



S a - D h a n

The Association of
Community Development
Finance Institutions

Side-by-Side

A Slice of Microfinance Operations in India

September 2005

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Glossary of Terms

Active Clients	Clients regularly availing service(s) provided by MFI
Avg.	Average
CDFI	Community Development Financial Institution
Co-Op	Co-operative Society
CRR	Current Repayment Rate
EDP	Entrepreneurship Development Program
FPS	Financial Performance Standards
FY	Financial Year
GB	Grameen Bank (Refers to microfinance operating methodology)
GLP	Gross Loan Portfolio
JLG	Joint Liability Group
I	Individual (Refers to microfinance operating methodology)
INR/ Rs.	Indian Rupees
LAB	Local Area Bank
M.F.	Microfinance
MFI	Microfinance Institution (<i>In the report MFI refers to both MFIs as well as NGOs involved in MF</i>)
NBFC	Non Banking Finance Company
OCR	Operating Cost Ratio
OSS	Operating Self Sufficiency
PAR	Portfolio at Risk
Sec.25 Comp.	Companies registered as 'not-for-profit' under Section 25 of Indian Companies Act
S. No.	Serial Number
SHG	Self- Help Group
SIDBI	Small Industries Development Bank of India
TCR	Total Cost Ratio
USD	United States Dollars
W/w	Within which

Unless specifically mentioned otherwise, the years 2003, 2004 and 2005 refer to respective financial years (April to March of next calendar year). Therefore, FY 2003 denotes 2002-2003, FY 2004 denotes 2003-04 and FY 2005 denotes 2004-05.

Indian Rupees is counted in LAKH and CRORE. Lakh stands for tenth of a million; Crore is equal to ten million.

Rupee to USD conversion rate is taken at Rs.45.

Classification

MFIs have been classified into specific categories for analysis. The classifications are made on three parameters viz. (1) Gross Loan Portfolio; (2) Client Outreach and (3) Age of the MFI in terms of their years of experience in providing microfinance services. *The classifications are made solely for the purpose of this report.*

The categories, used in this report are as under.

GLP	Large	MFIs with GLP of over Rs.20.00 crores (44.44 m USD) as on March 31, 2005
	Medium	MFIs with GLP between Rs.5.00 crores and Rs.20.00 crores (11.36 m to 44.44 USD) as on March 31, 2005
	Small	MFIs with GLP of less than Rs.5.00 crores (11.36 m USD) as on March 31, 2005
Client Outreach	Large	MFIs with client outreach of over 50,000 as on March 31, 2005
	Medium	MFIs with client outreach between 10,000 and 50,000 as on March 31, 2005
	Small	MFIs with client outreach of less than 10,000 as on March 31, 2005
Age	Organisational experience in microfinance	MFIs with experience of 1 to 5 years (Calendar Year 2000 and later)
		MFIs with experience of 5 years to 10 years (Calendar Year 1994 to 1999)
		MFIs with experience of above 10 years (Calendar Year 1993 or earlier)

Description of contributing MFIs

1

Acronym	Name: Acts Mahila Mutually Aided COOP Thrift Society	Area of operation:		
AMMACTS	Legal form: MACS	State/s:	AMMACTS has been working in three States including AP	
	mF started in the year: 1998			
	Chief Functionary: Mr. G. Dasratha Reddy	District/s:	AMMACTS has been working in three districts including Chittoor	
	Head of mF Program: Mr. G. Dasratha Reddy			
	Address: 3-13/3, Behind Govt. Hospital, Gandhi Nagar, V. Kota, Dist. Chittoor, A.P.-517424			
	Phone: +918587-257297	Outreach:		34,283
		Gross loan portfolio (INR):		132,481,286
E-mail: actsgd@rediffmail.com	Operating model:	Grameen Joint Liability Group Individual Lending		

2

Acronym	Name: Adarsha Macs	Area of operation:		
	Legal form: MACS	State/s:	Andhra Pradesh	
	mF started in the year: 2002			
	Chief Functionary: Y. Peelamma	District/s:	Warangal	
	Head of mF Program: Sandhya Rani			
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda-506001, warangal- A.P., India			
	Phone: 2571208/2552928	Outreach:		941
		Gross loan portfolio (INR):		1,365,690
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG		

3

Acronym	Name: Agradut Polly Unnayan Samity	Area of operation:		
	Legal form: Society	State/s:	West Bengal	
	mF started in the year: 1999			
	Chief Functionary: Umashankar Mukherjee	District/s:	Howrah Hoogly	
	Head of mF Program: Snehamay Bhattacharya			
	Address: Vill. & P.O.: Gaza, Dist.:Howrah711226, West Bengal, India.			
	Phone: 03214-257254	Outreach:		2,016
		Gross loan portfolio (INR):		2,550,763
E-mail: apusanti@vsnl.net	Operating model:	SHG		

4

Acronym	Name: Amber Ashrayee Mahila Benefit Association	Area of operation:		
AMBA	Legal form: Trust	State/s:	Gujarat	
	mF started in the year: 2000			
	Chief Functionary: Mr. Balavantbhai D. Desai	District/s:	Rajkot	
	Head of mF Program: Kirtiben Thaker		Surendra Nagar	
	Address: Samanvay Chowk, Jayant Society, Madvi Plot, Rajkot, Gujrat-360004		Jamnagar	
	Phone: +91-281-5539246, 2575611	Outreach:		5,862
		Gross loan portfolio (INR):		3,540,000
E-mail: ambarajkot@yahoo.com	Operating model:	SHG		

5

Acronym	Name: Asmita Institute For Development	Area of operation:		
	Legal form: Society and Trust	State/s:	Maharashtra	
	mF started in the year: 2001			
	Chief Functionary: Eknath S. Dagwar	District/s:	2 Districts in Maharashtra	
	Head of mF Program: Mrs. Sangita Gaikwad			
	Address: Agrawal Lay-out, Plot No. 49, Venkateshwara Nagar, Near Arunday Society, Bhosa Road, Yavatmal-445001			
	Phone: 07232-255145	Outreach:		4,638
		Gross loan portfolio (INR):		449,845
E-mail: asmitagyti@yahoo.com	Operating model:	SHG		

6

Acronym	Name: A Society for Integrated Rural Development	Area of operation:		
ASSIST	Legal form: society	State/s:	Andhra Pradesh	
	mF started in the year: 1985			
	Chief Functionary: J. Ranga Rao	District/s:	Guntur Prakasam	
	Head of mF Program: J. Ranga Rao			
	Address: Chilakaluripet, Guntur ,Andhra Pradesh , Pin-522616			
	Phone: 08647-253971	Outreach:		15,120
		Gross loan portfolio (INR):		85,809,366
E-mail: assistJr@sancharnet.in	Operating model:	SHG		

7

ADARSA	Name: Association for Development and Research in Socio-economic Activities		Area of operation:			
	Legal form: Society	mF started in the year: 1998	State/s:	Orissa		
	Chief Functionary: Pradeep Kumar Behera					
	Head of mF Program: Pradeep Kumar Behera	Address: Gourpara (Farm road), P.O. Modipara, Dist. Sambalpur-768002, Orissa, India	District/s:	Sambalpur Sundargarh		
	Phone: 0-9437053896				Outreach:	3,004
	E-mail: adarsa_org_sbp@yahoo.co.in				Gross loan portfolio (INR):	1,736,569
		Operating model:	SHG			

8

Bandhan-Konnagar	Name: Bandhan-Konnagar		Area of operation:			
	Legal form: Society	mF started in the year: 2001	State/s:	West Bengal		
	Chief Functionary: Chandra Shekhar Ghosh					
	Head of mF Program: Chanra shekhar Ghosh	Address: CF-173, IInd Floor, Sector I, Salt Lake City, Kolkata-700124	District/s:	8 Districts in west Bengal		
	Phone: 033-23347602				Outreach:	51,586
	E-mail: info@bandhanbf.com				Gross loan portfolio (INR):	85,809,366
		Operating model:	JLG			

9

Bhagalaxmi Macs	Name: Bhagalaxmi Macs		Area of operation:			
	Legal form: MACS	mF started in the year: 2002	State/s:	Andhra Pradesh		
	Chief Functionary: Saraswati					
	Head of mF Program: M. Ramesh	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda-506001, warangal- A.P., India	District/s:	Warangal		
	Phone: 2571208/2552928				Outreach:	1,468
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com				Gross loan portfolio (INR):	1,182,000
		Operating model:	SHG			

10

Acronym	Name: Bharat Integrated Social Welfare Agency	Area of operation:		
BISWA	Legal form: Society	State/s:	Orissa	
	mF started in the year: 1994		Chhattisgarh	
	Chief Functionary: Mr. Khirod Chandra Malick	District/s:	22 in Orissa, 5 in Chhattisgarh.	
	Head of mF Program: Ashish Kumar Sahu			
	Address: Danipali, P.O. Budharaja, Sambalpur-768004, Orissa, India			
	Phone: 0663-2533597	Outreach:		71,845
		Gross loan portfolio (INR):		32,819,224
E-mail: kc_malick@yahoo.com b_wa@rediffmail.com	Operating model:	SHG		

11

Acronym	Name: Bharati Integrated Rural development Society	Area of operation:		
BIRDS	Legal form: Society	State/s:	Andhra Pradesh	
	mF started in the year: 1998			
	Chief Functionary: V. Paul Raja Rao	District/s:	Kurnool Cuddapah	
	Head of mF Program: V. Paul Raja Rao			
	Address: #26/130 B2, Eva Nest, Gnanapuram, Nandyal-518502, Kurnool, Andhra Pradesh			
	Phone: +91-8574-243444	Outreach:		11,411
		Gross loan portfolio (INR):		34,095,250
E-mail: birdsmfs@rediffmail.com	Operating model:	SHG		

12

Acronym	Name: Bharatiya Samrudhi Finance Ltd	Area of operation:		
BASIX	Legal form: NBFC	State/s:	AP, Karnataka, Maharastra	
	mF started in the year: 1996		MP, Orissa & Jharkhand	
	Chief Functionary: Mr. N.V. Ramana	District/s:	BASIX has been working in 28 districts in the above States. In AP it has been working in 15 States.	
	Head of mF Program: Mr. N.V. Ramana			
	Address: 501-502, Nirmal Towers, Dwarakapuri Colony, Punjagutta, Hyderabad- 500082			
		Outreach:		83,296
	Contact Phone: +91-40-55618846	Gross loan portfolio (INR):		572,675,000
E-mail: info@basixindia.com	Operating model:	SHG Joint Liability Group (JLG) Individual Lending		

13

Acronym	Name: Bharat Mata Macs	Area of operation:		
	Legal form: MACS	State/s:	Andhra Pradesh	
	mF started in the year: 2002			
	Chief Functionary: K. Vamaga	District/s:	Warangal	
	Head of mF Program: ILAISH			
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India			
	Phone: 2571208/2552928	Outreach:		1,253
		Gross loan portfolio (INR):		1,335,000
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG		

14

Acronym	Name: Bullock-cart workers Development Association	Area of operation:		
BWDA	Legal form: Society	State/s:	Tamil Nadu Pondicherry	
	mF started in the year: 1999			
	Chief Functionary :Mr. C. Joslin Thambi	District/s:	5 Districts in Tamilnadu UT of Pondicherry	
	Head of mF Program: Mr. C. Joslin Thambi			
	Address: Po.Box No. 93, 858, East Pandy Road, Villupuram-605602. Tamil Nadu			
	Phone: 04146-242815	Outreach:		29,173
		Gross loan portfolio (INR):		51,450,262
E-mail: bwda1@sancharnet.in bwdavpm@yahoo.com	Operating model:	SHG		

15

Acronym	Name: BWDA Finance Limited	Area of operation:		
	Legal form: NBFC	State/s:	Tamil Nadu Pondicherry	
	mF started in the year: 2003			
	Chief Functionary: Mr. C. Joslin Thambi	District/s:	5 Districts in Tamil Nadu UT of Pondicherry	
	Head of mF Program: Mr. C. Joslin Thambi			
	Address: Po.Box No. 93, 858, East Pandy Road, Villupuram-605602. Tamil Nadu			
	Phone: 04146-240683,243861	Outreach:		29,502
		Gross loan portfolio (INR):		63,371,250
E-mail: bwda1@sancharnet.in bwdavpm@yahoo.com	Operating model:	SHG Individual		

16

Acronym	Name: Cashpor Micro Credit	Area of operation:	
CMC	Legal form: Section 25 Company	State/s:	Uttar Pradesh Bihar
	mF started in the year: 2003		
	Chief Functionary: J.S. Tomar	District/s:	1 district in Bihar 5 Districts in U.P.
	Head of mF Program: J.S. Tomar		
	Address: Opp. Care Hospital, DLW-BHU Road, Bhiharipur, Varanasi- 221004 Uttar Pradesh		
	Phone: 0542-2322281/82	Outreach:	
	Gross loan portfolio (INR):		270,149,817
	E-mail: cashpor@sify.com	Operating model:	SHG Grameen

17

Acronym	Name: Darabar Sahitya Sansad	Area of operation:		
DSS	Legal form: Society	State/s:	Orissa	
	mF started in the year: 1995			
	Chief Functionary: Mr. Kedareswar Choudhary	District/s:	3 Districts in Orissa	
	Head of mF Program: Ms. Mamta Das			
	Address: Sodhua, P.O. Dalakasoti, Via- Balipatna, Dist- Khudra, Orissa, India			
	Phone: 0674-2468529	Outreach:		4,308
		Gross loan portfolio (INR):		130,021
	E-mail: darbar4@rediffmail.com	Operating model:	SHG	

18

Acronym	Name: DEEPALAYA	Area of operation:		
DEEPALAYA	Legal form: Society	State/s:	Haryana Delhi NCR	
	mF started in the year: NA			
	Chief Functionary: T.K. Mathew	District/s:	Gurgaon district in Haryana & 9 districts in Delhi	
	Head of mF Program: Avijit Dey			
	Address: 46, Institutional Area, D Block, Janakpuri, New Delhi-110058			
	Phone: +91-11-25548263	Outreach:		3,415
		Gross loan portfolio (INR):		1,516,400
	E-mail: avijit@deepalaya.org	Operating model:	SHG	

19

Acronym	Name: Disha Social Organisation	Area of operation:	
	Legal form: Society	State/s:	Uttar Pradesh, Uttanchal
	mF started in the year: 2004		
	Chief Functionary: Mr. K.N. Tiwari	District/s:	Saharanpur (UP) Dehradun Uttarkashi
	Head of mF Program: Mr. Sanjay Rana		
	Address: Sultanpur- Chilkana, Shaharanpur-247231 Uttar Pradesh		
	Phone: 0132-2696224,2696424	Outreach:	17,331
		Gross loan portfolio (INR):	19,641,460
E-mail: post@dishain.org kntiwari@dishain.org	Operating model:	SHG	

