

**Economic prospects in Tamil Nadu and the Prime Minister's Loan Scheme for Business
Development: An Insight Study in the Rural areas of Coimbatore District.**

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Abstract

India acknowledges the social and economic imperative of broad-based growth and is working to promote greater diversity. The benefits of growth must not merely trickle down to those at the bottom of the pyramid in a nation as huge and diverse as ours; instead, opportunities must be provided for everyone. The Indian government has implemented a number of loan schemes, programs and policies to encourage an innovative business culture throughout the nation. The Indian government has recently developed a wide range of new initiatives and opportunities to foster innovation across many different industries. The Government of India has made sure that all policy initiatives are focused on enabling equal opportunity for women because it recognizes the significance of business development, particularly women entrepreneurship, and economic participation in enabling the country's growth and prosperity. By granting access to loans, networks, markets, and trainings, the government aims to advance women in India's entrepreneurial ecosystem. For instance The Ministry of Rural Development, Government of India, created the Prime Minister's Rural Development Fellowship (PMRDF), which was carried out in cooperation with State Governments. The program's main goals are to reduce poverty and enhance the quality of life for Indians living in rural areas. In this context, The Prime Minister Loan Scheme, plays a vital role by nurturing entrepreneurship and agriculture in Rural Areas of India particularly in states like Tamil Nadu, and considerably boosts employment, cultivation, production, and exports. Tamil Nadu is

one of the oldest civilizations globally and the second-largest state in India, boasts a significant contribution to the country's economy. Union Finance Minister Nirmala Sitharaman spearheaded an economic boost for Tamil Nadu by distributing loans under the Prime Minister's Loan Schemes during a Grand Lending Camp held in Coimbatore. She distributed 3500 Crore rupees worth of credit assistance to the beneficiaries at Coimbatore on October 3, 2023. Speaking at the function, the Minister said that "aspirational districts are prioritised for all types of Government assistance. The loans were distributed under the Credit Outreach Program of Prime Minister loan scheme for entrepreneurs and farmers.

Undoubtedly the economic development of our country largely depends on the development of rural areas and also the standard of living in its rural mass. The purpose of this study is to comprehend the economic potential of rural agriculture and entrepreneurship. This study examines the issues related to rural entrepreneurship and agriculture in an effort to understand the economic prospects offered by these sectors.

Keywords: Rural entrepreneurs, economic development, economic perspective, , Innovative, Markets, Trainings, Technical and conceptual ability, Prime Minister Loan Scheme, business development.

Introduction

Rural areas in India make up for about 70 percent of the population contributing to around half the country's Gross Domestic Product (GDP). Tamil Nadu has the second largest state economy in India and the most industrialized state in the country. This clearly points out to the great opportunity for business development. However, building vibrant ecosystems is not easy. Meeting these challenges will require rural India to reinvent past models of growth and industry. Contract farming provides a good framework for flow of credit to marginal/small farmers or self-help groups at a reduced transaction cost. Sustainable business opportunities exist not only in farming techniques, but also in rural energy- in areas such as solar, biogas and innovative solutions. Even where innovators have brilliant products and better services, without enough resources and support, it is daunting to convert it into a thriving business operation. There is a need to intensify efforts in promoting rural entrepreneurial talent by creating an ecosystem of government groups, educational institutions, non-profits, corporate and private citizens that support business. Sometimes the real problem in rural entrepreneurship/business is not the non-availability of programmes or initiatives, but non-awareness of what is available and how to access it. There is a need to disseminate information and facilitate the setting up of small industries so that entrepreneurs can take the first step and reach out; for instance, guiding them on how to apply to programmes like Rural Business Development Programme, a programme supported by NABARD for the creation of sustainable employment and income opportunities for the benefit of educated unemployed

rural youth; the various programmes by the Ministry of Skill Development, and also by various Corporate foundations.

