CHAPTER 9

FINDINGS CONCLUSIONS AND SUGGESTIONS
Chapter IX

9.1 FINDING

A. Progress of PMRY

1. The physical progress was commendable under PMRY scheme at the national level, but the financial performance of the scheme was not good. In Maharashtra from 1997 to 2007, it is analyzed and 2,87,695 beneficiaries cases target was set. Out of which 1,45,061 applications disbursed. Overall 50.08 percent cases were disbursed against target allotted which was not up to the mark.

2. Allocation of PMRY Target reveals that, in the period of 1997-2007, Nasik District allotments was 6.65 percent against total allotment of Maharashtra State.

3. While the number of applicants was rapidly increasing, sanctions and disbursement were gradually decreasing. It could be, therefore, stated that 22,684 applications were denied the benefit in the period of 1997 to 2007.

4. In Nasik District physical performance of the PMRY scheme revealed that percentage of sanctions over the target was 92.44 and percentage of disbursement was 44.94 which was even less than Maharashtra state’s disbursed percentage.

5. Whereas Financial Performance was not different than physical performance in Nasik District, Total sanctioned amount was 11,729.34 Lakh but the disbursed amount was Rs. 5416 Lakh only. It, therefore, can be stated that only 46.17 percent amount disbursed out of total amount sanctioned to beneficiaries.

6. In Nasik District the share of disbursement to SC and ST was 11.43 percent. The share of 5.94 percent for minority and 21.90 percent cases disbursed for OBC category.

7. Further, Out of Rs. 11,729.34 Lakh sanctioned under this scheme, 723.55 Lakh was sanctioned to SC category and disbursed amount was Rs. 330.91 Lakh only, that
accounted for 45.73 percent and for ST category, the amount sanctioned was Rs. 2477.44 Lakh, whereas disbursed amount was Rs. 1038.76 Lakh, which worked out to 41.93 percent. For the Minority category Rs. 1471.92 Lakh was sanctioned as against which only Rs. 744.69 Lakh was disbursed, which accounted for 50.59 percent. While in the case of OBC category, an amount of Rs. 5124.62 Lakh was sanctioned but Rs. 2593.25 Lakh was disbursed, representing 50.60 percent.

8. During the period of 1997 to 2007, in case of women category, DIC has received only 3088 applications. Women applicants against total number of application received accounted only 9.85 percentage and 7.12 percent applications were sanctioned against total number of applications sanctions. Further it can be analyzed that percentage of women disbursed cases accounted only 9.74 against total number of cases disbursed.

9. Inter-subdivision comparison reveals that Nasik Subdivision accounted highest number of sanctioned and disbursed cases as compared to other subdivision.

10. Bank of Maharashtra is a Lead bank in Maharashtra for PMRY Scheme, it showed that it sanctioned highest number of cases, almost 5638 cases against disbursed cases was 2650 which accounts 47 per cent and holds 12.42 percent share among all bank branches. Nationalized bank like State Bank of India sanctioned 3948 cases and 1729 cases disbursed with 43.79 percent and 19.96 percent share represents against total disbursed cases, followed by Dena Bank sanctioned 2279 cases and 1076 cases disbursed with 47.21 percent and 12.42 percent over total disbursed cases during study period.

11. Private Banks role in PMRY scheme is insignificant, they represents negligible share as compared to National and State banks.

12. In Nasik District highest applicants in the age group of 22 to 25 years which account 32 percent of total applications received by DIC.

13. Out of 31345 applicants in 1997 to 2007, 51 percent applicants have completed Matric education, out of 51 percent applicants, 32 percent from rural and 19 percent from urban
area. Intermediate those completed their ITI; Diploma accounts 29 Business sector applications registered 56.70 percent out of the Total applications in 10 year period;

14. Task force committee recommended 53.38 percent application of business sector. As compared to Industries and services, Sanctioned and disbursement are higher of this sector which was 56.03 and 55.72 respectively. In Industrial sector only 13.44 percent applicants showed interest during 1997 to 2007, out of total recommendation by TFC, 16.58 applications recommended. Sanctions and disbursement in Industrial sector went 16.16 and 16.76 percent respectively. Service sector gets sanctioned almost 25.08 percent of total sanctioned cases and 24.72 percent disbursement.

15. In the overall performance of the PMRY Scheme the average amount sanctioned per unit was Rs. 65,836 as against average amount disbursed of Rs. 62,533 per unit. In terms of SC Category, average amount sanctioned per unit was Rs. 1, 13,587 as against an average amount disbursed Rs. 75,723. In ST Category Average amount sanctioned per unit was Rs. 71,976 as against an average amount disbursed Rs. 64,922. While OBC Category, average amount disbursed was Rs.66, 459 and Minority Category, average amount disbursed was Rs.70, 320.