20

Acronym	Name: Friends of Women World Banking	Area of operation:	
FWWB	Legal form: Society	State/s:	AP, Kerala, TN, Gujarat, UP Maharastra, MP & Rajasthan
	mF started in the year: 1989		
	Chief Functionary: Vijayalaxmi Das	District/s:	
	Head of mF Program: Daksha Niranjana Shah		
	Address: 101, Sakar I Building, Opp. Gandhigram Station, Ashram Road, Ahmedabad, Gujrat- 380009		
	Phone: +91-79-26584199	Outreach:	186,170
		Gross loan portfolio (INR):	591,786,897
E-mail: fwwb@wilnetonline.net	Operating model:		

21

Acronym	Name: Gram Swaraj Seva Trust	Area of operation:	
	Legal form: Society and Trust	State/s:	Maharashtra
	mF started in the year: 2000		
	Chief Functionary: S.P. Mankar	District/s:	2 Districts in Maharashtra
	Head of mF Program: Pravin Mankar		
	Address: Manohar Dham, Dattapur, Tah & Dist- Wardha- 442001, Maharashtra		
	Phone: 07152-240814	Outreach:	217
		Gross loan portfolio (INR):	899,788
E-mail: gsstd_wda@sancharnet.in	Operating model:	SHG JLG	

22

Acronym	Name: Grameen Koota	Area of operation:		
	Legal form: Trust	State/s:	Karnataka	
	mF started in the year: 1999			
	Chief Functionary: Ms. Vinatha Reddy	District/s:	Bangalore, Mandya, Hassen, Chitradurga	
	Head of mF Program: Suresh K.K.			
	Address: Avalahalli, Anjanapura.P.O. Bangalore-560062			
	Phone:+91-80-28436237	Outreach:		20,638
		Gross loan portfolio (INR):		63,723,653
E-mail: info@grameenkoota.org tmtindia@vsnl.com	Operating model:	Grameen model		

23

Acronym	Name: GUIDE	Area of operation:		
GUIDE	Legal form: Society	State/s:	Andhra Pradesh	
	mF started in the year: 2000-2001			
	Chief Functionary: B. Venkateswara Rao	District/s:	GUIDE is working in two districts in AP	
	Head of mF Program: B. Venkateswara Rao			
	Address: #74-24-15/1, Ground Floor, Yarlagadda Apparao Ashok Nagar, Vijaywada, Krishna-520007(A.P)			
	Phone:+866-5537391	Outreach:		7,382
		Gross loan portfolio (INR):		18,455,266
E-mail: guide_vja@yahoo.co.in	Operating model:	Grameen model+SHG		

24

Acronym	Name: Halo Medical Foundation	Area of operation:		
	Legal form: Society	State/s:	Maharashtra	
	mF started in the year: 1996			
	Chief Functionary: Dr. Shashikant Ahankari	District/s:	Osmanabad	
	Head of mF Program:			
	Address: At- Anadur, Osmanabad, Maharashtra-413603			
	Phone: 02471-246182,246050	Outreach:		2,100
		Gross loan portfolio (INR):		1,734,186
E-mail: hmf@vsnl.com	Operating model:	SHG		

25

Acronym	Name: Himalayan Action Research Centre		Area of operation:		
	Legal form:	Society	State/s:	Uttaranchal	
	mF started in the year:	2001			
	Chief Functionary:	Mahendra Singh Kunwar	District/s:	Uttarkashi	
	Head of mF Program:	Ms. Chhaya Kunwar			
	Address:	744, Indira Nagar, Phase-II, P.O. New Forest, Dehra Dun-248006, Uttaranchal			
	Phone:	0135-2760121 (telefax)	Outreach:		3,487
			Gross loan portfolio (INR):		4,601,111
E-mail:	information@harc-india.org		Operating model:	SHG	

26

Acronym	Name: Holy Cross Social Service Centre		Area of operation:		
	Legal form:	Society	State/s:	Jharkhand	
	mF started in the year:	1989			
	Chief Functionary:	Sr. Rosily	District/s:	Hazaribagh, Ranchi Chatra	
	Head of mF Program:	Sr. Rosily			
	Address:	Po. Box 59, Hazaribagh, Jharkhand Pin-825301			
	Phone:	+91-6546-223944	Outreach:		26,950
			Gross loan portfolio (INR):		54,100,000
E-mail:	hcc_rosily@rediffmail.com		Operating model:	SHG	

27

Acronym	Name: Indian Association for savings and Credit		Area of operation:		
IASC	Legal form:	Section 25 Company	State/s:	Tamil Nadu Kerala	
	mF started in the year:	1998			
	Chief Functionary:	Uday Shankar	District/s:	6 Districts in Tamil Nadu 1 in Kerala	
	Head of mF Program:	Uday Shankar			
	Address:	3-100G Rehoboth Building, First Floor, Crystal Street Marthandam, Kantkumari District, Tamil Nadu. 629165			
	Phone:	0422-5388867	Outreach:		33,527
			Gross loan portfolio (INR):		151,646,000
E-mail:	admin@iasc.in		Operating model:	SHG JLG	

28

Acronym	Name: Jhanse Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Saraswathi	District/s:	Warangal
	Head of mF Program: A. Nagamani		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach:	706
		Gross loan portfolio (INR):	402,000
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG

29

Acronym	Name: Janodaya Public Trust	Area of operation:	
	Legal form: Trust	State/s:	Karnataka
	mF started in the year: 2002		
	Chief Functionary: Ms. Santosh Vas	District/s:	Bangalore rural, Bangalore urban Koramangala, Mysore, Bijapur Hubli-Dharwad
	Head of mF Program: Ms. Santosh Vas		
	Address: No. 3, 9th Cross, 5th Main, Jaymohan Extension, Binson Town Post, Bangalore, Karnataka		
	Phone: +91-80-23332564	Outreach:	14,400
		Gross loan portfolio (INR):	12,057,535
	E-mail: janodaya@vsnl.com	Operating model:	SHG Individual lending model

30

Acronym	Name: Jyothi Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Ch. Kamamma	District/s:	Warangal
	Head of mF Program: Yadagini		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach:	1,106
		Gross loan portfolio (INR):	603,240
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG

31

Acronym	Name: Karjmangalam Ontriya Pengal Semipu Amaipu	Area of operation:		
Search-Kopsa	Legal form: Section 25 C Company	State/s:	Tamilnadu	
	mF started in the year: 1996			
	Chief Functionary: F. Stephen	District/s:	Dharmapuri	
	Head of mF Program: Malini. B. Eden			
	Address: 219/26, 6th Block, Jayanagar Bangalore 560011, India			
	Phone: 04348-242117	Outreach:		4,981
	E-mail: search.net@vsnl.com	Gross loan portfolio (INR):		3,482,732
	Operating model:	SHG		

32

Acronym	Name: Kotalipara Development Society	Area of operation:		
KDS	Legal form: Society	State/s:	West Bengal	
	mF started in the year: 1997			
	Chief Functionary: Dr. Gopal Ch. Baidya	District/s:	4 Districts in West Bengal	
	Head of mF Program: Dr. Gopal ch. Baidya			
	Address: Krishnanagar Road, Helabottala Country Motor, 2nd Floor, Basant, North24pgs. West Bengal.			
	Phone: 9433231375	Outreach:		12,812
	E-mail: kotaliparads@yahoo.co.in	Gross loan portfolio (INR):		11,131,321
	Operating model:	SHG		

33

Acronym	Name: Krishna Bhima Samrudhi Local Area Bank Ltd	Area of operation:		
KBSLAB	Legal form: Local Area Bank	State/s:	Andhra Pradesh Karnataka	
	mF started in the year: 2000-2001			
	Chief Functionary: Mr. S. Ramesh	District/s:	AP:- Mehbub Nagar Karnataka: Raichur, Gulbarga	
	Head of mF Program: Mr. S. Ramesh			
	Address: B.K. Reddy Complex, New Town, Mahboobnagar, Andhrapradesh-509001			
	Phone: +91-8542-27338384	Outreach:		15,346
	E-mail: mbn_bkslab@sancharnet.in	Gross loan portfolio (INR):		121,777,000
	Operating model:	JLG +Individual lending		

34

Acronym	Name: KRUSHI	Area of operation:	
	Legal form: Society	State/s:	Andhra Pradesh
	mF started in the year: 1997		
	Chief Functionary: P. Premchand	District/s:	Karimnagar Nizamabad
	Head of mF Program: P. Premchand		
	Address: # 2-9-119, Mukarampura, Karimnagar Pin-505001, Andhra Pradesh		
	Phone: 91-(0)878-2265103	Outreach:	12,034
		Gross loan portfolio (INR):	5,805,139
	E-mail: Krushingo@rediffmail.com	Operating model:	SHG

35

Acronym	Name: Krushu Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Surafameni Radha	District/s:	Warangal
	Head of mF Program: T. Nagamani		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda-506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach:	1,173
		Gross loan portfolio (INR):	1,105,250
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG

36

Acronym	Name: League for Education and Development.	Area of operation:	
LEAD	Legal form: Society	State/s:	Tamil Nadu, Karnataka, Pondicherry.
	mF started in the year: 1994		
	Chief Functionary: N. Radha	District/s:	10 Districts in Tamilnadu 1 in Pondicherry 1 in Karnataka
	Head of mF Program: N. Radha		
	Address: 80/40,1 Street, Rayar Thoppu, Sriramapuram, Srirangam, Trichirapalli-620006, Tamil Nadu		
	Phone: 0431-2432803,2432521	Outreach:	53,818
		Gross loan portfolio (INR):	17,382,999
E-mail: radha_lead@hotmail.com	Operating model:	SHG	

37

Acronym	Name: Mahasemam	Area of operation:	
	Legal form: Trust	State/s:	Tamilnadu
	mF started in the year: 1997		
	Chief Functionary: Dr. N. Sethuraman	District/s:	7 Districts in Tamilnadu
	Head of mF Program: P. Dhandapani		
	Address: 1&2, Lake Area, Melur Road, Uthangudi Post, Madurai-625107. Tamilnadu		
	Phone: 0452-2583569,25392741	Outreach:	48,295
		Gross loan portfolio (INR):	108,093,227
	E-mail: semam@sancharnet.in	Operating model:	Grameen SHG

38

Acronym	Name: Mahila Pragathi Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: B. Saraswathi	District/s:	Warangal
	Head of mF Program: Chandra Leela		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda-506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach:	957
		Gross loan portfolio (INR):	504,350
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG

39

Acronym	Name: Margdarshak (CB Provider)	Area of operation:	
	Legal form: Section 25 company	State/s:	U.P
	mF started in the year:		
	Chief Functionary: Rahul J. Mitra	District/s:	Lucknow
	Head of mF Program:		
	Address: C-1253, Aravali Marg Indira Nagar, Faizabad Road Lucknow-226 016, U.P		
	Phone: 0522-4000727	Outreach:	
		Gross loan portfolio (INR):	
	E-mail: rmittra@marg-darshak.org	Operating model:	

40

Acronym	Name: Mother Theresa Mahila Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 1999		
	Chief Functionary: Kondru Ranimma	District/s:	Krishna
	Head of mF Program: J. Manimma		
	Address: Muppala , Chandarlapadu, Krishna District Andhra Pradesh.		
	Phone: 08678-276383	Outreach: 2,600	
	E-mail:	Gross loan portfolio (INR): 2,458,676	
		Operating model:	SHG

41

Acronym	Name: Nagrik Jan Hitkari Samiti	Area of operation:	
	Legal form: Society	State/s:	Uttar Pradesh
	mF started in the year: 1999		
	Chief Functionary: Prahlad	District/s:	Mahrajganj Gorakhpur
	Head of mF Program: Ramdayal sahani		
	Address: Natwa Jangal, Janpad, Mahrajganj, Pin-273306, U.P., India		
	Phone: 9839536913	Outreach: 3,228	
	E-mail:	Gross loan portfolio (INR): 7,871,000	
		Operating model:	SHG Grameen Individual

42

Acronym	Name: Nav Bharat Jagriti Kendra	Area of operation:	
	Legal form: Society	State/s:	Jharkhand Bihar
	mF started in the year: 1993-94		
NBJK	Chief Functionary: Mr. Girija Satish	District/s:	NBJK has been working in 4 districts in Jharkhand and 1 district in Bihar
	Head of mF Program: Mr. Sudhir Kumar Upadhay		
	Address: Amritnagar, Korrah, Dist.- Hazaribagh Pin- 825301, Jharkhand		
	Phone: +91-6546-263332, 266781	Outreach: 24,630	
	E-mail: nbjk@rediffmail.com satishgirija@rediffmail.com	Gross loan portfolio (INR): 24,476,034	
		Operating model:	SHG Joint Liability Group Individual Lending

43

Acronym	Name: Network for Enterprise Enhancement and Support	Area of operation:		
NEEDS	Legal form: Trust	State/s:	Jharkhand	
	mF started in the year: 2004		Bihar	
	Chief Functionary: Murari M. Choudhury	District/s:	Deogarh in Jharkhand Banka in Bihar	
	Head of mF Program: Tanay Chakravarty			
	Address: William Town, Behind SBI Training Centre, B. Deoghar, Jharkhand-814112			
	Phone: +91- 432-236815	Outreach:		8,455
	E-mail: ajiwika@yahoo.co.in	Gross loan portfolio (INR):		135,000
	Operating model:	SHG		

44

Acronym	Name: New Life	Area of operation:		
	Legal form: Society	State/s:	Tamil Nadu	
	mF started in the year: 1999			
	Chief Functionary: C. Peter Rex Charly	District/s:	7 Districts in Tamilnadu	
	Head of mF Program: C.Peter Rex Charly			
	Address: C-20, 4th Cross, N.E.E., Thllainagar, Trichy Pin-620018, TamilNadu			
	Phone: 0431-2768392	Outreach:		18,792
	E-mail: newfed@hotmail.com	Gross loan portfolio (INR):		3,714,000
	Operating model:	SHG Individual		

45

Acronym	Name: NIDAN	Area of operation:		
NIDAN	Legal form: Society	State/s:	Bihar	
	mF started in the year: 1996			
	Chief Functionary: Mr. Arbind Singh	District/s:	Patna, Katihar, Muzaffarpur Vaisali & Samastipur	
	Head of mF Program: Awdesh Kumar			
	Address: Sudama Bhawan, Boring Road, Patna, Bihar-800001			
	Phone: +91-612-2570705	Outreach:		16,407
	E-mail: nidanpat@hotmail.com	Gross loan portfolio (INR):		7,332,359
	Operating model:	SHG Joint Liability Group		