The importance of entrepreneurship has grown in the current economic climate. It gives any system, but especially an economic system, a crucial component of dynamism. Entrepreneurs are frequently viewed as national assets that should receive the greatest amount of support and encouragement possible for their contributions to innovation, job creation, and enhancing the conditions for a prosperous society. The Indian government is also promoting and encouraging young Indians to start their own businesses, which has increased the significance of financial institutions. Banks are now required to provide new businesses with the financial support they need to launch.

The economic goals of an entrepreneur and the social goals of rural development are strongly interlinked. For this reason, in trying to shape ecosystems, care must be taken by the government not to try to pick winners, over-influence the system, or flood the system with too much easy money.

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. A few of India's efforts at promoting entrepreneurship and innovation under Prime Minister Loan Scheme are:

- Pradhan Mantri Jan Dhan Yojana (PMJDY)
- Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)
- Pradhan Mantri Suraksha Bima Yojana (PMSBY)
- Atal Pension Yojana (APY)
- Pradhan Mantri Mudra Yojana
- Stand Up India Scheme
- Pradhan Mantri Vaya Vandana Yojana
- Support to Training and Employment Programme for Women (STEP) etc.
- Credit outreach scheme for Entrepreneurs and farmers

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Major Research Works Reviewed:

1) International

Bocy Kit Yin (1985)¹ points out that women entrepreneurs have a successful story in Singapore which is mainly due to their self-confidence, the independence knowledge they have about their business fields and the support they get from their family. According to her it is easy for the women in Singapore to enter the business due to the relative lack of role specialisation in the economy.

Masters and Meier (1988)² examined the risk –taking propensity among male and female entrepreneurs. A sample of 250 business people were taken by using stratified random sampling technique .The study highlighted that no significant difference was found among male and female entrepreneurs. The reason to this may assigned to the growth of women’s movement and their impact of behaviour of women in the business environment. Other factors may also have influenced but it could not be identified in the study.

2) National

Raju Dasgupta (2014), made a study on Problems and Prospects of business. The study showed that Development of rural areas is closely related to business. Entrepreneurship is a strategic development intervention that can well accelerate the development process of the backward and under developed areas. A staggering 75% of the world population lives in the rural areas. Since most of the resources and policies continue to be biased in favor of the urban areas, business development has become a key to induce balanced development in the rural areas. Utilizing the potential productivity of rural people by using locally available resources is indispensable to achieve resilient economic growth that will help people rise above the poverty line. The 70 study brought to light the capacity of people who came forward with the ability to use the unutilized resource. Business people play extremely significant role of the global expedition for economic development in India. Need of business development has highly lightened in the industrial policy of India. Empowerment through developing entrepreneurial skills in them is the right approach. This is perhaps the need of the hour.

Shantanu Bagchi and Debabrata Pal (2003) - Pattern of entrepreneurial activities in India has undergone a sea change in the latter half of the 20th century, more towards the end of it. From being a government dominated sector in the immediate post-independence scenario to a one with reasonable space for operation of private entrepreneurs, this transition has not been a smooth one at all. In fact, at every step, the country has learnt by experience. The authors attempt to briefly and sequentially

enumerate the policies followed by the government of India with respect to entrepreneurial activities since its birth as an independent democracy, and their economic implications. It attempt to bring out two main issues in this context, one being the public sector - private sector debate, and the other being the foreign entrepreneur - domestic entrepreneur tussle. The authors use some elementary micro-economics in trying to show the problems posed by these issues, and methods in which the government may intervene to improve situations.

Sultan RehmanSherief (2008) - This study has attempted to set out the key issues related to entrepreneurship in the context of its relationship with rural development. The analysis is then broadened to understand the determinants of rural entrepreneurship and the environment conducive to its development. Consequently the policies that are necessary to make this environment favourable have been discussed in detail. The generic constraints that are faced by rural enterprises have been listed out. The conclusion is that to accelerate economic development in rural areas, it is necessary to promote entrepreneurship. Entrepreneurial orientation in rural areas is based on stimulating local entrepreneurial talent and subsequent growth of indigenous companies. This in turn would create jobs and add economic value to a region, and at 52 the same time it will keep scarce resources within the community.

