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**An Analytical Study on Users' Profile of Micro Finance In Madhya Pradesh State**

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**Abstract:**

*Micro finance is a financial service provided to un-employed or low income people or group of people who otherwise would have no other financial services. Microfinance allows people to take small scale loans on less interest safely, and in manner that is consistent with ethical lending process. Madhya Pradesh is in a phase of the Indian financial growth, which is anticipated to outpace the increase in the present world in the subsequent 10 years. Now Microfinance Institutions have been gaining reputation in the latest years and are now regarded as high-quality tools for assuaging poverty. This research study is a short attempt to analyze the profile of Microfinance users in Madhya Pradesh state. There are mainly 04 basic points to analyze the Microfinance users' profile, i.e. Age, marital status, monthly income and gender etc. The existing lookup is a conceptual find out about of Microfinance Institutions in India as properly as in the nation of Madhya Pradesh. The data received from this study are quite interesting and have been depicted the complete scenario of the Microfinance users.*

**Key Words:**

Microfinance, Microfinance Users, Age, Gender, Marital Status, Monthly Income etc

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**Introduction:**

Microfinance is referred to as upon to furnish economic offerings to the bad with low income. It is referred to the furnish of a small mortgage by means of a financial institution or any different economic organization as properly as to the provision of different amenities inclusive of insurance, savings, and cash transfer. These simple economic offerings assist human beings save, invest, and generate their income. Potential mortgage debtors would possibly have adequate earnings or collateral however they nonetheless can't attraction to banks due to the fact they require too small amount. Taking into account that casual monetary relationships with village moneylenders lead to very excessive charges for borrowers, microfinance establishments are frequently very lots to the point. To assuage doubts about what microfinance clearly implicates, two extra statistics about the definition must be considered:

- Microfinance does no longer deal completely with cash making activities. Such applications additionally supply assist in the structure of indispensable dwelling costs, clinical or instructional expenses.
- Microfinance does now not signify a phenomenon of growing countries. There is a want for such applications worldwide.

Microfinance talent micro monetary choices for terrible people. Poor human beings like absolutely everyone else, choose a full range of financial services: working capital for the businesses; credit score rating to aid meet existence emergencies as well as every day needs: insurance plan diagram to restrict vulnerability: and a included neighborhood to credit score rating savings. Micro finance is no longer a new phrase for bad people in the globe; it is very well-known amongst all the terrible from the day human being adopted the notion of civilization. But no doubt it used to be as soon as and however it is in unorganized way.

Microfinance is aimed at bad human beings with low profits having no probability to use offerings of formal monetary agents, for instance, banks. They are regularly self-employed micro-entrepreneurs working small businesses. In city settings, these can be market stall, grocery shop, auto restore or different workshops whilst in rural localities, such enterprise is generally targeted on agriculture, meals processing, livestock, and hen raising. More than a half of of microfinance customers all over the world are women.

Governments can't grant microfinance with sufficient dollars in order to meet the large demand for it. Consequently, if MFIs do no longer charge offerings at a sustainable level, they will be capable to feature solely for a restricted time having a constrained variety of shoppers or will serve extra political desires than purchaser needs. Microfinance

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establishments (MFIs) are economic agencies that supply small loans to human beings who do no longer have any get entry to to banking facilities. The definition of "small loans" varies between countries. In India, all loans that are beneath Rs.1 lakh can be regarded as microloans. Microfinance—also known as microcredit—is a way to supply small enterprise proprietors and entrepreneurs get entry to to capital. Often these small and man or woman commercial enterprise don't have get entry to to ordinary monetary sources from important institutions. This skill it is more difficult to get right of entry to loans, insurance, and investments that will assist develop their business. Essentially, microfinance is imparting loans, credit, get entry to to financial savings accounts—even insurance plan insurance policies and money transfers—to the small enterprise proprietor and entrepreneur. There are many such businesses in the creating world. As per World Bank data, shut to 1.7 billion humans throughout a couple of nations do no longer have get entry to to simple monetary services. This is the place microfinance establishments play a principal role.

An estimated 1.7 billion humans round the world do not have get admission to to monetary services, in accordance to The World Bank. The enterprise is an global banking crew with 189 member nations that work to decrease poverty and "build shared prosperity" in growing countries. Microfinance establishments (MFI) work to serve these individuals.

