

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:946

ANSWERED ON:24.11.2000

MISUSE OF LOAN UNDER PMRY

GANGASANDRA SIDDAPPA BASAVARAJ;GOWDAR MALLIKARJUNAPPA;Y.S. VIVEKANANDA REDDY

Will the Minister of FINANCE be pleased to state:

- (a) whether it has been reported that ambitious scheme of giving loans to the educated unemployed has achieved the target but undeserving persons have taken advantage of this scheme;
- (b) if so, whether in some cases, enquiries reveal that corrupt practices are continuing in some of the banks under this scheme; and
- (c) if so, the action taken against those held responsible and the total loan provided to each individual under this scheme?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) (c) As per the information furnished by the Reserve Bank of India, the scheme of Prime Minister's Rozgar Yojana (PMRY) of providing loans to the educated unemployed youths has achieved its target in large measure. RBI has however received some complaints relating to banks under PMRY which are of general nature. These complaints, inter-alia, included difficulties in obtention of various documents from different agencies prior to sanction of loan, demand for collateral security by banks, delay in sanction of loan, sanction of lesser amount than the amount applied for, behaviour of bank's staff & delay in disbursement of loan. When specific charges are levied against bank officials, banks initiate inquiry proceedings as per their Staff Regulations. Disciplinary action is taken as per individual Bank's rules. Public Sector banks are required to forward a yearly statement to Reserve Bank of India indicating nature of lapses committed by the employees in lending under priority sector.

The loan provided by banks under PMRY is as under:

Year	Loan Disbursed
NO.	Amount
	(Rs. in crores)

1993-94 to 1996-97	6,52,264	3740.78
1997-98 to 2000-01	5,36,727	3127.14
(up to August, 2000-provisional)		