# Analytical Study on Performance of Enterprises Supported Under Prime Minister Employment Generation Program in Madhya Pradesh

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**ABSTRACT**

*Prime Minister Employment Generation Program (PMEGP) was launched on 15th Aug 2008 by the Ministry of MSME to create self-employment and employment opportunities by promoting establishment of self-employment ventures/micro enterprises in rural and urban areas. This scheme was evolved by merging two existing self-employment schemes, building upon the experiences from implementation of these schemes. With MSME as single nodal agency at the National level, the scheme is being implemented with active engagement of State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries enters (DICs) and banks. In the state of Madhya Pradesh, during the year 2009-10, total of1138 enterprises were supported under this program. Physical verification of these units was undertaken to look at the status of these units and ascertain whether the enterprises supported adhered to the scheme guidelines or not. This paper attempts to give an overview of this scheme, profile the enterprises supported and present the status of the units based on the physical verification that was undertaken to study the units. Physical verification included interactions with the entrepreneurs and other stakeholder. Relevant records were also examined in order to understand if the scheme guidelines were adhered to or not and also to look at present status and performance of the supported units. Based on the field observation and findings of the study an attempt has also been made to suggest recommendations for better implementation of the Scheme.*

***Key Words*: MSMEs, PMEGP, Entrepreneurship, Self-employment, Rural Development**

## I INTRODUCTION

In the present scenario, the role played by micro enterprises in MSME is pivotal in achieving inclusive economic growth and sustainability mainly on two counts: in terms of employment generation and entrepreneurship development. The central government thus initiated its flagship programme the Prime Minister Employment Generation Programme, PMEGP aimed at uplifting microenterprises for employment generation and entrepreneurship development programme. Prime Minister's Employment Generation Programme (PMEGP) was introduced by merging the two schemes that were in operation till 31.03.2008 namely, Prime Minister's RojgarYojana (PMRY) and Rural Employment Generation Programme (REGP). The PMEGP has this objective to generate employment opportunities by promoting establishment of self-employment ventures/micro enterprises in rural and urban areas.

The Scheme is implemented by Khadi and Village Industries Commission (KVIC), a statutory organization under the administrative control of Micro, Small and Medium Enterprises, as the single Nodal Agency at the National Level. At the State level the scheme is implemented through state KVIC Directorates, State Khadi & Village Industries Boards (KVIB's) and District Industries Centers (DIC's) and banks. The Government subsidy under the scheme is directed by KVIC through the identified Banks for ultimate allocation.

In order to reinforce and consolidate the growth of microenterprise created, it is imperative to assess the performance of these units to identify the extent to which they adhere to the norms and meet the purpose for which they were created. It will also detect any loop holes, which may hinder the utmost performance of the enterprise. This paper critically analyses the performance of the units financed during year 2009-10 in Madhya Pradesh, MP under the Prime Minister Employment Generation Programme PMEGP in creating continuous and sustainable (self-) employment opportunities to a large segment of traditional and prospective artisans, rural and urban unemployed youth through micro-entrepreneurial activities. It purports to assess whether the unit is set up as per the norms of the scheme and is working satisfactory. It also intends to study the impact of PMEGP on the rural/ urban employment in magnitude, nature, quality of Enterprises, Linkages developed for ensuring its sustainability, to study the optimal level required for its viability etc. In light of the findings, the outcome of the study will pave way for identifying loopholes and take corrective actions by the Nodal agencies of the PMEGP scheme to ensure the better performance of the micro units under the scheme.

## II PMEGP SCHEME AND ITS IMPLEMENTATION IN MADHYA PRADESH

### (a) Background of the PMEGP

PMEGP is a new credit linked subsidy programme under the administrative control of the Ministry of MSME and it is introduced by merging the two schemes namely Prime Minister's Rojgar Yojana (PMRY) and rural employment generation programme (REGP) on 31st March, 2008 for generation of employment prospects through setting up of microenterprises in rural as well as urban areas.

The PMEGP was launched with an objective to generate employment opportunities through setting up of new enterprise. The focus was on facilitating setting up of microenterprise or self-employment ventures. The focus was also to bring together widely dispersed traditional artisans/ rural and urban unemployed youth and give them self-employment opportunities to the extent possible, at their place.

At the outcome level the objective was to provide continuous and sustainable employment to a large segment of traditional and prospective artisans and rural and urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas. And increase the wage-earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment.