India is a section of the Asian financial growth, which is expected to outpace the amplify in western world in the subsequent 10-15 years. Economic increase has been widely commonplace by means of the use of economists as a main purpose of usa broad policy, every in the industrialized worldwide areas and in global areas that are developed. The wondering of economic growth has almost develop to be a accepted region in financial studies, in particular these of underdeveloped countries (Like India).

Madhya Pradesh State is a land of manifold factors of activity with myriad hues. A affluent history, a a number of population, a shopping for haven, brilliant lifestyle that exudes a mélange of way of life and modernity - the entice of Madhya Pradesh is ineluctable. The literacy charge is 70.6% with the male & female literacy cost being 80.5% & 60.0% respectively. Madhya Pradesh is a melting pot of infinite races and the ethnic cloth of the state shows a extraordinarily properly merger. The land of fortresses and golden hued sand is home to infinite tribes. The populace pattern of the majestic Madhya Pradesh State is extraordinarily thrilling with widely severa backgrounds – from metro way of life to the tribal population.

Madhya Pradesh used to be as soon as molded on November 1, 1956 consisting of the seventeen districts of Mahakoshal, two locales of Bhopal, eight areas of Vindhya Pradesh,

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Sixteen territories of Madhya Bharat. At the length of its course of action, the kingdom had forty three areas. Thusly, two vast locales had been bifurcated. Sixteen more districts have been restrained in the 12 months 1998. The Chhattisgarh district, which consist of sixteen regions, used to be as soon as detached to shape any different countries as per the plans of Madhya Pradesh Reorganization Act, 2000 and seen State of Madhya Pradesh validated up on first November 2000. Again Three new neighborhood i.e. Burhanpur, Ashoknagar and Anoopur had been original in the 12 months 2003. The whole land district of the u . s . a . is at once 308 thousand sq. kms. Madhya Pradesh is orchestrated in the unique coronary coronary heart of India and it is blanketed with the aid of 5 states viz. Rajasthan, Maharashtra, Gujarat, Chhattisgarh and Uttar Pradesh. The State used to be the 1/3 poorest amongst 15 non-Special Category States in the 12 months 1999-2000, the fundamental being Orissa with 47.15 percent, trailed by using the use of Bihar with 42.60 percent. The rate of destitution in rural areas is liberally limit than in metropolis zones. In 1999-2000 the dimension of thousands living underneath destitution line in us of a zones used to be 37.06 as in the direction of 38.44 for town zones.

The monetary machine of Madhya Pradesh relies upon on manufacturing, industrial company approach outsourcing, agriculture and retail. Madhya Pradesh is moreover seen one of the most industrialized states in India with many SEZs. New plans for SEZs are of Reliance Industries which has plans to set up a multi-product special financial vicinity in Madhya Pradesh. At an funding of Rs 40,000 crore, the mission will be India's best SEZ unfold over 25,000 acres (100 km<sup>2</sup>). The united states of america has a developed banking desktop with over 4500 economic group branches. The two economic hubs of Madhya Pradesh, Indore and Jabalpur lie on the central west of the state. The contribution of primary, secondary and tertiary sectors for the Gross State Domestic Product (GSDP) in 2007-08 is Rs. 21,265.92 crore, Rs. 30,919.95 crore and Rs.49,133.55 crore respectively. Over 3% of the S&P CNX 5 hundred conglomerates have organization places of work in Madhya Pradesh.

Microfinance, pioneered by way of the Nobel-Prize winner Muhammad Yunus, helps the financially marginalized by means of imparting them with the critical capital to begin a commercial enterprise and work towards monetary independence. These loans are enormous due to the fact they are given even even though the borrower has no collateral. However, the activity quotes for these microloans are frequently very excessive due to the chance of default. The time period microfinance encompasses microloans, micro-savings, and micro insurance. Microfinance establishments furnish small loans and different sources to

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enterprise proprietors and entrepreneurs to assist them get their agencies off the ground.

Many of the recipients are in creating countries, and should in any other case no longer acquire a normal loan. Microsavings debts are additionally beneath the microfinance umbrella. They enable entrepreneurs to have a financial savings account with no minimal balance. And microinsurance offers these debtors with insurance, at a decrease rate, and with lesser premiums.

