

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4034

ANSWERED ON:18.08.2000

BANK FRAUD UNDER PMRY

CHANDRAKANT BHAURAO KHAIRE;RAM PRASAD SINGH

Will the Minister of FINANCE be pleased to state:

- (a) whether the loan of Rs. One lakh is provided at concessional rate for starting self-employment under the Pradhan Mantri Rozgar Yojana;
- (b) if so, the number of applicants who have been provided loans under the said scheme during 1999-2000 State-wise;
- (c) whether attention of the Government has been drawn to the news-item captioned 'Pradhan Mantri Rozgar Ki Yojana Hadap gaye Dalai' appearing in Hindi daily Jansatta dated July 22, 2000;
- (d) if so, the details thereof;
- (e) the number of such incidents brought to light and the action taken thereon since the year 1999 to till date; and
- (f) the steps being taken by the Government to ensure that the payment of loan sanctioned under the said scheme should be made to the applicant ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and (b) The Prime Minister's Rozgar Yojana (PMRY) is a subsidy-linked credit scheme which has been Centrally sponsored for providing self employment to educated unemployed youth in the country. The PMRY is aimed at assisting eligible youth in setting up self-employment ventures in industry, service and business sectors with project cost being Rs. 1.00 lakh for business sector, Rs. 2.00 lakhs for other activities (loan to be of composite nature) and upto Rs. 10.00 lakh if two or more eligible persons join together in a partnership. There is no concessional interest rates under this scheme. As per the information furnished by Reserve Bank of India (RBI), the details of State-wise number of applicants provided loans under the PMRY during 1999-2000 are given in the statement enclosed.

(c) and (d) Yes, Sir. In the news-item referred to by the Hon'ble Member, certain irregularities in disbursement of loan under PMRY in a particular case, were highlighted. The complaint was got investigated by SBI who have reported that loan of Rs. 95,000/- was sanctioned in this particular case, out of which Rs. 63,500/- was disbursed in two instalments. However, on post-disbursement inspection by Bank's Officials, it was observed that the loan amount was misutilised by the borrower.

(e) RBI has reported that 92 complaints of this nature were received from applicants/borrowers under PMRY scheme during the year 1999-2000. These complaints received in Central Office, RBI are processed and forwarded to Regional Office for examination. Regional Offices, after inquiry at the concerned bank branch deal with these complaints suitably as per the extant PMRY guidelines.

(f) The steps taken by Government to ensure the payment of loan sanctioned under this scheme inter-alia include, fixing quarterly targets fixed for achievement, rescheduling the cut off date for completion of disbursement for sanctions made during 1999-2000 at 31.12.2000, periodic inspections by Banks/District Industries Centres and post-disbursement visits by banks to ensure proper maintenance of assets created out of the loan amount. Banks are regularly instructed to ensure that incidents of this kind do not recur by exercising greater vigilance.