Chapter - V
PRIME MINISTER'S
ROZGAR YOJANA
(PMRY): THE SCHEME,
ITS PROCEDURE AND
REVIEW
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PRIME MINISTER'S ROZGAR YOJANA (PMRY): THE SCHEME, ITS PROCEDURE AND REVIEW

In this chapter the major features of the PMRY have been discussed. It also discusses the Review of this scheme from time to time by RBI and Institute of Applied Manpower Research. At the end of the chapter, procedure followed by the implementing agencies in Amravati district has been dealt with at length.

INTRODUCTION

Educated constitute nearly 40% of the unemployed. Incidence of unemployment among the educated labour force is 11.8% against 3.8% for educated and uneducated taken together. Further, the incidence is much higher viz., 26.7% among educated women than 9.8% among educated men. Women constitute 27% of the educated unemployed. The unemployment rates rise with every successive higher level of education. Projections made using alternative techniques put the estimate of educated unemployed at 6-7 million in 1992. This is out of an estimated educated Labour force of 52 million. Of the new employment opportunities that are being generated in the economy in recent years, about 45 per cent are estimated to be going to the educated. But, though relatively high, the employment growth of the educated still falls short of the growth of labour force by about 7 lakhs in a year. The trend of a higher growth of their employment is likely to continue with the introduction of modern technologies in the economy. There may, in fact, be a shift towards employment of the educated in the activities, which hitherto were the preserve of the uneducated. Hence the problem of the educated needs a special focus within the overall strategy for tackling unemployment. Prime Minister's Rozgar Yojana (PMRY) seeks to address itself to this problem.

1. http://www.ssi.nic.in/schpmry.html
1. **Objective:**

The PMRY aimed to provide employment to more than a million persons by setting up of 7 lakhs micro enterprises by the educated unemployed youth during the last four years of VIII Five Year Plan i.e. 1993-94 to 1996-97. The Scheme has been continuing in the IX Five Year Plan. It relates to the setting up of the self-employment ventures in all economically viable projects (except direct agricultural operations). The Scheme also seeks to associate reputed non-governmental organisations in implementation of PMRY Scheme especially in the selection, training of entrepreneurs and preparation of project profiles.

2. **Target Group / Eligibility:**

   i. **Age:** 18 to 35 years for all educated unemployed in the country except for North Eastern States.

   - 18 to 40 years for all educated unemployed in North Eastern States.

   - 18 to 45 years for Scheduled Caste/Scheduled Tribes, Ex-servicemen, Physically Handicapped and Women educated unemployed in the country.

   ii. **Educational Qualifications:** VIII Passed (SSC passed or failed upto 1999). Preference will be given to those trained in any trade in Government recognised/approved institutions for at least six months.

   iii. **Family Income:** Neither the income of the beneficiary along with spouse nor the income of parents of the beneficiaries should exceed Rs. 24,000/- (Rs. 40,000 from 1999) per annum. Upto Rs. 40,000/- per annum in the North Eastern States.

   iv. **Defaulter:** Should not be a defaulter of any Nationalised Bank / financial institution / Cooperative Bank. Further a person already
assisted under other subsidy-linked Government schemes would not be eligible under the Scheme.

v. Residency: Beneficiary should be the permanent resident of the area for at least three years.

3. Reservation:

Preference should be given to weaker sections including women. The Scheme envisages 22.5% reservation for SC/ST and 27% for Other Backward Classes (OBCs). In case SC / ST / OBC candidates are not available, State/UT Govt. will be competent to consider other categories of candidates under PMRY.

4. Coverage:

The Scheme covered urban areas only during 1993-94 and whole of the country from 1994-95 onwards. From 1994-95 onwards the erstwhile Self-Employment Scheme for the educated unemployed Youth (SEEUY) has been subsumed in PMRY.

5. Activities:

All economically viable activities including agriculture and allied activities are covered but excluding direct agricultural operations like raising crops, purchase of manure etc.