B. Socioeconomic Profile

Section I

1. In the PMRY Scheme, Majority of beneficiaries, aged between 20 and 25 in all four subdivisions accounted for 40 percent, followed by the 26 to 30 age group year beneficiaries accounting for 33 percent and 31 to 35 year beneficiaries accounting for 19 per cent of total Respondents.

2. In Nasik District All age group priority seems to be Business sectors rather than Industries and Service sectors, age group of 20 to 25 accounts 44 percent of all beneficiaries, followed by age group of 26 to 30 years which represents 32 percent share.
3. Out of total 321 male beneficiaries, 49 per cent of the male beneficiaries established the units in the business sector, followed by 27 percent that established units in Service sector and the least proportion (24 percent) of the beneficiaries establishes units in the Industrial sector. Similarly, out of a total 111 female beneficiaries, 58 percent establishes the units in service sector, followed by 34 percent that established units in Business sector and 8 percent that established units in Industrial sector.

4. As per Inter subdivision reveals that the female participation rate was high in Nasik Subdivision, also female participation was high in Service sector as compared to Industrial and Business sector.

5. Out of 432 beneficiaries, who opted self employment schemes, 71 percent married and the remaining 29 percent unmarried. Out of these married beneficiaries, 22 percent opted for Industrial sector units, 36 percent for service sector units and 42 percent the Business sector units. Among the unmarried beneficiaries, 18 percent opted for Industrial sector units, followed by 34 percent for service sector units and 52 percent for Business sector units. Thus, the majority of beneficiaries, both married and unmarried, set up units in Business sectors.

6. 51 percent beneficiaries belong to Agriculture Background and accounted highest share in Nasik District, followed by Business background which represents 23 per cent in District, beneficiaries from other service sectors including private employment accounts 14 percent while on the other hand Government servant’s and artisan’s families accounted 8 percent and 4 percent respectively in Nasik District.

7. Respondents represent 51 per cent of backward community, 27 per cent of the open category, 8 per cent of the scheduled caste and scheduled Tribe and 6 per cent of the minority category beneficiaries established the units under PMRY Scheme.

8. Out of total beneficiaries in OBC category, 41 percent were noticed establishing Business sector, followed by 31 percent in Industrial Sector and remaining 28 percent in Service sector. In SC category, Business sector accounted 76 percent share of total SC
beneficiaries, followed by Service sector with 18 percent and Industrial Sector accounted 6 percent. In ST category, Business sector accounted 79 percent share of total ST beneficiaries, followed by Service sector with 15 percent and Industrial Sector accounted 6 percent. In General category, 116 beneficiaries are from Service sector accounted 57 percent share of total beneficiaries, followed by Business sector with 31 percent and Industrial Sector accounted 12 percent beneficiaries.

9. In Minority category, 27 beneficiaries 16 were noticed establishing Business sector accounted 59 percent share of total Minority beneficiaries, followed by 10 beneficiaries in Service sector with 37 percent and only 1 beneficiary in Industrial Sector accounted 4 percent.

10. Educational attainment of a large proportion of beneficiaries does not go beyond secondary school certificate level (SSC) which represents higher share of total beneficiaries, followed by ITI holder. Out of total Beneficiaries with SSC qualification 71 percent established unit in Business Sector, followed by 25 percent in service sector and 4 percent beneficiaries established unit in Industrial sector. ITI, Diploma and Vocational known to be a technical qualification, out of 93 beneficiaries in which 43 percent beneficiaries established unit in Industrial Sector, followed by 52 percent beneficiaries in Service sector and 5 percent beneficiaries established unit in Business sector.

11. Out of 432 Beneficiaries 102 Beneficiaries had Annual Income less than 15,000 when they sought benefit under the scheme; majority of sample beneficiaries with 71 percent had annual income between Rs.15,001 to Rs. 25000. It reveals that only 21 sample beneficiaries had annual income between Rs. 25,001 to Rs. 40,000.

12. Majority of beneficiaries were self employed with same line which they sought the loan in PMRY Scheme. Followed by the beneficiaries were unemployed before taking loan.

13. Regarding the motivational factor for choosing PMRY Scheme 31 percent of the beneficiaries opined that unemployment was the reason, followed by 27 percent who felt
that Reasonable rate of Interest of loan which provided by Banks. Also 27 percent felt that No collateral security was the reason for choosing PMRY Scheme. Interestingly only 12 percent respondents felt subsidy available as motivation factor and 3 percent felt due to low family income.

14. With regard to awareness of the PMRY scheme, 32 percent of the beneficiaries obtained the information relating to the scheme through the print media, i.e. Newspaper, followed by 26 percent of the beneficiaries who obtained the information through their friends and relatives. The Village Assistance officer and DIC happened to be the source of information for about 22 percent and 4 percent respectively. Banks and the Training Institutes which plays important role in PMRY Scheme seem to create awareness to 6 percent and 10 percent respondents respectively.