**Global Scenario:**

While microfinance can definitely gain these stateside, it can additionally serve as an vital useful resource for these in the creating world. For example, cellphone telephones are being used as a way to carry economic offerings such as micro lending to these dwelling in Kenya. It's additionally made headway in the United States, the place burgeoning entrepreneurs with no collateral are capable to take out loans of much less than \$50,000 to jump-start their enterprise ventures. Microfinance can additionally assist ladies smash the cycle of poverty. Often, these loans can be as small as \$60, for some thing as small as beginning an empanada and snack stand, such as this younger single mom from Paraguay. She persevered constructing her business, repaying this mortgage and taking out large loans to purchase a constructing for her stand, whole with a fridge and connected domestic for her family. This is microfinance at its best. In fact, girls are foremost microfinance borrowers, making up eighty four percentage of loans in 2019, in accordance to the 2017 Microfinance Barometer. Most of these female – round 60 percentage – live in rural areas. The microfinance enterprise is additionally developing rapidly. In 2019, there have been 123 million microfinance borrowers, for a complete of \$102 billion in loans. India accounted for most of these borrows, accompanied via Vietnam, Bangladesh, and Peru.

The specific sorts of establishments that provide microfinance are:

- ❖ Credit Unions
- ❖ Non-governmental Organizations / Self Help Groups (SHG)
- ❖ Commercial Banks

Although most microfinance establishments goal the eradication of poverty as their main motive, some of the new entrants are targeted on the sale of extra merchandise to consumers.

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### Profile Analysis of Microfinance Users:

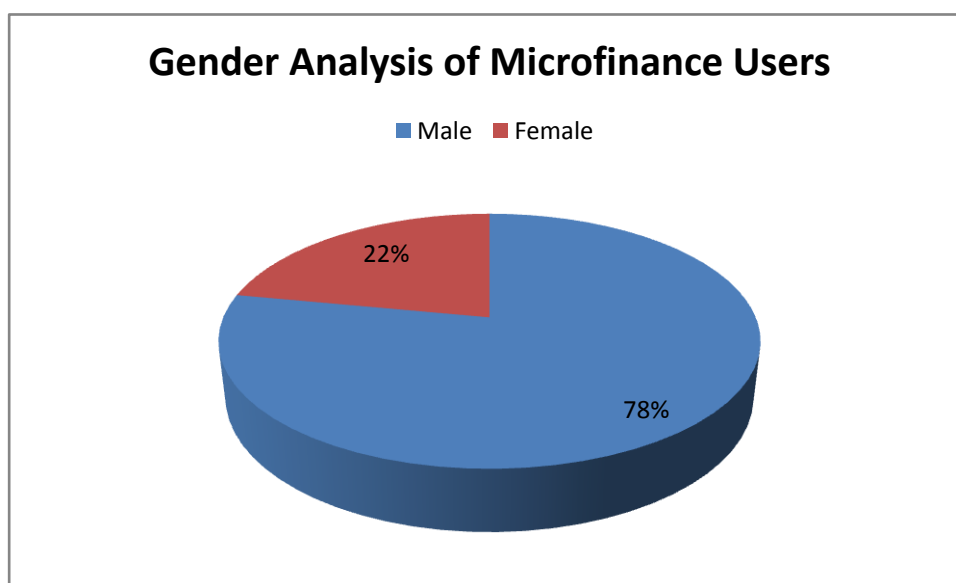
Profile Analysis is a process or a method of studying the types of profile of microfinance users in Madhya Pradesh state who are using the micro financing facilities in the state. The emphasis of the research has been to draw the inferences from the information gathered from the market on account of analysis of the data so that the conclusions are drawn.


**Gender of the Microfinance Users:** The study has included both male as well female users they were asked to mark on their gender in the questionnaire. The data so obtained are shown in the table -1. Maximum 78.00% respondents were male while 22.00% respondents were females. The less participation of females in the research despite of equal distribution of questionnaire to both the genders is an indication that in Madhya Pradesh state, females are kept busy at house hold or domestic work in rural areas. A very few females come out of the house to work professionally, most of them are illiterate and workers who predominately come out and work as labors were unable to use the microfinance facilities.

