

Unlocking MSME Growth: Examining Awareness of Government Financial Schemes and Key factors

Bhrijujyoti Rabha^{1*}, Dr. Dipankar Malakar²

^{1*} Research Scholar, Maniram Dewan School of Management, Krishna Kanta Handiqui State Open University, Khanapara, Guwahati-781022, Assam, India

² Assistant Professor, Maniram Dewan School of Management, Krishna Kanta Handiqui State Open University, Khanapara, Guwahati-781022, Assam, India

ARTICLE INFO

Received: 28 Dec 2024

Revised: 18 Feb 2025

Accepted: 26 Feb 2025

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) is well known for its role in promoting economic development and wealth generation. Despite its economic significance limited access to external financing acts as a significant barrier in MSMEs growth. The government has implemented various programs to provide affordable financial assistance to MSMEs to address the limited external financing issue. MSME's awareness remains as the blockage in the path to access finance. This study explores the level of awareness of government-facilitated financial schemes among MSMEs, focusing on factors such as education, business age, location, gender, business experience, and size. The results show that while gender, entrepreneur age, and business experience do not significantly influence awareness, factors such as business location, education level, and ownership type do. The study surveyed 300 MSMEs with loan experience in three districts of Assam and found that DICC organized workshops and seminars were effective and frequency of awareness programs to be inadequate despite interest among respondents. The use of digital platforms and social media will further enhance high-demand awareness programs among the entrepreneur.

Keywords: MSMEs, Awareness & knowledge, financial schemes, financial institutions.

INTRODUCTION

Micro Small and medium enterprises (MSMEs) generally lack sufficient finance and consequently it suffers growth. It is therefore this sector requires government intervention in the form of financial assistance to sustain its growth and contribute towards the nation's economic growth, employment generation and its export. Recognising MSMEs' difficulties in obtaining finance, the Indian Government has stepped in by establishing agencies and providing support to help them access fund more readily. Aparnadevi et al., (2023) The efforts of government intervention through various financial assistance or incentives towards these sector fails to reach the intended beneficiaries due to failure in creating awareness programme on introduced schemes among the entrepreneur. Beck et al., (2008) Low level of financial awareness limit the access to financial services from formal financial institutions among SMEs owners and managers and this affects their contribution to economic growth. There is a significant correlation between low awareness of financing options and financial challenges among entrepreneur (Shyla Marie Abairo Cruzado et al., 2023). Sourcing of finance and the cause of underutilization of formal source of finance is due to the lack of awareness among the entrepreneurs in India and it is therefore enterprises tend to use more of informal finance than formal finance (Singh & Poornima Wasdani, 2016). To overcome and support the sector several schemes were introduced over the years by the government. However, despite numerous interventions and launched of the schemes, the desired result could not be seen due to the barrier in creating awareness of the schemes and the sector's performance has consistently fallen short of expectations. Very few studies were being carried out in understanding MSMEs' awareness. Development banks and financial institutions are the nodal agency in disbursing various financial schemes implemented in India. The main administering bodies at both regional as well as the national level comprises Small Industries Development Bank of India (SIDBI), North Eastern Development Finance Corporation Ltd (NEDFI), District Industries and Commerce Centres (DICC) along with Assam Financial Corporation (AFC);

and various commercial banks in the region. These institutions provide financial schemes in the form of grants, loans and credit guarantee to enhance access to finance that will enable MSMEs with an objective of overcoming their financing constraints appropriately encouraging entrepreneurship leading towards economic growth. To some extent their success seems dependent on the entrepreneur's awareness of them and perceived benefits. However, very little is known about how aware the entrepreneurs are of such schemes. Furthermore, there is generally limited understanding of the factors like gender, age, location, education level and ownership type having an effect on this awareness. The present study intends to bridge the gap in identifying these relevant variables by understanding how much do entrepreneurs know about financial schemes. Then analysed these determinants and aim to assess which are the most important factors in creating awareness so as to inform policy making, guide implementation of more efficient outreach programs.

Financial Literacy

The ability of an individual to make well informed financial decisions that promote a financially secure outcome for them is referred as financial literacy which involves the awareness, knowledge, skill attitude and behaviour (Alnassar, 2020). Entrepreneur competency increases with increase in financial knowledge. The Organisation for Economic Cooperation and Development (OECD) was one of the first in introducing financial literacy programme globally and personal well-being.

Financial Institutions and their schemes in Assam

Assam has multiple opportunities for MSMEs to flourish due to its abundance of natural resources and its status as a connectivity hub to the seven sisters (North Eastern states). There are numerous financial institutions and development bodies available to assist MSMEs with financing. Some of the main institutions being established for MSME financial support are Small Industries Development Corporations of India (SIDBI), Commercial Banks, Regional Rural Banks, District Industries and Commerce Centre (DICCC), Assam Financial Corporations (AFC) and North Eastern Development Finance Corporation Ltd (NEDFi). Financial schemes introduced through these institutions are vital for supporting the growth and development of MSMEs. These institution aims in resolving sectors financial requirements, improve their talents and helping them to succeed in a competitive business climate. To facilitate flow of working capital and easy access to adequate capital at affordable rate are the aim of these institutions. The major financial schemes that were introduced in the region from the financial institutions in addressing financial constraints are as below -

1. Commercial Bank Schemes-

- Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)
- Prime Minister's Employment Generation Programme (PMEGP)
- Pradhan Mantri Mudra Yojana (PMMY)
- PSB 59 minutes loan

2. SIDBI Schemes-

- SIDBI Make in India Soft Loan Fund (SMILE)
- Smile Equipment Finance (SEF)
- SIDBI Loan for Purchase of Equipment for Enterprise's Development (SPEED)

3. NEDFI Schemes-

- Project Finance Scheme (PFS)
- North East Entrepreneurs Development Scheme (NEEDS)
- Rupee Term Loan Scheme (RTLs)
- Working Capital Term Loan Scheme (WCTLs)

4. DICC Schemes-

- Sarothi
- Biponi
- Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana

5. AFC Schemes-

- Scheme for Working Capital Loan
- Axom Fund Scheme
- Equipment Finance Scheme

LITERATURE REVIEW

Financial awareness helps SME managers understand and make informed decisions on financial products and schemes, improving their access to credit through available financial schemes and fostering business growth (Hussain et al., 2018). SMEs need financial literacy to access loans and grow. In developing economies, financial literacy helps SMEs make smart financial decisions before using services like loans, ensuring they use them effectively (Okello Candiya Bongomin et al., 2017). However, Singh & Poornima Wasdani (2016) revealed that a significant barrier to MSMEs utilizing formal financial sources is the lack of financial awareness among entrepreneurs. Research indicates that the Indian government has launched various initiatives to support women entrepreneurs. Despite offering financial aid and training, many entrepreneurs, especially in rural areas, remain unaware of the schemes. A study in Uttar Pradesh and Uttarakhand shows that while progress exists, challenges like low awareness and resource utilization still limit success (Agarwal & Lenka, 2018). H L & G Rathod (2021) Study in Karnataka on PMMY scheme awareness reveals that young male entrepreneurs (aged 18-30) holding postgraduate degrees were generally aware of the Mudra Scheme. However, the overall awareness of the PMMY schemes found low level among the entrepreneur, with many learning about it through friends and relatives. Saravanan (2021) conducted a study in Tuticorin district of Tamil Nadu and found that entrepreneurs were largely aware of the PMEGP scheme and benefited from it, with many gaining access to new machinery through government events. This awareness has enhanced SME performance by enabling better use of government schemes. Jacob et al. (2021) A study in Coimbatore shows that while women entrepreneurs display relatively higher awareness of government schemes, significant gaps in awareness exist based on ownership structure, investment levels, corporate establishment, and annual sales. Many Studies indicate that a lack of awareness is a primary barrier faced by entrepreneurs and various studies indicates factors such as gender, age, location, education level, ownership type, business experience influences awareness of the schemes. Such as study by Akanbi (2021) in examining the MSMEs' awareness of government-facilitated finance sources in Abuja revealed that while most MSMEs are aware of these finance options, factors such as education, business age, number of employees, and size have no significant effect on awareness. In early stages of business creation low level of financial skills among SME owner-managers is found and the bridge in fostering financial competence can be created with role of educators, state agencies, and banks(Foley, 2018). Due to insufficient knowledge and educational background, a significant number of MSME operators neglect proper financial management practices(Edwy et al., 2023). The issue of lack of awareness is especially prevalent among MSMEs led by individuals with lower levels of education, who are often unaware of credit schemes that could help them access formal financial resources(Singh & Poornima Wasdani, 2016). Government schemes should be widely promoted and tailored to address the unique challenges faced by groups such as women and rural entrepreneurs, ensuring that all potential beneficiaries are well-informed and able to participate effectively(Navin Shah & Mahajan, 2019). The literature highlights that financial awareness is necessary so MSME owners have better use and access to the financial schemes. However, there is limited awareness among entrepreneurs about financial schemes for MSMEs, especially in rural areas or among those with lower education backgrounds, even though initiatives abound with the government. Mostly there is a limited study on the factors such as age, gender, education level, and business experience significantly influence awareness levels. Based on the above gap study to find the awareness among MSMEs is developed as follows-

Objectives of the Study

1. To assess the awareness among MSME owners regarding government-supported financing schemes.
2. To examine sources of information about the schemes and assess the level of interest in the awareness programs

Hypotheses Formulation

- H₀₁: Awareness of financial schemes do not differ significantly across gender of the MSMEs.
- H₀₂: Awareness of financial schemes do not differ significantly across age of the MSMEs.
- H₀₃: Awareness of financial schemes do not differ significantly across location of the business.
- H₀₄: Awareness of financial schemes do not differ significantly across education of the entrepreneur.
- H₀₅: Awareness of financial schemes do not differ significantly across experiences in the business.
- H₀₆: Awareness of financial schemes do not differ significantly across ownership type of the business.

METHODOLOGY OF THE STUDY

This exploratory research aims to examine the entrepreneur’s awareness of key financial schemes for MSMEs offered by commercial banks and government agencies. Using non-probability convenience sampling a structured questionnaire was used to collect primary data from 300 MSMEs that had obtained bank financing. A proportionate sample of registered MSME borrowers was drawn from each district, with 139 from Goalpara, 88 from Bongaigaon, and 73 from Kokrajhar. Interviews were conducted with MSME managers and owners. Due to existence of established industrial growth centres and strong banking infrastructure study area were chosen as it makes them ideal locations for assessing the financial awareness. The study assessed the awareness among MSME entrepreneurs based on key demographic factors that can impact the client's awareness level such as gender, age, education, business location, ownership type, and business experience. The factors considered for the study were referred in many studies as they can also influence awareness levels. Awareness level was measured using 20 sub-variables, categorized into five main financial schemes: Commercial Banks schemes, SIDBI schemes, NEDFI schemes, DICC schemes, and AFC schemes. Awareness levels rated on a scale from 1 (Highly Disagree) to 5 (Highly Agree), were analysed using one-way ANOVA and t-tests in SPSS to compare demographic variations.

RESULTS & FINDINGS

Data Analysis and Interpretation

Table 1: Demographic and business profile of the Entrepreneur

| Sl. No. | Profile | Frequency | Percent |
|--------------|-----------------------|-----------|---------|
| 1. Gender | Male | 224 | 75% |
| | Female | 76 | 25% |
| 2. Age | Below 30 Years | 90 | 30% |
| | 31 To 40 Years | 132 | 44% |
| | 41 TO 50 Years | 63 | 21% |
| | Above 50 Years | 15 | 5% |
| 3. Education | School Education | 51 | 17% |
| | H S Passed | 121 | 40% |
| | Graduate | 112 | 37% |
| | Post Graduate & Above | 16 | 5% |
| 4. Location | Urban | 92 | 31% |

| | | |
|------------|-----|-----|
| Semi-Urban | 98 | 33% |
| Rural | 110 | 37% |

5. Ownership Type

| | | |
|-------------------------|-----|-----|
| Sole Proprietorship | 268 | 89% |
| Partnership | 31 | 10% |
| Private Limited company | 1 | 0% |

6. No. Of Years in Business

| | | |
|--------------------|-----|-----|
| Less Than 3 Years | 32 | 11% |
| 3 To 6 Years | 111 | 37% |
| 6 To 10 Years | 79 | 26% |
| 10 Years and above | 78 | 26% |

Source: Computed

Among the 300 MSMEs surveyed, 75% of the entrepreneurs were male, while 25% were female. The age distribution revealed that the majority of entrepreneurs (44%) were between the ages of 31 and 40 years. Younger entrepreneurs, aged below 30 years, accounted for 30% of the sample, while only 5% were above 50 years. In terms of education, a significant portion of the entrepreneurs had completed higher secondary education (40%), and 37% were graduates. A smaller proportion (5%) had pursued post-graduate education. The location of the businesses showed that the largest proportion of entrepreneurs were based in rural areas (37%), followed by those in semi-urban areas (33%) and urban areas (31%). Regarding business ownership, the majority (89%) of MSMEs were sole proprietorships, with 10% operating as partnerships and only 1% as private limited companies. In terms of business experience, 37% of entrepreneurs had been in business for 3 to 6 years, followed by 26% who had been in business for over 10 years. Only 11% of entrepreneurs were relatively new, with less than 3 years of experience.

Awareness of financial Schemes

The table 2 below presents statement wise average score to find out which variables had the highest awareness ratings. The average score of each statement of awareness was calculated using the following formula:

$$\text{Average Score} = \frac{N(\text{HD}) \times (1) + N(\text{D}) \times (2) + N(\text{N}) \times 3 + N(\text{A}) \times 4 + N(\text{HA}) \times 5}{N(\text{R})}$$

where,

N (HD) = No. of respondents (Highly Disagree)

N (D) = No. of respondents (Disagree)

N (N) = No. of respondents (Neutral) (Neither Agree nor Disagree)

N (A) = No. of respondents (Agree)

N (HA) = No. of respondents (Highly Agree)

N(R) = Total no. of respondents

Table 2: Awareness score of Awareness of financial Schemes

| Financial Institution's | Scheme's | Average Score | Composite Score |
|-------------------------|---|---------------|-----------------|
| Commercial Bank Schemes | Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE) | 3.1 | 3.18 |
| | Prime Minister Employment Generation Programme (PMEGP) | 3.2 | |
| | Pradhan Mantri Mudra Yojana (PMMY) | 3.4 | |

| | | | |
|-------------------------------------|---|-----|------|
| | 59 minutes loan | 3.1 | |
| SIDBI Schemes | SIDBI Make in India Soft Loan Fund (SMILE) | 2.8 | 2.70 |
| | Smile Equipment Finance (SEF) | 2.7 | |
| | SIDBI Loan for Purchase of Equipment for Enterprise Development (SPEED) | 2.7 | |
| NEDFI Schemes | Project Finance Scheme (PFS) | 2.8 | 2.87 |
| | North East Entrepreneurs Development Scheme (NEEDS) | 2.8 | |
| | Rupee Term Loan Scheme (RTLS) | 2.8 | |
| | Equipment Finance Scheme (EFS) | 3.0 | |
| | Working Capital Term Loan Scheme (WCTLS) | 3.0 | |
| DICC Schemes | Sarothi | 3.2 | 3.23 |
| | Biponi | 3.3 | |
| | Swami Vivekananda Assam Youth Empowerment (SVAYEM) Yojana | 3.2 | |
| Assam Financial Corporation Schemes | Scheme for Working Capital Loan | 2.6 | 2.29 |
| | Axom Fund Scheme | 2.3 | |
| | Micro Finance Scheme | 2.2 | |
| | General Loan Schemes | 2.2 | |
| | Single Window Scheme for Fixed Assets and Working Capital | 2.2 | |

Source: Computed

From the above Table 2, Schemes introduced by District Industries and Commerce Centre (DICC) found to have scored high on awareness level which means that DICC plays a significant role in creating awareness schemes. The analysis shows that entrepreneurs have varying levels of awareness about financial schemes, with the highest recognition for DICC schemes (Composite Score: 3.23), particularly Biponi scheme (3.3), indicating strong local outreach. While in the contrary Assam Financial Corporation (AFC) schemes scored the lowest (2.29), suggesting limited awareness creation by the institution. Commercial Bank Schemes have moderate awareness (3.18), with the popular Pradhan Mantri Mudra Yojana (PMMY) schemes scoring the highest at 3.4. SIDBI and NEDFI schemes both received lower scores, around 2.7 to 2.87, showing a need for better awareness efforts. The overall trend highlights the need for improved awareness creation especially for regional schemes to enhance entrepreneur participation.

Hypothesis Testing:

1. Gender and Awareness of the Schemes:

In order to test the first hypothesis regarding a significant difference in awareness between male and female entrepreneurs, an independent samples t-test was employed. This method is commonly used for comparing the means of two groups. The hypothesis was formulated as follows:

H₀: Awareness of financial schemes do not differ significantly across gender of the MSMEs.

H₁: Awareness of financial Schemes differ significantly across gender of the MSME

Table 3: T-test for gender and institution wise Awareness of the Schemes

| Schemes | Gender | Mean | P Value |
|-------------------------|--------|-------|---------|
| Commercial Bank Schemes | Male | 3.204 | 0.871 |
| | Female | 3.109 | |
| SIDBI Schemes | Male | 2.702 | 0.548 |
| | Female | 2.706 | |
| NEDFI Schemes | Male | 2.878 | 0.744 |

| | | | |
|--------------|--------|-------|-------|
| | Female | 2.847 | |
| DICC Schemes | Male | 3.228 | 0.581 |
| | Female | 3.254 | |
| AFC Schemes | Male | 2.302 | 0.019 |
| | Female | 2.261 | |

Source: Computed

From the above Table 3. The t-test results for institution wise schemes show no significant gender differences in awareness. As for all Commercial Bank, SIDBI, NEDFI, and DICC schemes p-values are above 0.05. However, for AFC schemes, a significant difference is observed (p-value = 0.019), with male entrepreneurs showing slightly higher awareness than female entrepreneurs. This suggests that gender does not broadly impact awareness levels, except for AFC schemes.

2. Age of Owner and Awareness of the Schemes:

In order to test the second hypothesis regarding a significant difference in awareness across age groups One-way ANOVA was attempted to be used to test the relationship. The hypothesis framed was as follows:

H₀: Awareness of financial schemes do not differ significantly across age of owner.

H₂: Awareness of financial schemes differ significantly across age of owner.

Table 4: One-way ANOVA age of owner and institution wise Awareness of the Schemes

| Schemes | Age of the Entrepreneur | Mean | P Value |
|-------------------------|-------------------------|--------|---------|
| Commercial Bank Schemes | Below 30 years | 3.0194 | 0.0119 |
| | 31 To 40 years | 3.2027 | |
| | 41 To 50 years | 3.3810 | |
| | Above 50 years | 3.1000 | |
| SIDBI Schemes | Below 30 years | 2.7111 | 0.5259 |
| | 31 To 40 years | 2.6591 | |
| | 41 To 50 years | 2.8201 | |
| | Above 50 years | 2.5556 | |
| NEDFI Schemes | Below 30 years | 2.8756 | 0.1257 |
| | 31 To 40 years | 2.8682 | |
| | 41 To 50 years | 2.9143 | |
| | Above 50 years | 2.6667 | |
| DICC Schemes | Below 30 years | 3.1926 | 0.1372 |
| | 31 To 40 years | 3.2020 | |
| | 41 To 50 years | 3.3016 | |
| | Above 50 years | 3.4889 | |
| AFC Schemes | Below 30 years | 2.2467 | 0.4841 |
| | 31 To 40 years | 2.3030 | |
| | 41 To 50 years | 2.3302 | |
| | Above 50 years | 2.2933 | |

