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CASES OF FAILURE IN SELF-EMPLOYMENT



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INTRODUCTION

A number of facilities and incentives have been provided under various schemes for the self-employed entrepreneurs. However, motivation of the unemployed youth waiting for wage paid/salaried job towards self-employment is considered a very important aspect in promotion of self-employment. The Employment Exchanges have been given this responsibility because a large number of job-seekers are registered with the Employment Exchanges for wage paid employment.

Motivation for self-employment can be very effective through mass-media and organising conferences, seminars etc. In this direction, it was felt that the unemployed youth should be made aware as to how the self-employed had actually succeeded and established in their ventures. The Central Institute for Research and Training in Employment Service (CIRTES), therefore, brought out a compilation of 'Success Stories of the Self-employed', in December, 1985. This publication has been well received and is considered useful in motivating the unemployed youth towards self-employment.

While on the one hand, a successful case of self-employed acts as a catalyst and attracts others to take up self-employment ventures, failure case in self-employment has adverse effect on promotion of self-employment. The Fourth Meeting of the Technical Committee on Surveys and Research Studies held in November, 1985, therefore, recommended to compile information about some cases of failure in self-employment also, so that the obstacles and pit-falls, if any, in launching a successful self-employment venture could be analysed. The CIRTES accordingly approached all the State Directors of Employment in November, 1986, to collect detailed information in respect of a few sample cases of those who failed in their self-employment ventures. The present compilation contains 29 cases of failure in self-employment received

(iv)

from Assam, Karnataka, Madhya Pradesh, Orissa, Punjab, Rajasthan and Tamilnadu. These cases relate to a variety of ventures taken up by both male and female candidates. In addition there are 14 other case studies of those who either could not start their self-employment ventures or did not take up the venture for other reasons.

It may be observed from a study of the cases of failure in self-employment that irrespective of the type of ventures, they could not succeed for a variety of reasons, such as :

- (i) Non-sanctioning of loan because of banks' limitations;
- (ii) Candidates being over-ambitious in starting the ventures;
- (iii) Lack of correct information about the investment needed for Fixed and Working Capitals;
- (iv) Wrong choice of the ventures without proper study of the market;
- (v) Lack of salesmanship;
- (vi) The authorities sanctioning loan did not permit change of business if the self-employed person was not successful in the original venture and wanted to go for some other business;
- (vii) Delay in actual receipt of loan especially when it was given in two or more instalments.

In addition, some persons could not succeed in self-employment because of the social customs such as marriage of sister, daughter etc. in which the self-employed persons pumped away the capital in celebrating the social functions with the result that they were not able to pick up later on. Lack of interest and devotion to business was also one of the reasons.

A careful study of individual cases of the self-employed will give an insight into the causes of failure in self-employment. This would help the field officers of National Employment Service and others concerned with promotion of self-employment, in guiding the prospective entrepreneurs and taking preventive measures wherever necessary.

ASSAM

1. Venture : Concrete Well Ring and Post Making

Shri Dalip Kumar Das is an Arts Graduate. He belongs to a rural poor family. After graduation in 1981 he was looking for employment, but he could not get any suitable job. Thereafter he came to the Self-Employment Promotion Cell for self-employment.

He was granted Rs. 25,000/- as composite loan and he started a concrete Ring and Post Making industry in 1984 at his own residence at North Guwahati. At first, his unit was going on well. Later the venture started facing financial problems due to tight market situation. Realising this Shri Das has recently shifted his business from R.C.C. Post and Well Ring Industry to firewood supply service.

2. Venture : Bakery

Shri Sirish Das, after passing B.Sc. Examination in 1981, registered his name in District Employment Exchange, Guwahati for a salaried job, but during the next three years he did not get any suitable job. Thereafter, he came to Self-Employment Promotion Cell for Self-Employment.

He was granted Rs. 25,000/- as composite loan and he started a Bakery at his own residence in North Guwahati. He had experience in this line as it was his traditional business. He had a good start. But now his business has gradually gone down.

An enquiry into the matter revealed that due to the shortage of skilled manpower and adequate finance, he was not able to stand in the present day competitive market. He was also not able to purchase modern machinery etc. so as to earn sufficient profit to repay the loans.

3. Venture : Timber Supply Centre

Shri Abdul Jaman is the owner of M. s Progoti Commercial Enterprise at Lachitnagar, Guwahati. He is a physically handicapped person. He has studied upto P.U. (Arts.). After passing the P.U. Examination he came to the District Employment Exchange in search of a salaried job. At that time he was informed about the Self-Employment Promotion Cell. The incharge of Self-Employment Promotion Cell referred him to the Vocational Rehabilitation Centre and Vocational Rehabilitation Centre managed a loan of Rs. 25,000/- for him. With this amount he started a Timber Supply Centre at Lachitnagar in 1986.

He had a good start but due to paucity of capital he found it difficult to maintain his very existence. Timber Supply is a very costly business. Shri Jaman had a very good market in the beginning. But due to lack of capital he was not able to meet the demand. He applied for more loan. But as he had already been sanctioned a loan, so without repayment of the old one a new loan could not be sanctioned. Now he is in need of more finance but there is no way to get it and he is afraid that due to paucity of working capital his business may close down.

KARNATAKA

1. Venture : Xerox Machine

Miss B. Veena of Tumkur started a self-employment venture of xerox machine. The business which was running in profit in the beginning, later on started incurring loss because of existence of two automatic machines in the same area. As a result the payment of instalments had become irregular.

