

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

UNSTARRED QUESTION NO:1946
ANSWERED ON:05.12.2006
LOAN UNDER PMRY
Badiga Shri Ramakrishna

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

- (a): the number of applications received and the actual number of applicants provided loan under Prime Minister Rojgar Yojana (PMRY) in the country particularly in Andhra Pradesh during each of the last three years and current year, State-wise;
- (b): the reasons for not providing loan to the remaining applicants under PMRY;
- (c): whether recovery of loans under PMRY is not even 40%;
- (d): if so, the reasons therefor;
- (e): whether this low recovery of loans has any impact on the sanctioning of fresh loans; and
- (f): if so, the details thereof?

Answer

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

- (a): The number of applications received and those disbursed loans under Pradhan Mantri Rozgar Yojana (PMRY) in the country, including Andhra Pradesh, during each of the last three years and current year is enclosed as Annexure.
- (b): Some applications have not been disbursed loan as they did not fulfill the eligibility criteria regarding educational qualification, income ceiling and residency or did not have proof of having adequate or suitable space for the proposed units or did not turn up for interview or had defaulted in repayment of previous loans.
- (c)&(d): On the whole, the country average of the recovery of loan under PMRY has generally been below 40 per cent. The reasons for low recovery of loans include
 - (i) units becoming financially non- viable on account of production or marketing difficulties,
 - (ii) under-financing of projects by banks,
 - (iii) delay by State Governments in providing power connections and other statutory clearances etc. The percentage of the recovery rate comes down progressively as the previous unpaid loans are added to the overdue amounts, every year.
- (e)&(f): Fresh loan cannot be sanctioned to beneficiaries who have defaulted in repayment of already sanctioned loans.