

Credit Guarantee Scheme Awareness among Micro and Small Enterprises in Assam

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ABSTRACT

The present study is an attempt to analyse the awareness level of the Micro and Small Enterprises towards the credit guarantee scheme of the 'Credit Guarantee fund Trust for Micro and Small Enterprises' in India. Adopting scheduled based survey primary information has been gathered from a sample of 300 Micro and Small entrepreneurs operating in two districts of Assam (India), namely kamrup rural and kamrup metro to measure the level of awareness on the scheme. Further by using non-parametric test the study establishes the association between the awareness level and demographic characteristics of the entrepreneurs. With the discovery of low order of scheme awareness among the entrepreneurs the study infers that age, education, entrepreneurial experience, beneficiary status of the entrepreneurs and loan size are significantly associated with the level of awareness. The level of awareness remains independent of the gender of the entrepreneurs and the nature of their business.

1. Introduction

MSME sector in India is known for its contribution towards economic development of the country through manufacturing of goods and services (45% of total manufacturing output), employment generation (69 million persons in over 26 million units) and exports (40% of total exports) of the country. As a whole, MSME produces over 6000 products ranging from traditional to modern technology based items. With the increase in focus on MSEs in India and across the globe, the government of India has introduced many innovative schemes to promote entrepreneurship in this sector. Credit Guarantee Scheme (CGS) is one of the schemes offered by the government of India jointly with the Small Industries Development Bank of India (SIDBI) to provide guarantee coverage on collateral free loan upto rupees 200 lakhs granted by the financial institutions to MSEs.

CGTMSE has adopted multi-channel approach such as print media, workshop and seminars and conducting awareness programmes at various district / state / national level etc. to create awareness about the CGS. Further, CGTMSE has participated in various seminars / workshops organized by banks and Industry association, exhibitions and meetings organized by RBI / Govt, in connection with MSME sector, across the nation to create awareness about the Credit Guarantee Scheme (CGS). But data collected from the ground reality by RBI working committee suggest a very poor penetration of the scheme. The CGTMSE coverage to MSEs while expressed as a percentage to total bank lending to MSEs stands at only 3.01%. Since poor implementation of the scheme is attributed to low level of awareness among the beneficiaries of the scheme, it has been recommended widely to spread the awareness about the key features and benefits of the scheme in order to upscale the CGS operations (RBI, 2010). Further, as per the report of the committee set up to examine the financial architecture of the MSME sector (2015), CGTMSE covers around 7.0% of the existing outstanding credit to the MSME sector till March, 2014. The report remarks that lack of adequate information about various MSE's

schemes' benefits is the reason of poor rate of implementation (Singh & Wasdani, 2016). Low level of awareness is being the reason of poor rate of CGTMSE coverage, awareness measurement of CGS is become necessary for successful implementation.

2. Review of Literatures

Awareness is considered as the preliminary stage in the process of adoption of innovations (Rogers, 1983). In the world of marketing management, awareness is a word that is quite frequently being used. Advertisement and publicity of goods and services has immediate effect on awareness level. It can speed up the awareness process significantly (Barroso and Llobet, 2012). Brand awareness and market performance are closely associated (Homburg, Klarmann & Schmitt, 2010). For effective marketing policy, it is of paramount importance to measure the consumer awareness level of the brand (Twedt, 1967).

Awareness being a part of learning process is influenced by the socio-demographic characteristics of an individual. While investigating the influence of socio-demographic characteristics on awareness level, it was found that the education and awareness level are positively correlated (Parker & Shay, 1974; Rahiman, 2010; Bonte and Filipiak, 2012; Shiralashetti, 2013; Cheteni, 2014; Buchari et al., 2015; Singh & Wasdani, 2016). Further, Shiralashetti (2013) revealed that age is associated with the awareness level where as Buchari et al. (2015) reported that level of awareness is not dependant on age. Further, Buchari et al. (2015) measured the awareness level among the employees of the Islamic bank towards Islamic banking products and service in Bahrain. The study highlighted that level of awareness is associated with gender (Cheteni, 2014). He also highlighted that males are more aware than females because sharia law has given more right to male than female. In addition, Roper and Scott (2009) added that women have an additional negative effect, of being female, on the start-up decision without any financial barriers. Moreover, a study (Harun et al., 2015) conducted in northern

part of Malaysia has indicated that product knowledge among Islamic bank employees is positively and significantly correlated with the participation in training programme. Further, Sinha (2004) also asserted that training programme is very useful and gainful in building confidence and improvement in personal effectiveness.

