

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4441
ANSWERED ON:04.08.2009
DISBURSEMENT OF FUNDS BY NAFED
Mahato Shri Narahari

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the National Agriculture Cooperative Marketing Federation (NAFED) has disbursed huge funds to private parties for promoting both agricultural and non-agricultural activities;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the NAFED is facing financial crisis;
- (d) if so, the details thereof and the reasons therefor;
- (e) whether a huge amount of loan given to private companies by the NAFED is pending recovery; and
- (f) if so, the details thereof and the steps taken to recover the amount?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) to (f): NAFED, which is a national cooperative society governed under the provisions of Multi-State Cooperative Societies Act, 2002 has reported that it has diversified its business activities and undertaken new business initiatives in Public Private Partnership mode. Under this, NAFED disbursed funds amounting to Rs.3945.50 crore to 62 parties. Out of 62 parties, 32 have settled their accounts. A statement giving details of 62 parties to whom funds have been disbursed by NAFED, year-wise, amount-wise, date-wise and amount due as on 30-6-2009, is annexed. Out of Rs.3945.50 crore funds disbursed by NAFED under such business activities, the amount recovered as on 30-6-2009 is Rs. 2869.99 crore and total amount due is Rs.1523.31 crore including interest and service charges as intimated by NAFED.

NAFED has taken steps to recover the outstanding amount by filing criminal complaints with CBI/Economic Offences wing of the Crime Branch of Delhi Police, besides initiating legal cases and Arbitration proceedings against the defaulting parties. All these legal cases are being vigorously pursued by NAFED. The properties/stocks of the defaulting parties in all possible cases have been restrained and action for disposal of such properties/stocks has also been initiated. The cases have also been filed under Section 138 of Negotiable Instrument Act for dishonour of all cheques of the defaulting parties.

NAFED is facing a financial crisis due to non-recovery of dues, high debt burden, higher interest liability and financial losses.