Source: Computed

The above Table 4 reflecting the ANOVA results show a significant difference only for Commercial Bank Schemes across age groups (p-value = 0.0119). Entrepreneurs aged 41-50 have the highest awareness (mean = 3.3810), while those below 30 have the lowest (mean = 3.0194), indicating that middle-aged entrepreneurs are more aware of these

schemes. No significant differences in awareness were found for SIDBI, NEDFI, DICC, or AFC Schemes across age groups.

3. Location of the business and Awareness of the Schemes:

To test the hypothesis regarding a significant difference in overall awareness across location of unit. One way ANOVA was used to test the relationship. The hypothesis framed was as follows:

H₀: Awareness of financial Schemes does not differ significantly across location of unit.

H₃: Awareness of financial Schemes differ significantly across location of unit.

Table 5: One-way ANOVA for Location of business and institution wise Awareness of the Schemes

| Schemes | Location of business | Mean | P Value |
|-------------------------|----------------------|--------|---------|
| Commercial Bank Schemes | Urban | 3.4973 | 0.000 |
| | Semi-Urban | 3.1837 | |
| | Rural | 2.9114 | |
| SIDBI Schemes | Urban | 3.0145 | 0.000 |
| | Semi-Urban | 2.7075 | |
| | Rural | 2.4394 | |
| NEDFI Schemes | Urban | 3.0065 | 0.000 |
| | Semi-Urban | 2.8469 | |
| | Rural | 2.7764 | |
| DICC Schemes | Urban | 3.3551 | 0.001 |
| | Semi-Urban | 3.2857 | |
| | Rural | 3.0879 | |
| AFC Schemes | Urban | 2.3370 | 0.121 |
| | Semi-Urban | 2.3061 | |
| | Rural | 2.2400 | |

Source: Computed

As indicated in Table 5, ANOVA results show that awareness differs significantly based on business location for Commercial Bank (p = 0.000), SIDBI (p = 0.000), NEDFI (p = 0.000) and DICC Schemes (p = 0.001) with urban being more aware than rural business across all schemes. However, For AFC Schemes Awareness there is no locational difference (p = 0.121). For the most part, urban entrepreneurs are much more familiar with financial schemes than their non-urban counterparts.

4. Education of the Entrepreneur and Awareness of the Schemes:

To test the hypothesis regarding a significant difference in awareness across education level of owner, i.e., School Education, H S Passed, Graduate and Postgraduate and above. One way ANOVA was attempted to be used to test the relationship. The hypothesis framed was as follows:

H₀: Awareness of financial Schemes does not differ significantly across education level of owner.

H₄: Awareness of financial Schemes differ significantly across education level of owner.

Table 6: One-way ANOVA for education of owner and Institution wise awareness of the Schemes

| Schemes | Education of the Entrepreneur | Mean | P Value |
|-------------------------|-------------------------------|--------|---------|
| Commercial Bank Schemes | School Education | 2.6618 | 0.0000 |
| | HS Passed | 3.0000 | |
| | Graduate | 3.5022 | |
| | Post Graduate & Above | 3.9375 | |
| SIDBI Schemes | School Education | 2.2549 | 0.0000 |
| | HS Passed | 2.3939 | |
| | Graduate | 3.1250 | |
| | Post Graduate & Above | 3.5208 | |
| NEDFI Schemes | School Education | 2.6353 | 0.0000 |
| | HS Passed | 2.7355 | |
| | Graduate | 3.0625 | |
| | Post Graduate & Above | 3.2875 | |
| DICC Schemes | School Education | 2.8562 | 0.0000 |
| | HS Passed | 3.1625 | |
| | Graduate | 3.4464 | |
| | Post Graduate & Above | 3.5000 | |
| AFC Schemes | School Education | 2.0863 | 0.0000 |
| | HS Passed | 2.2116 | |
| | Graduate | 2.4375 | |
| | Post Graduate & Above | 2.5250 | |

Source: Computed

The ANOVA results in Table 6 indicates significant differences in awareness based on education level for all schemes. Awareness consistently increases with education, from the lowest in School Education to the highest in Postgraduate & Above. For Commercial Bank, SIDBI, NEDFI, DICC, and AFC Schemes, more educated entrepreneurs show significantly higher awareness. This highlights the strong positive relationship between education and awareness of financial schemes. The result shows that the higher the entrepreneur's education, the higher the mean awareness score. And as such, awareness campaigns may have to target uneducated entrepreneurs even further.

