5.1 INTRODUCTION

The MSME sector is a vital constituent of own country’s industrial sector. It contributes to India’s gross domestic product and export earnings besides providing employment opportunities to millions of people. Efforts are on at the government and voluntary agencies to tap the hitherto unrecognized and unaccounted for strength of women to integrate them in the process of industrial development, more especially MSME’s development in the country.

To be successful in entrepreneurship both men and women need to be confident, intelligent, alert and good decision makers.

Table 5.1

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>165</td>
<td>60</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>110</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

The above table shows that 60% of the beneficiaries are male and the remaining 40% of them are female.

The researcher understood from the above analysis that male and female beneficiaries are in ratio 3:2. Many women entrepreneurship are coming up steadily and it is visible from the above table.
5.2 Income of the Beneficiaries

Finance is taken as lifeblood for the process of economic growth. It is obvious that sound financial status of the beneficiaries can call for unhampered growth of entrepreneurship. The financial strength creates a sense of security against fear of failure.

Hence it is proposed to study the economic background of beneficiaries just prior to their entries into entrepreneurship.

Table 5.2

Income of the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Income</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Up to 5000</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>2</td>
<td>5000 to 10000</td>
<td>72</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>10000 to 15000</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>4</td>
<td>15000 to 20000</td>
<td>36</td>
<td>13</td>
</tr>
<tr>
<td>5</td>
<td>above 20000</td>
<td>110</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

Monthly earning of beneficiaries from various sources just before starting the enterprise is taken as economic status of the entrepreneurs.

The table reveals that 40 percent of the beneficiaries earn above Rs.20000. 26 percent of them earned an income ranging between Rs.5000 to Rs.10000, 13 percent ranging between Rs.15000 to Rs.20000, 11 percent ranging between Rs.10000 to Rs.15000 and 10 percent earned up to Rs.5000.
A minimum economic status is required for an easy entry into entrepreneurship as it increases one's confidence and the risk-taking ability. 40 percent of them earn above Rs.20000. Hence this would be a great help for them.

Chart 5.1

Income of the Beneficiaries

5.3 Education of the Beneficiaries

Education is the best source of developing man’s resourcefulness. Therefore, in developing economy the education is always looked upon as a means to improve one’s socio-economic status in the society. It is generally believed that educational qualification of the beneficiaries may have a direct impact on the expansions/diversification of their enterprise, i.e. higher the level of education, more is the chances of expansion and diversification.
Table 5.3

Education of the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Education</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Primary school</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Middle school</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td>3</td>
<td>High school</td>
<td>47</td>
<td>17</td>
</tr>
<tr>
<td>4</td>
<td>Hr. Sec. School</td>
<td>52</td>
<td>19</td>
</tr>
<tr>
<td>5</td>
<td>Technical course</td>
<td>36</td>
<td>13</td>
</tr>
<tr>
<td>6</td>
<td>Degree course</td>
<td>113</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data

Educational qualification plays a vital role for the entrepreneurs to enter into business field. Table 5.3 relates the education of the beneficiaries. It has been observed that an increasing number of highly educated persons are entering industrial entrepreneurship. 41 percent of the beneficiaries are Degree holders, 19 percent of them have completed higher secondary, 17 percent of them have finished High school, 13 percent of them completed technical course and the remaining 10 percent of them have completed middle school.

The general conclusion that can be drawn from the above table is that a quite large number of beneficiaries (41 percent) with higher level of education (Degree) are entering into the entrepreneurial line.

5.4 Marital status of the Beneficiaries

To start a new venture the entrepreneur should be capable, innovative, proactive, willing to take risks. And the entrepreneur may be married or unmarried. Married people may be very responsible than unmarried.
The researcher made a survey to investigate the marital status of the beneficiaries.

### Table 5.4

**Marital status of the Beneficiaries**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Marital status</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Married</td>
<td>262</td>
<td>95</td>
</tr>
<tr>
<td>2</td>
<td>Unmarried</td>
<td>13</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Data collected from Primary Sources

The above table provides information relating to the marital status of the beneficiaries. It is found that 95 percent of them are married and only 5 percent of them are unmarried.

Majority of them (95 percent) are married persons doing different entrepreneurial activity.

### 5.5 Place of location of the Beneficiaries

It is ordinarily believed that people with urban background have a greater exposure to the environment of industrial entrepreneurship than their counterparts with rural background.

Beneficiaries’ rural/urban/semi-urban background is examined to reveal the influence.
## Table 5.5

### Place of location of the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Place of location</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Urban</td>
<td>119</td>
<td>43</td>
</tr>
<tr>
<td>2</td>
<td>Semi urban</td>
<td>66</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Rural</td>
<td>90</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Observed Data

The above analysis reveals that 43 percent of the beneficiaries are from urban area, 33 percent of them are from rural area and 24 percent of them are from semi-urban area.

Most of the beneficiaries (43 percent) have urban background. Hence their approaches and outlook towards a new venture is stupendous.

### Chart 5.2

#### Place of location of the Beneficiaries
5.6 Occupational background of the Beneficiaries

It is generally believed that persons with trading and business experience are better equipped to enter into industrial entrepreneurship. The off-springs of the farmers are also migrating from rural areas to urban centres seeking better standard of living.

In view of this kind of socio-economic change, it would be useful to examine the occupational background of sample entrepreneurs. For this purpose, the occupations of the entrepreneurs just before starting the entrepreneurial activities have been taken into consideration.

Table 5.6

<table>
<thead>
<tr>
<th>S. No</th>
<th>Occupation</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Businessman</td>
<td>228</td>
<td>83</td>
</tr>
<tr>
<td>2</td>
<td>Employee</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Agriculture</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>41</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

It is observed from the above table that 83 percent of the beneficiaries with business background formed single largest number among all beneficiaries. 15 percent have other occupational background and 2 percent are employees in some private or government undertakings. Beneficiaries with occupational background of agriculture have no representation in the sample.

An analysis of the occupational background of the beneficiaries as depicted in table 5.6 shows that beneficiaries with business background formed the majority (83 percent).
5.7 Type of business done by the Beneficiaries

Sole trader is owned by one person and operates for their benefit. The owner may operate the business alone or with other people. Partnership is a business owned by two or more people. Private limited is run by private individuals or groups as a means of enterprise for profit.

Beneficiaries who are doing business under MSME sector emerge from these type of business people. The researcher made a study to know which type of business they were doing before launching into new venture.

Table 5.7

Type of business done by the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Type of business</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sole trader</td>
<td>201</td>
<td>73</td>
</tr>
<tr>
<td>2</td>
<td>Partnership</td>
<td>23</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Private Limited</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>43</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data

From the above analysis the researcher came to know that 73 percent of the beneficiaries are sole traders, 16 percent of them belong to other business category, 8 percent of them are doing partnership business and only 3 percent of them belong to private concerns.

Seventy three percent of the beneficiaries are sole traders, because sole proprietorship is much less complicated not required to file a separate business tax report, can hire employees, spouses of the business owner can be employed without
having to be formally declared as an employee and control over all business decisions remains in the hands of the owner.

**5.8 Years of experience of the Beneficiaries**

An experienced entrepreneur hone his/her work ethic and discipline, spend money frugally, open themselves to a variety of ideas and business options, operate daily tasks with a sense of urgency and self confidence, find their motivation for success, ride the waves of economic trends, client demands or product always.

The researcher was interested in knowing how well the beneficiaries were experienced.

**Table 5.8**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Years of experience</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below one year</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>1 to 2 years</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>2 to 3 years</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>3 to 4 years</td>
<td>28</td>
<td>10</td>
</tr>
<tr>
<td>5</td>
<td>above 4 years</td>
<td>215</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

The above table illustrates that 78 percent of the beneficiaries have four years of experience, 10 percent of them have three to four years of experience, 6 percent of them have one to two years of experience and 3 percent of them have either two to three years or have below one year of experience.

Experiences make the beneficiaries more confident, skillful and go ahead with courage. 78 percent of the beneficiaries have above four years of experience.
5.9 Beneficiaries’ membership in Trade Association

Trade association is seen as the voice of their sector. It is often in a position to offer specialist advice, particularly of a technical or legal and commercial nature, which are not readily available to small and medium enterprises. Associations often undertake specific projects which benefit members or the industry as a whole. Associations facilitate the opportunity for members to network with their peers at conferences, exhibitions and other events. Associations provide immediate updates regarding changes in industry technical standards, policy and news which are discriminated to members. Enhancement of a business reputation often follows joining a trade association.
Table 5.9

Beneficiaries’ membership in Trade Association

<table>
<thead>
<tr>
<th>S. No</th>
<th>Membership in Trade Association</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>149</td>
<td>54</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>126</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Observed Data

From the above table the researcher clearly understood that 54 percent of the beneficiaries joined the Trade Association and 46 percent of the beneficiaries did not join it.

More than half of the beneficiaries i.e. 54 percent of them willingly joined the Trade Association as a member and made use of the opportunity provided.

5.10 Duration of membership in Trade Association

The lifeblood of any association is the members who offer their time to the appropriate cause, whether it is voluntarily or on a remuneration basis. Experience makes a trade association thrive.

Number of beneficiaries was a member of trade association through which many have benefited much.
Table 5.10
Duration of membership in Trade Association

<table>
<thead>
<tr>
<th>S. No</th>
<th>Duration of Membership</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>1 to 2 years</td>
<td>38</td>
<td>26</td>
</tr>
<tr>
<td>3</td>
<td>2 to 3 years</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>3 to 4 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>above 4 years</td>
<td>103</td>
<td>69</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>149</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

The above table highlights the duration of membership in Trade Association. 69 percent of the beneficiaries were a member for more than four years. 26 percent of them for one to two years and 5 percent of them for two to three years.

Being a member for more than four years, 69 percent of the beneficiaries made use of the opportunities and benefits provided by the Trade Association.

5.11 Beneficiaries being an office bearer in Trade Association

Trade association which is known as an industry trade group, business association or sector association is an organization founded and funded by business that operate in a specific industry. Trade association offer many services such as producing conferences, networking or charitable events or offering classes or educational materials. Many trade associations are non-profit organizations governed by bylaws and directed by officers who are also members.

Many beneficiaries are office bearers in Trade association and their contribution is something great.
### Table 5.11

**Beneficiaries being an office bearer in Trade Association**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Office bearers in Trade Association</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>91</td>
<td>61</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>58</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>149</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Data*

It is discernable from the above table that 61 percent of the beneficiaries are office bearers holding different responsibilities in Trade Association and 39 percent of them are just holding membership.

Chances are given, opportunities are put forth and the beneficiaries have to choose for their well being and for the betterment of the industry as well as Trade association. And this chance is being made use of by 61 percent of the beneficiaries.

#### 5.12 Beneficiaries’ representation in Trade Association meeting

Trade Association encourages all its members to be actively involved in the Trade association. Regional and National meetings are arranged by the Trade association to raise any concerns, ideas or feedback concerning their trade. The discussions which take place at Regional and national level meetings help to shape trade association’s priorities for the year ahead and beyond. These meetings allow the representatives to raise issues concerning their trade.
Table 5.12

Beneficiaries’ representation in Trade Association meeting

<table>
<thead>
<tr>
<th>S. No</th>
<th>Participation in Trade Association meeting</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>85</td>
<td>93</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>91</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

It would be relevant to state here that 93 percent of the beneficiaries participated in meetings arranged representing the Trade association and only 7 percent of them did not attend the meetings due to some reasons or other.

The higher level of participation, i.e. 93 percent of the beneficiaries came forward to attend the meeting representing the Trade association. Their contribution is greater because it is a place where platform is created to express their ideas, views, feedback, etc.,

5.13 Beneficiaries having problem with Trade Association

Trade Association has come to be a permanent and an increasingly important factor in the business life of this country. Though there are many positive impressions about Trade association, still there arise some problems which affect the beneficiaries’ business concern or their other activities.

Table 5.13

Beneficiaries having problem with Trade Association

<table>
<thead>
<tr>
<th>S. No</th>
<th>Problem with Trade Association</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>52</td>
<td>35</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>97</td>
<td>65</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>149</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from primary sources
The above analysis express that 65 percent of the beneficiaries do not have problem with Trade Association and 35 percent of them are having problem and still they continue to be the member happily.

It is inferred from the above table that 65 percent of the beneficiaries do not have problem with Trade Association.

5.14 Beneficiaries having problem with Trade Association is being solved

In any life situation, organization, Association, families, countries there is no gain or happiness without problem. Problems sometimes teach something which one may not know.

Table 5.14

<table>
<thead>
<tr>
<th>S. No</th>
<th>Problem solved with Trade Association</th>
<th>No. of Beneficiaries</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>52</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>52</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data

Here from the above table the researcher analyses that 100 percent of the beneficiaries expressed that their problems with trade association is being solved.

In view of the above, an understanding of the nature of the problems encountered by 100 percent of the sample beneficiaries would facilitate not only in identifying the problem faced, but in solving their incidence with deliberate and conscious efforts to maintain a peaceful nature.
Labour is now the friend of small business. The individual member doing the business solely will have to work intensely, face difficulties courageously, have to make decisions quickly and consider matters carefully. When an industry is labour oriented they work together with the employer share the work, difficulties and face challenges together.

Table 5.15

Labour oriented industries of the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Labour oriented industries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>193</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>82</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

It is vividly clear from the above table that 70 percent of the beneficiaries industries are labour oriented and the remaining 30 percent of them do the business individually.

The industry to be labour oriented differs from the size of the business. If an individual can manage, he/she works solely and when the concern is quite big then it becomes labour oriented. 70 percent of the beneficiaries felt the need of many and hence their industry became labour oriented.

5.16 Number of employees working in industry

When the business concern is big, cannot manage by an individual then the owner looks for certain number of employees to support his new venture. The number needed depends on the business concern. It may vary from one person to the other.
Table 5.16

Number of employees working in industry

<table>
<thead>
<tr>
<th>S. No</th>
<th>Number of employees working</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 10</td>
<td>119</td>
<td>62</td>
</tr>
<tr>
<td>2</td>
<td>10 to 15</td>
<td>31</td>
<td>16</td>
</tr>
<tr>
<td>3</td>
<td>16 to 20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Above 20</td>
<td>43</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>193</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data

The above table point out the number of employees working in the industry. 62 percent of the beneficiaries employed less than ten employees, 22 percent of them above twenty and 16 percent of them employed ten to fifteen employees.