Section II

1. The Training programme was compulsory. Out of 432 Respondents, one percent beneficiaries did not attend the training programme but received the loan under the scheme, which is against the norms under this scheme.

2. 87 percent of respondents satisfied with the training programme which they attended while 12 percent dissatisfied with the training programme out of those who attended Training Programme.

3. The reason of dissatisfaction as identified in the Training programme is:

i) Content of the Training programme

ii) Location of the training programme

iii) Duration of the training

iv) Methodology and lack of competent faculty
4. Out of 432 respondents, 90 percent beneficiaries opined that Training is essential part of implementing scheme and only 10 percent did not find essential to have Training. Majority expressed that Training Period should be 1-2 weeks.

5. 67 percent respondents have refused to have additional training requirement, while 33 percent agree to have additional training for running their units. According to the Beneficiaries additional training priorities are Market Trade assessment and financial management.

C. IMPACT

Section I

1. Self employed units started under the PMRY scheme are very small in size. 36 percent of the respondents applied for starting small units requiring capital investment between Rs.25, 000 and Rs.50, 000. Capital invested between Rs.50, 001 to Rs. 75,000 was 21 percent. Also 35 percent Respondents starting business units requiring capital investment between Rs. 75,001 to 1, 00,000 and only 8 percent of the respondents applied for investment more than 1 Lakh.

2. Loan sanctioned by the banks under the PMRY Scheme is less than the actual requirement of the beneficiaries; it reveals that 58 percent respondents opined that the amount sanctioned by the authorities was insufficient.

3. None of the borrowers received working capital alone, 35 percent of the borrowers received both working capital and fixed capital. while 65 percent borrowers received only fixed capital loan.

4. The PMRY beneficiaries in Nasik District experienced delay in getting Loan. Out of 367 respondents who experience delay, 329 were opined that delay is due to procedure formalities while 186 respondents felt that submitting documents was the reason for delay of getting Loan. Also getting certificate like income certificate, community certificate from Government Officials is one more reason of delay for 123 Respondents and 43
respondents complained about the officials delay in visiting the site inspection before the disbursement of loan.

5. Time lag of disbursement of loan amount increased borrower’s difficulties and they cannot focus on establishing unit till the time they get their loan amount. Majority of borrowers received the loan after 3 to 6 months of their application to DIC.

6. Out of 432 sample units, 63 percent purchased tools and equipments and 28 percent of the respondents purchased machineries while 9 percent of the borrowers purchased material with the loan amount.

7. It is important to note here 20 percent of the borrowers acquired assets before sanctioning loan amount. This may be due to delay of getting loan amount or timely disbursement of loan amount. 80 percent of the respondents were waiting for the loan amount to be sanctioned so that they could acquire the necessary machinery and equipment for starting their projects.

8. The insufficiency of loan amount sanctioned by the banks has forced the beneficiaries to resort to other funding agencies .out of 432 respondents 252 beneficiaries purchased additional asset which they require for their project expansion. different sources were used for acquisition of additional assets , 27 percent used their own fund , 15 percent insisted themselves for additional loan from financial institution like cooperatives ,9 percent took the help from their friends and relatives and 8 percent respondent’s availed loan from money lenders..

9. Assets purchased by the beneficiaries are still in use in their business they have not disposed of the assets purchased with PMRY loan.

10. Out of 432 Respondents, 70 percent sample beneficiaries identified the difficulty in starting the unit. Delay in getting electric connection is one of the problems that beneficiaries faced; it affected their production and marketing. Problem of getting machineries on time and non availability of materials are difficulties faced by
beneficiaries. Getting skilled workers in Industrial unit is major difficulties at the time of starting the unit.

11. Shortage of Funds and Power failure are major twin obstacles of running the unit for PMRY beneficiaries. Shortage of funds for working capital is major worrying factor for PMRY Beneficiaries in the District. They could not operate their units effectively due to shortage of funds. For working capital requirements they have to depend upon other sources which may lead increased cost of production and reduction of their profit margin. 89 percent of respondents affected due to shortage of funds in running the unit. 54 percent disclosed that the power failure had affected their units. Shortage of power supply had affected Industrial units more severely.

12. Out of 432 beneficiaries, 60 percent beneficiaries who sell their product on credit, beneficiaries faced irregular and bad debts of collect credit were 24 and 6 percent.

13. All the respondent beneficiaries face competition from existing units; competition from existing units affected the working of all the PMRY units in Nasik District.

14. Forty two percent of the respondents employed 1 person each in their units, seventeen percent of the respondents employed more than 2 person each and thirteen percent of the respondents employed 3 person each in their units. Interestingly twenty percent of the respondents employed more than four and above persons each in their unit.

