

**GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:3606
ANSWERED ON:12.12.2001
LOAN UNDER PMRY
PRENEET KAUR

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

- (a) whether it is a fact that in several cases of Prime Minister's Rozgar Yojana (PMRY) loans the disbursement is stopped or delayed on flimsy grounds by the Banks causing immense hardships to the poor people;
- (b) if so, whether any study has been conducted to find out the factors responsible for high rejection and non-disbursement of sanctioned loan under P.M.R.Y. Scheme in various States;
- (c) the percentage of cases rejected under P.M.R.Y. in each State during the last one year upto 31st October, 2001; and
- (d) the recovery percentage of P.M.R.Y. loans and the steps taken by Banks and the State Governments to improve the situation?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

- (a): Yes, Sir. The Fifth Field Study on the Prime Minister's Rozgar Yojana (PMRY) conducted by the Reserve Bank of India during 1997 did mention that the banks had in several cases delayed disbursement of loan on unjustified/flimsy grounds.
- (b): Yes, Sir. Field studies conducted by the Reserve Bank of India and Evaluation studies conducted by the Institute of Applied Manpower Research (IAMR), New Delhi have assigned reasons for the rejection and non-disbursement of sanctioned loans under the PMRY which include the non-completion of formalities by the beneficiaries, non-availability of premises for establishing the micro enterprises, inability of the beneficiary to deposit margin money, unviability of the project etc.
- (c): Details of cases rejected under the PMRY by banks for the cases and States surveyed by the IAMR for the years 1995-96; 1996-97 and 1997-98 is at Annexure-'I'. However, the information regarding these cases year-wise/State-wise is not centrally maintained.
- (d): As reported by the Reserve Bank of India, the recovery of loan overdues under the PMRY is 34.2 percent for the half year ended March, 2001. Measures that have been taken by the banks and the State Governments to improve the recovery of loan overdues under the Scheme, include joint recovery drives by the banks and the District Industries Centres (DICs) officials, creation of Recovery Cells at the Zonal/Regional levels in the banks, inclusion of recovery of loan overdues of the PMRY under the Land Revenue Recovery Acts of the States/UTs etc.