

**AN EX-POST EVALUATION STUDY OF
RURAL NON FARM SECTOR
IN UJJAIN DISTRICT
OF
MADHYA PRADESH**



**NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
MADHYA PRADESH REGIONAL OFFICE
BHOPAL**

FOREWORD

The present study on RNFS investments was conducted by NABARD Regional Office, Bhopal to evaluate the implementation aspects, repayment performance, employment generation, etc. with respect to various activities under Rural Non Farm Sector.

The study covered 72 borrowers under 8 major RNFS activities in Ujjain district of Madhya Pradesh. The sample borrowers were selected from 21 bank branches in the district. The reference year of the study was 2002-03.

It was observed that banks in the district had financed for various RNFS activities and the units generated income and created employment opportunities. Repayment across all activities was related to the drought situation in the State. Lack of power supply resulted in wastage of human resources and financial losses in the case of stone crushing and power loom units.

Annual net income of Rs 5.25 lakh was generated by power loom units followed by stone crushers with annual net income of Rs 3.9 lakh.

Maximum employment generation was found in the case of capital intensive activities like stone crushing and power loom, with the individual units providing annual employment to 22 and 20 persons respectively.

In spite of drought situation, repayment across all activities was satisfactory. Repayment was as high as 65 per cent in stone crushing units, followed by brick making and fabrication units with 63 per cent and 62 per cent respectively.

DTIC, Ujjain conducts training programmes for more than 1000 borrowers each year. During 2002-03, 1150 beneficiaries were trained in 21 batches. Special training programmes are conducted for SC/ST beneficiaries. Rani Durgavati Swarojgar Yojana was introduced in the district during 2002-03 for the benefit of SC / ST borrowers.

The positive and negative impact of various RNFS investments have been highlighted in the report. Suggestions for improving the existing lacunae are incorporated for necessary action by various agencies.

I hope the findings of the study will be of use to banks, financing institutions and other organisations involved in the field of agriculture and rural development.

A.K.Mathur
Chief General Manager

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CREDIT LIST

OVERALL DIRECTION



HEAD OFFICE

Department of Economic Analysis & Research

REGIONAL OFFICE

Shri Ashok Mathur (CGM)
Shri B.K. Srivastava (GM)
Shri S.G. Siddesh (GM)
Dr. K. P. Deo (DGM)



ANALYSIS & DRAFTING OF REPORT

Shri G.P. Praveen (Mgr)



FIELD VISIT

Shri. A. Bhatnagar (AGM)
Shri G.P. Praveen (Mgr)

LIST OF ABBREVIATIONS

BCR	:	Benefit Cost Ratio
BIRD	:	Bankers Institute of Rural Development
CBs	:	Commercial Banks
CEDMAP	:	Centre for Entrepreneurship Development, Madhya Pradesh
DCCB	:	District Central Co-operative Bank
DCARDB	:	District Co-operative Agriculture & Rural Development Bank
DCB	:	Demand, Collection & Balance
DDM	:	District Development Manager
DOM	:	District Oriented Monitoring
DRDA	:	District Rural Development Agency
DRIP	:	District Rural Industries Project
DTIC	:	District Trade & Industries Centre
FRR	:	Financial Rate of Return
GDP	:	Gross Domestic product
GLC	:	Ground Level Credit
ICOR	:	Incremental Capital Output Ratio
Km	:	Kilometer
LBO	:	Lead Bank Officer
Mm	:	Millimeter
MT	:	Metric Tonne
NABARD	:	National Bank for Agriculture and Rural Development
NGO	:	Non Government Organisation
NPW	:	Net Present Worth
O&M	:	Operation & Maintenance
PLP	:	Potential Linked Plan
PMRY	:	Prime Ministers Rojgar Yojana
RDSY	:	Rani Durgavati Swarojgar Yojana
REDP	:	Rural Entrepreneurship Development Programme
RNFS	:	Rural Non Farm Sector
RRB	:	Regional Rural Bank
SC	:	Scheduled Caste
ST	:	Scheduled Tribe

CONTENTS

	FOREWORD	3
	ACKNOWLEDGMENT	5
	CREDIT LIST	7
	LIST OF ABBREVIATIONS	9
	BASIC DATA SHEET	12
	EXECUTIVE SUMMARY	14
CHAPTER I	INTRODUCTION	17
CHAPTER II	METHODOLOGY	19
CHAPTER III	PROFILE OF STUDY AREA	25
CHAPTER IV	PROFILE OF SAMPLE BORROWERS	29
CHAPTER V	IMPLEMENTATION OF SCHEMES	33
CHAPTER VI	COST OF INVESTMENT	35
CHAPTER VII	ECONOMICS OF INVESTMENT	48
CHAPTER VIII	EMPLOYMENT GENERATION	55
CHAPTER IX	REPAYMENT PERFORMANCE	57
CHAPTER X	DEVELOPMENT OF LINKAGES	59
CHAPTER XI	SUMMARY AND CONCLUSIONS	63
	ANNEXURES	67-69
BLOCKS	1. STONE CRUSHING	
	2. BRICK MAKING	
	3. STEEL FABRICATION	
	4. FURNITURE MAKING	
	5. POWER LOOM	
	6. BATIK PRINTING	
	7. TENT HOUSE	
	8. GROCERY STORE	

BASIC DATA SHEET

Name of study	:	Evaluation of Rural non farm sector
Objectives	:	To assess the income & employment generation under RNFS, infrastructure, linkages and bankability of the projects
District covered	:	Ujjain
Period of study	:	26-06-03 to 05-07-03
Reference Year	:	2002-03
Period of financing	:	1999-2002
Banks covered	:	Indore-Ujjain RRB, ARDB Ujjain, Bank of India & Dena Bank
Sample size	:	72 borrowers from 21 bank branches in Ujjain district, covering all six development blocks.
Major RNFS Activities covered	:	Stone crushing, Brick Making, Fabrication, PowerLoom, Furniture making, Batik printing, Tent House & Grocery store

COST OF INVESTMENT

Sl No	Activity	Sample size	Actual cost of investment	
			Historical price	Reference yr price
1	Stone crushing	5	1308000	1452500
2	Brick Making	13	104000	110000
3	Fabrication	11	186000	200000
4	PowerLoom	5	2880000	3200000
5	Furnituremaking	7	105000	110000
6	Batik printing	6	138000	150000
7	Tent House	14	233000	250000
8	Grocery store	11	103500	110000

BANK LOAN SANCTIONED AND DISBURSED (Amt in Rs)

Sl No	Activity	Bank loan sanctioned	Bank loan disbursed	% of loan disbursed to loan sanctioned
1	Stone crushing	950000	750000	79
2	Brick Making	100000	100000	100
3	Fabrication	150000	150000	100
4	PowerLoom	2500000	2500000	100
5	Furniture making	100000	100000	100
6	Batik printing	110000	110000	100
7	Tent House	190000	190000	100
8	Grocery store	80000	80000	100

ACTIVITY WISE INCOME & EMPLOYMENT GENERATION, FRR AND REPAYMENT PERFORMANCE

Sl No	Activity	Gross income	Net income	FRR	Recovery %	Employment per unit (No.)
1	Stone crushing	2700000	386700	32.5	65	22
2	Brick Making	132000	25400	29.9	63	3
3	Fabrication	2027450	64950	>50	62	12
4	PowerLoom	1775000	525000	21.2	61	20
5	Furniture making	120000	50000	>50	53	9
6	Batik printing	170000	120000	>50	55	6
7	Tent House	164150	52500	20.7	59	3
8	Grocery store	156000	55000	>50	52	2

EXECUTIVE SUMMARY

- ◆ The present study was conducted in Ujjain district of Madhya Pradesh, covering all the six blocks of the district during the period 26 June 2003 to 05 July 2003, to evaluate the impact of Rural Non Farm Sector (RNFS) activities on employment, income and socio-economic indicators in the study area. The study covered 8 major RNFS activities in the district. DRIP was launched in Ujjain district during 2001-02.

Major findings

- ◆ The study covered 8 major RNFS activities in the district under 4 major heads - Manufacturing, Handloom / Village industries, Service and Marketing. The sample size of the study was 72. Manufacturing activities had 57 per cent share in the total sample followed by Service units with 20 per cent, Marketing with 15 per cent and Handicraft /Village industries with 8 per cent. Borrowers financed during the period 1999-2002 were covered during the study. Reference year of the study was 2002-03.
- ◆ The sample borrowers for the study were selected from 21 bank branches in the district, covering Indore- Ujjain RRB, ARDB,Ujjain, Bank of India and Dena Bank after interactions with bank officials.
- ◆ Most of the borrowers were fully engaged in their activities. Maximum number of borrowers (33) were artisans, followed by business group (28), farmers (10) and Service group (1) .
- ◆ Out of 72 sample borrowers, 53 per cent had primary level education, 7 per cent had education up to eighth standard, 8 per cent were matriculates and above, while 29 per cent were illiterate.
- ◆ Among borrowers, 39 had family size of 6-10 members, 25 had 3-5 member families and 8 had more than 10 members in the family.
- ◆ As many as 51 borrowers had small land holdings, 17 borrowers had medium & large land holdings, while 4 borrowers were land less.
- ◆ Most of the borrowers (70) belonged to general category, 2 belonged to Scheduled Caste category and none belonged to Scheduled Tribe category.
- ◆ 53 borrowers constituting 74 per cent of the total had prior experience in the particular activity, while 19 borrowers representing 26 per cent of the sample did not have prior experience in the activity, but learned from own experience.

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- ◆ Interest rates charged by banks varied from 12 per cent to 18 per cent, depending on the type of activity and cost of investment.
 - ◆ Cost of investment was as high as Rs 32.00 lakh and Rs 14.52 lakh respectively in the case of power loom and stone crushing at reference year prices. Bank loan component was 52 per cent in the case of stone crushing units, while it was found to be 78 per cent for power loom units.
 - ◆ Margin money was provided by all borrowers, regardless of the type of activity. Margin money was as high as 48 per cent in the case of stone crushing units and as low as 9 per cent in the case of furniture making units. The borrowers provided margin money through own sources or money lenders.
 - ◆ The various RNFS activities created employment opportunities for the rural population in the district. Employment creation was related to the type of activity, cost of investment and demand for the product. Across the sample activities, maximum employment generation of 22 persons was by stone crushing units followed by power loom units with 20 persons. Investment in grocery stores generated an employment of 2 persons per unit.
 - ◆ The highest net annual income across sample activities was Rs 5.25 lakh in the case of power loom units followed by Rs 3.9 lakh for stone crushing units.
 - ◆ The study revealed that the repayment performance of borrowers across all activities was directly linked to climatic conditions in the district. The drought situation since the last three years had severe impact on production, employment, purchasing power and income. Across the activities, repayment performance was highest (65%) in the case of stone crushing units followed by brick making units (63%). Nevertheless, there were six wilful defaulters; one each in fabrication, furniture and batik printing and three in tent house activity.
 - ◆ NABARD conducted 6 Rural Entrepreneurship Development Programmes (REDPs) in Ujjain district during the last four years to create awareness and develop entrepreneurship skills among borrowers.
 - ◆ During the year 2002-03, District Trade and Industries Centre (DTIC) conducted various training programmes for beneficiaries and provided training to 1150 people. Recently, DTIC implemented Rani Durgavati Swarojgar Yojana (RDSY) in the district for training SC/ST borrowers.

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- ◆ The State Handicrafts Corporation (MP Hasta Shilpa Vikas Nigam) provides assistance to the borrowers through training, work sheds, subsidy and marketing of the products.
 - ◆ Stone crushing and Power loom units suffered considerable financial losses due to lack of power supply. Govt. should ensure minimum number of hours of power supply to viable units.
 - ◆ In the case of activities like brick making, non availability of raw materials like *bhussa* was faced by some of the units, due to the drought situation in the state.
 - ◆ Govt. / Voluntary agencies should make efforts to form clusters in the case of traditional activities like batik printing.
 - ◆ In certain cases, considerable delay of up to eight months was noticed in sanction and disbursement of bank loans, especially with respect to tent house and brick making. Banks may ensure that loans are sanctioned and disbursed without delay. Loan applications may be properly scrutinized and appraised to prevent delay, under-financing and defaults.
 - ◆ Banks should conduct adequate and effective recovery drives in case of willful default. Proper identification of beneficiary during initial stages of loan appraisal is required to avoid such contingencies.
 - ◆ DTIC and DRDA should come up with action programmes for the benefit of SC/ST category of population and help them earn sustainable livelihood through various RNFS activities.



CHAPTER I

INTRODUCTION

Rural Non Farm Sector (RNFS) attains significance with respect to employment creation, income generation and overall development of the rural economy.