6. Project Cost:

Projects up to Rs. 1 lakh are covered under the scheme in case of individual for business sector. Rs. 2 lakhs (1 lakh upto 1999) for other activities. Loan to be of composite nature. If two or more eligible persons join together in a partnership, projects up to Rs. 10 lakhs are covered. Assistance shall be limited up to individual admissibility. After identification of beneficiaries and subject to the project found feasible/ viable by the task force, bank would consider to provide the loan.
7. **Subsidy and margin money:**

(i) Subsidy will be limited to 15% of project cost subject to ceiling of Rs. 7500/- per entrepreneur. Margin money contribution from the entrepreneur which may vary from 5% to 16.25% of the project cost so as to make total of the subsidy and margin money equal to 20% of project cost.

(ii) For North Eastern States: - Subsidy will be of 15% of the project cost subject to ceiling of Rs. 15000/- per entrepreneur. Margin money contribution from entrepreneur may vary from 5% to 12.5% of the project cost so as to make the total of subsidy and the margin money equal to 20% of the project cost.

8. **Collateral:**

No Collateral for project up to Rs. 1.00 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs. 1.00 lakh per person participating in the project.

9. **Rate of Interest & Repayment Schedule:**

Normal bank rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed by the banks at the time of sanctioning of loan.

10. **Training and Entrepreneurial Development:**

Each entrepreneur whose loan is sanctioned is provided training as per details given below

i. The training expenses Rs. 1000/- per beneficiary for Industry sector (including Rs. 300/- as stipend and Rs. 700/- for training expenditure). The training duration is between 15 to 20 working days.
ii. The training expenses Rs. 500 per beneficiary for service and business sector (including Rs. 150/- as stipend and Rs. 350/- for training expenditure). The training duration is between 7 to 10 working days.

State/UT Governments should involve reputed Non-Governmental Organisations, Chambers of Commerce and Industry, Trade and Industry Associations etc. in selecting and referring the cases to Task Force, in training of entrepreneurs etc. The training programme should take care of the special need of the educated unemployed. The training modules should be prepared by the district / state agency, keeping in view the demand for different types of activities at the local level. It will be basically towards entrepreneurship development.

The syllabus should also include: -

1. Elements of bookkeeping.
2. Simple knowledge of marketing.
3. Acquaintance with product costing.
4. Familiarisation with project financing by banks.
5. Maximum emphasis on learning by doing.

State/UT Govt. should identify the training institutions and draw up the module for training. Training is an integral component of the scheme.

11. **Provision of Infrastructural Facilities on Preferential Basis:**

State and union territory governments shall provide necessary infrastructure support like sites, shops, sheds and water and electricity connections on preferential basis.
12. Implementation:

The district being well-established geographical unit for many programmes the coordinated implementation of the programme is undertaken at the district level. The educated unemployed youth are expected to apply to the District Industries Centre / Directorate of Industries / O/o the Dy. Commissioner of their districts. Preliminary screening is done by a District Level Task Force Committee / Block Level Task Force Committee / Mandal Level Task Force Committee.

At district level, Task Force comprises of a Chairman who is a senior officer of the implementing agency preferably head of the agency e.g. General Manager of District Industries Centre, Director, in case of SISI, Addl. Director of Industries in case of Directorate of Industries, or Dy. Commissioner of the District. Other members of the Task Force are representatives of-

1. Lead bank.
2. Two leading Banks.
3. District Employment Officer.
4. One member each from DIC / SISI (Other than the implementing agency).
5. One officer as a member secretary to be nominated by the chairman of the Task Force.
6. Chairman may co-opt one or more members from reputed non-governmental organisations.

To ensure that the welfare of the women is taken care of, State and UTs have been instructed to invite one woman associated with the welfare of women in the meeting of the District Task Force Committee.

Besides, the lead bank and the leading banks, other implementing banks should be invited to attend the District Task Force Committee meetings on rotational basis.
Implementation of the scheme involves identification of beneficiary, Selection of specific avocations, identification of the support system required by the beneficiary, escort service and close liaison with the banks and other local agencies concerned with industry, trade and service sectors. The Task Force is responsible for (i) motivating and selecting the entrepreneurs, (ii) identifying and preparing schemes in industry, service and business sectors, (iii) determining the avocations/activities (iv) recommending loan (v) getting speedy clearance, as necessary from the authorities concerned.

12. Monitoring:

The Scheme will be monitored at district level by District PMRY Committee, at State/UT level by State/UT PMRY Committee and at Central level by High Powered Committee under the Chairmanship of Secy. (SSI & ARI).

