



Sa-Dhan

The Association of
Community Development
Finance Institutions



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Finance Institutions

Sa-Dhan Microfinance Resource Centre

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THE MICROFINANCE REPORT : SIDE BY SIDE 2009

**The Bharat
Microfinance
Report**

Responsive Growth

SIDE BY SIDE 2009



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Effective microfinance is to be realized not in terms of the speed of growth, but in the creation of long term relationship between the MFI and the client, between communities and communities. Basically, banking is relationship, not mere finance. Relationship, continued relationship, relationship of trust. It is through this relationship that the poor woman like any other client, gains a sense of security and confidence to plan to take risk in her life and livelihood. And eventually develops a stable livelihood.

Smt. Ela R Bhatt
Chair Emeritus, Sa-Dhan

Congratulations Sa-Dhan!!!

You are playing a very strategic role in promoting the right to credit for the poor people. Keep it up.

Prof. Muhammad Yunus
Founder, Grameen Bank

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List of Acronyms

ABCO	Active Borrower per Credit Officer
AKMI	Association of Karnataka Microfinance Institution
AMFIU	The Association of Microfinance Institutions of Uganda
APR	Annualised Percentage Rate
BC	Business Correspondent
BF	Business Facilitator
CGAP	Consultative Group to Assist the Poor
CIB	Credit Bureau Information
CoC	Code of Conduct
CPWG	Consumer Protection Working Group
CRR	Current Repayment Rate
GLP	Gross Loan Portfolio
GTZ	German Society for Technical Cooperation
ICAI	Institute of Chartered Accountants of India
IRDP	Integrated Rural Development Programme
JLG	Joint Liability Group
LAB	Local Area Bank
MACS	Mutually Aided Cooperative Society
MFI	Microfinance Institution
MFIN	Microfinance India Network
MIS	Management Information System
MiX	Microfinance Information Exchange
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Finance Company
NCAER	National Council for Applied Economic Research
NGO	Non-Government Organization
NPA	Non-Performing Asset
NREGA	National Rural Employment Guarantee Act
OCR	Operating Cost Ratio
OSS	Operating Self Sufficiency
PAR	Portfolio at Risk
RBI	Reserve Bank of India
ROA	Return on Asset
ROE	Return on Equity
ROSCA	Rotating Savings and Credit Association
RRB	Regional Rural Bank
SBLP	Self- Help Group Bank Linkage Programme
SC/ST	Scheduled Caste/Scheduled Tribe
SEEP	Small Enterprise Educationa and Promotion
SHG	Self-Help Group
SHPI	Self -Help Promoting Institute
SPTF	Social Performance Task Force
TCR	Total Cost Ratio
UNDP	United Nations Development Programme



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Foreword



This issue of The Bharat Microfinance Report: Side by Side 2009 presents the collective picture on performance of the microfinance sector in India. The overall theme of the current report is “Responsive Growth”. The microfinance sector has been growing on a fast pace in terms of portfolio and client outreach. In fact, fast growth is necessary to complement the efforts of the government and the banking system in financial inclusion and poverty alleviation.

However, it becomes imperative to grow in response to clients’ needs to avoid possible growth induced issues affecting the them who are vulnerable, illiterate, mostly women and politically sensitive. At this backdrop, the performance of microfinance providers assumes importance. Given the nature of microfinance clientele, there is a need to define performance per se. The indicators of performance of mainstream financial institutions could not be taken as ready reference. Besides financial sustainability of MFIs, social performance has been gaining importance among the stakeholders.

This report is an attempt to epitomize the performance of microfinance institutions (MFIs) and Self Help Group Bank Linkage programme (SBLP) driven by Indian Banks during 2008-09. A separate chapter is devoted for Social performance in which we have proposed a mechanism to collect qualitative data to capture social performance of MFIs. Similarly, an important issue affecting performance– competition- is discussed threadbare in this report.

The report has used primary data from MFIs including Sa-Dhan members for analysis of financial performance of MFIs during 2008-09. This report has relied on audited financial data self-reported by MFIs. It is very much encouraging that number of Sa-Dhan members and non-members reporting data to Side By Side Report has been increasing year after year. It was 120 in 2007, 160 in 2008 and now it is 190 in 2009. Sufficient efforts have been made to present the data meaningfully in a manner that the contributing MFIs can compare their performance vis- a-vis their peers in the sector.

Similarly, secondary data from NABARD report 2008-09 has been used to analyze the SHG performance. The data quality and depth of the NABARD report is very high. We could only do certain analysis to understand the performance of SBLP. The stakeholders can draw out more from the above report. Sa-Dhan team has done some review of literature and undertaken field visits to document SHG qualitative performance and the issue of competition in the field. Inputs from EDA Rural System and Social Performance Task Force were used for the designing the Social Performance proposal made in this chapter.

I thank Dr. Kolandavel Natarajan, Programme Manager, Standards team for preparing the draft of this report. I would like to thank his report team members Mr. Ardhendu Nandi, Ms. Vidusi Tiwari, Ms. K. Sireesha, Mr. Somasankar, Mr. Prabhakara, Mr. Thomas Mehwald and Mr.Ravi Seth, all contributed in collecting data/inputs, analysis and compilation.



Our special thanks to Ms. Achla Savyasaachi, Vice President and Mr. K. Balasubramanyam General Manager for giving critical inputs and guidance. We also would like to thank Mr. N.V. Ramana, Adviser for giving suggestions on the draft and Mr. Brij Mohan for his suggestions on the design. Ms. Joy Miller, Chennai, deserves our special thanks for extending editorial support.

The work is made possible by the liberal support from THE FORD FOUNDATION, CITI FOUNDATION & SEEP NETWORK. We thank for their encouragement and continuing support.

Last and not the least, we thank all Sa-Dhan members for their encouragement, data contribution and hosting field visits for this report. We feel encouraged by non-members who contributed data to this report.

We look forward to comments and suggestions from all the readers for improving the quality of Side By Side Report in future.

Mathew Titus
Executive Director
Sa-Dhan

Disclaimer: Though this publication has been brought out with support from the Ford Foundation, SEEP Network and Citi Foundation, the views expressed in this publication do not necessarily reflect the opinions/views of them nor may they in any way held responsible for the opinions/views in this report.

Overview



SIDE BY SIDE 2009

1. Overview

1.1 Introduction

Nearly one-third of the world's inhabitants who survive on the equivalent of one dollar a day are living in India. Since before India's independence, various poverty alleviation programmes have been tried both by the government and by non-government agencies. In the 1980s, when the repayment rate of credit made available to the poor under the Integrated Rural Development Programme (IRDP) was found to be very low, microfinance mechanism emerged as an alternative. Today, the Bank-led Self Help Group-Bank Linkage Programme (SBLP) and MFI-led microfinance programme are reaching out to the poor in a significant way. Sa-Dhan, the national association of community development finance institutions, was founded in 1999 to facilitate the performance of microfinance programmes.

