

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:571
ANSWERED ON:05.05.2000
LOANS UNDER PMRY
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Will the Minister of FINANCE be pleased to state:

- (a) whether the educated unemployed youths are facing problems in getting loans from the nationalised banks for starting business under PMRY;
- (b) if so, the nature of the problems;
- (c) the State-wise number of educated unemployed youths who applied for loan under this scheme;
- (d) the State-wise target fixed by each bank for providing loan under PMRY and the amount actually sanctioned and disbursed by the said banks during the above period and the number of youths benefited therefrom;
- (e) the State-wise number of applications pending, as on date, and the reasons for delay in sanctioning loans to them; and
- (f) the steps taken to simplify the procedure in respect of loan?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR1 BALASAHEB VIKHE PATIL):

(a) and (b) As per report received from RBI, educated unemployed youth generally do not face problem in getting loans from the Nationalised Banks for starting business under PMRY. However, sometimes some borrowers take more time to obtain the documents or complete the required formalities which delays disbursement of the loan amount by banks. Sometimes delay also occurs due to recommendation of the non-viable projects by the authorities viz. District Industries Centre (DIC), delay in training of the beneficiaries, delay/difficulty faced in obtaining necessary approval for undertaking the activity from concerned local authorities and delay in allotment of shed, power connection, water supply, etc.

(c) to (e) A statement showing State-wise target, applications received, sanctioned, disbursed and pending during the year 1999-2000 is enclosed. The reasons for delay in sanctioning loans have been mentioned in part (a) & (b) of the reply.

(f) The Government have taken following steps to simplify the procedure in getting the loans sanctioned:

Constitution of Task Force Committee for selection of eligible persons and viable activity at block level/sub-divisional level.

Preparation of project profile/list of income generating activities at district level.

Rendering assistance to borrowers for completing requisite formalities for sanction of their applications and disbursements etc.

Reserve Bank of India have also advised the banks that in case no reply is received from other banks within one month from the date of reference regarding no dues from the applicant, the bank may sanction the loan under the scheme provided all other conditions of the loan have been met. The RBI have also advised the Banks not to insist for an affidavit on a stamped paper at the time of submission of applications; the same may be called for when the loan is sanctioned to the borrowers.

Above simplifications in the procedure is expected to help eligible applicants in getting loans from the banks.