

**CHAPTER VIII : MINISTRY OF MICRO, SMALL AND MEDIUM  
ENTERPRISES**

**Khadi and Village Industries Commission**

**8.1 Claim of ` 1.90 crore raised at the instance of audit**

**On being pointed out by audit, Khadi and Village Industries Commission raised claim of ` 1.90 crore on State Bank of India for recovery of arrears of rent at revised rates for the period from April 1999 to March 2011.**

The Khadi and Village Industries Commission (KVIC) rented out (September 1974) an area admeasuring 499.28 square meters in their administrative complex at Vile Parle West, Mumbai to State Bank of India (SBI) at a rent of ` 3154 per month and continued to charge the same rent from SBI till December 2011 without any revision.

Audit scrutiny revealed (May 2011) that the Directorate of Estates (DOE), Government of India (GOI) prescribed and revised the rates of license fee to be recovered from Banks operating from General Pool accommodation at ` 220, ` 249, ` 279 and ` 337 per sq. m. effective from 16 March 1999, 1 April 2002, 1 April 2005 and 1 April 2008 respectively. However, no action was initiated to re-fix the rent and the KVIC continued to charge rent from SBI at the old rate of ` 3154 per month fixed in 1974.

Non revision of rent at the rates prescribed by DOE resulted in short recovery of the license fee from State Bank of India amounting to ` 1.90 crore for the period from April 1999 to March 2011.

On being pointed out (May 2011) by Audit, KVIC raised (September 2011) demand for the arrears of rent of ` 1.90 crore for the period from April 1999 to March 2011 from SBI which agreed (November 2011) to remit the demanded amount. Further progress in the matter is awaited.

The matter was reported to the Ministry in July 2011; their reply was awaited as of January 2012.