The Report Coverage

The Side By Side report is a Sa-Dhan's annual analytical publication on the performance of Indian microfinance institutions (MFIs). Side By Side 2009 is primarily based on data on six financial parameters reported by 190 MFIs in response to Sa-Dhan's data collection sheet. This overview chapter covers overall trend in Indian microfinance, performance highlights, emerging concerns and future outlook. Chapter 2 carries the findings of financial performance of MFIs, looking at financial statements, assets liability management, profitability and sustainability, cost efficiency, portfolio quality and productivity. Chapter 3 contains an overview of NABARD's Self-Help Group-Bank Linkage programme (SBLP), based on NABARD's data. Many Sa-Dhan members are Self Help Promoting Institutions (SHPIs). A brief account of Sa-Dhan's approach to collecting data on SHPI-members is also included in Chapter 3. Another aspect of microfinance that is of increasing interest to the sector is Social Performance. Chapter 4 contains an introduction to measuring social performance and to Sa-Dhan's initiative to collect data on this important topic. Finally, the report discusses certain growth induced performance issues that are causing concerns among the stakeholders in the sector. A very brief note on one of these issues, unhealthy competition, is provided in Chapter 5.

1.2 Background

Strong performance management among microfinance institutions is a key to ensuring the continued growth and stability of the sector. Particularly because the majority of microfinance clientele are women, vulnerable, illiterate, highly unorganized and politically sensitive, providing financial services to this section calls for special institutional capacity. In addition, many MFIs have evolved from the NGO-mould and may be new to providing financial services. Financial service management is a specialized discipline and hence the performance of NGO-MFIs needs to be monitored and tracked to identify gaps and capacity building needs. Similarly, data collection, analysis and reporting will also become an essential part of standard setting / benchmarking best performance.

Every year, Sa-Dhan publishes two types of reports — the Quick Report and the Side By Side Report. The Quick Report uses un-audited data and is designed to capture the trends in the microfinance industry immediately after the close of the financial year. The Side By Side Report is an in-depth analytical version based on audited data pertaining to the same year. This Side By Side 2009 report is the sixth report in its series and is for the year 2008-09.



The data

This report is based on the self-reported performance data of MFIs for the year of 2008-09 as well as on SHG data collected from NABARD report 2008-09. For this report, 190 MFIs have reported their performance data in response to a data collection sheet that Sa-Dhan sent to members and non-members alike. A full list of MFIs that contributed data is provided in Annexure 1. The details of the reporting MFIs are furnished in Table 1.

Table 1: Abstract Of Data Contributors

Legal Form	No. of MFIs	(%)	Region	No. of MFIs	(%)
Society	101	53.2	East	64	33.68
Trust	23	12.1	West	23	12.11
NBFC	37	19.3	North	13	6.84
Section 25	19	10.0	North - East	9	4.74
Cooperative	4	2.2	Central	26	13.68
Cooperative Bank	1	0.5	South	55	28.95
MACS	4	2.2			
LAB	1	0.5			
	190	100		190	100

Note : States coming under each region are given in Annexure-VII

The secondary data sources for SHG and other chapters have been acknowledged in the reference sections that follow those chapters. The financial parameters for individual contributing organizations are captured in the Directory compiled at the end.

Limitation of the data set

To bring out the report, the data set was subjected to a variety of analyses. However, since not all of the self-reported data from MFIs was complete, no individual analysis was able to draw on the data from the full sample of 190 MFIs. Any given analysis in the report, therefore, draws only from a sub-sample of the 190 MFIs described above. Moreover, it bears repeating that the data are self-reported by the contributing MFIs. The accuracy of data set could not be cross-checked.

1.3 Microfinance Overview

The financial year 2008-09 witnessed a slowdown in India's economic growth, which affected microfinance clients employed in certain export-oriented sectors. These sectors then created fewer job opportunities. Meanwhile, rising fuel and commodity prices pushed the poor to spend more on food leaving less surplus income to spend on micro enterprises. To some extent, microfinance clients were forced to divert money from loan repayment to food purchasing. This could be one possible reason for the escalation in Non Performing Asset (NPA) in Banks and in Portfolio at Risk (PAR) pertaining to micro loan portfolios, described later in the report.

However, the growth of microfinance portfolios and client outreach has been steady during this period. As shown in Table 2, Indian microfinance reached out to an additional 168 lakh clients in 2008-09, taking the total estimated client outreach to 817 lakhs. This outreach has primarily been achieved through two important channels of microfinance—NABARD's SHG-Bank Linkage Programme (SBLP) and microfinance institutions (MFIs). Even if we consider 10% overlap of clients between these two channels, the total client outreach would at least be 736 lakhs.

Outstanding credit in the sector increased by Rs.11,459 crore from 2008 to 2009, taking the total estimated amount to Rs. 34,413 crore. Thus, while in 2009 client outreach grew by 29%, credit outstanding grew by 50%



Table 2 : Client Outreach, Savings and Portfolio Over Years (SBLP + MFIs)

	2007	2008	2009	Growth in 2009 over 2008
Client (Borrowers) No. in lakh	505	649	817	26%
Savings (SBLP alone) Rs. Crore	3513	3785	5545	46.5%
Portfolio Rs. Crore	15856	22954	34413	50%

During 2008-09
 Growth in Loan o/s
 SBLP : Rs.5679 crore
 MFIs : Rs.5780 crore
 Total : Rs.11459 crore

Growth in Clientele
 SBLP : 83 lakh
 MFIs : 85 lakh
 Total : 168 lakh

Channel Contribution

As mentioned previously, there are two channels of microfinance delivery in India- the Self-Help Group-Bank Linkage Programme (SBLP) driven by Indian banks and microfinance institutions (MFIs) spearheaded by NGOs and private social entrepreneurs. The growth parameters of these channels are depicted in Figure 1.

Under SBLP, savings outstanding has grown by 46.5% to reach Rs.5545 crore. The estimated total clients (members of savings SHGs) reached over 850 lakh. The loan portfolio grew by 33.4 % and the credit outstanding reached Rs. 22680 crore benefiting an estimated 591 lakh borrowers.

Among the MFIs reporting to Sa-Dhan, the outstanding loan portfolio nearly doubled from March 2008 to March 2009. As on 31 March 2009, the portfolio stood at Rs.11,734 crore, reaching an estimated 226 lakh clients.