Focusing on the awareness level of the government scheme, many researchers reported that low level of awareness is the root cause of poor performance of the government scheme (Rathnam, 2009; Rahiman, 2010; Shiralashetti, 2013; Fernandes, 2015; Singh & Wasdani, 2016). A study conducted by Muhamat (2008) in Malaysia reveals that the small and medium entrepreneurs are moderately aware towards the Islamic credit guarantee scheme. Further, in a study conducted by RBI (2019) highlights that low awareness of financial market and banking practices are the root cause for delay in loan processing under government schemes.

In previous studies, some of the researchers have linked the awareness as a preliminary stage of marketing to create brand awareness of goods and services. However, a few studies have established the relationship between awareness level and the socio-demographic features towards government scheme. In the process, some of the researchers conclude low level of awareness of the government scheme in India. But in context of the present study, a few literatures found on the credit guarantee scheme in India have only dealt with general aspects of the scheme that covers scheme features (Sarda, 2008), working of the scheme (CGTMSE, 2017; NCGTC, 2017; RBI, 2010; Yadav, 2015), efficacy of the scheme (Acharya, 2015), scheme features across the globe including India (Beck, Klapper & Mendoza, 2008). But no such study found either at national or international level dealing with awareness on credit guarantee scheme except two (Rahiman, 2010 and Muhamat, 2008). As the environment for awareness of the scheme differs from country to country and state to state due to varied degree of infrastructure and variation in the socio-economic condition and managerial skills, similar study in other states assumes importance. In the absence of any such study to reveal awareness level of the scheme in the state of Assam, the present paper makes an attempt to measure the awareness level of the credit guarantee scheme in Assam. When it comes to implementation of Credit Guarantee Scheme in the state of Assam the existing literature is silent to several research questions viz. To what extent entrepreneurs know the scheme? In what aspect of the scheme (Scheme Eligibility, Scheme Features, Scheme Guarantees and Coverage, Scheme Priority) the level of awareness is relatively poor/better? In what category of the entrepreneurs (in terms of socio-demographic) the level of awareness about the scheme is higher/lower? What is the extent and nature of relationship between level of awareness and socio-demographic characteristics of the entrepreneurs? Answering these research questions is warranted so as to know the partial explanation behind the poor performance of the scheme in the state of Assam, and at the same time facilitate designing of training programme at the level of the CGTMSE and financial institutions. In the above backdrop, a humble attempt has been made in the present study to empirically examine the relationship between awareness level and socio-demographic characteristics of the

entrepreneurs in Assam. In order to pursue the objective of the study, the following hypotheses are proposed to be tested.

H₁: Awareness level of the CGS is independent of the socio-demographic characteristics of the entrepreneurs i.e. age, gender, education, nature of business, beneficiaries status, entrepreneurial experience and loan size.

Since we have traced four aspects of awareness regarding CGS the above hypothesis can be better examined by testing the following four derivative hypotheses;

H_{1a}: Awareness level of the MSEs in respect of CGS eligibility remains independent of their socio-demographic characteristics.

H_{1b}: Awareness level of the MSEs in respect of CGS features remains independent of their socio-demographic characteristics.

H_{1c}: Awareness level of the MSEs in respect of CGS guarantee and coverage remains independent of their socio-demographic characteristics.

H_{1d}: Awareness level of the MSEs in respect of CGS priority remains independent of their socio-demographic characteristics.

3. Methodology

This study attempts to measure and examine the awareness of the micro and small entrepreneurs towards Credit Guarantee Scheme in India and further to explain how entrepreneurs in various demographic profiles are aware about various aspects of the scheme. The methodology followed is briefly described as the following.