46

Acronym	Name: Organization for Rural Survival	Area of operation:	
	Legal form: Society	State/s:	Tripura
	mF started in the year: 2002		
	Chief Functionary: Mr. Binay Paul	District/s:	South Tripura
	Head of mF Program: Mr. Binay Paul		
	Address: PO: Belonia, South Tripura,		
	PIN: 799 155	Outreach:	420
	Phone: +91-3823-222526	Gross loan portfolio (INR):	40000
	E-mail: survival@sanchernet.in	Operating model:	SHG model

47

Acronym	Name: OUTREACH	Area of operation:	
	Legal form: Society	State/s:	Karnataka, Tamilnadu Andhra Pradesh
	mF started in the year: 2000		
	Chief Functionary: R.M. Palanna	District/s:	7 districts in Karnataka: 3 districts in Andhra Pradesh and 1 in Tamil Nadu
	Head of mF Program: A. Radhakrishnan		
	Address: 109, Coles Road, Fraser Town, Bangalore-560005		
	Phone: +91-80-25545365, 25307532	Outreach:	25,124
	E-mail: outreach@outreachindia.org	Gross loan portfolio (INR):	50,958,550
		Operating model:	SHG

48

Acronym	Name: Pavithra Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Sammakka	District/s:	Warangal
	Head of mF Program: Kalavathe		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach:	1,225
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Gross loan portfolio (INR):	836,215
		Operating model:	SHG

49

Acronym	Name: People's Action For National Integration	Area of operation:		
PANI	Legal form: Society	State/s:	Uttar Pradesh	
	mF started in the year: 2003			
	Chief Functionary: Bharat Bhushan	District/s:	4 Districts in Uttar Pradesh	
	Head of mF Program: Ambarish Singh			
	Address: Dhirendrapuri, P.O.: Chachikpur, Dist.-			
		Ambedkarnagar- 224141, U.P., India.	Outreach:	1,200
	Phone: 05278-225175	Gross loan portfolio (INR):		3,150,000
	E-mail: panisansthan@rediffmail.com	Operating model:	SHG	

50

Acronym	Name: Pragathi Seva Samity	Area of operation:	
PSS	Legal form: Society	State/s:	Andhra Pradesh
	mF started in the year: 1995		
	Chief Functionary: Mr. John Gaddala	District/s:	Warangal
	Head of mF Program: Joseph Gollapelli		
	Address: # 'Bethel' 2-5-898, Circuit Road House, Hanamkonda, Warangal A.P.-506001		
	Phone: +91-870-2550659, 2540851	Outreach:	18,776
	Gross loan portfolio (INR):		37,100,000
E-mail: pragathiss@yahoo.com	Operating model:	SHG	

51

Acronym	Name: PROCHESTA	Area of operation:		
PROCHESTA	Legal form: Society	State/s:	Assam	
	mF started in the year: 1998			
	Chief Functionary: Dr. Anjana Barkataki	District/s:	Prochesta has been working in 17 districts in the state	
	Head of mF Program: Dr. Anjana Barkataki			
	Address: Mandovi Apartments, Unit C & D, 1st Floor, G.N.B. Road, Ambari, Guwahati-781026, Assam.			
	Phone: +91-361-2517230	Outreach:	39,135	
		Gross loan portfolio (INR):		2,702,700
	E-mail: abarkakati@sify.com prochesta@hotmail.com	Operating model:	SHG	

52

Acronym	Name: Professional Assistance for development Action	Area of operation:	
PRADAN	Legal form: Society	State/s:	Bihar, Chattisgarh, Jharkhand MP, Orissa, Rajasthan & WB
	mF started in the year: 1987		
	Chief Functionary: Mr. Deep Joshi	District/s:	PRADAN is working in 27 districts in the above States
	Head of mF Program: D. Narendranath		
	Address: 3, Community Centre, Nitti Bagh, New Delhi-110016		
Phone: +91-11-51640611	Outreach:		85,350
	Gross loan portfolio (INR):		NA
	E-mail: pradhanho@ndh_vsnl.net.in naren@pradan.net	Operating model:	SHG model

53

Acronym	Name: Pustikar Laghu Vyaparik Pratisthan Bachat evam Sakh Sahakari Samiti Ltd	Area of operation:	
	Legal form: Cooperative	State/s:	Rajasthan
	mF started in the year: 1997		
	Chief Functionary: Amar Chand Purohit	District/s:	Jodhpur
	Head of mF Program: Amar Chand Purohit		
	Address: Setubandh Rameshwar Mandir, Narsingh Dara, Inside Jalori Bari, Jodhpur-342001.Rajasthan		
	Phone: 0-9314700816	Outreach:	
	Gross loan portfolio (INR):		218,639,000
	E-mail: pustikar@yahoo.com	Operating model:	Individual lending

54

Acronym	Name: Rajapur Seva Niketan	Area of operation:	
	Legal form: Society	State/s:	West Bengal
	mF started in the year: 2000		
	Chief Functionary: Asit kumar Pramanick	District/s:	1 in west Bengal
	Head of mF Program: Asit Kumar Pramanick		
	Address: Vill.- Rajapur, PO-Karatberia, Uluberia, Howrah, Pin-711316. WestBengal, India.		
	Phone: 033-26611405 9433400858 (m)	Outreach:	
	Gross loan portfolio (INR):		2,469,201
	E-mail:	Operating model:	SHG

55

Acronym	Name: Rashtriya Gramin Vikas Nidhi	Area of operation:		
RGVN	Legal form: Society	State/s:	Assam	
	mF started in the year: 1995		Orissa	
	Chief Functionary: Dr. Mahfuza Rehman	District/s:	Working in 7 districts in Assam & 1 district in Orissa	
	Head of mF Program: Ms. Rupali Kalita			
	Address: 8 th Bylanes, Rajgarh Road, Guwahati pin-781003, Assam.			
	Phone: +91-361-2202873	Outreach:		31,674
	E-mail: Rupali_rgvn@yahoo.com	Gross loan portfolio (INR):		34,660,083
	Operating model:	SHG Joint Liability Group		

56

Acronym	Name: Rashtriya Seva Samithi	Area of operation:		
RASS	Legal form: Society	State/s:	Andhra Pradesh	
	mF started in the year: 1989		Tamilnadu	
	Chief Functionary: Dr. G. Munirathnam	District/s:	AP:- Chittoor & Cuddapah TN:- Thiruvalluvar	
	Head of mF Program: V. Nagaraju			
	Address: Seva Nilayam, Annamaiah Marg, A.I.R Bye-Pass Road, Tirupati, A.P- 517501			
	Phone: +91-877-2242404	Outreach:		21,679
	E-mail: rass123@sancharnet.in	Gross loan portfolio (INR):		80,800,000
	Operating model:	SHG		

57

Acronym	Name: Rural Aid Service	Area of operation:		
RAIDS	Legal form: Society	State/s:	Manipur	
	mF started in the year: 1995			
	Chief Functionary: Holkhomang Haokip	District/s:	Churachandpur	
	Head of mF Program: Ms. Lheiboi Haokip			
	Address: Twibuang, Churachandpur-795128 Post Bag No. 176. Manipur			
	Phone: 0385-2412870	Outreach:		425
	E-mail: raids_ccpur@rediffmail.com	Gross loan portfolio (INR):		200,000
	Operating model:	SHG		

58

Acronym	Name: Rural Education and Action For Change	Area of operation:		
REACH-M	Legal form: Society	State/s:	Manipur	
	mF started in the year: 2003			
	Chief Functionary:	District/s:	3 Districts in Manipur	
	Head of mF Program:			
	Address: Nungourok, P.O. Pallel-795135, Dist. Chandel, Manipur, India			
	Phone: 03848-265335	Outreach:		285
		Gross loan portfolio (INR):		841,061
E-mail: mosesmaring@yahoo.co.in	Operating model:	SHG		

59

Acronym	Name: Sargaman Women's Multi Purpose thrift and Credit Cooperative	Area of operation:		
	Legal form: Cooperative	State/s:	Tamil Nadu, Karnataka Pondicherry	
	mF started in the year: 2004			
	Chief Functionary: N. Radha	District/s:	10 in Tamil Nadu, 1 each in Pondicherry and Karnataka	
	Head of mF Program: N.Radha			
	Address: 8/40, 1 st street Rayar Thoppu, Srirampuram Srirangam, Trichi- 620006			
	Phone: 0431-2432803, 2436805	Outreach:		12,136
		Gross loan portfolio (INR):		3,527,875
E-mail: radha_lead@rediff.com	Operating model:	SHG		

60

Aronym	Name: Sanghamithra Rural Financial Services	Area of operation:		
	Legal form: Section 25 C Company	State/s:	Andhra Pradesh, Tamil Nadu & Karnataka	
	mF started in the year: 2000			
	Chief Functionary: A. P. Fernandez	District/s:	Bangalore, Mysore, Chamarajnar, Davangere, Kolar, Mandya, Shimoga Dharmapuri, Erode, Krishnangiri, Anantapur	
	Head of mF Program: S.M. Adiga			
	Address: # 916, 8 th Main, 3rd stage, Gokulam, Mysore-570071.			
	Phone: +91-80-25353166	Outreach:		54,801
		Gross loan portfolio (INR):		152,211,290
E-mail: sm.adiga@sanghamithra.org info@sanghamithra.org	Operating model:	SHG		

61

Acronym	Name: Sharada Women's Association For Weaker Section	Area of operation:	
	Legal form: Society	State/s:	Andhra Pradesh
	mF started in the year: 1999		
	Chief Functionary: Ms. R. Girija	District/s:	Ranga Reddy district
	Head of mF Program: Ms. R. Girija		
	Address: 6-1-132/103/C2, Navratna Apartments, Skandagiri, Secunderabad, A.P.-500061.		
	Phone: +91-40-27502246	Outreach:	11,908
		Gross loan portfolio (INR):	29,124,029
	E-mail: swaws@sify.com	Operating model:	Grameen model

62

Acronym	Name: Sarva Jana Seva Kosh Ltd.	Area of operation:	
	Legal form: NBFC	State/s:	Tamil Nadu
	mF started in the year: 1989		
	Chief Functionary:	District/s:	6 Districts in Tamilnadu
	Head of mF Program: R. Viswanathan		
	Address: 279, Avvai Shanmugam Road, Royapettah, Chennai- 600014, Tamil Nadu		
	Phone: 044-28133644	Outreach:	32,768
		Gross loan portfolio (INR):	153,700,000
	E-mail: kosh@eth.net	Operating model:	SHG

63

Acronym	Name: Sarvodaya Nano Finance Ltd	Area of operation:	
	Legal form: NBFC	State/s:	Tamil Nadu, MadhyaPradesh, Rajasthan, Jharkand, Bihar
	mF started in the year:		
	Chief Functionary: R. Sowmithri	District/s:	12 in Tamilnadu, 1 in M.P and and Jharkhand, 2 in Bihar and Rajasthan
	Head of mF Program: R. Sowmithri		
	Address: 279, Avvai Shanmugam Salai, Royapettah, Chennai-600014.		
	Phone: 044-28131880	Outreach:	186,640
		Gross loan portfolio (INR):	238,240,284
	E-mail: nanofinance@eth.net	Operating model:	SHG

64

Acronym	Name: Satin Credit Care Network Ltd	Area of operation:		
Satin Credit Care Network Ltd	Legal form: NBFC	State/s:	Delhi & NCR	
	mF started in the year: 1990			
	Chief Functionary: Mr. H. P. Singh	District/s:	It works in all districts in Delhi & NCR	
	Head of mF Program: Mr. H. P. Singh			
	Address: 5th Floor, Kundan Bhawan, Azadpur, Commercial complex, New Delhi-110033			
	Phone: +91-11-27671100	Outreach:		4,767
	E-mail: hpsingh@satinleasing.com	Gross loan portfolio (INR):		84,972,000
	Operating model:	Individual lending model		

65

Acronym	Name: Self-Help Promotion For Health and Rural Development.	Area of operation:		
SHEPHERD	Legal form: Society	State/s:	Tamil Nadu	
	mF started in the year: 1998			
	Chief Functionary: N. Peter Palaniswami	District/s:	5 Districts in Tamil Nadu	
	Head of mF Program: N. Peter Palaniswami			
	Address: No. 2-A, Iswarya Apartment, 68, Officer's Colony, Puthur, Trichy-620017. Tamil Nadu			
	Phone: 0431-2780648	Outreach:		19,273
	E-mail: shepherddevorg@sify.com	Gross loan portfolio (INR):		20,752,000
	Operating model:	SHG		

66

Acronym	Name: SHARE Microfin Ltd.	Area of operation:		
SHARE	Legal form: NBFC	State/s:	AP, Chattisgarh Karnataka	
	mF started in the year: 1999			
	Chief Functionary: Mr. Udaia Kumar	District/s:	SHARE has been working in 27 districts in the above States that includes 19 districts in AP	
	Head of mF Program: Mr. Udaia Kumar			
	Address: #1-224/58, Rajeev Nagar Nacharam, Hyderabad-500076			
	Phone: +91-40-27158380	Outreach:		368,996
	E-mail: sml@sharemicrofin.com	Gross loan portfolio (INR):		1,757,937,669
	Operating model:	Grameen model Joint Liability Group Individual Lending		

67

Acronym	Name: Shramik Bharti	Area of operation:	
SEVA	Legal form: Society	State/s:	Uttar Pradesh
	mF started in the year: 1989		
	Chief Functionary: Ganesh Pandey	District/s:	Kanpur Kanpur Dehat
	Head of mF Program: Rakesh kumar Pandey		
	Address: 392, Vikas Nagar (Lakhanpur) Kanpur-208024, Uttar Pradesh		
	Phone: 0512-2580823	Outreach:	
	Gross loan portfolio (INR):		2,647,075
	E-mail: shramikbharti@hotmail.com	Operating model:	SHG Individual Lending

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Acronym	Name: Social Education And Voluntary Action	Area of operation:	
SEVA	Legal form: 25C Company	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: U. Raja Rao	District/s:	Warangal
	Head of mF Program: U. Raja Rao		
	Address: H.No. 11-24-36, M.V. Colony, Road No. 2, Deshaipet Road, Warangal, A.P.-506002		
	Phone:+91-870-2426554	Outreach:	
	Gross loan portfolio (INR):		5,769,455
	E-mail: sevangowgl@rediffmail.com	Operating model:	SHG model