- 1.2 With the gradual decline in agriculture production and productivity, it is imperative to find alternative means of subsistence for the rural population. Non Farm Sector has adequate potential to accelerate the growth process through income and employment generation with local resources and man power..
- 1.3 Adequate thrust has to be provided for the development of artisan clusters, which will help in sustaining traditional activities like small, tiny, cottage and village industries.
- 1.4 The emergence of Non Farm Sector as a thrust area for development was realised after the decrease in marginal productivity of agricultural labour, diminishing returns and general failure of monsoons.
- 1.5 NABARD, as the apex development institution for the development of rural economy has identified the significance and potentials of Non Farm Sector. Promotional programmes like DRIP (District Rural Industries Project) have been launched by NABARD in various districts with the help of State Govt., Banks and Voluntary Associations. The major objective of these programmes is to provide technical and financial support to rural artisans, entrepreneurs and generate additional employment and sustainable livelihood in the rural sector.
- 1.6 In a country, where nearly 70 per cent of the labour force is engaged in agriculture contributing 30 per cent of GDP, it is essential to divert the labour force from that sector to the more productive Non Farm Sector .
- 1.7 Keeping the above in mind, it was decided to conduct evaluation study of Rural Non Farm Sector in Ujjain district, to assess the benefits generated from the activities, constraints in development if any and suggest remedial measures .

Terms of reference

- 1.8 The broad terms of reference for the study are given below :
 - 1) To study the socio-economic profile of sample borrowers.
 - 2) To review the implementation of programmes under RNFS.

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- 3) To examine the sources of funds and credit availment, adequacy of credit, rationality of repayment schedule etc.
 - 4) To estimate the net income and assess the viability of investments in Non Farm Sector.
 - 5) To assess linkages like availability of local labour, raw materials, marketing arrangements of finished products and gauge existing bottle necks.
 - 6) To study the repayment performance and bankability of investments.
 - 7) To estimate the extent of employment generation due to RNFS activities.
 - 8) To examine the role of DTIC/DRDAs and their impact on RNFS activities.



CHAPTER II

METHODOLOGY

The present study was conducted in Ujjain district, covering all the six development blocks. The field visit was conducted from 26 June 2003 to 5 July 2003, covering eight major RNFS activities in the district. Reference year of the study was 2002-03.

Selection of District

2.2 Ujjain district was selected for the study, based on ground level credit flow and refinance disbursements during the last 3 years. Highest disbursements under Non Farm Sector during that period were made in Gwalior, Ujjain and Rewa districts of M.P, as can be seen from Table 2.1. Even though refinance disbursement was highest in Gwalior district during all the three years, Ujjain was selected for the study, since Gwalior and Rewa had already been covered under DRIP evaluation study and DOM study respectively by the Regional Office, during 2001-02. Even though DRIP was launched in the district by NABARD during 2001, the impact of DRIP was not assessed during the study, since it was too early to measure the implications of DRIP in the district.

Table 2. 1
Disrict wise Refinance disbursement under NFS in M.P

(Amt. in Rs. lakh)

Sl. No.	District	1999-2000	2000-2001	2001-2002
1	Gwalior	227.4	618.1	333.3
2	Ujjain	63.23	25.65	207.41
3	Rewa	46.43	73.55	236.7
4	Khargone	78.31	54.09	69.34
5	Hoshangabad	64.71	90.41	97.23
6	Chhatarpur	65.19	59.04	75.57
7	Chhindwara	33.56	36.11	70.55
8	Raisen	39.85	39.24	245.8
9	Jabalpur	42.2	41.94	65.6
10	Sehore	13.92	78.78	95.21
Total		674.8	1116.91	1496.71

2.3 Table 2.1 shows the refinance disbursement under NFS in 10 select districts of MP, which have availed the highest share of refinance during the last three years. From the Table, it is seen that refinance disbursement in Gwalior increased from Rs. 227.4 lakh in 1999-2000 to Rs. 618.10 lakh in 2000-01, but decreased to Rs. 333.30 lakh in 2001-02. Refinance disbursement in Rewa increased from Rs. 46.43 lakh in 1999-2000 to Rs. 73.55 lakh in 2000-01 and further to Rs. 236.7 lakh in 2001-02. Refinance disbursement in Ujjain declined to Rs. 25.65 lakh in 2000-01 from Rs. 63.23 lakh in 1999-2000, but increased to Rs. 207.41 lakh in 2001-02. It can be seen that NFS disbursements in Ujjain during 2000-01 constituted only 12 per cent of NFS disbursements in the district during 2001-02.

Ground Level Credit (GLC) Flow under NFS in Ujjain

2.4 Data on the ground level credit flow under NFS in Ujjain district from 1999-00 to 2001-02 are presented in Table 2.2.

Table 2. 2
Ground level credit flow under NFS in Ujjain

(Amt. in Rs. lakh)

Sl. No.	Bank	Year		
		1999-2000	2000-01	2001-02
1	CBs	2089.15(99)	1559.25(97)	1123.65(93)
2	DCARDB	0(0)	13.26(1)	36.51(3)
3	RRB	8.63(1)	27.95(2)	43.88(4)
	Total	2097.78(100)	1600.46(100)	1204.04(100)

Note: Figures in parenthesis indicate percentage to total.

2.5 From Table 2.2, it can be seen that GLC under NFS in Ujjain district, which was Rs. 2097.78 lakh in 1999-2000 decreased to Rs. 1600.46 lakh in 2000-01 and further to Rs. 1204.04 lakh in 2001-02. Commercial banks accounted for 99%, 97% and 93% of GLC under NFS during the three years. The decline in GLC during 2001 and 2002 was 24% and 25% respectively compared to previous years. The steady decline in GLC can be attributed to the drought situation in the district during the last 3 years. DCCB had not done any financing under NFS during the three years.

Refinance disbursements under NFS in Ujjain

2.6 Data on bank-wise availment of refinance from 1999-00 to 2001-02 under NFS in Ujjain district are presented in Table 2.3

Table 2. 3

Bankwise availment of refinance under NFS in Ujjain

(Amt in Rs lakh)

Sl. No.	Bank	Year		
		1999-2000	2000-01	2001-02
1	Bank of India	55.83(88)	—	169.30(81)
2	Dena Bank	7.40(12)	0.19(1)	—
3	RRB	-	2.62(10)	0.40(1)
4	MPSCARDB	-	22.84(89)	37.71(18)
	Total	63.23(100)	25.65(100)	207.41(100)

Note: Figures in parenthesis indicate percentage to total.

2.7 Table 2.3 shows the bank wise availment of refinance under NFS in Ujjain district from 1999-00 to 2001-02. It can be seen that refinance disbursement under NFS in Ujjain, which was Rs. 63.23 lakh in 1999-2000 declined to Rs. 25.65 lakh in 2000-01 and then increased to Rs. 207.41 lakh in 2001-02. Bank of India, with a share of 81 per cent in total NFS refinance assistance of Rs. 207.41 lakh during 2001-02 was instrumental in increasing the refinance disbursement to that level.

Selection of investment

2.8 The investments to be taken up for the study was decided after discussions with bankers. Eight major RNFS activities in the district under four major activity groups were selected by the study team. The activities and activity groups differed from bank to bank and the most common RNFS activities across all agencies were selected for study purpose. A total sample of 72 beneficiaries was identified and selected. Borrowers who were financed during the period 1999 to 2002 were covered under the study. The sample size and activity groups selected for the study are given in Table 2.4.

Table 2. 4
Sample size and major activity groups

Sl. No.	Activity group	Sample size	%
1	Manufacturing activities	41	57
2	Handicraft/village industries	6	8
3	Service units	14	20
4	Marketing activities	11	15
	Total	72	100

2.9 From Table 2.4, it can be understood that out of 72 borrowers, 41 borrowers (57 %) were from manufacturing activities. This was followed by 14 from service activities (20 %), 11 from marketing activities (15 %) and 6 from handicraft/village industries (8 %).

Selection of bank branches and activities

2.10 The bank branches and activities were selected on the basis of GLC flow and refinance availed by the banks in the district . The activities selected for the study are given in Table 2.5.

Table 2. 5
Selected activities

Activity group code	Activity group	Activities
I	Manufacturing activities	Stone crusher (5), Brick making (13), Fabrication (11), Furniture (7), Power loom (5)
II	Handicraft/village industries	Batik printing (6)
III	Service units	Tent house (14)
IV	Marketing activities	Grocery store (11)

Note: Figures in parenthesis indicate the number of sample units for individual activities.

2.11 From Table 2.5, it can be seen that the activities selected for study purpose were stone crushing, brick making, fabrication, power loom, batik printing, tent house, grocery store and furniture making.

2.12 The various bank branches were selected after discussions with LBO and other bankers in the district. The bank branches were selected on the basis of number of units financed by these branches under the selected activities. The bank branches selected for the study are given in Table 2.6. From the Table, it can be seen that maximum number of sample beneficiaries (29) were selected from CBs, followed by RRBs (26) and CARDB (17). This was due to the reason that CBs and RRBs had financed maximum number of units under these RNFS activities.

Table 2. 6

Distribution of sample beneficiaries of selected bank branches among activity groups

Sl. No.	Bank branches	Activity group				Total
		I	II	III	IV	
1	RRB Ujjain	9	—	2	1	12
2	RRB Nagda	3	—	—	—	3
3	RRB Ninora	4	—	—	—	4
4	RRB Mahidpur	2	—	—	2	4
5	RRB Ghonsla	—	—	—	3	3
6	CARDB Ujjain	—	—	2	—	2
7	CARDB Khachrod	1	—	1	—	2
8	CARDB Bairavgarh	1	1	—	—	2
9	CARDB Ingoria	1	—	—	—	1
10	CARDB Mahidpur	2	—	—	—	2
11	CARDB Ghatia	2	—	3	—	5
12	CARDB Makaron	—	—	1	—	1
13	CARDB Narwar	—	—	1	—	1
14	CARDB Zarda	1	—	—	—	1
15	Bank of India, Ghatia	2	—	1	—	3
16	Bank of India, Ujjain	7	—	2	2	11
17	Bank of India, Zarda	3	—	1	1	5
18	Bank of India, Kheda Khajuriya	—	—	—	2	2
19	Bank of India, Bairavgarh	—	5	—	—	5
20	Bank of India, Nagda	1	—	—	—	1
21	Dena Bank Ujjain	2	—	—	—	2
	Total	41	6	14	11	72

Coverage of Blocks

2.13 During the course of study, the study team covered 21 bank branches from all the 6 blocks in the district. The bank branches and the corresponding blocks are given in Table 2.7

Table 2.7**Selected Bank Branches Block wise**

Sl. No.	Bank branches	Block
1	RRB Ujjain	Ujjain
2	RRB Nagda	Mahidpur
3	RRB Ninora	Ujjain
4	RRB Mahidpur	Mahidpur
5	RRB Ghonsla	Ujjain
6	CARDB Ujjain	Ujjain
7	CARDB Khachrod	Kachrod
8	CARDB Bairavgarh	Ghatia
9	CARDB Ingoria	Bhadnagar
10	CARDB Mahidpur	Mahidpur
11	CARDB Ghatia	Ghatia
12	CARDB Makaron	Tarana
13	CARDB Narwar	Ujjain
14	CARDB Zarda	Mahidpur
15	Bank of India, Ghatia	Ghatia
16	Bank of India, Ujjain	Ujjain
17	Bank of India, Zarda	Mahidpur
18	Bank of India, Kheda Khajuriya	Mahidpur
19	Bank of India, Bairavgarh	Ghatia
20	Bank of India, Nagda	Mahidpur
21	Dena Bank Ujjain	Ujjain

Bank wise classification of selected activities

2.14 Table 2.8 shows the bank wise distribution of sample beneficiaries of selected activities.

Table 2. 8**Bank wise Distribution of Sample beneficiaries**

Sl. No.	Activity	Bank				Total
		RRB	CARDB	BOI	Dena Bank	
1	Stone crusher	2	1	2	—	5
2	Power loom	—	—	5	—	5
3	Tent house	2	8	4	—	14
4	Brick making	7	3	3	—	13
5	Furniture	3	2	1	1	7
6	Fabrication	6	2	2	1	11
7	Grocery store	6	—	5	—	11
8	Battik printing	—	1	5	—	6
	Total	26	17	27	2	72

2.15 From Table 2.8, it can be seen that maximum no. of beneficiaries (27) were covered from Bank of India, followed by 26 from RRB. It is also clear that maximum beneficiaries were covered under Tent house (14) followed by Brick making (13). Minimum sample of five beneficiaries were covered for Stone crusher and Power loom activities.

Collection of data

2.16 Data for the study were collected from both primary and secondary sources. Secondary data were collected from PLP, publication by BIRD and other available material.

2.17 Structured questionnaires were prepared for collection of data from banks and beneficiaries during field visits.

2.18 The study team interacted with bankers, officials of Govt. dept. like DTIC (District Trade and Industries Centre), DDM (NABARD) and field officers for collection of information regarding various programmes, credit flow, loan portfolios etc.

2.19 Interactions were held with individual beneficiaries to examine the adequacy of credit and study the aspects related to margin money, repayment capacity, income generation, employment generation etc.