Sampling Design: For the purpose of this study, the state of Assam (top most performers in North East having approximately 70% coverage in terms of cumulative approved number of proposals) is selected. Considering all MSEs eligible to be covered under the CGS in Assam as the population a sample has been drawn by adopting a multistage sampling procedure. Out of 33 districts in Assam, two districts namely Kamrup Metro and Kamrup rural have been purposively chosen in the first stage for (i) the district enjoys the highest small industrial concentration (28%) and highest priority sector lending (41%), (ii) the maximum number of bank branches (20% approx) and (iii) both the districts put together (as earlier regarded as a single district) has both rural and urban features. In the second stage five MLIs (eligible financial Institutions to extend coverage) have been selected purposively; from the top ten performers in the North East region in terms of the cumulative approved amount up to the financial year 2015-16. While selecting the MLIs we ensured informally that these banks will extend reasonable co-operation at the branch level in providing relevant data for the study. Further these selected banks fulfill the condition that each bank has at least 3 branches in kamrup metro and 2 branches in kamrup rural. These MLIs include four nationalised public sector banks (Indian Overseas Bank, Uco Bank, Bank of India and Canara bank) and one state level regional rural bank (Assam Gramin Vikash Bank, the bank having largest number of branches in Assam and the top performer in terms of CGTMSE coverage amongst all RRBs operating in North East). In the third stage three bank branches from each of those five banks have been selected from kamrup metropolitan and two

branches from each bank have been selected from kamrup rural. Finally from each branch 8 beneficiaries and 4 non-beneficiaries are selected randomly by the bank under the condition that the term loan sanctioned has completed at least

three years. Accordingly, a sample of 300 MSEs has been drawn from the universe which includes 200 beneficiaries and 100 non-beneficiaries as shown in a tabular form (Table No-1).

Table-1: Sampling Design

Name of the MLIs	Number of branches		Number of MSEs per branch		Number of MSEs		Total
	KR*	KM*	B**	NB**	B**	NB**	
Assam Gramin Vikash Bank	2	3	8	4	40	20	60
Bank of India	2	3	8	4	40	20	60
Canara Bank	2	3	8	4	40	20	60
Indian Overseas Bank	2	3	8	4	40	20	60
UCO bank	2	3	8	4	40	20	60
TOTAL	10	15			200	100	300

KR = Kamrup Rural and KM = Kamrup Metro **B for beneficiaries; NB** for non-beneficiaries

Data Collection Design: A schedule based survey has been conducted to generate primary data from a sample of 300 MSEs. It is pertinent to mention that the schedule was pretested before put to use in the survey. The process of data collection has been further supplemented by oral interview, record observation, discussion, non-participant observations, cross questioning and other commonly followed techniques. The schedule is comprehensive to capture both target and classification questions (Cooper and Schindler, 2007). The demographic characteristics covered under the study include age, gender, education, entrepreneurial experience, nature of business, beneficiary's status and loan size.

Measurement: To measure the level of awareness among the MSEs we have adopted four major components; Scheme eligibility (four questions), Scheme features (four questions), Scheme guarantee & coverage (three questions) and Scheme priority (five questions). Altogether sixteen (16) target questions have been asked to the respondents taking part in the survey. **Scheme eligibility** is the qualification or stipulated requirements or criteria which should be possessed by MSE for availing collateral free credit under CGTMSE lending programme. **Scheme features** are the characteristics of the credit guarantee scheme which includes financial benefits, importance, guarantee fees and other charges. **Scheme guarantee and coverage** is the maximum amount of guarantee and coverage. **Scheme priorities** indicate priority areas/targets where the scheme provides first and foremost preference while extending credit. Awareness level of a respondent is measured by means of the score percentage (score obtained * 100/ total possible score) obtained by a respondent. Again on the basis of the score percentage obtained respondents are classified into four different categories viz. zero awareness (when score percentage is zero), low awareness (0 < score percentage ≤ 33.33%), moderate awareness (33.33% < score percentage ≤ 66.67%) and high awareness (score above 66.67%). The distribution of the respondents according to their degree of awareness and demographic characteristics is presented in a tabular form (Annexure-1).

4. Data analysis

Descriptive statistics of MSE's:-The primary data captured from 300 respondents while analysed with the help of

some descriptive statistics portray some important features of their demography. The average age of the entrepreneurs is observed at 36.59 years falling in the range 21 - 60 years, whereas 96 (32%) respondents are found within the age limit upto 30 years, 157 (52.3%) are between the age 31-45 years and the remaining 47 (15.7%) are above 45 years of age. The mean age (age after being granted loan for their enterprises) is calculated at 4.66 years within a range of only six years (9-3). 103 (34.33%) units are operating in manufacturing sector while the remaining 197 (65.67%) units are engaged in service sector. Gender wise classification reveals that 252 (84%) respondents are male and only 48 (16%) are female. With regard to entrepreneurial experience 34% of them are having experience between 3-4 years, 28% with 4-5 years and the rest (38%) with experience above 5 years. While classified on the basis of their formal education it is observed that 71(23.67%) entrepreneurs are under metric (below class X), 65(21.67%) entrepreneurs are matriculate (class X passed), 88 (29.33%) entrepreneurs are higher secondary passed and the rest 76(25.33%) entrepreneurs are graduates and above. While the entrepreneurs classified on the basis of the size of their loan, it is observed that 45(15%) entrepreneurs received loan up to Rs.1lakh, 145(48.33%) are in the range from Rs.1 lakh to Rs. 2 lakhs, 74(24.67%) are in the loan range Rs.2lakhs to Rs.5lakhs and the rest 36(12%) with loan above Rs. 5 lakhs.

The awareness level of the entrepreneurs is linked to their demographic characteristics. In annexure -1, the overall awareness level of the entrepreneurs about the scheme along with the break-up for all CGS awareness components such as eligibility, features, guarantees and coverage and priority is presented. To begin with the overall awareness, it can be seen that male entrepreneurs are slightly more aware than their female counterparts as 13.9% of males are moderately aware whereas in case of female it is 12.5%. With regard to nature of business, entrepreneurs belonging to manufacturing industry are relatively less aware (14.2%) as compared to the entrepreneurs belonging to service industry, probably due to their nature of work horizon of interaction. Maximum frequency has been observed against the low score holders on account of scheme eligibility (65.3%), scheme features (44%) and scheme priority (52.3%) but in case of scheme guarantee and coverage it is against the zero score holders (60.3). On account of all the

four components, majority among the respondents in below metric category are either zero or low score holders and in contrast, they are either low or moderate score holders in case of the graduates, postgraduates and professional. At the level of overall awareness, the observation reveals that the graduate and above respondents are equally distributed between low and moderate score categories as against cent percent of the undergraduates in Low score and further the pattern of their component wise distribution provide prima facie an indication of association between education and awareness. Similar observation is made with regard to the distribution of the respondents in accordance with the size of their loan. The observation of a decline in the relative percentage of respondents (93.1 to 78.1) in low score category and the corresponding percentage incline in case of moderate score category (6.9 to 21.9) when we move up on the line of their entrepreneurial experience suggest the presence of a positive association between entrepreneurial experience and level of awareness. Age wise distribution of the respondents in different score category provides almost a similar indication. Further in respect to their beneficiary status we observe relatively a higher frequency (91%) against the non-beneficiaries in low score category as compared to their beneficiary counterparts (84%). Analysis with the help of the relative frequency in various cells provides us an indication that with the increase of entrepreneurs' education, experience and loan size their level of awareness increases. But the disheartening fact that comes to the surface is that 86.3 % of the entrepreneurs are having low order of awareness on the scheme.

5. Hypothesis Testing

To test the hypothesis of this study, we have used both Chi-square test for independence and U test/KW test (as the distribution is not normal) for inferential analysis. We verified the result using Mann-Whitney test for variables leading to binary classification such as beneficiary's status, gender and nature of business. On the other hand, for four variables viz. age, education, entrepreneurial experience and loan size (leading to manifold classification) we have verified the hypothesis using Kruskal Wallis test. The results of chi-square test and U test/KW test at 1%, 5% and 10% significance level are presented under each hypothesis in Tables (No. 2 to 6).

Chi-square test is used to test if there is any association between demographic characteristics and awareness towards the eligibility aspects of the credit guarantee scheme (H_{1a}). From the result presented in table-2, we see association between demographical features (gender, age, education, entrepreneurial experience and loan size) and awareness in scheme eligibility at 10% significance level and therefore we reject H_{1a} and conclude that all the demographic variables except nature of business and beneficiaries' status affect awareness on scheme eligibility. While cross checking the same, we observe consistency in the results between chi-square test and U test/KW test across different demographic characteristics except age.

