



IMPACT OF MICRO FINANCING SUPPORTING TO SMALL AUTOMOBILE WORKSHOPS IN MYSURU

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ABSTRACT

The Micro Finance Institutions have gigantic open doors in the new symbol of smaller scale credit in India. Today the Micro Finance Institution's require the administration to engage them for activating investment funds alongside customary financing associations to satisfy the necessities and interest for rural finance and the shortages of existing sources. However, in recent involvements, and the requirement for subjective and financial development of our economy, we recommend Micro Finance Institutions s better analysis in terms of finance, technology and social responsibility as well as human dignity by evolving some innovative schemes for empowerment and for providing assistance to BPL group and related society. The motivation behind this paper is to watch the part of smaller scale back in the strengthening of individuals and the comprehension of through training education, awareness generation and greater highlighting on occupational training, education and employment so as to enable them to enter the mainstream of economic progress as equal associates in India. The study was conducted in Mysuru with over 75 respondents by applying a Chi-Square test in order to identify is there a real impact/awareness of Micro financing among a Small Automobile workshops. It is clear that people are aware about the micro finance and its sources.

Key words: Small Business, Micro Finance, Self Help Groups, BPL

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1. INTRODUCTION

Microfinance in India can follow its foundations back to the mid-1974 at the point when the Self Employed Women's Association ("SEWA") Ela Bhatt had started ladies' own particular SEWA Cooperative Bank in 1974 in Ahmedabad, Gujarat, and framed a urban helpful bank, called the Shri Mahila SEWA Sahakari Bank, with the objective of giving sparing cash

organizations to poor women utilized in the chaotic sector. Muhammad Yunus, a Nobel Prize champ, had presented the idea of Micro-credit in Bangladesh as the "Grameen Bank". In the year 1970s beginning and molding the advanced business of miniaturized scale financing. Another pioneer in this part is Akhtar Hameed Khan. Around then another deluge of microfinance exercises carried various new improvements into the segment. Numerous leading endeavors began investigating diverse roads with respect to crediting to the underserved individuals. Today the World Bank checks that more than 16 million people are served by some place in the scope of 7000 microfinance establishments wherever all through the world. Consultative Group to Assist the Poor (CGAP) authorities suggests that around 500 million families benefits by these little advances making new business possible.

Budgetary Supporting to Small Business may be portrayed as the technique for ensuring access to monetary offices, opportune and sufficient credit help where required by exposed get-togethers, for instance, weaker sections and low pay bundles at a sensible cost. Money related items and administrations are distinguished as fundamental managing account administrations like stores, institutional and singular advances, esteem included administrations.

A financial Assistance System facilities well-organized assignment of gainful assets and in this way can decrease the cost of capital. Money related framework supports proficiency and welfare by giving chances to secure and safe sparing practices and by encouraging an entire scope of proficient budgetary administrations like simple everyday administration of finances, not just goes for giving lawful help, yet in addition causes them to act naturally dependent by giving preparing and advancement with a specific end goal to engage to lead an existence. The govt. of India as well as the Indian banking industry has reported this goal and has experienced central changes in the course of the most over the span of the latest two decades. Truth be told, with a specific end goal to address the issues in finance, the Administration of India constituted a "Committee on Financial Inclusion" under the Chairmanship of Dr. C. Rangarajan. Building a comprehensive money related division has increased rising worldwide acknowledgment conveying to the requirement for development procedures that touch all survives instead of a few due to the following reasons:

- Variety of financial services to poor segment.
- Poverty Eradication
- Building financial systems that to serve the poor.
- Other Value-Added services at reasonable cost