15. Overall 22 percent of the PMRY units in Nasik District are working with family members of the beneficiaries.

16. Out of surveyed, 15 percent of the PMRY units in Nasik District operate with excess workers while 85 percent operate with required workers.

17. Insufficiency of income will lead to closure of the units started under the scheme, 42 percent of the respondents are getting sufficient income from their respective business while 58 percent respondents are not getting satisfactory income from their business.
18. In PMRY scheme, 40 percent of the respondents are able to support their family from the income of the business and 60 percent are not able to support their families from the income of the business.

19. Overall 27 percent agree that their annual income increasing year by year and remaining 73 percent were opined that their annual income has not been increased. Those beneficiaries which income has been increasing annually, 7 percent were in between Rs.10,000 to Rs.25,000 increment in their annual income. while 15 percent in between 25,001 to 50,000 and 5 percent respondents getting annual income increasing above Rs.50,000.

20. Out of surveyed beneficiaries, 48 percent respondents mentioned that they have earned sufficient income for repayment of the loan. But 52 percent respondents have stated that they have been earning less income from their unit which made them difficult for repayment of loan.

21. In Nasik District, out of surveyed unit 56 percent of the beneficiaries are repaying the loan from the income generated from the Project while 7 percent depend on financial assistance from friends and relatives. Due to insufficient income 6 percent manage their repayment by taking another loan through cooperatives and money lenders. It reveals that repayment is not entirely from the unit.

22. Out of 432 respondents, only 38 percent respondents were regular in repayment of loan while 30 percent were irregular. While 32 percent of the borrowers are defaulters.

23. Majority of the respondent agreed that diversion of fund was the major reason of default and it accounts 11 percent of total respondents. 8 percent felt that inadequate income from their unit was the reason for default. Another important reason for default reported by 8 percent of borrowers is the losses in business, while 2 percent and 3 percent respondents do not repay because of willful defaulter and loan will be written off and no need to repay was the attitude.
24. Industrial sector units, 56 percent borrowers are regular in Repayment, while in service sector 40 percent borrowers are regular in repaying the loan amount and 27 percent borrowers from Business sector repaying the loan amount regularly.

25. Industrial sector units, 32 percent borrowers are irregular in Repayment, while in service sector 33 percent borrowers are irregular in repaying the loan amount and 27 percent borrowers from Business sector are irregular in repaying the loan amount.

26. In terms of Default, Industrial sector units 12 percent borrowers are defaulters, while in service sector 27 percent borrowers are Defaulter and 46 percent borrowers from Business sector are defaulter.

27. Adequate income, pride of being entrepreneur and working for ourselves are the major parameters of satisfaction. 58 percent respondents are not satisfied with their present activities and only 42 percent respondents in PMRY scheme were satisfied.

28. In Nasik District 32 percent respondents are dissatisfied because they are not getting enough income from Business. Followed by 10 percent respondents are opined that over financial burden while 9 percent reported fed up with overwork. Another 7 percent respondents are dissatisfied because of stress and strain in running their units.

29. Those respondents who previously employed, 14 percent are getting more income than previous income while 7 percent respondents felt that no change in their previous income and current income.

30. Defaulters are more in low income group. Majority of the defaulters are getting income less than Rs.2500/- per month.

31. Overall 78 percent respondents opined that Bank must sanction full amount which applied by the applicant, so that beneficiaries can run their unit successfully and 22 percent respondents stated that the bank should provide temporary arrangement for meeting emergency situation.
32. Almost 72 percent respondents made a strong request for providing working capital loan and 27 percent stated that bank should be give working capital as per the requirement of Activity.

33. Surveyed 58 percent respondents on a side of avoiding unnecessary delay in sanctioning loan amount, while 42 percent respondents opined that only minimum procedure should be required to obtain the loan.

34. Majority 85 percent of the respondents reported that the loan should be disbursed within 2 months of submitting the application and 15 percent stated that the time lag for disbursement of loan should not exceed 3 months.

35. Overall 65 percent stated that the government should take necessary steps to ensure the issue of relevant documents by various departments in time in order to enable the applicants to produce such documents before the Task force committee without delay, while 71 percent requested to complete the processing of the applications without delay. 61 percent respondents requested the government authorities to take steps to provide power connection without delay so that they should start their unit immediately. 45 percent of the respondents felt that government should provide marketing support to them.

Section II

1. In Survey, 57 percent bank officials mentioned that their Banks sanctioned full amount of loan which applied while 43 percent bank officials sanctioned less amount than what was applied by the beneficiaries.

2. Almost 83 percent bank officials opined that loan sanctioned by them was sufficient to start the proposed activity under the scheme, while 17 percent opined that the amount sanctioned by them was not sufficient to start the project.

