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DIRECTORATE OF ACCOUNTS

KHADI & VILLAGE INDUSTRIES COMMISSION
3, Irla Road, Vile Parle (W),
Mumbai - 400 056.

No. A/cs./Recovery/CBC/SO-RO/98-99

25th March, 1999.

CIRCULAR

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In continuation to the Circular No.A/cs/Recovery/SB/96-97 dated 14.2.97 and No.A/cs/Recovery/003/97-98 dated 15.9.97, it is further informed that the matter regarding recovery of CBC dues was considered in the Commission's Meeting held on 24.2.1999 and the decision taken are stated as below for strict compliance.

- A/c (C.A.)
24/3/99
- (i) The date of receipt of Demand Draft in KVIC may be taken as the date of receipt for all purposes including calculation of interest.
 - (ii) The beneficiaries can hand-over the Demand Draft being refund of interest/instalment of CBC dues in the State/Regional Offices and the date on which it was received in S.O/R.O concerned will be taken as the date of receipt in KVIC.
 - (iii) When the dues are adjusted on the basis of the repayment made by loanees it has been decided to adjust interest dues first followed by instalment dues of CBC.
 - (iv) The proportionate Margin Money component may also to be refunded while refunding the CBC Loan under V.I. Programme by loanees.
 - (v) Penal interest will be charged for any delay in repayment of interest and instalment as per provision of KVIC's loan rules.
 - (vi) Penal interest of simple or compound interest @ 5% p.a. increased by 2% over the normal rate as suggested in the circular no. II/Ec.R./PAC/139-II/97-98 dated 12/16-2-1998 will be charged on any mis-utilisation of funds.

Enclosure
Enclosed

2. With a view to facilitate functioning on the above decision, the following guidelines are issued:-

- (i) All State/Regional Offices of KVIC will receive repayment of interest and instalments of CBC dues from the beneficiaries by way of Demand Draft drawn in favour of CEO, KVIC payable at Mumbai.
- (ii) Repayments by way of cheque/cash should not be accepted.
- (iii) The details of repayments received from State / Regional Offices should be entered in the register maintained in the Recovery Cell of S.O./R.O. concerned.
- (iv) The Demand Draft received in S.O./R.O. should be sent along with the proforma devised, a copy of the same is enclosed herewith as Annexure "A".
- (v) The Demand Draft received in a week along with the forwarding letters sent by the Institution after entering particulars in the proforma enclosed herewith (Annexure "A") should be sent to the Director (Accounts), KVIC, Mumbai-56 on the last working day of the week by Speed Post.
- (vi) If no repayment is received during a week, a Nil Report should be invariably sent to Director (Accounts), KVIC, Mumbai-56.
- (vii) All State/Regional offices should keep the details of payments made under CBC and recovery of interest/instalment dues in the registers maintained in the Recovery Cell of the respective offices and they should monitor the recovery of dues as already stated in the circular dated 15th September, 1997.
- (viii) All the Institutions under your jurisdiction may be requested to pay interest and instalment dues of CBC well in advance to avoid penal interest.
- (ix) Interest for the quarter may be calculated by using interest rates applicable to the previous quarter. The difference of interest if any due to variation in the rate of two quarters may be adjusted/paid in the next quarter.

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3. A proforma has been devised for repayment of interest and instalment dues of CBC, which is enclosed at Annexure "B". All Institutions may be informed to remit the dues only along with the prescribed proforma for early crediting of the remittances and also avoid any wrong entries in the books of Account.

4. (i) Further, a software package for CBC transactions has been developed and put into operation in the Directorate of Accounts and details of transaction under CBC are being fed in the computer.

(ii) Hence, all Institutions/Beneficiaries under your jurisdiction may be requested to send the details of repayment of Instalment and interest dues under CBC and refund of unutilised funds so far made to KVIC from 1995 onwards in the proforma enclosed (Annexure "C") to reconcile and rectify any wrong entries or omission in this regard. The proforma may be sent to Director (Accounts) and a copy to the Recovery Cell of respective State/Regional Office concerned.

(iii) As the computerisation of the CBC transaction has been identified as important and urgent need, you are therefore requested to instruct the Institutions to comply and send the details as required above to complete the computerisation of CBC transaction at the earliest.

5. All the requirements mentioned in the circular should be strictly adhered to and the Institutions under your jurisdiction may be informed about the contents of the circular.

6. Receipt of the Circular may please be acknowledged.


CHIEF EXECUTIVE OFFICER

Encl : A/a.

To,

1. All State/Regional Directors of KVIC.
2. Jt. Chief Executive Officer, Mumbai/Calcutta.
3. All Dy. Chief Executive Officers of KVIC
4. All State/U.T. KVI Boards.

Copy To :

1. All the Industry/Programme Directors in Central Office, KVIC, Mumbai.
2. All Section in Central Office, KVIC, Mumbai-56.
3. Director, (Publicity).