

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3967

ANSWERED ON:18.02.2014

ASSISTANCE TO NAFED

Chitthan Shri N.S.V.,Gaikwad Shri Eknath Mahadeo;Ganeshamurthi Shri A.;Mithlesh Shri

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the National Agricultural Cooperative Marketing Federation (NAFED) owes around Rs. 2000 crore to banks and has negative net worth of Rs. 147 crore;

(b) if so, the details thereof and the reasons therefor;

(c) whether the Government is considering to release funds to help NAFED to overcome its financial crisis and if so, the details thereof;

(d) whether NAFED has decided to cut the salaries of its employees and has also offered voluntary retirement to bring down the running cost and if so, the details thereof; and

(e) the other steps taken/being taken by the Government to overcome the financial crisis of NAFED?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) & (b): NAFED has reported that the organization had undertaken tie-up business with 62 private parties on Public Private Partnership (PPP) mode, during the period 2003-04 to 2005-06. Under this PPP mode, NAFED had borrowed funds from several banks, which could not be repaid due to default in payment by tie-up parties. As such, the bank loans of Rs.1964 crores have become overdue, as on 31.03.2013. Further, NAFED has incurred huge losses due to interest burden on the funds stuck in tie-up advances resulting in negative net worth of Rs.146 crores as on 31.03.2013.

(c): No, Madam.

(d): As reported by NAFED, the Board of Directors of NAFED in its meeting held on 30.12.2013 has inter-alia decided to cut 10% salary of all categories of employees and 5% for those employees who are drawing basic pay up to 5850/-. Further, with a view to bring down the running cost, NAFED has also accepted Voluntary Retirement to its 85 employees.

(e): Question does not arise, in view of the negative answer given in part no (c).