The maximum cost of the project/unit admissible under manufacturing sector is Rs. 25 lakhs whereas for business in service sector the maximum admissible amount is Rs. 10 lakhs. The beneficiary was expected to give contribution in the range of 5 to 10 % of the project cost and the balance amount of the total project cost was provided by Banks as term loan. This is further illustrated in the table 1 below:

**Table 1**
**Quantum of Margin Money Subsidy**

| Categories of beneficiaries under PMEGP | Beneficiary's own contribution (of project cost) | Rate of Subsidy | |
|---|---|---|---|
| Area (location of project /unit) | | Urban | Rural |
| General Category | 10% | 15% | 25% |
| Special (including SC/ ST/ OBC/ Minorities/ Women, Physically handicapped, Ex-Servicemen, NER, Hill and Border areas etc. | 05% | 25% | 35% |

Source: https://my.msme.gov.in/MyMsme/Reg/COM_PMEGPForm.aspx

### (b) Eligibility criteria to apply for PMEGP

Any individual, above 18 years of age is eligible to apply under this scheme; there is no income ceiling for assistance for setting up projects under PMEGP. For setting up of project costing above Rs.10 lakh in the manufacturing sector and above Rs. 5 lakhs in the business /service sector, the beneficiaries should possess at least VIII standard pass educational qualification.

### (c) Assistance under the Scheme:

Assistance under the scheme is available only for new projects sanctioned specifically under the PMEGP. Self Help Groups (including those belonging to BPL provided that they have not availed benefits under any other scheme) are also eligible for assistance under PMEGP. Institutions registered under Societies Registration Act,1860;Production Co-operative Societies, and Charitable Trusts, Existing Units (under PMRY, REGP or any other scheme of Government of India or State Government) and the units that have already availed Government Subsidy under any other scheme of Government of India or State Government are not eligible.

### (d) Procedure for availing the subsidy

The applications for availing subsidy under the scheme are processed on first come and first serve basis. e-tracking of the applications has been introduced to allow applicants to keep a track of the status of their applications through the official website of KVIC which brings transparency in implementation of the scheme and helps to create data base of PMEGP beneficiaries. The system prevents corruption in implementation and leads to better governance (Tripathi and Koley, 2015). So, this makes the performance assessment a crucial factor in deciding the success of the PMEGP implementation.

### (e) Progress of the PMEGP-All India Achievement

The progress achieved so far (MSME records upto30.03.2016) is shown in table 2below:-

**Table 2**
**Progress of PMEGP during XI(2008-09 to 2011-12) & XII Plan (2012-13 to 2015-16)**

| Year | MM subsidy released (Rs in crore) | MM subsidy utilized# (Rs in crore) | No. of projects assisted | Estimated employment generated |
|---|---|---|---|---|
| XI Plan Total (2008-09 to 2011-12) | 3131.65 | 3067.69 | 1,64,283 | 16,05,865 |
| 2012-13 | 1228.44 | 1080.66 | 57,884 | 4,28,246 |
| 2013-14 | 988.36 | 1076.45 | 50,493 | 3,78,907 |
| 2014-15 | 1073.17# | 1122.54 | 48,168 | 3,57,502 |
| 2015-16 | 1013.53* | 872.44* | 38103* | 278160* |
| XII Plan Total | 4303.5 | 4152.09 | 194648 | 1442815 |
| Grand Total [XI and XII Plan] | 7435.15 | 7219.78 | 358931 | 3048680 |

Source: https://my.msme.gov.in/MyMsme/Reg/COM_PMEGPForm.aspx

# including un-utilized balance funds of previous year.
Releases & all figures upto 30.03.2016

**(f) PMEGP in Madhya Pradesh**

In Madhya Pradesh, PMEGP scheme commenced from the financial year 2008-2009. This flagship programme gives targets to commercial banks which need to be achieved during the given financial year. The application received are sorted out by the District Level task force Committee (DLTFC) consisting of the members from District Trade & Industries Centres, KVIC, KVIB, Lead Bank Officer, Branch Managers of the service area, Entrepreneurship Development Institutions and selected viable projects were further forwarded to the bank branch of the service area/or bank opted by the applicant. The applications received by the bank were further scrutinized and pursuant to which, the selected project were given financial assistance by the bank.

The application of PMEGP scheme is carried out once a year in every financial year. However, from the financial year 2017-2018, application window remains open throughout the year. In Madhya Pradesh, application for PMEGP can be filed online by selecting any of the three nodal agencies namely DTIC, KVIC and KVIB. Only DTIC accepts application for the urban area.

