

**GOVERNMENT OF INDIA  
MINISTRY OF SKILL DEVELOPMENT AND ENTREPRENEURSHIP**

**LOK SABHA**

**UNSTARRED QUESTION NO. 2144  
TO BE ANSWERED ON 01.01.2018**

**REPAYMENT OF LOANS PROVIDED BY NSDC**

**2144. SHRI RAVNEET SINGH**

**Will the Minister of SKILL DEVELOPMENT AND ENTREPRENEURSHIP be pleased to state:**

- (a) the policy of the Government to evaluate the applicants of private trainers/ training partners (TPs) under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) before extending the credit facility;
- (b) whether the Government is monitoring the status of repayment of loans provided by the National Skill Development Corporation (NSDC) and if so, the details thereof;
- (c) whether the Government has identified the value of loans that have turned bad and if so, the details thereof; and
- (d) whether any action has been taken against those who have been found responsible for non-repayment of the loans and if so, the details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF  
SKILL DEVELOPMENT AND ENTREPRENEURSHIP  
(SHRI ANANTKUMAR HEGDE)**

(a) Under the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), there are no provisions for providing credit facility to private trainers/ training partners (TPs). However, National Skill Development Corporation (NSDC) invites proposals from interested entities for affiliation as funded Training Partner - for financing of projects that are commercially viable, scalable and sustainable.

The salient features of affiliation and eligibility criteria are mentioned below:

| Parameter                   | NSDC Funding Guideline   |
|-----------------------------|--|
| Eligibility                 | Any legal entity including, but not limited, to Company/ Society / Trust as per the process and applicable laws and guidelines   |
| What Gets Funded            | Total investment requirement towards – <ul style="list-style-type: none"><li>• Training Infrastructure (excluding the acquisition/creation of immovables);</li><li>• Working Capital</li></ul> |
| Interest Rate               | 6% p.a.  |
| Principal Moratorium Period | Up to 3 years  |
| Interest Moratorium         | NIL  |

|                                       |  |  |   |
|---------------------------------------|--|--|---|
| <b>Period</b>                         |  |  |   |
| <b>Repayment Period</b>               | 7 years (including moratorium period)  |  |   |
| <b>Promoters Contribution</b>         | <ul style="list-style-type: none"> <li>• Minimum 15% of the investment requirement (not-for-profit entities)</li> <li>• Minimum 25% of the investment requirement (for-profit entities)</li> </ul> |  |   |
| <b>Training Commitment</b>            | Standard Proposals   | Corporates – Listed in BSE/NSE for more than 3 years with a credit rating of A- or above or foundations/similar ventures   | Private Universities, Engineering Colleges, ITI, Polytechnics                                       |
| <b>Training Commitment</b>            | Standard Proposals 20,000 persons over 7 years   | Corporates – Listed in BSE/NSE for more than 3 years with a credit rating of A- or above or foundations/similar ventures of such organisations 5,000 persons per centre over 7 years | Private Universities, Engineering Colleges, ITI, Polytechnics 5,000 persons per centre over 7 years |
| <b>Placement Guarantee Commitment</b> | At least 70%   |  |   |

(b) Government is monitoring the repayment of loans provided by NSDC through seeking regular updates and reports from NSDC. Further, government has appointed independent monitoring agency (SBI Caps) to monitor the repayment of loans extended by NSDC on a quarterly basis.

(c) As of 30<sup>th</sup> November 2017, 31 loan accounts are classified as NPA (20 accounts under Doubtful category and 11 accounts under Sub-Standard category), with a total overdue amount of INR 78.54 crores. Adequate provision has been accounted for in the books of accounts. However, none of the loans have been classified as Loss Assets.

(d) In order to effectively manage the Loan Portfolio and closely review NPA and Stressed partners (including restructuring requests), NSDC has constituted an Internal Committee comprising of senior representatives from NSDC Management. Further, in order to effectively manage such accounts, one-to-one meetings were conducted with the top management of NPA Training Partners to understand their concerns and assess the future plans for repayment of outstanding loan amount. On basis of the discussions held with Partners and evaluation by the Committee, suitable corrective action plan including Initiation of Recovery Process, Proposal Restructuring and Limiting of Loan exposure has been initiated. Further steps being taken to ensure regular reporting of repayment history to CIBIL and regular follow up is being done for recovery of dues.

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