

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:3121  
ANSWERED ON:15.03.2011  
DISBURSEMENT OF FUNDS BY NAFED  
Mahato Shri Narahari;Roy Shri Nripendra Nath

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether the National Agricultural Cooperative Marketing Federation (NAFED) has disbursed huge funds to private parties under the pretext of promoting exports of non-agricultural items like iron-ore;
- (b) if so, the details of funds disbursed to such private parties;
- (c) whether these parties have largely defaulted in repaying the funds as per the terms;
- (d) if so, the details thereof indicating its impact on the financial status of NAFED; and
- (e) the steps taken for recovery of the outstanding dues from the said parties?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF FOOD PROCESSING INDUSTRIES (SHRI ARUN YADAV)

(a) to (d): NAFED has reported that during the year 2003-04 to 2005-06, NAFED undertook tie-up business under Public-Private Partnership mode in agricultural and non-agricultural items by extending financial facilities for an amount of Rs.3945.50 crores to 62 parties. Out of the above, an amount of Rs.2880.81 crores has already been realized as on 31.1.2011 from these business associates. An amount of Rs.1696.12 crores inclusive of Principal amount of Rs.1064.69 crores, service charges of Rs.7.47 crores and Rs.623.96 crores towards interest up to 31.1.2011 is due from 29 parties. Due to non-receipt of payment from the parties, NAFED's own business operations have been affected. Higher interest burden is affecting its profitability.

(e): NAFED has taken all possible steps to recover the outstanding dues by filing criminal complaints with CBI/Economic Offence Wing of Crime Branch of Delhi Police, initiating Arbitration and other legal proceedings against the defaulting parties. All these legal cases are being vigorously pursued by NAFED. The properties/stocks etc. of the defaulting parties in all possible cases have been retrained/attached through various orders of the Hon'ble Court and action for disposal of such properties/stocks has also been initiated. Criminal complaints have also been filed under Section 138 of Negotiable Instrument Act for dishonor of cheques of defaulting parties. In addition, NAFED has also laid down a One-Time Settlement Policy to speed up the process of recovery.