CHAPTER - III

PROFILE OF STUDY AREA

Ujjain district, located in the heart of Malwa region in Madhya Pradesh is an important part of the cultural and religious heritage of the country. Situated on the banks of the sacred river Shipra, this ancient, predominantly agricultural temple town of the State is gradually undergoing changes under the forces of urbanisation, while largely retaining its traditional ethos. The total geographical area of the district is 6069 sq. km, spread over six blocks and 1092 villages.

Demography

3.2 The demographic details of the district are as given below :

1	Total population (1991)	:	1383 ('000)
	Males	:	717
	Females	:	666
2	Population density/sq.km.	:	227
	Population below poverty line	:	29%
3	Classification of workers (in 000)	:	
a	Farmers	:	205
b	Agricultural labourers	:	120
c	Craftsmen	:	1
d	Household cottage industry	:	9
e	Other workers	:	169

Status of development

3.3 Some developmental indicators relating to infrastructure & agricultural growth are as indicated below :

1	Villages electrified (%)	:	100
2	Villages with drinking water facility (%)	:	98.6
3	Per hectare fertilizer use	:	120 Kg.
4	Per hectare investment credit	:	Rs. 400.00
5	Per hectare crop loan	:	Rs. 960.00

3.4 It can be seen that all the 1092 villages are electrified, with 98.6 per cent villages having drinking water facility.

Infrastructure - Roads

3.5 The status of roads in the district is given below:

(Road length in km)

Roads	Year	
	1997- 98	1998- 99
Pucca road	1502	1509
Kacha road	201	213
Total	1703	1722

Markets/Haats

3.6 Data on Block- wise number of markets/ haats are given below:

Sl No	Block	No. of Markets
1	Bhadnagar	8
2	Kachrod	5
3	Tarana	13
4	Mahidpur	9
5	Ujjain	7
6	Ghatia	5
	Total	47

RNFS workforce in Ujjain district (1991)

3.7 The block wise distribution of RNFS workforce in Ujjain district is given below:

(Work force in Numbers)

Activity	Block						Total
	Bhadnagar	Kachrod	Mahidpur	Tarana	Ujjain	Ghatia	
Manufacturing & Processing	1557	2814	1969	1818	2071	822	11051
Trade & Commerce	940	594	1244	941	879	481	5079
Transport & Other Services	3217	1985	2298	2792	1920	1740	13952
Total	5714	5393	5511	5551	4870	3043	30082

3.8 From the Table, it can be seen that the total RNFS work force in Ujjain district was 30082 during 1991, with Bhadnagar block having the highest number of work force of 5714.

Land utilisation pattern

3.9 The land utilisation pattern of Ujjain district is detailed below (in hectares) :

a	Total geographical area	:	609874
b	Net sown area	:	480573
c	Forest area	:	3149
d	Fallow land	:	3672
e	Land unavailable for agriculture	:	53816
f	Area under high yielding variety of seeds	:	155200

3.10 It can be seen that the Net Sown Area of 480573 ha is 79 per cent of the total geographical area. Forest area and Fallow land together comprise about one per cent of the geographical area.

Operational land holdings

3.11 The details of operational agricultural holdings in Ujjain district are listed below :

	Holdings	<u>No.</u>	<u>%</u>	<u>Area (ha)</u>	<u>%</u>
a	less than 1 hectare	35577	26	19618	4
b	between 1 & 2 hectare	29239	21	48795	9
c	More than 2 hectare	73734	53	464935	87
	Total	138550	100	533348	100

Source: Compendium of Agricultural Statistics, GOMP

3.12 The above table shows an inverse relationship between number of land holdings and area operated, in the case of items a and b. Thus, 26 per cent of the total land holdings are less than 1 hectare and constitute only 4 per cent of the total area, while 21 per cent of land holdings are between 1 ha and 2 ha and constitute 9 per cent of the land area. Land holdings of more than 2 ha constitute 87 per cent of land area.

Livestock

3.13 The livestock population in the district (as per latest livestock survey) is given below :

a	Draught animals	:	144006
b	Dairy Animals		
	Cows	:	97215
	Buffaloes	:	117012
c	Sheep/goat	:	122646
d	Poultry	:	70720

Banking network

3.14 The banking network in the district is detailed below :

	DCCB	DCARDB	Indore- Ujjain RRB	Commercial Bank	Total
1 No. of banks	1	1	1	21	24
2 No. of branches					
Rural	17	08	23	32	80
Semi urban	05	03	00	17	25
Urban	06	01	02	44	53
Total	28	12	25	93	158
3 No. of loan accounts	8261	5129	9670	67397	90457
4 No. of villages per branch	64	136	47	34	14
5 Recovery percentage	63	42	70	-	-
6 Credit deposit ratio	95	-	62	49	-

3.15 There are 24 banks in the district, comprising of CBs(21), RRB(1), DCARDB(1) and DCCB(1). The total number of bank branches is 158, comprising of rural, semi urban and urban branches. Across all banks, the maximum number of branches existed in rural areas. RRB had 92 per cent of the branches in rural areas, followed by DCARDB(67 per cent), DCCB (61 per cent) and Commercial banks (34 per cent).



CHAPTER IV

PROFILE OF SAMPLE BORROWERS

This chapter deals with the Socio-economic characteristics of the sample borrowers under RNFS activities. The profile of the borrowers relates to occupational pattern, literacy level, family size, category and caste, previous experience in the activity and related areas. The different characteristics are given in separate tables, to enable a wide coverage of the social & economic status of borrowers selected for the study.

Occupational Pattern

4.2 The primary occupation of the borrowers was considered to study the deviation from traditional activities. Table 4.1 shows the occupational pattern of the sample borrowers.

Table 4.1

Occupational pattern of borrowers

Sl. No.	Activity group	Primary occupation			
		Agriculture	Business	Service	Artisans / Skilled labour
1	Manufacturing	6	7	1	27
2	Handicraft/village industries	0	0	0	6
3	Service units	2	12	0	0
4	Marketing	2	9	0	0
	Total	10	28	1	33

4.3 From Table 4.1, it can be seen that out of the 72 sample borrowers, maximum number (33) were Artisans/Skilled labourers. This was followed by business group consisting of 28 members. The data shows that 10 of the sample beneficiaries had agriculture as their primary occupation, while 1 borrower was involved in service activities. It was found that most of the beneficiaries were fully engaged in their activities. This was especially so with respect to stone crusher, power loom, brick making and batik printing units.

Literacy Level

4.4 The literacy levels and educational qualification of the sample beneficiaries were taken into consideration for the study. These variables had marginal impact on the income levels, asset utilisation, repayment etc. Table 4.2 represents the literacy levels of the sample borrowers.

Table 4. 2

Literacy level of borrowers

Sl. No.	Activity group	Literacy			
		Illiterate	Primary	8th Standard	Matric & above
1	Manufacturing	9	27	0	5
2	Handicraft/Village industries	3	1	1	1
3	Service units	4	6	4	0
4	Marketing	5	4	2	0
	Total	21	38	7	6

4.5 Table 4.2 shows that out of the 72 sample borrowers, 38 beneficiaries had primary education, which constituted 53% of the total sample. From the Table, it can be seen that 21 beneficiaries (29%) were illiterate and had taken up the activities from their childhood. Most of the borrowers under brick making belonged to this category. While 7 beneficiaries (10%) had education upto eighth standard, 6 beneficiaries (8%) had educational qualification of matric and above. The owner of 'Mahaakal' stone crusher in Nazarpur, Ghatia block, financed by Bank of India was in fact, a medical practitioner. Irrespective of their literacy levels, the beneficiaries had awareness about their activities and the marketing strategies to be adopted. This was due to the practical knowledge gained from years of involvement in the respective activities.

Family Size

4.6 The family size of sample beneficiaries was considered from the social view point to assess the impact of the activity in generating sufficient income for the upkeep of the family, education of children etc. Traditional activities like batik printing and furniture making involved family labour and this was reflected in net income from those activities. The family size of sample beneficiaries has been given in Table 4.3

Table 4. 3

Family size of sample borrowers

Sl.No	Activity group	Family size (No.)		
		3-5	6-10	>10
1	Manufacturing activities	11	25	5
2	Handicraft/Village industries	2	3	1
3	Service units	7	5	2
4	Marketing activities	5	6	0
	Total	25	39	8

4.7 From Table 4.3, it can be seen that maximum number of beneficiaries (39) had families consisting of 6-10 members, while 25 beneficiaries had 3-5 members in their families. Number of beneficiaries having more than 10 members in their family was 8 only. Traditional artisans involved in batik printing, brick making, furniture making etc. had mostly employed family labour to generate maximum income from the activity.

Category and Caste of borrowers

4.8 The size of land holdings owned by the borrowers as well as the caste to which they belong are given in Table 4.4

Table 4.4

Category and Caste of borrowers

Sl. No.	Activity group	Category			Caste		
		Land less	Small	Others	SC	ST	Others
1	Manufacturing activities	0	30	11	2	0	39
2	Handicraft/Village industries	1	3	2	0	0	6
3	Service units	1	11	2	0	0	1
4	Marketing activities	2	7	2	0	0	11
	Total	4	51	17	2	0	70

4.9 It can be seen from Table 4.4 that 51 borrowers had small land holdings, while 4 borrowers were land less. The Table shows that 17 borrowers had medium and large land holdings. Thus, it can be concluded that majority of the beneficiaries were not agriculture oriented and were involved mainly in NFS activities.

4.10 Regarding the caste of sample borrowers, it can be seen that 70 out of 72 sample beneficiaries constituting 97 per cent of total belonged to other communities. Only two borrowers constituting 3% of total belonged to Scheduled Caste, while the representation of Scheduled Tribe was nil in the entire sample.

Previous Experience of borrowers

4.11 During the study, information on the experience of sample borrowers in the particular activity or related activities was elicited through direct interaction. Table 4.5 shows the previous experience of the sample borrowers :

Table 4. 5

Previous experience of sample borrowers

Sl.No.	Activity	Prior experience	No experience
1	Construction/Building Material	30	11
2	Handicraft/Village industries	4	2
3	Service units	10	4
4	Marketing activities	9	2
Total		53	19

4.12 From Table 4.5, it can be seen that 53 borrowers constituting 74 per cent of the total sample had previous experience in the particular activity or related activities. Only 19 borrowers constituting 26 per cent of total did not have prior training or experience with respect to the activity, but they learned from the experience gained after setting up the units. It was found that most of the beneficiaries had maintained the assets in proper condition and handled the units in an efficient manner.



CHAPTER V

IMPLEMENTATION OF SCHEMES

Proper implementation of schemes by financial institutions is important for the success of various schemes/activities. Implementation process involves identification of borrowers, loan requirement, pre and post sanction visits, repayment aspects, training, technical guidance, supervision etc. This chapter gives details of the implementation of RNFS activities in Ujjain district.

Identification of borrowers

5.2 The borrowers from various activities were identified by banks and Government agencies like DRDA and DTIC.

Appraisal procedure

5.3 The banks generally conducted pre-sanction visits while processing the applications. The study covered Indore-Ujjain RRB, ARDB, Bank of India and Dena bank. Generally, banks followed NABARD norms for appraisal of loan applications. In the case of ARDB and RRB, field officers were deputed for the appraisal process. In the case of commercial banks, the specialist officer or the branch manager himself appraised the applications.

5.4 The banks sanctioned the loans on the basis of the sanctioning power of branch managers as well as security offered by the borrower. The appraisal forms had details regarding the beneficiary, activity involved, technical and financial feasibility etc. But the appraisal quality, especially with regard to identification of borrowers was not found to be satisfactory, resulting in wilful defaults.

Loan sanction and disbursement

5.5 The banks usually sanctioned and disbursed the loan amount in installments. The loan amount required for purchase of machinery and equipment was handed over to the supplier on behalf of the borrower.

5.6 Generally, banks disbursed the first installment within three weeks of receipt of loan application. But in certain cases, especially that of ARDB, time lag of 2-10 months was noticed between receipt of loan application and actual loan disbursement. This delay was noticed, particularly in the case of tent house and brick making activities. The time lag between loan sanction and disbursement was found to be ranging from one month to eight months in the case of ARDB. This was attributed to the delay in obtain-

ing sanction from the Head office. In the case of Commercial banks and RRB, time lag between loan sanction and disbursement was found to be two weeks and one month respectively.

Margin money

5.7 Regarding the margin money component with respect to RNFS activities, the financing banks followed RBI guidelines. The loan amount disbursed by the banks varied from 57 per cent for stone crushing activity to 95 per cent for furniture making activity. The shortfall was mainly due to the limited sanctioning power of branch managers and non disbursement of entire loan amount sanctioned due to apprehension of default by borrower.

5.8 The margin money contribution varied from 5 per cent in the case of furniture making to 43 per cent in the case of stone crushing.

Security

5.9 In the case of disbursements upto Rs 25000, the loan amount has to be secured by mortgage of assets. For loan amounts above Rs 25000, the individual bank decides the nature of security. In addition to hypothecation of assets, banks had obtained collateral security from the borrowers, to ensure prompt repayment. Fixed deposits were also accepted from almost all borrowers.