MADHYA PRADESH

1. Venture : Manufacture of Corrugated Sheets

Mohd. Yunus Qureshi of Ujjain is a Commerce Graduate with seven weeks training in Entrepreneurship Development Programme of M.P. Consultancy Organisation Ltd. Shri Yunus was sanctioned a loan of Rs. 50,000/- by Madhya Pradesh Finance Corporation. This amount was adequate only for fixed capital. He required another Rs. One lakh as working capital. He approached all the banks but was not able to secure the loan although it was agreed to at the earlier stage. He left the venture after a job work of Rs. 8000/- and production worth Rs. 5000/- because of insufficient capital in hand. The power connection was lying idle. The venture had not been successful because of non-availability of working capital which was a large amount in this case.

2. Venture : Sale of Readymade Petticoats

Shri Rameshwar Parmar of Ujjain, a matriculate, wanted to start his business of selling readymade petticoats. He was working as a 'munshi' with an advocate. He was sanctioned an amount of Rs. 5000/- in November, 1986 for purchasing the machine, cloth etc. He started his business but discontinued it because he did not find it a good source of income. This, he felt, was because of inadequate funds and low margin of profit due to stiff competition in the market.

3. Venture : Artificial Jewellery of German Silver

Shri Arjun Lal is Middle pass and registered with Employment Exchange, Ujjain for self-employment. He came to know about Self Employment Programme for Urban Poor (SEPUP) loan scheme through his father. He was sanctioned a loan of Rs. 3000/-. He had applied for a loan of Rs. 16,000/-. He could not succeed in his business because a) Working Capital was short and b) Payments from some parties were held up and as such the circulation of working capital was not smooth.

4. Venture : Sale of Readymade Ladies Undergarments

Smt. Ranibai is a matriculate. She applied in September, 1985 for a loan of Rs. 5000/- to start her self-employment venture of selling readymade ladies undergarments. She was sanctioned a loan of Rs. 3000/- in January, 1987. For getting the loan she had to visit the bank a number of times. She could not succeed in her venture because she was short of working capital and also had not been able to realise the amount of sales on credit in time. As a result she was facing lot of difficulties in earning the livelihood and was unable to pay the instalments of loan.

ORISSA

1. Venture : Manufacturing of Sugar Candy

Shri Subrata Mohapatra of village Kachhapada in Balasore District got a loan of Rs. 14,600/- under Self-Employment Scheme for his venture 'Sugar Candy Manufacturing', during the year 1983-84. He started his industry with a block capital of Rs. 4100/- and working capital of Rs. 15,000/-.

The follow-up revealed that the industry had been closed as the bank refused to pay further instalments because the loanee wanted to change his business. The Bank advised the loanee to repay the entire amount with interest.

2. Venture : Dairy

Smt. Bijaya Kumari Mohanty of Gopal Gaon in Balasore District had got a loan of Rs. 25,000/- for starting a dairy during 1983-84. She started her work with a block capital of Rs. 23,000/- and working capital of Rs. 2000/- in March, 1984.

The follow-up revealed that the unit had been closed down and the beneficiary informed that the cows had died due to

diseases. No instalment had been paid towards the repayment of loan.

3. Venture : Electrical Repairing Shop

Sri Dwarika Prasad Lenka of village Samaraipur in Balasore District got a loan under Self-Employment Unemployed Educated Repairing' shop, during 1984-85. He started his shop in April, 1985 with a block capital of Rs. 9745/- and working capital of Rs. 15,255/-.

The follow-up revealed that the Unit was existing with assets worth only Rs. 3000/-. Rest of the amount had been utilised for some other purpose. So gradually his business had come down. He had paid only Rs. 1800/- towards the repayment of loan.

4. Venture : Stationery Shop

Sri Gangadhar Nayak of Remuna Bazar of Balasore District had availed of Rs. 23,000/- out of a total sum of Rs. 25,000/- sanctioned to him during 1983-84 for his venture, a 'Stationery Shop'. He started his shop in November, 1984 with a working capital of Rs. 21,500/- and a block capital of Rs. 1500/-. On an inspection by the loan sanctioning authorities it was found that although the unit was in existence it was expected to be closed down very soon as the beneficiary was not properly running his business. He had not paid even a single instalment.

5. Venture : Readymade Garment Shop

Shri Jadunath Mahapatra of village Dungura of Balasore District got a loan under Self-Employment Unemployed Educated Scheme during 1984-85 from United Commercial Bank, Khairā and started a Readymade Garment shop from May, 1985.

Initially he did his business properly. But after some days he completely mis-utilised the money and his business gradually deteriorated. On an inspection by bank and Industrial Promotion Officer it was found that no shop or assets were available

during June, 1986. On local enquiry it was ascertained that the loanee had mis-utilised the money and has wound up the business. He had not paid any instalment to the Bank.

It was communicated by the inspecting authorities that the beneficiary started his business with a block capital of Rs. 8,500/- and a working capital of Rs. 16,500/- and as a result of mis-utilisation of loan the business had been a failure.

PUNJAB

1. Venture : Cold Drinks

Shri Mohan Lal is a matriculate and a resident of Gandhi Nagar, Fazilka District, Ferozepur. Shri Mohan Lal came to know about the Self-Employment Scheme for educated unemployed youths. For this he approached Employment Department for a loan, with a view to start some self-employment enterprise. Being a poor man, he could not invest in the venture from his own resources. He was given a loan of Rs. 15,000/- by the bank on the recommendation of the District Task Force.