Number of employees needed for the industry depends on the nature and size of the business and 62 percent of the entrepreneurs needed less than ten employees for their industry.

5.17 Opportunities of employment for women

Around three fifth of women are still illiterate in India. Due to lack of education and too qualitative education women are not aware of business, technology and market knowledge. Thus lack of education creates problems for women in the setting up and running of business enterprise.

The Government of India has been giving increasing importance to the development of women entrepreneurs in the country in recent years. The percentage of business women is on the increase and this is quite creditable. By nature, women are endowed with certain qualities found favourable for the growth of entrepreneurship;
women’s style of leadership tends to create a congenial work environment. They possess the inherent gift to motivate others.

Table 5.17

Opportunities of employment for women

<table>
<thead>
<tr>
<th>S. No</th>
<th>Opportunities of employment for women</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>179</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>96</td>
<td>35</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

It is inferred from the above table that 65 percent of the beneficiaries said that they give employment for women in their industry and 35 percent of them expressed that they do not give employment for women.

Business women are calmer, tolerant and intuitive promotion of women owned businesses and other related inputs are some of the efforts which need to be understood and appreciated in the wider perspective of women catching up with men in various walks of life. Sixty five percent of the women were offered employment opportunity.

5.18 Number of women working in industry

In an industry sometimes both men and women are working together. Some of the entrepreneurs give opportunity for women workers in their industry. The table below illustrates how many women are working.
### Table 5.18

**Number of women working in industry**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Number of women working</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 10</td>
<td>149</td>
<td>83</td>
</tr>
<tr>
<td>2</td>
<td>10 to 15</td>
<td>25</td>
<td>14</td>
</tr>
<tr>
<td>3</td>
<td>16 to 20</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Above 20</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>179</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Observed Data

The above table points out the number of women working in their industry. 83 percent of them have offered work for less than ten women, 14 percent of them offered for ten to fifteen, 2 percent of them offer for sixteen to twenty and 1 percent offered opportunity for above twenty women.

It is the generosity of the entrepreneur to give opportunity for women workers in their industry. It is noticeable that 83 percent of them offered work for less than 10 women.

### Chart 5.4

**Number of women working in industry**

![Chart showing the distribution of women working in different categories](chart.png)
5.19 Presence of labour problem among labourers

Employees working in any industry may have come with different temperaments. They may not sometimes adjust with the internal environment and peer team. There arise problems which creates tension and turmoil among the employees and employers.

**Table 5.19**

Presence of labour problem among labourers

<table>
<thead>
<tr>
<th>S. No</th>
<th>Labour problem</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>61</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>214</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from Primary Sources

From the above table the researcher clearly understood how many of the beneficiaries have labour problem. 78 percent of them expressed that they have no problem and only 22 percent of them said that they have problem.

Problems sometimes can be avoided and when they cannot be avoided they have to find ways and means to settle them smoothly. This is with our 78 percent of the entrepreneurs who have expressed that they have no labour problem, because they could tackle it well.

5.20 Nature of problem among labourers

Problems are of different types and each may differ from person to person. Problems arise due to their demand in wage, their incapability in learning a new thing, less speed in operation, dispute among workers and so on.
The above table brings out the nature of problem among workers. 38 percent of them demand higher wages, 31 percent of them have conflict among workers, 18 percent of them were unable to educate themselves and 13 percent of them have less speed in operation.

We can’t blame the workers for their incapability, demand and other problems etc., because there is none without problem and problems can be solved if possible. 38 percent of them have wage related problems.
5.21 Presence of Stoppage of work due to labour problem

When labour problems are not settled, when their needs are not met, immediately they use a device to stop the work. It is their weapon to solve their problem.

Table 5.21

Presence of Stoppage of work due to labour problem

<table>
<thead>
<tr>
<th>S. No</th>
<th>Stoppage of work</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>37</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Data collected from primary sources
The researcher made an investigation to know whether there is any stoppage of work due to labour problem. 61 percent of them expressed that they did not have any stoppage of work and 39 percent of them conveyed that they had stoppage of work due to labour problem.

It is concluded that 61 percent of them did not have any stoppage of work due to labour problem.

5.22 Presence of labour shortage in the organization

Nowadays in many business concerns we can see that they give advertisement in dailies and notice put up at conspicuous place saying “wanted – Technician . . . etc,” It shows that many are wanted but few are willing. And so labour shortage arises. Employees sometimes search for a job which is not within their capability, demand higher wages, look for white collar job etc.,

Table 5.22

<table>
<thead>
<tr>
<th>S. No</th>
<th>Shortage of labourers</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>53</td>
<td>27</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>140</td>
<td>73</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>193</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

The above analysis depicts whether an entrepreneur has any labour shortage in his/her organization. 73 percent of them have said that they did not have any labour shortage and they run their business very smoothly, whereas 27 percent of them lack labourers in their organization which disrupt their business career.

To run a business an entrepreneur need man, material, money. If everything is in abundance then the business will be flourishing. This is very much felt from the
above analysis that 73 percent of them did not have any labour shortage in their organization.

5.23 Steps taken to solve the labour shortages

Certain steps are taken by the beneficiaries to solve the problem of labour shortage. Enquire from the friend’s circle, relatives and the existing employees to bring some employees, give advertisement in dailies, ask from the technical institution and district industries centre.

Table 5.23
Steps taken to solve the labour shortages

<table>
<thead>
<tr>
<th>S. No</th>
<th>Steps taken to solve the problem</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employing the people belonging to other states</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Asking the existing employees to bring some more employees to solve labour shortages</td>
<td>24</td>
<td>45</td>
</tr>
<tr>
<td>3</td>
<td>Other methods</td>
<td>29</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>53</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Observed Data

The above table illustrates the steps taken to solve the problem of labour shortage in the organization. 55 Percent of them took different methods to solve the problem, 45 percent of them asked their existing employees to bring some employees to solve labour shortage.

When steps are taken to solve the problem, everything goes on well with the business. The above table reveals the same. 55 percent of them took ways and means of settling the labour shortage.
5.24 Registration of the unit

The unit has to apply on the prescribed application form available on free of cost from its regional office and from District Industries Centre. The application form duly filled in and with the requisite documents in triplicate, is to be submitted to the concerned office, who in turn, will forward one copy to concerned DIC for status report. Based on these reports and completion of documentation, the unit is given registration for an initial period of 3 years. The registration is renewed from time to time.

Table 5.24

<table>
<thead>
<tr>
<th>S. No</th>
<th>Registration of the unit</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>256</td>
<td>93</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from Primary Sources

From the above discussion the researcher understood about the procedure to register their business unit. 93 percent of them have expressed that they have registered their unit and only 7 percent of them did not register their business unit due to some reason or the other.

No fee is charged for giving registration and all services including verification of technical and commercial capabilities are provided free of cost. Hence 93 percent of them registered their business unit and benefited much by doing the same.

5.25 Status of the Registration of the Unit

The registration is renewed from time to time and fresh verification of technical and commercial capabilities is carried out if necessary. Most of them register their unit for life time.
Table 5.25

Status of the Registration of the Unit

<table>
<thead>
<tr>
<th>S. No</th>
<th>Status of the registration of the unit</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Provisionally</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>Permanently</td>
<td>206</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>256</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 5.25 explains the status of registration. 80 percent of them registered their business unit permanently and the remaining 20 percent of them registered provisionally.

Most of them (80 percent) registered their business unit permanently going through all the procedures for registration.

5.26 Knowing from the Beneficiaries the receipt of subsidy

Subsidy is financial benefit provided by a Government that gives an unfair advantage to a specific industry, business or even an individual. Subsidy given by Government is to encourage business activities.

Table 5.26

Knowing from the Beneficiaries the receipt of subsidy

<table>
<thead>
<tr>
<th>S. No</th>
<th>Subsidy received by the beneficiaries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>248</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>27</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>275</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data

The above analysis confirms the number of beneficiaries receiving subsidy from the Government to run their business. 90 percent of the beneficiaries received subsidy,
only 10 percent of them did not receive, which means they were not in need of subsidy, self sufficient to carry on their business.

Subsidy is a financial help provided by the Government to the individuals. And 90 percent of them receiving it benefited much.

5.27 Nature of subsidy received by the Beneficiaries

To promote the development of the industrial sector, especially MSME sector, the Government has introduced various schemes that provide financial subsidy to the eligible enterprise.

Capital subsidy is extended as the rate of 15% on eligible plant and machinery. An additional capital subsidy of 5% subject to a maximum of Rs.2 lakhs will be given to enterprises set up by women, SC/ST, physically disabled and transgender entrepreneurs.

LTPT subsidy will be available at a flat rate of 20% for the first 36 months from the date of commencement of production or from the date of power connection, whichever is later.

The quantum of Generator subsidy for one unit will be 25% of the cost of generator set subject to a maximum of Rs.1,50,000. This will be one time financial assistance and will be granted on the basis of expenditure incurred by the unit.

Table 5.27
Nature of subsidy received by the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Nature of subsidy</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>State Capital subsidy</td>
<td>47</td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>Generator subsidy</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Low Tension Power Tariff</td>
<td>182</td>
<td>73</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>248</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data
It is clearly understood by the researcher, what type of subsidy the beneficiaries received from the Government. 73 percent of them received Low Tension power tariff subsidy, 19 percent of them capital subsidy, and 8 percent of them Generator subsidy.

Majority of them (73 percent) received LTPT subsidy from the Government, which were a great help for the beneficiaries.

**Chart 5.6**

*Nature of subsidy received by the Beneficiaries*

![Pie chart showing the distribution of subsidies.]

**5.28 Sufficiency of the subsidy received by the beneficiaries**

When business is a smaller concern can manage with the subsidy received. If it is a larger concern have to look for other financial assistance from financial institutions to carry out their business successfully.
Table 5.28

Sufficiency of the subsidy received by the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Sufficiency of the subsidy received</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>199</td>
<td>80</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>49</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>248</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data Collected from Primary Sources

It has been observed by the researcher whether the subsidy received by the beneficiaries were sufficient or not. 80 percent of them expressed that it is enough for them and 20 percent of them felt that the subsidy received were not enough.

Government takes initiative in helping the SSI sector by providing subsidies to come up successfully. And this is very much realized from the table 5.28. 80 percent of them felt that the subsidy received were sufficient.

5.29 Intermediaries in any subsidy distribution

According to the study made by the researcher it is very much understood that most of the beneficiaries said that there are no intermediaries in the subsidy distribution.

Table 5.29

Intermediaries in any subsidy distribution

<table>
<thead>
<tr>
<th>S. No</th>
<th>Intermediaries in subsidy distribution</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>240</td>
<td>97</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>248</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data
It has been observed from the above table that majority of the Entrepreneurs (97 percent) expressed that there is no intermediary in the subsidy distribution only 3 percent of them felt that there is intermediaries.

Usually subsidy amount is straight away given to the beneficiaries. In few of the cases intermediaries played their role. According to table 5.29 ninety seven percent of them expressed that there is no intermediary in the subsidy distribution.

**5.30 Knowing is there any delay in getting the subsidy by the beneficiaries**

The disbursement of subsidy shall be made upon receiving an application for interest subsidy under the scheme from the unit concerned with due recommendation and certificates. If there is delay in getting the subsidy, it is mainly the documents produced may not be according to the criteria. The officials were not satisfied with the project submitted etc.

<table>
<thead>
<tr>
<th></th>
<th>Delay in getting the subsidy</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>93</td>
<td>38</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>155</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>248</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Data**

The table shows that subsidies are delayed due to a number of reasons and how many beneficiaries felt that there was delay in getting it. 62 percent of them received subsidy in time and only 38 percent of them did not receive the subsidy in time.

The delay could have happened by not complying with the requirements of the Government. But majority of the beneficiaries (62 percent) received subsidy in time which enabled the entrepreneurs to make use of it for the development of the business activity.
5.31 Period of delay in getting subsidy

In disbursing the subsidy to some of the beneficiaries there is delay, it is due to some reason or the other. A unit can avail subsidy only under a single scheme, either from the Central Government or from the State Government. A unit seeking subsidy should certify that it has not obtained or applied for subsidy for the same purpose or activity from any other ministry or department of the Government of India or State Government.

Expenditure on second hand plant and machinery for which payment has been made in cash would not be eligible for consideration of the subsidy.

100% physical verification of the actual establishment and working status of each of the units availing subsidy under the scheme will be done by State Government through DIC.

Since there are lots of procedures to be looked into by the departments sometimes the subsidy disbursement is getting delayed.

**Table 5.31**

**Period of delay in getting subsidy**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Period of delay</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below one month</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>One to two months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Two to three months</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>4</td>
<td>Three to four months</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Above four months</td>
<td>72</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>93</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Period of getting delay for 77 percent of them is above four months. For 14 percent of them is two to three months and for 9 percent of them three to four months.
All new industrial units and existing industrial units on their substantial expansion, development would be eligible for subsidies. The subsidy disbursement sometimes gets delayed for want of some requirements. For 77 percent of the beneficiaries, period of delay in getting subsidy is above four months.

**Chart 5.7**

**Period of delay in getting subsidy**

<table>
<thead>
<tr>
<th>Period</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below one month</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>One to two months</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Two to three months</td>
<td>13</td>
<td>14%</td>
</tr>
<tr>
<td>Three to four months</td>
<td>8</td>
<td>9%</td>
</tr>
<tr>
<td>Above four months</td>
<td>72</td>
<td>77%</td>
</tr>
</tbody>
</table>

5.32 **Amount contributed as capital by the Beneficiaries**

Launching a new business requires much skill and preparation. Entrepreneurs may not have the resources to raise capital in order to market their new business. This is a common dilemma that many entrepreneurs face. They often speculate about how to raise capital and are unsure about how their start up will have the needed financial security to properly stay on track.

Entrepreneurs are encouraged first to contribute their fund for the business. Then secondly they can look for assistance from Financial Institution.
Table 5.32

Amount contributed as capital by the Beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Capital contribution</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below 50000</td>
<td>52</td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>50000 - 100000</td>
<td>74</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>100000 - 150000</td>
<td>86</td>
<td>31</td>
</tr>
<tr>
<td>4</td>
<td>150000 and above</td>
<td>63</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

The above table vividly explains the amount of capital being contributed by the beneficiaries. 31 percent of them have invested one to one and a half lakhs, 27 percent of them Rs.50,000 to one lakh, 23 percent of them one and a half lakhs and above and 19 percent of them contributed below Rs.50,000.