Rate of interest

5.10 NABARD had advised banks to charge interest rates for RNFS activities, as per the rates stipulated by RBI from time to time. The study revealed that financing banks charged interest rates varying from 12 per cent to 18 per cent per annum, depending on the loan amount.

Repayment Schedule

5.11 The loan repayment period under various RNFS activities varied from three years to ten years. It was found that grace period was not allowed by the banks.

5.12 The repayment schedules were fixed on monthly, quarterly, half yearly and yearly basis. There was difference in repayment schedule for the same activity, from bank to bank.



CHAPTER VI

COST OF INVESTMENT

The study covered eight major RNFS activities in Ujjain district under four major heads. The reference year for the study was 2002-03. The major activities studied are given below :

- i) Manufacturing activities : Stone crushing, Brick making, Steel Fabrication, Furniture making & Power loom.
- ii) Handicraft / Village Industries : Batik Printing.
- iii) Service Activities : Tent House.
- iv) Marketing Activities : Grocery Store.

6.2 This chapter gives details of the actual cost of investment for starting the units and commencing production. The major items of investment were found to be machinery, work shed, tools and other equipment. The block capital and working capital requirement of the activities were considered for calculation of actual cost of investment.

6.3 Based on field visits and interactions with borrowers , the actual cost of investment under each activity is given below :

Manufacturing Activities

6.4 A total of 41 units were covered under Manufacturing activities. The sample comprised of 5 stone crusher units, 13 brick making units, 7 furniture making units, 11 steel fabrication units and 5 power loom units. Table 6.1 shows the block capital and working capital for the individual activities under manufacturing activities.

Table 6.1

Amount sanctioned and disbursed for manufacturing activities

(Amt in Rs/unit)

Sl. No.	Activity	No. of units	Avg. loan amount sanctioned			Avg. loan amount disbursed		
			BC	WC	Total	BC	WC	Total
1	Stone Crushing	5	950000	-	950000	750000	-	750000
2	Brick Making	13	1000	103000	104000	1000	103000	104000
3	Fabrication	11	70000	80000	150000	70000	80000	150000
4	Furniture making	7	50000	50000	100000	50000	50000	100000
5	Power Loom	5	2500000	-	2500000	2500000	-	2500000

Stone Crushing Units

6.5 A total of five stone crushing units were visited during the study. The units were generally located on Maksi road, Ujjain and maintained a distance of three km from the main road. The units availed bank loan for purchase of stone crusher, tools and equipment. The average loan disbursed by banks was found to be Rs.7.5 lakh per unit. Banks followed the practise of disbursing nearly 80 per cent of the sanctioned loan amount and were not willing to disburse the entire amount due to fear of default by borrowers. The break up of loan sanction and disbursement is shown in Table 6.1. Margin money was provided by the beneficiaries through borrowings from relatives or money lenders. Two acres of stone quarry was taken on lease by the beneficiaries for a period of ten years. The stone crushers were usually purchased from Indore and Ahmedabad. All the units had installed diesel generators due to power shortage. The units crushed huge stones and boulders into small pieces for domestic and industrial purpose. The final product comprised of stone pieces ranging from 6 mm to 40 mm in size as well as dust. Maximum demand existed for 20 mm and 40 mm stone pieces which were used in house, road and rail constructions. Demand for stone mostly came from contractors in and around Ujjain. By products like dust was purchased by various factories and units in the vicinity, for industrial purpose. In spite of power failure for long duration, the units were able to sell five dumpers of stone per day with each dumper having a capacity of 10 MT. The activity was undertaken for 300 working days per year. Around six stone crushing units financed by various banks existed in the same locality. The units had dug soil up to 15 feet depth and the entrepreneurs opined that with the increase in depth, cost of excavation also increases.

6.6 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of stone crushing units are given in Table 6.2

Table 6.2
Cost of investment at historical and reference year prices for stone crushing units
(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Stone crushing	750000	558000	1452500	1308000

Block - I: Stone Crushing

Shri Hardeep Singh of Chakjairampur village in Ujjain block availed bank loan of Rs 807500 from RRB, Ujjain in the name of his spouse, Smt Shimlika and started Shiv Kripa constructions on Maksi road. He had taken 2 acres of land on lease for a period of ten years, in 1998. He was fully involved in the activity. The machine crushed stones and boulders into four different sizes and there was regular demand from building contractors and railways. Being a business man by profession, he provided the margin money from own sources. The borrower was well educated and had knowledge of business. At the time of field visit, the loan outstanding in his account was Rs 3.78 lakh. The assets were maintained in proper condition. He had employed nearly 30 people on contract basis and had constructed residences for the workers and family. Most of the workers were from nearby localities and villages. Diesel generator was installed on the premises. He was fully satisfied with the activity, even though he expressed concern about the worsening power situation.

6.7 Details of block capital in the case of an average stone crushing unit at historical and reference year prices are given below :-

Table 6. 3
BLOCK CAPITAL INVESTMENT FOR STONE CRUSHER UNIT

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Land & Building	205000	161500
2	Plant & Machinery	750000	692525
3	Equipment	7500	6825
4	Installation	150000	132500
5	Tractor	245000	234800
6	Miscellaneous	95000	79850
7	Total	1452500	1308000

6.8 Financing banks disbursed about 80 per cent of sanctioned loan amount for stone crushing activity. From Table 6.1, it can be seen that the actual bank loan disbursed was Rs 750000, which was 57 per cent of the cost of investment. The margin money of Rs 558000, which constituted 43 per cent of the investment cost was put in by the beneficiaries from own sources. The beneficiaries had taken 2 acres of land on lease for 10 years at the rate of Rs.5000/- per year. Work sheds had been constructed and quarters were provided for labourers and family.

Brick Making

6.9 Brick making was found to be a very popular RNFS activity in Ujjain. The study covered 13 brick making units. The units produced 2000 country made bricks on an average per day. Brick making units were generally situated on leased or own land, near natural sources of water. As regards concentration of units, 20 to 25 brick making units existed in the same village. Demand for bricks was high in Ujjain and surrounding areas due to construction business. Clay, coal, bussa and wood are important raw materials required for brick making. The activity created employment opportunities for local labour. The borrowers had constructed water tanks & moulds in the premises for mixing clay. Brick making season lasts for seven months, i.e. from November to May. Usually, three types of bricks were manufactured by the units depending on thickness and quality of bricks. All the three types of bricks were in good demand. The duration of a single operating cycle was around 50 days, from excavation of clay to burning or baking of the bricks. Variation in capital requirement among the units was related to the type of clay used, scale of operation, local conditions etc. Some of the units had used brand names on bricks for easy identification of the product. 'SR' brand bricks were sold by one of the beneficiaries. The borrowers were fully involved in the activity and the bricks were maintained in good condition. Even though most borrowers

had no prior training in brick making, it was a traditional activity for some of the borrowers. The units had adequate land holding to stock 1 lakh bricks at a time. Most of the units sold the bricks a rate of Rs. 1000 per 1000 pieces. The general problem related to the activity was lack of availability of raw materials like 'bhussa' due to drought situation. The average bank loan disbursed inclusive of block capital and working capital for 4 operating cycles during the year was found to be Rs. 1 lakh as given in Table 6.1. The disbursed amount was adequate for the beneficiaries to commence the activity and start production.

6.10 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of brick making units are given in Table 6.4.

Table 6.4
Cost of investment at historical and reference year prices for brick making units
(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Brick making	100000	4000	110000	104000

Block - II : Brick Making

Shri Keshar Singh of Surasa Ghatia village was financed by ARDB, Bhairavgarh, Ghatia block, for commencing brick making activity. He availed bank loan of Rs 155000 during May 2000 and started the activity in his own land. He was of the opinion that the bank loan disbursed was adequate for his purpose. He was fully involved in the activity right from the initial stage of production process and at the time of field visit, one lakh bricks were stacked on the site for sales purpose. The activity commenced at five in the morning and continued till 6 in the evening. He had employed 10 local labourers on contract basis to undertake the activity. He had constructed water tanks and tube wells on the premises. The demand for bricks came mostly from Ujjain. The borrower did not have prior training in brick making and marketing. Still, he manufactured 'SR' brand of bricks and supplied bricks for the construction of the new medical college hospital in Ujjain. At the time of field visit, he had repaid an amount of Rs 1.05 lakh and the entire repayment was done out of income from the activity. Of late, he faced problems in obtaining raw materials like 'bhussa' for brick making. This was due to the general drought situation.

Steel Fabrication Units

6.11 A total of 11 Steel fabrication units were covered during the study. These units had equipment like Drilling Machine, Welding Machine, Grinding Machine and other tools. The actual cost of investment per unit was found to be Rs. 1.86 lakh, while bank loan availed was Rs 1.5 lakh consisting of

Rs.70000 block capital and Rs.80000 working capital. Some of the units received adequate supply orders from industries like 'Grasim' in Nagda area.

6.12 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of steel fabrication units are given in Table 6.4

Table 6. 4
Cost of investment at historical and reference year prices for steel fabrication units
(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Steel fabrication	150000	36000	200000	186000

Block - III: Steel fabrication

Shri Devidas availed bank loan of Rs 300000 from RRB, Nagda and started a steel fabrication unit in Nagda. He purchased machinery and other tools with the bank loan. The unit manufactured industrial equipment, implements, steel shutters, frames etc. He received regular orders from Grasim industrial unit in Nagda and the income generated was adequate to sustain the unit. He provided employment to 15 persons and was fully involved in the activity. He was regular in repayment of bank loan.

6.13 The block capital requirement of an average fabrication unit at historical and reference year prices is given below :-

Table 6. 5
BLOCK CAPITAL FOR FABRICATION UNIT
(Amt in Rs)

Sl. No.	Item	Reference year price	Historical price
1	Welding Machine	18240	15250
2	Grinding Machine	8345	6050
3	Drilling Machine	7565	7065
4	Tools	11500	8035
5	Work shed	14500	12500
6	Air Compressor	7100	6300
7	Miscellaneous	2750	2300
	Total	67250	55200

Furniture Making Units

6.14 A total of seven furniture making units were selected for the study. The equipment required for the activity were electric drill, saw, lathe and tools like hammer and chisel. Even though all the borrowers did not have prior training in the activity, it was a traditional activity for certain units. Only two borrowers had set up independent furniture units. Five borrowers operated from own residence. The units made wooden furniture items like bed, sofa set, chairs and door frames. The average cost of investment per unit was found to be Rs.1.05 lakh. Banks had disbursed Rs 1 lakh inclusive of block capital and working capital, as can be seen from Table 6.1. Margin money of Rs 5000 was provided by the borrowers from own sources.

6.15 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices with respect to furniture making units are given in Table 6.6

Table 6. 6

Cost of investment at historical and reference year prices for furniture making units

(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Furniture making	100000	5000	110000	105000

Block - IV: Furniture making

Shri Shyamlal from Ghonsala village, Mahidpur availed bank loan of Rs 109500 from ARDB, Mahidpur in May 2001, to start furniture unit in own residence. He was a traditional artisan and was involved in the activity right from childhood. He used the bank loan for purchase of tools and other equipment for the activity. Various items like sofa sets, tables and chairs were made as per orders received from customers. He was fully engaged in the activity and had provided employment to one person. The sales price of sofa sets ranged from Rs 2500 to Rs 12000, while that of tables was in the range Rs 500 to Rs 10000 depending on the quality of wood, size and design required by the customer. The unit generated adequate income and the borrower was satisfied with the activity. He was prompt in repayment of bank loan .

6.16 The block capital requirement of furniture making units at historical and reference year prices is given below:

Table 6. 7

BLOCK CAPITAL FOR FURNITURE MAKING UNIT

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Electric drill	21550	19785
2	Motorised Saw	18595	15710
3	Hammer, Chisel etc	9855	7475
Total		50000	42970

Power Loom Units

6.17 More than 4000 power loom units are located in various blocks of Ujjain district. Around 125 power loom units exist in and around Ujjain city .

6.18 The study team visited five power loom units financed by Bank of India. The borrowers utilised the block capital for purchase of loom, accessories as well as electric motors and related equipment. Most of the units purchased ordinary power looms and the units were generally set up in own premises. Automatic power looms had been purchased by two or three units in Ujjain proper. The looms and related equipment were purchased from Ahmedabad. The cost price of an ordinary power loom was Rs 28000, while that of an automatic one was Rs 60000 at reference year prices. Working capital was required for purchase of raw materials like yarn, day oil, cloth etc. These raw materials were usually purchased from Ujjain, Ratlam and Indore. The process consists of mixing cotton bales, breaking up, bundling, carding, yarn processing, softening, sizing and final marketing of the product. The average cost of investment was found to be nearly Rs.28.8 lakh per unit for ordinary power looms. Bank loan provided was Rs.25 lakh, which was 87 per cent of the cost of investment. Margin money of Rs.3.8 lakh was provided by the beneficiary from own sources. The main production season was May- August while the peak sales season was October-January. The units generally manufactured white cloth for flannels. The cloth was also used for making tent house material, since the count of cotton used was superior, which ensured good printing and absorbing capacity. Some of the units like Chanodiya power loom and Padmavathy power loom were well established and involved in manufacture and supply of cotton yarn to traders in Uttar Pradesh and Ujjain since the last 14 years. The units imported egyptian cotton for manufacture of thick cloth material and this cloth was used in branded garments like Bombay Dyeing and Mafatlal. Skilled labour constituted 90 per cent and unskilled labour constituted 10 per cent of total labour. Some of the entrepreneurs revealed that many power loom units in Ujjain turned sick units due to political pressure and labour laws.

