

May 29, 2007

The Chairman / Managing Director
All Indian Scheduled Commercial Banks
(Excluding RRBs)

Dear Sir,

Target under the Prime Minister Rozgar Yojana (PMRY) for the year 2007-2008

We advise that Government of India have allocated a target of **3,75,690** to States/UTs as per '**Annexure A**', under PMRY for the year 2007 – 2008.

2. The targets have been worked out on the basis of the final performance report for the year 2005-06 of states/UTs.

3. The list of States/UTs where the recovery of loans is less than 35 percent as for the half year ending March, 2006 is given at '**Annexure B**'. It is requested that appropriate action plans for improving recovery of loans may be formulated by each of the implementing banks in these states.

4. The terms and conditions of the Yojana will be governed by the revised guidelines for PMRY, as furnished in the '**Annexure – D**'. Some of the salient features are as under:

- (i) The family income ceiling has been enhanced from Rs.40, 000/- per annum to Rs.1.00 lakh per annum.
- (ii) Project cost has been enhanced from Rs. 1.00 lakh to Rs.2.00 lakh for business/ service sector and from Rs.2.00 lakh to Rs.5.00 lakh for industry sector.
- (iii) Ceiling on subsidy has been enhanced from Rs.7,500/- to Rs.12,500/- per beneficiary in all, other than the North – Eastern States(including Sikkim), Himachal Pradesh, Uttarakhand and Jammu & Kashmir, where the ceiling remains at Rs.15000/- per beneficiary.
- (iv) The ceiling on subsidy for Self Help Groups has been enhanced to Rs.15000/- per beneficiary subject to a maximum amount of Rs. 1.25 lakh per Self Help Group.
- (v) The scheme will be implemented in the rural as well as in the urban areas of the country.
- (vi) All efforts should be made to achieve the target (**i.e., complete disbursement of loan and subsidy) by the end of March, 2008.**
- (vii) While processing fresh applications, the DICs of your State/ UT may be requested to take into account applications already pending with them so that such persons are not required to apply afresh.
- (viii) The scheme envisages coverage of SC/ST and 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.
- (ix) All efforts must be made to improve loan recovery under the Scheme.
- (x) Attention is drawn to the revised Quarterly Schedule at '**Annexure C**' for sponsoring and sanctioning of applications and disbursement of loans / subsidies during 2007 –2008. **This schedule may be implemented strictly so as to prevent bunching of applications towards**

the end of the financial year. The number of sponsored cases should be 125 percent of the assigned target.

(xi) For 2006-07, the cut off date of lapsing of sanction and completion of disbursement has been extended upto 30.06.2007. This period shall not be extended further.

5. A copy of the revised guidelines on PMRY is given at '**Annexure D**'. These may be kept in view while implementing the Yojana w.e.f. programme year 2007-08. Accordingly, relevant paragraphs in the Master Circular in PMRY, issued vide our circular RPCD. PLNFS. BC.No.01/09.04.01/2006-07 dated July 01, 2006 stand amended by the revised guidelines on PMRY.

6. You may issue necessary instructions to your Regional /Controlling Offices/ Branches for active participation and achievement of allocated targets by 31.03.2008.

7. Please acknowledge receipt.

Yours faithfully,

(**G.P.Borah**)
Deputy General Manager

**Targets under the prime minister's Rozgar
Yojana (PMRY) for the year 2007-2008**

Sr. No.	States/UTs	Target 2007-2008 (Nos.)
1.	Andhra Pradesh	31900
2.	Assam	8600
3.	Bihar	15000
4.	Delhi	4200
5.	Goa	600
6.	Gujarat	10600
7.	Haryana	13200
8.	Himachal Pradesh	4200
9.	Jammu & Kashmir	1600
10.	Karnataka	26100
11.	Kerala	33700
12.	Madhya Pradesh	15800
13.	Maharashtra	36000
14.	Manipur	1700
15.	Mizoram	200
16.	Orissa	8500
17.	Punjab	10100
18.	Rajasthan	21100
19.	Tamil Nadu	28700
20.	Tripura	1200
21.	Uttar Pradesh	51500
22.	West Bengal	29300
23.	Andaman & Nicobar	200
24.	Arunachal Pradesh	200
25.	Chandigarh	400
26.	Dadra & Nagar Haveli	200
27.	Daman & Diu	50
28.	Nagaland	400
29.	Lakshadweep	40
30.	Meghalaya	400
31.	Pondicherry	1100
32.	Sikkim	100
33.	Uttarakhand	4800
34.	Jharkhand	7700
35.	Chattisgarh	6300
	Total	375690

**Loan Recovery performance under PMRY for
the half year ended March, 2006 – States where
recovery is less than all India average of 35.78%**

Sr. No.	States/UTs	Recovery against Demand (percent)
1.	Assam	16.41
2.	Bihar	27.54
3.	Jharkhand	32.68
4.	Madhya Pradesh	30.75
5.	Chhattisgarh	34.05
6.	Manipur	16.69
7.	Meghalaya	25.09
8	Nagaland	27.24
9.	Orissa	9.99
10.	Sikkim	17.83
11.	Tripura	29.26
12.	West Bengal	23.13
13.	Arunachal Pradesh	17.14
14.	Mizoram	24.82

Annexure C

Quarter	Sponsoring	Sanction	Disbursement
1 st	50%	25%	10%
2 nd	100%	50%	25%
3 rd	125%	90%	75%
4 th	--	100%	100%

REVISED GUIDELINES

PRADHAN MANTRI ROZGAR YOJANA (PMRY)

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 recognised/ approved institutions for duration of at least six months.
3. Family income
 - Neither the income of the beneficiary along with the spouse nor the income of parents of the beneficiaries shall exceed **Rs.1,00,000/- p.a.**
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
 - 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.

Self Help Groups can be considered for assistance under the

Scheme provided:

- 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).
- A Self Help Group may consist of 5-20 educated unemployed youth.
- No upper ceiling on project cost.
- Loan may be provided as per individual eligibility taking into account requirement of the project.
- SHG may undertake common economic activity for which loan is sanctioned without resorting to onward lending to its members.
- **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.**
- 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 & Kashmir.
- Required margin money contribution (i.e. subsidy and margin to be equal to 20 per cent of the project cost) should be brought in by the SHG collectively.
- The exemption limit for obtention of collateral security will be Rs.5.00 lakh per borrowal account for projects under Industry Sector. Exemption from collateral will be limited to an amount of Rs.2.00 lakh per member of SHG for projects under Service & Business Sectors. Banks may consider enhancement in limit of exemption of collateral in deserving cases.
- Implementing agencies may decide necessity of predisbursal training for all the members/majority of the members of the group.

8. Subsidy & Margin money
- 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, Uttarakhand 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.

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| 9. | Collateral | 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.. |
| 10. | Rate of interest & Repayment Schedule | Normal rate of interest shall be charged. Repayment schedule may range from 3 to 7 years after an initial moratorium as may be prescribed. |
| 11. | 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. |
| 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. | Motivational campaigns | 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.