to the knowledge of all parties. In view of the attitude of Mr. Kannan and as he is not prepared to seek for permission to examine witnesses or recall witnesses after the examination of the Minister and as he has categorically stated that he would not participate in this enquiry any more and cross examine the Minister who is present in Court to tender evidence and as nothing more remains to be done by this Tribunal in so far as this representator is concerned, permission is granted to Mr. Kannan to withdraw from the enquiry.

He also filed a memo setting out in detail as to why he is withdrawing. But, as I understood in Court, his primary reason is the one which I have already recorded, and I am of the view that his request for withdrawal is for the reasons already set out by me and openly stated by Mr. Kannan in Court. However, the memo filed by Mr. Kannan is formally recorded.

30th July 1975.

TRUTH ALONE TRIUMPHS


தமிழ்நாடு சட்டமன்றப் பேரவை
TAMIL NADU LEGISLATIVE ASSEMBLY
வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS


தமிழ்நாடு சட்டமன்றப் பேரவை
TAMIL NADU LEGISLATIVE ASSEMBLY
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