6.19 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of power loom units are given in Table 6.8. Block capital investment for powerloom units is given in table 6.9.

Table 6. 8
Cost of investment at historical and reference year prices for power loom units

Activity	Bank Loan	Margin money	(Amt in Rs/unit)	
			Actual cost at reference year prices	Actual cost at historical prices
Power loom	2500000	380000	3200000	2880000

Block - V: Power loom

Shri Gyanchand availed bank loan of Rs 2500000 from Bank of India, Ujjain and established 'Sweety Yarn Agency' in Udyogpuri, Agar road, Ujjain. The beneficiary had prior working knowledge of the activity. He had provided employment to 20 persons and was satisfied with the income generated from the activity. Despite drought situation, he was able to retain the demand for the product due to personal contacts and good will. The unit supplied cotton yarn to whole sale dealers in Uttar Pradesh. The borrower was of the opinion that there was considerable hike in labour cost during the last three years. He was apprehensive about frequent power cuts, which interrupted production process for considerable period. He was regular in repayment of loan amount.

Table 6. 9
BLOCK CAPITAL INVESTMENT FOR POWER LOOM UNIT

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Land & Building	1250000	1039670
2	Power loom	1680000	1590000
3	Electric motor & Equipment	184500	175210
4	Miscellaneous	85500	75120
5	Total	3200000	2880000

Handicraft / Village Industries

Batik printing

6.20 A total of six batik printing units were visited by the study team for estimating the benefits from this traditional activity in terms of income and employment generation.

6.21 Batik printing is a very common activity in Bairavgarh village of Ghatia block, located 10 km from Ujjain city. The activity is undertaken by rural artisans traditionally involved in the activity. It was understood that there are 100 or more units in the village, operating from independent worksheds or own residence. Most of the families involved in the activity belong to muslim community.

6.22 In the case of work sheds, only males were engaged in the activity which involved washing of cloth, applying wax, drawing figures and then printing the cloth. In the case of units operated from own

residence, females were also involved in the work process. The raw materials required for the activity are wax, dye, sand, water, kerosene and needles. The artistic inclination and precision of the labourer was important as far as needle drawing was concerned. At the time of field visit, the batik patterns depicted on clothes were figures of animals, which had good demand in the export market. On an average, six labourers were employed in a batik printing unit.

6.23 Established units like 'Noble Printers' were doing good business and the products had good demand in the export market. The finished products were purchased by wholesale dealers in Jaipur, Rajasthan from where it was exported. The units took care in maintaining the quality of the product by using high quality raw materials. The finished goods were stocked in separate godowns. The borrowers had availed bank loan ranging from Rs.60000 to Rs. 200000 for commencing the activity. The average bank loan was found to be Rs 110000, constituting 80 per cent of the cost of investment. Margin money of Rs 28000 which constituted 20 per cent of the cost was provided by the borrower from own sources.

6.24 The units undertook printing work on sarees, bed sheets, salwar suits etc. 'Noble printers' commenced the activity, 15 years back. Export season for the products started from July each year. The unit cost for the activity on an average was found to be Rs.1.5 lakh. The units were in operation only during day time. Earlier, 'Hasta Shilpa Vikas Nigam' owned by the State Government purchased the dress material from the units, but has stopped purchasing recently due to various reasons.

6.25 It was observed that even though there existed adequate scope for cluster development, the artisans were not in favour of the same. Instead they preferred to operate as independent units. This may be due to the influence of middle men who want to prevent the artisans from entering the export market directly. The artisans were of the opinion that due to large number of similar units in the locality, there was heavy competition resulting in low prices during the last three years.

6.26 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of stone crushing units are given in Table 6.10.

Table 6.10
Cost of investment at historical and reference year prices for batik printing units
(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Batik printing	110000	28000	150000	138000

Block - VI: Batik printing

Shri Abdul Waheed of Bairavgarh village was financed by Bank of India, Bairavgarh for starting 'Noble Printers'. He was involved in the activity for the past 15 years and it was a traditional occupation for him and family. He had constructed separate work shed for printing work and godown for stock of finished goods. He availed bank loan of Rs 200000 and was fully involved in the activity along with other family members. The unit operated from 8 am to 6 pm. Normally, five days were required to undertake printing on 250 metres of cloth. He was prompt in repayment of bank loan. He was of the opinion that demand for the product had increased by 20 per cent during the last three years, but severe competition from near by units kept prices low. He transported the product to whole sale dealers in Jaipur by road or rail for which payments were made by dealers during every three months. The dealers exported the product to foreign countries like USA from Jaipur and the borrower had no role in export business. Shri Abdul preferred to continue the present status of the activity and was not in favour of cluster formation and direct export.

6.27 The block capital investment of batik printing unit is given in Table 6.11.

Table 6. 11

BLOCK CAPITAL INVESTMENT FOR BATIK PRINTING UNIT

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Building & Workshop	124750	115000
2	Tables & equipment	25250	23000
	Total	150000	138000

Service Activities

Tent House

6.28 Under service activities, 14 tent house units were visited by the study team. Even though tent house units had adequate business, there were 4 willful defaulters financed by RRB, Ujjain. The defaulters diverted the income generated for purchase of additional stock and marriage purposes, instead of repaying bank loan.

6.29 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of tent house units are given in Table 6.12 Block capital investment for tent house units is give in Table 6.13.

Table 6.12

Cost of investment at historical and reference year prices for Tent House activity

(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Tent House	190000	43000	250000	233000

Table 6. 13

BLOCK CAPITAL INVESTMENT FOR TENT HOUSE UNIT

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Tent House equipment	195600	185500
2	Godown	38750	36500
	Total	234350	222000

6.30 The unit cost of the activity at historical prices was found to be Rs. 2.33 lakh for purchase of stock and maintenance of godown. The average loan amount sanctioned and disbursed in respect of the activity are given in Table 6.14.

Table 6. 14

Loan amount sanctioned & disbursed for Tent House Activity

(Amt in Rs/unit)

Activity	No. of units	Average loan amount sanctioned (Rs.)			Average loan amount disbursed (Rs.)		
		BC	WC	Total	BC	WC	Total
Tent House	14	190000	—	190000	190000	—	190000

6.31 Thus, the bank loan of Rs. 1.9 lakh disbursed was 82 per cent of the cost of investment and the margin money of Rs. 43000 which was 18 per cent, was provided by the beneficiaries from own sources.

6.32 The sample units had utilised the bank loan for purchase of furniture, tent, cloth material & utensils which are in demand during marriage and festival seasons. Bank loan provided was adequate for the purchase of these items. Working Capital was required by the units for maintenance, labour, transport, etc. Generally, tractors were used for transportation of equipment from the units to marriage/festival location and back. The units catered to a distance of 10 k.m. around the village, with some of the units providing service even in Ujjain proper.

6.33 The peak season for tent house activity lasted for two months, with the commencement of marriages. During season time, the borrowers generated net income of Rs.50000/- from the activity. Local labour was available for the activity. Nearly 70 per cent borrowers kept the equipment in own residence, while the remaining 30 per cent stocked the goods in proper godowns which were own or rented. The necessary equipment and material for the units was available from Ujjain proper.

6.34 At the time of field visit, peak season for tent house activity was just getting over. With the commencement of monsoons, demand for the activity decreases. The units received 10 to 15 orders every year, which was enough to generate adequate income and maintenance of the units.

Block - VII : Tent House

Shri Shivnarayan of Malikheri village was financed by ARDB, Ghatia for commencement of tent house activity. He availed bank loan of Rs 152000 in November 2000 and established 'Sanjay' Tent House in December 2000. The unit operated from rented shop and provided service to seven villages within a range of 5 km. The bank loan was utilised for purchase of tent house equipment like mattresses, plastic chairs, kamandal and buckets. Before commencement of the present activity, he had job in a soya bean plant and took up tent house activity when the plant was shut down. He received 15 orders on an average per year, which was adequate for income generation. Still, he had repaid only Rs 7500 during the last three years. The borrower was a wilful defaulter and admitted that he had purchased additional tent house material worth Rs15000 during the current year instead of paying the loan installment. In spite of being reminded by bank authorities, the beneficiary did not take interest in repayment of loan.

Marketing Activities

Grocery Stores

6.35 A total of 11 grocery units were covered under marketing activities. The units were located in and around Ujjain proper. The grocery units had availed bank loan of Rs. 80000 as working capital for business. The bank loan was utilised for purchase of necessary stock. Table 6.15 shows the bank loan sanctioned and disbursed under the activity. The average cost of investment for the activity was found to be Rs 1.035 lakh. While the average bank loan of Rs 80000 constituted 77 per cent of the cost of investment, margin money constituting 23 per cent of the cost was contributed by the borrower from own sources.

Table 6.15

Loan amount sanctioned & disbursed for Grocery Store activity

(Amt in Rs/unit)

Activity	No. of units	Average loan amount sanctioned (Rs.)			Average loan amount disbursed (Rs.)		
		BC	WC	Total	BC	WC	Total
Grocery Store	11	-	80000	80000	-	80000	80000

6.36 The parameters related to bank loan, margin money, actual cost of investment at historical and reference year prices of grocery units are given in Table 6.16.

Table 6.16

Cost of investment at historical and reference year prices for grocery units

(Amt in Rs/unit)

Activity	Bank Loan	Margin money	Actual cost at reference year prices	Actual cost at historical prices
Grocery store	80000	23500	110000	103500

Block - VIII: Grocery store

Shri Ravindra Kumar of Kheda Khajuria village in Mahidpur had availed bank loan of Rs 65000 from Bank of India, Kheda Khajuria, as working capital. He had utilised the bank loan for the purchase of required stock. He was doing good business and generated adequate income to meet his expenses and repayment of loan.

6.37 The block capital investment in the case of grocery store units is given in Table 6.17.

Table 6.17

BLOCK CAPITAL INVESTMENT FOR GROCERY STORE

(Amt in Rs)

Sl No.	Item	Reference year price	Historical price
1	Purchase of stock	80850	76180
2	Store	29150	27320
	Total	110000	103500

CHAPTER VII

ECONOMICS OF INVESTMENT

In this chapter, an attempt has been made to estimate the costs and net benefits from sample RMFS activities. The major activity groups selected for the study were :

- i) Manufacturing activities
- ii) Handicraft / Village activities
- iii) Marketing activities
- iv) Service activities

Manufacturing Activities

7.2 The five activities included under this head are stone crushing, brick making, fabrication, furniture making and power loom. Table 7.1 shows the net income generated from manufacturing activities, while Table 7.2 shows the results of financial analysis with respect to the same.

Table 7.1
Net Income generated from manufacturing activities

(Amount in Rs/unit)

Sl. No.	Activity	No. of Units	Block Capital	O & M Cost per year	Gross Sale	Net Income
1	Stone crushing	05	1452500	2313300	2700000	386700
2	Brick making	13	1000	106600	132000	25400
3	Steel fabrication	11	70000	1862500	2027450	164950
4	Furniture making	07	50000	70000	120000	50000
5	Power loom	05	2500000	1250000	1775000	525000

7.3 The result of financial analysis with respect to manufacturing activities is given in Table 7.2.

Assumptions for calculation of FRR

7.4 The assumptions for calculation of the financial parameters are:

1. All costs and benefits have been worked out at reference year prices.
2. The economic life of investments has been taken as 10-15 years depending on the investment.
3. All costs and benefits accruing to the borrowers have been taken into account for calculations.
4. Actual cost of investment has been updated using suitable price indices for obtaining reference year prices.

Table 7.2
Results of Financial Analysis for Manufacturing Activities

Sl. No.	Activity	FRR	NPW	BCR
1	Stone crushing	32.45%	582128	1.05
2	Brick making	29.85%	34242	1.06
3	Steel fabrication	>50%	613160	1.07
4	Furniture making	>50%	142927	1.33
5	Power loom	21.18%	462068	1.05

7.5 Table 7.1 shows the block capital, gross income, operation & maintenance expenditure and net income in the case of manufacturing activities. Gross income from various RNFS activities was calculated on the basis of number of operating cycles per year, duration of each operating cycle, actual production per unit and price charged by the units for their products. Table 7.2 shows the results of financial analysis for each activity in terms of FRR, NPW and BCR.