Every beneficiary has to undergo mandatory training on Entrepreneurship Development. The Entrepreneurship Development Program (EDP) is of 6 day duration for those whose project cost is less than 5 lakhs and 10 days for those, whose project cost is more than Rs.5 lakhs. Post completion of the training a certificate is issued to the entrepreneur. During the financial year 2008-09 total margin money of Rs. 120.04 lakhs was disbursed, under PMEGP scheme, thereafter in 2009-10 total of Rs 2589.68 lakhs were disbursed to 877 entrepreneurs.

## III LITERATURE REVIEW, OBJECTIVES & METHODOLOGY

Promoting entrepreneurs and self-employment activities which would also help in stop the flow of migrant youths to urban areas in search of jobs has been the need of the hour. The PMEGP is envisioned in this direction but it is imperative to evaluate whether the scheme is implemented in the right perspective or not and to gauge the extent to which it is poised to meet the objectives for which it was implemented. Hence it is necessary to study the performance of PMEGP in the study area.

With respect to Madhya Pradesh during the year2009-10, 1138 PMEGP units were financed in rural and urban areas across the 49 districts of Madhya Pradesh. Whereas during 2008-09 total number of units financed were 349. Out of these units the number of units found not working during 2008-09 was79 as per KVIC records. This verification was conducted by EDII. Going by the number of units that were not operational, it becomes important that the performance of the enterprises supported under the scheme is studies and analysed to assess the performance of the units and also study the critical factors that result in the units becoming non-functional and default

**(a) Review of Literature**

In this context, fairly moderate studies exist that highlight the role and importance of the PMEGP scheme. Some of the studies are as follows;

To cite, Singh and Singh (2007) evaluated the performance of PMRY in Manipur by making district wise divisions (nine) and analysing entrepreneurs who benefitted from this scheme using the chi-square. The findings reveal that the annual growth in target-disbursement achievement on the implementation of PMRY in 4 districts of Manipuris significantly negative. Meetei and Deepak kumar (2012) reviewed the activities of Khadi and Village industry in 9 districts in Manipur under the PMEGP scheme. They found that KVI products have good demand but lack adequate supplies. Kumar (2013) presented a review of the PMEGP with entrepreneurial perspective in context of Uttar Pradesh. The findings reveal that most of the respondents from the study opted self-employment out of choice and is not influenced by government schemes or failure to get into a public sector. PMEGP plays a vital role in providing credit flow to self-employment aspirants, but the concerned department has poorly disseminate information regarding the scheme. Daizova and Sharma (2014) analyzed the performance of Mizoram Khadiand Village Industry Board (MKVIB) under PMEGP scheme as per tenure of 2009 to 2014. The findings show that MKVIB plays a vital role in the economic development of the poor rural and unemployed youth; it provided financial assistance to 1137enterpriseswith satisfactory sales turnover.

Ajithan (2014) attempted to understand the perception of the beneficiaries under the PMEGP in Coimbatore district on a sample of 277 beneficiaries of PMEGP. The study shows that family was the main motivating source behind adopting the scheme in both the manufacturing and the service sector. On similar lines, in Punjab, Mittal (2015) reviewed on self-employment through PMEGP through scheme's eligibility conditions, quantum and nature of financial assistance, industries supported (micro and small scale) and the EDP training centres. Shallu (2015) analysed the impact of PMEGP on the employment generation in Punjab (divided in three regions - Malwa, Doaba and Majha). The findings reveal that the employment per city is highest in Malwa, then Majha and finally followed by Doaba.

Choudhury and Ghosh (2015) in their study evaluated the performance of PMEGP in village industries pan India, particularly in Jharkhand w.r.t number of project started, production, sales, employment and earnings. The correlation analysis shows a high correlation among all variables but in Jharkhand, project started-production and production sales have strong relations whereas project started-employment and employment-earnings show weak correlation. Tripathi and Koley (2015) assessed the PMEGP in West Bengal relative to other states of India w.r.t projects financed, margin money distributed and employment generated under the scheme of PMEGP. West Bengal accounted for 14 percent of total employment generated and nine percent of projects financed in India. A. S. Shiralashetti, & Iranna S. Bhustali (2016) attempted to assess the functioning of one flagship schemes of KIVC in Vijayapur of Karnataka State for rural entrepreneurship development. The findings show that the PMEGP has a pivotal role in entrepreneurship development and maximum male and manufacturing industries have received highest margin money in the study.