69

Aronym	Name: Spandana Sphoorty Innovative Financial Services Ltd.	Area of operation:	
SPANDANA	Legal form: NBFC	State/s:	Andhra Pradesh Karnataka
	mF started in the year: 1997		
	Chief Functionary: Ms. Padmaja Reddy	District/s:	AP:-Guntur, Krishna, Prakasham E.Godavari,W.Godavari,Vizag,V .nagaram, Hyderabad,Khamam, Nalgonda, Srikakulam, Karnataka:- Ballari
	Head of mF Program: Ms. Padmaja Reddy		
	Address: # 5-96-2, Besides Vuda Office 6/12, Brodipet,Guntur -522002, AndhraPradesh		
	Phone: +91-863-2221398	Outreach:	
	Gross loan portfolio (INR):		2,387,509,054
	E-mail: padmajareddy@spandanaindia.com	Operating model:	SHG JLG Individual lending

70

Acronym	Name: Shree Chayathyan Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: K. Uma Rani	District/s:	Warangal
	Head of mF Program: Venkamma		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach: 1,202	
		Gross loan portfolio (INR): 1,394,000	
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG	

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Acronym	Name: Shree Dhanalaxmi Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 1992		
	Chief Functionary: Komaramma	District/s:	Warangal
	Head of mF Program: Jafar Mia		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, Warangal- A.P., India		
	Phone: 2571208/2552928	Outreach: 1,008	
		Gross loan portfolio (INR): 1,032,134	
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG	

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Acronym	Name: Star Microfin Service Society (SYA)	Area of operation:	
SYS	Legal form: Society	State/s:	Andhra Pradesh
	mF started in the year: 1997		
	Chief Functionary: S.C. Hassain	District/s:	Kurnool
	Head of mF Program: S.C. Hassain		
	Address: 317-178-17/1, Beside Telephone Exchange, Velgode (K) -518533, Kurnool Andhra Pradesh		
	Phone: +91-8517-235072, 235756	Outreach: 10,175	
		Gross loan portfolio (INR): 19,544,277	
E-mail: starmicrofin@rediffmail.com	Operating model:	Grameen model	

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Acronym	Name: Stree Shakti Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Mangula	District/s:	Warangal
	Head of mF Program: J. Elia		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, Warangal- A.P., India		
	Phone: 2571208/2552928	Outreach: 1,135	
		Gross loan portfolio (INR): 904,500	
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG	

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Acronym	Name: Subhashini Macs	Area of operation:	
	Legal form: MACS	State/s:	Andhra Pradesh
	mF started in the year: 2002		
	Chief Functionary: Yakeet Bee	District/s:	Warangal
	Head of mF Program: Padma Ja		
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India		
	Phone: 2571208/2552928	Outreach: 1,195	
		Gross loan portfolio (INR): 497,000	
E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Operating model:	SHG	

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Acronym	Name: SUPPORT	Area of operation:	
SUPPORT	Legal form: Trust	State/s:	Jharkhand
	mF started in the year: 1999		
	Chief Functionary: Bhawani Shankar Gupta	District/s:	Hazaribagh Giridih
	Head of mF Program: Renu Bala Gupta		
	Address: Ashok Nagar, Kanhary Road, Hazaribagh, Jharkhand-825301		
	Phone: +91-6546-266742	Outreach: 6,309	
		Gross loan portfolio (INR): 5,230,000	
E-mail: supporthzb@indiatimes.com	Operating model:	SHG Joint Liability Group	

76

Acronym	Name: Social Welfare Agency and Training Institute	Area of operation:		
SWATI	Legal form: Society	State/s:	Orissa	
	mF started in the year:2001			
	Chief Functionary : Er. Hari Sankar Rout	District/s:	Kandhmal	
	Head of mF Program: Mr. Sanjay Kr. Nayak			
	Address: At Malerimaha Post-Paburia, District: Kandhmal, Orissa PIN: 762 112			
	Phone:+91-6847 260386	Outreach:		3630
	E-mail:swati_pab@yahoo.co.in	Gross loan portfolio (INR):		1,045,000
	Operating model:	SHG		

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Acronym	Name: Swayam Krishi Sangam	Area of operation:		
SKS	Legal form: Society	State/s:	Andhra Pradesh	
	mF started in the year: 1998		Karnataka	
	Chief Functionary : Dr. Vikram Akula	District/s:	AP:- Medak,Nalgonda,Nizamabad,	
	Head of mF Program: Dr. Vikram Akula		Karimnagar & Khamam	
	Address: Flat No.301, III Floor, Babukhan Estate Basheerbagh, Hyderabad-500 001		Karnataka: Bidar	
	Phone: +91-40 23298131	Outreach:		86,869
	E-mail: info@sksindia.com	Gross loan portfolio (INR):		226,512,100
	Operating model:	Grameen model		

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Acronym	Name: Swayam Krushi Macs	Area of operation:		
	Legal form: MACS	State/s:	Andhra Pradesh	
	mF started in the year: 2002			
	Chief Functionary: Ch. Keemara	District/s:	Warangal	
	Head of mF Program: M. Sampath			
	Address: 1-8-499, Behind Ekashila Park, Balasamudram, Hanamkonda- 506001, warangal- A.P., India			
	Phone: 2571208/2552928	Outreach:		1,195
	E-mail: marimail@rediffmail.com Mmariwgl@gmail.com	Gross loan portfolio (INR):		831,900
	Operating model:	SHG		

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Acronym	Name: Swayamshree Microcredit Services	Area of operation:		
SMCS	Legal form: Sec 25C Company	State/s:	Orissa	
	mF started in the year: 2003			
	Chief Functionary: Mr. Parashuram Nayak	District/s:	15 Districts in Orissa	
	Head of mF Program: Ms. Amiya Bala Patnayak			
	Address: M-75, Samanta Vihar Nesr Nalko Chowk Bhubaneswar, Orissa PIN: 751 017			
	Phone: +91-674 2302646	Outreach:		1280
		Gross loan portfolio (INR):		4,205,046
E-mail: smcsbbsr@sancharnet.in	Operating model:	SHG		

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Acronym	Name: The Payakaraopeta Women's MACTC Society	Area of operation:		
PWMACTS	Legal form: MACS	State/s:	Andhra Pradesh	
	mF started in the year: 1997			
	Chief Functionary: P.V. Ravikumar	District/s:	Visakhapatnam East Godavari	
	Head of mF Program: P.V. Ravikumar			
	Address: Siva Surya Apartments, Ground Floor, Main Road, Payakaraopeta Vishakapatnam, A.P-531126			
	Phone: +91-9347910052	Outreach:		5,414
		Gross loan portfolio (INR):		429,560
E-mail: pwmacs@yahoo.com	Operating model:	Grameen model		

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Acronym	Name: Thirumalai Charity Trust	Area of operation:		
	Legal form: Trust	State/s:	Tamil Nadu	
	mF started in the year: 1994			
	Chief Functionary: Mrs. Bhooma Parthasarathy	District/s:	Vellore	
	Head of mF Program: V. Mohan			
	Address: Thirmalai Nagar, Vanapadi Road, Vanapadi Post, Ranipet -632402. Tamil Nadu			
	Phone: 04172-247950	Outreach:		19,420
		Gross loan portfolio (INR):		40,743,783
E-mail: tct@md5.vsnl.net.in	Operating model:	SHG		

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Acronym	Name: Tiruvalla Social Service Society	Area of operation:		
BODHANA	Legal form: Society	State/s:	Kerala	
	mF started in the year: 2002			
	Chief Functionary: Fr. Mathew Punakulam	District/s:	Alappuzha, Pathanamthitta, Kottayam, Idukki	
	Head of mF Program:			
	Address: Pushpagiri Road, Thiruvalla, Pathanamthitta, Keral 689101, India.			
	Phone: 0469-2730561,2606063	Outreach:		11,065
		Gross loan portfolio (INR):		974,400
E-mail: bodhana@sancharnet.in	Operating model:	SHG		

83

Acronym	Name: Vikas- Centre for Development	Area of operation:		
	Legal form: Trust	State/s:	Gujrat	
	mF started in the year: 1998			
	Chief Functionary: Mrs. Ranna Shah	District/s:	4 in Gujrat	
	Head of mF Program: Mrs. Ushma Pathak			
	Address: H-003, Samrajya, Opp. Manav Mandir, Off Drive-in Road, Memnagar, ahmedabad-380052. Gujrat.			
	Phone: 26404263/55620772	Outreach:		11,045
		Gross loan portfolio (INR):		3,789,709
E-mail: vikas-abad@icenet.net	Operating model:	SHG		

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Acronym	Name: Village Welfare Society	Area of operation:		
	Legal form: Society	State/s:	West Bengal Chhattisgarh	
	mF started in the year: 1995			
	Chief Functionary: Ajit Kumar Maity	District/s:	6 in West Bengal 1 in Chhattisgarh	
	Head of mF Program: Subhasis Ghosh			
	Address: F-3. Geetanjali Park, 18/3-A Kumud Ghosal Road, Ariadaha, Kolkata-700057. India			
	Phone: 91-33-25646545	Outreach:		43,200
		Gross loan portfolio (INR):		86,172,831
E-mail: vws@cal3.vsnl.net.in	Operating model:	Grameen Individual		

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Acronym	Name: Village Microcredit Services	Area of operation:	
VMCS	Legal form: Sec 25C Company	State/s:	West Bengal
	mF started in the year: 2004		
	Chief Functionary: Mr. Kuldeep Maity	District/s:	3 districts in West Bengal
	Head of mF Program: Mr. Kuldeep Maity		
	Address: F-3. Geetanjali Park, 18/3-A Kumud Ghosal Road, Ariadaha, Kolkata-700057. India		
	Phone: +91-33 25646545 / 5786	Outreach:	825
		Gross loan portfolio (INR):	2,393,773
E-mail: kuldeepmaity@rediffmail.com	Operating model:	Grameen	

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Acronym	Name: Vivekananda Seva Kendra -o-Shishu Uddyan	Area of operation:	
	Legal form: Society	State/s:	West Bengal
	mF started in the year: 1994		
	Chief Functionary: Mr. Kapila Nanda Mondal	District/s:	24 Parganas
	Head of mF Program: Mr. Kapila Nanda Mondal		
	Address: Vill: Ullon, P.O. Ramlochanpur, Dist.- South 24 Parganas, West Bengal-743336.		
	Phone: 03174-277451/986	Outreach:	10,453
		Gross loan portfolio (INR):	42,927,713
E-mail: kapila@vsnl.net	Operating model:	Individual Lending	

Set of Financial Performance Standards¹ Recommended by Sa-Dhan

S. No.	Indicator	Benchmark	Formula
<i>1. SUSTAINABILITY PERFORMANCE STANDARDS</i>			
1	Operational Self-Sufficiency	At least 100%	Operating Income [2] Operating Costs + Loan Loss Provisions + Financing Costs
<i>2. ASSET QUALITY PERFORMANCE STANDARD</i>			
2	Portfolio at Risk > 60 Days Past Due	Less than 10%	Unpaid Principal Balance of Past Due Loans (with Overdue > 60 days of age) Total Gross Outstanding Portfolio
3	Current Repayment Rate	Greater than 90%	Total Amount (Principal) Collected for the Period – Prepayments Total Amount (Principal) Due (to be collected during period)
<i>3. EFFICIENCY PERFORMANCE STANDARDS</i>			
4	Operating Cost Ratio [3]	Less than 20%	Total Operating Costs Average Outstanding Portfolio
5	Total Cost Ratio	Less than 30%	Total Costs [4] Average Outstanding Portfolio
6	Active Borrowers Per Credit Officers [5]	Between 250-350	Average Number of Active Borrowers Average Number of Credit Officers

[1] The Sa-Dhan Sub-Group on Standards finalized the indicators proposed here.

[2] Operating Income is income from Loans and Investments

[3] Sometimes called as Administrative Efficiency Ratio

[4] Total Costs = Operational Costs + Loan Loss Provision + Cost of Funds

[5] Sometimes, also called as client to staff ratio with staff being loan officers/ Field officer primarily

Foreword

In continuing with our endeavor to compile and present financial performance of microfinance institutions in form of a report, the *'Side-by-Side A Slice of Microfinance Operations in India September 2005'* report is now before us.

The report is contributed by 83 MFIs, a quantum leap from 53 MFIs in the previous report (September 2004). It is encouraging to note that MFIs are sharing their performance data with incremental depth. The report is enriched in depth with incremental data from MFIs now covering two to three financial years. It is also encouraging to note that MFIs that are not members of Sa-Dhan, are contributing to the report. We thank them all.

Preparation of the report threw new challenges that provided a learning experience for the standards team in terms of analyzing the performance trends over years among MFIs. The growth in number of contributing MFIs and completion of annual statutory audit of larger constituency of MFIs meant stretched time to obtain data and in seeking clarifications and corrections.. We plan to introduce appropriate software to capture and analyze MFI data. This, we trust will reduce in future the time taken in preparation of the report.

We are now introducing a separate individual report to each of the participating MFIs that covers the financial performance of the MFI in comparison with peer group of MFIs.

The responses we received from bankers, development agencies and members on our earlier reports have been very useful. We believe that this report will provide increased understanding of performance trends among MFIs, across size, operating model, age and location.

We acknowledge the comments and suggestions from members including members of the Standards Sub-Group on the draft report.

Congratulations to the Standards team comprising of Mr. R.K. Mukherjee, Mr. Sarat Das, Mr. Ashis Kumar Sahu, Mr. Pravin Kumar and Ms. Reshu Chopra in bringing out the report.

The work would not have been possible without support from The Ford Foundation and USAID. We gratefully acknowledge their support.

We look forward to hearing from you all on refining the work in days to come!

Mathew Titus
Executive Director
December 30, 2005

1 Genesis of the Sa-Dhan *Side-by-Side* Report

From the days of '70s, when SEWA called attention to the need to provide microfinance services to the unorganized sector in India, there has been significant progress in terms of expansion across regions and outreach. With the growth, the sector is witnessing increased diversity in terms of operating models, legal forms, local contexts, regional imbalances etc. While these are the existing realities of the sector today, the collective picture of the sector requires to be put together to appreciate the complexities of expanding this service across the country. More importantly, performance of MFIs has not been captured enough. Consequently, in absence of a broader picture of the sector, important stakeholders' viz. policy makers, investors, bankers etc. have not been able to capture the scenario in adequate details.