Figure 1: Channel - wise Client Outreach Growth

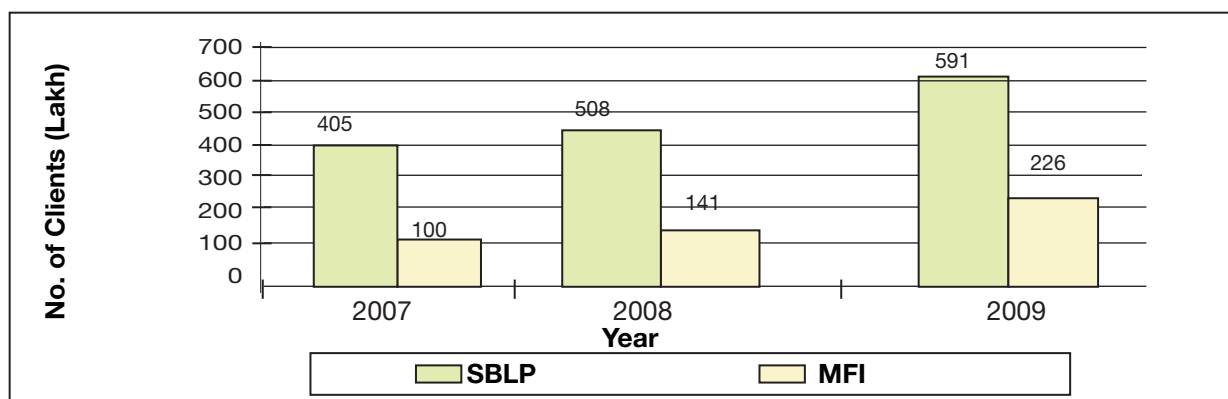
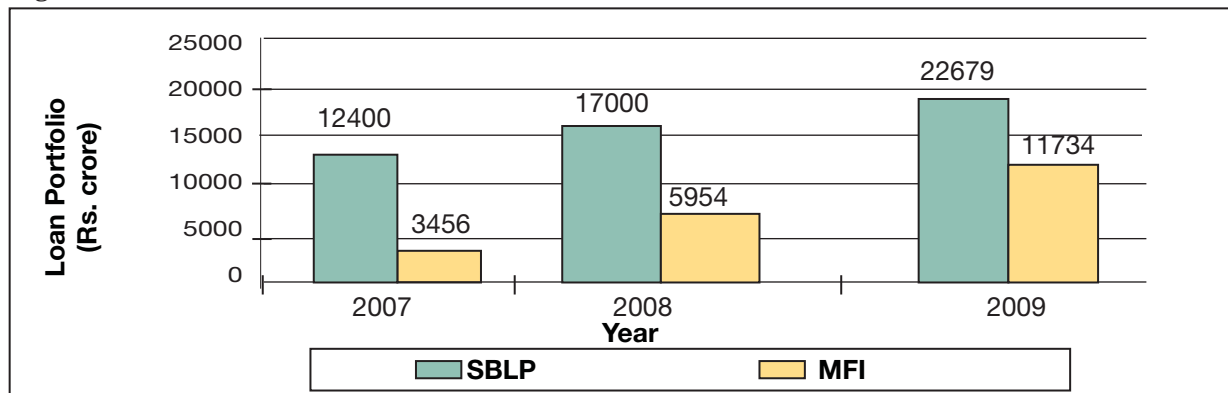


Figure 1a: Channel - wise Loan Portfolio Growth

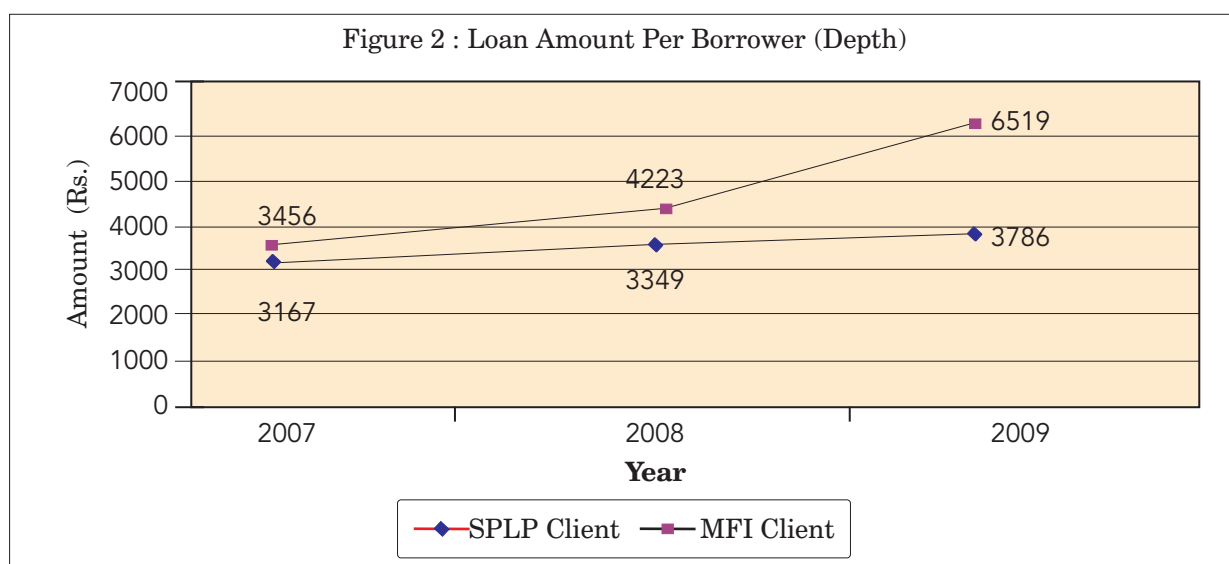




Depth of Outreach

Outreach measures the coverage of clients by microfinance programme. Under outreach, both width (the scale or number) and the depth (the degree of reach of the poorest of the poor) are areas of importance. The loan size per borrower is one of the proxy measures generally followed to gauge the depth of outreach.

As illustrated in Figure 2, the per capita loan amount increased both under SBLP and MFI channels. However, the rate of increase is higher under MFI channel. The average loan made available in 2009 was Rs. 3786 per SHG member under SBLP and Rs. 6519 through MFI. To understand the relative depth of outreach, this figure may be compared with Indian average annual per capita income of Rs. 24295 and Below Poverty Income of Rs. 15000.



As discussed in Sa-Dhan's Quick Report 2009, there has been an increase in the percentage of MFI-borrowers with loans above Rs. 10000 and a decrease in the percentage of borrowers with loans below Rs. 5000. Of the total borrowers, 93% were female.