He started the business of Cold Drinks. He also started the sale of Fresh butter & Cheese. All these items were preserved and chilled in a commercial fridge purchased by him for this purpose. He had established this venture with a great zeal, but in spite of his initial enthusiasm and energy, his business flopped and he suffered a loss.

Shri Mohan Lal tried to analyse the reasons of his failure. In his own words, the prevailing market situation in his native place Fazilka was not suitable for the establishment and growth of his business. So, his sales did not pick up during the summer months. Inadequate sale of cold drinks was the major cause of his failure.

2. Venture : Knitting Machine and Sale of Woollen Garments

Smt. Mithlesh Bala of Ferozepur Cantt. is a matriculate. Her husband was a rehri-wala. Under the Self-Employment Scheme for Educated Unemployed, she desired to set up a knitting machine and sale of woollen garments centre in her own town. On the recommendation of the District Task Force, she was provided with a loan of Rs. 6107/-. She could not invest any amount from her own resources because of the poor economic condition of the family.

Despite her best efforts, her venture flopped. The main cause of her failure was paucity of adequate funds. The District Task Force had recommended a loan of Rs. 10,000/- for her. But the Bank advanced a loan of Rs. 6107/- only with which she could purchase only the knitting machine. Due to lack of funds, she could not invest any working capital.

3. Venture : Repair and Sale of Radio, TV etc.

Shri Iqbal Singh of Moga is a graduate and his father is an ex-servicemen. Under the scheme of self-employment for educated unemployed, he wanted to set up a repairs and sales centre for radios, tape-recorders & T.V. sets. He was given a loan of Rs. 15,000/- by the Bank and he contributed a sum of Rs. 5,000/- from his own resources. Due to lack of experience in the line, he could not anticipate that this venture required a higher investment. His venture could not bear fruit because of paucity of funds and consequently it flopped. In his view over ambition leads to financial crises which youngmen later on find hard to overcome.

4. Venture : Kiryana Shop

Shri Kashmiri Lal resident of village Lehli Kalan was registered at Employment Exchange, Hoshiarpur. He belonged to a Scheduled Caste community and his father was a postman having one son and a daughter. Other members of the family worked on daily wages in farm. As such he could not continue his studies further. He wanted to set up a Kiryana shop. His

application was forwarded to the District Industry Centre, Hoshiarpur and a loan of Rs. 15,000/- was sanctioned to him for setting up a Kiriyana Shop. It ran satisfactorily for a few months and he was paying the monthly instalments of loan to the Bank in time. Later his father arranged the marriage of his sister and much of the capital of the shop was spent on the marriage. His business began to suffer and it became very difficult for him to pay the monthly instalment of loan.

5. Venture : Confectionary Shop

Shri Parmod Chopra was advised in 1984 to apply for loan to start a self-employment venture. His father was an employee of N.F.L., Naya Nangal.

Shri Parmod Chopra was given a loan of Rs. 25,000/-. He started his confectionary shop with the amount sanctioned. He contributed nothing from his side. He was to manufacture sweets and sell sweets, chocolates, toffees, cold drinks etc.

For the first two or three months he worked with interest but the result was not so encouraging. Later he started absenting himself from the shop off and on. His friends used to sit in the shop for a long time and he developed bad habits. Whatever material was in the shop started disappearing gradually and the venture flopped.

The reasons for the failure of his venture, as stated by him, were lack of proper training, frequent absence from the shop, wrong society, wrong selection of market, and competition with big shop-keepers.

RAJASTHAN

1. Venture : Sweater Knitting

Smt. Savitri Devi of Bharatpur, a matriculate, received training at knitting training centre. She was told about the self-employment scheme at the Institute. She was sanctioned a loan

of Rs. 6000/- by the Task Force. She was given the first instalment of loan for purchasing the machine after one month. The second instalment for purchase of wool was given after one year because of time taken in completing certain formalities. She started preparing sweaters for marketing. But there was no demand in the market because of off season, availability of readymade hosiery sweaters and competition in the market. She had not succeeded but looked forward for better market demand.

2. Venture : Grocery Shop

Shri Dal Chand of village Kharera, P.O. Uchhain in Bharatpur District is a matriculate. He applied for a loan of Rs. 16,000/- to start a grocery shop. He was sanctioned a loan of Rs. 10,000/- which was not in cash but in the form of material. The wholesaler only asked for the list of items and quantities required. As Shri Dal Chand was new to the business he did not know as to how much worth of material was given to him. He left the shop because he was short of money and the wholesaler was not prepared to give the material on credit. He feels that the bank must give the loan only in cash.

3. Venture : Dairy

Shri Hari Singh Saini of village Nagala Chouwa, P.O. Rarah, 15 kms. from Bharatpur town is high school passed. He applied for a loan of Rs. 18,000/- for purchasing six buffaloes. He was, however, sanctioned an advance for purchasing three buffaloes in the first instance and for three buffaloes after a lapse of six months. He started his dairy at his farm land. But after about a year, due to drought conditions and salty water available underground, he could not feed the cattle properly. As a result the milk production was very poor. He was repaying the instalments of loan by doing typing work at Bharatpur. He felt he should not have gone for self-employment in dairy.

