

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:3630
ANSWERED ON:12.12.2001
LOAN BY KVIC
SUBODH ROY

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether out of the loans amounting to Rs. 2315.51 crores disbursed by Khadi and Village Industries Commission up to March 2000, about Rs. 1806.6 crore was pending recovery as on March, 2000 and interest/penal interest recoverable nor updated position of year-wise and loan-wise has been worked by the Commission;
- (b) whether unsold stocks of KVIC increased from Rs. 30.96 crore in 1994-95 to Rs. 49.02 crore by the end of March 2000;
- (c) if so, the reasons therefor; and
- (d) the measures taken/proposed to be taken in this regard?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

- (a): Out of the total loans of Rs. 2315.51 crores disbursed by the Khadi and Village Industries Commission (KVIC) upto March 2000, the recoverable fund is Rs. 1098.40 crores. The working fund of Rs. 710.46 crores given to Khadi institutions is not recoverable so long they maintain a certain level of production.
- (b): The closing stock has increased from Rs. 30.96 crores as on 31st March, 1995 to Rs. 44.22 crores as on 31st March, 2000.
- (c): The closing stock has increased mainly due to decline in sales of trading units.
- (d): The Government has asked KVIC to maintain better inventory management. All the trading units have been cautioned by the KVIC to exercise control over purchases and they have been asked to classify their stock item-wise and to segregate the old, damaged, slow moving stock at the time of stock taking and to make efforts for their quick disposal and the Standing Review Committee on Marketing have been constituted by the KVIC to review the performance of all trading units including their stock position.

Moreover, the Government of India announced a package for the Khadi and Village Industries sector on 14.05.2001, for the development and promotion of Khadi and Village Industries. The main features of this package consist of a Rebate Policy for five years, option of Rebate and market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc.