

**MASTER CIRCULAR**  
**PRIORITY SECTOR LENDINGS -**  
**SPECIAL PROGRAMMES**

**Section – I**

**Guidelines on Prime Minister's Rozgar Yojana (PMRY)**

**1. Objective**

The Prime Minister's Rozgar Yojana (PMRY) has been designed to provide employment to educated unemployed youth of economically weaker sections. The scheme aims at assisting the eligible youth in setting up self-employment ventures in industry, service and business sectors.

**2. Coverage**

The scheme covers urban and rural areas in whole of the country

**3. Target Group**

The scheme covers all educated youth with the minimum qualification of VIII Standard (passed). Preference will be given to those who have been trained for any trade in Govt. recognised/approved institutions for a duration of atleast six months.

**4. Reservation**

Preference should be given to weaker sections including women. Assistance to SC/ST beneficiaries should be targeted in such a manner that they are benefited in proportion to their population in the respective district/State. However, the number of SC/ST beneficiaries should not be less than 22.5% and 27% for Other Backward Class (OBCs) as is currently envisaged in the PMRY. In case SC/ST/OBC candidates are not available, States/UTs Govt. will be competent to consider other categories of candidates under PMRY.

**5. Eligibility Norms**

- (i) **Age**
- (a) 18 to 35 years for all educated unemployed.
  - (b) 18 to 40 for all educated unemployed in North-East States, Himachal Pradesh, Uttarakhand and J&K.
  - (c) 18 to 45 years for Scheduled Castes /Scheduled Tribes, Ex- servicemen, Physically Disabled and Women.
- (ii) **Education**
- Educated/unemployed youth with a minimum qualification of VIII Standard (passed). Preference is to be given to persons who have received training in any trade in Government recognised/approved institutions (ITI, etc.) for a minimum duration of six months. Applicants with higher qualifications or who are still pursuing further course of studies after their matriculation are also eligible for assistance.

(iii) **Annual family income**

- (a) Income upto Rs. **1,00,000/-** per annum of family and upto Rs.**1,00,000/-** per annum of parents of beneficiary on the date of application should be taken into account. Family for this purpose would mean the beneficiary and spouse. Family income would include income from all sources whether wages, salary, pension, agriculture, business, rent, etc.
- (b) As per this definition, family income should be upto Rs. **1,00,000/-** per annum of the beneficiary; the beneficiary and spouse together, if married and upto Rs. **1,00,000/-** per annum of parents of the beneficiary separately. This criterion of income ceiling for determining the eligibility under PMRY is applicable whether the beneficiary is staying separately or with the parents.
- (c) Further, the family would mean the applicant and the spouse, even if two or more brothers/sisters live together, they will constitute different families and hence will be eligible for assistance under PMRY, if they satisfy other eligibility criteria laid down under the PMRY .
- (d) For the married women candidates, the income of their parents-in-law shall be considered.
- (e) If the applicant was adopted 3 years prior to the date of his/her application for loan under PMRY, the annual income of the adopted parents would be taken into account to determine family income. If a period of adoption was less than 3 years, as on the date of his/her application for loan under PMRY, the annual income of his/her own parents will be taken into account to determine family income.
- (f) Applicant's family income statement is to be supported by an affidavit. It is for the Task Force to be satisfied about the applicant meeting the family income criteria. In case of doubt, the Task Force can ask for additional documents or follow an appropriate procedure. Once a case is recommended by the Task Force, it should be presumed that the applicant meets the income criteria unless there is evidence to the contrary. Banks need not question the recommendations of the Task Force on grounds of family income, unless they have concrete and objective evidence. In such a case, the case shall be referred back to the Task Force with the evidence for appropriate action. Government of India have decided to allow applicants to submit a declaration on plain paper incorporating the contents of the affidavit along with the applications submitted to the DIC/banks. The formal affidavit on the relevant non-judiciary paper shall be submitted to the bank only when the loan amount is sanctioned.

(iv) **Residency**

- a. Beneficiary should be a permanent resident of the area for three years. Here 'Area' means the district. If the applicant is desirous of setting up venture at any place in the district in which he is residing for the last 3 years, he is eligible for assistance. Newly married

women beneficiaries are exempted from fulfilling the above criterion of residency and instead the residency criterion is applied to the in-laws/husband of the married beneficiaries.

- b. Document like ration card will constitute enough proof for this purpose. In its absence, Residency Certificate issued by the Deputy Commissioner/ District Magistrate or any other appropriate authority designated by the State Government may be accepted. In the absence of ration card, any other document to the satisfaction of District Committees/Task Force may be accepted as a proof of residence.
- c. The residency criteria for married men in Meghalaya is relaxed in line with the married women in the rest of the country. In Meghalaya, the residency criteria, i.e. the applicant should be resident of the area for the last three years, may be applicable to in-laws/wives of the married male applicants under PMRY.

(v) **Other conditions**

- a. A defaulter to a bank/financial institution will not be eligible for assistance under the scheme. Further, if a member of a family is a defaulter other members of the family will not be eligible for assistance.
- b. More than one member of the same family may not be assisted under the scheme. However, another member of the same family having been assisted under any other Central/State/State-owned Corporation sponsored scheme (with/without subsidy) need not be a bar to assistance under PMRY.
- c. A person who had been earlier assisted under a subsidy-linked programme will not be eligible for assistance under the PMRY.

**6. Eligible Activities**

Assistance will be provided for all economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising crop, purchase of manure, etc. However, it may be ensured that the beneficiary obtains statutory approvals that may be required under any law in force and disbursement by bank could be related to such clearances, if any. The implementing agencies will decide the eligibility and classification of the activity proposed to be financed under industry/service/business sectors. Earlier stipulation on ceilings on the activities to be covered under Industry, Service and Business sectors since stand withdrawn.

**7. Relaxations of PMRY Norms for North-East Region, Himachal Pradesh, Uttaranchal and Jammu & Kashmir**

Government of India has decided to provide certain relaxations on the various parameters in the implementation of PMRY in the States of North-Eastern Region viz. Assam, Mizoram, Manipur, Tripura, Nagaland, Arunachal Pradesh, Meghalaya and Sikkim as well as Himachal Pradesh, Uttaranchal and Jammu & Kashmir.

These are:

- a. The PMRY is expanded to cover areas of horticulture, piggery, poultry, fishing, small tea gardens, etc. so as to cover all economically viable activities.
- b. Family income not exceeding Rs. **1,00,000/-** per annum for each beneficiary along with his/her spouse and the parents of the beneficiary.
- c. The upper age limit is relaxed to 40 years **in general**. For the SC/ST/Ex-servicemen, physically handicapped and women, the relaxation shall be upto the age of 45 years.
- d. The subsidy will be @ 15 percent of the project cost with a ceiling of Rs. 15,000/- per borrower. Banks will be allowed to take margin money from the borrower varying from 5 percent to 12.5 percent of the project cost so as to make the total of subsidy and margin money equal to 20 percent of the project cost. (Applicable to cases sanctioned from 01.04.1999).

Prescribed conditions at (a) and (b) are now made applicable to the entire country under PMRY.

## **8. Project Funding**

### **(i) Project preparation**

The District Industries Centre (DIC)/Small Industries Service Institute (SISI) (for metropolitan cities) or NGOs, Industries Associations or other agencies will identify and forward the applications to the District Level Committee/Metropolitan City Committees to be set up by the Ministry of Industry, Government of India. After scrutiny by the committee, applications will be sponsored to banks. **Banks may satisfy themselves about viability and bankability of the project.**

### **(ii) Components of project cost**

a) **Rs.2.00 lakh** for business/ service sector and **Rs.5.00 lakhs** for industry sector, loan to be of composite nature. If two or more eligible persons joins together in a partnership, project upto Rs.10.00 lakhs are covered. Assistance shall be limited to individual admissibility.

b) The requirement of funds by the borrower for acquiring a suitable accommodation either by way of lease/rent or on ownership basis to set-up a shop, etc. may form part of the project cost, provided it is considered as essential by the financing bank. The total project cost, including such requirement should be within the stipulated limit indicated above.

c) In case of PMRY beneficiaries carrying on their activities in rented premises, the lease period as available may be taken, subject to renewal as in the case of non-PMRY loans. It is for the banks to

ensure that lease agreements are renewed at the expiry of lease period during the currency of the loan.

**(iii) Subsidy and Margin Money**

a) i) Subsidy will be limited to 15% of the project cost subject to ceiling of Rs.12,500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.

**For North Eastern States, Himachal Pradesh, Uttarakhand and J&K.**

ii) Subsidy @ of 15% of the project cost subject to a ceiling of Rs.15,000/- per entrepreneur for north-eastern States, Himachal Pradesh, Uttaranchal and Jammu & Kashmir. Margin money contribution from the entrepreneur may vary from 5% to 12.5% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.

b) In the case of Dairy loans, where the disbursement will be made in two stages (second batch of animals after six months), the branches may be advised to claim the subsidy from the Head Office only at the time of the final (second) disbursement of the loan.

**(iv) Joint ventures/partnerships**

- a). Group activity stands a better chance of success because it is easier to provide back up support and marketing linkages. Group activities should, therefore, be encouraged.
- b). If more than one applicant join together and form partnership concern, they will be eligible for a total loan and subsidy, subject to the condition that proportionate loan/subsidy to each borrower does not exceed the prescribed ceiling per individual borrower, as indicated in 7(iii)(a) and 7(v)(a) above and the **total project cost** should not exceed Rs. 10 lakhs. Also, the individual ceiling on share of the project cost for each one of the partners will be dependant on the nature of the activity undertaken by the firm.
- c). It would be preferable if the shares of partners were equal. All the partners should be *prima facie* eligible for assistance under PMRY scheme.
- d). Co-operative Societies, not being partnership, are not eligible for assistance under PMRY.
- e). It has been decided that Self Help Groups(SHG) could be considered for financing under the PMRY provided:
  - i) Educated unemployed youth satisfy the eligibility criteria laid down under the scheme volunteer to form SHG to set up self-employed ventures (Common Economic Activity)
  - ii) Self Help Group may consists of 5 – 20 educated unemployed youth.

- iii) No upper ceiling on loan.
- iv) Loan may be provided as per individual eligibility taking into account the requirement of the project.
- v) SHG may undertake common economic activity for which loan is sanctioned without resorting to onward lending to its members.
- vi) 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.
- vii) The subsidy ceiling for Self Help Group is Rs. 15,000/- per beneficiary subject to a maximum of Rs. 1.25 lakh per Self Help Group.**
- viii) Required margin money contribution (i.e. subsidy and margin to be equal to 20 percent of the project cost) should be brought in by the SHG collectively.
- ix) 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.
- x) Implementing agencies may decide necessity of pre-disbursal training for all the members/majority of the members in the group.

**(v) Security**

- a). Apart from the margin and personal guarantee provided by the borrower as also the subsidy by the Government, the borrower will hypothecate/ mortgage/pledge to the bank assets created out of bank loan.
- b). If no fixed assets are proposed to be created in the case of loans exceeding Rs. 50,000/-, banks should exercise special care while sanctioning such cases.
- c) No collateral for units in industry sector with project cost upto Rs.5.00 lakh (the loan ceiling under the PMRY). For partnership projects under Industry Sector, the exemption limit for obtention of collateral security will be Rs.5.00 lakh per borrower account. For units in service and business sector no collateral for project upto Rs.2.00 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs.2.00 lakh per person participating in the project cost.

**(vi) Sanction/disbursement of cases**

- a). Disbursement is a continuous process and disbursement of loans may be effected even after the completion of that particular programme year. While processing the applications sponsored by Task Force Committees, the branches may please ensure that -
  - As far as possible the disbursement should be effected in minimum number of instalments, sanctions are evenly paced and not pushed to the last quarter of the year;

- The reasons for rejection of the applications are clearly spelt out and made available every month to the District Co-ordinators so that the Task Force Committees could review the matter; and
  - Number of instalments.
  - As per decision of the meeting held on 28.05.2004 under the chairmanship of Secretary (SSI&ARI), Government of India, banks have been advised to consider endorsing a copy of the sanction letter to the concerned DIC so that they could assist the beneficiaries to fulfil pre-disbursement formalities.
- b). The sanctions accorded by banks under the scheme should be final and clearly indicate all the conditionalities to be fulfilled by the beneficiaries for the disbursal of loan amounts. This would enable the beneficiaries to comply with the bank's requirements well in time so as to enable the banks to complete the disbursement of loan amount sanctioned before the expiry of the closure date.

**(vii) Repayment schedule**

- a). Repayment schedule may be fixed in the range of 3 to 7 years after an initial moratorium **as may be prescribed by the financing bank**, depending on the nature and profitability of the venture. Working capital limit should be reviewed periodically.
- b). The repayment schedule is to be worked out only for the term loan component.
- c). In cases where the borrowers are in a position to repay the loan earlier than the repayment schedule fixed by the bank, the repayment of PMRY loan may be rescheduled with a **minimum period of 3 years** at the discretion of the Branch Manager so that the borrower receives an early credit of subsidy and is able to avail of additional loan facilities, if desired.
- d). Recovery of loans is the responsibility of the banks concerned. Banks have been advised to constitute recovery cells at Regional / Controlling Office level to improve recovery rate. They may seek assistance of the implementing agencies in this regard. The State Government/Committees will monitor the recovery of the loans and help the banks in the matter. In case of bona fide default, rescheduling is preferred.

**(viii) Additional finance**

- a). Additional finance towards working capital may be provided to the extent that the term loan component and working capital sanctioned should not exceed the prescribed ceiling amount fixed for the borrower (i.e. Rs. 1 lakh or Rs. 2 lakh depending upon whether the loan is for business sector or other than business sector) or for all the partners collectively and proposal for additional finance should also be approved by the Task Force Committee.
- b). The additional assistance furnished by the banks would be considered against the original target allocated to that branch. In other words, this cannot be treated as a fresh case for that particular bank branch.

**(ix) Penal interest/processing charges**

No penal interest or processing charges should be levied on loans granted under the PMRY scheme.

**9. Subsidy Management**

**(i) Subsidy disbursal**

The subsidy will be made available by Government of India in advance and passed on to the banks through Reserve Bank of India. The subsidy portion will be kept as fixed deposit with the banks in the name of the borrower for the duration of the term loan component but will not earn any interest. The subsidy deposit will be available to the borrower for adjustment against the last instalment(s) due under the term loan component. **In any case, the fixed deposit should run for a minimum period of 3 years and would be available for adjustment only thereafter.**

**(ii) Effective date of FDR**

- a). As the subsidy amount is remitted in advance to the Head Office of the bank, the date of the fixed deposit created out of subsidy amount will be the date on which the last instalment of the loan is disbursed by the branch. From that date, no interest will be charged on the subsidy portion of the loan.
- b). Even if the subsidy amount is received by the Head Office after the loan is disbursed, to avoid inconvenience to the borrowers, the FD shall run from the date on which the last of instalment of the loan was disbursed and no interest on the subsidy portion of the loan shall be charged from that date.

**(iii) Non-payment of interest on FDR representing subsidy**

On the subsidy amount retained by the banks as fixed deposit in the name of the beneficiary, no interest will be paid by the banks and on the portion of the loan-representing subsidy, no interest would be charged by banks. The rate of interest to be charged will be decided on the basis of the loan amount net of subsidy.

**(iv) Eligibility of subsidy**

- a). If the PMRY loan is closed prematurely, the borrower will not be eligible for subsidy. Similarly subsidy will not be available in the case of misutilisation of loan, abandonment of the project by the borrower, ineligibility of the borrower due to his not complying with the criteria laid down under the scheme etc. As in all such cases, loans would not have sub-served the central objective of the scheme; the borrower will not be eligible for subsidy.
- b). However, in cases where the loans have become bad/doubtful of recovery and in respect of which banks file claim with DICGC, the amount of subsidy deposit may be adjusted towards the loan outstanding even before the expiry of 3 years, provided the misutilisation occurs beyond the control of the bank.



- c). It will be necessary for banks to ensure that the appraisal, procedure for sanction and disbursement of loans and post-disbursement supervision, etc. are carried out in accordance with the instructions issued by the Bank's Head/Controlling Offices in order to be eligible for the above benefit and produce necessary records, if so required.
- d). The provision regarding penalty for premature closure of term deposit will not apply in such cases. However, in cases where the beneficiaries are ineligible for assistance under the scheme, the subsidy will not be allowed to be adjusted towards the loan under any circumstances and will have to be refunded.

**(v) Audit certification**

- Each bank should obtain a certificate from its Statutory Auditor certifying the correctness of the claims made by the bank in respect of subsidy under the PMRY Scheme and put up to the Board of Directors before 30th September every year. In this respect, the under noted procedure may be followed for issue of certificate by the Statutory Auditor:
  - Bank branches which are selected for external audit shall forward to their Head Office a certificate issued by the External Auditors/ Concurrent Auditors to the effect that the entries in the registers and other relevant books as also the claims made by the bank branches in respect of subsidy amounts relating to loans sanctioned under PMRY in the previous programme year are correct.
  - In respect of other bank branches, where no external auditors/ concurrent auditors are appointed, the branch managers themselves may furnish the necessary certificates to the Head Office.
  - On the basis of certificates (issued by the external auditors/concurrent auditors/branch managers, as the case may be) received from bank branches, the Statutory Auditors of the banks may issue a consolidated certificate in respect of subsidy amount released by the banks as a whole during the previous program year under PMRY and the same may be put up to the Board of Directors [as per the format given in the **Annexure I**].
  - The subsidy accounts will be subject to Audit by Accountant General.

**vi) Subsidy utilisation statement**

- a). The Government of India have revised the format given in **Annexure II** for reporting the data relating to subsidy utilisation/additional subsidy requirement statement by the bank on quarterly basis effective from programme year 2006-07. Accordingly, banks may report the cumulative position of total Sanctions/Disbursements/Subsidy Utilisation/Requirements relating to each programme year at the end of each quarter on the basis of instructions furnished in the note to the format.
- b). Banks may obtain from their controlling offices/branches, the data in the prescribed format at monthly intervals and ensure submission of consolidated statement on quarterly basis to RBI.

**(vii) Adjustment of surplus subsidy**

- a). Banks may utilise the surplus subsidy available with them in respect of any programme year towards their subsidy requirement of any other programme year within the band of four programme years viz. 1993-94, 1994-95, 1995-96 and 1996-97. The subsidy amounts for the respective programme years wherever so adjusted, should be clearly indicated/reported to RBI under quarterly subsidy utilisation certificate/statement.
- b). Banks may also utilise the surplus subsidy available with them under PMRY for the programme years 1993-94 to 1996-97 towards their subsidy requirements of programme year 1997-98.
- c). Banks may also utilise the surplus subsidy available with them under PMRY for the programme year 1997-98 after meeting all the subsidy requirements of 1997-98 towards their subsidy requirements of programme year 1998-99.
- d). Banks may also utilise the surplus subsidy available with them under PMRY for the programme year 1998-99 after meeting all the subsidy requirements of programme year 1998-99 towards the subsidy requirements of programme year 1999-2000.

**10. Training / Infrastructure Expenses**

- a). Training/Infrastructure component at the rate of Rs. 2,500/- per beneficiary for industry sector and Rs.1250/- per beneficiary for service and business sector will be given to the State Government/Union Territories after getting confirmation that loans have been sanctioned by banks. The training programme should take care of special needs of the educated.
- b). Educated women need special attention as the incidence of unemployment among them is higher than among men and their access to employment and training is conditioned by social circumstances and attitude. Service Sector is probably the one that suits them most. Manufacture and repairs of electrical and electronic gadgets, watch assembly and spares, computer software, crèche-day care services etc. are some important activities with scope for employment of educated women and they should be encouraged to take up these activities. They should be given larger access to the training facilities in manufacture of computer parts, software development, repair of TV and electronics equipment, running of printing presses, pharmacies, dry cleaning and in small service industries like restaurants, small guest houses, etc.
- c). Industry and other users of skilled manpower, who are aware of emerging requirement of skill, should be involved in manpower development. Chambers of Commerce and Industry should also come forward to provide training in entrepreneurship and promote self-employment. Similar roles also need to be played by the local industries associations. It is intended that spare capacity available in ITI, Polytechniques and other suitable training institutes run by

Government, private or voluntary organisations will be utilised by running double shifts and by suitable amendments in the curriculum and course durations. Course duration should be normally for a month. However, the District PMRY Committee can change the duration and prescribe the duration for new trade.

- d). Training under the industry sector may be given for a period of 15-20 working days. Under the service and business sector, the training period shall be 7-10 working days.
- e). Where a borrower has undergone an equivalent or higher Entrepreneurship Development Training of same or longer duration conducted by a reputed institution or bank, the borrower may be exempted from training under PMRY. In such cases, the General Manager of the concerned District Industries Centre (DIC) may issue a certificate stating therein the training, which has already been attended by the borrower, and exempting him from attending training under PMRY to enable the banks to disburse the loans.
- f). Banks should be given the first preference (along with stipulated funds) in case they come forward for organising training for PMRY borrowers. The banks having necessary infrastructure at the State-level may in consultation with the State Governments organise training programmes for PMRY borrowers.
- g). Pre-selection motivational campaign at Rs.200 per applicant for 125 percent of the allocated target of cases on reimbursement basis in states/UTs.

## **11. Other Aspects**

### **(ii) *Deceased borrowers***

- a). In the case of death of a borrower under PMRY, it would be in order for banks to transfer the liability to the legal heir/near relative of the deceased or any third party willing to take the liabilities and continue to run the unit/activity, even if they do not satisfy the criteria stipulated under the Scheme, provided the person to whom the unit/activity is thus transferred, without changing in any way the terms of the loan, satisfies the lending bank regarding timely repayment of the loan instalments.
- b). The subsidy amount will also accrue only to the transferred account.
- c). If, however, an arrangements of this type is not feasible, banks may take steps to recover the loan and adjust the subsidy amount towards the dues of the deceased beneficiary.

### **(ii) *Dissolution of partnership***

In case of dissolution of the partnership on retirement of one partner and the remaining partner agreeing to continue the activity as a sole proprietor by accepting all the liabilities of the firm, the following procedure may be followed:

- In case the activity proposed to be continued by the remaining partner is above Rs.2 lakh for service and industry sectors and

above Rs.1 lakh, for business sector, no subsidy shall be admissible to the remaining partner/sole partner continuing the activity.

(iii) ***Issue of 'No Due Certificate'***

The borrowers generally find it difficult to obtain 'no due certificate' from all the banks functioning in the area and there is also delay in the issue of such certificate by the banks. The loan applications will henceforth contain a clause for eliciting particulars about any loan taken by the applicant from any banking/financial institution etc. All such particulars furnished by the applicant will be certified by him. Based on the information furnished by the applicant, the banks may consider dispensing with production of 'No Dues Certificate', as a compulsory requirement if they are satisfied regarding the status of the applicant. In case the banks decides to verify the status of the loan account of the borrower with other banks in the area, it should send a specific communication enclosing the list of applicants in duplicate. If no response is received from the other banks, within 15 days of request, it will be presumed that the referred banks have no dues/objection. Since this information is on the basis of mutuality and reciprocity, service charges should not be an issue for furnishing 'No Dues Certificate'.

(iv) ***Issue of pass books to PMRY borrowers***

Banks may issue passbooks to PMRY borrowers in Regional Languages to facilitate maintenance of a record of disbursements made/repayments effected etc.

(v) ***Carryover of applications***

The cases recommended by DIC during a year and pending with banks at the end of the year should, as a rule, be considered first for sanction/disbursement in the next financial year and such pending cases should not be returned on the ground 'already reached target'.

(vi) ***Other incentives***

A borrower under PMRY may be given other types of incentives by the State Governments like industrial sheds at Concessional rates, plots, etc. The borrower can also avail indirect cash incentives like waiver of Sales Tax, etc. In case of monetary incentives, the States/Union Territories could extend them, but the promoters' contribution of 5 percent of the project cost should not be diluted so as to maintain the promoter's stake in the project.

(vii) ***Closure of disbursements for cases sanctioned during a programme year***

- a). At times, the cases sanctioned in a particular year remain undisbursed in the following year for various reasons such as borrowers lose interest or are absorbed in other avocations etc. Banks may treat the cases sanctioned in a particular year as lapsed after a period of 9 months in the financial year following and issue notices to such persons under registered cover and also inform the DICs the cases in which the prospective borrowers did not turn up. In all such cases, the DICs would then try to contact the applicants. Wherever required, the DIC should re-sponsor the cases of

applicants thus left out for whatever reasons. These will be treated as fresh cases in the respective financial year. These instructions will not apply to cases which have been partially disbursed.

- b). Disbursements of loans sanctioned under PMRY during a financial year should be completed and closed by the bank branches by the end of 10th month of the following year, i.e., positive before the 1st of February.
- c). As a special case, the final date for closure of disbursement of the loans sanctioned under PMRY during the years 1993-94, 1994-95 and 1995-96 was set at 1st June, 1997.
- d). The period of closure of sanctions and disbursements of loans under the PMRY scheme for the year 1997-98 was fixed at the end of 6th month and 9th month of the following year respectively. Accordingly, for the year 1997-98, sanctions lapsed on 01.10.1998\* and disbursement had to be completed by **01.01.1999\***. In this regard, the cases sanctioned during the period from 01.04.97 to 31.03.98 constituted the total number of cases sanctioned during the programme year 1997-98. Sanctions made after 31.03.98 did not count for sanctions made during 1997-98 although the applications had been received during 1997-98. Such sanctions counted for programme year 1998-99.
- e). In respect of cases sanctioned during programme year 1997-98, where no disbursement had been made by 01.10.98, the sanction lapsed as on that date and the instructions relating to lapsed sanctions stated in para (a) above were to be followed in such cases.
- f). The date of closure of disbursements for the cases sanctioned during the programme year 01.04.98 to 31.03.99 under PMRY was set as 31.12.99 after which sanctions where no disbursements had taken place for the programme year 1998-99 lapsed. In cases where disbursements are partial, the procedure for treating partially disbursed cases shall be allowed to be applied after 31.12.99 as indicated in para (d) above. As the disbursements would close for the programme year 1998-99 by 31.12.99, banks should submit final subsidy utilisation certificate for all claims in the prescribed format latest by 28.02.2000.
- g). The cut off dates for lapsing of sanctions and completion of disbursements for loans sanctioned during 1999-2000 were 31-10-2000 and 31-12-2000 respectively. In case of partial disbursement of the cases during 1999-2000, the subsidy claims of banks freezed on the amount disbursed as at close of 31-12-2000. Thereafter, the undisbursed portion of the loan would be disbursed by banks without subsidy benefit. The subsidy portion could be sanctioned and disbursed as additional loan by banks.
- h). In case of partial disbursement of cases sanctioned during the years 1993-94 to 1995-96, the subsidy claim of the bank was to freeze on the amount disbursed as on the closure date, i.e., 01.06.97. Thereafter, the undisbursed portion of the loan could continue to be

disbursed by the banks, without asking for subsidy. The subsidy portion could be sanctioned and disbursed as additional loan.

- i). In respect of cases sanctioned during 1996-97, where partial disbursements had taken place, the cut-off date for completion of disbursements as on 01.02.98 was not extended and banks were to follow the procedure started in para (h) above for completion of disbursement.
- j). In respect of part disbursement of cases sanctioned during 1997-98, the subsidy claim of the bank freezed on the amount disbursed as on the cut-off date, i.e., 01.01.99. Thereafter, the undisbursed portion of the loan could be disbursed by banks but without the benefit of subsidy. In order to avoid under-financing of the activity, the subsidy portion due on the undisbursed amount could be sanctioned and disbursed as additional loan to the borrowers by banks.
- k). In case of partial disbursement of cases sanctioned during the years 1993-94 to 1995-96, the subsidy claim of the bank freezed on the amount disbursed on the closure date i.e. 01.06.1997 and in respect of cases sanctioned during 1996-97 for partly disbursed cases, the cut-off date was 01.02.1998. As eligible disbursements had already been completed, banks were required to report the utilisation of subsidy for the respective programme years from 1993-94 to 1996-97 to RBI in the prescribed format to enable reconciliation of subsidy amount. Banks were to ensure that all subsidy claims of their branches were included under respective programme years.

(viii) Review of rejected cases.

Introduction of sample checks of the rejected cases to be carried out by an authority of the bank higher than the one who originally rejected the loan application.

## **Section – II**

### **PMRY – Implementing Agencies and Operational Guidelines**

#### **12. Implementation**

- (a) The district being well established geographical units for many programmes it is proposed that co-ordinated implementation of the programme will be undertaken at the district level.
- (b) State/Union Territory Government may select and declare one Agency as Implementing Agency out of the District Industries Centre (DIC)/Small Industries Service Institute/Directorate of Industries/District Urban Development Agency (DUDA) in four metropolitan cities of Delhi, Mumbai, Calcutta and Chennai. In other areas, they may select and declare either the District Industries Centre or District Urban Development Agency. This agency in consultation with the banks of respective areas will be responsible for the formulation of self-employment plans, their implementation, monitoring under the overall supervision/guidance of the District PMRY Committee. They are

required to formulate location specific plans of action based on realistic demand assessment of various activities and their absorption capacity.

- (c) The District PMRY Committees will function as a nodal agency for the formulation of self-employment plans, their implementation and monitoring. The District Task Force Committee is set up by the concerned State/UT Government. At district level, the District Task Force Committee has been reconstituted with the inclusion of new members. Generally, it will comprise of a Chairman who will be senior officer of the implementing agency preferably head of the agency, e.g., General Manager of District Industries Centre, Director in case of SISI, Additional Director of Industries Centre, in case of Directorate of Industries, Vice Chairman in case of DUDA. Other members of the Task Force will be representatives of –

- i). Lead Bank
- ii). Two leading banks
- iii). District Employment Officer
- iv). One member each from DIC/SISI/DUDA (other than the implementing agency)
- v). One officer as Member Secretary to be nominated by the Chairman of the Task Force
- vi). Chairman may co-opt one or more members from reputed non-governmental organisations.

- (d) The Directorate of Industries is responsible for implementation of the scheme in Metropolitan cities of Kolkata and Chennai. The Directorate of Industries and SISI is responsible for implementation of the scheme in Mumbai. In NCT Delhi, the Directorate of Industries ensures implementation of the scheme through the Deputy Commissioner of each of the nine districts. Above agencies are generally responsible for

- i). Motivating and selecting the entrepreneurs,
- ii). Identifying and preparing schemes in industry, service and business sectors,
- iii). Determining the avocation/activities,
- iv). Recommending loan,
- v). Getting speedy clearances as necessary from the authorities concerned.

- (e) The Task Force would invite applications from eligible persons through advertisements in local newspapers. These applications will be approved by the Task Force and would be recommended to the concerned bank branches. All the cases received by the Branch Managers after recommendation by the Task Force Committee would be disposed of expeditiously.

- (f) Implementation of the scheme by District Task Force Committee set up for the purpose involves identification of beneficiary, selection of specific avocations, identification of the support system required by the beneficiary, escort services

and close liaison with the banks and other local agencies concerned with industry, trade and service sectors.

- (g) In four metropolitan cities, PMRY Committee will be similarly constituted.
- (h) In the fifth meeting of the High Powered Committee, it was pointed out that the implementation of PMRY would improve with a more detailed scrutiny at the Task Force level, as well as association of concerned bankers. The quality of scrutiny would also improve with more time available with the Task Force. It was, therefore, decided that the States/UTs may constitute Sub-divisional Level or Block Level Task Forces as per constitution given in **Annexure III**. To maintain a certain quality of scrutiny, only one of the levels below the District Task Force may be chosen. The Subordinate Task Forces would only scrutinise the applications received by DIC and interview the candidates. Sub-ordinate Task Forces may, however, forward the approved cases directly to the bank branches. As per the decision of the meeting held on 28.05.2004 under the chairmanship of Secretary (SSI&ARI), Government of India, banks have been advised as under:
  - (i) District Task Force Committee would meet at least once in a month or more depending upon the number of applications received.
  - (ii) The Block Level Task Force Committees (BLTFCs) meetings may be held immediately after the Block Level Bankers Committee (BLBC) meeting to ensure participation of all banks in the Block Level Task Force Committee and speedy disposal of applications.
- (i) In case of any one of the Subordinate Task Forces being allowed to function, the State/UT should for the purpose of scrutiny and interview, specify the jurisdiction of the District Task Force. All other functions of the District Level Task Forces like receipt of applications, reporting process, assistance to beneficiaries etc. shall continue with the District Level Task Force/General Manager, DICs Office.
- (j) The decision to constitute the Sub-ordinate Task Forces shall have to be taken in consultation with the respective convenor banks of the State/UT.
- (k) In addition to sponsoring of applications by Task Forces as above, banks themselves may also receive applications directly from the eligible persons under the Scheme. However, such applications should be sent to the sponsoring agency with their observation on the viability and bankability of the project. Sponsoring agencies would formally sponsor such applications back to the bank branches for sanction of loan.
- (l) For better implementation of the scheme, the State Government may restrict the number of lending banks in any area but this decision may be taken in consultation with the District Committee/Sub-Committee.
- (m) Seminars may be held at the level of each district for creating awareness of PMRY in the area in the form of pre-selection motivational campaigns. A resolution may be asked to be adopted by each and every Gram Panchayat for giving wide publicity and awareness about PMRY in their respective jurisdictions.



- (n) All members of the Task Force Committee would collectively be responsible for selection of beneficiaries. This would ensure that the Bank Manager alone shall not be responsible for the Non Performing Assets (NPAs) if any, which would arise out of the loans extended under PMRY to the beneficiaries.
- (o) No collateral shall be insisted for PMRY loans upto Rs. 5 lakh.
- (p) Assistance to SC/ST and beneficiaries from minority communities should be targeted in such a manner that they are benefited at least in proportion to their population in each District/State.
- (q) Of the total target for each State/UT, women beneficiaries should constitute at least 30 percent.
- (r) Preference may be given to develop clusters specialising in specific +- products at the time of selection of PMRY beneficiaries.
- (s) The Tahsildar / Block Development Officer may authenticate the eligibility of PMRY beneficiaries in respect of residence and income criteria.
- (t) Cent percent verification will be done on the Proforma enclosed ( Annexure – XV)
- (u) The scheme envisages coverage of SC/ST and the minority candidates at least equal to their population in the District / State. However, the percentage should not be less than 22.5 percent for SC / STs, 27 percent for Other Backward Classes ( OBCs) and 30 percent for women. Equitable share for minorities may also be ensured.

### 13. Monitoring

- (a) The Scheme will be monitored at district level by District PMRY Committee, metropolitan City Committees or by Sub-Committees set up for the purpose at State Level by State PMRY Committee and at Central Level by the High Powered Committee under the Chairmanship of Secretary (SSI & ARI). Problems of implementation, co-ordination and monitoring are to be sorted out by this committee, which is to meet once in a month except the High Powered Committee under the Chairmanship of Secretary (SSI & ARI) which will meet periodically to carry out its functions.
- (b) Monthly Progress Report in the prescribed proforma given in **Annexure IV** will be sent to the Directorate of Industries where it will be compiled and sent to the office of Development Commissioner. Once in a quarter, state level Committee will review the progress and send the report in the quarterly proforma along with remarks to the office of the Development Commissioner, in the prescribed proforma given in **Annexure V**.
- (c) The progress of the scheme will also be monitored by the District Consultative Committee (DCC) at the District Level and by State Level Bankers Committee (SLBC) at the State Level during their periodic meetings.
- (d) In order to tackle the problem of delays, the district level co-ordinators of banks shall enquire into the causes of major irregularities, more

particularly in respect of bank branches performing at levels of less than 50 percent of the district average in terms of sanctions and disbursals. He should also look into the complaints regarding collateral. A report shall be submitted by him every month on the problems/issues at these bank branches in the district PMRY Committee and Task Force Committee for discussion and for recommending action at appropriate levels in the banking system and by the OMBUDSMAN, where appropriate.

- (e) There is a need for ensuring reconciliation of figures of sanctions and disbursals as reported by the States and the banks. The district level co-ordinators of banks shall reconcile the figures of applications recommended and sanctioned with the data of the District Industries Centre as per the MIS pattern notified by RBI.

(f) ***Monitoring the performance of the branches***

Banks may arrange to check at random the performance of a few branches under PMRY and initiate action against the Branch Managers whose performance is found to be wilfully inadequate or inappropriate.

(g) ***Review notes***

Banks should put up to their Board review of performance under PMRY on a quarterly basis and send a copy to the Chief General Manager, Rural Planning & Credit Dept., Reserve Bank of India, Central Office, Mumbai for information.

#### **14. Evaluation**

- (i) The Government of India will carry out concurrent evaluation on regular basis. Reputed institutions, organisation and NGOs in the States will be identified to carry out survey of the beneficiaries. Institutions and organisations for survey will be selected in consultation with State Governments for suitable follow up action. Progress report received from the States/UTs along with the concurrent evaluations will be reviewed in the High Powered Committee at Central level. Immediately on receipt of targets from the Central Government, State Government/UTs would convey district-wise targets to each district. District Committee will allot targets within the district to the banks. In the metropolitan cities, this work will be undertaken by the metropolitan City Committee. The District PMRY Committee/Committees constituted for metropolitan cities or sub-committees thereof would invite application from eligible persons through advertisements in local newspapers. Publicity would also be given by display on Notice Boards in the Banks and BDO's offices.
- (ii) These applications will be approved by the District Task Force Committees and would be recommended to the concerned bank branches. The number of applications recommended would be at least 25 percent more than the target fixed for the branch, to take care of rejections at the bank level.
- (iii) All the cases received by the Branch Managers after recommendation by the Committee would be disposed of expeditiously.

- (iv) Training Institutions should be identified and module for training should be kept ready by the District Authorities before the loan is sanctioned.
- (v) As soon as the cases are sanctioned, intimation will be sent by banks to District PMRY Committees/Committee constituted for metropolitan cities or sub-committees that training activity can start.
- (vi) 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/Metropolitan City Committee or Sub-committees thereof.
- (vii) Recommendations by Task Force set up for intensive study of Implementation of PMRY during the year 1993-94 (**Annexure XIII**).

### **15. Involvement of Non-Government Organisation**

NGOs can play a very important role in the implementation of the PMRY. The scheme seeks to associate reputed non-governmental organisations (NGOs) in implementation of PMRY Scheme. They can be involved right from identification, motivation, and selection of beneficiaries and preparation of project profile. They can also help the borrower in proper management of the assets, marketing of the products, repayment of the loan instalments etc. Training of beneficiaries is another area where they can play a very useful role. States/ UTs should work out methodologies to associate the reputed NGOs in manner, which will bring the scheme to the doorstep of the potential beneficiaries.

### **Section – III**

#### **PMRY – Target Allocation and Recovery Requirements**

#### **16 . Yearly Targets**

- (a) Each year, the Government of India allocates targets under PMRY for each State/Union Territories for the programme year.
- (b) It was decided in the eleventh High Power Committee meeting held in February 2001 that the banks having less than 5 branches in a state, shall not be allocated targets, if total target of all the branches of that bank constitute 2% or less of the total target of the state. Pondicherry, Jammu & Kashmir and Himachal Pradesh are exempted from the above provisions.
- (c) In order to prevent bunching of applications at the end of the year, the controlling offices/branches may be advised to achieve quarterly progress targets as under:

<b>Quarter</b>	<b>Sponsoring</b>	<b>Sanctions</b>	<b>Disbursement</b>
1 <sup>st</sup>	25%	10%	--
2 <sup>nd</sup>	100%	50%	15%
3 <sup>rd</sup>	125% *	80%	50%

Quarter	Sponsoring	Sanctions	Disbursement
4 <sup>th</sup>	--	100%	80%
1st (succeeding year)	--	--	100%
* After 31st December, only the cases rejected by banks may be replaced.			

As per the decision of the meeting held on 28.05.2004 under the chairmanship of Secretary (SSI&ARI), Government of India, banks have been advised that they (alongwith State Govt.) may monitor the progress on monthly basis with respect to sponsoring, sanctioning and disbursement of applications under the scheme. Problems, if any, may be sorted out in the DLCC meetings

(d) Sponsoring of applications shall be limited to 125 percent of target and is to be completed by 31st December each year. Thereafter, fresh applications may be sponsored only to the extent of applications rejected by banks.

(e) In regard to carry over of Applications pending on 31st March, banks should ensure that their branches follow the instructions contained in paragraph 11(vi) of the Guidelines on PMRY given in *Annexure XIII* and do not return pending applications to DICs at the end of the year and consider such pending applications first in the next programme year so that the same persons need not apply again

- (f) In order to give preference to weaker sections, Government has decided to provide 22.5 percent reservation for SC/ST applicants and 27 percent reservation for 'Other Backward Classes' (OBC) applicants.
- (g) A fair and adequate share to the minorities and preference to women may be ensured.
- (h) Whenever additional targets are set by the Government of India for various States and the same are advised to the banks, they should issue necessary instructions to their controlling offices and branches to accept additional targets set for them and to ensure that the same are achieved.
- (i) Implementing agencies should try to sponsor/sanction maximum number of applications for self employment projects in the industry sector, in view of higher employment potential in this sector.
- (j) The States/UTs should continue to make efforts to improve loan recovery under the scheme.
- (k) The State Level Bankers Committee ( SLBC) Conveners should reconcile the data with the State/Union Territory Governments as well as Reserve Bank of India.
- (l) The banks must try to reduce the gap between number of cases sanctioned and disbursed by them.

## **17 Reporting Requirements**

- (a) Quarterly progress reports under the scheme may be furnished to RBI as per proforma given in the *Annexure VIII*. The same format may also be used by bank branches/controlling/Regional/Zonal offices for monitoring the implementation of the scheme. Banks should advise their branches/controlling offices to ensure the following:
  - (i) Separate State-wise information should be furnished. Information for various States should not be clubbed.
  - (ii) Final position and not the provisional position should be furnished.
  - (iii) The disbursement figures should be reported separately for each programme year. Thus, it is necessary to forward the quarterly statement in the prescribed form for each programme year separately.
  - (iv) The following order may be followed while indicating the name of the State/Union Territory in column 1 of the statement:

**Name of the State Union/Territory**

**North Region**

Haryana, Himachal Pradesh, Jammu & Kashmir  
Punjab, Rajasthan, Chandigarh and Delhi

**Northern Eastern Region**

Assam, Manipur, Meghalaya, Nagaland, Tripura  
Arunachal Pradesh, Mizoram, Sikkim

**Eastern Region**

Bihar, Orissa, West Bengal, Andaman & Nicobar Islands

**Central Region**

Madhya Pradesh, Uttar Pradesh

**Western Region**

Gujarat, Maharashtra, Daman & Diu, Goa, Dadra & Nagar  
haveli

**Southern Region**

Andhra Pradesh, Karnataka, Kerala, Tamil Nadu  
Lakshadweep, Pondicherry

**All India**

(b) Banks are required to submit 'Monthly Progress Report' and 'Quarterly Progress Report' under the scheme to RBI and to implementing agencies in the prescribed formats given in *Annexure VII & VIII* within 7 days of the following month furnishing details of Target/ Applications received / sanction /disbursement and pending applications including details of sanction / disbursements made to SC/ST, OBC and Women.

(c) The copies of monthly and quarterly reports may also be sent to Government of India, Ministry of Industry at the following address:

Joint Development Commissioner,  
Office of the Development Commissioner (SSI),  
Dept. of SSI, Agro & Rural Industries,  
Ministry of Industries, Government of India,  
Nirman Bhavan (South Wing), 7th Floor,  
Maulana Azad Road, New Delhi - 110 011.

(d) The Government of India had desired to obtain the subsidy utilisation certificate indicating the subsidy released to Head Office of the bank by RBI and utilised by them during the period 1993-94 to 1998-99 as on 31.03.99 in the prescribed format given in the *Annexure IX*. The statement for the above period duly certified by General Manager (Priority Sector) as well as Internal Auditor of the bank should be forwarded directly to -

Joint Development Commissioner (PMRY),  
Office of the Development Commissioner (SSI),  
Dept. of SSI, Agro & Rural Industries,  
Ministry of Industries, Government of India,  
Nirman Bhavan (South Wing), 7th Floor,  
Maulana Azad Road, New Delhi - 110 011.

(e) *Recovery Performance*

Banks should submit to RBI a report on the recovery position in respect of PMRY every half-year (March/September) within 45 days from the due date as per format given in **Annexure X**.

**18 Recovery**

- (a) Banks have been permitted to file criminal complaints against the borrower who misuses/diverts the loans sanctioned under PMRY.
- (b) Banks are sometimes facing difficulties in recovery of their loans availed by unmarried girls after their marriage due to their migration to their new place. It has now been decided that banks may include the parents/heads of the family of the unmarried girls as a co-borrower of the PMRY loan

**19 Other Aspects.**

- (a) Banks would be eligible to avail of refinance under Small Industries Development Bank of India (SIDBI)/National Bank for Agriculture and Rural Development (NABARD) Schemes to the extent that these are available for the purpose specified.
- (b) The loans under the scheme will be eligible for Deposit Insurance and Credit Guarantee Corporation cover as in the case of other loans.
- (c) The Government of India have advised the Chief Secretaries of all State/Union Territories to help the banks in the recovery of loans. A copy of letter D.O.No.DIC-6(1)-93 dated 29.09.93 from Shri S.L. Kapur, Secretary, Ministry of Industries, Government of India, New Delhi addressed to the Chief Secretaries is given in the *Annexure XI* for information and guidance.
- (d) The constitution and functions of the District PMRY Committee/State PMRY Committee are given in the *Annexure XII*.

(e) *Delegation of Powers*

With a view to ensure quick disposal of applications for loans under PMRY, banks may consider review of the sanctioning powers of the Branch Managers, keeping in view their existing administrative set ups so that loan proposals over Rs. 50,000/- also get quickly sanctioned at the branches.

- (g) The loans granted under the scheme will be treated as advances under Priority Sector. The loan applications should be disposed-off expeditiously.

Banks may issue suitable instructions to Lead Bank Officers and the branches to effectively participate and implement the scheme.

- (h) The revised guidelines under PMRY in the form of salient features is given in an annexure ( Annexure XIV).

**Section IV**

***Annexure I***

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**PRIORITY SECTOR LENDINGS -**  
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**Audit Certificate**

***[Vide paragraph 8 (v) – Section I ]***

We have examined the claim for Rs. \_\_\_\_\_ for the period \_\_\_\_\_ to \_\_\_\_\_ made by the bank in respect of the subsidy due under the PMRY Scheme to provide self employment for educated unemployed youth framed by Ministry of Industry, Government of India with the book of accounts and other records at the Head Office of the said bank, the records and registers produced to us in respect of the claims relating to the advances made at the other offices of the bank and the audit reports by its concurrent/external auditors and certified statements received from the Officers-in-Charge of the offices as have not been audited. On the basis of such examination of the records, registers, audit reports, statements and the information and explanations given to us, we certify that to the best of our knowledge and belief the claim of Rs. \_\_\_\_\_ is correct/not correct.\*

We certify on the basis of the material indicated above that the amount due to the bank for the period from \_\_\_\_\_ to \_\_\_\_\_ in respect of subsidy due under the said scheme is Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only).

*Statutory Auditor*

Place :

Date :

\* Full details of discrepancies to be furnished separately by way of Annexure.



**PRIORITY SECTOR LENDINGS -  
SPECIAL PROGRAMMES**

**PMRY - Subsidy Utilisation/Requirements Statement**

*[Vide paragraph 9 (vi) (a) – Section I]*

Quarterly statement showing cumulative position as at the end of \_\_\_\_\_ for financial year \_\_\_\_\_

Name of the Bank \_\_\_\_\_

Programme Year -	Sanctioned		Disbursed		Advance sub- sidy recd.  from RBI	Subsidy refund recd.  and adjtd. for	Carry forward /adjmt from other years	Total funds  available	Subsidy utilised by		Balance Subsidy available with  H.O	Additional Subsidy  Required	
	No	Amount	No	Amount					No.	Amount		No.	Amount
Haryana													
Himachal Pradesh													
Jammu & Kashmir													
Punjab													
Rajasthan													
Chandigarh													
Delhi													
----													
----													
----													
----													
<b>Total</b>													

**Notes:**

1. Data relating to each programme year may be furnished separately.
2. Subsidy released by RBI for particular programme year may not be utilised for subsidy requirements of other programme years unless specific permission has been granted by RBI.
3. Figures may be rounded-off to nearest thousand in the quarterly statement and in full amounts of Rupees for final utilisation.
4. Only the cases disbursed before the cut-off date for disbursements are eligible for payment of subsidy.
5. The statement may be signed by an officer not less than the rank of AGM/DGM.
6. Effective from the programme year 2007- 08, subsidy is payable @ 15% of the project cost, subject to a ceiling of Rs. 12,500/- per borrower in all States except N.E. States, wherein the subsidy is payable @ 15% of the project cost, subject to a ceiling of Rs. 15,000/- per borrower. The 7 N.E. States comprise of Assam, Meghalaya, Manipur, Tripura, Arunachal Pradesh, Mizoram and Nagaland.
7. Refunds received in a particular financial year may be adjusted against claims available at H.O. for the current financial and programme year and be shown against the programme year so adjusted with.
8. \* Carry forward/adjustment details are \_\_\_\_\_.

Signature :  
Name :  
Designation

**Master Circular**

**PRIORITY SECTOR LENDINGS -  
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*[Vide paragraph 11 (h) – Section II]*

**Composition of Sub-Divisional Task Force under PMRY**

1. GM, DIC - Chairman
2. Sub-Divisional Officer (Civil Admn.)/Representative - Member
3. Lead Bank Officer - Member
4. All participating banks in the Sub-Division - Member
5. District Employment Officer/Representative - Member
6. Representative of DRDA - Member
7. Functional Manager, DIC  
Secretary - Member
8. District Welfare Officer/Representative - Member
9. Co-option 1/2 members of NGOs by GM, DIC - Member

In the absence of GM, DIC the Sub-Divisional Officer (Civil Admn./SDM (not the representative) shall chair the meeting.

In case an officer from the SC/ST community is not available amongst the members as aforesaid an SC/ST officer available in the Sub-division may be co-opted and invited as a member.

**OR**

**Composition of Block Level Task Force under PMRY**

10. GM, DIC - Chairman
11. B.D.O. - Member
12. Lead Bank Officer - Member
13. All participating banks in the Block - Member
14. District Employment Officer/Representative - Member

- 15. Representative of DRDA - Member
- 16. District Welfare Officer/Representative - Member
- 17. Co-option 1 or 2 members of NGOs, if available by GM, DIC - Member
- 18. Functional Manager, DIC Secretary - Member

In the absence of GM, DIC the B.D.O. (not the representative) shall chair the meeting.

In case an officer from the SC/ST community is not available amongst the members as aforesaid an SC/ST officer available in the Block may be co-opted and invited as a member.

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**PMRY - Monthly Progress Report**  
***[Vide paragraph 12 (b) – Section II]***

		<b>During the Month</b>	<b>Cumulative upto Month end</b>
(a)	Total number of applications received		
(b)	No. of applications recommended by the District Level Committee (DIC)		
(c)	No. of applications sanctioned by the banks		
(d)	Amount of loan sanctioned by the banks		
(e)	No. of cases to whom loan disbursed		
(f)	Amount of loan disbursed		
(g)	Central grant for training and infrastructure released		
(h)	Amount spent by State/UT towards training and infrastructure		
(i)	No. of persons trained or getting trained		

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**Quarterly Progress Report of PMRY**  
**for the Quarter Ending**

**Name of State / Union Territory**

[Vide paragraph 12 (b) – Section II]

(Amount Rs. lakhs)

Sr. No.	Name of DIC	Target (Annual)	No. of Applications		Sanctioned by Banks								Most predominant reasons for rejections of cases by banks	Disbursed by banks during the quarter	
			Received by DIC	Recommended to banks	Industry		Service		Business		Total			No. of cases	Amount
					No.	Amount	No.	Amount	No.	Amount	No.	Amount			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
	<b>Total</b>														

**Cumulative Report upto the Quarter Ending -----**

Sr. No.	Name of DLC	No.of applicants			(Amount Rs. Lakhs)	
		Recommended by banks	Sanctioned by banks	Disbursed by banks	Sanctioned	Disbursed
1.	2.	3.	4.	5.	6.	7.

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**PMRY - Proforma for Monthly Bank Report to Implementing  
Agency for Cumulative Progress upto the Month of \_\_\_\_\_**

(Vide paragraph 17(b) – Section III)

Name of the Bank \_\_\_\_\_ Bank Branch \_\_\_\_\_ (Amount Rs. in lakhs)

No. of Cases Received from Task Force upto the Month	Sanctioned by bank																	
	Industry		Service		Business		Total		Women		SC		ST		OBC		Disbursed by bank during the Month	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19



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**PMRY - Proforma for Monthly Bank Report to**  
**Implementing Agency for the Month of**

*(Vide paragraph 17(b) – Section III)*

Name of the Bank \_\_\_\_\_ Bank Branch \_\_\_\_\_  
*(Amount Rs. in lakhs)*

No. of Cases Received from Task Force during the Month	Sanctioned by Banks																		No. of Applications Rejected/ Sent of re-examination to the Implementing Agency	Most Predominant Reasons for Rejection of Applications by Banks
	Industry		Service		Business		Total		Women		SC		ST		OBC		Disbursed by bank during the Month			
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

No. of Cases Received from Task Force during the Month	Sanctioned by Banks																		No. of Applications Rejected/ Sent of re-examination to the Implementing Agency	Most Predominant Reasons for Rejection of Applications by Banks
	Industry		Service		Business		Total		Women		SC		ST		OBC		Disbursed by bank during the Month			
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21

**Master Circular**  
**PRIORITY SECTOR LENDINGS -**  
**SPECIAL PROGRAMMES**

**PMRY - Quarterly Progress Report**

**(Vide paragraph 17(b) – Section III)**

Proforma for Reporting Data by - (i) the implementing bank branches to their Controlling Offices/Lead Bank Officer of the District concerned/District Co-ordinator,  
(ii) Controlling Offices to their Regional/Zonal Offices at this State Level, (iii) by the Regional/Zonal Offices to their Head Offices/the Convener of SLBC/Regional Office of RPCD (RBI), and (iv) by Head Offices of Banks to the RPCD, RBI, Central Office, Mumbai.  
Name of the Bank \_\_\_\_\_ Report showing cumulative position for the quarter ended

\_\_\_\_\_

Name of the State/ Union Territories	Target	No.of applns recd.	Total Loans sanctioned		Total Loans disbursed		% of Col 6 to 4	Loans sanctioned to SC out of total sanction		% of Col 9 to 4	Loans disbursed to SC out of total disbursement		% of Col 12 to 6	Loans sanctioned to ST out of total sanction		% of Col 15 to 4	Loans disbursed to ST out of total disbursement		% of Col 18 to 6
			No.	Amt.	No.	Amt.		No.	Amt.		No.	Amt.		No.	Amt.		No.	Amt.	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Haryana																			
Himachal Pradesh																			

Jammu & Kashmir																							
Delhi																							
-----																							
-----																							
<b>Total</b>																							

( Amount in Rs. Lakh)

Loan sanctioned to		% of	Loan disbursed to		% of	Loans sanctioned		% of	Loans disbursed		% of	Loan Sanctioned to		% of	Loan Disbursed to		% of
OBC out of total sanction		Col 21 to 4	OBC out of total disbursement		Col 24 to 6	to women out of total sanction		Col 27 to 4	to women out of total disbursement		Col 30 to 6	Phy. handicaped out of total loan		Col 33 to 4	Phy. handicaped out of total loan		Col 36 to 6
No.	Amt.		No.	Amt.		No.	Amt.		No.	Amt.		No.	Amt.		No.	Amt.	
21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38

<b>Total</b>																	
--------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

**Notes:**

1. The data in this proforma will be furnished district-wise by the Controlling Offices of banks to their Regional Rural Offices at the State/UT level; the State-wise position will be reported by the Regional/Zonal Offices to their Head Offices while the District-wise position of each State/UT will be furnished by them to the SLBC Convenors and the Regional Offices of RPCD, RBI.
2. The statement should be compiled/consolidated promptly and furnished to the respective recipients within the time limits specified below:

<b><u>From</u> allowed</b>	<b>To</b>	<b>Maximum time</b>
a) Branch	Controlling Offices/LBO/District Co-ordinator	10 days from the close of the quarter
b) Controlling Office and District Co-ordinator the quarter	Regional/Zonal Office/LBO	20 days from the close of
c) Regional/Zonal Office quarter	SLBC Convenor/Head Office/RPCD R.O.	30 days from the close of the
d) Head Offices of banks the quarter	RPCD, RBI, Central Office	45 days from the close of

**Master Circular**  
**PRIORITY SECTOR LENDINGS -**  
**SPECIAL PROGRAMMES**

**PMRY - Format for Reporting Utilisation Subsidy by Banks**

*(Vide paragraph 17(d) – Section - III)*

**Certificate Showing the Cumulative Position for the Programme Years 1993-94 to 1996-97**

Name of the Bank:  
*Rupees)*

*(Amount in*

Year	Amount Sanctioned by Bank		Amount Disbursed by Bank		Subsidy Received from RBI (programme year-wise)	Subsidy Utilised for Same Year	Balance Subsidy with Bank (col. 6-7)	Balance Subsidy in col. 8 Utilised for the Programme years				Balance with the Bank (col. 8 less col. 9 to col. 12)
	No.	Amount	No.	Amount				1993-94	1994-95	1995-96	1996-97	
1	2	3	4	5	6	7	8	9	10	11	12	13
1993-94								---				
1994-95									---			
1995-96										---		
1996-97											---	
<b>Total</b>												

**Notes:**

1. Total subsidy received from RBI should agree with total of columns 7 and 9 to 13.
2. Total of col. 9 to 13 should agree with col. 8.
3. If for any programme year the subsidy available is not sufficient to cover the requirement of the Bank, negative (-) figure should be shown under col. 8 and/or col. 13.

**Master Circular  
PRIORITY SECTOR LENDINGS -  
SPECIAL PROGRAMMES**

**Recovery Performance under PMRY**

*[Vide paragraph 17(e) – Section III]*

(Rs.            )

State	Demand	Recovery	Overdue	Recovery (%)



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**PRIORITY SECTOR LENDINGS -**  
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*(Vide paragraph 18(c) – Section III)*

Government Of India,  
Ministry Of Industry,  
(Dept. of Small Scale Industries  
and Agro and Rural Industries),  
Udyog Bhavan, New Delhi - 110 011  
Tele. No. 301 2107

September 29, 1993  
DIC-6(1)/93

D.O.No.  
Dear Chief Secretary,

Please refer to my D.O.No.DIC-6(1)/93 dated 24th September, 1993 regarding implementation of the Prime Minister's Rozgar Yojana (PMRY) as per the announcement made by the Prime Minister in his Independence Day Address. A copy of the Scheme, Main Features and Operational Guidelines along with target for 1993-94 was also enclosed so that the PMRY can be launched in right earnest from 2nd October, 1993.

I hope, the State Industries Department, their field officers and other concerned agencies would have been geared up for this purpose. We would like the weaker sections including women to be given preference for these opportunities, which would be available under this scheme. Therefore, it has been decided to provide 22.5 percent reservation for SC/ST and 27 percent for backward castes (OBC). In case SC/ST/OBC candidates are not available State Government will be competent to consider other category of candidates under PMRY.

The Reserve Bank of India has issued instructions to all Indian scheduled commercial banks to implement the PMRY scheme. A copy of the RBI letter is enclosed for your information. The RBI has advised that the State Governments should monitor and help the banks in recovery of the loans. In our earlier letter we have advised the State Governments to set up State Level and District Level Committees to oversee the implementation of the scheme. These Committees should also monitor and maintain close co-ordination with all commercial banks and help in recovery of the loans. This will help in successful implementation of the scheme.

With regards.

**(S.L. Kapur)** Secretary

**Master Circular**  
**PRIORITY SECTOR LENDINGS -**  
**SPECIAL PROGRAMMES**  
*(Vide paragraph 18(d) – Section III)*

**Constitution of State/UT PMRY Committee**

State PMRY Committee has been reconstituted by introducing new members. The details of members are as under:

- |   |   |          |
|---|---|----------|
| 1. Chief Secretary  | - | Chairman |
| 2. Secretary, Deptt. of Industries                                      | - | Member   |
| 3. Secretary, Deptt. of Finance   | - | Member   |
| 4. Secretary, Deptt. of Planning  | - | Member   |
| 5. Secretary, Dept. of Rural Development                                | - | Member   |
| 6. Secretary, Deptt. of Labour  | - | Member   |
| 7. Representatives of State/UT level Banking Institutions including RBI | - | Member   |
| 8. Commissioner/Director of Industries and Commerce Secretary           | - | Member   |
| 9. Director, SISI/ In –charge, Branch SISI of States/Uts                | - | Member   |
| 10. Officials concerned with the welfare of SCs/STs                     | - | Member   |

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 co-ordination 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 provide the forum for a meaningful dialogue at the state level between various implementing agencies.

#### **Constitution of District PMRY Committee**

- |  |   |                  |
|--|---|------------------|
| 1. District Collector/Dy. Commissioner | - | Chairman         |
| 2. CEO, DRDA                           | - | Member           |
| 3. District Employment Officer         | - | Member           |
| 4. Lead Bank Manager                   | - | Member           |
| 5. Chairman, Task Force Committee      | - | Member Secretary |

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, Principals of local Engg. Colleges/Polytechnics/ITIs or representative of the Directorate of Technical Education/Vocational Training/Industrial Training, Representatives of Banks.

#### **Functions of the District PMRY Committees :**

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 financial norms and prescribe new norms keeping overall expenditure within the sanctioned limits.
3. To monitor and evaluate the Scheme to ensure its effectiveness.
4. To secure interdepartmental co-ordination and co-operation.
5. To give publicity to the achievements made and disseminate knowledge and build-up awareness about the scheme.

6. To send periodical statements to the State Govt. in the prescribed formats.

### **Constitution of High Powered Committee**

1. Secretary, Ministry of SSI & ARI - Chairman
2. Addl. Secretary & Development Commissioner, MoSSI - Member
3. Addl. Secretary & Financial Adviser, MoSSI & ARI - Member
3. Adviser (Village & Small Industries), Planning Commission- Member
4. Joint Secretaries, Min. of Rural Development; Finance; Labour; Social Justice & Empowerment, Urban Development & Poverty Alleviation. - Members
5. Executive Director, RBI -Member
6. Chairman, SBI -Member
7. CMDs of Canara Bank; Central Bank of India; United Bank of India; Federal Bank Ltd. - Members
8. Select State Government Officials from Governments of Maharashtra, West Bengal, Uttar Pradesh, Assam, Tamil Nadu and Karnataka. - Members
9. Director (PMRY) ,Min. of ARI -Member Secretary

### **Functions of High Powered Committee**

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 standing forum for interaction among the State Govts. 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 developments.

7. Revision and modifications of operational guidelines.

Chairman will have powers to co-opt other members/invitees on the Committee as and when deemed necessary.

The Committee will meet periodically to carry out its functions.

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**PRIORITY SECTOR LENDINGS -**  
**SPECIAL PROGRAMMES**

**PMRY - Recommendations by Task Force**

*(Vide paragraphs 13 (vii) - Section II and 16(e)– Section III)*

No. 6(2)/94-DIC June 22, 1994

To,

1. The Secretary, (Small Scale Industries), All States/UTs.
2. The Director of Industries, All States/UTs

**Sub: Recommendations by Task Force under PMRY Scheme to banks and State-wise/District-wise targets under PMRY Scheme**

Sir,

An intensive study of implementation of the PMRY during the year 1993-94 was carried out by officers of DC, SSI in the States of Delhi, West Bengal, Bihar, Gujarat and Kerala. These studies and interaction with other State Govts. and review of progress reports has revealed certain common problems and fallacies regarding allocation of targets and recommendations by Task Forces to the Banks. The problems are summarised as follows:

**Problems**

1. Some States carried out the administration of the Scheme sequentially instead of in parallel. Hence they invited applications in the first instance which were then scrutinised and recommended by the Task Forces. The process of appraisal sanction and disbursement by banks began only when the process of inviting applications and recommendations by Task Force was completed.
2. Many banks/bank branches do not accept recommended cases if their number exceeds their target by 25 percent or some such percentage.
3. In many instances recommended cases that remain pending at the end of the financial year are returned to the Task Forces by the Banks.
4. Many recommended cases are returned by banks/bank branches stating, "Targets for the year have been achieved."
5. In lots of cases e.g. Delhi, the recommended cases have not been sent to the correct bank branches under whose jurisdiction the recommended case lies.

6. Generally, both the Task Forces and the lead banks have taken unduly long time in re-allocating targets and reallocating recommendations to be sent to different bank branches in case this kind of need arises in the district. Similar situation seems to have prevailed at the State level also.

It has been decided to issue a consolidated statement of clarifications in order to facilitate the administrative process of recommending cases to banks and sanction/disbursements against them by banks.

### **Clarifications**

1. The activities of inviting applications and making recommendations by the Task Force is in parallel to the activity of sanction/disbursement of loans to beneficiaries by banks/ bank branches. These activities should not be seen as sequential activities.
2. It has been provided in the operational guidelines that, generally, the Task Force should send around double the number of cases to each bank branch against its target so as to take care of rejections of cases at the bank branch level. This stipulation should be followed scrupulously.
3. The process of inviting applications and making recommendations by the Task Force is a continuous process. Generally, applications should be invited by the Task Force all the year round. In other words, a potential beneficiary should be able to apply for loan under the Scheme as per prescribed procedure at any time and not within a stipulated/fixed period.
4. The Task Force should meet regularly, let us say, twice a month to consider and review the applications. These applications should be processed on a regular basis. The recommendations of the Task Force should be regularly sent the year round to various bank/bank branches in the district keeping in mind the targets allocated to each bank/bank branch.
5. The lead Bank and two banks are members of the Task Force. Therefore, the broad financial appraisal of the project should be carried out in the Task Force itself. To facilitate correct appraisal and recommendation of the project at the initial stage itself the potential beneficiary should be interviewed wherever required in order to obtain all relevant information etc. at the initial stage itself.
6. Therefore, it is once again emphasised and clarified that the process of receiving applications and making recommendations by the Task Force should be a continuous process over the entire year.
7. In general, any bank branch should, at any time, accept recommended cases at least to the extent of double their targets during a particular year.
8. The bank/bank branch should request well in time for more recommended cases from the Task Force, if they find themselves unable to sanction cases to their target from the double number of recommendations received.

9. It is extremely important to understand that a case once recommended does not lose sanctity at the end of the financial year. Recommended cases pending with the banks at the end of the financial years should, as a rule, be considered first for sanction/disbursement in the next financial year. However this does not seem to be happening because the figures for sanctions and disbursement in the first quarter have been almost negligible. This shows that banks are either not considering recommended cases pending with them from the last financial year or they have returned the cases at the end of the year on the grounds that they were pending.
10. As a rule, no case recommended by the Task Force should be returned by a bank/bank branch on grounds of already achieved targets etc.
11. If the distribution of recommended cases to particular bank/bank branch are much less or much more compared to their targets than the re-allocation of all the recommended cases branch-wise etc. should be immediately done by the lead bank Manager in consultation with the implementing agency.

The above clarification should ensure the following:

- i). The flow of applications and flow of recommended cases by the Task Force to the banks will become regular and continuous over the year.
- ii). A potential beneficiary will be able to apply for a loan under the scheme as per standard procedure at any time during the year.
- iii). The Task Force will meet regularly (Twice a month) to process the applications received and make their recommendations.
- iv). The broad financial appraisal of the project should be carried out at the initial stage in the Task Force itself because lead bank manager and two other banks are members of the Task Force. The deficiencies, if any, in the application forms and other information that may be required should be completed at the initial stage in the Task Force itself. For this purpose, if required, an interview of the potential beneficiary should be arranged. Regular dates can be fixed for the meetings of the Task Force and well publicised.
- v). The bank at any time will have enough number of recommended cases to consider for sanctions/disbursements.
- vi). Recommended cases pending with the banks at the end of the year will be considered for sanction/disbursement first, in the beginning in the next year. This will ensure the process of sanctions and disbursements over the entire year.



You are requested to incorporate the above clarification in your administrative procedures and co-ordination and put them into effect in an appropriate way. You may also kindly bring these to the notice of all implementing agencies training institutions, NGOs and banks concerned.

**(Raju Sharma)**  
Director (PMRY)

*Annexure XIV*

## REVISED GUIDELINES

### PRADHAN MANTRI ROZGAR YOJANA (PMRY)

*(Vide paragraphs 19 (h) - Section III )*

#### Salient features

Prime Minister's Rozgar Yojana (PMRY) for providing self-employment to educated unemployed youth of economically weaker sections has been in operation since October 2, 1993. The scheme aims at assisting the eligible youth in setting up self-employment ventures in industry, service & business sectors. The scheme intends to cover urban and rural areas.

Sl. No.	Parameters for eligibility	
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, Uttarakhand 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 recognized/ 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 <b>Rs.1,00,000/- p.a.</b>
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.
6.	Activities covered	All economically viable activities including agriculture and allied activities but excluding direct agricultural operations like raising Crop, purchase of manure etc.
7.	Project Cost	<p><b>Rs.2.00 lakh</b> for business/ service sector and <b>Rs.5.00 lakhs</b> for industry sector, loan to be of composite nature. If two or more eligible persons joins together in a partnership, project upto Rs.10.00 lakhs are covered. Assistance shall be limited to individual admissibility.</p> <p><b>Self Help Groups can be considered for assistance under the Scheme provided:</b></p> <ul style="list-style-type: none"> <li>• Educated Unemployed Youth satisfy the eligibility criteria laid down under the Scheme volunteer to form SHG to set up self-employed ventures (Common Economic Activity).</li> <li>• A Self Help Group may consist of 5-20 educated unemployed youth.</li> <li>• No upper ceiling on project cost.</li> <li>• Loan may be provided as per individual eligibility taking into account requirement of the project.</li> <li>• SHG may undertake common economic activity for which loan is sanctioned without resorting to onward lending to its members.</li> <li>• <b>The subsidy ceiling for Self Help Group is Rs. 15,000/- per beneficiary subject to a maximum of Rs. 1.25 lakh per Self Help Group.</b></li> <li>• Subsidy may be provided to the SHG as per the eligibility of individual members taking into account relaxation provided in North Eastern States, Uttarakhand, Himachal Pradesh and Jammu &amp; Kashmir.</li> <li>• 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.</li> <li>• The exemption limit for obtention of collateral security will be Rs.5.00 lakh per borrowal account for projects under Industry</li> </ul>

		<p>Sector. Exemption from collateral will be limited to an amount of Rs.2.00 lakh per member of SHG for projects under Service &amp; Business Sectors. Banks may consider enhancement in limit of exemption of collateral in deserving cases.</p> <ul style="list-style-type: none"> <li>• Implementing agencies may decide necessity of pre-disbursal training for all the members/majority of the members of the group.</li> </ul>
8.	Subsidy & Margin money	<p>i) Subsidy will be limited to 15% of the project cost subject to ceiling of Rs.12,500/- per entrepreneur. Banks will be allowed to take margin money from the entrepreneur varying from 5% to 16.25% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.</p> <p><b><u>For North Eastern States, Himachal Pradesh, Uttarakhand and J&amp;K.</u></b></p> <p>ii) Subsidy @ of 15% of the project cost subject to a ceiling of Rs.15,000/- per entrepreneur for north-eastern States, Himachal Pradesh, Uttaranchal and Jammu &amp; Kashmir. Margin money contribution from the entrepreneur may vary from 5% to 12.5% of the project cost so as to make the total of the subsidy and the margin money equal to 20% of the project cost.</p>
9.	Collateral	<p>No collateral for units in industry sector with project cost upto <b>Rs.5.00 lakh</b> (the loan ceiling under the PMRY). For partnership projects under Industry Sector, the exemption limit for obtention of collateral security will be Rs.5.00 lakh per borrower account. For units in service and business sector no collateral for project upto Rs.2.00 lakh. Exemption from collateral in case of partnership project will also be limited to an amount of Rs.2.00 lakh per person participating in the project cost..</p>
10.	Rate of interest & Repayment Schedule	<p>Normal rate of interest shall be charged. Repayment schedule may range from 3 to 7 years after an initial moratorium as may be prescribed.</p>
11.	Reservation	<p>Preference should be given to weaker sections including women. Assistance to SC/ST beneficiaries should be targeted in such a manner that they are benefited in proportion to their population in the respective district/State. However, the number of SC/ST beneficiaries should not be less than 22.5% and 27% for Other Backward Class (OBCs) as is currently envisaged in</p>

		the PMRY. In case SC/ST/OBC candidates are not available, States/UTs Govt. will be competent to consider other categories of candidates under PMRY.
12.	Training	Each entrepreneur whose loan is sanctioned is provided training as per details given below: i) For industry sector: Duration:15-20 working days. Stipend: Rs.750/- Training expenditure: Rs.1750/- ii) For service and business sector: Duration:7-10 working days. Stipend: Rs.375/- Training expenditure: Rs.875/-
13.	<b>Motivational campaigns</b>	To improve the success rate of eligible applicants, States/UTs will be allowed reimbursement of cost of counseling and guiding the applicants @ Rs.200/- per applicant, for 125 per cent of the allocated target of cases.
14.	Recovery of loans	(i) Panchayati Raj Institutions like Gram Panchayats be empowered to identify and sponsor candidates located in the same area to the District Task Force Committee so as to ensure disbursement of loan to genuine persons and better recovery of loan.  (ii) To reduce the level of sickness/closure of PMRY units, the District Level Selection Committee/Task Force Committee be made accountable for the proper scrutiny of applications and selection of viable projects.
15.	Implementing Agency	The District Industry Centres and Directorate of Industries are mainly responsible for implementation of the Scheme along with the banks.

**Master Circular**

Annexure XV

**PRIORITY SECTOR LENDINGS -  
SPECIAL PROGRAMMES**

**PMRY**

*(Vide paragraphs 12 (t) - Section II )*

Name of District :

Name of Block :

Name of Village :

<b>Sl. No.</b>	<b>Name of the scheme</b>	<b>Name of implementing agency</b>	<b>Details of the scheme</b>	<b>Cost of the scheme</b>	<b>Date of release of funds</b>	<b>Name and address of the beneficiary/Total No. of beneficiaries</b>	<b>Position of the grant benefit received/not received</b>	<b>Bank Loan taken/not taken</b>	<b>Remarks of Verification Officer</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>

Note :

1. Columns 1 to 7 should be filled in by the implementing department
2. Columns 8 to 10 should be filled in by the verification officer.

## Appendix

### *Master Circular*

### Prime Minister's Rozgar Yojana

#### List of Circulars consolidated by the Master Circular

Sr. No.	Circular No.	Date	Subject
1.	RPCD No.SP/BC.42/PMRY/93-94	28-9-93	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
2.	RPCD No.SP/BC.58/PMRY/93-94	25-10-93	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
3.	RPCD No.SP/BC.88/PMRY/93-94	13-1-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
4.	RPCD No.SP.BC.91/PMRY/93-94	25-1-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
5.	RPCD No.SP.BC.107/09.04.01/93-94	2-3-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
6.	RPCD No.SP.BC.115/09.04.01/93-94	4-3-94	Recovery Performance – Government sponsored Programmes
7.	RPCD No.SP.BC.117/09.04.01/93-94	11-3-94	Prime Minister's Rozgar Yojana
8.	RPCD No.SP/BC.131/PMRY/94-95	30-4-94	Continuation of Prime Minister's Rozgar Yojana (PMRY) – Targets for achievement for the Financial Year 1994-95
9.	RPCD No.BC.167/09.04.01/93-94	20-6-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY) – Reporting forms
10.	RPCD No.BC.171/09.04.01/93-94	24-6-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
11.	RPCD No.SP/BC.7/09.04.81/93-94	18-7-94	Prime Minister's Rozgar Yojana (PMRY) - Educational Qualification
12.	RPCD No.BC.17/09.04.01/94-95	27-7-94	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
13.	RPCD No.BC.40/09.04.01/94-95	29-9-94	Family Income under PMRY
14.	RPCD No.SP.BC.65/09.04.01/94-95	9-11-94	Prime Minister's Rozgar Yojana (PMRY) - Payment of interest on fixed deposit
15.	RPCD No. 992/09.04.01/94-95	22-11-94	Reporting System on progress under Prime Minister's Rozgar Yojana (PMRY)
16.	RPCD No.BC.127/09.04.01/94-95	6-3-95	PMRY – Clarification
17.	RPCD No.BC.133/09.04.01/94-95	20-3-95	Target for achievements for SC/ST & OBC under PMRY
18.	RPCD No.BC.69/09.04.01/95-96	28-12-95	Prime Minister's Rozgar Yojana for

			Educated Unemployed Youth (PMRY)
19.	RPCD No.SP.BC.94/09.04.01/95-96	16-2-96	Prime Minister's Rozgar Yojana (PMRY) – Recovery performance
20.	RPCD No.BC.107/09.04.01/95-96	14-3-96	Association of KVIC in implementation of the PMRY – Target and modalities thereof for 1995-96
21.	RPCD No.BC.109/09.04.01/95-96	15-3-96	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY) - Task Force
22.	RPCD No.BC.134/09.04.01/95-96	16-5-96	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY) -Clarifications
23.	RPCD No.BC.137/09.04.01/95-96	17-5-96	Training under PMRY.
24.	RPCD No.SP.BC.138/09.04.28/95-96	16-5-96	Prime Minister's Rozgar Yojana (PMRY) - Findings of the third field study conducted by RBI
25.	RPCD No.SP.BC.139/09.04.01/96-97	21-5-96	Insistence of collateral by banks – PMRY
26.	RPCD No SP.BC.6/09.04.01/96-97	2-7-96	PMRY - Implementation of the scheme
27.	RPCD No.SP.BC.37/09.01.28/96-97	18-9-96	Prime Minister's Rozgar Yojana (PMRY) – Recovery performance
28.	RPCD No.SP.BC.48/09.04.01/96-97	15-10-96	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
29.	RPCD No.SP.BC.66/09.04.01/96-97	19-11-96	PMRY - Sponsoring of applications
30.	RPCD No.SP.BC.75/09.04.01/96-97	11-12-96	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY)
31.	RPCD No.SP.BC.127/09.04.01/96-97	21-4-97	PMRY – Deceased Borrowers
32.	RPCD No.SP.BC.132/09.04.01/96-97	26-4-97	PMRY – Extension of cut off date for closure of disbursements for cases sanctioned during the years 1993-94, 1994-95 and 1995-96
33.	RPCD No.SP.BC.135/09.04.01/96-97	12-5-97	PMRY - Clarifications
34.	RPCD No.SP.BC.136/09.04.01/96-97	15-5-97	PMRY Scheme - Adjustment of subsidy
35.	RPCD No.SP.BC.43/09.04.01/97-98	22-10-97	PMRY - Dissolution of partnership
36.	RPCD No.SP.BC.82/09.04.06/97-98	6-2-98	PMRY – Adjustment of subsidy amount released
37.	RPCD No.SP.BC.86/09.04.01/97-98	16-2-98	PMRY – Closure of disbursements for cases sanctioned during a programme year where partial disbursement has taken place as on the cut-off date
38.	RPCD No.SP.BC.92/09.04.01/97-98	21-2-98	Closure of Sanctions and disbursements of loans under PMRY
39.	RPCD No.SP.BC.105/09.04.01/97-98	26-3-98	Closure of sanctions and disbursements under PMRY- Programme year 1997-98
40.	RPCD No.SP.BC.126/09.04.01/97-98	3-6-98	Relaxation of PMRY norms for North - East Region

41.	RPCD No.SP.BC.14/09.04.01/98-99	25-7-98	PMRY - Clarifications
42.	RPCD No.SP.BC.18/09.04.06/98-99	31-7-98	Utilisation of subsidy by Banks under PMRY – Programme years 1993-94 to 1996-97
43.	RPCD No.SP.BC.19/09.04.01/98-99	31-7-98	PMRY – Clarifications - Cut off date for Accounting for Sanctions, Cut off date for Lapsing of Sanctions and completion of disbursement under PMRY for 1997-98
44.	RPCD No.SP.BC.59/09.04.01/98-99	7-1-99	Reporting System on progress under Prime Minister's Rozgar Yojana (PMRY)
45.	RPCD No.SP.BC.83/09.04.01/98-99	22-3-99	Prime Minister's Rozgar Yojana (PMRY) - Modifications in the Guidelines of the scheme
46.	RPCD No.SP.BC.106/09.04.01/98-99	10-6-99	Closure for disbursements under PMRY
47.	RPCD No.SP.BC.1/09.04.01/99-2000	5-7-99	PMRY - Modifications in the guidelines of the Scheme for North-East states
48.	RPCD No.SP.BC.2/09.04.01/99-2000	6-7-99	Prime Minister's Rozgar Yojana (PMRY) – Modifications in the guidelines of the scheme – Clarifications
49.	RPCD No.SP.BC.3/09.04.01/99-2000	6-7-99	Implementation of Prime Minister's Rozgar Yojana (PMRY)
50.	RPCD No.SP.BC.5/09.04.06/99-2000	8-7-99	PMRY - Submission of final subsidy utilisation certificate/ Pending claims statement pertaining to the programme year 1997-98
51.	RPCD No.SP.BC.22/09.04.06/99-2000	23-8-99	PMRY – Revised Format for submission of Quarterly Subsidy Utilisation Statement
52.	RPCD No.SP.BC.26/09.04.06/99-2000	28-9-99	Prime Minister's Rozgar Yojana (PMRY) - Subsidy utilisation certificate for 1993-94 to 1998-99 as on 31-3-1999
53.	RPCD No.SP.BC.50/09.04.01/99-2000	20-12-99	PMRY - Affidavit on income of the applicant
54.	RPCD No.SP.BC.59/09.04.01/99-2000	7-2-2000	PMRY - Lease Period of rented Premises.
55.	RPCD No.SP.BC.75/09.04.01/99-2000	27-3-2000	PMRY - Monitoring of the benefits accruing to the physically handicapped persons under PMRY
56.	RPCD No.SP.BC.76/09.04.01/99-2000	28-3-2000	PMRY - Implementation of the scheme
57.	RPCD No.SP.BC.93/09.04.01/99-2000	12-5-2000	Cut-off dates for lapsing of sanction & closure of disbursements under PMRY for programme year 1999-2000
58.	RPCD No.SP.BC.94/09.04.06/99-2000	13-5-	PMRY – Submission of final subsidy



		2000	utilization/requirement statement for claims pertaining to the programme year 1998-99
59.	RPCD No.SP.BC.95/09.04.01/99-2000	13-5-2000	PMRY - Implementation of the scheme
60.	RPCD No.SP.BC.2/09.04.06/2000-01	4-7-2000	Prime Minister's Rozgar Yojana (PMRY) – Subsidy Release/Utilisation Certificate for programme years 1993-94 to 1999-2000 as on 31-3-2000
61.	RPCD No.SP.BC.13/09.04.01/2000-01	4-9-2000	PMRY – Implementation of the scheme - visit of the Parliamentary Standing Committee on Industry
62.	RPCD No.SP.BC.20/09.04.01/2000-01	30-9-2000	Prime Minister's Rozgar Yojana for Educated Unemployed Youth (PMRY) - Enhancement in the family income ceiling
63.	RPCD No.SP.BC.55/09.04.01/2000-01	12-2-2001	Implementation of Prime Minister's Rozgar Yojana (PMRY) – Enhancement in exemption limit for obtention of collateral security
64.	RPCD No.SP.BC.80/09.04.01/2000-2001	27-4-2001	Implementation of PMRY - Target for achievement 2001-2002
65.	RPCD No. SP.BC.82/09.04.01/2000-01	27-4-2001	Cut off dates for lapsing sanction and completion of disbursements under PMRY for Programme year 2000-2001
66.	RPCD No.SP.BC.84/09.04.01/2000-01	3-5-2001	Relaxation in residency criteria for married women under PMRY
67.	RPCD No.SP.BC.86/09.04.01/2000-01	15-5-2001	Assistance from State Govt. Agencies to the Banks for recovery of PMRY loans
68.	RPCD No. SP.BC.99/09.04.01/2000-01	22 -6-2001	Target for achievement under PMRY for the year 2001-2002 (Revised) - Allocation of additional target.
69.	RPCD.SP.BC 26/09.04.01/2001-02	19-9-2001	Allocation of targets to banks having less than 5 branches in a state.
70.	RPCD.SP.BC 52/09.04.01/2001-02	31-12-2001	Filing of criminal complaints against the borrowers who misuse the loans sanctioned under PMRY
71.	RPCD.PLNFS.BC73 /09.04.01/2001-02	02-04-2002	Obtention of 'No Dues Certificate-Lending under Govt.sponsored schemes

72.	RPCD.PLNFS.BC79 /09.04.01/2001-02	17-04 -2002	Allotment of targets under PMRY to the banks having less than 5 branches in the state-Relaxation of norms in Pondicherry
73.	RPCD.PLNFS.BC41 /09.04.01/2002-03	31-10 -2002	Review of rejected cases.
74.	RPCD.PLNFS.BC47/09.04.01/2002-03	21-11 -2002	Parents/heads of family of unmarried girls to be made co-borrower.
75.	RPCD.PLNFS.BC71/09.04.01/2002-03	12-02 -2003	Modified parameters as applicable to Himachal Pradesh and Uttaranchal
76.	RPCD.PLNFS.BC17/09.04.01/2003-04	11-08 -2003	Residency criteria for married men in Meghalaya.
77.	RPCD.PLNFS.BC21/09.04.01/2003-04	11-09 -2003	Advancing loans in the ratio of 50%,30%,20% for Industry, Service and Business sectors respectively.
78.	RPCD.PLNFS.BC31/09.04.01/2003-04	01-10 -2003	Modified parameters as applicable to Jammu and Kashmir.
79.	RPCD.PLNFS.BC50/09.04.01/2003-04	08-12 -2003	Inclusion of Self Help Groups under PMRY.
80.	RPCD.PLNFS.No.1717/09.04.01/2003-04	05-05- 2004	Withdrawal of ceilings on the activities to be covered under industry, service and business.
81.	RPCD.PLNFS.BC. No.11 /09.04.01/2004-05	30-07- 2004	Implementation of PMRY-Modification in norms.
82.	RPCD.PLNFS.BC. No.12 /09.04.01/2004-05	30-07- 2004	Allotment of targets under PMRY to the banks having less than 5 branches in the state-Modification in norms in J & K.
83.	RPCD.PLNFS.BC. No 13 /09.04.01/2004-05	30-07- 2004	Inclusion of Self Help Groups under PMRY -Modification in norms.
84.	RBI/2004-05/145/ RPCD.PLNFS.BC. No.22 /09.04.06/2004-05	27-08- 2004	Implementation of PMRY-Modification in norms ( Himachal Pradesh)
85.	RBI/2004-05/190/ RPCD.PLNFS.BC. No.35 /09.04.01/ 2004-05	24-09- 2004	PMRY - Cut off dates for completion of disbursements under the Programme year 2003-2004 – extended to 15.11.2004
86.	RBI/2004-05/191/ RPCD.PLNFS.BC. No.36 /09.04.01/ 2004-05	24-09- 2004	Target for achievement under PMRY for the year 2004-05-revision

			regarding.
87.	RBI/2004-05/216/ RPCD.PLNFS.BC. No.39 /09.04.01/2004-05	12-10- 2004	Revised Target for achievement under the PMRY for the year 2004-05
88.	RBI/2004-05/216/ RPCD.PLNFS.BC. No.39 /09.04.01/2004-05	27-12- 2004	Target for achievement under the PMRY for the year 2004-05- Enhancement in respect of Arunachal Pradesh- regarding
89.	RBI/2004-05/ 401/ RPCD.PLNFS.BC. No.88 /09.04.01/2004-05	22- 03- 2005	PMRY – Credit Flow to Unorganised Sector
90.	RBI/2004-05/ 416/ RPCD.PLNFS.BC. No. 92 /09.04.01/2004-05	08-04- 2005	PMRY - Cut off dates for completion of disbursements under the Programme year 2004-2005 – Andaman & Nicobar Island
91.	RBI/2004-05/427/ RPCD.PLNFS.BC. No. 95 /09.04.01/ 2004-05	20-04- 2005	Target for achievement under PMRY for the year 2005-06
92.	RBI/2004-05/452/ RPCD.PLNFS.BC. No.97 /09.04.01/ 2004-05	04-05- 2005	Meeting to review Progress in implement- ation of PMRY for the year 2004-05
93.	RBI/2004-05/ 469/ RPCD.PLNFS.BC. No. 100 /09.04.01/2004-05	16-05- 2005	PMRY - Cut off dates for lapsing of sanctions and completion of disbursements under the Programme year 2004-2005
94.	RBI/2004-05/ 491/ RPCD.PLNFS.BC. No. 104 /09.04.01/2004-05	14-06- 2005	PMRY - Cut off dates for lapsing of sanctions and completion of disbursements under the Programme year 2004-2005 ( Dairy loans)
95.	RBI/2005-06/ 58/ RPCD.PLNFS.BC. No. 18 /09.04.01/2005-06	14-07- 2005	PMRY – Target under PMRY for the year 2005-06 – revision thereof
96.	RBI/2005-06/ 88/ RPCD.PLNFS.BC. No. 25 /09.04.01/2005-06	1-08- 2005	PMRY - Cut off dates for lapsing of sanctions and completion of disbursements under the Programme year 2004-2005
97.	RBI/2005-06/ 99/ RPCD.PLNFS.BC. No. 27 /09.04.01/2005-06	8-08- 2005	PMRY – Extension of Cut off dates for completion of disbursements of loans for the Programme year 2004-2005 for the state of Assam
98.	RBI/2005-06/ 144/ RPCD.PLNFS.BC. No. 37 /09.04.01/2005-06	26-08- 2005	PMRY – Extension of Cut off dates for completion of disbursements of loans under the Programme year 2004-2005 for the state of Manipur
99.	RBI/2005-06/ 336/ RPCD.PLNFS.BC. No. 70 /09.04.01/2005-06	24-03- 2006	PMRY –Cut off dates for lapsing of sanctuion and completion of disbursement against the

			sanctiuned cases of the Programme year 2005-06 – extensuin thereof
100	RBI/2005-06/ 358/ RPCD.PLNFS.BC. No. 74 /09.04.01/2005-06	13-04- 2006	Target under PMRY for the year 2006-07
101	RBI/2005-06/ 389/ RPCD.PLNFS.BC. No. 83 /09.04.01/2005-06	17-05- 2006	PMRY – extension of Cut off dates for lapsing of sanctuion and completion of disbursement of loans for the Programme year 2005-06 – for some states/ UT
102	RBI/2005-06/ 400/ RPCD.PLNFS.BC. No. 88 /09.04.01/2005-06	06-06- 2006	PMRY –Cut off dates for completion of disbursement for cases relating to purchase of milch animals under the programme year 2005-06
103	RBI/2005-06/ 415/ RPCD.PLNFS.BC. No. 91 /09.04.01/2005-06	15-06- 2006	PMRY – Cut off dates for lapsing of sanctuion and completion of disbursement of loans for the Programme year 2005-06 – further extension reg
104	RBI/2006-07/ 316/ RPCD.PLNFS.BC. No.68 /09.04.01/2006-07	10-04- 2007	PMRY – extension of date of validity of sanctuion for the Programme year 2006-07
105	RBI/2006-07/ 421/ RPCD.PLNFS.BC. No. 100 /09.04.01/2006-07	29-05- 2007	Target under PMRY for the year 2007-08 – revised guidelines of PMRY along with.