Sa-Dhan, as Association of Community Development Finance Institutions, took up the work of facilitating the setting of standards for financial performance of MFIs. This followed finalization of a set of six financial standards with extensive engagement of members through regional workshops and field tests. The set of six financial standards, recommended by Sa-Dhan cover three core elements of financial performance viz. Sustainability, Asset quality and Efficiency. This work has evolved into a composite set of financial performance benchmarks among MFIs across operating models, size of operations, legal forms and variety of services.

In taking the practice of financial standards to the next level, Sa-Dhan found the significance of public reporting by MFIs to build transparency and in turn increase flow of funds to the sector.

Sa-Dhan believes that reporting is an effective instrument to ensure transparency and performance. Transparency and adherence to standards would hold the key for the microfinance sector and would enhance the flow of funds to these MFIs.

1.1 Positioning the Report:

In order to showcase a broader picture of the sector, Sa-Dhan in its first attempt, (*Side-by-Side - A Slice of Microfinance Operations in India*) in September 2004, captured financial performance of MFIs for FY 2004, by consolidating features among MFIs across the country. The report covered 53 MFIs.

Firstly, the work started with the assumption that it would significantly help other stakeholders to assimilate the broader picture of MFIs in India.

Secondly, that it would facilitate deeper understanding of their strategies and strengths by stakeholders like banks, who in turn could make necessary investments in MFIs.

Thirdly, the report was thought to be most cost-effective mechanism of consolidating information on MFIs all across the country, for dissemination among stakeholders' viz. public policy makers, commercial banks, Regional Rural Banks (RRB), donors and investors- Indian and international.

The respondents to the report covered small to large MFIs in all regions and legal forms, working on SHG, Grameen, or JLG models.

The focus of the report was to collect financial and operational data of MFIs for the financial year 2003-04. The data was analyzed by peer-groups with the above three parameters, in the background of the set of six financial standards recommended by Sa-Dhan. The report was a snap shot of the financial performance of participating MFIs for the FY 2003-04, on the core six financial performance indicators.

Primarily, the tasks of data compilation and analysis were achieved in a period of eight weeks. This indicates the transparency and readiness among MFIs to share their operational and financial details.

The principal findings from the analysis were as under.

- MFIs also provide other services like livelihood support, health, education and support for rights of the poor. Many of these services are integrated in the financial services of the MFIs.
- Credit has emerged as the main service that MFIs are providing to their clients. The exact design and nature of credit services varies widely from model to model and MFI to MFI. As of March 2004, the sample of retail-MFIs that are providing credit services to the clients directly (49 MFIs) had credit portfolio outstanding at Rs.374, 26 lakhs (77.97 million USD).
- MFIs, whether on direct service mode or in facilitating mode, are engaged in providing alternate channels of savings to the poor. As of March 2004, the sample of 51 retail-MFIs shows that the amount of savings mobilized within their clients was to the tune of Rs.99, 02 lakhs (21.53 million USD)
- The number of MFIs providing insurance services is significantly different from one model to another. Most MFIs working on GB and JLG models are also providing insurance services. The MFIs working on SHG model have a long way to go in bringing insurance services to their clients.

1.2 Financial Performance of MFIs: Summary of the First Report

The financial analysis grouped the 42 MFIs into peer groups based on Lending Model, Operational Region and Legal form.

The overall picture emerging from the sample of 42 MFIs, as of March 2004 was as under.

Table 1: Performance of MFIs (FY 2004) based on Sa-Dhan recommended Financial Performance Standards

<i>Sample of 42 MFIs</i>					
OSS	PAR	CRR	OCR	TCR	Client per Credit Officer
72.8%	4.5%	90.4%	20.0%	34.9%	164

The principal findings on financial performance were -

Across all models, financial performance was quite encouraging. Barring the Individual (I) model, all other models have portfolio at risk of below 5%. Current Repayment Rate (CRR) in all models, except the Individual (I), is above 90%.

Overall Operational Self Sufficiency (OSS) among MFIs was 72.8% for the financial year ended on March 31, 2004. OSS, however across the different models was very varied starting from 109.1% and extending on the lower band to 55.66%.

Portfolio At Risk among MFIs stood at 4.5%. Across models, PAR was highest among Individual (I) (9%) and lowest in Grameen model (1.6%).

The average Operating Cost Ratio (OCR) and Total Cost Ratio (TCR) of 42 MFIs was 20% and 34.9% respectively..

OCR was high in JLG (34.3%) and Individual (24.1%) models. In GB and SHG models, OCR was 19.2% and 17.7% respectively.

The sample average on 'Active Clients per Credit Officer' was 164. This was higher in GB (277) and lowest in SHG (119) models.

Summarily, the report showed that

- Regional features were significant across operating models.
- MFIs are graduating towards self sustainability while grappling with the twin issues of outreach and loan asset quality
- Reporting by MFIs on their performance was good but broadly, appreciation of the Sa-Dhan recommended financial performance standards were limited.

1.3 The Second Report:

The second report (*Side-by-Side – A Slice of Microfinance Programs in India – January 2005*) focused on programmatic features of MFIs as logic extension of the first report on financial performance. This report attempted to cover some of core programmatic features of MFIs. The report captured data from 62 MFIs across regions.

The analysis in this report was around issues such as products, services, outreach, staff productivity, accounting policies, MIS, cost control etc. The report provided interesting insights on the impact of credit or credit plus approach on growth rate, outreach, range of services etc.

Summarily, the report showed that

- MFIs are innovating on appropriate products for various segments of clients, based on livelihood and life cycle needs of the clients
- MFIs are undertaking cost control measures by optimizing their outreach penetration and internal management systems.

2 Methodology: How we put the 3rd Side-by-Side Report together?

As the report, seeks to increase its presence and impact, we felt it important that the exercise bring together learning and insights that the first report had offered to us.

From the first report (September 2004) it was evident that members were facing key challenges in operations, in terms of growth speed in both client base and operational self-sufficiency.

We therefore examined performance of MFIs by categorizing them by their age, variety of services (credit, insurance and savings) and size of loan portfolio.

The first report was based on financial performance data of 53 MFIs for one year (Financial Year 2004). This report has contributions from 83 MFIs and data for three financial years (2003, 2004 and 2005) are available. The report therefore throws up the distinct *trends* among MFIs by outreach, age, services and size.

The report analyses financial performance of MFIs based on Sa-Dhan recommended financial performance standards. The analysis clearly shows effectiveness of the Sa-Dhan standards across MFIs, diverse as they are by outreach, age, size and operating model.

In the process of incentivising MFIs that contribute to this Sa-Dhan initiative, we have now introduced an individualized report to each of the contributing MFIs. This report, as a confidential report between Sa-Dhan and each of the contributing MFI will provide the MFI with comparative insight of its

performance *vis a vis* MFIs in variants of peer groups such as outreach, age, size, operating model and regions.

2.1 Process of Preparation of Report

The report is based on data voluntarily provided by MFIs.

The report preparation process has been in the following stages.

Sa-Dhan prepared a data acquisition sheet. The Data Acquisition Sheet (DAS) covered outreach, operating model, services and financial aspects of a MFI.

Data of MFIs that had contributed to the first report were inputted in DAS of such MFIs before it was sent to such MFIs.

The DAS was sent to 157 MFIs engaged in providing microfinance services. This number comprised of both Sa-Dhan MFI-members and MFIs that are not members. The list of MFIs was compiled from various sources like Sa-Dhan membership, other MFIs that have participated in Sa-Dhan events and partners of NABARD and SIDBI.

On receipt of DAS from MFIs, data was verified for completeness and on correlation among data-variables within a MFI. During the data verification process, Sa-Dhan referred back to MFIs for necessary clarifications and corrections, wherever necessary. This also resulted in exclusion of data of some respondents from the analysis.

The report, in draft form, was circulated among Sa-Dhan members and MFIs that contributed to the report.

The report was finalized after necessary changes considering feedback on the draft report.

2.2 Sample

The sample is contribution from 83 MFIs. The outreach analysis covers 83 MFIs. The financial analysis covers 74 MFIs.

The sample of 74 MFIs cover all the legal forms such as Society (34), Trust (7), Co-operative (18), Section 25 (not for profit) company (7), NBFC (7) and one Local Area Bank (LAB) in the country.

The 74 MFIs represent client base of 2.17 million and Gross Loan Portfolio (GLP) of Rs.722.19 crores (160.49 m USD) as of March 2005.

In terms of regional distribution, 47 MFIs are from South, 18 from East, 5 from West and 4 are from the North.

The sample of 74 MFIs comprise of diverse range of services and age in microfinance operations (Table 2).

Table 2: Range of Services among MFIs classified by their Age

MFIs categorised by Services	MFIs categorised by the Age *		
	Up to 5 years (Calendar Year 2000 and later)	Over 5 years to 10 years (Calendar Year 1994 to 1999)	More than 10 years (Calendar 1993 or earlier)
Credit	6	2	1
Credit and Insurance	2	4	
Credit, Insurance and Savings	24	27	8
<i>Total</i>	<i>32</i>	<i>33</i>	<i>9</i>

Sample of 74 MFIs

** Age denotes number of years of working on microfinance services
Figures denote number of MFIs in each category*

Evidently, most MFIs provide a range of microfinance services. By age, MFIs are young, being a decade old or less.

3 Executive summary

MFIs are growing across all regions. Outreach of MFIs is growing irrespective of the variety of services they provide to clients. Women consistently constitute majority of MFI client outreach.

MFIs operate mainly through group-based models, principally the Self Help Group (SHG) and Grameen models. The Joint Liability Group (JLG) model is gaining importance. There are *early signs* of MFIs adopting multiple models among SHG, JLG, Grameen and Individual lending.

All MFIs provide credit services; other services like savings and insurance are also common but not evident among *all* MFIs.

MFIs provide small loans and are sustainable. Larger loans are provided by MFIs as they acquire credit history of clients through successive loans.

Many MFIs provide savings services to their clients. Involvement of MFIs by *pattern* of their service has undergone important change. MFIs have moved away from providing the service *directly* to facilitating clients to save through banks.

MFIs are increasingly providing insurance services. MFIs act as corporate partners to insurance companies. Life insurance is more popular as compared to non-life (health, assets) insurance products.

MFIs provide loans mainly through borrowings from financial institutions. Borrowings from financial institutions cover 78% to 82 % of loan portfolio of MFIs.

Some new age banks are innovating in providing support to MFIs. Notably the partnership model of ICICI Bank and HDFC Bank provide loan funds to MFIs that in turn provide loans to their clients.

Across categories, MFIs registered as Society or Trust, have *historically* build up corpus funds through donor grants. NBFCs, LAB and co-operatives have built equity base sourced from financial institutions and community.

Larger MFIs (by loan portfolio) are more efficient in use of funds. The loan asset to total assets co-relation among large MFIs is high at 81%; small and medium MFIs with the co-relation at around 75% have larger proportion of their assets (21%) as investments and current assets. The larger MFIs evidently use their funds more effectively towards on-lending.

MFIs are increasingly moving towards the financial performance standards recommended by Sa-Dhan. The aggregate results show that financial performance of the MFIs are in consonance with Sa-Dhan recommended standards on all three parameters viz. sustainability, asset quality and efficiency.

Financial performance of MFIs is improving steadily. Overall, financial performance of MFIs is co-related to size of loan portfolio. Large MFIs are self-sustaining. The medium size MFIs have high costs but are closer to attaining operational self-sufficiency as compared to small MFIs. Small MFIs have low costs but have to fathom a way forward to reach operational self-sufficiency.

In terms of operating costs, MFIs that are providing credit services *only*, are the leanest. MFIs that provide credit, insurance and savings services, too are lean. MFIs providing credit and insurance services work on a higher bandwidth of costs. There is therefore indication of issues of recovering the costs, independently for *each* type of service.

Increasing interest of financial institutions in providing funds to MFIs and ability of MFIs to manage operations based on borrowed funds are positive signals to maturity

Growth and sustainability of MFIs will depend on their ability to manage growth in outreach and sources of funds and by keeping pivotal focus on tighter funds management and operational costs.

4 Outreach

MFIs are expanding their client base at a very fast pace. Outreach of MFIs engaged in microcredit and insurance is highest in terms of annual growth rate, closely followed by MFIs that also provide channels for savings. Women consistently constitute majority of MFI client outreach. Annual growth rate is highest in the East followed by MFIs in the South.

The sample data of 83 MFIs show that their total outreach was at 2.33 million clients as of March 2005.

Outreach data of 68 MFIs (Table 3) available for period of 3 years (FY 2003, 2004, 2005) show that annual growth rate of outreach of the MFIs was 46% in FY 2004 and 63% in FY 2005.

Table 3: Region-wise Growth in Outreach

MFIs by regional distribution	Number of MFIs	Outreach (Numbers) FY 2005	Annual growth (%) in Outreach FY 2005	Annual growth (%) in Outreach FY 2004
East	18	332,476	61.12	32.68
West	2	6,738	31.40	40.15
North	3	91,317	11.34	19.50
South	45	1,710,323	67.50	51.73
<i>Total</i>	<i>68</i>	<i>2,140,854</i>	<i>62.86</i>	<i>45.94</i>

Sample of 68 MFIs

4.1 Outreach by Regions

MFIs are growing in all regions. The rate of growth on a year-to-year basis has regional features due to presence of some high-growth MFIs in each region.

During FY 2005, the annual growth rate is highest in the East, followed by MFIs in the South (Table 3). MFIs in West and North are expanding but their annual growth rate, on a year-to-year basis between FY 2004 and 2005 is lower. The South leads the growth in *absolute numbers* followed by the MFIs in East.

4.2 Outreach by Services

Outreach of MFIs is growing irrespective of the variety of services they provide to clients. There are MFIs that specialize in microcredit or microcredit and insurance. There are MFIs that provide channels for savings in addition to microcredit and insurance services. Outreach growth among MFIs engaged in microcredit and insurance services is highest, closely followed by MFIs that also provide channels for savings (Table 4).

Table 4: Outreach of MFIs classified by their Range of Services

MFIs categorised by Services	Number of MFIs	Total Client Outreach FY 2005	Annual Outreach Growth FY 2005 (%)	Total Client Outreach FY 2004	Annual Outreach Growth FY 2004 (%)
Credit	8	769,175	36.55	563,306	43.66
Credit and Insurance	5	238,510	90.77	125,022	54.51
Credit, Insurance and Savings	55	1,133,169	80.95	626,238	46.41
<i>Total</i>	<i>68</i>	<i>2,140,854</i>	<i>62.86</i>	<i>1,314,566</i>	<i>45.94</i>

Sample of 68 MFIs

Conclusions

Majority of MFIs provide all three services viz. credit, savings and insurance. Irrespective of the types of services that a MFI provides, expansion in client outreach is evident across MFIs.