3. In and all 60 percent of Bank officials admitted that they sanctioned only fixed capital alone while 10 percent bank officials reported that they sanctioned only working capital. 30 percent bank even sanctioned both fixed and working capital loan.
4. Only 20 percent banks achieving yearly target and 80 percent of bank admitted that they could not achieve yearly target. The reasons for not achieving target are found to be: Non Viable Project, Similar Projects, No scope for the proposal recommended by the TFC, Less Application Received, Applicants withdraw their proposal.

5. The reason for the rejection of the applications by the TFC is found to be:
   i) Applicants are already availed loan from Bank
   ii) Technical Difficulty starting the Business
   iii) Applicant already running similar business
   iv) Outside the scope of PMRY

6. Almost 50 percent officials felt that they would disburse the loan amount to the beneficiaries within 3 to 6 months, while 30 percent stated that within 6 to 12 months time, and 17 percent said that less than 3 months time would be taken and remaining 3 percent of the officials reported that they would distribute the loan amount in more than 1 year time span.

7. Respondents opined that, 58 percent of the banks disbursed loans in time while 42 percent of the banks took more than usual time for disbursing loans under the scheme the reason for pending or delay in Disbursement are Delay in Providing Necessary Documents, Similar projects, Delay in locating suitable premises, Delay in getting power connection.

8. Banks 73 percent officials opined that NPA is more in PMRY as compared to other schemes while 27 percent bank respondents mentioned that other schemes have more NPA as compared to PMRY

10. All Bank officials opined that there is Default Beneficiaries under the PMRY scheme. Major reason of Defaults is found to be Misutilisation and Diversification of loan, Closure of unit, Low profit, Willful default.

11. Overall 60 percent Banks stated that they issue notice when more than 3 installment due and 40 percent reported that they generally issue notice when 3 installment due. Not a single Banks issue the notice when one or two installment due by the Beneficiaries.

12. The major reasons for Non recovery of the loan amount were stated that 57 percent of Bank Officials expressed Inadequacy of staff, 65 percent of bank officials stated that absence of borrowers at the time of inspection. 62 percent bank officials stated that problem of lack of Government support in Recovery of Loan. 30 percent of Bank officials stated the problem faced by the bank is due to shifting of activities. 48 percent of Bank officials reported that legal proceeding takes lot of time and it becomes costly affair. 10 percent and 8 percent Bank officials expressed their opined on this problem.

13. With regard to the contents of the Training, 22 percent felt that training must have a content to motivate the applicants on repayment the bank loan. 30 percent bank officials mentioned that training should be activity wise and 48 percent opined that Training should contain more practical and exposure to field.

14. In regard to the Duration of the Training Programme, 45 percent suggested that Training should be 15 Days duration, followed by 22 percent Bank officials opined that Training duration should be at least 1 month or 4 weeks. 20 percent accepts that Training period should be keep for 10 Days while 13 percent stated that it should be only 7 days or 1 week.

14. Overall 70 percent bank officials opined that PMRY target should be reduced while 30 percent bank official opined that the target may continue at present level.
15. Only 28 percent opined that working capital should be provided to Beneficiaries while 72 percent of the Bank Officials mentioned that the Working Capital should not be given in cash.

16. Almost 90 percent of Bank officials opined that Bank should have freedom to select the beneficiaries so that they may select proper candidates by using selection Methodology, while 10 percent insisted that the Task Force Committee in consultation with Banks should be selected beneficiaries.

17. In survey, 40 percent Bank Officials agreed that the loan could be disbursed within four weeks if all the requirement fulfilled by the borrowers and 50 percent Bank officials require 6 weeks time to disburse the loan. Remaining 10 percent Bank officials can be disbursed within maximum period of 8 weeks.

18. In view of employment Generation, 14 percent of the Bank Official opined that PMRY scheme is good for generating employment while 40 percent satisfied with the role of the PMRY in employment generation. The 23 percent strongly objected on scheme by opined that scheme is not good for generating employment and 23 percent in fact said that this scheme is waste.

19. With regard to the improvement of the scheme, 87 percent officials proper selection of beneficiaries is key to get successful implementation of the scheme. 90 percent Bank officials suggested that Collateral security should be insisted at minimum level possible. 97 percent Bank officials mentioned that Government should avoid loan write off. 77 percent bank officials suggested that Task force committee should regularly supervise and monitor the beneficiaries.
9.2 Conclusions

A) Progress

1. Analysis of the PMRY target reveals that State as well as district has not achieved the target throughout the reference period.

2. Allocation of PMRY Target to Nasik District shows inconsistent trends while overall Maharashtra state Target allocation increased year wise.