**Table – 1: Gender Analysis of Microfinance Users**

Gender	Percent	Cumulative Percent
Male	78.00	78.00
Female	22.00	100
<b>Total</b>	<b>100.0</b>	

**Figure – 1: Gender Analysis of Microfinance Users**



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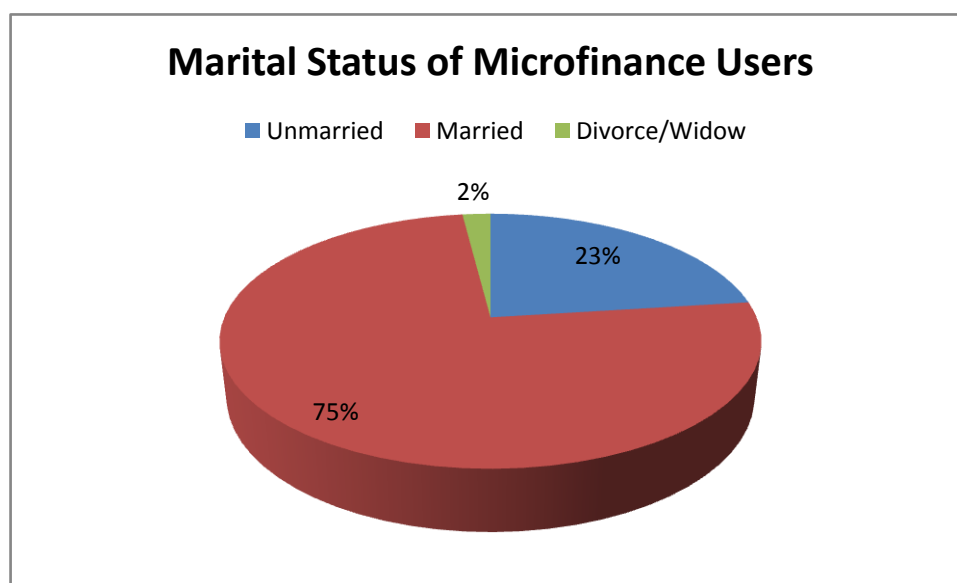
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**Marital Status of the Microfinance Users:** The microfinance users were asked about their marital status considering that the marital status also may have influence on microfinance need and utilization. Maximum 75.00% users were married people followed by 23.00% unmarried respondents. A very few i.e. 2.00% divorcee or widow respondents have also participated in the research. More participation of married users may be due to the fact that the families leaders are the mostly married and such kind of study formats are filled by family leaders. Thus proportion of married people may be more. Married respondent are workable or doing any type of work.

**Table – 2: Marital Status of Microfinance Users**

Marital Status	Percent	Cumulative Percent
Unmarried	23.00	23.00
Married	75.00	98.00
Divorce/Widow	2.00	100
<b>Total</b>	<b>100.0</b>	

**Table – 2: Marital Status of Microfinance Users**



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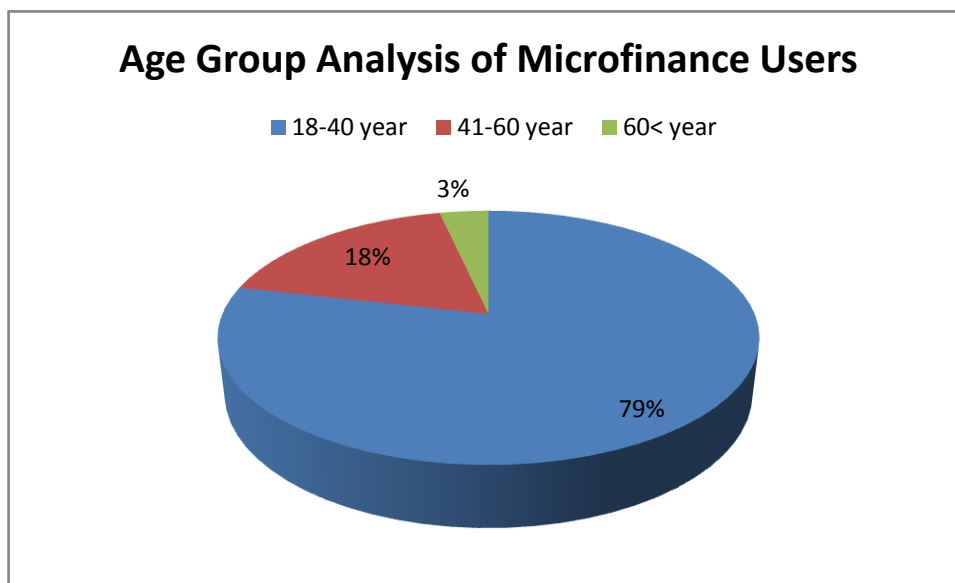
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**Age of the Microfinance Users:** The responses received about the age were grouped into three categories. These categories were named as youth, in between age of 18 – 40 yrs, middle age between 41-60 yrs and old age 60 and above age. The frequency of these three categories in the sample was in declining trend. Maximum numbers of respondents were from youth category followed by middle and old age respondents. Participation of respondents with reference to age is shown in the below table:

**Table – 3: Age of the Microfinance Users**

Age Group	Percent	Cumulative Percent
18-40 year	78.60	78.60
41-60 year	17.90	96.50
60< year	3.50	100
<b>Total</b>	<b>100.00</b>	

**Figure – 3: Age of the Microfinance Users**



**Monthly Income of the Microfinance Users:** The Microfinance users' profile with reference to their monthly income shown in table 4. The monthly income data are categorized into four categories i.e. low income group of families of below Rs 5,000 monthly income, living sufficient income Rs. 5001 to 8000, enough income Rs. 8001 to Rs 12000 and lavish income more 12000. The names of this categorization were given considering income level of rural poor's. Almost 60% users' falls under the group of Rs. 5001 to 8000 and only

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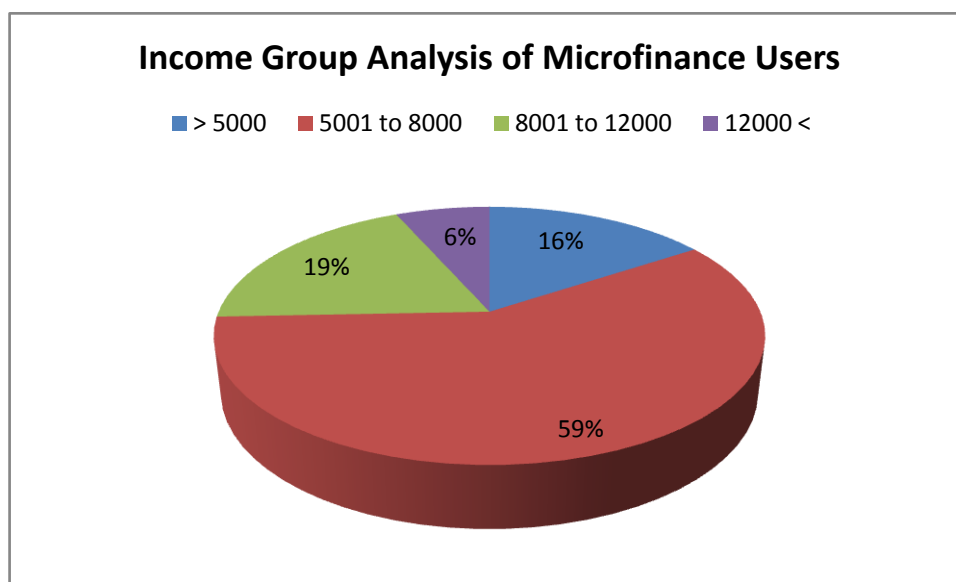
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15.7% respondents are from less than Rs. 5,000 monthly income. Whereas 19.0% comes under the group of monthly income between Rs. 8001 to Rs 12000. Only 6.6% are in the group of 12000 or above.

**Table – 4: Income Group of the Microfinance Users**

Income Group	Percent	Cumulative Percent
> 5000	15.70	15.7
5001 to 8000	58.60	74.4
8001 to 12000	19.00	93.4
12000 <	6.60	100
<b>Total</b>	<b>100.00</b>	

**Figure – 4: Income Group of the Microfinance Users**



### Conclusion:

India's economic gadget is continuously creating then again there is a requirement to hurry up it. It is often tempo up with the resource of that specialize in each and every state's viable resource which can also moreover been-cashed in time length of enchantment and employment. Micro finance is taking part in top function in poverty elevation and having superb scope in each the states. This was a small research survey of Microfinance Users profile. This shows the exact figure of Madhya Pradesh state's micro financing facilities. These are the users of customers of microfinance institutions in India and Madhya Pradesh state.

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