Before starting a new business an entrepreneur have to invest money on his part first. Without finance none of the entrepreneur can launch into a new venture. Table 5.32 illustrates that 31 percent of the beneficiaries contributed rupees one lakh to one and a half lakhs to start their business.

5.32. A Type of Business and the capital contribution of the beneficiaries

The relationship between the Type of Business and the capital contribution of the beneficiaries is given below.
Table 5.32.A

Type of Business and the capital contribution of the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Type of Business</th>
<th>Capital Contribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Sole Trader</td>
<td>21</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(58.33)</td>
<td>(75.95)</td>
</tr>
<tr>
<td>2</td>
<td>Partnership</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(13.89)</td>
<td>(6.96)</td>
</tr>
<tr>
<td>3</td>
<td>Private Ltd.,</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2.78)</td>
<td>(3.16)</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(25.00)</td>
<td>(13.93)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>36</td>
<td>158</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Source: Survey Data

Note: Figures in parenthesis represent percentages

It is understood from the above table that out of 275 beneficiaries, only 36 were with high level capital contribution. A majority of them 21 (58.33 percent) are sole traders, 9 (25.00 percent) from other category, 5 (13.89 percent) are from partnership firm and 1 (2.78 percent) from private limited.

Further it illustrates that out of 158 beneficiaries with medium level capital contribution, 120 (75.95 percent) are sole traders, followed by 22 (13.93 percent), 11 (6.96 percent), 5 (3.16 percent) of them are other category, partnership firm and private limited respectively.

It also portrays that out of 81 beneficiaries with low level capital contribution, a majority of them 60 (74.08 percent) are sole traders and the remaining 12 (14.81 percent), 7 (8.64 percent), 2 (2.47 percent) other category, partnership, private limited respectively.
In order to test the null hypothesis that there is no relationship between Type of business and capital contribution chi-square test has been applied and the result is furnished below.

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>E</td>
<td>O – E</td>
<td>(O – E)^2</td>
<td>(O – E)^2/E</td>
</tr>
<tr>
<td>21</td>
<td>26.31</td>
<td>5.31</td>
<td>28.196</td>
<td>1.072</td>
</tr>
<tr>
<td>120</td>
<td>115.48</td>
<td>4.52</td>
<td>20.430</td>
<td>0.177</td>
</tr>
<tr>
<td>60</td>
<td>59.20</td>
<td>0.80</td>
<td>0.640</td>
<td>0.011</td>
</tr>
<tr>
<td>5</td>
<td>3.010</td>
<td>1.99</td>
<td>3.960</td>
<td>1.316</td>
</tr>
<tr>
<td>11</td>
<td>13.21</td>
<td>2.21</td>
<td>4.884</td>
<td>0.369</td>
</tr>
<tr>
<td>7</td>
<td>6.77</td>
<td>0.23</td>
<td>0.053</td>
<td>0.008</td>
</tr>
<tr>
<td>1</td>
<td>1.047</td>
<td>0.04</td>
<td>0.002</td>
<td>0.002</td>
</tr>
<tr>
<td>5</td>
<td>4.596</td>
<td>0.41</td>
<td>0.168</td>
<td>0.037</td>
</tr>
<tr>
<td>2</td>
<td>2.35</td>
<td>0.35</td>
<td>0.123</td>
<td>0.052</td>
</tr>
<tr>
<td>9</td>
<td>5.62</td>
<td>3.38</td>
<td>11.424</td>
<td>2.033</td>
</tr>
<tr>
<td>22</td>
<td>24.70</td>
<td>2.70</td>
<td>7.29</td>
<td>0.295</td>
</tr>
<tr>
<td>12</td>
<td>12.66</td>
<td>0.66</td>
<td>0.436</td>
<td>0.034</td>
</tr>
<tr>
<td><strong>Total value</strong></td>
<td><strong>5.406</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of the chi-square test are furnished below:

Calculate Value (C.V) = 5.046

Table value at 5% level of significance = 12.592

Degrees of freedom = 6

Inference = Insignificant

As the calculated chi-square value is less than the table value at 5 percent level, the formulated null hypothesis is accepted. Hence there is no relationship between type of business and capital contribution.
5.33 Knowing the working capital problem among the beneficiaries

Working capital is essentially circulating working capital. Working capital moves from one process to another, from cash to inventories to sales, working capital is used to designate and back to cash. Working capital is an enterprise may be compared to the blood of the human body; blood gives life and strength to the human body and working capital imparts life and strength, profits and solvency to the business organization. The need for working capital to run the day today business activities are an accepted fact. One hardly finds a business enterprise which does not require any amount of working capital.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Working capital problem</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>254</td>
<td>92</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>275</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data Collected from Primary Sources

From times immemorial, it has been identified by the researcher that 92 percent of the beneficiaries are having working capital problem and only 8 percent of them did not have any problem because they have sufficient finance to go ahead in their venture.

It is thus clear from the above analysis that more than 90 percent of the beneficiaries are having working capital problem and they look for assistance from any financial institutions.

5.34 Beneficiaries getting financial assistance from any of the Institutions

Among the various inputs required by the entrepreneur successful functioning of his/her enterprise, availability of adequate and timely finance is considered to be an important one. Finance which sometimes termed as the life blood of any economic
activity not only facilitates the economic growth process but provides the strength for continuity of the same.

Table 5.34

Beneficiaries getting financial assistance from any of the Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Financial assistance from financial institutions</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>226</td>
<td>89</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>28</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>254</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Observed Data

The above table clearly portray that beneficiaries are really interested in strengthening their business to earn a profit. Their capital contribution is not sufficient to run their business. Hence 89 percent of the beneficiaries approached the Financial Institutions for assistance. The remaining 11 percent of them were able to manage without getting any financial assistance.

Many of them (89 percent) approached the Financial Institution for getting assistance to successfully run their industrial unit.

5.35 Name of different Financial Institutions where beneficiaries got assistance

India has one of the largest net works of institutional financing agencies among the developing countries of the world. These institutions have been making continuous attempt to fulfill the various socio economic objectives of the Government in the course of their lending operations.

The institutional credit set up was expanded both at the national as well as at the state level through the setting up of a number of financial institutions with specific
purpose of making the financial resources available to a wide variety of industries of
different sizes and at different regional levels.

Table 5.35

Name of different Financial Institutions where beneficiaries got assistance

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the financial institutions</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Indian Overseas Bank</td>
<td>63</td>
<td>28</td>
</tr>
<tr>
<td>2</td>
<td>Indian Bank</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Bank of Baroda</td>
<td>19</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>Canara Bank</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>Karur Vysia Bank</td>
<td>22</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>Punjab National Bank</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>Corporation Bank</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>8</td>
<td>Central Bank of India</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>9</td>
<td>State Bank of India</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>10</td>
<td>Bank of India</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Data*

It is inferred from the above table that 28 percent of the beneficiaries received
loan from Indian Overseas Bank, 12 percent of them received either from Indian Bank,
or from Canara Bank and still the other from State Bank of India. 10 percent of them
received from Karur Vysia Bank, 9 percent of them from Bank of Baroda, 6 percent of
them either from Corporation Bank, or from Central Bank of India, 3 percent of them
from Bank of India and 2 percent of them from Punjab National Bank.

An attempt has been made by the researcher to evaluate the extent of
dependence of the various classes of entrepreneurs on the financial assistance provided
by the institutional agencies and indicate how far specialized financial and developmental institutions have acted as ‘gap-fillers’ in the provision of capital. 28 percent of the beneficiaries received financial assistance from the lead Bank, i.e. Indian overseas Bank.

Chart 5.8

Name of different Financial Institutions where beneficiaries got assistance

5.35. A Type of business and the name of Financial Institution where beneficiaries received Assistance

The relationship between the Type of business and the name of Financial Institution where beneficiaries received Assistance are given below.
Table 5.35.A

Type of business and the name of Financial Institution where beneficiaries received Assistance

<table>
<thead>
<tr>
<th>S. No</th>
<th>Type of Business</th>
<th>Name of Financial Institutions where beneficiaries received assistance</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Sole Trader</td>
<td>23</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(58.97)</td>
<td>(76.16)</td>
</tr>
<tr>
<td>2</td>
<td>Partnership</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(7.69)</td>
<td>(8.61)</td>
</tr>
<tr>
<td>3</td>
<td>Private Ltd.,</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5.13)</td>
<td>(2.65)</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(28.21)</td>
<td>(12.58)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>39</strong></td>
<td><strong>151</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Note: Figures in Parenthesis represent percentages

It is understood from the above table that out of 275 respondents, 39 respondents received Assistance from different Financial Institutions with high level opinion. Out of which 23 (58.97 percent) were sole traders, 11 (28.21 percent) belong to other category, 3 (7.69 percent) belong to partnership firm, 2 (5.13 percent) belong to Private limited.

Out of 151 respondents with medium level opinion 115 (76.16 percent) were sole traders, 19 (12.58 percent) belong to other category, 13 (8.61 percent) were belonging to Partnership firm and 4 (2.65 percent) belong to Private limited.
Out of 85 respondents with low level opinion 63 (74.12 percent) were Sole traders and 13 (15.29 percent), 7 (8.24 percent), 2 (2.35 percent) were belonging to other category, Partnership firm and Private Limited respectively.

To prove the formulated null hypothesis that there is no relationship between the type of business and the name of Financial Institutions where beneficiaries received assistance, chi-square test has been applied. The computed results are given below.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O - E</th>
<th>(O – E)^2</th>
<th>(O – E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>28.51</td>
<td>5.51</td>
<td>30.360</td>
<td>1.065</td>
</tr>
<tr>
<td>115</td>
<td>110.37</td>
<td>5.37</td>
<td>28.836</td>
<td>0.261</td>
</tr>
<tr>
<td>63</td>
<td>62.13</td>
<td>1.13</td>
<td>1.276</td>
<td>0.020</td>
</tr>
<tr>
<td>3</td>
<td>3.26</td>
<td>0.26</td>
<td>0.067</td>
<td>0.020</td>
</tr>
<tr>
<td>13</td>
<td>12.63</td>
<td>1.63</td>
<td>2.656</td>
<td>0.210</td>
</tr>
<tr>
<td>7</td>
<td>7.11</td>
<td>0.11</td>
<td>0.012</td>
<td>0.002</td>
</tr>
<tr>
<td>2</td>
<td>1.13</td>
<td>0.87</td>
<td>0.756</td>
<td>0.669</td>
</tr>
<tr>
<td>4</td>
<td>4.39</td>
<td>0.39</td>
<td>0.152</td>
<td>0.035</td>
</tr>
<tr>
<td>2</td>
<td>2.47</td>
<td>0.47</td>
<td>0.220</td>
<td>0.089</td>
</tr>
<tr>
<td>11</td>
<td>6.10</td>
<td>4.90</td>
<td>24.010</td>
<td>3.936</td>
</tr>
<tr>
<td>19</td>
<td>23.61</td>
<td>4.61</td>
<td>21.252</td>
<td>0.900</td>
</tr>
<tr>
<td>13</td>
<td>13.29</td>
<td>0.29</td>
<td>0.084</td>
<td>0.006</td>
</tr>
<tr>
<td><strong>Total value</strong></td>
<td></td>
<td></td>
<td><strong>7.213</strong></td>
<td></td>
</tr>
</tbody>
</table>

The results of the chi-square test are furnished below:

Calculate Value (C.V) = 7.213

Table value at 5% level of significance = 12.592

Degrees of freedom = 6

Inference = Insignificant
Since the calculated value is less than the table value at 5 percent level, the formulated null hypothesis is accepted. Hence there is no relationship between the type of business and the name of Financial Institutions where beneficiaries received assistance.

5.36 Amount of Financial Assistance received by the Beneficiaries

Finance is one of the critical inputs for the promotion and development of the micro small and medium enterprises. Finance to the MSME’s is part of the priority sector lending policy of the Banks. The SIDBI is the principal financial institution for promotion. Commercial Banks are important channels of credit dispensation to the sector and play a pivotal role in financing the working capital requirements, besides providing term loans.

Table 5.36

<table>
<thead>
<tr>
<th>S. No</th>
<th>Amount of financial assistance</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than one lakh</td>
<td>47</td>
<td>21</td>
</tr>
<tr>
<td>2</td>
<td>One to two lakhs</td>
<td>121</td>
<td>53</td>
</tr>
<tr>
<td>3</td>
<td>Two to three lakhs</td>
<td>42</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>Three to four lakhs</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Above four lakhs</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

The above observations communicate to the researcher the amount of financial assistance received by the beneficiaries. 53 percent of them received one to two lakhs, 21 percent of them less than one lakh, 19 percent of them two to three lakhs, 4 percent of them three to four lakhs and 3 percent of them received above 4 lakhs as assistance from different financial institutions.
An analysis of institutional finance received by the sample entrepreneurs reveals that 53 percent of them received one to two lakhs as assistance from Financial Institutions.

Chart 5.9

Amount of Financial Assistance received by the Beneficiaries

<table>
<thead>
<tr>
<th>Amount of Assistance</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one lakh</td>
<td>9, 4%</td>
<td>4%</td>
</tr>
<tr>
<td>One to two lakhs</td>
<td>47, 21%</td>
<td>21%</td>
</tr>
<tr>
<td>Two to three lakhs</td>
<td>42, 19%</td>
<td>19%</td>
</tr>
<tr>
<td>Three to four lakhs</td>
<td>121, 53%</td>
<td>53%</td>
</tr>
<tr>
<td>Above four lakhs</td>
<td>7, 3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

5.37 Rate of interest for receiving financial assistance

The rate of interest is comparatively much lower. Small scale units set up in backward districts are given concessions and incentives. Financial Institutions on the whole help the MSME’s by giving different kind of assistance. They felt the rate of interest is normal.
Table 5.37
Rate of interest for receiving financial assistance from the Financial Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Rate of interest</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 12%</td>
<td>182</td>
<td>81</td>
</tr>
<tr>
<td>2</td>
<td>12% to 15%</td>
<td>44</td>
<td>19</td>
</tr>
<tr>
<td>3</td>
<td>15% to 18%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Above 18%</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Data Collected from Primary Sources

The above table portrays the rate of interest provided for receiving the Financial Assistance. 81 percent of them received loan for less than 12 percent rate of interest, 19 percent of them received for 12 percent to 15 percent.

