

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

STARRED QUESTION NO:328

ANSWERED ON:18.08.2004

CRITERIA FOR ALLOCATION OF FUNDS UNDER PMRY

Singh Shri Brij Bhushan Sharan;Yadav Shri M. Anjan Kumar

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

- (a): the criteria followed for allocation of funds under the PMRY and the guidelines laid down for the use of these funds;
- (b): whether the Government has received complaints about the non-compliance of above guidelines;
- (c): if so, the action taken in this regard and the outcome thereof;
- (d): the amount of financial assistance allocated and released under the PMRY during the last three years, State-wise;
- (e): whether some States have requested for allocation of more funds for PMRY particularly North-Eastern States; and
- (f): if so, the steps taken by the Government in this regard?

**Answer**

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES ( SHRI MAHABIR PRASAD )

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS(a)to(f) OF THE LOK SABHA STARRED QUESTION NO. 328 FOR ANSWER ON 18.08.2004.

(a): Under the Prime Minister's Rozgar Yojana(PMRY), loans are provided to individual beneficiaries by the implementing banks against the overall target of beneficiaries allocated to each State/UTs by the Central Government. In addition, the Central Government provides funds for subsidy to the Reserve Bank of India(RBI) for release to the individual beneficiaries through implementing banks and funds for Entrepreneurial Development (Training & Contingency etc.) to State/UT Governments. The targets are allocated on the basis of population and number of educated unemployed youth registered with the Employment Exchange in each State/UT. Performance of the State in the Scheme during the preceding year, recovery of loan overdues and the specific requests received from the State/UTs are also given due consideration. The guidelines for use of these funds are at Annexure-I.

(b): No, Sir. No such complaints have been received from State/UTs.

(c): Does not arise in view of (b) above.

(d): State-wise details of loans disbursed by banks and financial assistance provided to State/UT Governments by the Central Government for Entrepreneurial Development during the last three years is at Annexure-II. The assistance for subsidy from the Central Government is authorised to the Reserve Bank of India for passing on to the individual beneficiaries through the implementing banks. Hence, the State/UT wise details of assistance released for subsidy are not available. Funds amounting to Rs. 178.80 crore, Rs. 152.55 crore & Rs. 147.63 crore have been authorised to Reserve Bank of India for subsidy during the years 2001-02, 2002-03 & 2003-04, respectively.

(e)&(f): Requests have been received from some States/UTs including the North Eastern States of Assam, Meghalaya and Nagaland for enhancement of targets for the year 2004-05 under the PMRY. The targets for these States for the year 2004-05 have been revised as per their requests.

ANNEXURE - I

ANNEXURE REFERRED TO IN REPLY TO PART a) OF THE LOK SABHA STARRED QUESTION NO. 328 TO BE ANSWERED ON 18.08.2004.

GUIDELINES FOR USE OF FUNDS UNDER THE PMRY:

- (1) For advancing loans by the Implementing Banks:

- (a) Industry/Service Sectors : Projects cost upto Rs.2.00 lakh.  
(b) Business Sector : Project cost upto Rs.1.00 lakh.

(Note: Banks loans constitute 80 per cent of the project cost; remaining 20 per cent is subsidy from the Central Government and margin money contribution from the beneficiary).

(2) Assistance from the Central Government:

(i) Funds for Subsidy:

The funds for subsidy are released @ 15% of the project cost subject to a ceiling of Rs. 7,500/- per beneficiary (Rs.15,000/- per beneficiary for NE States, Uttaranchal, Himachal Pradesh and Jammu & Kashmir).

The funds for subsidy are authorized to the Reserve Bank of India (RBI) and are not released directly to the State/UTs. These funds are passed on to the individual beneficiaries through the implementing banks. The RBI ensures utilization of these funds.

(ii) Funds for training & contingency:

Training funds: Beneficiaries sanctioned loans under the Scheme are required to undergo an Entrepreneurial Development Training for 15-20 working days for setting a project under industry sector and for 7-10 working days for setting a project in service and business sector.

The norms for releasing the financial assistance for Entrepreneurial Development Training is as under:

For industry sector:

Stipend : Rs.300/-.  
Training expenditure : Rs.700/-.  
Total : Rs.1,000

For service & business sector:

Stipend : Rs.150/-  
Training expenditure : Rs.350/-.  
Total : Rs.500/-

(iii) Contingency funds:

The contingency funds are released @ Rs.250/- per beneficiary sanctioned loan. These funds are provided for operative expenses.