Table-2: Test Results for Hypothesis H_{1a}

Demographic Variable	Chi-square test			U test /KW test		
	df	p-value	Result	df	(p-value)	Result
Gender	3	0.003*	Reject	-	0.015**	Reject
Age	6	0.049**	Reject	-	0.149	Accept
Education	9	0.000*	Reject	3	0.000*	Reject
Nature of business	3	0.585	Accept	-	0.723	Accept
Beneficiary status	3	0.405	Accept	-	0.545	Accept
Entrepreneurial experience	6	0.000*	Reject	2	0.001*	Reject
Loan Size	9	0.000*	Reject	3	0.000*	Reject

*Significant at 1%, **Significant at 5% and *** significant at 10%

As observed from the results (H_{1b}) in the Table 3, awareness in scheme features is associated with all demographic features except age and nature of business. Hence we reject H_{1b} at 10% significance level and conclude that gender, education, beneficiaries' status, entrepreneurial

experience and loan size affect the awareness in scheme features. Age and nature of business are found to be independent of awareness with respect to scheme features. There is consistency in the results between chi-square test and U test/KW test across the demographic characteristics.

Table-3: Test Results for Hypothesis H_{1b}

Demographic Variable	Chi-square test			U test /KW test		
	Df	p-value	Result	df	(p-value)	Result
Gender	2	0.045**	Reject	-	0.014**	Reject
Age	4	0.500	Accept	-	0.698	Accept
Education	6	0.000*	Reject	3	0.000*	Reject
Nature of business	2	0.289	Accept	-	0.118	Accept
Beneficiary status	2	0.000*	Reject	-	0.000*	Reject

Entrepreneurial Experience	4	0.055***	Reject	2	0.035**	Reject
Loan Size	6	0.000*	Reject	3	0.000*	Reject

*Significant at 1%, **Significant at 5% and *** significant at 10%

The test results (H_{1c}) as presented in Table -4, clearly reveal that education, entrepreneurial experience and loan size are associated with the level of awareness in scheme guarantees and coverage and therefore we reject H_{1c} at 10% significance level and conclude that education, entrepreneurial

experience and loan size of the entrepreneurs influence awareness level on scheme guarantees and coverage. Mann-Whitney test and Kruskal Wallis test results are in consistency with the results of Chi-square test across all demographic characteristics.

Table-4: Test Results for Hypothesis H_{1c}

Demographic Variable	Chi-square test			U test / KW test		
	df	p-value	Result	df	(p-value)	Result
Gender	2	0.231	Accept	-	0.299	Accept
Age	4	0.236	Accept	-	0.913	Accept
Education	6	0.000*	Reject	3	0.000*	Reject
Nature of business	2	0.748	Accept	-	0.740	Accept
Beneficiary Status	2	0.161	Accept	-	0.984	Accept
Entrepreneurial Experience	4	0.019**	Reject	2	0.070***	Reject
Loan Size	6	0.000*	Reject	3	0.000*	Reject

*Significant at 1%, **Significant at 5% and *** significant at 10%

As per the chi-square test (H_{1d}) at 10% significance level (Table-5), we observe that with the exception of nature of business, entrepreneurial experience and loan size all other demographic features show association with awareness in scheme priority and therefore we reject H_{1d} and conclude that

gender, age, education and beneficiaries' status affect the awareness in scheme priority. U test/KW test also consistently follow the same results across all demographic features except loan size.

Table-5: Test Results for Hypothesis H_{1d}

Demographic Variable	Chi-square test			U test /KW test		
	df	p-value	Result	df	(p-value)	Result
Gender	2	0.002*	Reject	-	0.001*	Reject
Age	4	0.059***	Reject	-	0.075***	Reject
Education	6	0.000*	Reject	3	0.000*	Reject
Nature of business	2	0.324	Accept	-	0.396	Accept
Beneficiary Status	2	0.001*	Reject	-	0.000*	Reject
Entrepreneurial Experience	4	0.580	Accept	2	0.752	Accept
Loan size	6	0.158	Accept	3	0.084***	Reject

*Significant at 1%, **Significant at 5% and *** significant at 10%

After ascertaining association of demographic features of the entrepreneurs with various components of awareness it is pertinent to establish association between demographic characteristics and overall awareness on the scheme. Overall

awareness here is the cumulative awareness by assigning equal weight to the score obtained in each question under all the four components. By performing the test (H_1) we obtain the results as incorporated in the table-6.