13. Involvement of Non-Governmental Organisations:

State/UT Governments may involve reputed Non-Governmental Organisations, Chambers of Commerce and Industry, Trade and Industry Associations etc., right from the identification, motivation and selection of beneficiaries by nominating them in the Task Force, preparation of project profiles. They can also help the borrowers in proper management of the assets, marketing of the products, repayment of loan installments etc. Training of beneficiaries is another area where they can play a very useful role. State/UT Governments should work out the methodologies to associate the reputed NGOs in a manner, which will bring the scheme to the doorstep of the potential beneficiaries. Industry Associations should also be requested to urge their members to adopt at least one unit and act as mentor.
OPERATIONAL GUIDELINES

1. Immediately on receipt of targets from the Central Govt., State / UT Governments would convey district wise targets to each district. During the year 1993-94, it was proposed to cover 40,000 beneficiaries under PMRY in urban areas only. Since 1994-95 the scheme has been continuing with annual plan target of 2.20 lakhs persons.

2. Basic Target are distributed by giving 50% weightage to population and 50% weightage to the educated unemployed youth registered in the Employment Exchanges of the State / UT. Additional targets are also allocated to States / UTs depending upon the (a) past performance of the State / UT, (b) special need of the State / UT, (c) Assurance to address to loan recovery, (c) other issue like furnishing of utilisation certificates etc.

3. The Task Force would invite applications in prescribed form given at Annexure-I from eligible persons through advertisements in local newspapers. Bank branches have also been authorised to receive applications directly under the scheme. Publicity would also be given by display on Notice Boards in the Banks and BDO's offices. (Prescribed application form is an indicative one and can be suitably modified if need be, in the District Level Bankers Committee).

4. The applicant is required to submit application form duly filled along with an 'Affidavit' on plain paper.

5. These applications will be approved by the District Task Force Committee and would be recommended to the concerned bank branches. The names of the beneficiaries approved by the Task Force would be displayed on the Notice Board in the office of the Chairman of the Task Force immediately after the meeting.
6. All the cases received by the Branch Managers after recommendation by the Task Force Committee would be disposed of expeditiously.

7. The successful applicants are required to submit the 'Affidavit' on the relevant non-judicial stamp paper (Value being determined as may be applicable to the concerned state). The affidavit should be duly attested by a Notary and not by the Oath Commissioner.

8. Training Institutions should be identified and modules for training should be kept ready by the time the loan is sanctioned by banks.

9. As soon as the cases are sanctioned intimation will be sent to DICs etc. (i.e. implementing agency) by the banks so that training activity can start.

10. In order to ensure that the desired results are achieved all activities should be completed in a time bound manner and difficulties experienced should be sorted out in the District PMRY Committee.

11. State/UT Governments may provide necessary infrastructure support like provision of industrial sites, shops, and water on preferential basis to these entrepreneurs. Provisions of sites and sheds at concessional rate to service ventures in urban areas will be essential for the success of service ventures. Many State / UT Govts. are providing various tax concessions and incentives under their Industrial policy. Such concessions should also be extended to the beneficiaries under the scheme.

As load requirement will be small, State / UT Governments should give priority to the persons getting the loan sanctioned under the PMRY for electric connection. No deposit should be asked for and small infrastructure e.g. creating few poles and extensions of wire line should be done expeditiously.
CONSTITUTION OF DISTRICT PMRY COMMITTEE

District Collector/Dy. Commissioner - Chairman
CEO, DRDA - Member
District Employment Officer - Member
Lead Bank Manager - Member
Chairman, Task Force Committee - Member Secy.

Besides these officers/representatives, Chairman can co-opt any one or more of the following:

One or more prominent citizens from the fields of social services, industry/business, District Welfare Officer, District Statistical Officer, District Education Officer, Principal of Local Engineering Colleges/ Polytechnics/ Industrial Training Institutes or representatives of the Directorate of Technical Education/Vocational Training/Industrial Training, Representatives of Banks.