4. Venture : Grocery Shop

Shri Sushil Kumar Nemichand Gupta of Bharatpur town applied for a loan of Rs. 10,000/- in February, 1982, to start

a Grocery Shop. The loan was sanctioned in March, 1983. It was given in two instalments of Rs. 4500/- and 5500/- respectively. The second instalment was paid within one month of the first. He started his shop and repaid Rs. 4800/-. He was, however, not able to get good business because of tough competition with other shops that opened thereafter. He informed a loss of Rs. 6000/- during 1986 and had left the business.

5. Venture : Hosiery Industry

Shri Roshan Lal Sharma of Bharatpur was sanctioned a loan of Rs. 20,000/- to set up a hosiery unit. He started the venture by an additional investment of Rs. 3000/- from his own pocket. However, after six months fire broke out in the premises because of a short circuit. He approached the bank authorities for sanction of a further loan of Rs. 10,000/-. In this context Shri Roshan Lal pointed out that he had contacted the Insurance agent for insurance against fire etc. He was informed that this should have been done by the bank who did not take action for insurance of the premises. He was not able to start his venture again.

TAMILNADU

1. Venture : Lathe Shop

Shri M. S. Loganathan residing at Velapadi, Vellore, is one of the beneficiaries who have secured loan under the Hon. Prime Minister's scheme of Self Employment for the Educated Unemployed Youth (SEEUY). This candidate is a Diploma Holder in Mechanical Engineering. He is aged 21 years and belongs to a Backward Community. On the strength of the referral made by the District Industries Centre, Vellore, the Branch Manager, Bank of India, Vellore has sanctioned him a loan of Rs. 25,000/- for setting up a Lathe Shop. As this loan

has been given under the scheme of Self Employment for the Educated Unemployed Youth operated through the District Industries Centre, Vellore, he is eligible to receive a 25% subsidy on the total loan amount. He has set up a lathe shop at Thorapadi, Vellore, a place about 3 k.m. away from the Vellore town. This venture mostly carries out job works connected to turning, machining, tooling and other related General Engineering work orders. It was commissioned on 5-6-1985. Shri M. S. Loganathan, has utilised virtually the entire loan amount in purchasing a lathe, which has cost him about Rs. 23,000/-.

The debt—servicing—conditions entailed Shri M. S. Loganathan to make a repayment at the rate of Rs. 300/- per month for 85 months. He has so far repaid only Rs. 2000/- at irregular intervals. He is currently earning only a subsistence level income through this Unit. During the discussions with him, it has been ascertained that

- (i) he has not been able to purchase certain essential tools and precision measuring instruments with the loan amount sanctioned. This has restricted his extent of machining operations;
- (ii) he is very badly in need of additional finance for purchasing a pedestal grinding and a drilling machine;
- (iii) the volume of the job orders received by him is not adequate to keep the lathe in his unit fully engaged throughout the work day. Most of the time the lathe is reported to be kept idle for want of work orders;
- (iv) however, he has engaged a turner, a fitter and a helper on monthly wages. Using his own funds he has also purchased a plastic moulding machine and installed it in his lathe shop. It is ascertained that the best part of his income is being earned by him mostly by operating the plastic moulding machine. Also, the three craftsmen employed by him are

mostly engaged in operating the plastic moulding machine.

From the above it is clear that most of the difficulties now faced by the loanee could have been obviated, had he made a correct choice about the self employment activity to be taken up by him. However, having decided upon setting up a lathe shop, the individual has omitted to make a realistic assessment of the total investment needs of that venture. With 92% of the loan amount having been spent on acquiring a lathe, he ought to have made suitable arrangements of his own to bring in funds for meeting the working capital needs and expenditure towards acquiring other essential tools.

2. Venture : Flour Mill

Smt. S. Pushpa, of Perianaickenpalayam, Coimbatore is one of the beneficiaries under Prime Minister's Self-Employment Scheme for Educated Unemployed Youth. The candidate has passed S.S.L.C. and she is aged 26 years. She belongs to a Scheduled Caste. Based on the recommendation of the Task Force attached to the District Industries Centre, Coimbatore, the Branch Manager, Canara Bank, Gudalur sanctioned a loan of Rs. 20,000/- for setting up a Flour Mill. The loan was sanctioned in March 1986. As the loan was sanctioned under the scheme of Self Employment for Educated Unemployed Youth, she is eligible for a grant of 25% subsidy on the total loan amount. She is expected to repay the loan at the rate of Rs. 396/- p.m. in 60 instalments.

The Flour Mill has been proposed to be set up in premises No. 9/204, Kuppichipalayam Road, Coimbatore-20. With the help of the loan amount she purchased necessary machinery. The beneficiary has not yet set up the unit as the loan amount was not sufficient for the purchase of full complement of machines.

The following reasons have contributed delay in starting the venture :—

The Flour Mill supplied by Tamilnadu Small Industries Development Corporation was in a damaged condition when it

was received by the beneficiary. Hence she got a new machine subsequently on 21-7-1986. As the loan amount sanctioned by the Bank was only Rs. 20,000/- she could purchase one 10 H.P. motor and one Flour Mill. Two Flour Mills are necessarily to be run with 10 Horse Power Motor. One Flour Mill cannot be operated with 10 Horse Power Motor, as it is not economical. Hence she has been approaching the bank for sanction of another loan of Rs. 6000/- for the purchase of another Flour Mill. The Bank authorities are processing her application for additional loan. Since the unit has not yet been started, the dues to the bank are accumulating month after month. Moreover the candidate could have saved time if only she had requested for the supply of two Flour Mills with the Motor, from the Small Industries Development Corporation (SIDCO) while placing her demand in the first instance through the District Industries Centre. However, it is hoped that the unit may take off only after the sanction of additional loan by the Bank followed by the installation of additional Flour Mill in the unit. This venture is an example to show that economies of scale necessitate optimum level of machine installations for running the industry profitably.

