

REVISED GUIDELINES - 2007
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.

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 –

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 –

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 at least 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 apply to the spouse or in-laws.

5. Defaulter -

Should not be a defaulter to any nationalized bank/ financial institution/cooperative 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 Lakh** for industry sector, loan to be of composite nature. If two or more eligible persons join together in a partnership, project upto Rs.10.00 Lakh 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 obtaining 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 pre-disbursal training for all the members/majority of the members of the group.

8. Subsidy & Margin money –

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.

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.

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 obtaining 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 Centre's and Directorate of Industries are mainly responsible for implementation of the Scheme along with the banks.

Check List of documents required while applying for loan under PMRY

1. Application form in prescribed format along with passport size photograph in duplicate.
2. Enclose Affidavit in prescribed format duly counter signed by Executive Magistrate (Tashildar) in duplicate.
3. Enclose two attested copies of Local Certificate
4. Enclose two attested copies of Employment Exchange Card
5. Enclose two attested copies of Islander Identity Card
6. Enclose two attested copies of Election Identity Card.
7. Enclose two attested copies of Family Identity Card (Ration Card).
8. Enclose two attested copies of Certificate of Academic.
9. Enclose two attested copies of Technical Qualification (if any).
10. Enclose two attested copies of any Trade Training Certificate. (if any)
11. Project Profile of the proposed activity.
12. No Objection of Issuance of Route Permit from the Office of the Deputy Commissioner (South Andaman) and valid driving license, in case the applicant is applying for loan for plying of Autorickshaw / commercial vehicle.
13. Copy of rent / lease agreement (or) Consent letter from the owner of the premises where the proposed project is to be setup.