Stone crusher

7.6 Stone crushing units had availed bank loan for setting up the units in 2 hectares leased land. The borrowers had mainly learned from own experience in other business activities. One of the borrowers was a medical practitioner. They were aware about the market conditions, competition and the strategies to be followed in adverse business situations. The units generated good income despite power failures on a frequent basis. The workers were provided residences on the site itself and this ensured that the work continued in an uninterrupted manner. Even though there were similar units in the vicinity, the units had individual demand and hence the prices were competitive, to a certain extent. Details regarding the annual operating cost of the activity are given below:

ANNUAL OPERATING COST

i)	Leased in land	:	Rs.5000
ii)	Fuel	:	Rs.11500
iii)	Blasting & Transportation	:	Rs.1325000
iv)	Wages	:	Rs.550000
v)	Electricity	:	Rs.135000
vi)	Interest	:	Rs.174300
vii)	Depreciation	:	Rs.112500
	Total	:	Rs 2313300

7.7 The net income in case of stone crushing activity was found to be Rs 386700 as can be seen from Table 7.1. From financial analysis, it can be seen that the activity generated an FRR of 32.45 per cent with a BCR of 1.05.

Brick making

7.8 The brick making units had good demand, due to construction business in Ujjain and adjoining areas. As can be seen from Table 7.1, the block capital investment in the activity was very low which came to Rs 1000 per unit. All the units had kept adequate stock of product and depending on the investment, the number of bricks stocked varied from 50000 to 100000 at the time of field visit. Due to the drought situation, the units were having difficulty in getting raw materials like 'bussa' used in brick manufacturing. The selling price on an average was found to be Rs 1000 for 1000 bricks. The cost price of 1000 bricks was found to be Rs 850 and thus, the beneficiaries had a net gain of Rs 150 per 1000 bricks. Out of an entire lot of 2500 bricks, 20 per cent, ie 500 bricks got damaged in the production process. This damage can be reduced to a certain extent, if the beneficiaries are provided proper training in brick manufacturing. The details regarding the annual operating cost of the activity are given below:

ANNUAL OPERATING COST

i)	Cost of Soil	:	Nil
ii)	Wages	:	Rs.70000
iii)	Water Charges	:	Nil
iv)	Coal	:	Rs.3500
v)	Wood	:	Rs.4600
vi)	Interest on capital	:	Rs.21000
vii)	Depreciation	:	Rs.7500
	Total	:	Rs 106600

7.9 From Table 6.1, 7.1 and 7.2, it can be seen that the net income generated from the activity was Rs 25400 with an FRR of 29.83% and BCR of 1.06

Steel fabrication

7.10 Some of the steel fabrication units were getting adequate demand from Grasim industries situated in Nagda. The units were able to provide employment opportunities to a considerable extent. The units made advance payment for purchase of raw materials. The average sale price was found to be Rs 23 per kg of product. The units produced 881.5 quintals of final product per year. The Gross sales was Rs 2027450. The average annual operating cost of the activity are given below :-

ANNUAL OPERATING COST

i) Purchase of raw materials	:	Rs.1550000
ii) Wages	:	Rs.250000
iii) Salary	:	Rs.30000
iv) Interest on Capital	:	Rs.21000
v) Depreciation	:	Rs.7500
vi) Consumable	:	Rs.4000
Total	:	Rs 1862500

7.11 From Tables 7.1 and 7.2, it can be seen that the net income per unit in case of steel fabrication activity was Rs 164950 with an FRR of >50% and BCR 1.07.

Furniture making

7.12 Furniture making units had average demand in Ujjain. The units mostly catered to the middle income group of population and hence there was not much product diversification. The units manufactured ordinary and conventional wooden furniture items. Only two units were found to be well established and doing exceedingly well in terms of income and employment. The borrowers did not have prior training in the activity and learned from own experience. For some of the borrowers, it was a traditional activity. The bank loan was utilised for purchase of tools and equipment. The units manufactured furniture as per orders received. The net income in the case of furniture units was found to be Rs 50000 as can be seen from Table 7.1. The activity had an FRR of >50% and BCR of 1.33

Power loom

7.13 Power loom units were owned by the business class people in Ujjain. The established units had undertaken the activity many years ago. But it has to be mentioned that many power loom units became sick units due to mismanagement, labour problems and political interference. Power looms in Ujjain district have adequate scope, since the units sell the finished product in UP where handlooms outnumber power looms. Much of the demand came from whole sale cloth dealers in UP. The units on an average had invested Rs 2880000 for commencement of activity and purchase of raw materials. The beneficiaries borrowed from outside sources as well to provide the margin money. Power loom units provided adequate employment to both skilled and unskilled people in the locality. The cost breakup for manufacture of a cloth piece of 76 metres revealed that 60 per cent was cotton cost, 30 per cent was electricity & labour cost and 10 per cent was managerial cost. The power loom units sold the cloth at the rate of Rs 14 per metre. More than 100 looms were installed in a single power loom unit. During the last three years, there has been 30 per cent decline in demand for the product due to the drought situation. Labour was available from nearby areas and payment was done on weekly basis. From Table 7.1, it can be seen that the net income generated from the activity was Rs 525000. FRR related to the activity was 21.18% and BCR was 1.05 .

Batik Printing

7.14 Six units of Batik printing were visited to understand the cost of investment, sales and net income in the case of this traditional activity. Table 7.3 shows the net income generated and the results of financial analysis related to batik printing.

Table 7.3

Net Income & Results of Financial Analysis for Batik Printing Activity

(Amt in Rs per unit)

Sl. No.	Activity	No. of Units	Block capital	O & M Cost per year	Net Income	FRR	NPW	BCR
1	Batik printing	6	150000	50000	120000	>50%	381506	2.14

7.15 The batik printing units were fully involved in the activity. The average cost of investment per unit was found to be Rs 1.5 lakh. Skilled labour was required for the activity, which had to be done with precision and patience. An average number of six persons were provided employment by an individual unit. Most of the units engaged family labour to reduce the cost and improve income level. Gross sales per year was found to be Rs 170000. From Table 7.3, it can be seen that the net income generated from the activity was Rs 120000. The reluctance of the artisans to form clusters was a negative feature of this traditional activity, which has tremendous potential in terms of demand and income generation. The activity had FRR >50% and BCR 2.14 .

Tent House

7.16 Tent House activity was selected for the study under the head of service activities. This is a seasonal activity which finds maximum demand during marriage and festival seasons. The beneficiaries made adequate income during season time and most of them were prompt in repayment. But some cases of wilful default were also observed by the study team during the field visit. The average cost of investment at reference year prices in the case of tent houses was found to be Rs 250000. Table 7.4 shows the net income and results of financial analysis with respect to tent house activity. The average annual operating cost of the activity has been given below:

AVERAGE ANNUAL OPERATING COST

i)	Electricity	:	Rs 1500
ii)	Wage bill	:	Rs 45000
iii)	Office overheads	:	Rs 3200
iv)	Telephone	:	Rs 5700
v)	Interest on capital	:	Rs 32500
vi)	Depreciation	:	Rs 23750
	Total	:	Rs 111650

Table 7.4
Net Income & Results of Financial Analysis for Tent House Activity

(Amount in Rs/unit)

Sl. No.	Activity	No. of Units	Block capital	O & M Cost per year	Net Income	FRR	NPW	BCR
1	Tent House	14	250000	111650	52500	20.67%	33117	1.04

7.17 Gross sales from the activity was found to be Rs 164150. From Table 7.4, it can be seen that the net income per unit from tent house activity was Rs 52500. This income was enough for the beneficiaries to retain the activity and repay the installments. The FRR of the activity was 20.67% and BCR was 1.04. Even though this is a seasonal activity, the demand for the activity is almost permanent, due to the nature of demand.

Grocery store

7.18 Eleven grocery stores were visited under marketing activities and the parameters like gross income & net income related to the activity were calculated. Table 7.5 shows the net income generated and the results of financial analysis in the case of grocery stores.

Table 7.5
Net Income & Results of Financial Analysis for grocery activity

(Amount in Rs/unit)

Sl. No.	Activity	No. of Units	Block capital	O & M Cost per year	Net Income	FRR	NPW	BCR
1	Grocery Store	11	80000	101000	55000	>50%	166785	1.29

7.19 The average cost of investment in case of grocery stores was found to be Rs 110000. The gross value of sales was found to be Rs 156000. Table 7.5 shows that the net income in case of grocery store was Rs 55000. The activity had an FRR of >50% and BCR of 1.29 .



CHAPTER VIII

EMPLOYMENT GENERATION

With the existing situation of decline in employment opportunities due to general recession, it is imperative to find and explore new avenues of employment for the present as well as future generations

8.2 In our country, where nearly 70 per cent of the population is engaged in agricultural activities, scope for employment in agriculture is very limited due to contingencies like low marginal productivity, monsoon failure, etc.

8.3 It is in this context that RNFS activities attain maximum significance. With the prospects in agriculture being very limited, State Govt., Bankers and NGOs should join hands to create more employment opportunities for the rural population and prevent the exodus of rural labourers to urban areas.

8.4 RNFS activities have the most simple and effective mechanism for creation of employment by utilisation of natural resources and locally available raw material and labour at low costs.

8.5 RNFS financing by various financing agencies helps in sustaining traditional activities like batik printing and enable the survival of families, who are entirely dependent on those activities. The shift from agriculture to Non Farm Sector activities has been very evident in recent times.

8.6 RNFS activities have good potential in Ujjain district but the major constraints are lack of awareness and non-enterprising attitude of the people who stick on to certain biased attitudes which are detrimental to development.

8.7 During interactions with bankers and borrowers, the employment generation levels of the sample activities were compared and studied by the team.

8.8 From the banking network of Ujjain district given in Chapter III, it can be seen that altogether, there are 24 banks in the district, consisting of DCCB, DCARDB, Indore-Ujjain RRB and 21 commercial banks. Out of 158 bank branches, 80 branches are located in rural areas, providing ground level finance to the rural population.

8.9 The number of persons employed per unit was maximum in stone crushing activity (22), followed by power loom activity (20) fabrication activity(12), furniture making activity(9), batik printing(6),brick making and tent house activities(3 each) and grocery activity(2).

8.10 The activity-wise employment generated per unit is given in Table 8.1.

Table 8.1
Activity-wise Employment created per unit

Activity Group	Sl. No.	Activity	No. of units	Average no. of persons employed per unit	Family labour	Hired labour
Manufacturing activities	1	Stone crushing	5	22	02	20
	2	Brick making	13	3	1	2
	3	Fabrication	11	12	3	9
	4	Power loom	5	20	5	15
	5	Furniture making	7	9	3	6
Handicraft / Village activities	6	Batik printing	6	6	4	2
Service activities	7	Tent house	14	3	1	2
Marketing activities	8	Grocery store	11	2	1	1
Total			72			

8.11 72 RNFS units created employment for 544 persons. Thus, financing of RNFS activities helped in generating employment and income to the rural population.



CHAPTER IX

REPAYMENT PERFORMANCE

The severe drought situation in the entire state of Madhya Pradesh since the last three years had its effect on borrowers, both in agriculture and Non Farm Sector. The cascading effect of low levels of production was reflected in low employment, low income, low purchasing power and low repayment. As such, the effect of drought on agriculture and allied sectors is manifold in nature.

9.2 The present study conducted in Ujjain district proved that the repayment performance in all sectors was directly related to the climatic conditions in the region. RRB Ujjain which received the award for best performing RRB with respect to recovery performance (85 per cent) during the year 1999-2000 found it difficult to bring the recovery level to 50 per cent during the current year.

9.3 Table 9.1 shows the recovery performance of the borrowers with regard to the activities studied:

Table 9.1
Activity wise Recovery Performance as on June 2003

Activity Group	Sl. No.	Activity	No. of Units	% of Recovery to Demand
Manufacturing Activities	1.	Stone crushing	5	65
	2.	Brick making	13	63
	3.	Fabrication	11	62
	4.	Furniture	7	53
	5.	Power loom	5	61
Handicraft / Village Activities	1.	Batik printing	6	55
Service Activities	1.	Tent house	14	59
Marketing Activities	1.	Grocery store	11	52

9.4 Even though the general repayment performance was satisfactory across all the activities, default cases were also noticed by the study team. Tent house activity had four cases of wilful default. The borrowers utilised the income for purchase of new stock and did not take interest in repaying the loan amount, despite being reminded by concerned banks from time to time.

9.5 Among manufacturing activities, recovery as a percentage of demand varied from 53 in the case of furniture making activity to 65 in the case of stone crushing activity. Handicraft, Service and Marketing activities showed recovery of more than 50 per cent, as can be seen from Table 9.1.

9.6 Table 9.2 shows the demand, collection and balance position of the individual activities:

Table 9. 2
Activity wise Demand ,Collection & Balance position as on
(Figures in Rs)

Activity	Demand	Collection	Balance
Stone crushing	4065000	2640000	1425000
Brick Making	1295000	816000	479000
Fabrication	1166000	723000	443000
Furniture	703000	373000	330000
Power loom	8500000	5185000	3315000
Batik printing	708100	389500	318600
Tent House	2106000	1243000	863000
Grocery store	878000	457000	421000

DEVELOPMENT OF LINKAGES

Attempt has been made in this chapter to highlight the major linkages related to sample activities, infrastructure facilities, branding, marketing of product etc. The various promotional programmes under NFS existing at district level are also narrated for providing a broader view of this sector. The activity wise details are given below:

Stone crushing

10.2 Leased in land was used for stone crushing activity in which huge stones were crushed into different sizes for industrial and commercial purpose. The demand for stones was adequate due to construction work in and around Ujjain. Demand was high for 20 mm and 40 mm size stone pieces which were used in house, road and rail constructions. By products like dust from the activity was purchased by industrial units in the vicinity, for industrial purpose.