4.3 Outreach by Gender

MFIs predominantly target women. The sample data of 83 MFIs shows the share of women clients at 95% of total clients (2.20 million women clients

among total clients of 2.33 million). This is also evident across regions, from data on outreach of 68 MFIs available for three years (Table 5).

Table 5: Gender-wise Outreach of MFIs across Regions.

MFIs by regional distribution	Number of MFIs	Annual Growth Rate (%) in Client Outreach			
		Between FY 2004 and FY 2005 (%)		Between FY 2003 and FY 2004 (%)	
		Total	Women	Total	Women
East	18	61.12	60.16	32.68	34.92
West	2	31.40	33.29	40.15	38.06
North	3	11.34	11.68	19.50	19.76
South	45	67.50	68.04	51.73	52.31
<i>Total</i>	<i>68</i>	<i>62.86</i>	<i>63.13</i>	<i>45.94</i>	<i>46.86</i>

Sample of 68 MFIs

Conclusion:

The pace of year-to-year growth in client outreach is evident across regions. The growth rate in the South and East are higher as compared to that of West. Growth rate in North is comparatively low.

5 Operating Model

There are early signs of MFIs adopting *multiple* models among SHG, JLG, Grameen and Individual lending. Eighteen out of 83 MFIs, in the sample, operate on multiple models. MFIs operate mainly through group-based models, principally the Self Help Group (SHG) and Grameen models. The other group model, the Joint Liability Group (JLG) is gaining importance.

Table 6: Distribution of MFIs by their Operating Models

MFIs by Regions	Number of MFIs	Distribution of MFIs by their Operating Models									
		S	J	G	I	S + J	S+G	S + I	G+ I	S + J + I	G + J + I
East	22	14	1	1	1	3		1	1		
West	6	3			1	1		1			
North	8	5			1		1	1			
South	47	32		6		1	1	2		3	2
<i>Total</i>	<i>83</i>	<i>54</i>	<i>1</i>	<i>7</i>	<i>3</i>	<i>5</i>	<i>2</i>	<i>5</i>	<i>1</i>	<i>3</i>	<i>2</i>

S= SHG; J = JLG; G = Grameen; I = Individual lending.

Sample of 83 MFIs

Conclusions:

Strategically, MFIs are expanding their client outreach without being institutionally constrained by one of operating models. The MFIs are clearly making choice of operating model based on local appropriateness.

6 Providing Access to Services

All MFIs provide credit services. Cumulative disbursement by MFIs is encouraging. Many MFIs also provide savings services. Involvement of MFIs by *pattern* of their savings service has undergone important change. MFIs have moved away from providing the service *directly* to facilitating clients to save through banks. Insurance is a new and growing service that MFIs are providing to their clients.

6.1 Credit

MFIs provide small loans *and* are sustainable. As MFIs acquire credit history of clients through successive loans, larger loans are provided. These trends are evident across regions. MFIs have cumulatively provided substantial amount of credit to the poor.

6.1.1 Average Loan Size

Overall, the sample of 74 MFIs has average loan size of Rs. 4,250 (94 USD) for FY 2005.

MFIs having positive OSS (100% or more in FY 2005) have average loan size in the range of Rs.1,000 (22.22 USD) to Rs.11, 479 (255 USD) in case of Vivekananda (VKSUU). Most of such MFIs have average loan size of about Rs.4,000 (89 USD).

Similar features exist among MFIs that have OSS of 90 to 99% in FY 2005. MFIs with OSS of 80 to 89% (FY 2005) have a lower average loan size of around Rs.2,000 (44.44 USD).

MFIs of less than 5 years of age (Calendar Year 2000 and later) have average loan size of Rs.3,526 (78.35 USD). MFIs of age between 5 and 10 years (Calendar Year 1994 to 1999) have average loan size of Rs. 5,291 (117.57 USD). MFIs of 10 years or more (Calendar Year 1993 or earlier) have average of Rs.7,114 (158 USD).

Conclusions:

MFIs are providing small loans. As they acquire credit history of clients through successive loans, MFIs provide larger size loans to their clients.

6.1.2 Cumulative disbursement of Loans by MFIs

Data of 44 MFIs is available. The MFIs *since their respective inception*, have cumulatively disbursed 3.62 million loans amounting to Rs.22,02.46 crores (489.44 m USD). The average size of loans over the years among these MFIs is therefore Rs.6,086 (135 USD).

Conclusion

The sector is clearly moving at a fast pace in providing the poor with access to credit.

6.2 Insurance

Forty-eight out of 83 MFIs provide insurance services, in addition to other services. MFIs act as corporate partners to insurance companies. Life insurance is more popular as compared to non-life (health, assets) insurance products.

In regional terms, 6 out of 18 MFIs in the East also provide insurance services; 3 out of 4 MFIs in the North, 36 out of 47 MFIs in South and 3 out of 5 MFIs in West provide insurance services.

The combined coverage of these 48 MFIs, as of March 2005 was of 0.35 million clients including 0.06 million on non-life insurance products. The range of insurance cover in case of both life and non-life insurance is between Rs.2,000 (44.44 USD) and Rs. 50,000 (1,111 USD). Some MFIs have provided life insurance cover of up to Rs. 1, 00,000 (2,222 USD).

Conclusion

Insurance is a new variety of service from MFIs. Evidently, MFIs are moving quickly to adding insurance products to their offerings to the poor. This also reflects the capability of MFIs to forge partnership with insurance companies.

7 Sources and Application of Funds by MFIs

MFIs are expanding their operations through borrowed funds. Co-operatives, banks and NBFCs are able to build equity capital. Larger MFIs have higher proportion of their total assets as loan asset.

7.1 Sources of Funds for MFIs

Financial institutions like banks, DFIs such as Small Industries Development Bank of India (SIDBI) and institutional investors are collectively the prime source of funds for MFIs. Some MFIs have been able to build a corpus fund for their microfinance program.

Table 7: Major Sources of Funds (As of March 2005)

MFIs categorised by Loan Portfolio	Number of MFIs	Major Sources of Funds (As of March 2005)			
		Borrowed Funds	Average	Corpus/Equity	Average
		(Rs. In Lakhs)		(Rs. In Lakhs)	
Small (Loan portfolio of less than Rs.5.00 crores)	53	3975 (8.83 m USD)	75 (0.16 m USD)	1531 (3.40 m USD)	29 (0.06 m USD)
Medium (Loan portfolio of Rs.5.00 crores to 20.00 crores)	14	10575 (23.50 m USD)	755 (1.67 m USD)	2969 (6.60 m USD)	212 (0.47 m USD)
Large (Loan portfolio of more than Rs.20.00 crores)	7	27518 (61.15 m USD)	3931 (8.74 m USD)	8953 (19.89 m USD)	1279 (2.84 m USD)
<i>Aggregate</i>	<i>74</i>	<i>42068</i> <i>(93.48 m USD)</i>	<i>568</i> <i>(1.26 m USD)</i>	<i>13453</i> <i>(29.89 m USD)</i>	<i>182</i> <i>(0.40 m USD)</i>

Sample of 74 MFIs

Averages are for each category and in the aggregate, for entire sample size of 74.

Rs.5.00 crores is about 11.36 m USD

Rs.5.00 crores to Rs.20.00 crores is about 11.36 m to 44.44 USD

Rs.20.00 crores is about 44.44 m USD

MFIs provide loans mainly through borrowings from financial institutions.

Small MFIs (Loan portfolio of less than Rs.5.00 crores; 11.36 m USD) have borrowed funds at 78% of their loan portfolio (Tables 7 and 8).

Medium MFIs (Loan portfolio of Rs.5.00 crores to 20.00 crores; *11.36 m to 44.44 USD*) have borrowed funds at 86% of their loan portfolio; among large MFIs ((Loan portfolio of more than Rs.20.00 crores; *44.44 m USD*) the ratio is at 82%.

Across categories, MFIs registered as Society or Trust, have *historically* build up corpus funds through donor grants. For example, out of 28 MFIs in the sample that are society / trust *and* have corpus of varying amounts, RASS has corpus of Rs.2.60 crores (0.57 m USD); NBJK has corpus of Rs. 1.59 crores (0.35 m USD); VIKAS has corpus of Rs.1.32 crores (0.29 m USD).

NBFCs, LAB and co-operatives have built equity base sourced from financial institutions and community. For example, NBFCs such as Share Microfin has equity of 21.51 crores (4.78 m USD); BASIX has equity of Rs.20.90 crores (4.64 m USD); Sarvodaya Nano Finance has equity of Rs. 10.30 crores (2.3 m USD); Cashpor has equity of Rs. 3.00 crores (0.67 m USD); BWDA Finance has equity of 1.50 crores (0.33 m USD).

KSB LAB, a constituent of BASIX group and a bank, has equity of Rs. 5.00 crores (1.11 m USD); Pushtikar, a co-operative, has equity of 2.32 crores (0.51 m USD).

Some new age banks are innovating in providing support to MFIs. Notably the partnership model of ICICI Bank and HDFC Bank provide loan funds to MFIs that in turn provide loans to their clients. The banks directly *own* the client-loans. The MFI is an operating partner with the Bank on a cost-sharing basis. Client-loans by MFIs under the bank-partnership model therefore do not appear on the Balance Sheet of such MFIs.

For example, ICICI Bank has provided credit facility under its partnership model to Share (also from HDFC Bank), Spandana, Cashpor and Mahasevam.

7.2 Application of Funds by MFIs

Larger MFIs (by loan portfolio) are more efficient in use of funds. The loan asset to total assets co-relation among large MFIs is high at 81%; small and medium MFIs with the co-relation at around 75% have larger proportion of their assets (21%) as investments and current assets.

Table 8: Application of Funds (As of March 2005)

MFIs categorised by Loan Portfolio	Number of MFIs	Major Application of Funds (As of March 2005)					
		Loan Portfolio (Outstanding as on March 31, 2005) (Rs. In Lakhs)	% **	Fixed Assets (As on March 31, 2005) (Rs. In Lakhs)	% **	Other Assets (Investments and Current Assets as on March 31, 2005) (Rs. In Lakhs)	% **
Small (Loan portfolio of less than Rs.5.00 crores)	53	5102 (11.33 m USD)	76	224 (0.50 m USD)	3	1354 (3.00 m USD)	21
Medium (Loan portfolio of Rs.5.00 crores to 20.00 crores)	14	12348 (27.44 m USD)	75	679 (1.51 m USD)	4	3534 (7.84 m USD)	21
Large (Loan portfolio of more than Rs.20.00 crores)	7	33423 (74.27 m USD)	81	1247 (2.77 m USD)	3	6416 (14.26 m USD)	16
<i>Total</i>	<i>74</i>	<i>50873</i> <i>(113.05 m USD)</i>	<i>79</i>	<i>2150</i> <i>(4.77 m USD)</i>	<i>3</i>	<i>11304</i> <i>(25.12 m USD)</i>	<i>18</i>

Sample of 74 MFIs

*%** - represent percentage to Total Assets as on March 31, 2005*

Rs.5.00 crores is about 11.36 m USD

Rs.5.00 crores to Rs.20.00 crores is about 11.36 m to 44.44 USD

Rs.20.00 crores is about 44.44 m USD

Conclusions:

Borrowing from financial institutions is the prime source of funds for MFIs. Building up equity / corpus among MFIs is possible among MFIs that are co-operative, For-profit NBFC or a bank. Some MFIs, as offshoot of NGO, have been able to access corpus of the promoting NGO.

8 Financial Performance

Quick upturns on financial performance are going to be crucial if MFIs are to move towards expanding financial services to unserved clients across the country. For service providers hence it is important to identify the features that will enable them to quickly move up the financial performance scale. In this section, we therefore examine the contribution of the outreach, range of services and portfolio on impacting financial performance.

MFIs take about 5 to 10 years to reach operational sustainability. The initial years are period of exponential growth in client outreach. Loan portfolio expands with client outreach and costs are gradually brought down through internal efficiencies, institutional experience in working with clients over time and access to borrowed funds on sustainable basis.

MFIs that provide only credit services are the leanest and most efficient. The singular focus of systems (to credit) evidently keeps costs within a low band and helps these MFIs manage their financial operations with relative smoothness.

MFIs that provide credit, insurance and savings services are efficient but operate on a higher bandwidth of costs, compared to credit-only-MFIs. The probable explanation to higher bandwidth of costs lies in lower recovery of costs involved in providing savings and insurance services. MFIs that provide credit and insurance services have high costs. The MFIs are evidently not able to cover their costs on insurance services, independent of their cost of credit services.

The maturing trend among MFIs over their age shows that operational sustainability is achieved through a mix of outreach and loan portfolio.

8.1 Results based on Sa-Dhan Recommended Standards

The overall picture among MFIs is very encouraging. In aggregate, the MFIs have achieved the Sa-Dhan recommended financial standards. However, there are issues of inefficiencies in MFIs that are small or young (5 years or less) and in MFIs that provide insurance services in addition to other services.

Table 9: Performance of MFIs (FY 2005) based on Sa-Dhan recommended Financial Performance Standards

Number of MFIs	Financial Performance Parameters					
	Sustain ability	Asset Quality		Efficiency		
	OSS	PAR > 60	CRR	OCR	TCR	Active Borrowers per Credit Officer
74	110.32	2.20	97.7	15.43	24.90	405
<i>Sa-Dhan recommended Standards</i>	100%	<10%	> 90%	< 20%	< 30%	<i>Between 250 and 350</i>

Sample of 74 MFIs

Age denotes number of years of working on microfinance services

OSS: Operational Self-Sufficiency; PAR >60: Portfolio at Risk above 60 days Past Due

CRR: Current Repayment Rate; OCR: Operating Cost Ratio; TCR: Total Cost Ratio.

The aggregate results show that financial performance of the MFIs are in consonance with Sa-Dhan recommended standards on all three parameters viz. sustainability, asset quality and efficiency. This also exhibits appropriateness of the financial performance standards as an inclusive set across size, legal form and operating models of MFIs that Sa-Dhan evolved through active engagement of academic knowledge with experience in practice among MFIs.

On one of the efficiency indicators, Active Borrowers per Credit Officer, Sa-Dhan recommended range is of 250 to 350 active borrowers per credit officer. The aggregate results on this parameter show that MFIs are having a larger number (405) of client load per credit officer. On this count, therefore, the MFIs, in aggregate, are not in conformity with Sa-Dhan recommended standards.