Agarwalla and Sharma (2017) assessed the effectiveness of PMEGP in capacity building of micro enterprises in Kamrup District in Assam. The findings reveal that PMEGP was successful partially in employment generation through establishment of microenterprises but not up to the mark in creating entrepreneurs. Kaur and Kaur (2017) analyzed the performance of PMEGP during the period of2012-216 all over India. It related to aspects like employment generation, events and contribution of banks in the implementation of PMEGP. The findings reveal decreasing trend of margin money, production, sales, earnings, and awareness camps, exhibition within the study period. There was a downward trend in the number of persons trained under Entrepreneurship Development Programme (EDP) plus a poor state of the awareness camps, exhibitions, and workshops conducted under the scheme. Khan et al. (2017) attempted to analyze the physical as well financial performance of Khadi and village industry in J and K under PMEGP. The findings of the study reveal that both the targets were achieved to its fullest (approx. 95 percent) in recent year (2015-16). It also found that the services and textile industries were the best performers and the minority community was the highest beneficiary under the scheme. Gupta (2018) attempted study to examine the impact of PMEGP in Sikkim by considering employment generation, project sanctioned and margin money released from 2008-2017. The study found that the rural poor's or uneducated youth's income increased but the industries covered were limited.

**(b) Objectives of the Study**

The study was conducted with following objectives:

(i) To examine whether the units are set up as per the norms of the PMEGP scheme in select districts in M.P.
(ii) To assess the functioning of the units and suggest ways for ensuring its sustainability and optimal level required for its viability.
(iii) To suggest policy measures to improve the efficiency and effectiveness on the basis of outcomes and inference of the study.

**(c) Research Methodology**

In this study, 100% Physical verification of the PMEGP units financed during 2009-10, located in the urban and rural areas in the State, was conducted. Under this study rural and urban areas of the 49 districts, where units were financed under PMEGP were covered to collect information from the beneficiaries and financing Banks. The Beneficiary Schedule provided by KVIC was administered through the investigators to collect information like loan and subsidy given to the beneficiary, the utilization of the amount, supply and possession of assets, the income and employment generated and other parameters of the scheme.

Prior to this, a detailed understanding was made about the PMEGP Scheme and verify the units to ascertain whether the unit is functioning as per the norms of the PMEGP norms. To undertake the task, field investigators were selected and trained for the purpose. They visited each and every unit and spend enough time. There. They have seen the documents to understand the purchases, expenditures and receipts to verify the working of the unit, employment generated and actual grounding date of the unit.

**(d) Sample Size**

Physical Verification of all, 1138 PMEGP units was conducted in rural and urban areas across the 49 districts of Madhya Pradesh. Visits to all the units was undertaken to verify physical existence of the units and to ascertain whether the unit is set up as per the norms of the scheme and working satisfactorily. Interaction with the banks which had financed these units was also done to look at the financial positions of the units as per the bank records.

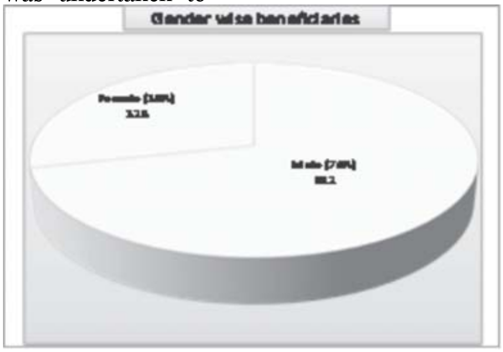
## IV ANALYSIS & FINDINGS

**(a) Results & Discussions**

**(i) Demographic profile of the beneficiary**

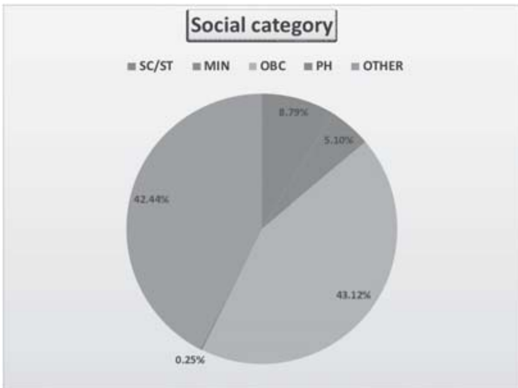
The Demographic profile of the beneficiary in terms of their gender and social category is presented below:-

**Fig. 1: Gender of the beneficiary**



Female beneficiaries are eligible for 10% additional subsidy in the scheme. Still, the no. of Female beneficiaries is 36% which is almost half of the male beneficiaries.

