

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:4903
ANSWERED ON:27.04.2005
KVIC'S LOAN TO WEAKER PERSONS
Barad Shri Jashubhai Dhanabhai

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) the details of the loan provided to economically weaker persons by the Khadi and Village Industries Commission (KVIC) during each of the last five years and current year, State-wise;
- (b) whether any irregularities have been found in this regard;
- (c) if so, the details thereof;
- (d) the action taken against the guilty officials; and
- (e) the steps taken by the Union Government to check such irregularities?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES (SHRI MAHABIR PRASAD)

- (a): The Khadi and Village Industries Commission (KVIC) does not provide loans to entrepreneurs but extends margin money assistance to entrepreneurs to set up village industry units under the Rural Employment Generation Programme (REGP) of the Central Government. Under the REGP, banks provide loans to entrepreneurs in combination with margin money (grant) assistance from the KVIC. The State-wise details of the estimated amount of loans provided to weaker section persons under the REGP during the last five years (latest data available up to 2003-04) are given in the Annexure enclosed.
- (b): Yes, Sir.
- (c)and (d): The irregularities noticed pertain to delays in release of margin money under the REGP to the beneficiaries or release of margin money to ineligible units. The delinquent officials concerned of the banks, State Khadi and Village Industries Boards and the KVIC have been proceeded against as per rules.
- (e): Instructions have been issued by the KVIC to its State Directors to ensure release of margin money assistance expeditiously and to eligible units only.