Research Gap

The various gaps in the rural farmers and entrepreneurs would be identified by this study. The main shortcoming is rural entrepreneurs' lack of understanding of market research. Small business owners rarely take their customers' needs into account. Sensitizing them to this issue is urgently necessary. This could be accomplished by displaying unsuccessful business models. Entrepreneurs also believe they can get large loans from financial institutions. Diversification appears to be a significant problem after receiving the loans. The money is used for things other than what was intended. Entrepreneurs also neglect to keep their books of accounts up to date. Finally, in small businesses, there is no connection between operations and marketing. This is a significant gap for small business. The researcher would offer recommendations for these issues in the proposed study. Previous studies lacked a realistic approach to the creation of a model that included identification of potential entrepreneurs, raw material sourcing, value addition, product conversion and marketing, economic viability, and profitability.

Objectives

1. To determine the level of awareness of business people about the Prime Minister's loan programs.

2. To determine the current business practices of respondents as well as the key variables influencing their choice of business strategy.
3. To assess the beliefs and viewpoints of business owners as well as their level of satisfaction with the banking services.
4. To look into the success rate of business owners who used the programs.

Major Research Questions

1. How does the Tamil Nadu economy benefit from the Prime Minister Loan Scheme?
2. In what areas do rural business owners need assistance?
3. What loan programs offered by the Prime Minister Loan Scheme are available to farmers and rural business owners?
4. What kind of entrepreneurship support is provided by the chosen banks?
5. What problems do rural business owners encounter when utilizing government programs?
6. Are the awareness-raising initiatives already in place sufficient to support rural business owners?
7. How can the government make credit outreach programs more available to rural business owners?
8. How do certain banks help to advance the rural economy?
9. What percentage of entrepreneurs succeeds after using the programs?

Hypotheses

1. There is no significant relationship between the Demographic Factors and the Level of Perspective on Business Development Initiatives of the Government.
2. There is no significant relationship between the Demographic Factors and the Level of Attitude towards Aailed Schemes.
3. There is no significant relationship between the Demographic Factors and factors based on satisfaction level towards the Central Government schemes.

4. There is no significant relationship between the Demographic Factors and problems/Challenges which are faced by the Business owners.

Research Methodology

The study is made in the non-doctrinal research, also known as socio-legal research method. The data is collected from people of different age groups and development of rural economy has been discussed and analyzed. The sources used are both primary as well as secondary. For the present study, Simple Random sampling is chosen. The reason of choosing this method over the others is primarily to have flexibility and freedom in selecting sampling units as per convenience. The need for rural development, scope and schemes introduced for rural development has been analyzed and discussed.

The research has been carried out with the help of survey method and the data were collected from 500 respondents who availed financial assistance from the selected branches of banks under Prime Minister Loan scheme through a well framed questionnaire. Apart from this Secondary data were collected from published reports of RBI, various journals and websites of Government of India and other published articles.

Sample size

In this research, the investigator use survey technique. It collects data from a large number of instances at one time and directs attention to overlooked requirements. The population size of the respondents who are existing, new entrepreneurs and farmers looking for Prime Minister Loan schemes provided by banks is unknown and is large in number, hence the researcher decided to take samples out of the total population. When the population is bigger, the sample size may be determined by calculating the smallest sample size needed for accurate percentage estimation while taking the standard normal deviation into an account set at a 95% confidence level (1.96), percentage picking a choice or response (50% = 0.5) and the confidence interval (0.05 = ± 5) adopting the Krejcie and Morgan (1970) table for the sample size.

The considered sample size for the present study is 500 individuals and the questionnaire will be prepared circulated to the target respondents in the Coimbatore district.