Functions:

1. To keep various agencies informed of the basic parameters and the requirements of the Scheme and the tasks to be performed by these agencies.
2. To review progress of training and keeping over all expenditure within sanctioned limits.
3. To monitor and evaluate the Scheme to ensure its effectiveness.
4. To secure inter departmental coordination and cooperation.
5. To monitor and help the banks in recovery of the loans.
6. To give publicity to the achievements made and disseminate knowledge and build-up awareness about the Scheme.
7. To send periodical statements to the State/UT Governments in the prescribed formats.
CONSTITUTION OF STATE / UT PMRY COMMITTEE

Chief Secretary - Chairman

Members:

1. Secretary, Deptt. Of Industries
2. Secretary, Deptt. Of Finance
3. Secretary, Deptt. Of Planning
4. Secretary, Deptt. Of Rural Development
5. Secretary, Deptt. Of Labour
6. Representatives of State/UT level Banking Institutions including RBI.
7. Commissioner/Director of Industries and Commerce - Member Secretary.
8. Directors, SISI/Incharge, Branch SISI of States/UTs.
9. Officials concerned with the Welfare of SCs/STs.

Other officials and non-officials may be invited if their presence is felt necessary in the meetings.

Functions:

1. To provide leadership and guidance to the District PMRY committees in the planning, implementation and monitoring of the Scheme.
2. To secure inter departmental coordination between various implementing agencies and to ensure development of strong backward and forward linkages.
3. To review expenditure to ensure that it remains within the sanctioned limit.
4. To review the physical targets and achievements.
5. To monitor and evaluate the implementation of the scheme.
6. To monitor and help the banks in recovery of the loans.
7. To provide the forum for a meaningful dialogue at the State / UT level between various implementing agencies.

CONSTITUTION OF HIGH POWERED COMMITTEE:

Secretary (SSI & ARI) - Chairman

Members:
1. Additional Secretary & Development Commissioner (SSI)
3. Adviser (VSI) Planning Commission
4. Joint Secretary, Ministry of Rural Development.
5. Joint Secretary, Department of Banking Division, Ministry of Finance.
6. Joint Secretary, Ministry of Labour.
7. Joint Secretary, Ministry of Urban Development and Poverty Alleviation.
8. Joint Secretary (SCD), Ministry of Welfare.
9. Executive Director, Reserve Bank of India.
10. CMD, State Bank of India
11. CMD, Canara Bank
12. CMD, Central Bank of India
13. CMD, United Bank of India
14. Secretary, Govt. of Maharashtra
15. Secretary, Govt. of West Bengal
16. Secretary, Govt. of Uttar Pradesh
17. Secretary, Govt. of Andhra Pradesh
18. Secretary, Govt. of Tamilnadu
19. Secretary, Govt. of Karnataka
20. Joint Development Commissioner / Director (PMRY), O/o DC (SSI) - Member Secretary.

The Chairman of the Committee may also co-opt other Members/Invitees to participate in the meeting.

Functions:

1. To ensure effective implementation of the scheme.
2. To review the progress of the scheme in physical, financial and quantitative terms.
3. To consider concurrent evaluation reports.
4. To serve as a standing forum for interaction among the State Governments and different departments, banks and agencies involved in the implementation of the Scheme.
5. To consider proposal for providing entrepreneurial development assistance and strengthening institutions and infrastructure relating to entrepreneurship development.
6. Revision or modifications of operational guidelines.
7. The Committee will meet periodically to carry out its functions.
EVALUATION OF PMRY - (FINDINGS)

Findings of an evaluation of the PMRY conducted by the Institute of Applied Manpower Research for the year 1994-95:

1. 67% of the beneficiaries belong to general category, 21% to OBCs, 8% to SCs & 5% to STs. Proportion of women and minority are 11%.

2. Sanction was 80% of target and 83% of sanctioned cases were disbursed.

3. Average amount of loan sanctioned Rs. 68,638/- per beneficiary.

4. Employment generated 2.39/2.47 per unit.

5. Around 65% of the beneficiaries were making regular payment.

6. The share of backward areas in total investment in units set-up and in employment generated is around 1/3 of total.

7. Around 53% of beneficiaries faced problems due to insistence on collateral security by banks.

8. 15002 units were set up out of 15098 cases disbursed (99.3% success rate).

Findings of the field study conducted by Reserve Bank of India on performance of PMRY in September' 1997:

1. The study covered more than 3000 borrowers financed by 294 bank branches spread over 59 districts throughout the country.