3. In PMRY Scheme, Denied applicants were significant in the period of 1997-2007.

4. In Nasik District, percentage of Disbursement over Target cases was less than Average percentage of disbursement of Maharashtra State.

5. Financial performance of Nasik District does not show significant amount of disbursement among beneficiaries.

6. Disbursement among special category beneficiaries, the statutory stipulation of the scheme pertaining to SC, ST, OBC and Minorities has not been fairly represented.

7. Women Applicants share are less in applying under PMRY Scheme in Nasik District.

8. Neither Banks in the District has achieved the Target under the PMRY scheme but the performance of Nationalized and state bank shows significant as compared to Private Banks.

9. The scheme is attracted by people irrespective of their Age. The Majority of the Borrowers are youngsters.

10. even though the minimum qualification to avail PMRY loan is a Pass VIII Standard, Majority of borrowers in Nasik District are completed their SSC.
11. In Nasik District, Applicants preference is higher in Business sector. As compared to Industries and Service sector Sanctions and Disbursement are Higher in Business Sector.

12. In PMRY Scheme, Average Amount Sanctions and Average amount disbursed in all the categories in the Nasik District.

**B) Socioeconomic**

1. In All Subdivision Majority Respondents at the Age Group of 20 to 25.

2. In Nasik District All age group priority seems to be Business sectors rather than Industries and Service sector.

3. Male Beneficiaries priority to setup the unit in Business Sector while Female Beneficiaries prefer to Service sector.

4. Female Beneficiaries was higher in Nasik Subdivision as compared to other Subdivision in Nasik District.

5. Though Marital Status is not a bar in availing PMRY scheme, Majority Respondents are married.

6. Agriculture Background Respondents are higher in terms of Availing Loan in PMRY Scheme.

7. Borrowers from Category OBC, SC, ST and Minority are all preferred to setup unit in Business Sector. General category preferred to establish in Service Sector.

8. Majority Respondents completed their SSC, followed by ITI holder.

9. The majority of PMRY borrowers are from the low income group.
10. Unemployment, No collateral Security and low interest rate are the main motivation factor for choosing PMRY scheme.

11. Print Media, Friends and Relatives are the main source of creating awareness about PMRY Scheme.

12. Except few, all Respondent attended the Training Programme.

13. Majority of respondents satisfied with the training programme which they attend.

14. Content of the Training programme is the main reason of Dissatisfaction of Training Programme.

15. The majority of PMRY borrowers felt that Training programme is essential part of PMRY Scheme.

16. Training period should not be more than 1-2 weeks.

17. Majority of the PMRY borrowers refused to have Additional Training.

18. Beneficiaries additional training priorities are Market Trade assessment and financial management.

C) IMPACT

1. Majority of the respondents applied for starting small units requiring capital investment less than Rs.50, 000.

2. Majority of respondents opined that the amount sanctioned by the authorities was insufficient.
3. Out of Surveyed Majority of the respondent have not received working capital. They have to start their activity with fixed capital loan sanctioned by the banks.

4. Banks generally hesitate to give working capital and only a few beneficiaries received working capital. The majority of borrowers prefer to allot fixed capital loan to PMRY. Borrowers may have to depend on other agencies for meeting working capital requirement.

5. Undue delay was involved in sanctioning and disbursement of the PMRY loan in Nasik District is due to procedure formalities associated with the bank and also on account of delay in producing required documents by the borrowers.

6. The majority of the respondents could not start their activities in time due to delay in disbursement of loans, delay in getting electric connection, delay in getting machineries and equipment from the suppliers, etc.

7. It is not easy to run PMRY units for borrowers, Shortage of Funds and Power failure are major obstacles of running the unit for PMRY beneficiaries.

8. Loan sanctioned under PMRY scheme was insufficient to carry out the activities successfully. Due to insufficiency of loan the PMRY borrowers had to depend on other funding agencies for meeting financial requirements.

9. The majority of the borrowers are selling their products on credit and their inability to collect credit in time affected the successful operation of the units.

10. Competition from existing units affected the working of the units.

11. PMRY scheme is effective in generating employment opportunities in Nasik District.
12. Some of the PMRY units are working with family members of the borrowers and in some other units there are excess workers.

13. Majority of respondents are not getting satisfactory income from their PMRY unit. Even though they generate adequate income to support their families.

14. Though very few borrowers, but their annual income generating year by year.

15. Income generated by the majority of the PMRY units in Nasik district was not adequate and it made difficult them to repay the loan.

16. The income of the borrowers from other sources is also used for repayment of the loan due to inadequate income from the activity.

17. Over financial burden also caused default of PMRY loans. Diversion of funds and inadequate income are main reason of default.

18. Regular Repayment is more in case of Industrial sector and less in Business sector respondent borrowers.

19. Defaulters are more in Business sector and less in Industrial Sector.

20. The majority of the borrowers are not satisfied in their present activity due to inadequate income, over financial burden and stress and strain in running the activity.