Area of the study

Coimbatore District, Tamil Nadu State

Path-breaking aspects of the Proposed Research

The study has chosen various schemes available to rural entrepreneurs and farmers which are lesser known by the rural entrepreneurs. This study has proposed to cover the rural areas of Coimbatore district with a special focus on women entrepreneurs. As Pollachi is located vicinity of Coimbatore, there is immense scope for rural entrepreneurs engaged in Coir based products. The proposed study would

cover schemes such as Rejuvenation, Modernisation and Technology Upgradation of Coir Industry (REMOT), Centrally Sponsored Schemes (CSS) of Export Market Promotion, Skill Upgradation & Quality Improvement and 19 Mahila Coir Yojana and Welfare Measures Scheme (Coir Workers). The collected data would be validated and tested with appropriate statistical tools. Research tools like interview schedule and Questionnaire have been designed in such a way that the rural entrepreneurs are adequately sensitised about the various schemes of the Central Government.

The study of rural business development is a highly acclaimed academic discipline by various researchers in India. It is palpable that entrepreneurship, specifically in rural India, is a fascinating study as it is associated with empowerment, technology infusion in rural areas, creativity, innovation and growth of a backward region. Apart from this, India is predominantly a rural economy. Small entrepreneurs, artisans and farmers depend on this for their livelihood.

Due to lack of formal education and non-availability of financial assistance to do business at a large level, many aspiring youth in rural segment resort to small business in their locality. However, only a few researches have been done on entrepreneurship from the small and tiny unit perspectives. It is also notable that only few entrepreneurs start their business with assistance from Government of India. Many entrepreneurs in the rural area are not aware of the Government Schemes for their development.

It is equally important for entrepreneurs, researchers and economists to know the practical problems faced by the entrepreneurs in starting their business. In the proposed study, the researcher thrives to explore the untapped areas in rural business development. Rural economic development should focus on the unique strengths of each area, rather than concentrating on ameliorating generic weaknesses. The appropriate economic unit for strategy purposes must include not only rural areas but also adjacent urban centers.

Relevance of the proposed study for society

Migration is a big problem in agrarian based economy like India. Rural business development at tiny and small level would enhance the quality of life of the poor and downtrodden people. Cost effectiveness can be achieved as there is no necessity for huge infrastructure and other amenities in the rural area. Competitive advantage can be achieved through optimum utilization of labour resources at cost effective wage rates. Empowerment of rural people is achieved as rural entrepreneurship acts as medium of self-sufficient economy. It generates employment opportunities for a particular region thereby improving the standard of living of the people.

Findings of the Study

Garrett Ranking Method

- Based on the ranking, it could be concluded that the respondents prefer a bank for loan, because of its easy availability of loan procedures, above any other factor. This is because entrepreneurs and farmers need funds at the earliest to make their dreams come true. Any delays may incur additional costs or impede the initiation of the project itself. Also, the bank needs to be credible. No customer will prefer to avail of loans from a bank ridden with scams. Security provided for the loan was ranked last as most customers do not prefer to submit a minimum-security deposit or guarantee to avail of a loan as it complicates the process.

Chi-Square Analysis

- There is no significant relationship between Gender, Age group, Educational Qualification, Occupation, Locality of living, Nature of business, and the Level of Perspective on Loan Initiatives of Government as the p value is greater than level of significance. It could be concluded that the size of the family is a direct indication of the responsibilities of the respondents and also the financial stress that accompanies it. Hence the variable has negligible relationship while monthly income has a better relationship with the perspective of respondents on Loan Initiatives of the Government. In simple terms, money runs the world.

CORRELATION ANALYSIS

- The Pearson Correlation(r) value between the level of Perspective on Loan schemes of Central Government and the level of Satisfaction toward the Central Government schemes is 0.172 which is less than the significant level and the null hypothesis is rejected. The strength of the correlation is negligible correlation. The level of Perspective on Loan scheme Initiatives of Government and the level of Satisfaction towards the overall banks' services is 0.116 which is less than Significant level and the null hypothesis is rejected. The strength of the correlation is negligible correlation.
- Pearson Correlation(r) value between the Level of Attitude towards availed Government Schemes and the level of Satisfaction towards the Loan schemes is 0.361 which is less than the significant value and the null hypothesis is rejected. The strength of the

correlation is a moderate positive correlation. The Level of Attitude toward Aailed Schemes and the level of Satisfaction toward the overall bank services is 0.323 and the null hypothesis is rejected. The strength of the correlation is a Moderate Positive Correlation.