Brick Making

10.3 Brick making was found to be a very popular RNFS activity in Ujjain. Demand for bricks was high in Ujjain and surrounding areas due to construction business. Clay, Coal, bussa and wood are important raw materials used in brick making. The units employed local labour for the activity. The general constraints related to the activity was lack of availability of raw materials like 'bhussa' during drought situation. Due to shortage of bhussa, the borrowers incurred heavy expenditure for purchase of the same from other farmers. Some of the units used brand names on the bricks for easy identification of their product, which helped in business promotion and sales.

Fabrication

10.4 Usually, the fabrication units received orders from local customers. But some of the units received adequate orders from industries like 'Grasim' in Nagda area. Thus, the proximity to big industries was an added advantage for these units, thereby increasing income and employment considerably.

PowerLoom

10.5 Some of the well established power loom units in the district manufactured and supplied cotton yarn to traders in Uttar Pradesh and Ujjain. These units have been in operation since the last 14

years. The looms and related equipment were purchased from Ahmedabad. Raw materials were purchased from Ujjain and nearby districts like Ratlam and Indore. Most of the units were concentrated in a particular locality, leading to heavy competition and price war among the units.

10.6 Usually, there was no shortage of raw materials for the activity and the major constraint in the progress of the units was stringent labour laws which caused considerable losses, leading to the closure of several units.

Furniture making

10.7 The various furniture making units in Ujjain district made sofa sets, tables and chairs as per orders received. Most of these units restricted the service area to the same locality while some of the established units extended it to distant places. Tradition and good will of the units had considerable impact on business volume and income.

Batik printing

10.8 Batik printing units were established by traditional artisans who possessed the technical know how of batik printing. At the time of field visit, the popular batik patterns consisted of figures of animals, which had good demand in the export market. The finished products were purchased by wholesale dealers in Jaipur, Rajasthan from where it was exported. The borrowers did not have direct access to the export market, which would have increased their income to a considerable extent. This constraint was due to the resistance of artisans to form clusters and explore new marketing strategies and partners.

Tent House

10.9 Tent house units had good business especially during marriage seasons. The units catered to a distance of 10 k.m. around the village, with some units providing service even in Ujjain city. The necessary equipment and material were purchased from Ujjain. It was found that in the case of certain units, existing stock of tent house material was not sufficient during peak seasons. Banks did not sanction additional loans due to fear of default by the borrowers.

Grocery store

10.10 Most of the grocery units were located in and around Ujjain proper. The units purchased the required stock for sale in the locality. Stock was purchased from Ujjain itself. Employment generation was low, due to the nature of the activity.

Promotional programmes under NFS

10.11 Various promotional and training programmes for NFS activities have been launched in Ujjain with the help of the district administration, NGOs and development institutions like NABARD.

10.12 Table 10.1 shows the year-wise promotional programmes conducted in Ujjain district by NABARD under Rural Entrepreneurship Development Programme (REDP).

Table 10. 1
Promotional Programmes in Ujjain District

Year	No. of Programmes	Block
1999-2000	1	Nagda
2000-2001	0	—
2001-2002	2	Ghatia & Mahidpur
2002-2003	3	Bhadnagar, Nagda & Kachrod

10.13 The study team visited DTIC (District Trade & Industries Centre) Ujjain and collected data regarding various training programmes conducted by the centre. DTIC has launched various programmes for the unemployed and backward class people. The target of training programmes for a particular year is fixed on the basis of the total number of trainees under various training programmes. As per estimates of DTIC, 84 per cent disbursements for the year 2002-03 were already over, at the time of field visit. Training was provided to 1150 people during 2002-03, with each batch consisting of 50 trainees. Recently, RDSY (Rani Durgavati Swarojgar Yojana) funded by the State Government was implemented in the district for SC / ST beneficiaries. PMRY training classes conducted by the Centre consists of 22.5 per cent SC / ST beneficiaries and 30 per cent lady borrowers, in addition to other categories. The applications from the beneficiaries are scrutinised by DTIC before commencement of training. The financial eligibility criterion for PMRY training is Rs.40000 per annum. After the completion of training programme, feedback is invited from the trainees to assess the utility of training. Faculty members for the various training programmes are deputed from MP State Government departments and organisations like CEDMAP(Centre for Entrepreneurship Development, Madhya Pradesh). DTIC officials were of the opinion that there was 50 per cent improvement in the performance of the trainees after training.

10.14 Table 10.2 shows the number of small scale industries in Ujjain.

Table 10. 2
Small Scale Industries in Ujjain (1999-2000)

Block	No. of Units	Employment (No. of persons)
Ujjain	801	2150
Badnagar	550	1450
Kachrod	559	11144
Mahidpur	596	2089
Tarana	291	605
Ghatia	312	1023
Total	3109	18461

10.15 Table 10.3 shows the number of medium and large scale industries in Ujjain.

Table 10.3
Medium & Large Scale Industries in Ujjain (1999-2000)

Block	No. of Units	Employment (No. of persons)
Ujjain	3	2231
Badnagar	—	—
Kachrod	13	9227
Mahidpur	—	—
Tarana	—	—
Ghatia	—	—
Total	16	11458

[Source : DTIC, Ujjain]

Hasta Shilpa Vikas Nigam

10.16 The State Handicraft Corporation, otherwise known as the Hasta Shilpa Vikas Nigam provides assistance to the artisans in the following manner :

- 1) Training
- 2) Work sheds
- 3) Subsidy for equipment
- 4) Marketing
- 5) Participation in exhibitions

10.17 Table 10.4 shows the support extended by Hasta Shilpa Vikas Nigam in the district during the last few years.

Table 10.4
Support extended by Hasta Shilpa Vikas Nigam in Ujjain
(Amount in Rs lakh)

Year	Value of Goods purchased	Beneficiaries covered
1995-1996	53.90	55
1996-1997	69.85	63
1997-1998	52.85	63
1998-1999	36.99	45

CHAPTER XI

SUMMARY AND CONCLUSIONS

The study was conducted to understand the implementation of RNFS activities in Ujjain district and to evaluate the benefits to the rural people in terms of income, employment and standard of living. The study also aimed at assessing the financial support provided by financial institutions, availability and end use of credit and viability and sustainability of RNFS activities.

Sample selection

11.2 The study was conducted in Ujjain district of Madhya Pradesh, covering 72 sample beneficiaries from four major activities. The field work was undertaken during June and July 2003 with the reference year 2002-03.

11.3 The major financing banks in the district were identified and selected for the study. Accordingly, RRB, ARDB, Bank of India and Dena Bank were covered during the study.

11.4 The selected RNFS activities were grouped under four major heads -

1) Manufacturing 2) Services 3) Marketing and 4) Handicraft/Village industries

Major findings of the study

Socio-economic profile of borrowers

11.5 Regarding the primary occupation of sample borrowers, out of the sample of 72 borrowers, 33 were artisans/ skilled labour. In the case of stone crushing units, most of the borrowers were business class people by profession.

11.6 It was found that 38 borrowers constituting 53 percent of the total had education upto primary level while 21 borrowers constituting 29 percent were illiterate.

11.7 As many as 39 borrowers had family size of 6-10 members, while 8 borrowers had more than 10 members in the family.

11.8 Among sample borrowers, 70 borrowers belonged to minority/ other communities, while only 2 belonged to SC category. None of the borrowers belonged to ST category.

Training/skill status of borrowers

11.9 53 borrowers representing 74 percent of total had previous training/experience in the concerned activities while 19 borrowers had not received any prior training. But most of the beneficiaries were involved in the activities and learned from own experience.

Implementation of RNFS activities in Ujjain district

11.10 In the initial stage, the borrowers are identified by banks, DTIC and DRDA. DTIC arranged training programmes every year for borrowers under different schemes.

11.11 After the identification of borrowers, the banks conducted pre sanction visits to assess the loan requirement and repayment capacity of the borrowers. As such, no specialised officers were deputed in the banks for appraisal of loan applications and calculation of investment cost.

11.12 The loans were disbursed in installments based on the needs of the borrower. Banks charged interest rates varying from 12 per cent to 18 per cent depending on the loan amount. Commercial banks charged interest rates of 2 per cent above PLR.

11.13 Time lag between receipt of loan application and actual disbursement of loan was found to vary between one week and one month in 90 per cent cases. Most of the borrowers were satisfied regarding the procedure followed by banks in this regard.

11.14 Margin money provided by borrowers varied from 10 per cent in the case of furniture making to 49 per cent for stone crushing. Usually, the borrowers provided margin money from own sources and at times they had to borrow from informal credit sources like money lenders.

11.15 Collateral security was obtained by banks to secure the loans. In certain cases, fixed deposits were obtained from borrowers as additional security.

11.16 Even though loan installments were fixed on monthly, quarterly, half yearly and yearly basis, the borrowers mostly repayed the amount during harvest seasons. Banks generally adhered to the NABARD norms of repayment period for RNFS activities, varying from five years to ten years.

Cost of investment

11.17 The present study covered 8 major RNFS activities in Ujjain district under broad heads of Manufacturing, Services, Marketing & Handicraft/Village industries.

11.18 In the case of manufacturing activities, capital requirement was maximum for power loom units. Banks disbursed 25 lakh as loan amount, thereby contributing 78 per cent of the cost of investment. In the case of stone crusher units, banks disbursed Rs 7.5 lakh, which was 49 per cent of the total cost. The bank loan disbursed formed 67 per cent, 75 per cent and 90 per cent of total cost in the case of brick making, fabrication and furniture units respectively.

11.19 In the case of service units like tent houses, loan component was Rs 1.9 lakh, which was 73 per cent of the total investment cost of Rs 2.5 lakh.

11.20 Marketing activities like grocery stores availed Rs 1 lakh as bank loan for starting new units with investment cost worth Rs 1.1 lakh. Thus bank loan formed 90 per cent of the cost of investment in the case of these units.

11.21 For handicraft/ village activities like batik printing, the cost of investment was found to be Rs 1.5 lakh while the bank loan was Rs 1.1 lakh, constituting 73 per cent of investment cost.

Economics of investments

11.22 In the case of manufacturing activities, net annual income was highest for power loom units (Rs 5.25 lakh) followed by stone crushers (Rs 3.9 lakh). FRR was found to be above 21.18 per cent and 32.45 per cent respectively in the case of these activities. Other activities under this head like steel fabrication, furniture making and brick making generated net annual income of Rs 1.6 lakh, Rs 50000 and Rs 25400 respectively.

11.23 The net annual income generated for service activities like tent houses was found to be Rs 52500. FRR was 20.67 per cent for these activities.

11.24 The net income in the case of marketing activities like grocery stores was Rs 65000. FRR was found to be >50 per cent.

11.25 Batik printing activity which is a handicraft /village industry has much scope due to the large number of skilled artisans available in the area. Net income in the case of batik printing was found to be Rs 1.2 lakh. FRR was found to be >50 per cent.

Employment generation

11.26 The investment in RNFS activities created employment and the number of persons employed depended on the type of activity undertaken, size of investment, demand for the product and related factors.

11.27 In the case of manufacturing activities, maximum number of persons were employed in stone crusher units (22) followed by power loom units (20). Fabrication units had employed 12 persons per unit, while furniture and brick making units had employed 9 persons and 3 persons respectively .

11.28 For service units like tent house, average employment generated was found to be 3 persons per unit.

11.29 Marketing activities like grocery stores generated employment of only 2 persons per unit due to the nature of the activity.

11.30 Handicraft/Village industries like batik printing provided employment to 6 persons on an average and the units were functional throughout the day.

Repayment performance

11.31 The overall recovery percentage was found to be 59 per cent across all activities, in spite of drought situation.

11.32 The recovery percentage of manufacturing activities was 61 per cent, that of services activities 59 per cent, marketing activities 52 per cent and handicraft/ village industries, 55 per cent.

Suggestions

11.33 In certain cases of loan disbursements, considerable delay was noticed. Banks may be advised to avoid such delays and provide necessary financial support, training and technical knowledge to eligible borrowers at the earliest. The existing system of appraisal and identification may be strengthened at branch levels to prevent misutilisation and willfull default.

11.34 Banks may advise batik printing units in Bairavgarh to form clusters and access the export market directly, instead of dependency on middle men.

11.35 More efforts are needed from the part of agencies like DTIC and DRDA for successful implementation of various schemes. Number of training programmes may be increased and the impact of training programmes scrutinised periodically, to ensure sustainability .