3. Venture : Typewriting Institute

M/s C. Santhanalakshmi of Vellalore Road, Podanur Post, Coimbatore is one of the beneficiaries who have secured a loan under Prime Minister's Scheme of Self Employment for Educated Unemployed Youth. She has passed S.S.L.C. and is 23 years of age. She has also passed Technical Examination in Typewriting in English and Tamil by Higher Grade. She has also passed the Technical Teachers Certificate. Based on the recommendation of the Task Force attached to District Industries Centre, she was sanctioned a loan of Rs. 23,730/- in May 1986 by the State Bank of India, Podanur. As the loan has been sanctioned under Self Employment for Educated Unemployed Youth's Scheme, she is eligible for a subsidy of 25% on the total loan amount. She is expected to repay the loan at Rs. 395/- p.m. in 60 instalments. She purchased typewriters

with the help of the above bank loan. She has set up the unit in May, 1986. Even though the amount of loan was adequate for the setting up of the institute, it is not successful for the following reasons :—

- (i) There are already three typewriting institutes in the locality.
- (ii) Since the other institutes are established ones, the trainees are not coming in large numbers to this new unit.

The District Employment Officer, Self Employment Promotion Cell, Coimbatore, who made a follow-up visit to this unit has given necessary counselling for transforming the unit into a successful one, including the need to choose a more profitable place for locating the unit.

4. Venture : Book Binding Unit

Kumari S. Thamaraichelvi, of Madras Illam, Kovaiputhur, Coimbatore is one of the beneficiaries who have secured a loan under Self Employment for Educated Unemployed Youth's scheme. The candidate has passed S.S.L.C. Based on the recommendation of the Task Force attached to District Industries Centre, her case was recommended by the Syndicate Bank, Kuniyamuthu for sanction of loan to start a Book Binding unit. The Bank sanctioned Rs. 20,000/- to her in May 1986. According to the terms of loan she has to repay the amount at the rate of Rs. 400/- p.m. in 60 instalments. As this loan comes under Self Employment for Educated Unemployed Youth's Scheme she is eligible for a subsidy of 25% of the total loan amount.

She has commissioned the unit in September 1986. Besides herself there are two other binders employed in the unit to assist her in various operations. In order to reduce the cost on overheads she is running the unit in a portion of her house. She has not paid any dues so far to the Bank.

The unit could not be run profitably for the following reasons :—

- (1) She has applied for permanent registration to the District Industries Centre, Coimbatore. After getting the permanent registration only, she can get the requisite quota for the purchase of paper at Government rate.
- (2) No amount has been sanctioned to her towards working capital such as purchase of paper, card board etc.

The unit can be run only after procuring necessary working capital and after registration of the unit by the District Industries Centre, Coimbatore.

5. Venture : Rexine Bags Manufacture

Shri M. Dawoodkhan of Tirunelveli is S.S.L.C. and 28 years of age. Based on the recommendation of the Task Force attached to District Industries Centre, Tirunelveli, he was sanctioned a loan of Rs. 10,000/- in April 1984 by the Branch Manager, State Bank of India, Tirunelveli for starting a rexine bags manufacturing unit. As per the terms of the loan he has to repay a sum of Rs. 250/- p.m. in 40 instalments. As the loan comes under Self Employment for Educated Unemployed Youth's scheme he is entitled to a subsidy of 25% of loan amount. He started the unit in a portion of his house. With the help of the loan sanctioned to him he has purchased the necessary machines and started the unit in April 1984 itself. He has so far remitted Rs. 300/- toward repayment of the loan. For the last one year he has not made any further repayment of the loan to the bank. He is the only person employed in the venture.

The venture has turned sick for the following reasons :—

- (i) The unit has been started in a remote and unhygienic locality.

- (ii) There is no adequate publicity about the functioning of this unit.
- (iii) The unit has to face heavy competition from the established concerns engaged in the manufacture of rexine bags.
- (iv) For want of adequate capital, he could not buy certain essential tools to improve his production since the bank has declined to advance further loan to him.

6. Venture : Electroplating

Shri K. Paulraj of Puthur, Trichy has been assisted by the Local Canara Bank, to set up an Electroplating Unit. Though he has not undergone any technical training course in Electroplating trade, he acquired adequate experience in this trade in a private firm. He was sanctioned a loan of Rs. 25,000/- in 1986 with the condition that the individual should repay the loan at the rate of Rs. 300/- p.m. The subsidy amount is Rs. 6,000/-.

The unit was started by him in May, 1986 at Trichy. The venture provided full time employment to him. However, the quantum of finance provided by the bank is not adequate to meet the cost of investment both by way of term loan and working capital. He is not able to repay the loan and he has not made any repayment so far.

The following are the reasons for the failure of this self-employment venture :—

- (1) For want of three-phase supply of electricity he could not run the lathe in the day time.
- (2) Heavy competition exists in the market.
- (3) He does not have latest machines required for this trade.
- (4) Loan sanctioned by the bank is not sufficient.