5. Experience in business and Awareness of the Schemes:

To test the hypothesis regarding a significant difference in awareness score across age groups, i.e., “Less than 3 years, 3 to 6 years, 6 to 10 years, 10 years and above. The hypothesis framed was as follows:

H₀: Awareness of financial Schemes does not differ significantly across age groups.

H₅: Awareness of financial Schemes differ significantly across age groups.

Table 7: One-way ANOVA for Experience in business and Institution wise Awareness of the Schemes

| Schemes | Experience in business | Mean | P Value |
|-------------------------|------------------------|--------|---------|
| Commercial Bank Schemes | Less than 3 years | 2.9063 | 0.0653 |
| | 3 to 6 years | 3.1554 | |
| | 6 to 10 years | 3.2658 | |
| | 10 years and above | 3.2404 | |
| SIDBI Schemes | Less than 3 years | 2.5521 | 0.6948 |
| | 3 to 6 years | 2.6997 | |
| | 6 to 10 years | 2.7511 | |
| | 10 years and above | 2.7222 | |
| NEDFI Schemes | Less than 3 years | 2.8625 | 0.9529 |
| | 3 to 6 years | 2.8793 | |
| | 6 to 10 years | 2.8785 | |
| | 10 years and above | 2.8513 | |
| DICC Schemes | Less than 3 years | 3.1146 | 0.2353 |
| | 3 to 6 years | 3.1892 | |
| | 6 to 10 years | 3.2827 | |
| | 10 years and above | 3.2991 | |
| AFC Schemes | Less than 3 years | 2.275 | 0.9911 |
| | 3 to 6 years | 2.2973 | |
| | 6 to 10 years | 2.2911 | |
| | 10 years and above | 2.2897 | |

Source: Computed

As per the ANOVA results shown in Table 7, no significant differences in awareness levels across business age groups for any of the financial schemes. For Commercial Bank Schemes, the p-value is 0.0653, approaching significance, with awareness increasing slightly from younger businesses (mean = 2.9063) to older ones (mean = 3.2404). However, for SIDBI, NEDFI, DICC, and AFC Schemes, the p-values are all well above 0.05, indicating no statistically significant variation in awareness. DICC Schemes show a slight upward trend in awareness as businesses age (mean = 3.1146 for less than 3 years, to 3.2991 for 10 years and above), but this difference is not significant (p = 0.2353). The findings suggest that the length of time a business has been in operation does not significantly affect the entrepreneurs' awareness of financial schemes. Regardless of business age, awareness levels remain relatively consistent.

6. Ownership Type of the business and Awareness of the Schemes:

To test the hypothesis regarding a significant difference in awareness across ownership type of the business, i.e., “Sole Proprietorship, Partnership, Private Limited Company. The hypothesis framed was as follows:

H₀: Awareness of financial Schemes does not differ significantly across ownership type of the business

H₆: Awareness of financial Schemes differ significantly across ownership type of the business.

Table 8: One-way ANOVA for Ownership Type of the business and Institution wise Awareness of the Schemes

| Schemes | Ownership Type | Mean | P Value |
|-------------------------|-------------------------|-------|---------|
| Commercial Bank Schemes | Sole Proprietorship | 3.158 | 0.254 |
| | Partnership | 3.363 | |
| | Private Limited company | 3.500 | |
| SIDBI Schemes | Sole Proprietorship | 2.636 | 0.000 |
| | Partnership | 3.237 | |
| | Private Limited company | 4.333 | |
| NEDFI Schemes | Sole Proprietorship | 2.843 | 0.001 |
| | Partnership | 3.084 | |
| | Private Limited company | 3.400 | |
| DICC Schemes | Sole Proprietorship | 3.199 | 0.003 |
| | Partnership | 3.538 | |
| | Private Limited company | 3.333 | |
| AFC Schemes | Sole Proprietorship | 2.266 | 0.001 |
| | Partnership | 2.503 | |
| | Private Limited company | 2.400 | |

Source: Computed

The ANOVA results in the above Table 8, reveal significant differences in awareness levels based on business ownership type for most financial schemes. Schemes by SIDBI found to have the largest difference. Private Limited companies having the highest awareness (mean = 4.333) significantly higher than partnerships and sole proprietorships ($p = 0.000$). NEDFI and AFC Schemes similarly show higher awareness in Private Limited companies and partnerships with sole proprietorships outpaced. Significant differences were found among the DICC schemes with partnerships having the highest awareness (mean = 3.538, $p = 0.003$). However, Commercial Bank Schemes shows no differences in awareness across ownership types ($p = 0.254$). The analysis suggest that Private Limited companies tend to have higher awareness across most schemes compared to sole proprietorships. The awareness among private limited companies is more aware about the schemes as because they have the better to resources and advisory services and mostly deals in the formalized business structures.

Sources of Information Creating Awareness

In order to survive in a complete market, understanding the most effective mediums for awareness creation is crucial for ensuring MSMEs access to the necessary funding. Various sources for schemes information can range from government initiatives and financial institutions to digital platforms and community-based programs. By utilizing diverse channels such as workshops, webinars, social media, and print media, stakeholders can enhance the visibility of financial options available to MSMEs, enabling entrepreneurs to make informed decisions and fostering a supportive ecosystem for their growth. The respondents on various sources were calculated and results are presented in table 9. The percentage and frequency were presented to find the sources which were better opted by MSME Entrepreneurs.