Outreach Across Indian Districts

NREGA is the rural employment scheme implemented by the Indian Government in poorest 331 districts of India. Table 3 shows the operation of MFIs in districts, including the poorest district. MFIs operate in 465 districts in India, of which 261 districts are poor districts. In 2009, MFIs began operating in at least 60 new districts of which 35 were among the poorest districts. Annexure 3 shows the state-wise number of districts in which MFIs are operating and districts entered by MFIs for the first time during 2009. The Microfinance Map of India uploaded on www.sa-dhan.net carries the district-wise profile of the MFIs.

MFI operations in the poorest districts complement the government's efforts through NREGA.

Table 3 : MFIs' Foray into Indian Districts

	2008	2009
Total	405	465
Districts		(60)
Poorest	225	261
Districts		(35)



1.4 Performance Highlights : 2008-09

MFI Performance

Based on analysis of the data reported by MFIs for the year, the following observations have been made:

- ☞ The volume of transaction of MFIs as available in the financial statements has increased in 2009.
- ☞ The leverage of MFIs (Debt-Equity Ratio) in general has decreased in 2009 compared to 2008.
- ☞ The profitability of MFIs has increased overall. Return on Asset (ROA) and Return on Equity (ROE) stood at 4.87% and 25.88 % (considering interest and investment income) respectively.
- ☞ Sustainability as measured by the Operating Self Sufficiency (OSS) ratio is well above 100% (117%) reflecting the overall sustainability of MFIs in 2009. However, the OSS dropped from 2008's rate of 125.9%. Among legal forms, Section 25 Companies had the lowest OSS.
- ☞ The operating cost for MFIs in the sample stood at 14.3% in 2009, higher than 2008's figure of 8.5%. Total cost stood at 25% which is higher over the 2008 figure.
- ☞ The portfolio quality of MFIs as measured by Portfolio At Risk (PAR) and Current Repayment Rate (CRR) is found to have deteriorated in 2009 compared to the previous year.
- ☞ Productivity as measured by Average Borrowers per Credit Officer (ABCO) is found to have decreased during 2009 (367) compared to 2008 (411).

SHG Performance

SHGs performance has been analyzed based on secondary data from NABARD's report on Self-Help Group-Bank Linkage Programme (SBLP). In addition, Sa-Dhan's team gathered data through a quick survey undertaken to assess the quality of SHGs and review of research findings. The important observations from the data are:

- ☞ The number of SHGs receiving loans has touched 4.2 million against the total of 6.1 million SHGs.
- ☞ Savings with banks from SHGs reached to Rs.5545 crore as on 31 March 2009, showing an all time year-on-year increase of 46.5%.
- ☞ Total bank loans with SHGs as on 31 March 2009 was Rs.22679 crore which is 33.4% higher than the corresponding figure for 2008 (Rs17000 crore).
- ☞ On average, the amount banks have lent to SHGs six times the amount of SHG savings they hold.
- ☞ The loans made available to the SHGs are found to be too small to enable the members to engage in micro enterprises.
- ☞ Apart from State Bank of India, three south based banks (defined as having headquarters in southern states), namely Andhra Bank, Indian Bank and Indian Overseas bank dominate the SBLP programme in terms of volume of transaction in India.
- ☞ Commercial banks lead the SBLP programme. Regional Rural Banks (RRB) stand second, while cooperative banks lag behind these other two categories.
- ☞ The incidence of Non Performing Asset (NPA) among SHG portfolios with banks has become a source of concern. The percentage of NPA among RRBs and cooperative banks is higher compared to that of commercial banks.
- ☞ The southern region leads the microfinance transactions in India. The eastern region is promising now.
- ☞ SHG management quality is an area needing urgent improvement. Aspects of management like Book keeping, documentation, financial recording etc. are weak in many SHGs.



1.5 Emerging Concerns

The significance of microfinance services stems in part from the fact that nearly 40% of the Indian population is not covered by the formal banking system. The banking system's involvement in the financial inclusion strategy of the government has been ensured through priority sector lending requirement. Since their foray into microfinance is in tune with the government agenda, banks' role and approach have public approval. However, in spite of the fact that MFIs do bridge the gap and complement the banking system in delivering financial services to the poor, they come under critiques from certain quarters. The reason for this is very complex. However, a few specific areas deserve urgent attention to maintain a positive public image.

Competition and Multiple lending

India's microfinance sector is more than 20 years old and at this stage the operational scale of certain MFIs approaches that of a bank. The maturity and the level of capitalisation made available to them to provide enough incentives for them to grab maximum market share. The risks associated with this trend include multiple lending and over-indebtedness on the part of customers, forcing them resort to multiple borrowing and/or more extreme steps inviting political risk. There have been reports that in certain pockets poor women have borrowed from at least four MFIs. Multiple borrowing is not always undesirable and is often a conscious decision on the part of the borrowers to effectively meet their financial demands. However, in a supply-driven scenario, the very availability of easy loans may entice poor women to borrow without a perceptible need for the loan. In such circumstances, credit can do more harm than good. The problem is compounded by the fact that many clients are financially illiterate and hence less equipped to take informed financial decision.

The issue of multiple lending/borrowing is partly a result of MFIs' appetite for growth. Information asymmetry prevailing among the suppliers of credit as well as between the supplier and the credit user adds to the issue. The solution lies in the restraint on the part of the MFIs in expanding to already saturated locations. Effective sharing of information on market and client-served are other options that may help to manage the issue.

Part of the social performance process for MFIs are covered in Sa-Dhan's Code of Conduct (CoC). The Code of Conduct broadly covers three parts - core values for microfinance, code of conduct for MFIs and a process of compliance. The core values are defined as integrity, quality of services, transparency, fair practices, privacy of Clients' information, integrating social values of microfinance into operations and a feedback mechanism. In order to uphold these values of microfinance, the MFIs have voluntarily agreed to follow certain practices to ensure integrity, transparency, fair practices, governance and feedback mechanisms. The code of conduct document also explains the type of activities and institutions covered by the code. The third part of the code explains the compliance mechanism for implementation.

Budding Intermediaries

The idea that NGOs are closer to the poor has been used as evidence to suggest that MFIs are well placed to extend financial services to the poor. The present growth in microfinance might be too fast to build meaningful relationship between the lender and the borrower. Anecdotal evidence shows that intermediaries have emerged between the MFI field functionaries and the poor to facilitate the process of group formation, loan disbursement and recovery. Though such agents are found to emerge from among the well-performing clients of the MFIs, possible opportunistic behavior on their part- against the interest of both the clients and the MFIs can not be ruled out.