14 MFIs have OSS of 100% or above; 11 MFIs have OSS between 90 and 99%; 7 MFIs have OSS between 80 and 89%. Most of the remaining 42 MFIs have OSS of 70 to 79%. The range of Portfolio at Risk (PAR) > 60 days is between 5% and 0.2%. The larger MFIs have PAR >60 days between 3% and 0.1%. It can therefore be deduced that MFIs are fairly close to overall efficiency.

8.2 Trends by Age of MFIs

In analyzing MFIs by age groups it is found that MFIs that are operating for a decade or more are efficient, profitable and have least costs (Table **). MFIs with age of between 5 and 10 years are efficient but have comparatively higher level of delinquency and costs. MFIs of up to 5 years of age are close to achieving

overall efficiency but they are facing issues of high *bandwidth* of costs and delinquency.

Table 10: Financial Performance (FY 2005) of MFIs classified by their Age.

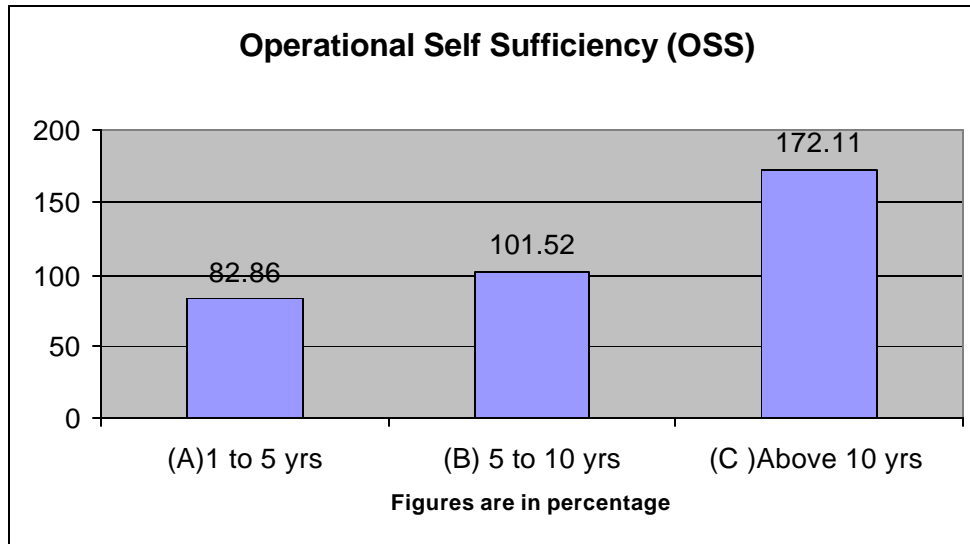
MFIs categorised by Age	Number of MFIs	Financial Performance Parameters					
		Sustain ability	Asset Quality		Efficiency		
		OSS	PAR > 60	CRR	OCR	TCR	Active Borrowers per Credit Officer
1 to 5 years (Calendar Year 2000 and later)	32	82.86	3.38	97.44	22.65	33.04	425
5 years to 10 years (Calendar Year 1994 to 1999)	33	101.52	3.16	96.88	17.48	27.77	330
Above 10 years (Calendar Year 1993 or earlier)	9	172.11	0.46	99.64	7.67	15.03	757
<i>Aggregate</i>	<i>74</i>	<i>110.32</i>	<i>2.20</i>	<i>97.7</i>	<i>15.43</i>	<i>24.90</i>	<i>405</i>
<i>Sa-Dhan recommended Standards</i>		<i>100%</i>	<i><10%</i>	<i>> 90%</i>	<i>< 20%</i>	<i>< 30%</i>	<i>Between 250 and 350</i>

Sample of 74 MFIs

Age denotes number of years of working on microfinance services

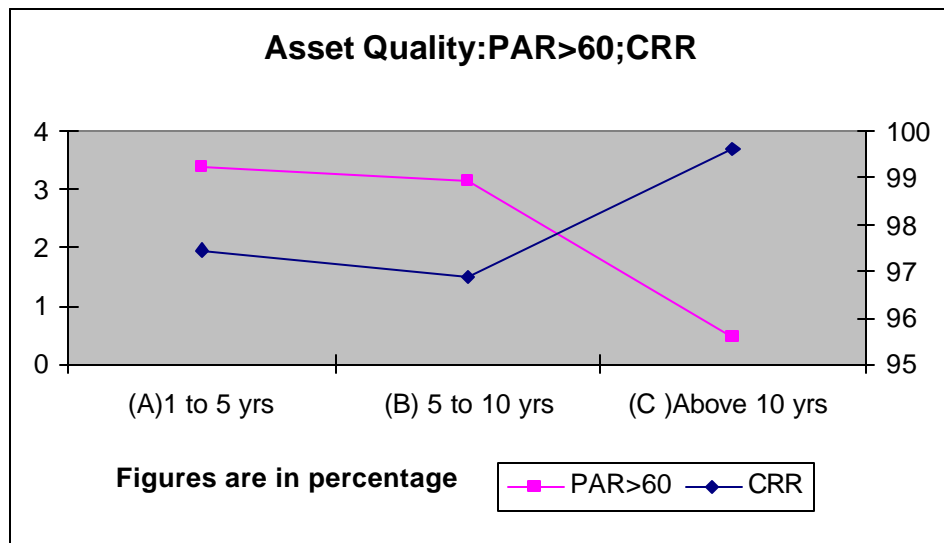
*OSS: Operational Self-Sufficiency; PAR >60: Portfolio at Risk above 60 days Past Due
CRR: Current Repayment Rate; OCR: Operating Cost Ratio; TCR: Total Cost Ratio.*

Figure 1: Financial Performance (FY 2005) of MFIs classified by their Age. Operating Self Sufficiency of MFIs as Indicator of Sustainability



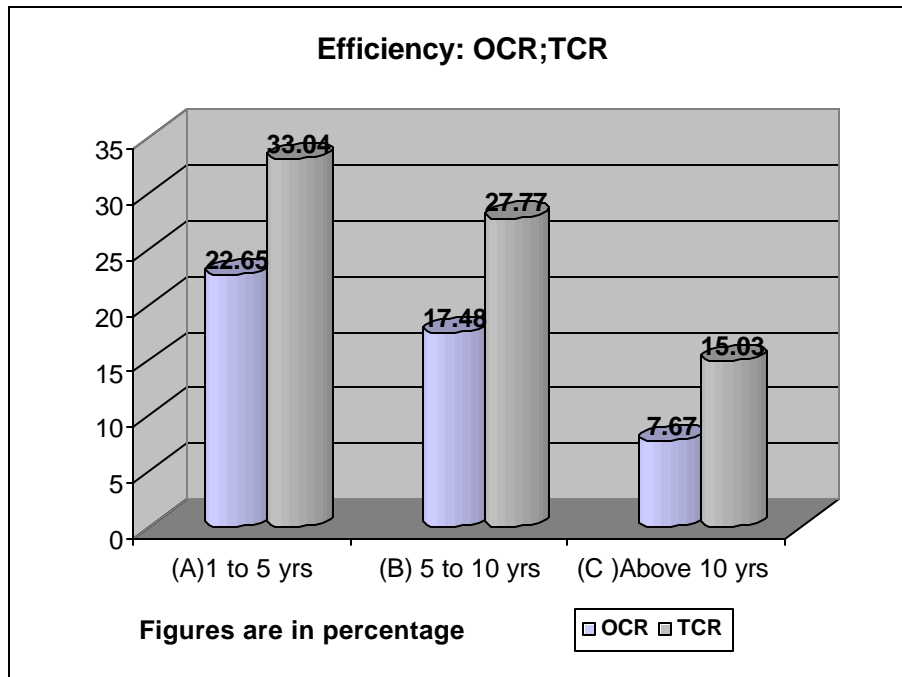
MFIs with more than 10 years of age are substantively self-sufficient. MFIs reach operational self-sufficiency within a period of 5 to 10 years. Younger MFIs too are close to attaining operational self-sufficiency.

Figure 2: Financial Performance (FY 2005) of MFIs classified by their Age. Portfolio at Risk and Current Repayment Rate as Indicators of Asset Quality



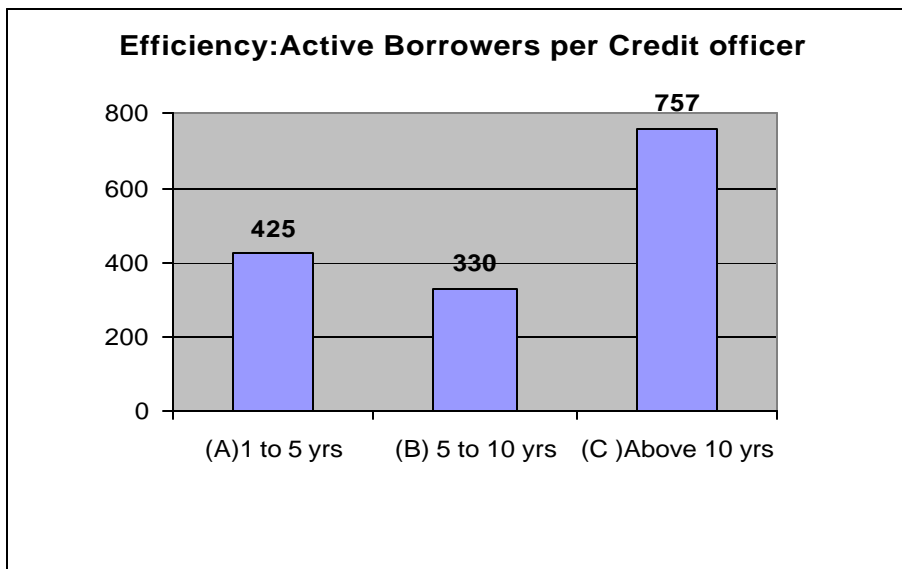
MFIs with age of between 5 and 10 years have comparatively higher level of delinquency, compared to MFIs having more that 10 years of age. Similar features by age of MFIs are evident in case of Current Repayment Rate (CRR).

Figure 3: Financial Performance (FY 2005) of MFIs classified by their Age. Operating Cost Ratio and Total Cost Ratio as Indicators of Efficiency



MFIs operating for a decade or more have *least* costs. MFIs with age of between 5 and 10 years have comparatively higher level of costs. MFIs of up to 5 years of age are facing issues of high *bandwidth* of costs.

Figure 4: Financial Performance (FY 2005) of MFIs classified by their Age. Active Borrowers per Credit Officer as Indicator of Efficiency



MFIs with age of between 5 and 10 years have comparatively lowest level of the ratio of Active Borrowers per Credit Officer. MFIs of up to 5 years of age have comparatively higher ratio. MFIs of age of a decade or more have very high ratio of Active Borrowers per Credit Officer, possibly triggered by experience in successive dealings with clients and systemic improvements leading to optimal staff efficiency.

Clearly, there are operational strategies around costs and staff efficiency that together drive MFIs to sustainability.

8.3 Trends by Range of Services provided by MFIs

In analyzing MFIs classifying by range of services they provide, it is found that MFIs that are providing credit services *only*, are the leanest. The aggregate operating cost ratio (OCR) of Credit-only MFIs is 13.0% and their TCR is 22.0%. Most of these MFIs are also young (6 out of 9 MFIs are of less than 5 years of age). MFIs that provide credit, insurance and savings services, too are lean at OCR of 13.7% and TCR of 23.1%. MFIs providing credit and insurance services work on a higher bandwidth of costs, their aggregate OCR being 24.7% and TCR at 35.2%. These MFIs, by age, are less than a decade old.

Table 11: Performance of MFIs (FY 2005) based on Sa-Dhan recommended Financial Performance Standards : MFIs classified by their Range of Services

MFIs categorised by Services	Number of MFIs	Financial Performance Parameters					
		Sustain ability	Asset Quality		Efficiency		
		OSS	PAR > 60	CRR	OCR	TCR	Active Borrowers per Credit Officer
Credit	9	108.8	2.2	99.6	13.0	22.0	334
Credit and Insurance	6	94.4	3.4	97.0	24.7	35.2	349
Credit, Insurance and Savings	59	121.61	1.8	96.6	13.7	23.1	495
<i>Aggregate</i>	<i>74</i>	<i>110.3</i>	<i>2.2</i>	<i>97.7</i>	<i>15.4</i>	<i>25.0</i>	<i>405</i>
<i>Sa-Dhan recommended Standards</i>		<i>100%</i>	<i><10%</i>	<i>> 90%</i>	<i>< 20%</i>	<i>< 30%</i>	<i>Between 250 and 350</i>

Sample of 74 MFIs

*OSS: Operational Self-Sufficiency; PAR >60: Portfolio at Risk above 60 days Past Due
CRR: Current Repayment Rate; OCR: Operating Cost Ratio; TCR: Total Cost Ratio.*

8.4 Trends by Regions

There are regional features in financial performance of MFIs. Most of the large MFIs are located in the South. They are also the most lean and efficient. MFIs in the East and North are close to sustainability but they are facing issues of higher costs and delinquency. MFIs in the West are performing well on operational efficiency parameter but have low OSS with repayment and delinquency issues.

Table 12: Performance of MFIs (FY 2005) based on Sa-Dhan recommended Financial Performance Standards : MFIs classified by Regions

MFIs by Regions	Number of MFIs	Financial Performance Parameters					
		Sustainability	Asset Quality		Efficiency		
		OSS	PAR > 60	CRR	OCR	TCR	Active Borrowers per Credit Officer
East	18	81.1	3.2	96.9	27.4	35.9	406
West	5	62.5	4.0	88.3	13.2	21.7	690
North	4	82.2	4.6	98.8	30.6	40.0	168
South	47	118.2	1.9	97.8	12.4	19.8	432
<i>Aggregate</i>	<i>74</i>	<i>110.3</i>	<i>2.2</i>	<i>97.7</i>	<i>15.4</i>	<i>25.0</i>	<i>405</i>
<i>Sa-Dhan recommended Standards</i>		<i>100%</i>	<i><10%</i>	<i>> 90%</i>	<i>< 20%</i>	<i>< 30%</i>	<i>Between 250 and 350</i>

Sample of 74 MFIs

*OSS: Operational Self-Sufficiency; PAR >60: Portfolio at Risk above 60 days Past Due
CRR: Current Repayment Rate; OCR: Operating Cost Ratio; TCR: Total Cost Ratio.*

On the parameter of sustainability, with operating self-sufficiency (OSS) as the indicator, MFIs in South have positive OSS. MFIs in North and East have OSS of over 80%; MFIs in West lag behind.