Table 9. Sources of information to create awareness on financial Schemes

| Source of information | No. of Respondent | Percentage |
|-----------------------|-------------------|------------|
| TV Campaign | 17 | 6% |
| Newspapers/Magazine | 20 | 7% |
| Social media | 75 | 25% |
| Seminar/Workshop | 106 | 35% |
| Friends/Relatives | 82 | 27% |
| Total Respondents | 300 | 100% |

Source: Computed

Table 9 above reveals that about 35% of respondent’s sources of information for financial schemes are from seminars and workshops. 27% of respondent’s sources of information are from friends/ relatives, which is followed by social media at 25%, indicating strong reliance on informal networks and digital platforms. Only about 7% and 6% of respondents opted for newspapers, magazines, and TV campaigns as their primary source of information, which indicates that these sources are less influential. These findings suggest that direct engagement through workshops and personal networks are key channels for raising awareness about financial schemes.

Table 10. Interest shown on programs about finance scheme awareness

| Shown interest on programs about finance scheme awareness | No. of Respondent | Percentage |
|---|-------------------|------------|
| Not Interested | 0 | 0% |
| Least Interested | 1 | 0.3% |
| Can’t Say | 65 | 22% |
| Interested | 148 | 49% |
| Very Interested | 86 | 29% |
| Total Respondents | 300 | 100% |

Source: Computed

The analysis in the above Table 10 reveals a strong interest among entrepreneurs in awareness programs about financial schemes. 78% of respondents expressed interest in awareness programs. 22% of respondents were neutral on their interest, while a negligible 0.3% showed minimal interest. The result can be concluded by saying almost all the respondents were interested, which indicates a high demand for financial awareness programs, highlighting the need for more educational initiatives to meet the interest of the entrepreneurial community.

Table 11. Awareness programs organized by the Financial Institution

| Frequency conducting awareness programs by the Financial Institution | No. of Respondent | Percentage |
|--|-------------------|------------|
| Never | 64 | 21% |
| Rarely | 157 | 52% |

| | | |
|-------------------|-----|------|
| Sometimes | 73 | 24% |
| Very often | 4 | 1% |
| Always | 2 | 1% |
| Total Respondents | 300 | 100% |

Source: Computed

The data analysis in Table 11, observed a significant gap in the frequency of awareness programs conducted by financial institutions. 52 % of the respondents reported that awareness programs are conducted rarely while 21% reported awareness programs were never conducted. Only 1 % reported that programs are conducted regularly and 24% mentioned that programs occur sometimes. From the result it can be interpret that delivery in program remain unmatched to having clearly interest in awareness program by the entrepreneur. This inconsistency and imbalance in program delivery and program demand suggest for the need of more sustained and targeted outreach by financial institutions to the entrepreneur.

CONCLUSION

Financial schemes related awareness among MSMEs is paramount for their growth and sustenance. Understanding of available financial products and financial services are essential components that influence the performance and growth of MSMEs. The awareness of financial schemes among entrepreneurs is a critical factor influencing their business growth and Stability. The study reveals that awareness of financial schemes significantly differs across different institutions and demographic factors of entrepreneurs. The Scheme Biponi introduced by the government through District Industries and Commerce Centre (DICC) scored the highest in awareness indicating its strong local outreach. In the contrary Assam Financial Corporation (AFC) schemes had the lowest awareness. Commercial Bank Schemes had moderate awareness with the Pradhan Mantri Mudra Yojana (PMMY) being the most influential. SIDBI and NEDFI need for better promotion schemes as it showed lower awareness scores. No significant differences in awareness between male and female entrepreneurs or across age groups were found. However, business location and education level significantly impacted awareness. Urban businesses and post-graduate entrepreneurs found to have the highest awareness scores. While in case of ownership type, Private Limited companies have shown the higher awareness and sole proprietorships had the lowest awareness. Age of the business had no significant effect on awareness levels. The study reveals that seminars and workshops are the most effective sources of awareness for financial schemes, influencing 35% of respondents. Informal networks such as friends/relatives (27%) and social media (25%) also play a significant role. Traditional media like newspapers (7%) and TV campaigns (6%) are less impactful. Entrepreneurial interest in awareness programs is strong, with 78% expressing a desire for more information. However, the frequency of awareness programs is insufficient, as 52% of respondents report that such initiatives are rarely organized, highlighting the need for more consistent efforts from financial institutions. To better improve the awareness of financial schemes extensive awareness workshops and seminars should be organized at the grassroots level, starting from Gram panchayats and Municipality offices. To educate students, a compulsory curriculum on financial literacy should be introduced from school level to higher secondary education. Awareness efforts should also be increased through social media and mobile apps to ensure wider dissemination of information on financial schemes, specifically targeting semi-urban and rural businesses. Government agencies and financial institutions need to expand their presence in rural areas by utilizing local channels like community centres or radio to bridge the awareness gap. Tailored financial literacy programs should be provided for sole proprietorships, which scored the lowest in awareness, focusing on educating them about available schemes. Finally, Assam Financial Corporation (AFC) must intensify its outreach efforts, particularly in rural areas, through workshops, seminars, and digital platforms to boost awareness of its financial schemes.

