

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

UNSTARRED QUESTION NO:5319
ANSWERED ON:28.04.2003
MISUTILIZATION OF GRANTS
DUKHA BHAGAT;LAXMAN GILUWA

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

- (a) whether the Khadi and Village Industries Commission (KVIC) has sufficient mechanism to ensure that big grants and loans are not misused;
- (b) if so, the details thereof;
- (c) the number of frauds committed in the country during the last two years relating to misutilization of grants/loans, State-wise;
- (d) whether any investigation has been made in this regard; and
- (e) if so, the outcome thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY AGRO AND RURAL INDUSTRIES (SHRI SANGHPRIYA GAUTAM)

(a): Yes, Sir.

(b): The following important mechanisms have been devised to ensure proper utilization of grants and loans :-

1. Periodical Audit
2. Budget discussion procedure
3. Securitisation of funds by mortgage / hypothecation of deeds
4. Vigilance checks

Besides, release of margin money grant through banks only after the appraisal of viability of projects and repayment of loans as per the schedule ensured by the banks also acts an effective measure in ensuring proper utilization of loans and grants.

(c) to (e): The State-wise details of such identified cases and action taken are indicated in Annexures - I & II.