MFIs in South are most efficient on scale of managing the health of their loan assets i.e. PAR > 60 days as indicator of asset quality. MFIs across regions, except in the West are highly effective in managing CRR (Current Repayment Rate).

On efficiency parameters of Operating Costs (OCR) and Total Costs (TCR), MFIs in South score as the best as their OCR and TCR are at the lowest, followed by MFIs in the West. These cost based efficiency ratios are highest in MFIs in both East and North.

8.5 Trends by Credit Client Outreach

MFIs with large client outreach (50,000 clients or more) have achieved efficiency level on all parameters (Table 13). MFIs with medium outreach (10,000 to 50,000 clients) have higher costs. MFIs with small outreach (up to 10,000 clients) are low on costs.

Clearly, the cost involved in managing growth in client outreach is a issue.

Table 13: Performance of MFIs (FY 2005) based on Sa-Dhan recommended Financial Performance Standards: MFIs classified by their Outreach

MFIs categorised by Credit Client Outreach	Number of MFIs	Financial Performance Parameters					
		Sustainability	Asset Quality		Efficiency		
			OSS	PAR > 60	CRR	OCR	TCR
Small (Credit client outreach of less than 10,000)	44	73.6	4.3	92.2	15.0	23.4	485
Medium (Credit client outreach between 10,000 and 50,000)	23	84.2	4.2	93.8	20.4	30.5	438
Large (Credit client outreach of over 50,000)	7	123.3	1.5	99.3	14.2	23.7	372
<i>Aggregate</i>	<i>74</i>	<i>110.3</i>	<i>2.2</i>	<i>97.7</i>	<i>15.4</i>	<i>25.0</i>	<i>405</i>
<i>Sa-Dhan recommended Standards</i>		<i>100%</i>	<i><10%</i>	<i>> 90%</i>	<i>< 20%</i>	<i>< 30%</i>	<i>Between 250 and 350</i>

Sample of 74 MFIs, Data for FY 2005

Rs.5.00 crores is about 11.36 m USD
Rs.5.00 crores to Rs.20.00 crores is about 11.36 m to 44.44 USD
Rs.20.00 crores is about 44.44 m USD

Small MFIs have a high client load on credit officers (485). Despite operating on a low cost band (OCR at 15% and TCR at 23.4%), small MFIs have high level of risky assets (PAR > 60 days at 4.3) and low OSS (73.6). Similar features on asset quality, CRR and OSS are also seen among medium size MFIs. In the periods of high growth in client outreach (as evident among small and medium size MFIs) high level of Active Borrowers to Credit Officer Ratio may keep immediate costs low but this has implication on asset quality. The MFIs need better measures comprising of cost-return spread, client targeting and optimal utilization of staff and delinquency management as a package for managing credit risk.

8.6 Trends by Loan Portfolio Size

Overall, financial performance of MFIs is determined by the size of their loan portfolio (Table 14). Clearly, the large MFIs (with loan portfolio of Rs.20.00 crores or more) are self-sustaining. The medium size MFIs (loan portfolio of Rs.5.00 crores to 20.00 crores) have high costs but are close to attaining operational self-sufficiency. Small MFIs (Loan portfolio of less than Rs.5.00 crores) have low costs but also are low on operational self-sufficiency.

Table 14: Performance of MFIs (FY 2005) based on Sa-Dhan recommended Financial Performance Standards: MFIs classified by size of their Loan Portfolio

MFIs categorised by Loan Portfolio	Number of MFIs	Financial Performance Parameters					
		Sustain ability	Asset Quality		Efficiency		
		OSS	PAR > 60	CRR	OCR	TCR	Active Borrowers per Credit Officer
Small (Loan portfolio of less than Rs.5.00 crores)	53	66.6	3.6	93.3	12.4	21.2	561
Medium (Loan portfolio of Rs.5.00 crores to 20.00 crores)	14	90.0	4.9	94.3	25.9	36.2	298
Large (Loan portfolio of more than Rs.20.00 crores)	7	125.8	1.3	99.2	13.0	22.3	389
<i>Aggregate</i>	<i>74</i>	<i>110.3</i>	<i>2.2</i>	<i>97.7</i>	<i>15.4</i>	<i>25.0</i>	<i>405</i>
<i>Sa-Dhan recommended Standards</i>		<i>100%</i>	<i><10 %</i>	<i>> 90%</i>	<i>< 20%</i>	<i>< 30%</i>	<i>Between 250 and 350</i>

Sample of 74 MFIs

Data for FY 2005

Rs.5.00 crores is about 11.36 m USD

Rs.5.00 crores to Rs.20.00 crores is about 11.36 m to 44.44 USD

Rs.20.00 crores is about 44.44 m USD

Small MFIs are on low cost band but are very high on client-load (561) and low on operational self-sufficiency (66.6%). As MFIs grow to medium size (loan portfolio of Rs.5.00 crores to 20.00 crores), client-load reduces, both costs and operational self-sufficiency increase but risk assets remain a matter of concern.

Managing loan delinquency is therefore a challenge for MFIs in their initial period of growth.

9 Conclusion

MFIs are expanding their client base at a very fast pace. Outreach of MFIs engaged in microcredit and insurance is highest in terms of annual growth rate, closely followed by MFIs that *also* provide channels for savings. Women consistently constitute majority of MFI client outreach. Annual growth rate is highest in the East followed by MFIs in the South.

MFIs have cumulatively provided substantial amount of credit to the poor. The objective focus is evident from low size of average loans.

MFIs take about 5 to 10 years to reach operational sustainability. MFIs that provide only credit services are the leanest and most efficient. MFIs that provide credit, insurance and savings services are efficient but operate on a higher bandwidth of costs, compared to credit-only-MFIs. MFIs that provide credit and insurance services have high costs.

MFIs reach operational sustainability through a mix of outreach and loan portfolio.

The aggregate results show that financial performance of the MFIs are in consonance with Sa-Dhan recommended standards on all three parameters viz. sustainability, asset quality and efficiency. 14 MFIs have OSS of 100% or above; 11 MFIs have OSS between 90 and 99%; 7 MFIs have OSS between 80 and 89%. Most of the remaining 42 MFIs have OSS of 70 to 79%. The range of Portfolio at Risk (PAR) > 60 days is between 5% and 0.2%. The larger MFIs have PAR >60 days between 3% and 0.1%.

There is possibly a trend in learning curve with small MFIs starting with low costs measures; high level of Active Borrowers to Credit Officer as a indicator.

As MFIs expand their outreach and loan portfolio, improvement in operational sustainability through cost recovery measures are evident and finally over a period of 5 to 10 years of experience, MFIs attain optimal level in terms of costs, staff utilization and asset quality leading to self-sufficiency.

There is therefore need for better controls on costs that may comprise of accessing funds at lower costs, risk management and methodological improvements in operations. Growth in outreach and loan portfolio in MFIs should trigger such improvements.

Summarizing, the prominent aspects that the report reveals on MFIs are as follows.

- While the first report, (September 2004) showed that there were regional features overwhelming across models, this year with the increased data we found that size matters.
- Strategically, MFIs are not being constrained by operating models. They are responding to the demand of clients by adapting to most appropriate operating model in the localized context.
- Providing the range of microfinance services is not a constraint to growth. However, the challenge is if all costs can be met without affecting operational sustainability.
- There are systemic issues among small and medium size MFIs. The balance between expansion in client outreach on one hand and cost recovery and portfolio quality should attract greater clarity and action.

10 Appendices

10.1 Appendix A - Top fifteen MFIs by Client Outreach as on March 31, 2005

MFI	Client Outreach
Spandana	390,535
SHARE Microfin	368,996
Sarvodaya Nano Finance	186,640
SKS	86,869
BASIX	81,058
BISWA	71,845
Cashpor	68,229
Sanghamitra	54,801
LEAD	53,818
Bandhan	51,586
Mahasemam	48,295
VWS	43,200
Prochesta	39,135
AMMACTS	37,433
IASC	33,527

10.2 Appendix B- Top fifteen MFIs by GLP as on March 31, 2005

MFI	GLP as on March 31, 2005	
	INR (in Lakhs)	USD (in millions, approx.)
Spandana	2,38,75	5.30
SHARE Microfin	1,75,79	3.90
BASIX	57,27	1.27
CASHPOR Microcredit	27,01	0.60
Sarvodaya Nano Finance	23,82	0.53
SKS	22,65	0.50

Pustikar	21,86	0.49
Sarva Jana Seva Kosh	15,37	0.34
Sanghamitra	15,22	0.34
IASC	14,87	0.33
AMMACTS	13,22	0.29
KBS LAB	12,18	0.28
Mahasemam	10,81	0.24
VWS	8,61	0.19
Bandhan	8,56	0.19

GLP includes loan-funds obtained by some MFIs under partnership model with bank(s).

10.3 Appendix C_ List of 74 MFIs by Peer Groups

S. No.	Name / Acronym of MFI	GLP	Client Outreach	Age
		(Large/Medium/Small)	(Large/Medium/Small)	A = 1- 5 Yrs B = 5-10Yrs C = >10 Yrs
1	ADARSA	S	S	B
2	Adarsha MACS	S	S	A
3	Agradut Polly Unnayan Samity	S	S	B
4	Amber Ashrayee Mahilla	S	S	A
5	AMMACTS	M	M	B
6	Asmita Institute for development	S	S	A
7	ASSIST	S	M	C
8	BANDHAN	M	M	A
9	BASIX	L	L	B
10	Bhagalaxmi MACS	S	S	A
11	Bharatmata MACS	S	S	A
12	BIRDS	S	M	B
13	BISWA	S	M	B

14	BODHANA	S	M	A
15	BWDA	M	S	B
16	BWDA FINANCE	M	M	A
17	CASHPOR Microcredit	L	L	A
18	DARABAR SAHITYA SANSAD	S	S	B
19	Gram Swaraj Seva Trust	S	S	A
20	Grameen Koota	M	M	B
21	GUIDE	S	S	A
22	IASC	M	M	B
23	Janodaya Public Trust	S	S	A
24	Jhanase MACS	S	S	A
25	Jyothi MACS	S	S	A
26	KBS LAB	M	M	A
27	Kotalipara dev Society	S	S	B
28	Krushu	S	S	B
29	Krushu MACS	S	S	A
30	LEAD	S	M	B
31	Mahasemam	M	M	B
32	Mahila Pragothi MACS	S	S	A
33	Mothere Teresa Mahila MACS	S	S	B
34	NBJK	S	M	C
35	New Life	S	M	C
36	NIDAN	S	S	B
37	OUTREACH	M	M	C
38	PANI	S	S	A
39	Pavithra MACS	S	S	A
40	Pragathi Seva Samity	S	S	B

41	Prochesta	S	S	B
42	Pustikar LVPBSSS Ltd	L	S	B
43	RAIDS	S	S	B
44	Rajapur Seva Niketan	S	S	A
45	RASS	S	S	C
46	RGVN	S	M	B
47	Sanghamitra Rural microfin	M	L	A
48	Sargaman Women's MPTC CO.	S	M	A
49	Sarva Jana Seva Kosh	S	M	C
50	Sarvodaya Nano Finance	L	L	A
51	Satin Credit Care	M	S	C
52	SEARCH-KOPSA	S	S	B
53	SEVA	S	S	A
54	Sharda Women's Association	S	M	B
55	SHARE MICROFIN	L	L	B
56	SHEPHERD	S	M	B
57	Shramik Bharti	S	S	C
58	SKS	L	L	B
59	SPANDANA	L	L	C
60	Sree Chayathyana MACS	S	S	A
61	Sri Dhanalaxmi MACS	S	S	A
62	Star Youth Association	S	M	B
63	Stree Shakthi MACS	S	S	A
64	Subhashini MACS	S	S	A
65	SUPPORT	S	S	B
66	SWATI	S	S	A
67	Swayam Krushi MACS	S	S	A

68	Swayamshree Microcredit services	S	S	A
69	PWMACTS	S	S	B
70	Thirumalai Charity Trust	S	M	B
71	Vikas Center for Development	S	S	B
72	Vivekananda Seva Kendra - O- SU	S	S	B
73	VMCS	S	S	A
74	VWS	M	M	B

Explanations:

GLP	Large	MFIs with GLP of over Rs.20.00 crores (44.44 m USD) as on March 31, 2005
	Medium	MFIs with GLP between Rs.5.00 crores and Rs.20.00 crores (11.36 m to 44.44 USD) as on March 31, 2005
	Small	MFIs with GLP of less than Rs.5.00 crores (11.36 m USD) as on March 31, 2005
Client Outreach	Large	MFIs with client outreach of over 50,000 as on March 31, 2005
	Medium	MFIs with client outreach between 10,000 and 50,000 as on March 31, 2005
	Small	MFIs with client outreach of less than 10,000 as on March 31, 2005
Age (Organisational experience in microfinance)	A	MFIs with experience of 1 to 5 years (Calendar Year 2000 and later)
	B	MFIs with experience of 5 years to 10 years (Calendar Year 1994 to 1999)
	C	MFIs with experience of above 10 years (Calendar Year 1993 or earlier)

11 FEEDBACK on Side-by-Side Reports September 2004 & March 2005.

“...Revelations in the report were found very useful. It is very interesting to note that outreach of the MFIs is expanding at faster rate and majority of them are following the Prudential Norms including provisioning of loan loss...Findings of the study will help us in framing our policy guidelines for financing MFIs...”, Assistant General Manager, **Priority Sector & Lead Bank Division, Agriculture Cell, Punjab National Bank.**

“...report gives a very comprehensive about the engagement of micro finance institutions in the country based on fairly representative sample across the regions. The report will go a long way in understanding functioning of microfinance institution and would enable them to present before all the stakeholders. The visible trends in the movement of microfinance institution is quite revealing and depict a summarized status of micro finance institutions in the country...we appreciate the effort made by Sa-Dhan in bringing out such reports that keeps all the stakeholders abreast of the latest developments in the microfinance sector.”, G.K.Sachdeva, General Manager (SL&PS), **Oriental Bank of Commerce.**

“...delighted to go through your report...wondering how we can work to take forward your ideas for the larger benefit of so many more people working with CAPART on this subject...”, L.V.Saptharishi, Director General, Council for Advancement of People’s Action and Rural Technology (**CAPART**).

“...the report looks quite extensive in terms of the variety of information captured...”, Dr. Sankar Datta, Managing Director, **Indian Grameen Services.**

“...The attempts of Sa-Dhan on building consensus amongst the diverse set of stake holders on common minimum standard are praiseworthy. It is also encouraging to note that MFIs are willing to share all their experience for development of micro-finance...”, General Manager, **Bolangir Anchalik Gramya Bank.**