

Curtailment of Loan Amount Sanctioned Under PMRY

1056 SHRI MANJAY LAL :

SHRI SUKDEO PASWAN :

SHRI ANAND RATNA MAURYA :

Will the Minister of FINANCE be pleased to state :

(a) the details of the guidelines issued to banks for disbursement of loan under Prime Minister's Rozgar Yojana;

(b) whether any mechanism has been evolved to monitor and ensure smooth implementation of the Yojana;

(c) if so, the details thereof;

(d) whether cases of deduction from the sanctioned amount by bank officials have come to the notice of the Government;

(e) if so, the details thereof; and

(f) the steps taken or proposed to be taken to ensure that full sanctioned amount is given to the beneficiaries under the scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) The Government introduced the Prime Minister's Rozgar Yojana (PMRY) for educated unemployed youth from 2nd October, 1993 with the objective to provide sustained employment to about 10 lakh educated unemployed youths in micro enterprises. These enterprises will cover manufacturing, service and business ventures. The details of the PMRY Scheme are as under:

(i) All educated unemployed youth between the age of 18 and 35 years belonging to families having total family income of less than Rs. 24,000/- per annum from all sources would be eligible for assistance under the scheme.

(ii) These educated unemployed entrepreneurs would be given a subsidy of 15% subject to a ceiling of Rs. 7,500/- each for starting the micro-enterprises.

(iii) They would be required to bring in 5% of the project cost as margin money.

(iv) Each entrepreneur will be eligible for a loan upto a ceiling of Rs. 1 lakh and this loan would be require a collateral guarantee.

(v) The entrepreneur selected under the scheme would be provided training, before the loan is disbursed.

(vi) Matric (passed or failed) students, ITI passed youth and all person who have undergone Government sponsored technical courses for a minimum duration of 6 months will be eligible for assistance under the scheme.

(vii) Reputed Non-Government Organisations (NGOs) would also be associated in the implementation of the scheme.

(viii) A reservation of 22.5% for SC/ST and 27% for other backward classes (OBCs) has been provided.

(ix) The beneficiary should have been a permanent resident of the area for 3 years.

(x) Repayment schedule would range from 3 to 7 years after an initial moratorium of 6 to 18 months as decided by the Bank.

(b) and (c). Yes, Sir. To monitor and ensure smooth implementation of the Yojana, Committees have been constituted at District, State and Central level. There is a District PMRY Committee at District level, State PMRY Committee at State level and a High Powered Committee under the chairmanship of Secretary (SSI & ARI) at Central level.

A special monitoring Cell has been constituted under the Chairmanship of Deputy Governor, Reserve Bank of India (RBI) to review the progress on an ongoing basis, in the implementation of PMRY. The Cell in its periodical meetings considers the problems/constraints in the implementation of the scheme. Periodical studies on the implementation of PMRY are conducted by Reserve Bank of India through its Regional Offices whose findings are placed before the Cell for discussion. Banks have been advised to review and monitor the progress under PMRY every month and forward to Reserve Bank of India a copy of Review note put up to their Boards of Directors.

Review meetings are also held in the Ministry of Finance Department of Economic Affairs to monitor the progress of implementation of PMRY by the public sector banks in which the representatives of the Reserve Bank of India, concerned General Managers of the public sector banks and representatives of Office of the Development Commissioner (Small Scale Industries), Ministry of Industry also participate

(d) to (f). Reserve Bank of India has reported that they have not come across such cases of deduction from the sanctioned amount by bank officials. As per the extant guidelines of RBI the banks are expected to disburse the sanctioned amount to the borrowers. However, specific complaints of any nature as and when received are referred to the concerned authorities for taking suitable remedial measures.