2. During the programme year 1996-97 applications to the extent of 150% of the target were sponsored to the bank branches. The sanction to target ratio was more than 90% and sanctioned to disbursement ratio nearly 70%.
3. 52% of the sanctioned cases were in the business sector against 18% for the industry sector. The average size of loan was Rs. 55,890. The recovery rate was nearly 53%.

4. The assets were created and performing in 76.5% of the cases and in 8.6% of the cases surveyed, loan amount was misutilised. In more than 51% of the cases, the average monthly income was more than Rs. 2000. In another 35% of the cases it was between Rs. 2000 and Rs. 1000 per month.

5. Non viability of the project and non eligibility of the applicants were main reasons for rejection of sponsored cases by bank branches and the major reasons for pendency of applications in the bank was found to be non compliance of the requirement by the borrowers.

6. The State level PMRY Committee has been constituted in all the States. In 15 States the Committee has been meeting regularly while in 12 States it met at regular intervals.

7. Banks have obtained collateral/Third Party guarantee in respect of some of the cases sanctioned.

8. Reasons for delay in disbursement of loan are non-completion of training by the borrowers, inability to complete post sanction formalities. It was also found that banks delay disbursement of loan on unjustified flimsy grounds.

Findings of the Sixth Field Study conducted by Reserve Bank of India on Performance of Banks under PMRY between January - April, 2001:

A sample field study on the performance of banks under PMRY for the years 1997-98 and 1998-99 was conducted by the Reserve Bank Of India during January - April 2001. The study covered around 2500 borrowers financed by 202 bank
branches spread over 66 districts throughout the country. The findings of the study revealed certain deficiencies on the part of the banks in implementation of the scheme as indicated below:

1. There is clear advice by the RBI that branches should not return applications on the ground that the allotted target had been achieved by them and these applications may be retained by them and considered first in the following programme year. However, it was observed that in several cases the applications were being returned/rejected for the reason 'branch already reached target'.

2. In terms of RBI circular borrowers are not required to furnish collateral security/third party guarantee or pay processing fees for loans under business/service/industry sector and also in respect of partnership projects having project costs specified therein. However, a few instances of obtaining third party guarantee, collateral security in the form of fixed deposits by bank branches as also charging processing fees of loans etc. by them were noted.

3. As per another circular of RBI, the district coordinators are required to enquire into the causes of major irregularities, particularly where performance of the branch is less than 50% of the district average in terms of sanctions and disbursement, submit monthly report on problems/issues of those branches to the District PMRY Committee/Task Force Committee. They have also to ensure reconciliation of the figures of applications recommended and sanctioned with the data of District Industries Centre. It was observed that they had not played their role in majority of the States.

4. Post disbursement supervision needs improvement, as assets in 8.24% of the cases examined at branch level were not verified.
5. Recovery of loans under the scheme is showing declining trend (34.65% during 1997-98 and 34.60% during 1998-99). The banks may take the State Government assistance in recovery of dues under the Scheme.

BUDGETARY ALLOCATIONS AND CUMULATIVE PROGRESS OF PMRY:

From Table - 5.1 it follows that the budgetary allocations of the PMRY have been more or less fully utilized. Analysis of Table - 5.2 shows that for the period

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Head</th>
<th>Budget Estimates</th>
<th>Revised Estimates</th>
<th>Funds Released</th>
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<tbody>
<tr>
<td>1993-94</td>
<td>Capital Subsidy</td>
<td>-</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial Development</td>
<td>-</td>
<td>5</td>
<td>4.79</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>-</td>
<td>35</td>
<td>34.79</td>
</tr>
<tr>
<td>1994-95</td>
<td>Capital Subsidy</td>
<td>120</td>
<td>99.53 *</td>
<td>99.53</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial Development</td>
<td>25</td>
<td>25</td>
<td>20.53</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>145</td>
<td>124.53</td>
<td>120.06</td>
</tr>
<tr>
<td>1995-96</td>
<td>Capital Subsidy</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>Entrepreneurial Development</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>145</td>
<td>145</td>
<td>145</td>
</tr>
<tr>
<td>1996-97</td>
<td>Capital Subsidy</td>
<td>120</td>
<td>98</td>
<td>98</td>
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<tr>
<td></td>
<td>Entrepreneurial Development</td>
<td>25</td>
<td>17</td>
<td>16.98</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>145</td>
<td>115</td>
<td>114.98</td>
</tr>
<tr>
<td>1997-98</td>
<td>Capital Subsidy</td>
<td>120</td>
<td>79</td>
<td>79</td>
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<tr>
<td></td>
<td>Entrepreneurial Development</td>
<td>25</td>
<td>16</td>
<td>15.86</td>
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<td></td>
<td>Total</td>
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<td>16</td>
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<tr>
<td></td>
<td>Total</td>
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<td>135.5</td>
<td>135.5</td>
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<tr>
<td>1999-2000</td>
<td>Capital Subsidy</td>
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<td>174</td>
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<td></td>
<td>Entrepreneurial Development</td>
<td>16</td>
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<td>15.98</td>
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<tr>
<td></td>
<td>Total</td>
<td>173</td>
<td>190</td>
<td>189.98</td>
</tr>
</tbody>
</table>

