

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:816  
ANSWERED ON:16.07.2014  
FINANCIAL ASSISTANCE THROUGH KVIC  
Nayak Shri B.V.

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

- (a) the details of loans provided to economically weaker sections under credit linked subsidy programme managed through the Khadi Boards of the Khadi and Village Industries Commission (KVIC) during each of the last three years and the current year in the country, State/UT-wise including Karnataka;
- (b) the details of applications pending for loan and the reasons for pendency, case-wise;
- (c) the time by which the pending applications would be processed/cleared and the loans are likely to be dispersed to the beneficiaries; and
- (d) the details of the special schemes being run by KVIC instilling self sufficiency among the target groups?

**Answer**

MINISTER FOR MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a): At present there is no exclusive scheme whereby KVIC provides loan to economically weaker sections. However, Government in the Ministry of Micro, Small and Medium Enterprises (MSME) has been implementing a credit-linked subsidy programme named Prime Minister's Employment Generation Programme (PMEGP) from 2008-09 through KVIC, Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) for generating self-employment by setting up of micro-enterprises in the non-farm sector throughout the country. KVIC is the national nodal agency for the programme. Under the programme, general category beneficiaries can avail of margin money subsidy of 25% of the project cost in rural areas and 15% in urban areas. For beneficiaries belonging to special categories such as scheduled castes, scheduled tribes, OBCs, minorities, women, ex- servicemen, physically handicapped, beneficiaries belonging to North Eastern Region, hill and border areas, etc., the margin money subsidy is 35% in rural areas and 25% in urban area. The maximum cost of project is ` 25 lakh in the manufacturing sector and ` 10 lakh in the service sector. State-wise including Karnataka, the number of units assisted under PMEGP and margin money subsidy utilized during the last three years and current year is given at Annex.

(b): The number of applications pending for loan under PMEGP during last three years is given below :

Year	Number of Pending applications under PMEGP
2011-12	3492
2012-13	24835
2013-14	93384

The main reasons for pendency are

- (i) Non-completion of documents required by banks
- (ii) applicants already declared defaulters by banks
- (iii) applications are submitted at the fag end of the year
- (iv) insufficient funds in particular bank branch etc.

(c):As per RBI guidelines Banks are required to complete the process of sanction of loan within 30 days from the date of receipt of application and the entire process from the receipt of application to disbursal of loan is fixed at 130 days after scrutiny, appraisal and sanction by the concerned bank. To expedite the timely sanctioning of loans under PMEGP as well as their disbursal by Banks, the process is monitored at District Level by District Level Task Force Committees(DLTFCs) and by State Government concerned.

A District Level Advisory Committee has also been constituted under the Chairmanship of the Member of Parliament of the district for monitoring of the PMEGP Scheme. KVIC and Ministry of MSME have also taken up the issue with CMDs of Banks to sensitize the bank officials on timely disbursal of credit. The process is periodically monitored at the national level by a monitoring committee for PMEGP and at state level Banker's meet by the respective state governments.

(d):KVIC has already been implementing the Entrepreneurship Development Programme (EDP) which is mandatory as part of the Prime Minister's Employment Generation Programme (PMEGP) for the beneficiaries who have been sanctioned loan so that they

develop the competence to manage the enterprises independently.