REFERENCES

[1] S. Agarwal and U. Lenka, "Why research is needed in women entrepreneurship in India: A viewpoint," *International Journal of Social Economics*, vol. 45, no. 7, pp. 1042–1057, 2018. <https://doi.org/10.1108/IJSE-07-2017-0298>

- [2] A. Akanbi, "Awareness of government facilitated sources of finance among owners of Micro Small and Medium-sized enterprises in Nigeria," *Journal of Global Economics and Business*, vol. 2, no. 4, pp. 1–10, 2021.
- [3] W. I. Alnassar, "Economic analysis of the financial literacy effects in G20," *Industrial Engineering and Management Systems*, vol. 19, no. 3, pp. 543–550, 2020.
- [4] M. Aparnadevi and R. Swarupa, "Government Finance in the Growth of MSMEs – A Study with Special Reference to Kannur District of Kerala," *International Journal for Multidisciplinary Research*, vol. 5, no. 6, p. 9450, 2023. <https://doi.org/10.36948/ijfmr.2023.v05i06.9450>
- [5] T. Beck, A. Demirgüç-Kunt, and V. Maksimovic, "Financing patterns around the world: Are small firms different?" *Journal of Financial Economics*, vol. 89, no. 3, pp. 467–487, 2008. <https://doi.org/10.1016/j.jfineco.2007.10.005>
- [6] F. M. Edwy, M. I. Firdaus, A. P. Febia, S. Leonardi, and Z. A. Ramadhani, "Financial Management: The Implementation in MSMEs," *International Journal of Multicultural and Multireligious Understanding*, vol. 10, no. 10, p. 5170, 2023. <https://doi.org/10.18415/ijmmu.v10i10.5170>
- [7] J. Foley, "We really need to talk about owner-managers and financial awareness!" *Small Enterprise Research*, vol. 25, no. 1, pp. 5–17, 2018. <https://doi.org/10.1080/13215906.2018.1428913>
- [8] A. H. L and V. G. Rathod, "A Study on Awareness Level of Pradhan Mantri Mudra Yojana in Shivamogga Dist. Karnataka," *PIMT Journal of Research*, vol. 13, no. 3, pp. 1–19, 2021.
- [9] J. Hussain, S. Salia, and A. Karim, "Is knowledge that powerful? Financial literacy and access to finance," *Journal of Small Business and Enterprise Development*, vol. 25, no. 6, pp. 985–1003, 2018. <https://doi.org/10.1108/jsbed-01-2018-0021>
- [10] A. Jacob, H. M, R. N. S, Dr. D. D. Prabha, and Dr. V. Mathipurani, "A study on awareness of Indian government schemes for MSME among the women entrepreneurs," *International Journal of Research in Finance and Management*, vol. 4, no. 1, pp. 20–28, 2021. <https://doi.org/10.33545/26175754.2021.v4.i1a.96>
- [11] D. Navin Shah and S. Mahajan, "Are Government Schemes Promoting Women Entrepreneurship?" *International Journal of Management and Humanities (IJMH)*, vol. 4, no. 3, pp. 1–15, 2019. <https://doi.org/10.35940/ijmh.C0407.114319>
- [12] G. Okello Candiya Bongomin, J. Mpeera Ntayi, J. C. Munene, and C. Akol Malinga, "The relationship between access to finance and growth of SMEs in developing economies: Financial literacy as a moderator," *Review of International Business and Strategy*, vol. 27, no. 4, pp. 520–538, 2017. <https://doi.org/10.1108/RIBS-04-2017-0037>
- [13] K. Saravanan, "A Study on Awareness and Utilisation of Government Schemes and Its Performance Among Small and Medium Scale (SMEs) In Tuticorin District," *The International Journal of Analytical and Experimental Modal Analysis*, vol. 13, no. 10, pp. 2357–2367, 2021.
- [14] S. M. A. Cruzado, I. D. M. Dimaano, R. L. L. Manahan, J. C. Medes, and R. V. Villarma, "Financial constraints: Its impact on access to financing of micro, small, and medium businesses in Calapan City," *World Journal of Advanced Research and Reviews*, vol. 18, no. 2, pp. 43–49, 2023. <https://doi.org/10.30574/wjarr.2023.18.2.0792>
- [15] C. Singh and K. P. Wasdani, "Finance for Micro, Small, and Medium-Sized Enterprises in India: Sources and Challenge," *Asian Development Bank*, 2016. <http://www.adb.org/publications/finance-micro-small->