ONE-WAY ANOVA ANALYSIS

- Level of Perspective on Business Development Initiatives of Government(p-value = 0.021), Level of Attitude toward Aailed Schemes (p-value < 0.01), Level of Attitude toward bank services (p-value = 0.001), Attitude toward business (p-value < 0.01), Level of Satisfaction toward the Government schemes (p-value < 0.01), Level of Satisfaction toward the overall bank services (p-value < 0.01) and Level of Challenges faced by business owners (p-value < 0.01). Hence the null hypothesis is rejected for these variables. There is a significant association between the Age Group and Business owners stance on Government initiatives for business development on mentioned variables, also the age group 'Below 20 years' has virtually little opinion on the aforementioned variables, in contrast resulted in Post Hoc-Tukey HSD test.
- Level of Attitude toward Aailed Schemes (p-value = 0.001), Attitude toward business development (p-value = 0.004), Attitude toward business development (p-value < 0.01), Level of Satisfaction toward the Government schemes (p-value = 0.025), and Level of Challenges faced by business owners (p-value = 0.012). Hence the null hypothesis is rejected for these variables. There is a significant association between Educational Qualification and business owners' stance towards Government initiatives for economic and business development on above mentioned variables. The individuals without a formal education have strong opinions about the Government's initiatives for promoting economy and business and their level of perspective on them. The respondents who are 'Undergraduates' had strong opinions about the level of attitudes toward utilized programs, the level of satisfaction with Government programs, and the level of challenges faced by business owners. The individuals who have a 'School Level' education have strong opinions about the loan application process and general satisfaction with Loan schemes.

INDEPENDENT SAMPLES T-TEST

- It is inferred that p value for all the factors seems to be greater than the significant value 0.05, the null hypothesis is accepted, that gender has no significant impact on Entrepreneur's stance toward Government initiatives for Economic and business development. This is mainly because the Government has taken ample efforts to avoid gender bias in availing such schemes and has also introduced several schemes specifically designed for women entrepreneurs for developing economy.

FACTOR ANALYSIS

- Comparison was made on attitude towards business development and it resulted in the extraction of five factors that denote the Attitude toward Entrepreneurship. The first factor may be termed 'Business owners' requirements', which explains 18.344 percent of the variation in Attitude toward Entrepreneurship. The second factor may be termed 'Public relations', which explains 9.364 percent of the variation. The third factor named 'Communication media' explains 9.304 percent of the variation. The fourth factor named 'Implementation' explains 8.648 percent of the variation. The fifth factor named 'Awareness' explains 8.344 percent of the variation. All five factors together accounted for 54.005 percent of the variation in Attitude toward Entrepreneurship. The community value was maximum for the item 'People have sufficient knowledge on the loan schemes' (0.748) and the minimum is for the 'Indian entrepreneurs need more access to training and mentorship' and 'Proper communication is applied by the Government officials for disseminating relevant information on welfare schemes for business development' (0.344). The independent variables such as Entrepreneurs' requirements (X1), Public relations (X2) are significant with the Satisfaction toward the loan schemes whereas the other independent variables Communication media (X3), Implementation (X4), Awareness (X5) is not significant with the Satisfaction toward the loan schemes.

MULTIPLE LINEAR REGRESSION ANALYSIS

- The Model reveals that R (multiple correlation coefficient) value was 0.321. It measures the degree of relationship between Satisfaction toward the loan schemes and the predictors such as Entrepreneur requirements, public relations, communication media, implementation, and awareness. R Square (Coefficient of Determination) value was 0.103. It means that about 10.3% of the variation in Satisfaction toward the loan schemes

is explained by the variation in the independent variables Entrepreneur requirements, public relations, communication media, implementation, and awareness. The adjusted R-Squared value was 0.094. It adjusts the statistic based on the number of independent variables in the model. That is the desired property of a goodness-of-fit-statistic. Durbin-Watson (DW) statistics show 1.830 indicating positive auto corrections. F-value was 11.619 and p-value is <0.01 which is significant at 5% level. Hence there is a significant relationship between dependent and independent variables.