Table-6: Test Results for Hypothesis H_1

Demographic Variables	Chi-square test			U test /KW test		
	df	p-value	Result	df	(p-value)	Result
Gender	1	0.797	Accept	-	0.087***	Reject
Age	2	0.033**	Reject	-	0.292	Accept
Education	3	0.000*	Reject	3	0.000*	Reject
Nature of business	1	0.703	Accept	-	0.599	Accept
Beneficiary Status	1	0.096***	Reject	-	0.685	Accept
Entrepreneurial Experience	2	0.004*	Reject	2	0.045**	Reject

Loan Size	3	0.000*	Reject	3	0.000*	Reject
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*Significant at 1%, **Significant at 5% and *** significant at 10%

From the results of the chi-square test at 10% significance level, we observe that all the demographic features except gender and nature of business are associated with the overall awareness on credit guarantee scheme. Therefore, we reject H_1 to reach at the inference that age, education, beneficiaries' status, entrepreneurial experience and loan size are associated with the awareness level of the entrepreneurs towards credit guarantee scheme. In fact, the result of the Mann-Whitney test and Kruskal Wallis test has also shown consistency for the variables education, entrepreneurial experience, loan size and nature of business and inconsistency in respect with gender, age and beneficiaries status.

6. Findings and Discussion

In the preceding section we have examined the awareness level of the respondents on the different aspects of awareness on the credit guarantee scheme to gauge their knowledge on the scheme. According to their degree of knowledge they have been categorised in four different groups; zero level, low level, moderate level and high level. With exception of the scheme eligibility, in all other aspects of the scheme awareness none could be included in high awareness group. When it comes to overall awareness, all the entrepreneurs have been categorised under low (86.3%) and moderate categories (13.7%). As per record only once district wise awareness programme has been conducted in the state of Assam by CGTMSE in association with 'The North East Chambers of Commerce and Industry (NECCI)' in the year 2009-10. Despite a mention in the annual report of SIDBI (2011-12) that the North East is an underserved area in terms of CGTMSE coverage no observable special emphasis has been laid on awareness creation and enhancement of coverage. Though around 26% of the MSEs have had participation in some training programme (either Entrepreneurship Development Programme or relating to their business activities) but seldom CGS occurred as a content of the training. It is observed that only around 2-3% of the total number of bank branches have displayed CGTMSE scheme benefits in their display board for publicity and advertisement. Rarely the bank personnel have been involved in business development meeting, exhibitions, seminar and workshop to spread awareness about CGTMSE. From the banker's point of view, the scheme is beneficial to the entrepreneurs to support their business (new or existing) while they need financial support (term loan /working capital) from banks without providing any collateral security. From the discussion with some of the bank managers it is discovered that in their perception the benefits associated with the scheme (for example it contributes the mandatory requirements of the 40% bank credit to the priority sectors) are offset with the inherent drawbacks of the scheme, particularly the way it affects the behavior and mind set of the entrepreneurs towards the repayment of the bank loan.

While examining our principal hypothesis, overall awareness is found to have association with age, education, beneficiary's status, entrepreneurial experience and the loan size. Gender and nature of business activities are observed to be independent of the overall awareness. Educated and

experienced entrepreneurs particularly those have taken relatively greater loan have more awareness as compared to those who are relatively less educated, inexperienced and with small size loan. These findings suggest that entrepreneurs at their own level try to learn various aspects of the scheme presumably through their own initiatives, business involvement and inquisitive attitude and behavior. Conversely it gives an indication that the literature designed at the level of CGTMSE or contents delivered in training programme (if at all) conducted by financial institutions to popularise the scheme is beyond the comprehension of the less educated and novice entrepreneurs. The association between age and awareness suggests that entrepreneurs in higher age group are having relatively greater level of awareness than their young counterparts. On the other hand, it is found that nature of business is not associated with the level of awareness of the entrepreneurs in respect of all the components of awareness. It means entrepreneurs in both the lines of business activities are identical in terms of awareness on CGS. The association of loan size with awareness is well explained as the larger the loan burden greater is the force behind the process of awareness development with the individual entrepreneur. Nevertheless, education of the entrepreneurs both formal and acquired through business experience emerges as the most influencing factor behind scheme awareness. Research conducted elsewhere also show similar result (Parker and Shay, 1974; Singh & wasdani, 2016; Rahiman, 2010; Buchari, Rafiki and Qassab, 2014; Filipiak, 2012; Shiralashetti, 2013; RBI, 2010). At the level individual components of awareness it is learnt that the level of awareness is very low for scheme guarantee and coverage. One plausible reason to explain this could be the bankers' mindset not to inform the loanee entrepreneur about such type of coverage for they will try to escape the loan burden if somebody else is there to pay in case of default. However, those who are educated and more entrepreneurial experienced, come to know about such CGTMSE coverage due to their eagerness to know and at times become aware while going through the documentation process.