Client Protection

Transparency and Social Performance are cornerstones of client protection . Client-centered microfinance operation remains an effective strategy for reducing reputation risk in the sector. Efforts to be more transparent include disclosing effective interest rate and other terms in a language understandable by clients, disclosure of financials to external agencies through agreed upon accounting and reporting standards. A focus on social performance leads to customers' sustainability becoming a strategic part of microfinance sustainability.

'We need to become conscious of what our action does to the poor and the economy. We should also ensure that microfinance does not become a money lending business and avenue to transfer the poor's wealth to the private investors'

-Ela R.Bhatt, Founder SEWA Bank

'Transparency is very vital especially on interest rate . Annualized interest rates should be disclosed for all loans products irrespective of the tenor. Staff incentive system (like Five Star in Grameen Bank) should encourage social performance in terms of client level improvement on education of their children and relief from poverty'

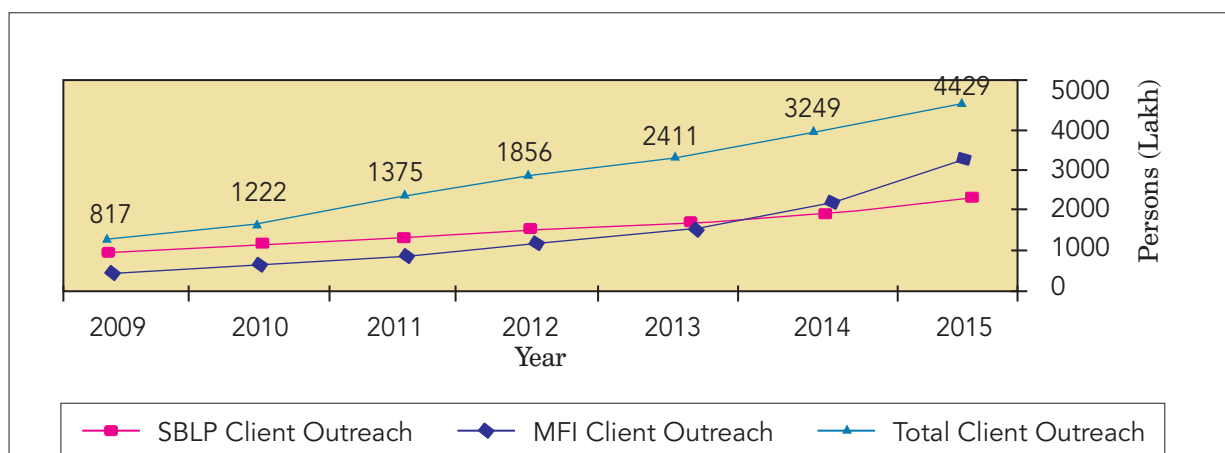
- Prof. Muhammed Yunus, Founder Grameen Bank

1.6 Future Outlook

Quantitative Growth Expectation

As a result of the banking sector's continued patronage (in terms of debt funds to the sector), it is expected that the microfinance sector will continue to grow in the coming years. A cautious estimate of the future growth in the clientele and the portfolio is presented in Figures 3 & 4.

Figure 3: Client Outreach Projection

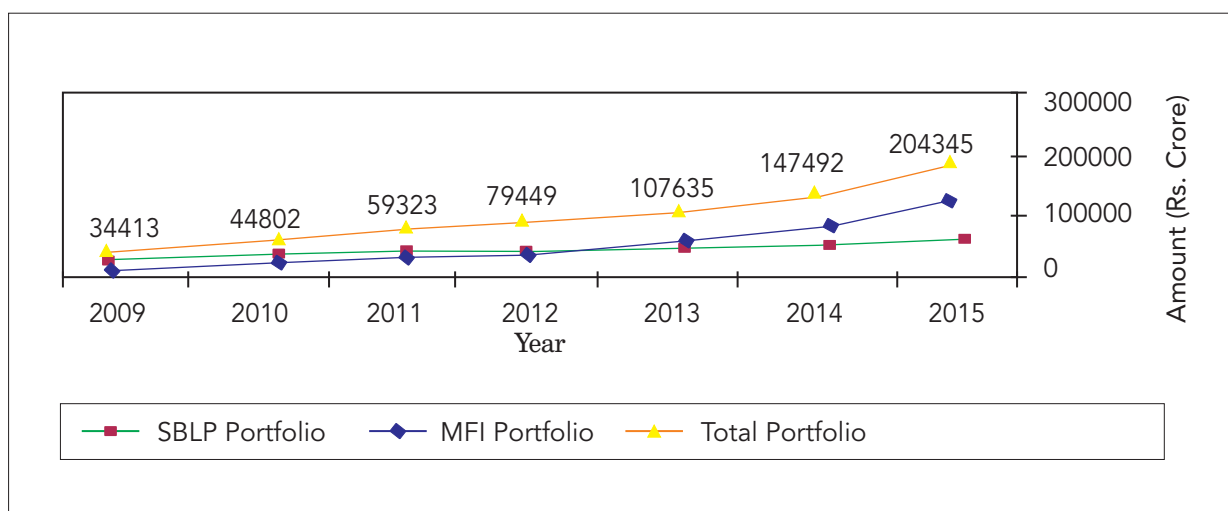




During the last two years, client growth (loan groups) under SBLP was 25% (2008) and 16% (2009). Its compounded growth rate is 21%. The MFI clientele grew 41% and 60% during last two years respectively. The compounded growth rate is 50%. Thus, the growth rate of 21% and 50% have been used to project client outreach under SBLP and MFI programmes respectively. Similarly, the present per client average loan size of Rs. 3800 for SBLP (Rs.53000 / 14 : Per SHG Loan amount / average member size) and Rs. 5200 for MFI (Rs. 11700 crore portfolio / 2.26 crore clients) were used for predicting year on year portfolio figures. Accordingly, the sector is likely to see a portfolio of over Rs 200000 crore by 2015, with total client outreach of over 4400 lakh. This may be, however, the maximum possible growth in light of the imminent regulation of microfinance operation under the proposed microfinance law, which would encourage consolidation of existing growth.

According to this projection, the MFI programme is likely to surpass the SBLP in terms of client outreach and portfolio in the coming years. The banks would need to promote SBLP further to finance more clients with their vast network of branches for retaining their premier position in microfinance.