The funds for (Training, Contingency etc.) are released to State/UTs. State/UTs who are required to submit utilization of these funds. Surplus/deficit of the previous years is adjusted in the subsequent releases.

(iv) In addition, the funds are released to State/UTs for evaluation of the Scheme etc. in special circumstances.

Annexure-II

ANNEXURE REFERRED TO IN REPLY TO PART-(d) OF THE LOK SABHA STARRED QUESTION NO.328 FOR ANSWER ON 18.08.2004

STATE/UT WISE DETAILS OF LOANS DISBURSED BY BANKS AND ASSISTANCE FROM CENTRAL GOVERNMENT FOR ENTREPRENURIAL DEVELOPMENT TRAINING, CONTINGENCY ETC.) DURING 2001-02, 2002-03, AND 2003-04 UNDER THE PRIME MINISTER`S ROZGAR YOJANA (PMRY)

(Amount Rs. in Lakhs)

2001-2002      2002-2003      2003-2004

Name of States/UTs      Amount of Assistance      Amount of Assistance      Amount of Assistance  
loan disbursed from Central      loan disbursed from Central      loan disbursed from Central  
by banks # Government      by banks # Government      by banks # Government

NORTHERN REGION

Haryana	3944.42	19.73	4227.09	38.86	3406.77	68.99
Himachal Pradesh	1605.63	7.13	1504.99	16.96	1881.3	19.48
Jammu & Kashmir	754.21	4.29	17.15	2.49	556.73	13.16
Punjab	5209.82	103.23	4779.03	30.22	3479.24	78.18
Rajasthan	6886.93	0.00	6542.92	57.83	4562.11	106.01
Chandigarh	89.41	0.48	29.32	0.37	74.37	0.47
Delhi	482.06	0.00	453.90	0.00	486.29	0.00

NORTH EASTERN REGION

Assam	2818.12	42.85	3279.33	110.73	1125.99	58.97
Manipur	157.01	4.50	377.42	0.00	287.85	5.57
Meghalaya	501.53	13.56	197.54	1.86	217.65	7.10
Nagaland	41.53	2.99	138.36	6.84	19.6	1.00
Tripura	643.92	21.40	663.44	17.35	1363.62	18.23
Arunachal Pradesh	381.72	1.74	273.07	3.81	232.57	3.47
Mizoram	43.75	1.62	107.87	4.71	809	3.61
Sikkim	19.37	0.15	13.17	0.10	21.74	0.48

EASTERN REGION

Bihar	7273.89	0.00	6626.81	0.00	6408.17	101.54
Jharkhand	3126.11	45.00	3543.38	0.00	2824.67	0.00
Orissa	4001.49	75.50	4540.69	20.50	1033.52	91.34
West Bengal	1620.15	0.00	1627.77	0.00	1380.48	0.00
Andaman & Nicobar	111.56	1.06	110.23	0.59	100.39	1.06

CENTRAL REGION

Madhya Pradesh	10923.26	94.98	10422.02	120.21	5449.61	149.32
Chhattisgarh	1619.16	17.00	1886.82	0.00	1041.18	36.08
Uttar Pradesh	25412.31	368.92	25561.85	204.37	20709.94	402.53
Uttaranchal	2122.53	34.00	2885.50	0.00	3003.62	25.83

WESTERN REGION

Gujarat	4092.86	31.88	3720.83	666.94	2757.32	20.27
Maharashtra	10584.85	72.28	10425.46	29.15	7719.91	191.31
Daman & Diu	5.73	0.18	1.00	0.07	1	0.04
Goa	119.32	0.47	200.60	0.00	113	0.00
Dadra & Nagar Haveli	8.55	0.26	7.00	0.11	0	0.15

SOUTHERN REGION

Andhra Pradesh	6319.71	109.65	7934.49	63.92	5350.81	191.44
Karnataka	7159.16	121.27	6328.81	49.76	4222.01	148.93
Kerala	4791.85	117.72	5413.49	55.26	5368.39	112.21
Tamil Nadu	4654.12	106.70	4361.54	40.29	4082.63	147.94
Lakshadweep	15.67	0.11	7.07	0.08	9.11	0.12
Pondicherry	94.71	1.69	101.56	1.02	99.11	5.37
NOT SPECIFIED	844.03	-	826.10	-	700.27	-

ALL INDIA 118480.45 1422.36 119637.62 1544.38 90899.97 2010.20