

## **Impact of Micro Finance Facilities on Financial Performances of Small Enterprises in Sri Lanka**

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Finance is the major constraint of small enterprises to carry out their business activities. Micro finance provides a better access to the small enterprise owners to enter into the money market and fulfill their fund requirements. The micro finance concept originated in the year 1976, when Mohammad Yunus establish the Grameen bank in Bangladesh. This concept have been expanded to most of the developing countries in present. This study is an attempt to find out the impact of micro finance facilities on financial performance of small enterprises. The study aimed to evaluate the impact of financial and non-financial facilities provided by the micro financial institutions on financial performance of the small enterprises. Survey method was used to collect data. Population of this study is small enterprise owners in Puttalam district who are participating to any micro finance program. The study sample consisted of hundred small enterprises and Simple random sampling method was employed to select that sample. Statistical Package for the Social Sciences (SPSS) was used to analyze the data. Descriptive statistics, correlation analysis and regression analysis were used to interpret results. The study revealed that the micro finance facilities positively, impact on financial performances of the small enterprises in Sri Lanka. Further, this study found that only micro credit facilities are not enough for the development of the small enterprises. Non-financial facilities such as, training, operational assistance and industry related education are equally important for the growth of small enterprises.

**Keywords:** Micro finance, Small enterprises, Financial facilities, Financial performances, Enterprise growth