- The Model reveals that R (multiple correlation coefficient) value was 0.405. It measures the degree of relationship between Satisfaction toward the Government Schemes and the predictors such as an ordinance, dependence, capabilities, communication, deficits, attitude and information, competitiveness, and lack of knowledge. R Square (Coefficient of Determination) value was 0.164. It means that about 16.4% of the variation in Satisfaction toward the Government loan Schemes is explained by the variation in the independent variables ordinance, dependence, capabilities, communication, deficits, attitude and information, competitiveness, and lack of knowledge. Adjusted R-Squared value was 0.151. It adjusts the statistic based on the number of independent variables in the model. That is the desired property of a goodness-of-fit-statistic. Durbin-Watson (DW) statistics show 1.702 indicating positive auto-correction. F-value was 12.339 and p-value is <0.01 which is significant at 5% level. Hence there is a significant relationship between dependent and independent variables.

Challenges and Success rate of Government loan schemes for business developemnt:

In the study area, the success rate of business initiatives is pretty excellent, with just one-third of respondents rating them poorly, while the majority regards government loan programmes as a big success. This might be because the area is extensively industrialized and home to several MSMEs. Hence the state Economies are gradually growing. Nationalized banks are often accused of experiencing major delays in processing applications, which is confirmed by data analysis. Slow document processing and security verification delays the whole process, resulting in significant delays. This hurts the efforts of business owners.

As discussed earlier, entrepreneurial schemes have a greater success rate in the State and hence the satisfaction level towards these schemes is also higher.

Individuals would naturally recommend (64.1%) the government Loan schemes to others as their success rate and satisfaction levels increase. This indicates the existence of an efficient disbursement process in the state.

Poor government scheme communication, lower risk-taking infrastructure, social and cultural bottlenecks, government rigidity, and political involvement topped the list of hurdles encountered by entrepreneurs in accessing government schemes, as the mean score was greater than the average mean score. In any situation, the greatest hurdle is a lack of communication. There is a perception that business people are denied access to government programmes when they do not get information about new programmes. This impacts the overall success of the the government loan schemes.

From the opinion towards the loan process, the High penalty fines, and documents to be provided early stood an above-average mean score. The most crucial aspect of applying for a loan is knowing which documents need to be furnished along with the application.

A unit improvement in public relations would lead to a 5.15% increase in satisfaction with overall bank services. This indicates that banks and the government must create nodes through which they can enhance public relations by communicating with prospective entrepreneurs. Similarly, a unit increase in meeting entrepreneur requirements would increase satisfaction levels by 11.09 percent. Hence it is important to design schemes based on the requirements of the business people which would increase the success rates. Additionally, changes in the ordinance, which includes social limits and policy regulations, would increase satisfaction towards the government schemes. Also, reducing dependence on third-party agents, improving entrepreneur capabilities, and enhancing communication would lead to increased satisfaction and better success of entrepreneurship schemes.

The great majority of Coimbatore's business owners believe their businesses have been successful so far also states their enterprises are growing as a consequence of timely assistance from government programmes. This indicates a culture that supports and rewards entrepreneurial efforts, also shows that many businesses have been able to survive in the market owing to government programmes that they would not have had access to otherwise. Government-sponsored lending programmes provide substantially lower interest rates than commercial

lenders. Because a lower loan rate implies more money coming in and less money going out, it's a benefit for starting and growing a business.

5.2 SUGGESTIONS

The researcher has analysed a diverse range of factors connected to the attitude of business owners, their perception, challenges faced by the entrepreneurs and the satisfaction level of entrepreneurs in connection to the loan schemes.

Based on the findings, the following suggestions are given.