**Fig. 2: Social category of the beneficiary**




As per the figure above, 42.44% units belongs to the general category beneficiary, 43.42% of OBC category, 5.10% of Minority Category and 8.79% to SC/ST category.

**(b) Current Status and performance of the Financed Units**

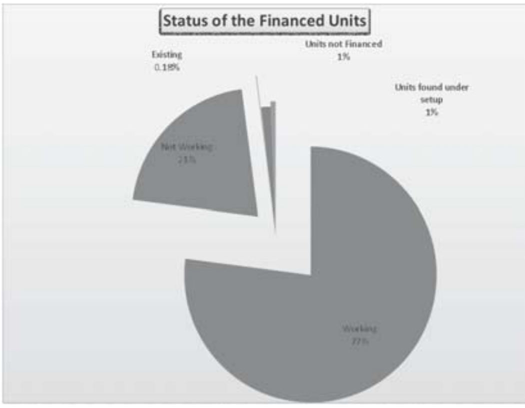
**(i) Agency wise present status of the Financed Units**

On investigating the 1138 units (financed through the three agencies viz; KVIC, KVIB and DTIC), the relative agency wise present status of the financed units is presented in the table 3 below:-

**Table 3**
**Agency wise Status of the financed units**

| Agency | No. of units Surveyed | Working (a) | Not Working (b) | Existing (c) | Units not Financed(d) | Units found under setup (e) |
|---|---|---|---|---|---|---|
| **KVIC** | 187 | 165 | 018 | 00 | 02 | 02 |
| **KVIB** | 418 | 315 | 096 | 01 | 02 | 04 |
| **DTIC** | 533 | 397 | 124 | 01 | 10 | 01 |
| **Total** | 1138 | 877 | 238 | 02 | 14 | 07 |
| | | **77.06%** | **20.91%** | **0.18%** | **1.23%** | **0.62%** |

**Fig. 3: Agency wise status of the financed Units**

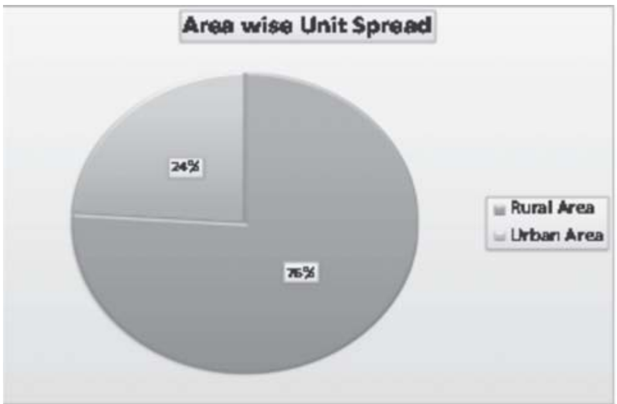



During the field verification, 77% of the units financed were found operational and working as per the guidelines of the scheme. While 21% were found not operational. However, they have made investments in fixed assets with PMEGP support. 1% units were found in the process of setting up (Some actions towards procurement of Machines/ Raw material were taken but units are not operational). 1% of the units reported to KVIC were not financed by the bank and hence not found on the ground. Only 0.18% of the total enterprises reported were found working but grounded much before the release of funds under PMEGP (Already existing unit)

**(ii) Area wise spread of Units**

Units financed through KVIC and KVIB are established in the rural area while the units through DTIC are established in the urban as well as Rural Area. Overall 76% units are established in the rural area and 24% Units are established in the urban area as per the details shown in the table below:

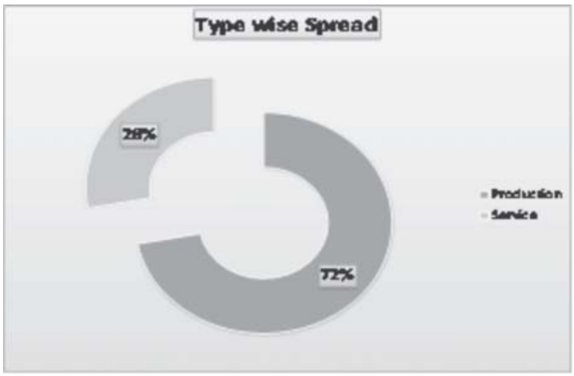
**Fig. 4: Area wise Unit Spread**




**(iii) Type wise spread of the units**

Units financed through KVIC and KVIB are more in production while units financed through DTIC are of the nature of Service. Overall 75% Units were financed as production units and 25% Units as Service units. Agency wise details of the type of Unit is shown in the below table.