7. Conclusion and Suggestion

The main aim of this research work was to measure the level of awareness on CGS and examine if the level of such awareness is associated with the demographic characteristics of the Micro and Small Enterprises operating in the state of Assam. In relation to the level of awareness on CGS, the results of this study indicate that in general, MSEs are not having awareness as expected in the contemporary business scenario. The major contribution of the study is in the measurement of awareness in various aspects of the CGS and revealing the association of such awareness with the demographic characteristics of the entrepreneurs limited to two districts only. Although many of the hypotheses tested are not supported with empirical findings, analysis of data clearly reveals the scope for CGTMSE and the concerned MLIs to conduct awareness programmes and helps in identifying the participants and contents that warrant special emphasis. Further the study opens the door for future research, namely

addition of demographic and operation related variables affecting not only awareness but also financing practice.

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Annexure-1: Awareness Level of the Entrepreneurs

Variables	CGS's Eligibility				CGS's Features*				CGS's Guarantees and Coverage*				CGS's Priority*				Overall*		Total
	Demographic Variables	Sub-variables	No	Low	Moderate	High	No	Low	Moderate	No	Low	Moderate	No	Low	Moderate	Low	Moderate		
Gender	Male	9(3.6)	171(67.9)	55(21.8)	17(6.7)	95(37.7)	115(45.6)	42(16.7)	156(61.9)	79(31.4)	17(6.7)	99(39.3)	124(49.2)	29(11.5)	217(86.1)	35(13.9)	252(100.0)		
	Female	0(0.0)	25(62.1)	22(45.8)	1(2.1)	27(56.3)	17(35.4)	4(8.3)	25(52.1)	21(43.7)	2(4.2)	6(12.5)	33(68.8)	9(18.7)	42(87.5)	6(12.5)	48(100.0)		
Nature of business	Service	7(3.6)	126(64.0)	50(25.3)	14(7.1)	74(37.6)	90(45.6)	33(16.8)	118(59.9)	65(33.0)	14(7.1)	74(37.6)	97(49.2)	26(13.2)	169(85.8)	28(14.2)	197(100.0)		
	Manufacturing	2(1.9)	70(68.0)	27(26.2)	4(3.9)	48(46.6)	42(40.8)	13(12.6)	63(61.1)	35(34.0)	5(4.9)	31(30.1)	60(58.3)	12(11.7)	90(87.4)	13(12.6)	103(100.0)		
Status	Non-beneficiaries	3(3.0)	62(62.0)	31(31.0)	4(4.0)	56(56.0)	39(39.0)	5(5.0)	59(59.0)	38(38.0)	3(3.0)	20(20.0)	63(63.0)	17(17.0)	91(91.0)	9(9.0)	100(100.0)		
	Beneficiaries	6(3.0)	134(67.0)	46(23.0)	14(7.0)	66(33.0)	93(46.5)	41(20.5)	122(61.0)	62(31.0)	16(8.0)	85(42.5)	94(47.0)	21(10.5)	168(84.0)	32(16.0)	200(100.0)		