* Rs. 20.47 crores re-appropriated to DIC scheme and transferred to Min. of Finance.


Notes:
1. The provision during 1993-94 was made at RE/Supplementary stage as the scheme was launched on 2nd Oct., 1993.
2. The Self Employment Scheme for Educated Unemployed Youth (SEELY) was subsumed in PMRY from 1994-95 onwards. Out of the release amounts indicated against capital subsidy during 1994-95 & 1995-96 Rs. 25 crores & Rs. 1.80 crores respectively were released to RBI towards liabilities on
Table - 5.2
CUMULATIVE STATUS OF PROGRESS OF PMRY AS REPORTED BY THE RBI

<table>
<thead>
<tr>
<th>Year</th>
<th>Target (No.)</th>
<th>Application s Received</th>
<th>Cases Sanctioned</th>
<th>Cases Disbursed</th>
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</thead>
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<tr>
<td></td>
<td></td>
<td>No.</td>
<td>Amount (Rs. in cr.)</td>
<td>No.</td>
</tr>
<tr>
<td>1993-94</td>
<td>40000</td>
<td>71581</td>
<td>30029</td>
<td>188</td>
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<tr>
<td>1994-95</td>
<td>220000</td>
<td>405608</td>
<td>185803</td>
<td>1054</td>
</tr>
<tr>
<td>1995-96</td>
<td>220000 *(260000)</td>
<td>554873</td>
<td>287218</td>
<td>1678</td>
</tr>
<tr>
<td>1996-97</td>
<td>220000</td>
<td>518104</td>
<td>271768</td>
<td>1653</td>
</tr>
<tr>
<td>Total :</td>
<td>700000</td>
<td>1550166</td>
<td>774818</td>
<td>4573</td>
</tr>
<tr>
<td>1997-98</td>
<td>220000</td>
<td>496034</td>
<td>263361</td>
<td>1589</td>
</tr>
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<td>Total :</td>
<td>920000</td>
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<td>1998-99</td>
<td>220000</td>
<td>489499</td>
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</tr>
<tr>
<td>Total :</td>
<td>1140000</td>
<td>2535699</td>
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<td>7732</td>
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<tr>
<td>1999-2000 (up to Dec. '99)</td>
<td>220000</td>
<td>323074</td>
<td>120056</td>
<td>765</td>
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<tr>
<td>Total :</td>
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<td>2858773</td>
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<td>8497</td>
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</tbody>
</table>

* Plan Target (No. of Beneficiaries) was 2,20,000. It was increased to 2,60,000 to cover backlog.

From 1993-94 to December 1999, the applications received are 210.20% of the target of 13,60,000. As against the applications received, Sanctions by the banks are 49.73%, and actual Disbursements are 38.34%. It means that almost two third of the applications are rejected on one or the other count. This is tantamount to sheer waste of time, money and labour of the applicants and as well as of the sponsoring agency and the funding banks. Target achievement is 80.59%, which seems to be quite satisfactory.
PROCEDURE OF PMRY BENEFIT IN AMRAVATI DISTRICT

1. Fixation Of Targets:

Central Bank Of India is the Lead Bank for Amravati District. On the basis of Background Paper sent by the bank branches, the lead bank prepares Annual Credit Plan and allocates the physical and amount targets to the different branches in the district for all the types of loans to different sectors. In the same manner, lead bank allocates yearly targets split up into quarterly targets for Prime Minister's Rozgar Yojana.