Most of the beneficiaries (81 Percent) received loan for less than 12 percent rate of interest.

5.38 Type of loan provided by the Financial Institutions

Financial Institutions offer different loans to the beneficiaries who start a new business and who do not have much working capital. According to each ones need the beneficiaries apply for it and wait for the same to launch into a new venture.

Table 5.38
Type of loan provided by the Financial Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Type of loan</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Working capital loan</td>
<td>171</td>
<td>76</td>
</tr>
<tr>
<td>2</td>
<td>Soft loan</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Hypothecation</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Mortgage</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>5</td>
<td>Bank overdraft</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Other forms</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data
Table 5.38 depicts the type of loan provided by the Financial Institutions. 76 percent of the beneficiaries applied for working capital loan, 12 percent of them soft loan, 6 percent of them applied either for Hypothecation or for mortgage.

Mostly, 76 percent of the beneficiaries applied for working capital loan and by getting the same they are really helped much to run their business activity successfully.

**Chart 5.10**

*Type of loan provided by the Financial Institutions*

![Chart](image)

**5.38.A Years of experience and the type of loan provided**

The relationship between the years of experience and the type of loan provided to the beneficiaries are given below.
Table 5.38.A

Years of experience and the type of loan provided

<table>
<thead>
<tr>
<th>S. No</th>
<th>Years of experience</th>
<th>Type of Loan Provided</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Below one year</td>
<td>1  (2.94)</td>
<td>5  (2.76)</td>
</tr>
<tr>
<td>2</td>
<td>1 to 2 years</td>
<td>2  (5.88)</td>
<td>10  (5.53)</td>
</tr>
<tr>
<td>3</td>
<td>2 to 3 years</td>
<td>1  (2.94)</td>
<td>5  (2.76)</td>
</tr>
<tr>
<td>4</td>
<td>3 to 4 years</td>
<td>4  (11.77)</td>
<td>15  (8.29)</td>
</tr>
<tr>
<td>5</td>
<td>Above 4 years</td>
<td>26  (76.47)</td>
<td>146  (80.66)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>34  (100.00)</td>
<td>181  (100.00)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Note: Figures in Parenthesis represent percentages

The above table reveal that out of 34 respondents with the type of loan provided with high level opinion, 26 (76.47 percent) of them have above four years of experience, 4 (11.77 percent) of them have three to four years, 2 (5.88 percent) of them have one to two years and 1 (2.94 percent) of them have two to three years and below one year respectively.

Further it shows that out of 181 respondents with the type of loan provided with medium level opinion, a majority of them 146 (80.66 percent) have above four years of experience, the others 15 (8.29 percent), 10 (5.53 percent), 5 (2.76 percent) have three to four years, one to two years, two to three years and below one year respectively.

It is also shown that out of 60 respondents with the type of loan provided with low level opinion, most of the respondents 43 (71.67 percent) have above four years of
experience, 9 (15.00 percent) have three to four years of experience and the others 4
(6.66 percent), 2 (3.34 percent) have one to two years, two to three years and below one
year.

To test the null hypothesis, that there is no relationship between the years of
experience and the type of loan provided with, chi-square test has been applied.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O - E</th>
<th>(O – E)^2</th>
<th>(O – E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.99</td>
<td>0.01</td>
<td>0.0001</td>
<td>0.000</td>
</tr>
<tr>
<td>5</td>
<td>5.27</td>
<td>0.27</td>
<td>0.073</td>
<td>0.014</td>
</tr>
<tr>
<td>2</td>
<td>1.75</td>
<td>0.25</td>
<td>0.063</td>
<td>0.036</td>
</tr>
<tr>
<td>2</td>
<td>1.99</td>
<td>0.01</td>
<td>0.0001</td>
<td>0.000</td>
</tr>
<tr>
<td>10</td>
<td>10.53</td>
<td>0.53</td>
<td>0.281</td>
<td>0.027</td>
</tr>
<tr>
<td>4</td>
<td>3.49</td>
<td>0.51</td>
<td>0.260</td>
<td>0.074</td>
</tr>
<tr>
<td>1</td>
<td>0.99</td>
<td>0.01</td>
<td>0.0001</td>
<td>0.000</td>
</tr>
<tr>
<td>5</td>
<td>5.27</td>
<td>0.27</td>
<td>0.073</td>
<td>0.014</td>
</tr>
<tr>
<td>2</td>
<td>1.75</td>
<td>0.25</td>
<td>0.063</td>
<td>0.036</td>
</tr>
<tr>
<td>4</td>
<td>3.46</td>
<td>0.54</td>
<td>0.293</td>
<td>3.46</td>
</tr>
<tr>
<td>15</td>
<td>18.43</td>
<td>3.43</td>
<td>11.765</td>
<td>0.638</td>
</tr>
<tr>
<td>9</td>
<td>6.11</td>
<td>2.89</td>
<td>8.352</td>
<td>1.367</td>
</tr>
<tr>
<td>26</td>
<td>26.58</td>
<td>0.58</td>
<td>0.336</td>
<td>0.013</td>
</tr>
<tr>
<td>146</td>
<td>141.51</td>
<td>4.49</td>
<td>20.16</td>
<td>0.142</td>
</tr>
<tr>
<td>43</td>
<td>46.90</td>
<td>3.90</td>
<td>15.21</td>
<td>0.324</td>
</tr>
</tbody>
</table>

| Total value | 2.770 |

The results of the chi-square test are furnished below:

Calculate Value (C.V) = 2.770

Table value at 5% level of significance = 15.507

Degrees of freedom = 8

Inference = Insignificant

252
As the calculated chi-square value is less than the table value at 5 percent level of significance, the null hypothesis is accepted. Hence it is concluded that there is no relationship between the years of experience and the type of loan the respondents are provided with.

5.39 Knowing the opinion of the beneficiaries regarding collateral security

Financial Institutions receive collateral security from the borrowers. Without which if loans are provided, the banker is not in a safer position. And the borrower too may not think of repayment, may not be responsible, may take longer duration to pay, sometimes if business run at a loss they may close down the business.

Table 5.39

Knowing the opinion of the beneficiaries regarding collateral security

<table>
<thead>
<tr>
<th>S. No</th>
<th>Insisting collateral security</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>165</td>
<td>73</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>61</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

The above analysis reveal whether the beneficiaries are insisted any collateral security by the financial agency. 73 percent of the beneficiaries expressed saying that they were insisted to bring collateral security by the Financial Institutions and the remaining 27 percent of the beneficiaries expressed that they were not insisted.

Collaterals are asked by the Financial Institutions from the beneficiaries and 73 percent of the beneficiaries felt that they were insisted to produce collaterals.

5.40 Knowing whether beneficiaries are able to provide collateral security

Mostly unemployed youth start business, also people having low income, people having no income but skillful, capable of entering into new venture also launch
into business. When they go to Financial Institutions to receive assistance, they were asked to provide collaterals.

Table 5.40

Knowing whether beneficiaries are able to provide collateral security

<table>
<thead>
<tr>
<th>S. No</th>
<th>Collateral security provided by the beneficiaries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>112</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>53</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>165</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data

It is being understood by the researcher that 68 percent of the beneficiaries were able to provide collaterals and only 32 percent of them were not able to provide it.

Up to one crore the financial institutions can provide loan to anybody and to any type of business, etc. Yet the Financial Institutions ask for collaterals and 68 percent of them were able to provide it.

5.41 Reasons given by the beneficiaries for not providing collateral security

All the entrepreneurs are not well off, having no properties in their name, do not have lots of assets, etc. Yet they are energetic, skillful, capable, goal oriented to start their business. Here collaterals are the mere cause of not receiving the assistance from the Financial Institutions.
### Table 5.41

**Different reasons given by the beneficiaries for not providing collateral security**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Reasons for not providing collateral security</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Objections from the relatives</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>No property was in my name</td>
<td>30</td>
<td>49</td>
</tr>
<tr>
<td>3</td>
<td>The properties are encumbered</td>
<td>17</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>The value of the property is inadequate</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td>5</td>
<td>The property was not in Tirunelveli</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Other reasons</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>61</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source: Observed Data**

The above table illustrates the different reasons given by the beneficiaries for not providing collaterals.

49 percent of the beneficiaries were not able to provide collaterals, because there is no property was in their name, 28 percent of them expressed that the properties are encumbered and the remaining 23 percent of them said that the value of the property was inadequate.

The main reason given by the beneficiaries is that (49 percent) they were not able to provide collaterals because there was no property in their names.

### 5.42 Getting loan up to one crore without collateral security

On the basis of credit guarantee fund trust for micro and small enterprise guidelines IDBI Bank offers collaterals free loans up to rupees one crore to realize the areas of those entrepreneurs who have viable projects/proposals but lacks adequate collateral security to offer.
Loans may be given up to one crore without collateral security is a known fact and the beneficiaries are aware of it.

**Table 5.42**

**Awareness of the beneficiaries in getting loan up to one crore without collateral security**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Awareness of the beneficiaries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>187</td>
<td>83</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>39</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Survey Data*

Table 5.42 expresses that 83 percent of the beneficiaries were aware of the fact that there is no collateral security up to one crore. Only 17 percent of them were not aware of this fact.

People who are illiterate, have less experience, not knowing the rules and regulations, procedures of the bank also commence business. Table 5.42 reveals that 83 percent of the beneficiaries are aware that loans may be given up to one crore without any collateral security.

**5.43 Expressing the known available concession to the lending agencies**

Availability of bank credit without the hassles of collaterals/ third party guarantees would be a major source of support to the first generation entrepreneurs to realise their dream of setting up a unit of their own micro and small enterprise.
Table 5.43

Expressing the known available concession to the lending agencies

<table>
<thead>
<tr>
<th>S. No</th>
<th>Expressing this known fact to lending agencies</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>135</td>
<td>72</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>52</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>187</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from Primary Sources

The entrepreneurs expressed the concession available i.e. collateral/third party guarantee free credit facility extended by eligible institutions to new as well as existing micro and small enterprise with a maximum credit cap of Rs.100 lakhs, to the lending agencies. 72 percent of them expressed this fact and 28 percent of them never expressed this fact to the lending agencies.

Collateral free loan is available for viable projects of micro and small enterprises in manufacturing and service sector with maximum guarantee cover up to rupees one crore under CGTMSE guarantee scheme for working capital and Term loan facilities and 72 percent of them expressed this fact to the lending agencies.

5.44 Acceptance of this right by the lending agencies

Though loans available up to one crore without collaterals for micro and small enterprises, financial institutions will not accept this fact. They ask for collaterals from entrepreneurs.
Table 5.44

Acceptance of this right by the lending agencies

<table>
<thead>
<tr>
<th>S. No</th>
<th>Acceptance of the right</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>41</td>
<td>30</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>94</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>135</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

The above analysis reveals that 70 percent of them expressed that the Financial Institutions did not accept their right and 30 percent of them said that they accepted their right.

Most of the beneficiaries (70 percent) felt that the Financial Institutions did not accept their right.

5.45 Reasons provided by the lending agencies in insisting collateral security

The reasons given by the Financial Institutions for insisting collaterals are stated below.

Table 5.45

Reasons provided by the lending agencies in insisting collateral security

<table>
<thead>
<tr>
<th>S. No</th>
<th>Reasons given by the Financial Institutions</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No loan can be given without any security</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>In case of unsecured loan repayment of loan amount is uncertain</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>3</td>
<td>It is against the bank’s lending policy</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Money will be taken among few hands and recycling of fund becomes difficult</td>
<td>72</td>
<td>77</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>94</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Data
Table 5.45 brings out the reasons given by the bank for insisting collaterals. 77 percent of the beneficiaries agree with the reason given by the bank i.e. money will be taken among few hands and recycling of fund will become difficult. The other 23 percent agree to the reason, in case of unsecured loan repayment of loan amount is uncertain.

Majority of the beneficiaries (77 Percent) agree with the reason given by the bank, i.e. money will be taken among few hands and recycling of fund will become difficult.

5.46 Receipt of concessive financial assistance from the lending agencies

All India Financial Institutions such as IDBI, IFCI and the ICICI extend financial assistance on concessional terms to all the new and existing industrial projects, having expansion schemes located in different district selected by the Government.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Concessive financial assistance</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>226</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from Primary Sources

It is being revealed from the above analysis that 100 percent of the beneficiaries have unanimously expressed that they have not received any concessive financial assistance from the Financial Institutions.

All the beneficiaries (100 percent) have expressed with one mind saying that they have not received any concessive financial assistance.
5.47 Consultancy received by the beneficiaries from the Financial Institution

Small entrepreneurs proposing to set up rural, cottage, tiny or small scale units or to diversify, expand and modernize their existing units, can get consultancy services at a low cost from the Technical Consultancy organization sponsored by the promotional institutions and banks.

Table 5.47

Consultancy received by the beneficiaries from the Financial Institution

<table>
<thead>
<tr>
<th>S. No</th>
<th>Consultancy received by the beneficiaries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>190</td>
<td>84</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 5.47 portrays the consultancy received by the beneficiaries. 84 percent of them have received consultancy from the Financial Institutions. 16 percent of them have not received any consultancy.

Consultancy from Financial Institution is a strong support for the entrepreneur and the analysis reveal that 84 percent of them have received consultancy.

5.48 Number of consultancies gained by the beneficiaries

Financial Institutions are extending various need based ancillary services to the borrowers. These services are unique in nature. It aims at caring for the personal needs of the beneficiaries and enhancing their satisfaction.
Table 5.48

Number of consultancies gained by the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Number of consultancies</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>One</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Two</td>
<td>74</td>
<td>39</td>
</tr>
<tr>
<td>3</td>
<td>Three</td>
<td>22</td>
<td>12</td>
</tr>
<tr>
<td>4</td>
<td>Four</td>
<td>17</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Above four</td>
<td>63</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>190</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey Data

The researcher understood from the above analysis the number of consultancies gained by the beneficiaries.