Figure 4 : Portfolio Projection

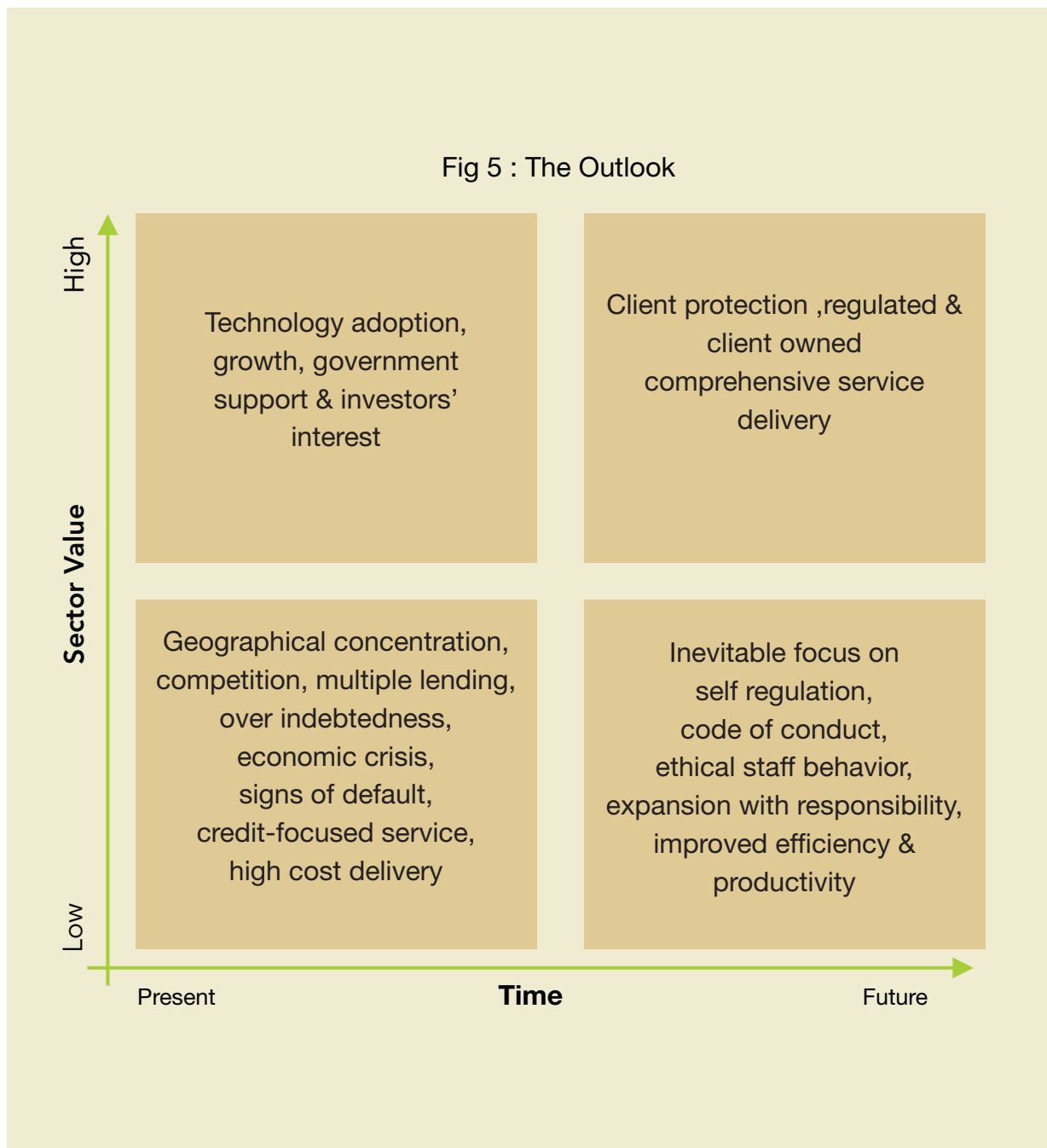


Social Performance

In the sector, there has been increasing incentives for microfinance players to overlook the original social mission. The mission drift is not easily perceptible or quantifiable. However, supply-driven approach, multiple lending, over indebtedness of clients, geographic concentration, etc have come under sharp criticism from many quarters.

There is an urgent need to look back at the original mission of microfinance and to consolidate the operation, putting clients' interest at center stage. Social performance, client protection, efficiency and expansion with responsibility will be the mantras of success in the years to come. The sector will attain highest social value when it becomes client centric, client owned to deliver comprehensive financial services to the poor at large (vide Figure 5)

Fig 5 : The Outlook



The incidence of NPA and default in the microfinance portfolio are the early warning signals and may be testament dissatisfaction among clients. Lenders' liability is of utmost importance in micro credit since the clients served are women, illiterate, vulnerable and politically sensitive.

Transparency, self regulation, adherence to agreed code of conduct towards client protection and customer sustainability will complement the scale of outreach attained so far and position microfinance as an attractive and sustainable social intervention to the satisfaction of all concerned.

Financial Performance



SIDE BY SIDE 2009

2. Financial Performance of Microfinance Institutions

Microfinance institutions (MFIs) play a very important role in providing micro credit to the poor, and complement the work of banks in financial inclusion. Since MFIs' operations are very diverse, discerning trends in their financial operations requires collating their operational features, which is done in this chapter.

International microfinance facilitating agencies like the Consultative Group to Assist The Poor (CGAP), Small Enterprise Education and Promotion (SEEP) network, Microfinance Information Exchange (MIX) and others have recommended the use of various indicators and performance benchmarks in order to compare the performances of individual MFIs with industry-level standards.

Sa-Dhan, as a network of Indian microfinance institutions, developed financial performance benchmarks for MFIs in 2003. Every year, it collects financial performance data from MFIs and publishes the Side By Side report.

In 2009, Sa-Dhan collected data on different financial parameters from 190 MFIs pertaining to the year 2008-09. The results are presented in this chapter in order to analyze and understand their financial statements, asset liability management, profitability and sustainability, cost efficiency, portfolio quality and productivity.

For section 2.1, data from the subset of 69 MFIs was analysed while for the rest of the sections, the entire sample was used. Similarly, the figures appearing in the sections 2.2 to 2.6 represent mean value.

2.1 Financial Statements

For 69 of the 190 institutions that reported data in 2009, data was available for 2008 also, permitting analysis of financial statements for two consecutive years. This subset of 69 institutions include 52 Sa-Dhan members and 17 non-members, covering all legal forms, regions, delivery models and portfolio sizes. The consolidated 2009 financial statements of this subset are displayed in Table 4. Sa-Dhan's analysis of the material data revealed various operational and financial insights. Given that the subset reflects a healthy cross-section of the microfinance sector, Sa-Dhan's findings for this subset may be indicative of the broader microfinance industry in India.