Age	≤ 30 Years	5(5.2)	66(68.7)	23(24.0)	2(2.1)	34(35.4)	49(51.1)	13(13.5)	58(60.4)	36(37.5)	2(2.1)	30(31.3)	55(57.3)	11(11.4)	90(93.7)	6(6.3)	96(100.0)		
	(31 - 45) Years	3(1.9)	100(63.7)	45(28.7)	9(5.7)	66(42.0)	66(42.1)	25(15.9)	94(59.9)	51(32.5)	12(7.6)	50(31.8)	86(54.8)	21(13.4)	129(82.2)	28(17.8)	157(100.0)		
Education	> 45 Years	1(2.1)	30(63.7)	9(19.1)	7(14.9)	22(46.8)	17(36.2)	8(17.0)	29(61.7)	13(27.7)	5(10.6)	25(53.2)	16(34.0)	6(12.8)	40(85.1)	7(14.9)	47(100.0)		
	< Class - X	3(4.2)	62(87.3)	6(8.5)	0(0.0)	31(43.7)	38(53.5)	2(2.8)	65(91.5)	6(8.5)	0(0.0)	37(52.1)	33(46.5)	1(1.4)	71(100.0)	0(0.0)	71(100.0)		
Entrepreneurial Experience	Class - X	3(4.6)	53(81.6)	9(13.8)	0(0.0)	25(38.5)	36(55.3)	4(6.2)	49(75.4)	16(24.6)	0(0.0)	34(52.3)	27(41.5)	4(6.2)	63(96.9)	2(3.1)	65(100.0)		
	Class - XII	2(2.3)	60(68.1)	24(27.3)	2(2.3)	49(55.7)	36(40.9)	3(3.4)	55(62.5)	32(36.4)	1(1.1)	25(28.4)	61(69.3)	2(2.3)	87(98.9)	1(1.1)	88(100.0)		
Loan	Graduate & Above	1(1.3)	21(27.6)	38(50.0)	16(21.1)	17(22.4)	22(28.9)	37(48.7)	12(15.8)	46(60.5)	18(23.7)	9(11.8)	36(47.4)	31(40.8)	38(50.0)	38(50.0)	76(100.0)		
	(3-4) years	1(1.0)	72(70.5)	28(27.5)	1(1.0)	48(47.1)	43(42.1)	11(10.8)	61(59.8)	39(38.2)	2(2.0)	34(33.3)	55(53.9)	13(12.7)	95(93.1)	7(6.9)	102(100.0)		
Total	(4-5) Years	4(4.8)	63(75.0)	16(19.0)	1(1.2)	35(41.7)	40(47.6)	9(10.7)	58(69.0)	22(26.2)	4(4.8)	30(35.7)	47(56.0)	7(8.3)	75(89.3)	9(10.7)	84(100.0)		
	> 5 years	4(3.5)	61(53.6)	33(28.9)	16(14.0)	39(34.2)	49(43.0)	26(22.8)	62(54.4)	39(34.2)	13(11.4)	41(36.0)	55(48.2)	18(15.8)	89(78.1)	25(21.9)	114(100.0)		
Total	≤ 100000	0(0.0)	33(73.3)	12(26.7)	0(0.0)	25(55.6)	17(37.7)	3(6.7)	34(75.6)	11(24.4)	0(0.0)	19(42.2)	22(48.9)	4(8.9)	41(91.1)	4(8.9)	45(100.0)		
	(1-2) Lakhs	6(4.1)	108(74.5)	30(20.7)	1(0.7)	58(40.0)	76(52.4)	11(7.6)	98(67.5)	43(29.7)	4(2.8)	56(38.6)	73(50.3)	16(11.1)	136(93.8)	9(6.2)	145(100.0)		
Total	(2-5) Lakhs	2(2.7)	46(62.1)	23(31.1)	3(4.1)	30(40.5)	32(43.3)	12(16.2)	37(50.0)	34(45.9)	3(4.1)	21(28.4)	44(59.5)	9(12.1)	65(87.8)	9(12.2)	74(100.0)		
	> Rs. 5 Lakhs	1(2.8)	9(25.0)	12(33.3)	14(38.9)	9(25.0)	7(19.4)	20(55.6)	12(33.3)	12(33.3)	12(33.4)	9(25.0)	18(50.0)	9(25.0)	17(47.2)	19(52.8)	36(100.0)		
Total		9(3.0)	196(65.3)	77(25.7)	18(6.0)	122(40.7)	132(44.0)	46(15.3)	181(60.3)	100(33.3)	19(6.4)	105(35.0)	157(52.3)	38(12.7)	259(86.3)	41(13.7)	300(100.0)		

Source: Authors computation from primary data.

Notes: 1. Figure in parenthesis indicates percentage

2.: *Omission of columns due to non-availability of observation.