39 percent of them have gained two consultancies, 33 percent of them above four, 12 percent of them three, 9 percent of them four and 7 percent of them gained one consultancy from the financial institutions.

The consultancies gained by the beneficiaries differ from person to person and 39 percent of them have gained from two consultancies.
5.49 Meeting organized by the financial institutions for beneficiaries

Financial Institutions call for meeting before sanctioning the loan to the beneficiaries. What kind of loan, Quantum of loan, period of loan, its repayment, etc. will be clearly explained to the beneficiaries. Without which the borrowers may not know the procedures.

Table 5.49

Meeting organized by the financial institutions for beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Meeting organized by the Financial Institutions</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>226</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data
The response of the beneficiaries regarding the meeting organized by the financial institutions is being expressed in table 5.49. All the (100 percent) beneficiaries have accepted the fact that meetings were organized by the financial institutions.

Meetings are arranged by the financial institutions for beneficiaries to start a new venture and it is being accepted by 100 percent of them.

5.50 Meetings attended by the beneficiaries

Financial Institutions call for meeting before sanctioning the loan to the beneficiaries. The table below explains whether they have attended any of such meetings.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Meetings attended by the beneficiaries</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>226</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data

The response of the beneficiaries regarding the meetings attended by them is being expressed in table 5.50. All the (100 percent) beneficiaries have accepted the fact that attending of meetings will enable them to have a clear cut idea.

All the beneficiaries attended meetings which are arranged by the financial institutions to start a new venture and only the number of meetings attended by them varied.
5.51 Number of meetings attended by the beneficiaries

Meetings are arranged at different times and the number of times the beneficiaries attending the same differs from person to person.

Table 5.51

Number of meetings attended by the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Number of meetings attended</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than two</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>2</td>
<td>Three</td>
<td>77</td>
<td>34</td>
</tr>
<tr>
<td>3</td>
<td>Four</td>
<td>36</td>
<td>16</td>
</tr>
<tr>
<td>4</td>
<td>Five</td>
<td>77</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data

34 percent of the beneficiaries either attended for five times or three times. Same way 16 percent of them either attended less than two or four times.

34 percent of them either five times or three times attended the meeting organized by the Financial Institutions.

5.52 Expressing the grievances in the meeting by the beneficiaries

Grievance is defined as a concern or complaint raised by an individual or as a group. The Financial Institutions create a platform for the beneficiaries to present their grievances at the convened meeting. Expressing the matter at the meeting is a question of fact.
Table 5.52

Expressing the grievances in the meeting by the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Expressing the grievances in the meeting</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>105</td>
<td>46</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>121</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

The above table pinpoints the percentage of beneficiaries who expressed the grievances in the meeting organized by the Financial Institutions.

54 percent of them were not in a position to represent their grievances and only 46 percent of them expressed the grievances at the meeting and waited for the solution of the financial institutions.

Many are not used to express what they feel, need, etc. Likewise 54 percent of the beneficiaries did not represent the grievances at the meeting held by the financial institutions.

5.53 Knowing from the beneficiaries the settlement of grievances

All the grievances will need to undergo some degree of review and investigation, depending on the type of grievances and clarity of circumstances. Once the grievance is well understood then it is easy to solve them.
Table 5.53

Knowing from the beneficiaries the settlement of grievances

<table>
<thead>
<tr>
<th>S. No</th>
<th>Settlement of grievance</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>97</td>
<td>92</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>105</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Data collected from Primary Sources

The above table vividly explains whether the grievances were settled or not. 92 percent of the beneficiaries said that the grievances were settled and only 8 percent of them felt that their grievances were not looked into and it is not being solved.

Once grievances are settled then peaceful mind set up comes among the beneficiaries. The researcher understood from Table 5.53 that 92 percent of them felt that their grievances were settled.

5.54 Provision of interest free holidays provided by Financial Institutions

With deep sense of enthusiasm the entrepreneurs start their new venture. The financial institutions help these entrepreneurs by providing interest free holidays during their start up stage.

The table below explains whether the beneficiaries are provided with the provision of interest free holidays.

Table 5.54

Provision of interest free holidays provided by Financial Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Provision of interest holidays</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>212</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data
It is evident from the above table that 94 percent of them were not provided with the provision of interest free holidays and only 6 percent of them were provided.

The financial institutions will have some criteria for giving the provision of interest free holidays. 94 percent of them were not provided this facility and only 6 percent of the beneficiaries are being provided.

**5.55 Concession for gestation period during start up stage**

Gestation period is otherwise known as the project implementation period, which normally stretches over the period between the dates of sanction of the loan proposal by financial institution to the date the enterprise goes into commercial production. Usually during the appraisal of the loan applications, the financial institutions stipulate the time frame work for the implementation of the projects in the project reports.

**Table 5.55**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Concession for gestation period</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>212</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Field Data

Table 5.55 depicts the concession provided for gestation period during start up stage. Out of 226 beneficiaries 94 percent of the beneficiaries expressed that they have not received any concession for gestation period and only 6 percent of the beneficiaries have received the same.

Hence it is concluded that most of the beneficiaries (94 percent) have not received any concession for gestation period in their start up stage.
5.56 Period of gestation provided by the Financial Institutions

Gestation period differs from project to project, depending upon the location of the project, the nature of the entrepreneurial activity, size of the enterprise and a number of other external and internal factors. It is the concern of the entrepreneur as well as that of the financial institution to see that the project is implemented in the scheduled time.

Table 5.56
Period of gestation provided by the Financial Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Period of gestation</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 3 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>3 to 6 months</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>6 to 9 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Above 9 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

It is generally agreed that the project implementation period depends not only on the location but also the capability of the entrepreneur to co-ordinate a large variety of diverse activities during the implementation stage.

In this respect the above table reveals that 100 percent of the beneficiaries who have received concession for gestation period are between three to six months.

5.57 Number of times visited the financial institutions for getting the loan

Each beneficiary’s number of visits to financial institutions to get loan differ from one person to another. Each one’s need is different. When every document needed is produced by the beneficiaries then the sanctioning of loan will be easy for the
financial institutions. At the same time when not submitted all the documents properly they are asked to come again.

The table below vividly portrays the number of times the beneficiaries visited the financial institution to get their loan sanctioned.

**Table 5.57**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Number of times visited the financial institution</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than two</td>
<td>149</td>
<td>66</td>
</tr>
<tr>
<td>2</td>
<td>Three</td>
<td>55</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>Four</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Above four</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Data Collected from Primary Sources*

It is clearly understood from the above table that 66 percent of the beneficiaries visited less than two times, 24 percent of them three times, 6 percent of them four times and 4 percent of them above four times visited the financial institutions to get their loan sanctioned.

Most of the beneficiaries (66 percent) visited the financial institutions for less than two times, because they have submitted all the required documents.

**5.57. A Gender and Times of visit to the Financial Institution to get the loan sanctioned**

The relationship between Gender and number of times the beneficiaries visited the financial institution to get the loan sanctioned is given below.
Table 5.57.A

Gender and Times of visit to the Financial Institution to get the loan sanctioned

<table>
<thead>
<tr>
<th>S. No</th>
<th>Gender</th>
<th>Times of visit to the Financial institution to get the loan sanctioned</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Times of visit</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>institution to get the loan sanctioned</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Male</td>
<td>35</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(63.64)</td>
<td>(58.62)</td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>20</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(36.36)</td>
<td>(41.38)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>55</td>
<td>145</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Note: Figures in brackets represent percentages

The above table clearly shows that out of 55 respondents with high level of opinion, a majority of (63.64 percent) them are Male and the remaining (36.36 percent) of them are female. Further, it shows that out of 145 respondents with medium level opinion a majority of (58.62 percent) them are Male and the remaining (41.38 percent) of them are female. It is also shown that out of 75 respondents with low level of opinion, a majority of (60.00 percent) them are Male and the remaining (40.00 percent) of them are female.

Hypothesis set:

To test the null hypothesis, that there is no relationship between Gender and number of times the beneficiaries visited the financial institution to get the loan sanctioned,
Chi square test has been applied.

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O - E</th>
<th>(O – E)²</th>
<th>(O – E)²/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>35</td>
<td>33</td>
<td>2</td>
<td>4</td>
<td>0.121</td>
</tr>
<tr>
<td>85</td>
<td>87</td>
<td>-2</td>
<td>4</td>
<td>0.121</td>
</tr>
<tr>
<td>45</td>
<td>45</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>20</td>
<td>22</td>
<td>-2</td>
<td>4</td>
<td>0.121</td>
</tr>
<tr>
<td>60</td>
<td>58</td>
<td>2</td>
<td>4</td>
<td>0.121</td>
</tr>
<tr>
<td>30</td>
<td>30</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>Total value</strong></td>
</tr>
</tbody>
</table>

The results of the chi-square test are furnished below:

Calculated Value = 0.484

Table value at 5% level of significance = 5.991

Degrees of freedom = 2

Inference = Insignificant

As the calculated chi-square value is lower than the Table value at 5 percent level of significance, the null hypothesis is accepted. Hence it is concluded that between the Gender and number of times the beneficiaries visited the financial institution to get the loan sanctioned has no relationship.

5.58 Delay in processing the loan application

Sometimes the processing of application is getting delayed due to some dissatisfaction towards the beneficiaries. Project report, location, the documents submitted etc. Hence they take time to study it thoroughly.
Table 5.58

Delay in processing the loan application

<table>
<thead>
<tr>
<th>S. No</th>
<th>Delay in processing the application</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>198</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data

The above table illustrate that 88 percent of the beneficiaries felt that the application was processed in time and there was no delay. And duly 12 percent of them felt that there was much delay in processing their application.

Eighty Eight percent of the beneficiaries were much satisfied about the time taken by the financial institutions in processing the application. And they expressed that there was no delay in processing.

5.59 Period of delay in processing the application

Period of delay in processing the application differs from person to person. Here the table below explains the period of delay in processing the application.

Table 5.59

Period of delay in processing the application

<table>
<thead>
<tr>
<th>S. No</th>
<th>Time taken to process the application</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than 3 months</td>
<td>28</td>
<td>100</td>
</tr>
<tr>
<td>2</td>
<td>3 to 6 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>6 to 9 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Above 9 months</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data
The financial Institutions verified with the beneficiaries documents. Sometimes the beneficiaries forget to check whether all the required documents are kept along with the application. When it is not full pledged then the process gets delayed for want of some documents.

100 percent of the beneficiaries expressed that the period of delay in processing their application is less than 3 months.

5.60 Charges paid for processing the loan application

No processing fees charged for loans up to Rs.10,000/-. For loans above Rs.10,000/- up to Rs.40,000/- the fee will be Rs.100/-. For up to Rs.40,000/- and up to Rs.2 lakhs the processing fee will be ¼% of the loan amount. For loan above 2 lakhs and up to 90 lakhs, the fee will be ½% of the loan amount applied for.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Charges paid for processing</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>14</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>212</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

94 percent of the entrepreneurs clearly explained through the table that they did not pay any charges for processing the loan application and only 6 percent of them have paid charges.

Majority of them (94 percent) have not paid any charges for processing their loan application.
5.61 Basis for charging the amount for processing the loan application

Charges were levied according to the loan amount. When the amount is huge certain percentage of charges were levied from the beneficiaries.

Table 5.61

Basis for charging the amount for processing the loan application

<table>
<thead>
<tr>
<th>S. No</th>
<th>Basis for charging the amount</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Lump sum</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Percentage of the project</td>
<td>14</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Arbitrator</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Data Collected from Primary Source

It is visible from the above table that 100 percent of them expressed that the charges were levied according to the percentage of the project.

The charges levied for processing the loan application is according to the value of the project.

5.62 Concession received in processing the loan application on communal basis

Entrepreneurs who start a new venture apply for loan from financial institutions to launch their business. The loan is sanctioned after all the scrutinisation of the loan application. To process the application the Financial Institutions levy charges on the basis of the percentage of the project.

The table below express whether any concession in the fee for processing the application on communal basis.
Table 5.62

Concession received in processing the loan application on communal basis

<table>
<thead>
<tr>
<th>S. No</th>
<th>Concession received on communal basis</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>226</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Primary Data

The researcher observed from the above table that 100 percent of the beneficiaries expressed that they have not received any concession in the fee for processing the application on communal basis.

Concession may be provided for the loan receivers for processing the application but from the table 5.62 the researcher understood that none of them (100 percent) have received any concession on communal basis.

5.63 Repayment of loan by the beneficiaries

Entrepreneurs get loan from the financial Institutions to start their new venture. Slowly their business grows and earns a profit. Sometimes their business goes down and decline. It is up to the person and his/her business for repayment of loan.

Table 5.63

Repayment of loan by the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Repayment of loan</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>199</td>
<td>88</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>226</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data
It is understood from the above table that 88 percent of them repaid the loan in time and 12 percent of them were not able to repay the loan in time.

Most of the beneficiaries (88 percent) repaid the loan in time.

5.64 Source of repayment by the beneficiaries

Entrepreneurs repaid the loan in time to the financial institutions. They put their whole effort to develop their business. Once it starts flourishing then it is easy for the borrower to repay the loan.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Source of repayment</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>From the profit of the business</td>
<td>171</td>
<td>86</td>
</tr>
<tr>
<td>2</td>
<td>From own capital</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>From the borrowings</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>From other source of income</td>
<td>22</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>199</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data

Eighty six percent of the beneficiaries repaid the loan in time from the profit of the business, eleven percent of them from other source of income and three percent of them from their own capital.

86 percent of them repaid the loan in time from the source of profit earned from his/her business.
5.65 Reasons given by the beneficiaries for non repayment

Some of the beneficiaries were not able to repay the loan in time due to various reasons. For some there may not be much profit from their business, for others there may be some seasonal variation etc.

Table 5.65

Reasons given by the beneficiaries for non-repayment

<table>
<thead>
<tr>
<th>S. No</th>
<th>Reasons for default</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No profit</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>2</td>
<td>Huge installment amount</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Seasonal variation</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Family expenses</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Poor turnover</td>
<td>13</td>
<td>48</td>
</tr>
<tr>
<td>6</td>
<td>others</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>27</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data
The researcher understood from the above study that for 52 percent of the beneficiaries there was no profit from their business and 48 percent of them had poor turnover.