21. Those who previously employed, majority of them are getting more income from PMRY units as compared to previous income.

22. The majority of defaulters belong to low income group.
23. The majority of borrowers demanded that bank must sanctioned full amount which applied for applicants to run business successfully.

24. Working capital loan request made by majority of respondents while as per the requirement bank must provide working capital to PMRY beneficiaries.

25. The majority of borrowers requested to avoid unnecessary delay and minimum procedure should be required in sanctioning loan amount.

26. The borrowers requested the government to take necessary steps to enable the borrowers to start their activities without delay. this required the issue of necessary documents without delay and granting of power connection without delay.

27. Majority of Bank officials reported that they sanctioned full amount of loan which applied for the applicants.

28. Bank officials are of the view that the PMRY loans sanctioned by them were sufficient to start the activity for borrowers.

29. The majority of Bank officials mentioned that they sanctioned only fixed capital to PMRY borrowers.

30. Eighty percent bank official admitted that they were not able to achieve yearly target.

31. Undue delay was observed while sanctioning and disbursement of PMRY loan in Nasik District. the average time for disbursement loan was 3 to 6 months.

32. According to Bank Official the unnecessary delay in sanctioning and disbursement of PMRY loan is due to delay in providing necessary documents and similar projects.

33. As compared to other Schemes, Non Performing Asset is more in PMRY Scheme.
34. Diversion of fund and lack of follow up are the main reason of Non Performing asset in PMRY scheme.

35. Bank officials raised the reasons of Misutilisation and Diversification of fund is the main cause of Default.

36. In spite of the instruction of the Reserve Bank of India to issue advance notice to borrowers before the due date, Banks issue notice to borrowers when three installments to arrears and some banks issue when more than three installments arrears.

37. Banks experience many difficulties of recovering loan, inadequate staff for visit and follow up, absence of borrowers at the time of inspection.

38. Lack of Government support made the recovery process more difficult for the Banks.

39. Legal Proceeding for recovery of loan is time consuming and costly affair.

40. In Training Programme, Bank officials insisted to have content to motivate applicants for repayment of loan, so that on the first stage borrowers should made the mind of paying installments to bank.

41. Bank officials are of the view that Training should be minimum of 15 days.

42. Majority of Bank officials are of the view that Targets should be reduced in PMRY.

43. Seventy two percent bank officials are against giving loan in cash to the borrowers for meeting working capital requirement.

44. Proper selection of borrowers only can improve the PMRY scheme and bank officials felt that they should get the freedom of selecting borrowers.
45. Banks are of the view that the PMRY loans can be disbursed within a period of six weeks and minimum of one month’s time is required.

46. The scheme is good for generating employment opportunities in the opinion of forty percent of Bank Managers.

47. To Improve the Performance of PMRY scheme, Bank Managers are of the view that Collateral security at low rate should be insisted in PMRY scheme.

48. Proper Monitoring and Post disbursement supervision will ensure better utilization of loan amount and Government should abstain from writing off of PMRY loan to ensure proper Repayment of Loan.
9.3 Suggestions

In the light of the above conclusions and the observations made in Research, the following suggestions are made:

1. The strategy of fixation of targets and plan allocations should be altered and the ad-hoc approach to the problem should be given up. It should be seen that the targets are optimistic for easy implementation, and to be realistic, result oriented based upon previous experience. But it should not be random or traditional. Furthermore, it should be based on educated population, demand-based one, and according to the number of educated unemployed registered in employment exchanges.

2. To cope with the accelerating growth rate of educated unemployed, the target under PMRY scheme should be increased. In Nasik Districts, response for PMRY scheme has not been encouraging in some talukas. Hence there is need to create scheme awareness among the educated unemployed through extensive publicity.

3. Banks should provide the maximum extent of the loan to self-employed person’s. The percentage of disbursement should match the percentage of sanctions. For this purpose, the bureaucratic procedures and delay should be reduced.

4. The bankers and DIC officials should quote the reasons for i) Not sanctioning the loan and ii) Not distributing the loan amount among the beneficiaries though the sanction is made.

5. The implementing authorities should encourage beneficiaries to establish units in Industrial sector. This will lead to development of industries in small scale sector, which in turn develops entrepreneurial skills in self-employed persons.

6. There is an urgent need to develop entrepreneurial skills and self-confidence among weaker sections. It is necessary that these special category beneficiaries need special
treatment in terms of creation of entrepreneurial zeal through greater awareness and skill based education.

7. It is seen that PMRY scheme is dominated by male borrower’s. Women must be encouraged by giving credit support in their self employment activities to enable them to participate in the socioeconomic development.

