

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

UNSTARRED QUESTION NO:201
ANSWERED ON:13.08.2007
LOAN PROVIDED BY KVIC
Baxla Shri Joachim

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

- (a) the details of the loan provided to economically weaker persons through Khadi Board of Khadi and Village Industries Commission (KVIC) during each of the last three years and current year, State-wise;
- (b) whether any irregularities have been found in this regard during the said period; and
- (c) if so, the details thereof and the action taken against the officials found guilty?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a): The Khadi and Village Industries Commission (KVIC) and State/Union Territory Khadi and Village Industries Boards do not provide loan to economically weaker persons as such. Under the Rural Employment Generation Programme (REGP) of the Government implemented through KVIC, entrepreneurs can establish village industries in rural areas and small towns with population upto 20,000, by availing of margin money assistance from KVIC and loans from public sector scheduled commercial banks, selected regional rural banks, cooperative banks, etc. for projects with a maximum cost of Rs.25 lakh.

(b): As per the guidelines of the REGP, only new projects are to be considered by banks for providing loans by them in combination with margin money assistance through KVIC and the banks cannot assist any ongoing or already existing units. No irregularities have been reported from the field organizations to the KVIC about the violation of this norm by banks, during the last 3 years. However, one case of a unit sponsored by West Bengal Khadi and Village Industries Board, about misutilisation of financial assistance provided through Jalpaiguri District Central Cooperative Bank (WB), was reported during the current year on which detailed investigation is being conducted by KVIC.

(c): Does not arise.