2. THE CONCEPT OF MICROFINANCE

Microfinance is a new concept in India and therefore, the traditional way of sparing and taking little advances from the individual and group's gatherings in the context of self-help that are considered as a startup business or small ventures are mostly excluded from the financial services. These kind of micro finance are basically to support the lower class of people and to pay its debt that would maintain the social and economic standards and in turn the standard of living of the poor class of people in the villages which would help them sustain with sufficiency in India. There are many organizations which work in the field of micro finance more effectively and grow rapidly there by supporting the Government in a large sense and helping the stratified class of those people in the category. Presently the study rather explores the venues to initiate the achievement of greater financial inclusion, and the growth in the country's economy, giving priority to these sectors. Since these king of organizations belong to service sector, the MFI's in other words the microfinance institutions may operate in a formal micro banks, non-banking sectors and non-governmental organizations. World across, over a billion so called the poor lot are still without access to these formal financial sectors or services. Mostly

around 200 million of those people are still lacking these formal financial services. In this regard, the government should take the initiation to insure that, in the developing countries especially, benefit the customized requirement of the closely monitored loans and grants to the upcoming entrepreneurs through special finding agency like these.

3. LITERATURE REVIEW

“It is evident from the collected literature reviews that all small business brings growth and for certain firm’s growth is a voluntary choice.”(Masurel and Montfort, 2006) .The development intensions could be utilized to foresee the real development and the past intension are later intensions has related with the adjustments in development designs as finished up by (Kolveid and Bullvag, 1996) in his exact investigation on SMEs development designs. Arbaugh and Sexton (1996) in his observational confirmation demonstrates that the greater part of the new firms won't develop has there exists no connection between the age of the firm its size. Kolveid (1992) in his examination said Small entrepreneurs to make progress. The real imperative in the development of independent venture is common changes between his proprietors and his workers was distinguished by “Goffee and Scase (1995) It was additionally recognized that there is no single methodology to firms development as the growth of small business could limit it to ability, need and opportunity was opined by “ Chaston, I. & Mangles, T. (1997). The traditional school, have stretched out investigation of the to start a business to that of the decision to build up the business. According to Davidson (1989, 1991), firm development means that proceeded with enterprise. As per “Papadaki and Chami (2002), hypotheses on private company development and advancement see business development from an authoritative life cycle point of view, which considers development to be a characteristic wonder in the development of the firm, other viewpoint considers development to be an outcome of vital decision.

4. OBJECTIVES

The objectives for this paper are as follows:

- To evaluate the achievement of Micro finance in providing microcredit to selected Automobile workshops
- To know about the awareness of Micro financing among the selected respondents of Automobile industry.

5. METHODOLOGY

Study Area: The area of the study is in Mysuru City, Karnataka.

Sample size: The sample size chosen for the study is 75 respondents under convenient random sampling technique from different rural parts of Mysuru District

Data Collection: Primary data is gathered through structured Questionnaire and secondary data from related articles, journals and industry Bulletins, Reports of DIC, Mysuru.

6. HYPOTHESIS

Ho: There is a significant relationship between the entity and awareness.

Hypothesis testing:

The analysis was done using Chi-square test considering the variables entity and awareness as two options the degree of freedom is 1 with the level of significance of .05 the calculation of Chi-square is as follows:

Chi - Square - Test Statistics		
	Entity of firm	about MF
Chi-Square	12.813 ^a	5.880 ^a
Df	1	1
Asymp. Sig.	.000	.015
0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 37.5.		

The above table shows there is a significant relationship between the two variables. Hence the Hypothesis is proved as the expected value to be 37.5 and the table value to be 3.84.

7. CONCLUSION

The investigation reveals that the most of the respondents are aware of Sources of Micro finance. Small auto workshops in selected rural areas have their own business entity as family business which is followed since decades. As they are in to business since so many years though the concept of microfinance is new they are still aware about the different schemes of micro financing institutions. If there is equal support from the Government through DIC, these small auto workshops would definitely have a chance in competing with medium and large scale workshops, Government supports more to these small workshops it would really give a more number of chances for such kind of small workshops to come up in rural areas so that the people could think as this business could become the bread and butter for their livelihood which also helps the sector to grow and in turn helps in GDP of the country.

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