**Fig. 5: Type wise spread**



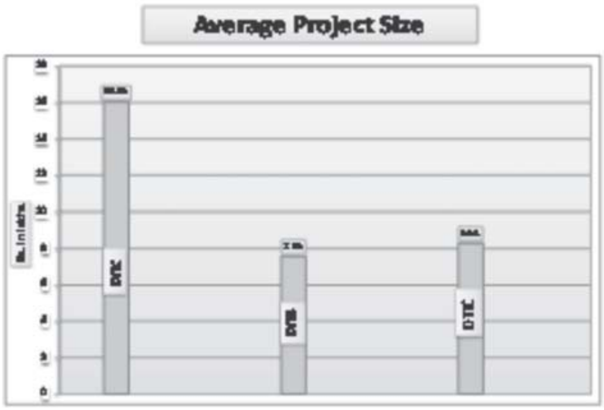

**(iv) Average Project Size**

Average Project Size in case of KVIC and KVIB are more as compared to the Units financed through DTIC. One of the reasons being the more no. of Service units was financed through KVIB as compared to the Production unit. Table below shows the Average Project size of the Units financed by the agencies.

**Table4**
**Average project Size**

| Agency | Average project Size (Rs. in Lakhs) |
|---|---|
| KVIC | 16.03 |
| KVIB | 7.58 |
| DTIC | 8.31 |

**Fig. 6: Average project Size**




Limit for the support under PMEGP is 25.00 Lakhs for Manufacturing and 10.00 Lakhs for Service enterprises. Size of the Units funded by KVIC is much higher than the other two agencies.

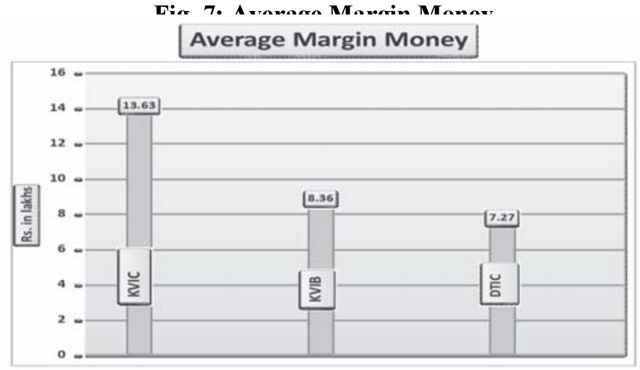
**(v) Average Margin Money**

Margin Money depends upon the location of the unit and the category of the beneficiary and varies from 15% to 35% of the Project Cost. Average amount of the margin money subsidy agency wise is as per the table below:

**Table 5**
**Average amount of the margin money subsidy**

| Agency | Average Margin Money(Rs. in Lakhs) |
|---|---|
| KVIC | 5.36 |
| KVIB | 2.43 |
| DTIC | 2.39 |

**Fig. 7: Average Margin Money**




Average Margin money subsidy released by the KVIC is higher due to the financing of projects in rural area of relatively bigger size projects. DTIC has financed small to bigger size projects, Majority of them are in urban area.

**(vi) Employment created**

Employment created in terms of i) Average employment/Unit, and ii) Employment/ Investments as represented below: -

**Table 6**
**Employment Created**

| Employment Created | | | | | | |
|---|---|---|---|---|---|---|
| Agency | Full Time | Part time | Seasonal | Total | Average Employment / Unit | Employment / Rs. 1 Lakh Investment |
| KVIC | 2265 | 202 | 82 | 2549 | 13.63 | **1.17** |
| KVIB | 3350 | 100 | 44 | 3494 | 8.36 | **1.01** |
| DTIC | 3356 | 328 | 190 | 3874 | 7.27 | **1.19** |
| Total | **8971** | **630** | **316** | **9917** | **8.71** | **1.12** |

One employment on every Rs. 1.00 Lakh of the project cost is expected under PMEGP. This is found in line with the guidelines of the project in case of all the three agencies.

**(vii) Time taken for sanctioning the project**

On discussion with the officials of the three agencies and bankers, it is found that average time taken by all the 3 agencies, KVIC, KVIB and DTIC for sanctioning of projects is around 60 days. This is according to the specified norms under the PMEGP.

**(viii) Time taken for releasing the Margin Money**

On discussion with the officials of the three agencies and bankers, it is found that average time taken for the release of Margin Money is around 60 days.