OTHER CASE STUDIES

1. Venture : Stitching Readymade Garments (Delhi)

Shri Vijay Kumar Kaushik, a Commerce Graduate wanted to start a unit of stitching readymade garments on job order basis. He on the advice of Self-Employment Unit, arranged for space on rental basis. His application and project report were forwarded in July 1986, to the Director of Industries and the bank. His case could not be processed by the bank as the manager was on long leave. He met the manager, in August, 1986, who asked the candidate to furnish some documents. In October, 1986 Shri Kaushik informed that he was asked to re-submit the project report as the original was misplaced. Thereafter, he was required to complete some more documents. The bank manager, thereafter, informed him that they were not in a position to consider his request for financial assistance till December, 1986. He was also informed that it was not a commitment to consider the request after that period. This had disheartened Shri Kaushik because of delay and harassment.

2. Venture : Wholesale business of Grocery Items (Delhi)

Shri Hans Kumar Jain, 24, passed M.A. (Economics) in Second Division in 1984. He uses hearing aids to overcome his disability. His elder brother owns a grocery shop in Delhi. His father is also engaged in this business in U.P. He wanted to start a wholesale business of grocery items i.e. flour, rice, ghee, oil, pulses etc. He informed that he could arrange a shop on rent. His project report was forwarded to the Punjab National Bank for financial assistance in August, 1986.

In November, 1986, Shri Jain informed that he visited the bank to discuss his proposal but the authorities refused to extend financial assistance for a shop. However, the bank did not give it in writing.

Two more follow up reminders were sent by the Self Employment unit but no response was received from the bank.

3. Venture : Tailoring Unit (Karnataka)

Shri Gangaraju, a physically handicapped person, of Gubbi in Tumkur District was sanctioned a loan of Rs. 15,000/- in May, 1985 by the Karnataka State Financial Corporation (KSFC). He informed that he could not produce the required security demanded by KSFC, and, therefore, could not receive the loan. The sanction of loan was later on cancelled.

4. Venture : Manufacturing of Agarbatti (Karnataka)

Smt. Jabæna Khanum of Kunigal was sanctioned a loan of Rs. 15,000/- in 1984-85 by the Task Force Committee, to start manufacturing of Agarbatti. The Canara Bank released an advance of Rs. 1000/- for booking of machinery. She, however, informed later that the remaining amount had not been paid by the bank. The bank informed that the quotation offered by the candidate was not correct and also the period of sanction had expired.

5. Venture : Provision Store (Karnataka)

Shri Anandaiah of Nagavalli, Tumkur Taluk was sanctioned a loan of Rs. 20,000/- by the Task Force Committee in 1984-85, to start a provision store. The Committee came to know that he had not established any provision store and was in fact working as a teacher in a Government school. The bank manager addressed letters to the concerned district authority and the candidate for repayment of the loan. The bank authorities have been receiving the repayments of instalments regularly but the self-employment venture has not been established.

6. Venture : Hosiery (Madhya Pradesh)

Smt. Bitiyabai Dhabhade of Ujjain has passed Higher Secondary examination. She took to self-employment by stitching small items for Khadi Gramodyog. She received a loan of Rs. 20,000/- from the bank and Rs. 2500/- from the Employment Exchange. The loan was given to her in three instalments.

She, however, could not continue her venture because of poor business. Thereafter, she changed her business to readymade items and started accepting jobs of Government offices, hospitals etc. But because of delay in payment of job orders, the payment of loan instalments to bank was not regular. This in real terms is not a case of failure. The candidate has been struggling to make it a success.

7. Venture : Hosiery (Madhya Pradesh)

Shri Goverdhan Nath of Ujjain visited the Employment Exchange, Ujjain for taking up self-employment. He has studied only upto II standard. His application for loan was forwarded to the bank. He also visited the bank thereafter, a number of times, to complete, the formalities. He was sanctioned a loan of Rs. 2000/- after a gap of about 10 months. He had applied for a loan of Rs. 5000/-. Shri Nath had to discontinue his venture because of domestic problems due to ill health of his wife. He had spent a part of the loan on her illness. In the meantime his friend offered land for cultivation where he spent the remaining amount.

8. Venture : Readymade Garment Shop (Orissa)

Smt. Manjari Dass of Karanj Village in Balasore District had availed of a loan of Rs. 25,000/- during 1984-85 for her venture of 'Readymade Garments' shop. She started her shop with a block capital of Rs. 8500/- and working capital of Rs. 16,500/- in March 1985.

On a joint inspection made by the Financing Bank, State Bank of India, Pratappur and DIC it was revealed that the beneficiary died on 20-7-85 and her husband was running the shop in a miserable condition. The DIC had requested her husband to run the business.

9. Venture : Grocery Shop (Orissa)

Shri Ramesh Chandra Das Balasore District, availed of a loan of Rs. 18,800/- out of a loan of Rs. 25,000/- sanctioned

to him for a Grocery shop, during the year 1983-84. He started his work in June, 1984 with a block capital of Rs. 2000/- and working capital of Rs. 16,800/-.

Later on it was revealed, on a joint inspection made by the Financing Bank and Industry Promotion Officer, Simulia, that the beneficiary did not pay attention to his business and misused the money in some other way.

