

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:739

ANSWERED ON:04.03.2005

LOAN UNDER PMKY

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Will the Minister of FINANCE be pleased to state:

(a) the total number of proposals received by various bank;; from concerned District Industry Centres of various States under Pradhan Mantri Rojgfi Yojana (PMRY) Scheme and the number of proposals accepted and rejected by them during 2003-04, State-wise;

(b) the success rate of the banks in terms of the number of proposals accepted by them under PMRY and actual sanctioning the loans to respective applicants with special reference to Karnataka, State-wise;

(c) whether the Government is aware about the general complaints by the people that the banks are not enthusiastic and in many cases and are reluctant about seriously implementing PMRY scheme in providing self-employment to the rural and urban unemployed youths; and

(d) if so, the action the Government proposes to take in inducing the banks to achieve the targets given to them ?

Answer

MINISTER OF STATE IN THE B/INISTRY OF FINANCE (SHRI S.S. PALANTMANICKAM)

(a) & (b): According to the information furnished by Reserve Bank of India, as per the extant instructions under PMRY, the District Industries Centre (DIC) sponsors the cases under PMRY to the implementing banks in the district up to the extent of 125% of the target allocated. The data generating system of RBI does not provide information in respect of the number of proposals received by various banks from DIC separately. The State-wise (including Karnataka) details of targets, total applications received, amount sanctioned and disbursed under PMRY during 2003-04 are indicated in the Annexure.

(c): RBI/Government is not aware of any specific complaint as regards to allegation of implementing banks being reluctant and un-enthusiastic in implementation of the PMRY scheme. Whenever complaints are received in respect of implementation of PMRY they are investigated and necessary action is initiated as per extant instructions.

(d): RBI/Ministry of Small Scale Industries and Agro Rural Industries (SSI & API) and Ministry of Finance have initiated the following steps for improvement of performance under the PMRY including achievement of targets.

1. Banks have been advised to carry out scrutiny of rejected applications by a higher authority from their controlling/Head Office.
2. Banks have been instructed to dispose of applications for loans upto Rs.25,000/- within 2 weeks and upto Rs.2 lakh within 4 weeks, provided the loan applications are complete in all respects.
3. Time frames have been laid down for receipt of applications from the DICs to banks and thereafter sanction and disbursements of loans by banks.
4. Banks have been asiked to issue `No dues certificate` whenever required, within 15 days, other wise it is deemed to have been issued.
5. Banks have been instructed lo set up training institutes jointly with the State Governments by utilizing the existing infrastructure of the Industrial Training Institutes (ITIs) and Small Industries Service Institutes (SISIs).
6. State Governments have been advised to identify viable activities jointly with banks at the district level.

In addition to above, following amendments have been carried out in the eligibility criteria/norms under the scheme by the Ministry of SSI & ARI, (and advised to the implementing banks by RBI) in order to improve performance under PMRY.

1. Relaxation in age (Upto 40 years), margin money criteria and higher subsidy component (Rs. 15,000/-) on the lines of North Eastern. States (including Sikkim) has been extended to the States, of J & K, Himachal and Uttaranchal funder PMRY.
2. The residency criteria for married men in Meghalaya is relaxed in line with married women in rest of the country.
3. Self Help Groups (SHG) could be considered ::br financing under the PMRY provided all the members of the SHG individually

satisfy the eligibility criteria under the scheme. Membership of the Group would consist of 5 - 20 educated unemployed youth. Maximum loan limit for the Group is Rs. 10 lakh.