**(ix) Agency wise Percentage of Loan Sanctioned as C.E. Loan**

Capital Expenditure Loan, C.E. Loan, granted by the banks depends upon the requirement of the project and is found to be between 69 and 76%.

**(x) Percentage of Loan Sanctioned as Working Capital Loan**

Working Capital Loan granted by the banks depends upon the requirement of the project and is found to be between 24 and 36%.

**(xi) Type of the Activities financed**

**Table 7**
**Agency wise Type of the Activities financed**

| Agency | Common Units | |
|---|---|---|
| | Production | Service |
| KVIC | Stone Crusher, Tiles, Bricks, Readymade Garment, Gur, Vermi Compost, Tiles, Mineral water, | Tent House, Centering, |
| KVIB | Stone Crusher, Bakery, Fabrication, Wheat Flour, Cattle Feed, Agarbatti, Jewellery, Bricks, Cement Products, Dairy Products, Agro products, Wooden Furniture, Dall Mill, Jute Bags etc. | Dhaba, Concrete mixture, Beauty parlor, Restaurants, Tent house, Printing, Xerox, Computer centre, DJ Music, Grain grading, Motor winding, Centering etc. |
| DTIC | Stone Crusher, Bakery, Fabrication, Wheat Flour, Cattle Feed, Jewellery, Bricks, Cement Products, Dairy Products, Agro products, Wooden Furniture, Flour Mill, dairy Products etc. | Dry Cleaning, Physiotherapy, Concrete mixture, Beauty parlor, Restaurants, Tent house, Printing, Xerox, Computer centre etc. |

**(c) Key findings of the study**

**(i) Profile of the units Financed**

Units financed through KVIC and KVIB were in the rural belt while the units financed through DTIC were in both, urban as well as rural area , with majority of the units were in the rural area and small number in urban area. Units financed through KVIC and KVIB were mainly in production while those under DTIC were in the service. Most of the units were financed by the Public Sector Banks while only a few units by the Regional Rural Bank and none of them were financed by the Cooperative Bank. Average Project Size in case of KVIC and KVIB are more as compared to the Units financed through DTIC. Out of the 1138 units 261 Units were found Not Working/ Existing / Not Financed/Under Set Up. 52.11% of the Total Units in this category were financed through DTIC, 39.46% through KVIB and only 8.43% through KVIC.

It is observed that units financed by KVIC, around 52% of the units have project cost in the range of Rs. 15 to 25 lakhs, 42% units have Project Cost upto Rs. 5 Lakhs and for remaining 4% units the project cost is between 5 to 15 Lakhs. In case of units' financed by KVIC, around 63% of the Units financed are in the range of Project Cost up to Rs. 5.00 Lakhs and around 18% Units are in the range of 5 to 10 lakhs and 19% units are in the range of 10 to 25 lakhs. On the other hand 60% of the Units financed through DTIC are in the range up to 5 Lakhs and 16% are in the range of 20 to 25 Lakhs and rest 24% units are between the project costs of Rs. 5.00 to 20.00 Lakhs.

**(ii) Status of Units Financed under the scheme**

Overall assessment of the units revealed that 77.06% Units were operational, whereas 22.94% units were found either closed or not even launched. Out of the 22.94% units found closed 20.91% were found on the ground but had not been operational for a long time. 0.18% units were found as established much before the credit support was released under PMEGP. It was also found that 1.23% units had not been initiated as bank had sanctioned their loans did not disburse the funds. 0.62 % units were in the process of being setup, in these cases capital investments had been done but the operations of the enterprise were not yet to take off at the time of verification. Very few were found to be closed for the reason of marketing problems or units are no longer viable.

Large chunk of closed/ existing units are in the range of Up to 2.00 Lakhs and Between 2.00 and 5.00 Lakhs which is 48% and 24% respectively. Thus 72% of the Units are found closed/Non traceable/Non-viable after some time/ Existing. 14% Units are found in the project Range of 5 to 10 lakhs. 10% of units are found in the range of higher project Size. 46% of the closed units were in the Service Sector and remaining 54% in the Manufacturing Sector.

**(iii) Adoption of scheme in true letter and spirit**

Beneficiaries were not fully aware or had not understood the provisions of the schemes. They simply understand that this is the scheme where maximum 'subsidy' can be availed. Very few entrepreneurs including women entrepreneurs actually took advantage under the scheme. In fact, Units financed to female through KVIC and KVIB are almost one third of the units financed by them however units financed to female through DTIC are one fifth only, this despite the fact that there is provision of additional 10% subsidy for women entrepreneurs. Similarly the coverage of SC/SC beneficiaries is only 8.79% of the total entrepreneurs. So there is lot of scope for covering female entrepreneurs and SC/ST entrepreneurs in this scheme. None of the units were financed in artisanal sector, though; promotion of continuous and sustainable employment to a large segment of traditional and prospective artisans is one of the major objectives of the scheme.