10. Venture : Cycle and Auto Parts Shop (Orissa)

Shri Satya Narayan of Gandhi Village, Kuruda, Balasore District, got a loan of Rs. 21,000/- under Self-Employment Scheme during 1983-84 for starting a 'Cycle & Auto Spare Parts shop.' He started his venture with a block capital of Rs. 18,800/-. Later on it was revealed in March, 1984 that the unit was not in existence.

11. Venture : Spices Grinding (Orissa)

Shri Sudhakar Das of village Baralpokhari in Balasore District got a loan of Rs. 24,920/- during the year 1984-85 for his venture 'Spices Grinding'. He started his venture with a block capital of Rs. 21,000 - and working capital of Rs. 3920/-.

On an inspection made by the loan sanctioning authorities it was revealed that the establishment was not in existence nor any assets were lying. On local enquiry it was learnt that the money was mis-utilised. The loanee is a Law Graduate and member of Bar Association and was continuing his practice there. He had repaid Rs. 1960/- towards loan.

12. Venture : Stationery Shop (Orissa)

Kumari Hemangini Mallik of Kumarpur village in Balasore District had availed of a loan of Rs. 19,900/- out of a sum of Rs. 25,000/- sanctioned during the year 1983-84 for a Stationery Shop. She started her shop with a block capital of Rs. 2500/- and working capital of Rs. 17,400/-. She started her shop in April, 1984.

On an inspection by the loan sanctioning authorities it was revealed that the beneficiary got married. No. shop or any asset was in existence at the place of her business. It was commented by the inspecting authorities that the money was mis-utilised. She has repaid Rs. 1200 - towards the instalment.

उत्तर प्रदेश

13--व्यवसाय : फोटोस्टेट कापी की दुकान

श्री कृष्ण कुमार अस्थाना नं 24 जनवरी, 1981 में विश्वविद्यालय सेवा योजना सूचना एवं मंत्रणा केन्द्र इलाहाबाद विश्वविद्यालय में सेवायोजना सहायता हेतु अपना पंजीकरण कराया था। इन्होंने बी. काम परीक्षा तृतीय श्रेणी में तथा हाई स्कूल, इण्टरमीडियट तथा एम. काम की परीक्षाएं द्वितीय श्रेणी में उत्तीर्ण की हैं। उनकी जन्म तिथि 20 जुलाई, 1955 है। इस केन्द्र द्वारा उनका अब तक दो बार सम्प्रेषण किया जा चुका है। परन्तु साक्षात्कार में वे सफल न होने से अभी बेरोजगार हैं। दिसम्बर 1985 में व्यक्तिगत वार्ता के समय श्री अस्थाना को सीमित बेरोजगार अवसरों के विषय में अवगत कराते हुये उन्हें स्वतः रोजगार करने का परामर्श दिया गया तथा भारत सरकार द्वारा शिक्षित बेरोजगार युवक/युवतियों को दी जा रही वित्तीय सुविधाओं के विषय में जानकारी प्रदान की गयी। स्वतः रोजगार के सम्बन्ध में प्रेरणा दिये जाने के उपरान्त अभ्यर्थी ने अप्रैल, 86 में फोटोस्टेट कापी की दुकान खोलने के लिये अपना प्रार्थना पत्र इस केन्द्र के माध्यम से जिला उद्योग केन्द्र, इलाहाबाद में अग्रसरित करवाया था परन्तु शासन के आदेशानुसार उस वर्ष में प्राप्त प्रार्थना पत्रों पर कोई भी वित्तीय सुविधा देने की कार्यवाही नहीं की गई। तथा बाद में वे निरस्त भी कर दिये गये थे। इससे अभ्यर्थी को निराशा प्राप्त हुई। पुनः जिला उद्योग केन्द्र द्वारा वित्तीय वर्ष 1986-87 में वित्तीय सुविधा देने के सम्बन्ध में शिक्षित बेरोजगारों से आवेदन पत्र मांगे गये थे। परन्तु अभ्यर्थी ने सूचना न मिलने के कारण सम्बन्धित आवेदन प्रपत्र नहीं भरा क्योंकि वे कचहरी के पास एक फोटोस्टेट की दुकान पर सहायक के

का ही कार्य करने से स्वतः ही कार्य था। पुनः अभ्यर्थी द्वारा इस केंद्र में व्यक्तिगत रूप से सम्पर्क करने से उनमें रोजगार तथा स्वतः रोजगार के क्षेत्र में उपलब्ध अवसरों पर चर्चा की गई। अभ्यर्थी ने बताया कि उसके पिता तथा निरस्त हो चुके हैं तथा इस समय वह बड़ा परिवार होने में आर्थिक परेशानियों में शिरा है।