11.36 The study revealed that banks in general had done very low level of financing to SC/ST category of borrowers. Banks may finance for more borrowers under this category of population.

11.37 NGOs and voluntary associations may take pro active role in training of borrowers and improvement of forward linkages like marketing & sale of final products in rural areas.



Annexure I

Impact of RNFS activities

(Amt in Rs lakh)

Items	Stone crushing	Brick making	Fabrication	Powerloom	Furniture	Batik Printing	Tent House	Grocery store
Total Beneficiaries	5	13	11	5	7	6	14	11
Cost of investment	14.5	1	2	32	1.1	1.5	2.5	1.1
Net income	3.9	0.25	1.6	5.25	0.5	1.2	0.5	0.7
Infructuous/Misutilisation cases	0	0	3	0	2	0	3	2
Loan instalments fully paid	2	5	4	2	2	1	3	4
Loan installments partially paid	3	8	6	3	4	4	8	7
Loan installments fully defaulted	0	0	1	0	1	1	3	0
Employment per unit	22	3	12	20	9	6	3	2
Return on asset	0.3	0.25	0.8	0.2	0.5	0.8	0.2	0.7
ICOR	3.7	4	1.25	6	2.2	1.25	5	1.6



Annexure II

Positive and negative features of RNFS activities in Ujjain district

SI No	Activity	Positive features	Negative features
1	Stone crushing	Good income & Employment	Pollution due to dust, Heavy dependence on electric power.
2	Brick making	Good demand, low cost of production	Lack of raw materials & training
3	Fabrication	Good income & Employment	Lack of skilled training
4	Furniture	Adequate income	Marketing inadequate
5	Power loom	Good demand, employment, income	Competition from other units, High labour cost
6	Batik printing	Good income, Adequate employment	Insensitivity of entrepreneurs to form clusters and explore the export market
7	Tent House	Adequate income	Seasonal activity, Willful default by borrowers
8	Grocery store	Adequate income	Low employment, low demand due to large number of similar units



Annexure III

DCB Position of Select Bank Branches

RRB, Ujjain

(Amount in Rs. lakh)

Year	Demand	Collection	Balance	Recovery %
1999-00	24.91	15.56	14.35	52
2000-01	24.81	16.65	8.16	67
2001-02	33.96	26	7.96	77

RRB, Nagda

(Amount in Rs. lakh)

Year	Demand	Collection	Balance	Recovery %
1999-00	64.47	33.34	31.13	52
2000-01	64.27	27.99	36.28	49
2001-02	112.40	58.96	53.44	52

RRB, Ninora

(Amount in Rs. lakh)

Year	Demand	Collection	Balance	Recovery %
1999-00	47.40	34.96	12.44	74.00
2000-01	45.86	35.33	10.53	77.00
2001-02	80.68	57.68	23.00	72.00

A. REPORTS PUBLISHED BY THE HEAD OFFICE OF NABARD

SL No	Title of Evaluation Study Report	Year of Publication
1	Minor Irrigation scheme- Construction of New Wells and Installation of Pumpsets thereon in Solarpur District, Maharashtra	1977
2	Minor Irrigation Scheme Installation of shallow Tubewells in Karnal District, Haryana	1977
3	Bhadra land Development Project- Scheme for reclamation and Development of Land, Karnataka	1977
4	Land Development under Nagarjuna Sagar Project, Miryalguda Talluka, Andhra Pradesh	1977
6*	Dairy Development Scheme in Jagadhri Block of Ambala District, Haryana	1978
7	Dairy Development Scheme in Moga Area of Faridkot District, Punjab	1978
8	Poultry Development Scheme in Mulkanoor, Karimnagar District, Andhra Pradesh	1979
9	Mechanised Fishing Fishing Boats in South Kanara District, Karnataka	1979
10	Development of Acid Gardens in Nellore District, Andhra Pradesh	1981
11	Ground Water Irrigation in Kota District, Rajasthan	1982
12	Minor Irrigation in Bhojpur District, Bihar	1982
13	Development of Grape Cultivation in Bijapur District, Karnataka	1982
14	River Lift Irrigation Scheme in Pune District, Maharashtra	1982
15	Dairy Development Scheme in Western Uttar Pradesh	1982
16	River Lift Irrigation Scheme in Kolhapur District, Maharashtra	1982
17	Sheep Rearing in Nalgonda District, Andhra Pradesh	1982
18	Development of Coffee Plantation in Lower plains Area, Madurai District, Tamil Nadu	1982
19	Public Tubewells and River Lifts in Orissa	1984
20	Power Tillers in Hoogly District, West Bengal	1985
21	Commercial poultry in Krishna District, Andhra Pradesh	1986

22	Dugwell Irrigation in Palghat District, Kerala	1986
23	Tractors in North Bihar	1986
24	Dairy Development in Darjeeling District, West Bengal	1987
25	Tractors in Varanasi, Ghazipur and Jaunpur District Uttar Pradesh	1987
26	Tractors and Power Tillers in Tamil Nadu	1987
27	Minor Irrigation in Muzaffarnagar District, Uttar Pradesh	1987
28	Dairy Development in Quilon District, Kerala	1987
29	Dugwell Irrigation in Nasik District, Maharashtra	1988
30	Bamboo and Shallow Tubewells in Purnea District, Bihar	1988
31	Calf Rearing in North Arcot, Salem and Coimbatore District, Tamil Nadu	1988
32	Minor Irrigation in Allahabad District, Uttar Pradesh	1988
33	Coconut Development in Quilon District, Kerala	1988
34	Minor Irrigation in Purulia District, West Bengal	1988
35	Sprinkler Irrigation in Semi-arid Areas, Rajasthan	1989
36	Dugwell Irrigation in Amravati District, Maharashtra	1989
37	Marine fisheries in Coastal Gujrat and Maharashtra	1989
38	Financing of Shallow Tubewells under Massive National Programme in Haryana	1989
39	Financing of Apple Orchards in Hill districts, Uttar Pradesh	1991
40	Work Animals and Animal Driven Carts in Meerut District, Uttar Pradesh	1991
41	Inland Fisheries in Krishna District, Andhra Pradesh	1991
42	Bio- Gas plants in Nainital and Rampur Districts, Uttar Pradesh	1991
43	Impact of NFS Investments	1994
44	Lift Irrigation Schemes in Maharashtra	1995

Note: * Report No. 5 was not published.
Report No. 1 to 10 are now out of stock

B. REPORTS PUBLISHED BY REGIONAL OFFICES OF NABARD

RO/Series No.	Title of Evaluation Report	Year of Publication
Ahmedabad		
1	Poultry Development Scheme in Gujarat	1988
2	Dairy Development Scheme in Mehasana District, Gujarat	1989
3	Lift Irrigation Scheme of Ukai Left Bank Main Canal-Gujarat	1991
4	Financing of Tractors in Mehasana and Rajkot Districts, Gujarat	1992
5	Investments Financed under IRDP in Valsad District, Gujarat	1994
Bangalore		
1	Development of Grape Gardens in Bangalore and Kolar Districts, Karnataka	1989
2	Borewell Financing in Chitradurga and Kolar Districts, Karnataka	1990
3	Development of Coffee Garden in Karnataka	1992
4	Sericulture Development in Mysore and Hassan Districts, Karnataka	1993
Bhopal		
1	Dugwell and Shallow Tubewell Irrigation in Narsinghpur District, Madhya Pradesh	1988
2	Tractor in Raisen and Vidisha District, M.P.	1989
3	Commercial Layer Poultry Development in Indore District, Madhya Pradesh	1992
4	IRDP in Sagar District, Madhya Pradesh	1994
Bhubaneswar		
1	Betelvine Gardens in Puri District, Orissa	1989
2	Tractor in Sambalpur District, Orissa	1989
3	Dairy Development in Cuttack and Ganjam Districts, Orissa	1992
4	Brackish Water Prawn Culture in Puri District, Orissa	1994
5	Minor Irrigation in Sambalpur District, Orissa	1997
Calcutta		
1	Inland Fisheries Scheme in Nadia District, West Bengal	1987
2	Betelvine gardens in Midnapore District, West Bengal	1989

3	Bullock and Bullock carts in Malda District, West Bengal	1991
4	Poultry Farming (Broiler) in Midnapur District, West Bengal	1999
5	Minor Irrigation Scheme in Birbhum District, West Bengal	2000
Chandigarh		
1	Poultry Farming in Punjab	1987
2	Dairy Development Schemes in Karnal and Rohtak District, Haryana	1987
3	Tractors in Haryana	1994
4	Grape Gardens in Hissar District, Haryana	1998
5	Inland Fisheries in Patiala and Bathinda District of Punjab	2000
Chennai		
1	Poultry Development in Salem District, Tamil Nadu	1988
2	Dugwell Irrigation in Pudukkottai and North Arcot Districts, Tamil Nadu	1989
3	Tea Gardens in Nilgiris District, Tamil Nadu	1990
4	Minor Irrigation Investments under MAP in South Arcot and Tiruchirappali Districts, Tamil Nadu	1991
5	Jasmine Investments in Salem and Madurai Districts, Tamil Nadu	1992
6	Mini Dairy in Coimbatore & Periyar Districts, Tamil Nadu	1994
7	Marine Fisheries in Tamil Nadu	1998
8	Sericulture in Tamil Nadu	1999
9	IRDP in Tamil Nadu	2000
Guwahati		
1	Private Shallow Tubewells and Lift Points in Assam	1989
2	Inland Fishery in West Tripura District, Tripura	1992
Hyderabad		
1	Public Tubewells in Khamman District, Andhra Pradesh	1988
2	Development of Grape Gardens in Ranga Reddy District, Andhra Pradesh	1989
3	Dugwell Irrigation in Chittoor District, Andhra Pradesh	1989
4	Mango Orchards in Krishna and Khamman Districts, Andhra Pradesh	1991
5	On farm Development in Khamman and Khamman Districts, Andhra Pradesh	1995

6	Inland Fishery in West Godavari District, Andhra Pradesh	1996
7	Dairy Development in Krishna District, Andhra Pradesh	1999
Jaipur		
1	Minor Irrigation Structures in Kherwara P.S., Udaipur District, Rajasthan	1988
2	Tractors in Alwar District, Rajasthan	1991
3	Market yard in Kekri-Ajmer District, Rajasthan	1991
4	Borewell in Jodhpur District, Rajasthan	1993
5	IRDP in Alwar District, Rajasthan	1995
6	Poultry in Ajmer District, Rajasthan	1995
7	Sprinkler Irrigation Scheme in Barmer District, Rajasthan	1997
Jammu		
1	IRDP in Baramulla District, Jammu & Kashmir	1992
2	Tractors in Jammu District, Jammu & Kashmir	1995
Lucknow		
1	Minor Irrigation Scheme in Jhansi District, Uttar Pradesh	1988
2	Tractor in Western Uttar Pradesh	1992
3	Inland Fishery in Azamgarh and Deoria Districts, Uttar Pradesh	1994
4	NFS in Moradabad District, Uttar Pradesh	1994
5	Saghan Mini Dairy, Allahabad District, Uttar Pradesh	1996
6	Mushroom Cultivation in Dehradun District, Uttar Pradesh	1997
7	Grape Gardens in Muzaffarnagar District, Uttar Pradesh	1998
8	Minor Irrigation in Rae Bareilly District, U.P	1998
Patna		
1	Shallow Tubewells in Darbhanga, Madhubani and Samastipur Districts, Bihar	1988
2	Deep Tubewells in Bihar	1989
3	Dairy Development in Begusarai and Singhbhum Districts, Bihar	1989
4	Minor Irrigation Schemes in Samastipur District, Bihar	1996

Pune		
1	Lift Irrigation Schemes in Ahmednagar District, Maharashtra	1988
2	Well Irrigation in Aurangabad District, Maharashtra	1991
3	Poultry Development in Pune District, Maharashtra	1991
4	Grape Gardens in Nasik District, Maharashtra	1993
5	Land Development in Command Area of Kukkadi Project	1995
Trivandrum		
1	Betelvine gardens in Trivandrum District, Kerala	1988
2	Broilers Poultry Development in Ernakulam District, Kerala	1990
3	Development of Rubber Plantation in Kottayam District, Kerala	1991
4	Fisheries Development in Kollam District, Kerala	1992
5	Farm Mechanisation in Palakkad and Ernakulam District, Kerala	1995
6	RNFS in Malappuram and Kozhikode District, Kerala	1998
7	Sprinkler Irrigation in Arecanut Garden in Palakkad District, Kerala	2002
8	Dairy Development in Kollam District, Kerala	2002
9	Minor Irrigation in Kasargod and Kannur Districts of Kerala	2003
10	Rural Non-Farm Sector activities in Kasargod and Kannur Districts of Kerala	2004

Copies of the evaluation study reports can be obtained from The Chief General Manager, Department of Economic Analysis and Research, National Bank for Agriculture and Rural Development, 4th Floor, C-Wing, G-Block, Bandra Kurla Complex, P.B.No.8121, Bandra (East), Mumbai- 400 051