2. Publicity:

DIC is responsible for publicity of the scheme.

a) Hoardings are put by the DIC at some important places.

b) Banners are displayed at the offices of Panchayat Samitis and Talukas

c) One-day camps are organised at the Gram Panchayat Office of a village where there is a bank branch. Gramsevaks and Patwaris are asked by the DIC to gather the interested public at the particular time and date. Generally Industries Inspectors (Field Officers) go to such camps to create general awareness with the details of the PMRY scheme, eligibility criteria and the procedure to be followed for availing benefit under the scheme. Industries Inspectors also distribute the pamphlets of the scheme.

3. Acceptance Of Completed Forms:

These camps are organised regularly. These camps are organised not only for publicity and creating awareness but also for distributing the applications forms and for accepting completed application forms from the eligible prospective beneficiaries. Completed forms are accepted then and there only and the others
are asked to come to respective Block office where Industries Inspectors pay visit every week on a specific day and time.

In addition to the above, the DIC at Amravati has one special counter for accepting the completely filled in application forms. Boards containing different details as to names of Industries Inspectors, their area of operation, their weekly visits to Block office, on which days they are available at DIC office at Amravati, PMRY eligibility criteria, necessary documents to be enclosed with the application etc. are displayed there. Industries Inspectors also provide the guidance to the applicants at this counter, which is known as SIGMA COUNTER.

When collecting applications, Industries Inspectors do not pay any visits to the applicants' place. They only see whether the candidate is eligible and necessary documents are enclosed. Only the applications completely filled in and supported by all the necessary documents are accepted by DIC.

4. Scrutiny Of Applications By Task force Committee:

The applications so collected are scrutinised by the Task Force Committee, which generally meets twice a month from April to October and every week from November to March. If some deficiency is found at the Task Force Committee level, the concerned applicant is informed to clarify or submit required documents. Only documentary eligibility is scrutinized by the committee. It is not possible to take the interview of every applicant.

5. Recommendation To The Concerned Bank Branch:

Scrutinized applications, which are found complete in all respects, are sent to bank branches with the recommendation to sanction the necessary loan to the applicant.
6. **Sanction Of Loan Or Rejection Of Application By Bank:**

When the application reaches the bank branch, the branch is required to call the applicant to the branch within 15 days of such receipt for interview. The purpose of such interview is preliminary verification of the facts whether the applicant is capable of doing the said activity, technically qualified, has necessary experience and whether the project is bankable or not. If the branch manager gets positive feedback from the applicant, pre-sanction inspection of applicant's place is done by the bank to verify the feedback contents of the interview, technical feasibility of the place, necessary infrastructure etc.

If the outcome of such pre-sanction interview is positive, the bank asks the applicant to submit No Dues certificate to confirm that he and his family members are not the defaulters of any financial institutions of that area and he has not availed any benefit under any government sponsored subsidy-linked scheme. If he or his family members are found defaulters and/or he is found having availed the benefit under any subsidy scheme, the application is outrightly rejected and the DIC is informed accordingly. If everything is found correct the bank sanctions the loan and sends the sanction letter to DIC asking it to arrange for the training.

7. **Pre-disbursement Training Of Applicant:**

On receipt of the sanction letter from the bank, DIC calls the applicant for pre-disbursement training, which is provided by the government of Maharashtra, through NGOs like MITCON or MCED (Maharashtra Centre For Entrepreneurship Development). The basic inputs in the training are: how to behave as an entrepreneur, how to keep accounts of the venture, how to behave with the customers, how to advertise the product and how to repay the bank's loan etc.

On successful completion of training a certificate is issued to that effect by the training institution.
8. **Disbursement Of Loan Amount :**

When the applicant approaches the bank with the certificate of successful completion of training, the bank proceeds with the disbursement of loan.

9. **Follow Up :**

As far as the post disbursement follow up is concerned DIC makes it on selective basis as it operates as a unit from the district place, with limited staff. Regular follow up is not necessary and possible because the number of beneficiaries is very large and increasing every year. In case of misutilisation of funds by the beneficiaries, i.e., not creating the assets out of the loan amount and default in payment, the financing bank approaches DIC. DIC officer accompanies the bank officials when they go to such beneficiaries to convince them about the importance of repayment of loan and consequent credibility for taking additional loans from the bank for expanding the business.