

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 3962
TO BE ANSWERED ON 06.04.2022**

SKILL LOAN SCHEME

3962 SHRI IRANNA KADADI:

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

- (a) the details of implementation of the Skill loan scheme at present;
- (b) the steps taken, if any, to encourage individuals to make use of the scheme, details of the beneficiaries in different demographics, State-wise, with special reference to State of Karnataka;
- (c) the details of funds allocated, sanctioned and disbursed in the last three years;
- (d) the details of steps taken to revamp the scheme to meet expected targets; and
- (e) details of steps taken to incentivise banks to enhance lending for skilling, relaxation in the loan eligibility criteria and the repayment conditions?

ANSWER

**MINISTER OF STATE IN THE MINISTRY OF
SKILL DEVELOPMENT AND ENTREPRENEURSHIP
(SHRI RAJEEV CHANDRASEKHAR)**

(a) The Government of India had launched Skill Loan Scheme on 15th July, 2015 to provide loan facility to aspirants wanting to do skill development courses aligned to National Skill Qualification Framework (NSQF). Any Indian National who has secured admission in a course run by Industrial Training Institutes (ITIs), Polytechnics or in a school recognised by Central or State education Boards or in a college affiliated to recognised university, training partners affiliated to National Skill Development Corporation (NSDC), Sector Skill Councils, State Skill Mission, State Skill Corporation, etc. can avail loan for the purpose. Amount of loan varies from Rs. 5,000 to Rs. 150, 000/- depending on the course and has a repayment period of 3 to 7 years.

(b) The scheme inter-alia include the following provisions which in turn encourage individuals to make use of the scheme:

- I. No processing fee is charged by Banks/Microfinance Institutions (MFI).
- II. Simple rate of interest @ 11 % and 12 % per annum is charged during the period of study.
- III. No minimum restriction with regard to age.
- IV. The borrower can repay the loan any time after commencement of repayment without having to pay any prepayment charges. In case a student is not able to complete the course because of accident/death/disability the bank can seek a pro-rata reimbursement of the unfinished portion of the course amount from the training institute. This will reduce the loan burden on the students.
- V. The loan is sanctioned without any collateral security or third party guarantee.

The State wise and Union Territory-wise list of beneficiaries including the State of Karnataka under the Skill Loan Scheme is placed at **Annexure I**.

(c) The State-wise and Union Territory-wise details of amount sanctioned during the last three years under the scheme are given at **Annexure II**.

(d) Presently, there is no proposal to revamp the scheme.

(e) Under the Scheme, risk of banks covered through Credit Guarantee Fund Scheme for Skill Development (CGFSSD). Under the scheme of CGFSSD, interest rate to be charged by Member Lending Institution (MLI) should not be more than 1.5% per annum over Base Rate. Further, borrower must enter into an agreement with National Credit Guarantee Trustee Company (NCGTC) for providing guarantee against default in repayment of the loan extended by lending institutions. The fund shall provide guarantee cover to the extent of 75% of the amount in default. The above steps incentivise banks to enhance lending for skilling.

Annexure referred to in reply to RS USQ No. 3962 to be answered on 06.04.2022 regarding 'SKILL LOAN SCHEME'

State-wise/Union Territory (UT) list of beneficiaries under the Skill Loan Scheme

S.No.	State/UT	Beneficiaries
1.	Andhra Pradesh	77
2.	Assam	132
3.	Bihar	49
4.	Chandigarh	13
5.	Chhattisgarh	84
6.	Dadra & Nagar Haveli And Daman & Diu	3
7.	Delhi	165
8.	Goa	56
9.	Gujarat	222
10.	Haryana	204
11.	Himachal Pradesh	48
12.	Jammu And Kashmir	24
13.	Jharkhand	83
14.	Karnataka	444
15.	Kerala	1599
16.	Lakshadweep	1
17.	Madhya Pradesh	203
18.	Maharashtra	873
19.	Meghalaya	35
20.	Mizoram	3
21.	Nagaland	4
22.	Odisha	53
23.	Puducherry	10
24.	Punjab	283
25.	Rajasthan	75
26.	Sikkim	2
27.	Tamil Nadu	298
28.	Telangana	36
29.	Uttar Pradesh	220
30.	Uttarakhand	53
31.	West Bengal	834
	Total	6186

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The State-wise and Union Territory-wise details of amount sanctioned during the last three years under the Skill Loan Scheme.

Rs. In Cr

State/UT	Sanction Amount (2019)	Sanction Amount (2020)	Sanction Amount (2021)
Andhra Pradesh	0.12	0.08	0.02
Assam	0.14	0.14	0.06
Bihar	0.22	0.13	0.06
Chandigarh	0.01	0	0
Chhattisgarh	0.17	0.02	0.00
Dadra & Nagar Haveli And Daman & Diu	0.02	0	0
Delhi	0.48	0.16	0.04
Goa	0.13	0.09	0.06
Gujarat	0.27	0.05	0.03
Haryana	0.90	0.24	0.07
Himachal Pradesh	0.03	0.04	0.03
Jammu And Kashmir	0.27	0.01	
Jharkhand	0.10	0.07	0.04
Karnataka	1.27	0.52	0.36
Kerala	2.76	2.64	1.94
Lakshadweep	0	0	0
Madhya Pradesh	0.39	0.18	0.06
Maharashtra	2.38	1.44	0.94
Meghalaya	0.04	0.01	0
Mizoram	0	0	0
Nagaland	0	0	0
Odisha	0.04	0.03	0
Puducherry	0.01	0	0.03
Punjab	0.29	0.13	0.02
Rajasthan	0.42	0.07	0.02
Sikkim	0	0	0.03
Tamil Nadu	0.46	0.35	0.28
Telangana	0.09	0.04	0.04
Uttar Pradesh	0.67	0.26	0.08
Uttarakhand	0.04	0.06	0.03
West Bengal	1.46	0.95	0.31
Total	13.17	7.73	4.53