Most of the beneficiaries (52 percent) did not have much profit from their business. Hence they were not able to repay the loan in time.

5.65. A Income and the reason for the delay in repayment of loan

The relationship between Income and the reason for the delay in repayment of loan is given below.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Income (in Rs.)</th>
<th>Reason for the delay in repayment of loan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Upto 5000</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(14.00)</td>
<td>(8.39)</td>
</tr>
<tr>
<td>2</td>
<td>5000 – 10,000</td>
<td>12</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(24.00)</td>
<td>(27.97)</td>
</tr>
<tr>
<td>3</td>
<td>10,000 – 15,000</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(14.00)</td>
<td>(9.79)</td>
</tr>
<tr>
<td>4</td>
<td>15,000 – 20,000</td>
<td>4</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(8.00)</td>
<td>(15.39)</td>
</tr>
<tr>
<td>5</td>
<td>Above 20,000</td>
<td>20</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(40.00)</td>
<td>(38.46)</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td><strong>50</strong></td>
<td><strong>143</strong></td>
</tr>
</tbody>
</table>

**Source: Primary Data**

**Note**: Figures in parenthesis represent percentages

The above table clearly shows that out of 50 respondents with high level of opinion, 20 (40.00 percent) of them earn above Rs. 20,000 followed by 12 (24.00
percent) between Rs.5,000 to 10,000. Only 7 (14.00 percent) of them earn between Rs.10,000 to 15,000 and up to Rs.5,000 and 4 (8.00 percent) between Rs.15,000 to 20,000. Further, it is understood that out of 143 respondents with medium level opinion, 55 (38.46 percent) of them earn above Rs.20,000 followed by 40 (27.97 percent) between Rs.5,000 to 10,000, 22 (15.39 percent) between Rs.15,000 to 20,000 and only 14 and 12 (9.79 percent) and (8.39 percent) are between Rs.10,000 to 15,000 and up to Rs.5,000 respectively. It is also shown that out of 82 respondents with low level of opinion, 110 (60.00 percent) of them earn above Rs.20,000 followed by 72 (26.19 percent) of them between Rs.5,000 to 10,000 36 (13.09 percent) of them between Rs.15,000 to 20,000 and the remaining 30 and 27 (10.90 percent) and (9.82 percent) between Rs.10,000 to 15,000 and up to Rs.5,000 respectively.

To test the null hypothesis, that there is no relationship between, income and the reason for the delay in repayment of loan Chi square test has been applied.
<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O - E</th>
<th>(O - E)^2</th>
<th>(O - E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>4.90</td>
<td>2.1</td>
<td>4.41</td>
<td>0.9</td>
</tr>
<tr>
<td>12</td>
<td>14.04</td>
<td>2.04</td>
<td>4.16</td>
<td>0.296</td>
</tr>
<tr>
<td>8</td>
<td>8.05</td>
<td>0.05</td>
<td>0.002</td>
<td>0.0003</td>
</tr>
<tr>
<td>12</td>
<td>13.09</td>
<td>1.09</td>
<td>1.188</td>
<td>0.090</td>
</tr>
<tr>
<td>40</td>
<td>37.44</td>
<td>2.56</td>
<td>6.55</td>
<td>0.174</td>
</tr>
<tr>
<td>20</td>
<td>21.47</td>
<td>1.47</td>
<td>2.16</td>
<td>0.100</td>
</tr>
<tr>
<td>7</td>
<td>5.45</td>
<td>1.55</td>
<td>2.40</td>
<td>0.440</td>
</tr>
<tr>
<td>14</td>
<td>15.6</td>
<td>1.6</td>
<td>2.56</td>
<td>0.164</td>
</tr>
<tr>
<td>9</td>
<td>8.95</td>
<td>0.05</td>
<td>0.0025</td>
<td>0.0002</td>
</tr>
<tr>
<td>4</td>
<td>6.55</td>
<td>2.55</td>
<td>6.50</td>
<td>0.992</td>
</tr>
<tr>
<td>22</td>
<td>18.72</td>
<td>3.28</td>
<td>10.76</td>
<td>0.574</td>
</tr>
<tr>
<td>10</td>
<td>10.73</td>
<td>0.73</td>
<td>0.53</td>
<td>0.049</td>
</tr>
<tr>
<td>20</td>
<td>20.00</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>55</td>
<td>57.2</td>
<td>2.2</td>
<td>4.84</td>
<td>0.084</td>
</tr>
<tr>
<td>35</td>
<td>32.8</td>
<td>2.2</td>
<td>4.84</td>
<td>0.147</td>
</tr>
</tbody>
</table>

**Total value** | **4.0105**

The results of the chi-square test are furnished below:

Calculate Value (C.V) = 4.0105

Table value at 5% level of significance = 15.507

Degrees of freedom = 8

Inference = Insignificant
As the calculated chi-square value is lower than the Table value at 5 percent level of significance, the null hypothesis is accepted. Hence it is concluded that there is no relationship between the Income and the reason for the delay in repayment of loan.

5.66 Period of repayment provided by the Financial Institutions

Repayment schedules are fixed by the eligible institutions on loans extended by them after taking into account the profitability and debt servicing capacity of the assisted units, subject normally to a maximum period of 10 years.

Repayment period for working capital is 10 years including moratorium up to 3 years for Term loan component 8 ½ years including moratorium of 18 months.

Table 5.66

<table>
<thead>
<tr>
<th>S. No</th>
<th>Period of repayment</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Less than two years</td>
<td>34</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>Two to four years</td>
<td>162</td>
<td>72</td>
</tr>
<tr>
<td>3</td>
<td>Above 4 years</td>
<td>30</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Data collected from primary sources

The above table clearly portrays the period of repayment provided by the Financial Institution. Time taken by 72 percent of them for repayment is two to four years, 15 percent of them less than two years and 13 percent of them for above four years.

For most of them (72 percent) the time taken for repayment of loan is two to four years.
5.67 Submission of project report at the time of claiming Financial Assistance

Before launching into new business an entrepreneur has to plan and estimate what kind of business he/she is going to start. Its location, product, price, power etc., when their working capital is not enough, they look for financial Assistance from the Financial Institutions. To avail loan an Entrepreneur has to submit a project report at the time of claiming assistance. When they are satisfied with the report they sanction the loan amount.

**Table 5.67**

**Submission of project report at the time of claiming Financial Assistance**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Submission of project report</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>188</td>
<td>83</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>38</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

It is clear that 83 percent of the beneficiaries expressed saying that they submitted a project report at the time of claiming financial assistance and 17 percent of them did not do so.

Eighty three percent of them submitted their project report at the time of claiming Financial Assistance.

5.68 Persons prepared the project report for the beneficiaries

Entrepreneurs who think of launching into new business, have to discuss with the experienced persons who have already been a pioneers of some business, from the District Industries Centres and from existing beneficiaries to have an idea of what kind of business to start and then to prepare a project.
The table below explained well about the persons who prepared the project, where the project has been taken from etc.

**Table 5.68**

Persons prepared the project report for the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Person prepared the report</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Myself</td>
<td>127</td>
<td>68</td>
</tr>
<tr>
<td>2</td>
<td>Auditors</td>
<td>14</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Readymade download project</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>Project report available with DIC</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Existing beneficiaries</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>6</td>
<td>Well wishers &amp; friends</td>
<td>34</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>Bankers</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>188</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Field Data

The above table reveals to the researcher from where they have taken the project report and who prepared it. 68 percent of the beneficiaries themselves prepared their project, 18 percent of them asked others who were their well wishers, friends and relatives. 7 percent of them asked either from Auditors or from existing beneficiaries.

Many of the entrepreneurs are degree holders and some of them are experienced persons and so 68 percent of them have prepared the project report by themselves.

**5.68. A Education and person who prepared the report**

The relationship between education and person who prepared the report is given below.
### Table 5.68.A

**Education and person who prepared the report**

<table>
<thead>
<tr>
<th>S.No</th>
<th>Education</th>
<th>Persons prepared the project report</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High (×)</td>
<td>Medium (×)</td>
</tr>
<tr>
<td>1</td>
<td>Primary School</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Middle School</td>
<td>6 (15.00)</td>
<td>12 (7.18)</td>
</tr>
<tr>
<td>3</td>
<td>High School</td>
<td>8 (20.00)</td>
<td>29 (17.37)</td>
</tr>
<tr>
<td>4</td>
<td>Hr. Sec. School</td>
<td>10 (25.00)</td>
<td>30 (17.96)</td>
</tr>
<tr>
<td>5</td>
<td>Technical Course</td>
<td>7 (17.50)</td>
<td>19 (11.38)</td>
</tr>
<tr>
<td>6</td>
<td>Degree Course</td>
<td>9 (22.50)</td>
<td>77 (46.11)</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>40 (100.00)</td>
<td>167 (100.00)</td>
</tr>
</tbody>
</table>

**Source:** Primary Data

**Note:** Figures in Parenthesis represent percentages

It is clearly inferred from table 5.68.A that out of 40 respondents who prepared the project report are with high level opinion, a majority 10 (25.00 percent) of them have studied up to Higher Secondary School followed by Degree course 9 (22.50 percent), High school 8 (20.00 percent) and Technical course 7 (17.50 percent), Middle School 6 (15.00 percent) respectively.

Further it is vivid that out of 167 respondents who prepared the project report with Medium level opinion, a majority 77 (46.11 percent) of them have undergone degree course and the remaining 30 (17.96 percent) Higher Secondary School, 29 (17.37 percent) High School, 19 (11.38 percent) Technical course, 12 (7.18 percent) Middle School.
It is also shown that out of 68 respondents who prepared the report with low level of opinion a majority of them 27 (39.71 percent) have undergone Degree Course, followed by Higher Secondary School 12 (17.65 percent), Technical Course and High School 10 (14.70 percent), Middle school 9 (13.24 percent) respectively.

In order to test the null hypothesis that there is no relationship between the Education and the project report prepared by persons, Chi-square test has been applied and the result is furnished below:

<table>
<thead>
<tr>
<th>O</th>
<th>E</th>
<th>O - E</th>
<th>(O - E)^2</th>
<th>(O - E)^2/E</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>3.93</td>
<td>2.07</td>
<td>4.284</td>
<td>1.090</td>
</tr>
<tr>
<td>9</td>
<td>6.68</td>
<td>2.32</td>
<td>5.382</td>
<td>0.805</td>
</tr>
<tr>
<td>8</td>
<td>6.84</td>
<td>1.16</td>
<td>1.345</td>
<td>0.196</td>
</tr>
<tr>
<td>29</td>
<td>28.54</td>
<td>0.46</td>
<td>0.211</td>
<td>0.007</td>
</tr>
<tr>
<td>12</td>
<td>11.62</td>
<td>1.62</td>
<td>2.624</td>
<td>0.225</td>
</tr>
<tr>
<td>10</td>
<td>7.56</td>
<td>2.44</td>
<td>5.953</td>
<td>0.787</td>
</tr>
<tr>
<td>30</td>
<td>31.58</td>
<td>1.58</td>
<td>2.496</td>
<td>0.079</td>
</tr>
<tr>
<td>12</td>
<td>12.86</td>
<td>0.86</td>
<td>0.739</td>
<td>0.057</td>
</tr>
<tr>
<td>7</td>
<td>5.24</td>
<td>1.76</td>
<td>3.097</td>
<td>0.591</td>
</tr>
<tr>
<td>19</td>
<td>21.86</td>
<td>2.86</td>
<td>8.179</td>
<td>0.374</td>
</tr>
<tr>
<td>10</td>
<td>8.90</td>
<td>1.10</td>
<td>1.210</td>
<td>0.135</td>
</tr>
<tr>
<td>9</td>
<td>16.44</td>
<td>7.44</td>
<td>55.353</td>
<td>3.366</td>
</tr>
<tr>
<td>77</td>
<td>68.62</td>
<td>8.38</td>
<td>70.224</td>
<td>1.023</td>
</tr>
<tr>
<td>27</td>
<td>27.94</td>
<td>0.94</td>
<td>0.883</td>
<td>0.031</td>
</tr>
</tbody>
</table>

Total value = 8.783

The results of the chi-square test are furnished below:

Calculate Value (C.V) = 8.783

Table value at 5% level of significance = 18.307

Degrees of freedom = 10

Inference = Insignificant
Since the calculated value is less than the table value at 5 percent level, the formulated null hypothesis is accepted. Hence there is no relationship between the Education and the project report prepared by persons.

5.69 Step taken by the Financial Institutions in case of delayed repayment

When entrepreneurs approached the financial institutions for assistance, they were treated well; they were cleared of their doubts and were received courteously. They were given loans to do their business. When business goes down, runs at a loss, the repayment is difficult. When the repayment is delayed the financial institutions take action through different forms.

Table 5.69

Step taken by the Financial Institutions in case of delayed repayment

<table>
<thead>
<tr>
<th>S. No</th>
<th>Step taken by the Financial Institutions in case of delayed repayment</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>28</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>198</td>
<td>88</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>226</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Observed Data

The researcher understood from the above table that 88 percent of them expressed that there was no hard steps taken by the financial institutions and 12 percent of them expressed that there was hard steps taken by the financial institutions.

For few of the entrepreneurs, there is not much profit from their business in the beginning of the year. The repayment becomes difficult for them. And so the financial institutions take some actions to alert them.

Hence 12 percent of them felt that there were some hard steps taken by the Financial Institutions.
5.70 Nature of action taken by the Financial Institutions

The financial institutions encourage the entrepreneurs to run their business by giving financial assistance. The enthusiasm with which they start their business does not remain when they repay the loan amount. So the Financial Institutions ask the borrowers by giving repeated warning, issuing memo, action through trade association, by legal notice, by stopping the business operation, etc.,

The table below clearly explains what kind of action is taken by the financial institutions.

Table 5.70
Nature of action taken by the Financial Institutions

<table>
<thead>
<tr>
<th>S. No</th>
<th>Nature of action</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Repeated warning (oral)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Repeated memos</td>
<td>6</td>
<td>21</td>
</tr>
<tr>
<td>3</td>
<td>Investigation in person by the officers of the Financial Institutions</td>
<td>14</td>
<td>50</td>
</tr>
<tr>
<td>4</td>
<td>Action through trade association</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Personal threatening</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>Legal notice</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>Stop the business operation</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td>8</td>
<td>Action according to Debt Recovery Act</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>Any other</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td><strong>28</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Survey Data

The above table illustrates that for 50 percent of them the officials of the financial institutions investigate them in person. For 29 percent of them they stop the business operation. For 21 percent of them they sent repeated memos.