अभ्यर्थी ने बताया कि उनके परिचित मित्र कचहरी के समीप एक फोटो-स्टूडियो की दुकान खोल रहे हैं जिसका वह तत्काल लेना चाहते हैं। अभ्यर्थी इलाहाबाद बैंक के निवासी हैं। उक्त दुकान प्रबन्धक, इलाहाबाद बैंक अलापी नाम कीका से कृष्ण लाल के नियंत्रण में है। इस केंद्र के माध्यम से भिजवाया परन्तु प्रबन्धक सहोदर से सम्पर्क करने पर उन्होंने वित्तीय सहायता देना के प्रति अपनी असमर्थता व्यक्त की तथा परामर्श दिया कि इलाहाबाद बैंक कटरा शाखा से सम्पर्क करें। उक्त उपप्रमुख द्वारा व्यक्तिगत रूप से पुनः निदेशानुसार कटरा शाखा में अभ्यर्थी का सम्पूर्ण आवेदन पत्र प्रस्तुत किया गया। क्रमशः, 1987 में प्रबन्धक सहोदर ने व्यक्तिगत वार्ता के समय कहा कि इस क्षेत्रीय बैंक के माध्यम से जाने वाले प्रार्थना पत्र पर ही कार्य करते हैं। उक्त पुनः क्षेत्रीय बैंक में जाने पर बताया गया कि इस समय तो प्रार्थना पत्र नहीं नियंत्रित जा रहे हैं। प्रार्थना पत्र लेने का समय हानि पर सूचित करने का वाक्यांशन रूपसे दिया गया, उनसे आवेदन पत्र स्वीकार करने का समय बताने के नियंत्रण करने पर उनके द्वारा इस सम्बन्ध में अपनी असमर्थता व्यक्त की गई। प्रबन्धक बैंक आफ बड़ोदा, स्टेट बैंक आफ इण्डिया जादि से भी सम्पर्क करने के बाद भी अभ्यर्थी के आवेदन पत्र का नहीं लिया गया।

इस प्रकार यथा संभव प्रयास करने के उपरान्त भी श्री कृष्ण कुमार अस्थाना अभी तक बैंक द्वारा वित्तीय सहायता उपलब्ध न होने से स्वतः निराश्रित नहीं हो सके हैं।

14—श्वसार्थ : मीडिकल स्टोर

डा. रामकृष्ण मौर्य ने नवम्बर 1983 का होम्योपैथिक डाक्टर के रूप में विश्वविद्यालय इलाहाबाद सूचना एवं संवर्ण केंद्र, इलाहाबाद विश्वविद्यालय में सेवायोजन सहायता हेतु अपना पंजीकरण करवाया था। इन्होंने हाईस्कूल परीक्षा तृतीय श्रेणी में, इंटरमीडियट की परीक्षा पूरक परीक्षा द्वारा उत्तीर्ण

की है। इंटरमीडियट के परीक्षा अभ्यर्थी ने भी एल. सी. परीक्षा 1976 में उत्तीर्ण कर ली थी। इनकी जन्म तिथि 31-7-1951 है। 1983 में जब अभ्यर्थी ने अपना नाम सेवायोजन सहायता हेतु निकषाया से उस समय उनकी आयु 32 वर्ष पूर्ण हो चुकी थी, साक्षात्कार वार्ता के समय उन्हें रोजगार बाजार की सूचना दी गई तथा स्वतः रोजगार करने का परामर्श दिया गया था साथ ही स्वतः रोजगार के क्षेत्र में सरकार द्वारा शिक्षित बंगोबंगारों को दी जाने वाली सविभाजी के सम्बन्ध में पूर्णरूप से अवगत कराकर समय से उनसे आवेदन करने का परामर्श दिया गया था।

दिसम्बर 1985 में स्वतः रोजगार के सम्बन्ध में प्रेरणा दिवस के उपरान्त अभ्यर्थी ने जून 1986 में मीडिकल स्टोर बनाने के लिए अपना प्रार्थना पत्र इस केंद्र के माध्यम से जिला उद्योग केंद्र, इलाहाबाद से अर्जित करवाया था परन्तु शासन के आदेशानुसार उस वर्ष के दौरान प्राप्त प्रार्थना पत्रों पर कोई भी वित्तीय सुविधा देने की कार्यवाही नहीं की गई तथा बाद में वे निरस्त भी कर दिए गये, इससे अभ्यर्थी का निराला प्राप्त हुआ, पुनः उद्योग केंद्र द्वारा वित्तीय वर्ष 1986-87 में वित्तीय सुविधा देने के सम्बन्ध में शिक्षित बंगोबंगारों से आवेदन पत्र मांगे गये थे। अभ्यर्थी ने पूर्ण उत्साह के साथ आवेदन पत्र भरने में रोजि प्रयत्न की तथा पूर्णरूप से भरकर इस केंद्र के माध्यम से जिला उद्योग केंद्र, इलाहाबाद में अपना आवेदन पत्र अर्जित करवाया था। इस वर्ष जिला उद्योग केंद्र द्वारा इस योजना के अन्तर्गत लाटरी प्रणाली द्वारा अभ्यर्थियों का चयन कर उसके उपरान्त साक्षात्कार की प्रणाली द्वारा वित्तीय सुविधा उपलब्ध कराने की व्यवस्था की गई थी। अभ्यर्थी का नाम लाटरी प्रणाली में आया ही नहीं जिसमें वह साक्षात्कार कमेटियों तक अपनी समस्याओं का भी नहीं बता सका तथा शिक्षित बंगोबंगारों को दी जा रहे वित्तीय सुविधा के लाभ से वंचित रहा। इससे अभ्यर्थी में हताशा उत्पन्न हो गई तथा आगे आवेदन पत्र भरने हेतु अभ्यर्थी ने कोई भी उत्कृष्टा व्यक्त नहीं की।

इस प्रकार यथासंभव प्रयास करने के उपरान्त भी डा. रामकृष्ण मौर्य को शिक्षित बंगोबंगार योजना के अन्तर्गत कोई भी वित्तीय सुविधा नहीं दिलाई जा सकी है।

