

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

UNSTARRED QUESTION NO:326  
ANSWERED ON:02.03.2005  
LOANS UNDER PMRY  
Patil Shri Digamber Bapuji

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

- (a): whether loans are being distributed to educated unemployed persons by the District Industry Centres under the Pradhan Mantri Rojgar Yojana;
- (b): whether loans are being sanctioned by the District Industry Centre in Nanded (Maharashtra);
- (c) if so, the number of youth denied loans by banks; and
- (d): the reasons for non-distribution of loans by banks inspite of being sanctioned and the steps proposed to be taken by the Union Government in this regard?

**Answer**

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

(a): Under the Pradhan Mantri Rojgar Yojna (PMRY), District Industries Centres (DICs) of States and Union Territories (UT) receive applications from the educated unemployed youth for loans for setting up self-employment projects and recommend applications found eligible after scrutiny to banks for sanction of loans. Branches of banks sanction and disburse loans to the applicants whose project proposals are found to be viable.

(b)&(c): In Nanded district, during 2003-04, 1547 number of cases were recommended by the DIC to banks of which 763 were sanctioned and in 288 cases, loans were disbursed by banks.

(d): The reasons for loans not being disbursed by banks in cases where loans have been sanctioned include non-fulfillment of requirements specified by the banks by the applicant, delay/difficulty in the applicant obtaining necessary approval/clearance for undertaking the activity from the State/UT Government agencies concerned, delay in allotment of shed, power connection, water supply etc., by the State/UT agencies, family member of the applicant being found defaulters of bank loans, etc. Various steps have been taken by the Central Government to expedite disbursement of sanctioned loans. These include the banks being asked to endorse one copy of the 'loan sanction letter' to the DIC concerned so that the latter can assist the beneficiary in completing pre-disbursement formalities, the referred banks being required to issue 'No dues Certificates' within a period of 15 days, completion of activities of sanction and disbursement as per the prescribed quarterly schedule, instructions to banks to dispose of applications for loans upto Rs. 25,000 within 2 weeks and upto Rs. 2 lakh within 4 weeks, provided the loan application are complete in all respects, etc.