Balance Sheet

According to the subset's balance sheet, total assets jumped from Rs. 24.9 billion (Rs. 2490 crores) at year-end 2008 to nearly Rs. 66.5 billion (Rs. 6650 crores) at year-end 2009. This 167.4% rise over the previous year was largely due to a significant increase in net loan advances. As short-term liquidity requirements accelerated for the subset, total cash and bank balances expanded by 180.1% from Rs. 3.2 billion (Rs. 320 crores) at year-end 2008 to nearly Rs. 8.9 billion (Rs. 890 crores) at year-end 2009. Similarly, short and long-term investments held by the subset jumped from Rs. 536.4 million (Rs. 53.64 crores) at year-end 2008 to slightly over Rs. 9.9 billion (Rs. 990 crores) at year-end 2009. Net loan advances, which exhibited the largest component of asset expansion, climbed 126.7% from Rs. 20.7 billion (Rs. 2070 crores) at year-end 2008 to Rs. 47 billion (Rs. 4700 crores) at year-end 2009. Finally, fixed assets, composed primarily of capital equipment and real estate, grew 65.0% from Rs. 430.5 million (Rs. 43.05 crores) at year-end 2008 to Rs. 710.4 million (Rs. 71.04 crores) at year-end 2009.

On the liability front, total liabilities for the subset increased 161.3% from Rs. 20.7 billion (Rs. 2070 crores) at year-end 2008 to Rs. 54 billion (Rs. 5400 crores) at year-end 2009. The jump was largely due to a significant rise in borrowings during the year. After total collateral deposits of Rs. 1.7 billion (Rs. 170 crores), revolving funds of Rs. 1.9 billion (Rs. 190 crores), and another Rs. 4.2 billion (Rs. 420 crores) in other liabilities, subset borrowings expanded 156.5% from Rs. 18 billion (Rs. 1800 crores) at year-end 2008 to Rs. 46.2 billion (Rs. 4620 crores) at year-end 2009. As a result, the Subset's overall capital position grew 197.4% from Rs. 4.2 billion (Rs. 420 crores) at year-end 2008 to nearly Rs. 12.5 billion (Rs. 1250 crores) at year-end 2009.


Table 4 : Operating and Financial Summary (69 MFIs)

Operating Summary	Amount in Rupees	
	For the Year Ending March 31,	
	2009	2008
Total Interest Earned and Investment Income	11,602,928,909	4,776,883,244
Total Cost of Funds	4,143,022,070	1,576,395,417
Net Interest and Investment Income, After Provision	7,163,990,753	2,782,420,768
Total Non-Interest Expense	3,928,512,951	1,843,191,467
Net Income	3,235,477,802	939,229,302
Return on Assets (%)	4.87	3.78
Return on Equity (%)	25.88	22.34
Financial Summary	As of March 31,	
	2009	2008
	Total Cash and Bank Balances	8,854,168,684
Total Investments	9,927,431,539	536,445,454
Net Advances	46,984,204,613	20,728,599,592
Total Earning Assets	65,765,804,836	24,426,259,076
Fixed Assets	710,392,861	430,523,720
Total Assets	66,476,197,696	24,856,782,796
Total Deposits	1,688,171,921	625,569,697
Total Borrowings	46,178,272,355	18,005,854,593
Total Revolving Funds	1,945,777,582	15,269,997
Other Liabilities	4,164,114,027	2,006,696,360
Total Liabilities	53,976,335,885	20,653,390,647
Total Shareholders' Equity	12,499,861,811	4,203,392,149



Income and Expense Statement

In terms of revenue, total interest earned and investment income for the subset jumped 142.9% from Rs. 4.8 billion (Rs. 480 crores) in 2008 to slightly over Rs. 11.6 billion (Rs. 1160 crores) in 2009. The increase was primarily due to a sharp rise in net loan advances year-over-year. Cost of funds, defined as financial expenses on all funding liabilities, rose 162.9% from nearly Rs.1.6 billion (Rs. 160 crores) in 2008 to over Rs. 4.1 billion (Rs. 410 crores) in 2009. After including provisions for loan losses, net interest earnings and investment income increased 157.5% from Rs. 2.8 billion (Rs. 280 crores) in 2008 to Rs. 7.2 billion (Rs. 720 crores) in 2009. As the sector expanded during the year, salaries and benefits for MFI employees surged five-fold from Rs. 408.1 million (Rs. 40.81 crores) in 2008 to Rs. 2.5 billion (Rs. 250 crores) in 2009. Despite this growth, administrative charges and other non-interest expenses remained relatively stable at Rs. 1.4 billion (Rs. 140 crores). Because earnings and investment income outpaced operating and non-operating expenses incurred during the year, net income more than doubled from Rs. 939.2 million (Rs. 93.92 crores) in 2008 to over Rs. 3.2 billion (Rs. 320 crores) in 2009.

2.2 Asset Liability Management

The utilization of total assets in the form of gross loan portfolio (GLP/ Total Asset) and the leverage in the form of Debt-Equity Ratio have been studied across different factors and the figures are presented in Table 5.

The proportion of productive assets in total asset is significant. The ratio has not changed much across factors studied. However, the Hybrid model, northern region MFIs and MACS legal form have a relatively lower proportion of gross portfolio.

Similarly, the leverage ratio across the MFIs of various hues is on moderate lines. This year it is less elastic compared to the last year. The data for 2008 under different legal forms are juxtaposed (see parentheses).

The reduction in leverage ratio from its far stretched ratios earlier is a welcome sign and makes it less risky for the MFIs, though reduction beyond a point would affect their profitability.

One possible reason for this reduction in leverage ratio could be the financial crisis last year, which led to a tardy flow of debt funds to the MFI sector.

Table 5 : GLP And Debt-Equity Ratio

Factor	GLP / Total Asset (%)	Debt -Equity Ratio	Factor	GLP / Total Asset (%)	Debt -Equity Ratio
GLP Size (Cr)			Region		
< Rs. 5	84.0	2.95 : 1	East	88.1	15.23 :1
Rs. 5-50	82.6	5.30: 1	South	92.9	6.40 :1
> Rs.50	92.4	6.31:1	North	73.8	2.50 :1
			West	89.1	6.30 :1
Model			Legal Form		
SHG	88.8	4.5:1	Society	85.5	4.12 :1 (10:1)
Hybrid	77.2	7.5:1	NBFC	87.3	6.30 :1 (12:1)
JLG	87.2	5.6: 1	Trust	91.7	59.00 :1 (97:1)
Individual	82.3	12.0:1	Section 25	83.3	20.18 :1 (54:1)
			Cooperative	98.00	20.60 :1 (269:1)
			MACS	66.5	7.30 :1