1. The foremost issue that needs to be addressed is the lack of awareness regarding various government loan schemes aimed at developing business. The government and the linked banks must take sufficient efforts to improve awareness among the local population regarding these schemes.
2. Certification under any business development program must be made mandatory for availing government loans.
3. Entrepreneurship cells must be encouraged right from the schooling system to instill the business spirit in children.
4. The government must also take steps to increase the reach of these schemes among the average people through the use of social media. Social media is the most efficient channel to reach the youngsters of this era.
5. A dedicated counselor must be appointed by the government or the banks towards guiding potential entrepreneurs in selecting the appropriate schemes based on their requirements and their profile before they apply. This would improve the efficacy of the implementation of the schemes.
6. Applicants need to educate themselves appropriately before applying for any schemes. Also, applicants must go through the required training programs before availing of loans for a start-up. This would improve the prospects of succeeding in the business.
7. It is advised that entrepreneurs must attempt to start their ventures as early as possible. Age is a crucial factor as young entrepreneurs have the required time for repaying the loans.

8. The policymakers must make it mandatory to ensure that the applicants have the required skills or education required for the aspiring business. Many start-ups fail because the entrepreneurs are not suitably equipped for the job.
9. The banks must ensure that the applicants are appropriately aided in furnishing their applications to avoid any delays on their end. As funding is the soul of any entrepreneurial attempt, delay in acquiring the funds may affect the prospects of entrepreneurial success.
10. The progress of any entrepreneur who avails financial assistance under the government schemes must be monitored and guided under an appropriate system.
11. Monitored Entrepreneurs who are not performing well must be identified and necessary guidance, training or assistance must be provided appropriately.
12. Any external interference in the sanctioning of loans must be curbed by the banks to avoid misuse of funds.
13. Entrepreneurs must be persuaded to submit a repayment strategy along with their business proposal for availing financial assistance through government schemes. This will improve the prospects of proper repayment.
14. The lender (banks) must also take initiatives to educate their customers who avail business loans regarding tax benefits.
15. It is clearly seen that government loan schemes focused on entrepreneurship has led to the success of several entrepreneurs. Aspiring entrepreneurs must make appropriate use of available government loan schemes for starting their businesses instead of using their own funds. As the loans are provided at a lower rate of interest and are also coupled with subsidies, it will benefit the entrepreneurs greatly.

5.3 CONCLUSIONS:

The nation is facing a tough period when political tensions are running high and inflation has touched new highs. Though education rates are high as ever, graduates are finding it hard to secure jobs with decent salaries. Amidst this chaos, the government is pushing out several schemes in an attempt to boost Business. Entrepreneurship has the power to end poverty, employ

capable individuals and boost the economy of the nation. Entrepreneurship is lauded as the most effective tool against unemployment and poverty. The challenges faced by the entrepreneurs and their satisfaction levels are also examined. It was also observed that availing loans as low as Rs. 25,000 was possible which will subsequently boost small entrepreneurs. But many entrepreneurs attempt to fund their ventures themselves without making use of government schemes which makes it difficult for them to sustain long in the market. Credit-linked subsidy schemes were more popular compared to other financial assistance schemes. Discussions over the success rate of entrepreneurs in the study region revealed that most of the start-up ventures were successful. This could be attributed to the heavily industrialized nature of the state. This could also be linked to the success of government loan schemes in the study region. The need for awareness of the grievance redressal mechanism was also observed during the study. Also, the fact that most individuals would recommend government loan schemes to others indicates the efficient disbursement of loans in the region. Most entrepreneurs were interested in schemes for growth which include financial support and subsidies. It could be concluded from the respondents' perspective that most schemes introduced by the government to meet the requirements of the entrepreneurs with reasonable interest rates and adequate time for paying back.

Overall, it is concluded that the disbursement of government loan schemes through nationalized banks in the Coimbatore region is effective and has a high satisfaction level. Though certain challenges such as rigid regulations and interference by external agents were noted, the applicants consider entrepreneurship plans to be a success. Hence, entrepreneurs in the study region who have availed of government loan schemes for starting, growing or sustaining their business have met with commendable success which is a reflection of the success of state Economy.

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