

Abstract

Small and Medium Enterprises (SMEs) are playing a very substantial role in emerging economies. Governmental departments offer financial resources to enterprises, improvement of SMEs activities

The research aim is to understand the role of SMEs, tallying to develop an empirical understanding about the practical implementation of government policies, concerning the loan offered by the government over different departmental programs, which are advantageous and grasp SMEs as their needs. The target of these programs who provide loans has subsequent semi-permanent boundaries at the social and economic levels, Usually, SMEs with fewer financial resources have to face the challenges of high-interest rates over their loan, which is expensive for them.

For the resolution of the above problem, the government of Pakistan introduced a subsidized loan Scheme (offered at a discounted rate) is likely to be proved as a bridge for the accomplishment of the requirements to the parties, consequently providing a long-term benefit to the parties and country's economy as well.

A questionnaire consisting of twenty questions was developed to measure the perception of SMEs. A survey was conducted from fifty-four SMEs from the customers of the Prime Minister Loan Scheme. The participants for this study are those who have received a loan through the Prime Minister Youth Loan program to initiate their businesses. Market-rate loans of SMEs are not much attractive as the subsidized loans.

The significant findings are that most of the participants are not satisfied and don't have confidence in that the Prime Minister's business loan would help them to maximize the capital. However, some participants were satisfied that this loan helped them to enhance their SME's activities and agreed that the repayment policy is adequate in terms of maturity of the loan.

The uniqueness of this study is that it is the first study conducted on the Prime Ministers Business Loan initiative. Limited numbers of participants along with extremely confidential police of banks, were key limitations as identified throughout this research.

In the future, this study would be helpful owing to practices are made available for research purpose and would also be helpful to cultivate further understanding.

The perception of the customer's additional finding reveals that application process of Prime Minister Youth Business Scheme has also few drawbacks like (1) Repayment position on decided deadlines, (2) lengthy and time-consuming process (3) Numerous bills for Financial Expenses (4) Tedious paperwork with the extremely complicated application process.