8. Government should provide more assistance to Agriculture families, to generate ventures which focus the agriculture resources which available in Nasik district and fits to generate self employment. It needs integration of Government Institution and DIC, which have been working in the field of Food processing Technology, Horticulture Board and many others. So DIC and KVIC role should broaden their area to develop new concepts and ideas in the field of all sectors, so that beneficiaries project should become sustainable in future by adopting the available utilization of resources.

9. As PMRY, one of the objectives is to generate employment and that can be possible only for creating more Industrial units and not by creating Business Units. So therefore it can be suggested that “Career Guidance cell” be set up at every technical college and degree college level in district to improve technical skills.

10. Some banks, the target number of applications may be completed within the stipulated date, whereas in some other banks, the target remains incomplete for want of applications. Hence, it is necessary to facilitate ‘inter bank exchange’ of applications as well as target so that the targets are fully met and for this purpose a grace period of one month may be given. Otherwise, the target beneficiaries of the scheme will always be more than the actual beneficiaries.

11. There are large numbers of applications, which were considered as potential but were rejected by the TFC for non fulfillment of formalities. The large number of cases rejected reflected the sincerity of the officers in rejecting the applications. But at the same time, it’s due to lack of awareness of the scheme on the part of the applicants. Hence, Lead Bank should start Helpline in each district which provide all the information about financial
assistance and the documents which required getting the benefit under Government schemes like PMRY.

12. Training is integral part of this scheme and it should be continued with more effective methodology. Also Training should not be one time process for all beneficiaries; those who need assistance for any type of information related his business should seek the help even after starting the unit. For this Training cell should be open for all the beneficiaries, and after every 2 to 3 months one day workshop should be arranged for past beneficiaries, where they put forward their challenges of Business and experts should advise solutions to their problems.

13. Training programme of PMRY scheme had a positive impact on establishing the units under PMRY scheme. However, it can be suggested that the existing training programme be evaluated and revised based on feedback from the trainees in order to have greater impact of this programme on the performance of the beneficiaries.

14. Bank authorities should desist from disbursing the loan to the beneficiaries without training. Training Programme is the right time to inculcate scheme spirit and importance of the repayment of the loan amount in the beneficiaries and make them aware of the revenue Recovery Act.

15. DICs and Banks officials should play a major role to motivate the educated unemployed youth to take up self employment besides giving Newspaper Advertisement. Further DIC should develop Mobile Van in each District that should have equipped all information regarding Government Schemes and their officers should provide all necessary information like documents required, Bank Assistance etc. This Mobile Van should visit every taluka and village place at their weekly bazaar. It helps to create larger awareness among rural unemployed youth.

16. Areas where recovery percentage is low should be blacklisted temporarily and details published in local newspaper. The local community may sanction no new loans to these
areas in order to bring about indirect pressure on the defaulters. A few bankers also feel that the DIC may take up booking of such cases and follow up instead of bankers.

17. The forum of PMRY club should be formed and their services are utilized for better recoveries. There must be incentives to beneficiaries for prompt repayment of loan.

18. Disbursement of the loan amount to eligible beneficiaries should be made within RBI stipulated time (i.e. one month) because beneficiaries will be quite enthusiastic to establish their units immediately after completion of the training. The long delay for the disbursement loan amount to the eligible candidates will have a dampening effect on their enthusiasm and interest in the scheme itself. Thus, delay in the disbursement of loan amount could be the major cause for not starting the unit and misutilisation of loan amount which would ultimately defeat the objective of the scheme.

19. To get more recoveries, effective follow-up and monitoring, joint inspection by Industrial Promotion officers (IPOs) and Bank Officials are necessary once in a month or at least once in a quarter as per a mutually agreed time schedule.

20. Once the project viability is tested and the banks get convinced about the potentiality and viability of projects, they should finance total amount of the project cost except Marginal Money, but it should not be ‘under financed’ by the banks.

21. The Task force committee should be vigilant at the time of loan sanctions and particularly at the time of loan disbursement. Further it is necessary to examine how much opportunity cost is incurred for getting loan under this scheme.

22. Most of the bank branches suffer from adequate staff for inspection and follow up. Bank branches should be provided with adequate staff to function properly and to carry out the activities like supervision etc. on time.

23. The officials should not visit the units for repayment purpose, it would be better to check the functioning of the unit to take effective follow up and monitoring.
24. Identify the commitment of the candidates for working with the units and study the viability of projects before the disbursement of the loan. Sanctions should be made to only financially viable projects.

25. Most of the units are facing difficulties in marketing their products and in searching for individual customers. It is practically difficult to compete in the open competition market. Hence DIC should provide market facilities to these PMRY units through organizational purchases.

26. To make the scheme a success a high degree of coordination is required between various implementing agencies. A sense of responsibility in their respective areas is to be created.