For most of the beneficiaries (50 percent) the Financial Institutions made investigation in person by the officials.
5.70.A Years of membership in Trade Association and the nature of action taken by the Financial Institution with regard to delayed repayment

The relationship between the Years of membership in Trade Association and the nature of action taken by the Financial Institution with regard to delayed repayment are given below.

Table 5.70.A

<table>
<thead>
<tr>
<th>S. No</th>
<th>Years of membership in Traders Association</th>
<th>Nature of action taken by Financial Institution with regard to delayed repayment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>1</td>
<td>Below one year</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>1 to 2 years</td>
<td>7</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(36.84)</td>
<td>(22.58)</td>
</tr>
<tr>
<td>3</td>
<td>2 to 3 years</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(5.26)</td>
<td>(5.38)</td>
</tr>
<tr>
<td>4</td>
<td>3 to 4 years</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>Above 4 years</td>
<td>11</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(57.90)</td>
<td>(72.04)</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>19</td>
<td>93</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100.00)</td>
<td>(100.00)</td>
</tr>
</tbody>
</table>

Source: Primary Data

Note: Figures in Parenthesis represent percentages

The above table vividly explains that out of 19 respondents on whom the nature of action taken by the Financial Institutions with regard to delayed repayment with high level opinion, 11 (57.90 percent) have been a member in Trade Association for above
four years, 7 (36.84 percent) have one to two years and 1 (5.26 percent) of them have
two to three years of membership.

It is further revealed that out of 93 respondents with medium level of opinion
with regard to their membership in Trade Association, 67 (72.04 percent) of them have
above four years of membership, 21 (22.58 percent) have one to two years and 5 (5.38
percent) of them have two to three years respectively.

It is also understood by the researcher that out of 37 respondents majority of
them 25 (67.56 percent) have above four years of experience, 10 (27.03 percent) have
one to two years and 2 (5.41 percent) have two to three years of membership in Trade
Association.

Null hypothesis has been formulated that there is no relationship between years
of membership in Trade Association and the nature of action taken by Financial
Institution with regard to delayed repayment and to test this chi-square test has been
applied and the result is given below:

<table>
<thead>
<tr>
<th></th>
<th>E</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>4.85</td>
<td>2.15</td>
<td>4.623</td>
<td>0.953</td>
</tr>
<tr>
<td>21</td>
<td>23.72</td>
<td>2.72</td>
<td>7.398</td>
<td>0.312</td>
</tr>
<tr>
<td>10</td>
<td>9.44</td>
<td>0.56</td>
<td>0.314</td>
<td>0.033</td>
</tr>
<tr>
<td>1</td>
<td>1.02</td>
<td>0.02</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>5</td>
<td>4.99</td>
<td>0.01</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>1.99</td>
<td>0.01</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>11</td>
<td>13.13</td>
<td>2.13</td>
<td>4.537</td>
<td>0.346</td>
</tr>
<tr>
<td>67</td>
<td>64.29</td>
<td>2.71</td>
<td>7.344</td>
<td>0.114</td>
</tr>
<tr>
<td>25</td>
<td>25.58</td>
<td>0.58</td>
<td>0.336</td>
<td>0.013</td>
</tr>
</tbody>
</table>

**Total value** | **1.771**
The results of the chi-square test are furnished below:

Calculate Value (C.V) = 1.771
Table value at 5% level of significance = 15.507
Degrees of freedom = 8
Inference = Insignificant

As the calculated chi-square value is less than the table value at 5 percent level of significance, the null hypothesis is accepted that there is no relationship between both the attributes.

5.71 Complaint against the hard step to the higher officials

The entrepreneurs knew why the Financial Institutions take hard step on them. They try their best to make repayment. And so the entrepreneurs did not make any complaint to the higher officials.

Table 5.71

<table>
<thead>
<tr>
<th>S. No</th>
<th>Complaint to higher officials</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>28</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data

The above table speaks of the complaint made by the entrepreneurs against the hard step to the higher officials. None of those (100 percent) made complaint to the higher officials.

There was no complaint by the beneficiaries against the officials.
5.72 Grievances were looked into by the higher officials

The entrepreneurs did not complain about the hard step taken on them to the officials of Financial Institutions. They themselves felt that their grievances were looked into.

Table 5.72

Grievances were looked into by the higher officials

<table>
<thead>
<tr>
<th>S. No</th>
<th>Grievances settled by higher officials</th>
<th>No. of Beneficiaries</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Yes</td>
<td>20</td>
<td>71</td>
</tr>
<tr>
<td>2</td>
<td>No</td>
<td>8</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>28</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Observed Data

The researcher understood from the above table that 71 percent of them have expressed that their grievances were looked into and 29 percent of them said that their grievances were not looked into and they felt depressed and know not what to do further.

Seventy one percent of them felt happy that their grievances were looked into by the higher officials of the Financial Institutions.
Table 5.73

Positive opinion of the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Statements</th>
<th>S.A</th>
<th>A</th>
<th>N.O</th>
<th>D.A</th>
<th>S.D</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subsidy is helpful.</td>
<td>135</td>
<td>45</td>
<td>10</td>
<td>50</td>
<td>35</td>
<td>275</td>
</tr>
<tr>
<td>2</td>
<td>The attitudes of the officers of financial institutions towards the borrowers are courteous.</td>
<td>131</td>
<td>43</td>
<td>9</td>
<td>49</td>
<td>43</td>
<td>275</td>
</tr>
<tr>
<td>3</td>
<td>The officials have cleared the doubt.</td>
<td>132</td>
<td>43</td>
<td>9</td>
<td>52</td>
<td>39</td>
<td>275</td>
</tr>
<tr>
<td>4</td>
<td>Consultancy work is effective.</td>
<td>132</td>
<td>43</td>
<td>10</td>
<td>52</td>
<td>38</td>
<td>275</td>
</tr>
<tr>
<td>5</td>
<td>Existing beneficiaries are the major source of information about the financial institutions.</td>
<td>140</td>
<td>50</td>
<td>15</td>
<td>45</td>
<td>25</td>
<td>275</td>
</tr>
<tr>
<td>6</td>
<td>Rate of interest is normal.</td>
<td>130</td>
<td>43</td>
<td>11</td>
<td>48</td>
<td>43</td>
<td>275</td>
</tr>
<tr>
<td>7</td>
<td>Follow up actions of the officials of financial institutions are quite sufficient.</td>
<td>124</td>
<td>48</td>
<td>13</td>
<td>45</td>
<td>45</td>
<td>275</td>
</tr>
<tr>
<td>8</td>
<td>The media of publicity is sufficient.</td>
<td>129</td>
<td>44</td>
<td>10</td>
<td>49</td>
<td>43</td>
<td>275</td>
</tr>
<tr>
<td>9</td>
<td>For expansion programmes adequate assistance is provided.</td>
<td>122</td>
<td>49</td>
<td>13</td>
<td>46</td>
<td>45</td>
<td>275</td>
</tr>
<tr>
<td>10</td>
<td>Repayment holiday is reasonable.</td>
<td>120</td>
<td>47</td>
<td>10</td>
<td>40</td>
<td>58</td>
<td>275</td>
</tr>
<tr>
<td>11</td>
<td>Extension time to repay the debt is the step to help MSME’s.</td>
<td>128</td>
<td>45</td>
<td>12</td>
<td>44</td>
<td>46</td>
<td>275</td>
</tr>
<tr>
<td>12</td>
<td>Some concessions are provided when repayment was proper.</td>
<td>121</td>
<td>48</td>
<td>12</td>
<td>43</td>
<td>51</td>
<td>275</td>
</tr>
</tbody>
</table>

Source: Observed Data
Table 5.73.A

Positive opinion of the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Statements</th>
<th>S.A (5)</th>
<th>A (4)</th>
<th>N.O (3)</th>
<th>D.A (2)</th>
<th>S.D (1)</th>
<th>Total score</th>
<th>Weighted score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subsidy is helpful.</td>
<td>675</td>
<td>180</td>
<td>30</td>
<td>150</td>
<td>35</td>
<td>1020</td>
<td>3.709</td>
<td>II</td>
</tr>
<tr>
<td>2</td>
<td>The attitudes of the officers of financial institutions towards the borrowers are courteous.</td>
<td>655</td>
<td>172</td>
<td>27</td>
<td>98</td>
<td>43</td>
<td>995</td>
<td>3.618</td>
<td>V</td>
</tr>
<tr>
<td>3</td>
<td>The officials have cleared the doubt.</td>
<td>660</td>
<td>172</td>
<td>27</td>
<td>104</td>
<td>39</td>
<td>1002</td>
<td>3.644</td>
<td>IV</td>
</tr>
<tr>
<td>4</td>
<td>Consultancy work is effective.</td>
<td>660</td>
<td>172</td>
<td>30</td>
<td>104</td>
<td>38</td>
<td>1004</td>
<td>3.651</td>
<td>III</td>
</tr>
<tr>
<td>5</td>
<td>Existing beneficiaries are the major source of information about the financial institutions.</td>
<td>700</td>
<td>200</td>
<td>45</td>
<td>90</td>
<td>25</td>
<td>1060</td>
<td>3.855</td>
<td>I</td>
</tr>
<tr>
<td>6</td>
<td>Rate of interest is normal.</td>
<td>650</td>
<td>172</td>
<td>33</td>
<td>96</td>
<td>43</td>
<td>994</td>
<td>3.615</td>
<td>VI</td>
</tr>
<tr>
<td>7</td>
<td>Follow up actions of the officials of financial institutions are quite sufficient.</td>
<td>620</td>
<td>192</td>
<td>39</td>
<td>90</td>
<td>45</td>
<td>986</td>
<td>3.585</td>
<td>IX</td>
</tr>
<tr>
<td>8</td>
<td>The media of publicity is sufficient.</td>
<td>645</td>
<td>176</td>
<td>30</td>
<td>98</td>
<td>43</td>
<td>992</td>
<td>3.607</td>
<td>VII</td>
</tr>
<tr>
<td>9</td>
<td>For expansion programmes adequate assistance is provided.</td>
<td>610</td>
<td>196</td>
<td>39</td>
<td>92</td>
<td>45</td>
<td>982</td>
<td>3.571</td>
<td>X</td>
</tr>
<tr>
<td>10</td>
<td>Repayment holiday is reasonable.</td>
<td>600</td>
<td>188</td>
<td>30</td>
<td>80</td>
<td>58</td>
<td>956</td>
<td>3.476</td>
<td>XII</td>
</tr>
<tr>
<td>11</td>
<td>Extension time to repay the debt is the step to help MSME’s.</td>
<td>640</td>
<td>180</td>
<td>36</td>
<td>88</td>
<td>46</td>
<td>990</td>
<td>3.600</td>
<td>VIII</td>
</tr>
<tr>
<td>12</td>
<td>Some concessions are provided when repayment was proper.</td>
<td>605</td>
<td>192</td>
<td>36</td>
<td>86</td>
<td>51</td>
<td>970</td>
<td>3.527</td>
<td>XI</td>
</tr>
</tbody>
</table>

Source: Computed Data
Positive opinion of the beneficiaries

To know about Government schemes popularity and advertising are being introduced. In this research work the existing beneficiaries, acting as a major source of providing information. As they are benefited they know the procedures and difficulties they come across. Sharing of ideas is always enriched knowledge of people. The weighted score for this opinion statement is 3.855 and it stood I Rank.

Subsidy a very useful component for a new entrepreneur is provided by both Central and State Governments. This is probably helpful for the entrepreneurs who start with limited capital and manpower. It is a motivation for first generation entrepreneurs. The weighted score for this opinion statement is 3.709 and it stood II Rank.

In case of any difficulties in start up stage introduction of product services, consultation with experts in the field is always useful to Small Industries. Particularly consultancy in technological aspects has been realised by the entrepreneurs in the study area. The weighted score for this opinion statement is 3.651 and it took III Rank.

DIC and other state level agencies, bank officials make their contribution in making any government scheme a successful one. However we need the co-operation officials. In the study area it is found that the officials have cleared all the doubts relating to procedure, security and follow up action to be performed by the entrepreneurs. The weighted score for this opinion statement is 3.644 and it stood IV Rank.

The entrepreneurs particularly first generation entrepreneurs need a courteous treatment in the officers concerned. The financial institutions are expected to be supportive to the borrowers. In the study area it is found that the officers of the financial institutions have been courteous to the entrepreneurs, who had approached the bankers and officers for want of loan/services as the case may be. The weighted score for this opinion statement is 3.618 and it stood V Rank.
The rate of interest provides the way of growth. Higher rate of interest is not affordable to small entrepreneurs and hence the entrepreneurs will approach those institutions who lend on easy terms and conditions and at a lower level of interest. In the study area as most of the banks are governed by RBI, the interest fixed by RBI was collected by the bankers, which is affordable and reasonable. The weighted score for this opinion statement is 3.615 and it stood VI Rank.

The success of any scheme depends upon the advertising and publicity given by the media. Even good products need publicity in the recent years. It is observed in the study area that sufficient publicity is given by the media for the welfare of small industries. The weighted score for this opinion statement is 3.607 and it stood VII Rank.

The repayment schedule is decided at the time of disbursement of loan. But due to unexpected contingencies the small industries have been facing financial stress, because of that they are not able to repay the debt in time and they normally approach the banker for providing extension of time. In the study area it is found that extension of time given by the lending agencies which is really a great help to the borrowers. The weighted score for this opinion statement is 3.600 and it stood VIII Rank.

After providing finance to the borrowers it is necessary to monitor to ascertain whether the amount sanctioned is used for the main purpose for which it was given. Most of the financing agencies will follow this factor. In this stage necessary advices may be given to the small industries when there is a variation. In the study area it was found that the financing agencies are successful in implementing follow up action by collecting feedback information from the respondents. The weighted score for this opinion statement is 3.585 and it stood IX Rank.

During growth stage the small industries expand their business. However this expansion requires new technology, additional capital and manpower. Without pumping
additional capital development programmes cannot be implemented at all. In the study area the researcher has observed that adequate finance is provided by lending agencies. The weighted score for this opinion statement is 3.571 and it stood X Rank.

