

PMRY SCHEME

PRIME MINISTER ROZGAR YOJANA (PMRY)

Prime Minister's Rozgar Yojana (PMRY) for providing self-employment to educated unemployed youth has been in operation since October 2, 1993. The Scheme aimed at assisting the eligible youth in setting up self-employment ventures in industry, service and business sectors. The scheme has been modified to enhance its coverage and scope. The modified parameters are as under.

1. Age

- (i) 18 to 35 years for all educated unemployed.
- (ii) 18 to 40 years for all educated unemployed in North-East states, Himachal Pradesh, Uttaranchal and J&K.
- (iii) 18 to 45 years for Scheduled Castes/ Scheduled tribes. Ex-servicemen, Physically Disabled and women.

2. Educational Qualification

8th 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

The income beneficiary along with the spouse or the income of parents of the beneficiaries shall not exceed Rs. 40,000- per annum.

4. Residence

Permanent resident of the area for at least 3 years. (Relaxed for married men in Meghalaya and for married women in rest of the country).

5. Defaulter

Should not be a defaulter to any 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. An illustrative list and activities is available at DICs.

7. Project Cost

Rs. 1.00 lakh for business sector. Rs. 2.00 lakhs for other activities, loan to be of composite nature. If two or more eligible persons join 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:

- . All the members of the Self Help Group individually satisfy the eligibility criteria laid down under the scheme.
- . Membership of the group would not exceed 10 numbers.
- . Maximum loan limit for a Self Help Group is Rs. 10.00 lakhs
- . Assistance will be limited to individual eligibility under the Scheme.

8. Subsidy and Margin Money

- (i) Subsidy will be limited to 15% of the MARGIN MONEY project cost subject to ceiling of Rs. 7,500/- 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, Uttaranchal 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, Uttranchal and J&K. 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.

9. Collateral

No collateral for units in industry sector with project cost upto Rs. 2.00 lakhs (the loan ceiling under the PMRY). For partnership projects under Industry sector, the exemption limit for obtaining of collateral security will be Rs. 5.00 lakhs per borrower account. For units in service and business sector no collateral for project up to Rs. 1.00 lakhs. Exemption from collateral in case of partnership project will also be limited to an account of Rs. 1.00 lakh per person participating in the project.

10. Rate of Interest and Repayment

Normal rate of interest shall be charged. Repayment schedule may range between 3 to 7 years after an initial moratorium as may be prescribed.

11. Reservation

Preference should be given to weaker sections including women. The scheme envisages 22.5% reservation for SC/St and 27% for Other Backward Class (OBCs). 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 working days
- . Stipend: Rs. 300/-
- . Training Expenditure: Rs. 700/- per beneficiary

(ii) For Service & business Sector :

- . Duration 10 working days
- . Stipend: Rs. 150/-
- . Training Expenditure: Rs. 350/- per beneficiary

13. Implementing Agency

The District Industry Centers and the Directorate of Industries are mainly responsible for Implementation of the Scheme along with the banks.

District Level Task force : Senior official of the rank of Joint Director of District Industries Centre is the Chairman of Task Force Committee and the other members of the committee are as under.

Lead Bank, representatives from two leading banks, District Employment Officer, Small Industries Service Institute and representatives from Zila Panchayat, Deputy Director, District Industries Centre is the Ex-officio Secretary. One or more members from NGOs to be selected/nominated as members by the Chairman.

The implementation of action plan involves selection of candidates, identification of economic activities, identification of necessary infrastructure, follow-up service and liaisoning with banks, local agencies, industry, business and service related organizations.

The Task Force Committee is responsible for;

- i) Motivating and selection of candidates
- ii) Identifying industry, service and business activities and prepare action plan
- iii) Selecting subsidiary activities
- iv) Recommending loans
- v) Obtaining necessary permissions from related authorities quickly

Note: The above information is corrected as on 01.04.2004. The trainer shall provide the latest information about the Scheme by procuring it from the nearest DIC or by referring to the prevailing Government Gazette notifications.