

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 2037
TO BE ANSWERED ON 07.08.2023

EMBEZZLEMENT OF GOVERNMENT FUNDS

2037. SHRI S. KALYANASUNDARAM:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether Government has received any plea to probe the scam of embezzlement of Government funds to the tune of several crores during the years 2014-2020 in the Sarvodaya Sangh located in Tamil Nadu;
- (b) if so, the details thereof, and the action taken against the erring officials of KVIC and Secretaries and office bearers of the Sarvodaya Sangh functioning at Avarampalayam, Koduvai and Salem; and
- (c) whether Government initiated stringent action against the KVIC officials for colluding with the scamsters and for the misappropriation of funds allocated to the weavers, spinners and artisans during 2014-2020?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI BHANU PRATAP SINGH VERMA)

- (a): Complaints have been received by Khadi and Village Industries Commission (KVIC) relating to mismanagement / misappropriation / mishandling of funds from bank accounts of artisans.
- (b) & (c): As per KVIC guidelines, financial audit of the Sarvodaya Sangh is conducted every year. However, in the view of complaints, Special Audit has been conducted by KVIC and based on the audit findings, Modified Marketing Development Assistance (MMDA) recovery has been ordered for irregularities found in production data. Since till date, there is no reported involvement of KVIC officials in the matter, the need for initiating stringent action has not arisen.
