

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

UNSTARRED QUESTION NO:4101  
ANSWERED ON:25.08.2004  
SELF HELP GROUP SCHEME  
Munshiram Shri

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

- (a): whether the Government proposes to include `Self Help Group Scheme` into the Prime Minister`s Rozgar Yojana;
- (b): if so, the details thereof;
- (c): the names of States where this scheme would be launched; and
- (d): the total number of members proposed to be included in the group and the details of the loan providing process in this regard?

**Answer**

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

(a)to(b): Yes, Sir. Self Help Groups (SHGs) can be considered for assistance under Prime Minister Rozgar Yojana(PMRY) for setting up self employment ventures (Common Economic Activity), if, all the members volunteering to form the self help group satisfy the eligibility criteria laid down under the Scheme. The details of the eligibility criteria laid down under the PMRY Scheme are at Annexure-I.

(c): SHGs can be considered for assistance under the PMRY Scheme in all the States of the country.

(d): 5-20 educated unemployed youth may volunteer to form a Self Help Group under the PMRY Scheme. They have to apply in the prescribed format for assistance in Office of the concerned General Manager (GM), District Industries Centre. The district Task Force Committee would scrutinize these applications and recommend to the concerned bank branch for sanction of loan. Other details of the loaning process for Self Help Group are at Annexure-II.

Annexure-I

ANNEXURE REFERRED TO IN REPLY TO PARTS a) TO b) OF THE LOK SABHA UNSTARRED QUESTION NO.4101 TO BE ANSWERED ON 25.08.2004.

The Eligibility Criteria under the PMRY:-

Sl.No. Parameter

1. Age:     i) 18 to 35 years for all educated unemployed.  
  
          ii) 18 to 40 for all educated unemployed in North-East States, Himachal Pradesh, Uttaranchal and J&K.  
  
          iii) 18 to 45 years for Scheduled Castes/Scheduled Tribes, Ex-servicemen, Physically Disabled and Women.
2. Educational Qualification: VIII pass. Preference will be given to those who have been trained for any trade in Government recognised/approved institutions for duration of at least six months.
3. Family Income: Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed Rs.40,000/- per annum.

4. Residence: Permanent resident of the area for atleast 3 years. (Relaxed for married men in Meghalaya and for married women in rest of the country. For married men in Meghalaya and for married women in rest of the country, the residency criteria applies to the spouse or in-laws.
5. Defaulter: Should not be a defaulter to any nationalized bank/financial institution/co-operative bank. Further, a person already assisted under other subsidy, linked Government schemes would not be eligible under this scheme.

#### Annexure-II

ANNEXURE REFERRED TO IN REPLY TO PART d) OF THE LOK SABHA UNSTARRED QUESTION NO.4101 TO BE ANSWERED ON 25.08.2004.

Details of loaning process for Self help Group:-

- Educated Unemployed Youth satisfies the eligibility criteria laid down under the Scheme volunteer to form SHG to set up self-employed ventures (Common Economic Activity).
- A Self Help Group may consist of 5-20 educated unemployed youth satisfying the above criteria.
- Loan may be provided as per individual eligibility taking into account requirement of the project.
- SHG may under take common economic activity for which loan is sanctioned without resorting to onward lending to its members.
- Subsidy may be provided to the SHG as per the eligibility of individual members taking into account relaxation provided in North Eastern States, Uttaranchal, Himachal Pradesh and Jammu & Kashmir.
- Required margin money contribution (i.e. subsidy and margin to be equal to 20 per cent of the project cost) should be brought in by the SHG collectively.
- The exemption limit for obtention of collateral security will be Rs.5.00 lakh per borrowal account for projects under Industry Sector. Exemption from collateral will be limited to an amount of Rs.1.00 lakh per member of SHG for projects under Service & Business Sectors. Banks may consider enhancement in limit of exemption of collateral in deserving cases.
- Implementing agencies may decide necessity of pre-disbursal training for all the members/majority of the members of the group.