In the higher ticket financed units (>Rs. 20.00 Lakhs) it is observed that some of the units availed the scheme with sole intention of availing the subsidy only. Financed projects in this category such as Stone crusher, Flattened rice mill etc. typically require larger finance requirements and financing done was not at all adequate.

Units financed under the scheme through all three agencies are similar in nature and the major activities financed are in Stone Crusher, Bakery, Fabrication, Wheat Flour, Cattle Feed, Agarbatti, Jewellery, Bricks, Cement Products, Dairy Products, Agro products, Wooden Furniture, Dall Mill, Jute Bags, Dhaba, Concrete mixture, Beauty parlour, Restaurants, Tent house, Printing, Xerox, Computer centre, DJ Music, Grain grading, Motor winding, Centering etc.

**(iv) Adherence to schematic requirements**

On some of the parameters, the requirements as per the scheme guidelines were adhered too, employment generation requirements and not financing the units for negative list of activities were two criteria which were met by most of the financed units. One employment on every Rs. 1.00 Lakh of the project Cost is expected under PMEGP. All units were found to have generated employment as per this norm. Also, none of the units were found financed from the negative list of activities as per the guidelines of the Scheme.

## V CONCLUSION AND SUGGESTIONS

The study clearly indicates that knowledge about the scheme and its various aspects is limited. Hence, there is a need to create awareness about the scheme among the beneficiaries. Beneficiaries generally get information of the scheme from the earlier beneficiary or from the implementing agencies. They are also often misled and exploited by the middleman. So, there is a need to evolve mechanism for dissemination of information through reliable sources. This can be done by giving wide publicity to the scheme, its components and procedure to avail the benefit from them through electronic and print media. More number of Workshops should be organised to brief the Scheme to potential beneficiaries.

In self-employment programmes, care should be taken at the time of selection of beneficiaries. Only those beneficiaries who have the potential to start and manage the economic activity should be covered under the scheme. Units found grounded but closed are primarily due to the incompetence / lack of knowledge of the entrepreneurs.

It was found that lack of co-ordination between Banks and the Implementing Agencies. PMEGP is a bank driven scheme and the final sanction of project and release of loan is done at the level of concerned Bank. It is therefore imperative that KVIC, KVIBs and DICs interact regularly with the higher officials of Bankers at District/ State/National level to ensure that the bottle necks, if any, in implementation, are resolved.

The overall performance of the beneficiary in terms of administrative capability, financial management and availability of marketing facility was observed to be very poor. Lack of proper training and lack of monitoring were some of the reasons for such state of affairs. Hence, proper training programmes regarding financial and administrative management, maintenance of records and marketing facility should be arranged by the certain reputed agencies.

Marketing of produce is reported to be the problem in some of the Units. Marketing support for products produced by the units under PMEGP may be provided through KVIC's Marketing Sales outlets, based on quality, pricing and other parameters. Besides the above, Exhibitions, Workshops at District/State Zonal/National and International levels, Buyer-Seller Meets, etc., may be arranged for the benefit of PMEGP beneficiaries by KVIC. Suitable Units may be encouraged to participate in the International Marketing Events. Business Development Service Provider may be involved to support the beneficiary in running the unit smoothly and for the purpose of Marketing in Domestic as well as overseas market

The implementing agency has not identified any institution for technological transmission to the beneficiaries. Thus, inherent skills of the beneficiaries have not been upgraded. They are not in a position to apply the modern skills and re-designs in their products and activities. Hence, there is a need to involve some national level institutions for upgrading the technical skills of beneficiaries to use modern techniques and thereby increase their productivity and efficiency.

There is a need to identify suitable performance indicators so that there is consistency between performance indicators and the scheme objectives. It is also important to strengthen the capacity of the district/block level agency to generate and transmit quality data on identified parameters to help in decision-making. Increasing use of information technology should be made for speedy transmission of data to decision-making authorities and making the system effective.

As envisaged in the scheme, efforts should be made to provide continuous and sustainable employment to the traditional and prospective artisans but nothing has been done in this regard. There is a need to support the unorganised sector, not only to create the employment but to conserve the heritage of country also.

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