

SHAH COMMISSION OF INQUIRY

(Appointed under Section 3 of the Commissions of Inquiry Act, 1952)

INTERIM REPORT 1

SHAH COMMISSION OF INQUIRY

(Appointed under Section 3 of the Commissions of Inquiry Act, 1952)

INTERIM REPORT I

March 11, 1978

CONTENTS

		PAGES
CHAPTER I	Notification appointing a Commission of Inquiry and the staff sanctioned, and Categorisation of Complaints	1—3
CHAPTER II	Important enactments and amendments of the Constitution	46
CHAPTER III	Procedure followed by the Commission explained	7—15
CHAPTER IV	Scheme of the Report	16
CHAPTER V	Circumstances leading to the declaration of Emergency on June 25, 1975	17—32
CHAPTER VI	The working of the media of information under the I & B Ministry during the Emergency	33-48
CHAPTER VII	Specific cases:	
1.	The case regarding the reversion of Shri Justice R. N. Aggarwal of Delhi High Court	49—51
2.	Refusal by Smt. Indira Gandhi to extend the term of Shri Justice U. R. Lalit of the Bombay High Court .	5152
3.	Deviation from established procedure and irregularities in the appointment of Shri K. R. Puri as Governor of Reserve Bank of India	52 —54
4.	Subversion of lawful processes and well-established conventions in the appointment of Shri T. R. Vardachary as Chairman of the State Bank of India	5457
5.	Deviation from established procedure and irregularities in the appointment of Shri T. R. Tuli as Chairman and Managing Director of the Punjab National Bank	57—58
6.	Deviation from established procedure in public sector undertaking in the case of Lt. Genl. Satarawala's appointment as Chairman-cum-Managing Director of I.T.D.C.	59
7.	Deviation from established procedure in the appointment of Air Marshal H. C. Dewan as Chairman, International Airports Authority of India	59
8.	Misuse of powers and institution of false criminal complaints against four senior officials by the CBI at the instance of Smt. Indira Gandhi	59—64
9.	Unlawful detention of Textile/Customs employees under MISA by Delhi Administration and institution of false CBI cases against four of them	6467
10.	Misuse of powers and miscarriage of justice in the case of Shri Sudarshan Kumar Verma by the CBI officials	68—69
11.	Deviation from established procedure by Shri T. R. Tuli, Chairman of the Punjab National Bank in allowing a clean overdraft to M/s Associated Journals Limited	69—71
12.	Deviation from established procedure in sanctioning facility by way of opening three foreign letters of credit by the Punjab National Bank in favour of M/s KRSMA Chemicals Pvt. Ltd.	7273
13.	Concessions by Punjab National Bank in favour of Maruti Limited	73—74
14.	Deviation from established procedure in the reconstitution of the Boards of Air India and Indian Airlines Corporations	74—75
15.	Decision processes leading to the purchase of 3 Boeing 737 Aircraft by Indian Airlines	75—78
16.	Detention of Smt. Gayatri Devi and Lt. Col. Bhawani Singh under COFEPOSA Act, 1974 .	7882
17.	Detention of Shri Bhim Sen Sachar and seven others	8286
18.	Improprieties committed in regard to Shri Mangal Behari, IAS of Rajasthan cadre and termination of the services of Smt. Chandrawati Sharma, Asstt. Teacher	86—93
19.	Search and seizure operations under the Income Tax Act of two Trade Union leaders	93—94

CONTENTS

Chapter I	Notification appointing a Commission of Inquiry and the staff sanctioned, and Categorisation of Complaints
CHAPTER II	Important enactments and amendments of the Constitution
CHAPTER III	Procedure followed by the Commission explained
CHAPTER IV	Scheme of the Report
CHAPTER V	Circumstances leading to the declaration of Emergency on June 25, 1975
CHAPTER VI	The working of the media of information under the I & B Ministry during the Emergency
CHAPTER VII	Specific cases:
1.	The case regarding the reversion of Shri Justice R. N. Aggarwal of Delhi High Court
2.	Refusal by Smt. Indira Gandhi to extend the term of Shri Justice U. R. Lalit of the Bombay High Court .
3.	Deviation from established procedure and irregularities in the appointment of Shri K. R. Puri as Governor of Reserve Bank of India
4.	Subversion of lawful processes and well-established conventions in the appointment of Shri T. R. Vardachary as Chairman of the State Bank of India
5.	Deviation from established procedure and irregularities in the appointment of Shri T. R. Tuli as Chairman and Managing Director of the Punjab National Bank
6.	Deviation from established procedure in public sector undertaking in the case of Lt. Genl. Satarawala's appointment as Chairman-cum-Managing Director of I.T.D.C.
7.	Deviation from established procedure in the appointment of Air Marshal H. C. Dewan as Chairman, International Airports Authority of India
8.	Misuse of powers and institution of false criminal complaints against four senior officials by the CBI at the instance of Smt. Indira Gandhi
9.	Unlawful detention of Textile/Customs employees under MISA by Delhi Administration and institution of false CBI cases against four of them
10.	Misuse of powers and miscarriage of justice in the case of Shri Sudarshan Kumar Verma by the CBI officials
11.	Deviation from established procedure by Shri T. R. Tuli, Chairman of the Punjab National Bank in allowing a clean overdraft to M/s Associated Journals Limited
12.	Deviation from established procedure in sanctioning facility by way of opening three foreign letters of credit by the Punjab National Bank in favour of M/s KRSMA Chemicals Pvt. Ltd
13.	Concessions by Punjab National Bank in favour of Maruti Limited
14.	Deviation from established procedure in the reconstitution of the Boards of Air India and Indian Airlines Corporations
15.	Decision processes leading to the purchase of 3 Boeing 737 Aircraft by Indian Airlines
16.	Detention of Smt. Gayatri Devi and Lt. Col. Bhawani Singh under COFEPOSA Act, 1974
17.	Detention of Shri Bhim Sen Sachar and seven others
18.	Improprieties committed in regard to Shri Mangal Behari, IAS of Rajasthan cadre and termination of the services of Smt. Chandrawati Sharma, Asstt. Teacher
19.	Search and seizure operations under the Income Tax Act of two Trade Union leaders