When penalty is charged for default in repayment, it is obvious that incentives must be provided to small industries that are prompt in making their repayment of principal and interest to the financial agencies. Some of the financial institutions provide some concessions at their own discretion. However the government has not given any direction or guidelines as to whom concession and incentive may be provided. The private sectors for financial agencies are free to offer concessions and incentives to the small industries. The weighted score for this opinion statement is 3.527 and it stood XI Rank.

During start up stage the borrowers may come across lot of financial strains in unexpected times. Therefore the lending agencies will normally give a breathing time to repay the loan. In the study area it was found that the repayment holidays are reasonable which give the entrepreneur some more time to regain their financial strength. However for this, repayment holidays are decided by the RBI from time to time. It is found that repayment holiday is reasonable which encourages the entrepreneurs to improve steadily in their business operation. The weighted score for this opinion statement is 3.476 and it stood XII Rank.
Table 5.74

Negative opinion of the beneficiaries

<table>
<thead>
<tr>
<th>S. No</th>
<th>Statements</th>
<th>S.A</th>
<th>A</th>
<th>N.O</th>
<th>D.A</th>
<th>S.D</th>
<th>Total Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is delay in the subsidy disbursement.</td>
<td>138</td>
<td>50</td>
<td>15</td>
<td>39</td>
<td>33</td>
<td>275</td>
</tr>
<tr>
<td>2</td>
<td>The subsidy is not adequate.</td>
<td>136</td>
<td>49</td>
<td>16</td>
<td>38</td>
<td>36</td>
<td>275</td>
</tr>
<tr>
<td>3</td>
<td>Intermediaries play a major role.</td>
<td>133</td>
<td>48</td>
<td>15</td>
<td>37</td>
<td>42</td>
<td>275</td>
</tr>
<tr>
<td>4</td>
<td>Cumbersome terms and conditions.</td>
<td>140</td>
<td>52</td>
<td>17</td>
<td>38</td>
<td>28</td>
<td>275</td>
</tr>
<tr>
<td>5</td>
<td>Face lot of difficulties while preparing the project report.</td>
<td>140</td>
<td>50</td>
<td>16</td>
<td>40</td>
<td>29</td>
<td>275</td>
</tr>
<tr>
<td>6</td>
<td>Margin amount is too high, hence not affordable to the MSME’s.</td>
<td>145</td>
<td>55</td>
<td>15</td>
<td>35</td>
<td>25</td>
<td>275</td>
</tr>
<tr>
<td>7</td>
<td>First generation entrepreneurs are not encouraged.</td>
<td>142</td>
<td>54</td>
<td>17</td>
<td>36</td>
<td>26</td>
<td>275</td>
</tr>
<tr>
<td>8</td>
<td>Security terms and conditions are not affordable.</td>
<td>141</td>
<td>53</td>
<td>16</td>
<td>38</td>
<td>27</td>
<td>275</td>
</tr>
<tr>
<td>9</td>
<td>The organizations which have loan dues to financial institutions are not encouraged when they approach for another loan.</td>
<td>150</td>
<td>60</td>
<td>10</td>
<td>50</td>
<td>5</td>
<td>275</td>
</tr>
</tbody>
</table>

Source: Observed Data
### Table 5.74.A

**Negative opinion of the beneficiaries**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Statements</th>
<th>S.A (5)</th>
<th>A (4)</th>
<th>N.O (3)</th>
<th>D.A (2)</th>
<th>S.D (1)</th>
<th>Total score</th>
<th>Weighted score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is delay in the subsidy disbursement.</td>
<td>690</td>
<td>200</td>
<td>45</td>
<td>78</td>
<td>33</td>
<td>1046</td>
<td>3.804</td>
<td>VII</td>
</tr>
<tr>
<td>2</td>
<td>The subsidy is not adequate.</td>
<td>680</td>
<td>196</td>
<td>48</td>
<td>76</td>
<td>36</td>
<td>1036</td>
<td>3.767</td>
<td>VIII</td>
</tr>
<tr>
<td>3</td>
<td>Intermediaries play a major role.</td>
<td>665</td>
<td>192</td>
<td>45</td>
<td>74</td>
<td>42</td>
<td>1018</td>
<td>3.702</td>
<td>IX</td>
</tr>
<tr>
<td>4</td>
<td>Cumbersome terms and conditions.</td>
<td>700</td>
<td>208</td>
<td>51</td>
<td>76</td>
<td>28</td>
<td>1063</td>
<td>3.865</td>
<td>V</td>
</tr>
<tr>
<td>5</td>
<td>Face lot of difficulties while preparing the project report.</td>
<td>700</td>
<td>200</td>
<td>48</td>
<td>80</td>
<td>29</td>
<td>1057</td>
<td>3.844</td>
<td>VI</td>
</tr>
<tr>
<td>6</td>
<td>Margin amount is too high, hence not affordable to the MSME’s.</td>
<td>725</td>
<td>220</td>
<td>45</td>
<td>70</td>
<td>25</td>
<td>1085</td>
<td>3.945</td>
<td>II</td>
</tr>
<tr>
<td>7</td>
<td>First generation entrepreneurs are not encouraged.</td>
<td>710</td>
<td>216</td>
<td>51</td>
<td>72</td>
<td>26</td>
<td>1075</td>
<td>3.909</td>
<td>III</td>
</tr>
<tr>
<td>8</td>
<td>Security terms and conditions are not affordable.</td>
<td>705</td>
<td>212</td>
<td>48</td>
<td>76</td>
<td>27</td>
<td>1068</td>
<td>3.884</td>
<td>IV</td>
</tr>
<tr>
<td>9</td>
<td>The organizations which have loan dues to financial institutions are not encouraged when they approach for another loan.</td>
<td>750</td>
<td>240</td>
<td>30</td>
<td>100</td>
<td>5</td>
<td>1125</td>
<td>4.091</td>
<td>I</td>
</tr>
</tbody>
</table>

**Source:** Computed Data
**Negative Opinion of the beneficiaries**

During expansion programmes the small industries may need additional funds and when they approach the same financial agency, they are reluctant to consider their small industries as there is due in the first loan. Thus small industries are unable to approach some other financial agencies which put him in to hardship. The weighted score for this opinion statement is 4.091 and it stood I Rank.

It is a general practice that for one lakh rupee project at least 25% (Rs.25000) should be provided by the entrepreneur as his share of capital. Many small industries find it very difficult to plough their amount. The reason being they would have spent a reasonable larger amount in acquiring fixed asset, plant and machinery. Hence most of the entrepreneurs felt that the margin amount should be reduced so that more entrepreneurs will come forward to start their own units which may be a helping hand to solve the unemployment problem and to ensure the growth of economy. The weighted score for this opinion statement is 3.945 and it stood II Rank.

The government policy is to encourage first generation entrepreneurs to involve themselves to start small scale industries which helps to make them independent in earning their livelihood. With this motive only PMRY was launched in 1993 which encourage first generation entrepreneurs. But however in reality the lending agencies are not interested in encouraging the first generation entrepreneurs as they have the fear of non-repayment or delayed repayment by the first generation entrepreneurs. So they prefer to give loan to the existing units who are prompt in maintaining their repayment schedule. Even public and private sector bank are having a negative opinion about the performing capacity of first generation entrepreneurs. The weighted score for this opinion statement is 3.909 and it stood III Rank.
Whenever loan is given, the borrower is expected to submit or surrender immovable properties as securities for the loan. Most of the public and private financial agencies are following a hard approach in discerning security terms and conditions. The entrepreneurs with limited securities are unable to proceed further and they drop the idea of starting a small scale unit. Even though the entrepreneur has a capacity, but limited availability of security in hand becomes a stumbling block. The weighted score for this opinion statement is 3.884 and it stood IV Rank.

Educated as well as uneducated people show their willingness to start small scale industries. But some of the terms and conditions prescribed by the funding agencies are too much cumbersome which results in dropping the proposal by the entrepreneurs. The weighted score for this opinion statement is 3.865 and it stood V Rank.

While applying for a loan the project report should be submitted which shows the objectives, nature of project, economic viability, financial viability, marketing chances with relevant projected trading, profit and loss and balance sheet. When this is not possible, the entrepreneurs make a search to get readymade projects with cooked up figures and present it along with application. This is another drawback for the lending agencies to identify these types of projects. There is always an eye of suspicion among funding agencies with regard to project report submission. The weighted score for this opinion statement is 3.844 and it stood VI Rank.

For disbursing subsidy there are lot of procedures which are cumbersome in nature. The amount is not distributed in time. The small industries are directed to go pillar to post which is hardship on their part and in the study area the dissatisfied feeling among the respondents was found by the researcher. The weighted score for this opinion statement is 3.804 and it stood VII Rank.
The subsidy given by the financial agencies is not adequate and it is not distributed in time. It took lot of procedures. The single window committee to be convinced by the district administration may be delayed which resulted in disbursement of subsidy belatedly. However this problem can be solved provided the district administration is keen on conducting the single window committee meeting in time. The weighted score for this opinion statement is 3.767 and it stood VIII Rank.

Even though the transaction is between financial agencies and the small industries, however there are some intermediaries who negotiate terms and conditions in subsidy, in finalising the list of beneficiaries and in the project report preparation. These intermediaries are unorganised and unauthorised people who take advantage of situation. Hence adequate steps may be implemented to eradicate the presence of intermediaries in the process of identification and distribution of subsidies. The weighted score for this opinion statement is 3.702 and it stood IX Rank.

**5.75 Positive and Negative opinion of the beneficiaries on Male and Female category**

Furthermore the same Positive and Negative statements can be applied to the Male and Female category in the study area and the results are under.
Table 5.75
Positive opinion of the beneficiaries on Male and Female category

<table>
<thead>
<tr>
<th>S. No</th>
<th>Statements</th>
<th>Male Mean</th>
<th>Female Mean</th>
<th>Total Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subsidy is helpful.</td>
<td>3.72</td>
<td>3.69</td>
<td>3.71</td>
</tr>
<tr>
<td>2</td>
<td>The attitudes of the officers of financial institutions towards the borrowers are courteous.</td>
<td>3.61</td>
<td>3.63</td>
<td>3.62</td>
</tr>
<tr>
<td>3</td>
<td>The officials have cleared the doubt.</td>
<td>3.64</td>
<td>3.65</td>
<td>3.64</td>
</tr>
<tr>
<td>4</td>
<td>Consultancy work is effective.</td>
<td>3.64</td>
<td>3.66</td>
<td>3.65</td>
</tr>
<tr>
<td>5</td>
<td>Existing beneficiaries are the major source of information about the financial institutions.</td>
<td>3.86</td>
<td>3.85</td>
<td>3.85</td>
</tr>
<tr>
<td>6</td>
<td>Rate of interest is normal.</td>
<td>3.61</td>
<td>3.63</td>
<td>3.61</td>
</tr>
<tr>
<td>7</td>
<td>Follow up actions of the officials of financial institutions are quite sufficient.</td>
<td>3.59</td>
<td>3.57</td>
<td>3.59</td>
</tr>
<tr>
<td>8</td>
<td>The media of publicity is sufficient.</td>
<td>3.60</td>
<td>3.62</td>
<td>3.61</td>
</tr>
<tr>
<td>9</td>
<td>For expansion programmes adequate assistance is provided.</td>
<td>3.58</td>
<td>3.56</td>
<td>3.57</td>
</tr>
<tr>
<td>10</td>
<td>Repayment holiday is reasonable.</td>
<td>3.48</td>
<td>3.46</td>
<td>3.48</td>
</tr>
<tr>
<td>11</td>
<td>Extension time to repay the debt is the step to help MSME’s.</td>
<td>3.65</td>
<td>3.53</td>
<td>3.60</td>
</tr>
<tr>
<td>12</td>
<td>Some concessions are provided when repayment was proper.</td>
<td>3.56</td>
<td>3.48</td>
<td>3.53</td>
</tr>
</tbody>
</table>

Source: Computed Data
### Table 5.76
Negative opinion of the beneficiaries on Male and Female category

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Statements</th>
<th>Male Mean</th>
<th>Female Mean</th>
<th>Total Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>There is delay in the subsidy disbursement.</td>
<td>2.17</td>
<td>2.24</td>
<td>2.20</td>
</tr>
<tr>
<td>2</td>
<td>The subsidy is not adequate.</td>
<td>2.19</td>
<td>2.30</td>
<td>2.23</td>
</tr>
<tr>
<td>3</td>
<td>Intermediaries play a major role.</td>
<td>2.28</td>
<td>2.33</td>
<td>2.30</td>
</tr>
<tr>
<td>4</td>
<td>Cumbersome terms and conditions.</td>
<td>2.07</td>
<td>2.23</td>
<td>2.13</td>
</tr>
<tr>
<td>5</td>
<td>Face lot of difficulties while preparing the project report.</td>
<td>2.07</td>
<td>2.28</td>
<td>2.16</td>
</tr>
<tr>
<td>6</td>
<td>Margin amount is too high, hence not affordable to the MSME’s.</td>
<td>1.98</td>
<td>2.17</td>
<td>2.05</td>
</tr>
<tr>
<td>7</td>
<td>First generation entrepreneurs are not encouraged.</td>
<td>2.04</td>
<td>2.17</td>
<td>2.09</td>
</tr>
<tr>
<td>8</td>
<td>Security terms and conditions are not affordable.</td>
<td>2.08</td>
<td>2.17</td>
<td>2.12</td>
</tr>
<tr>
<td>9</td>
<td>The organizations which have loan dues to financial institutions are not encouraged when they approach for another loan.</td>
<td>1.90</td>
<td>1.92</td>
<td>1.91</td>
</tr>
</tbody>
</table>

**Source:** Computed Data
From the above table it is found that the existing beneficiaries lend their advices and help as well motivate the industrialists to do their business effectively. Both men and women respondents in the study area had expressed that the existing beneficiaries help a lot in many situations.

The lump sum of subsidy provided by central and state governments are really useful that too even though the money is small due to the appropriate time it is given, the respondents in the study area have expressed a positive opinion about the usefulness of the study.

An able councillor finds it easy to convince others. Like this in the study area many beneficiaries have utilised the services of institutions in getting timely and valuable services.