2.3 Profitability and Sustainability

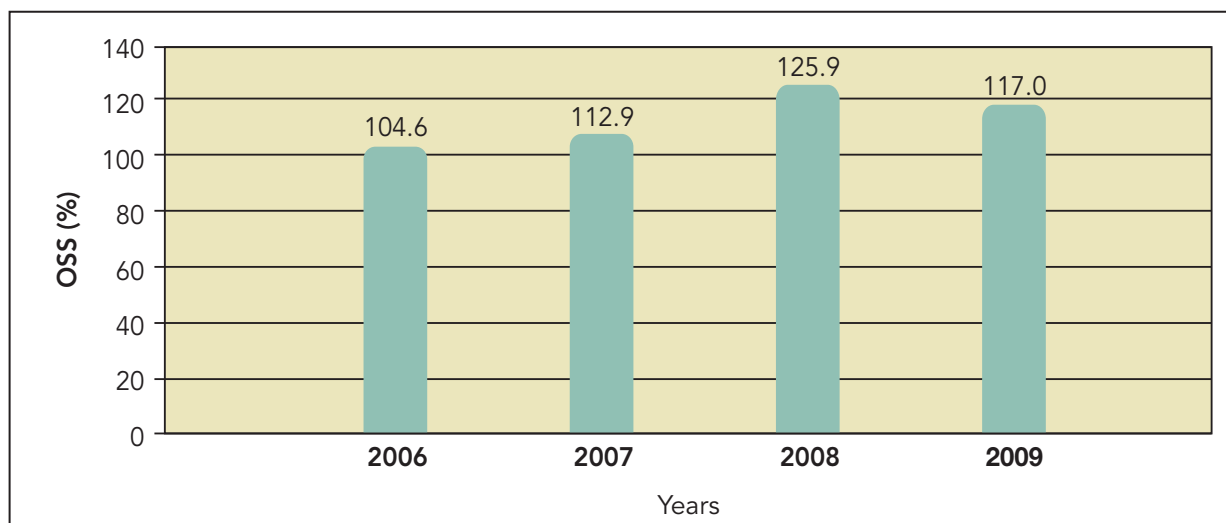
For MFIs, profitability is a key aspect of client service. MFIs that are over dependent on donor money may not be able to serve their clients sustainably since donor money is volatile. Hence profitability of MFIs is an important performance parameter even being looked into by the donor community. Their grants would be aimed at enabling grantees to become self sustainable financially. Table 4 with financial statements shows the profitability of the subset (69 MFIs) in terms of Return on Assets (ROA) and Return on Equity (ROE) . This year the income from loans is not available separately and hence the return represents total return with income from loans and investments. Return on Assets is 4.87 % and Return on Equity is 25.88%. The ROA for 2008 calculated only with interest incomes was 2.8%. Thus, we can safely conclude that the profit ability in general has increased this year.

Operating Self Sufficiency (OSS)

Operational Self-Sufficiency is a measure of sustainability. It measures the degree to which operating income covers the operating expenses. The formula is $\text{Operating Income} / \text{Total Operating Cost}$. OSS should be more than 100% for an MFI to be independent of outside funding.

Sa-Dhan data shows that the OSS of reporting MFIs has been consistently over 100% from 2006 to 2009, indicating that they have been self- sustainable in operation during these years (Figure 6).

Figure 6 : OSS Over Years



As shown in Table 6, OSS varies according to the rate of portfolio growth, age of the MFI and size of the portfolio.



Table 6 : OSS Across Factors

Portfolio Growth Rate	Upto 25%	25-50%	50-75%	>75%
OSS %	122.6	140.0	124.0	118.0
Age category	>5 Years	5-10 Years	>10Years	
OSS %	116.0	118.0	118.0	
Portfolio Size (Rs)	>50 Crore	5-50 Crore	>5 Crore	
OSS %	127.0	118.0	113.0	

MFIs with medium portfolio growth show higher OSS percentages, while OSS percentage appears to decrease with higher rates of portfolio growth. It may be that MFIs with higher rates of growth are deploying high-cost technology and manpower, leading to lower OSS.

Though Sa-Dhan's 2007 data showed that mature MFIs had higher OSS, the 2008 data did not reveal a relationship between the age of the MFI and OSS.

The data does indicate that MFIs with larger portfolios have higher OSS, possibly due to economies of scale that allow MFIs to spread their management cost over a larger portfolio. This is also evident in the cost analysis in this chapter in which the Operational Cost Ratio (OCR) and Total Cost Ratio (TCR) are lower for MFIs with larger portfolios. In 2008, Sa-Dhan's data showed that the MFIs with portfolio size Rs. 5-50 crore had highest OSS, while in 2007 the data was similar to this year's figures.

Sa-Dhan's data has over the years indicated that older MFIs—those with more experience have higher OSS. As well, the data shows that OSS tends to increase with portfolio size though 2008's data showed MFIs with medium size portfolios exhibiting the highest OSS. When broken down according to legal form, 2009's data shows Trusts with the highest average OSS at 120%, while in 2008, Societies showed the highest OSS rates. In 2009, section 25 companies displayed lower OSS percentages than any other legal form; in 2007, they had the leading position. The Total Cost Ratio of Section 25 companies is the highest among legal forms in 2009. Regionally, eastern MFIs were found to have the highest OSS rates in 2008 and 2009. Among delivery models, JLGs had the highest OSS in 2008, while in 2009 the Individual model and SHG took the lead.

The legal form is yet another determinant of OSS among MFIs. Over the years, NBFCs have shown gains in their OSS percentages. In 2007, they had an average OSS of around 90%, while in 2009, they exhibit an average OSS of 118%. Cooperatives consistently have displayed an average OSS of more than 100%.

Table 6a: OSS Across Factors

Legal Form	Coop	Coop. Bank	LAB	MACS	NBFC	Section 25	Society	Trust
OSS%	105.0	112.0	110.0	107.0	118.0	90.0	104.0	120.0
Region	East		North		South		West	
OSS%	127.0		112.0		113.0		126.0	
Delivery Model	Hybrid		Individual		JLG		SHG	
OSS%	100.0		127.0		117.0		120.0	

The MFIs in eastern and western regions showcase higher OSS . This may be the result of the lower total cost ratio among these MFIs, shown in Table 8. The delivery model also affects the OSS of MFIs as seen also in Table 6a. Among the group approaches, the SHG model reveals the highest OSS, possibly as the result of its low total cost ratio (Table 6a).

2.4 Yield, Cost and Surplus

Sa-Dhan's data set was analyzed to find out the yield of the loan portfolio across MFIs under different combinations. Their operating cost has been compared with the yield, and the net surplus was figured out to understand the sustainability of operation. The yield was calculated by dividing operating income by gross loan portfolio.

Table 7 shows yield as a percentage of loan portfolio, operating cost ratio (as percentage of loan portfolio), along with the surplus being the difference between the yield and the operating cost. The yield consists of interest income and other charges, including processing fees. The operating cost includes salary and benefits, administrative cost, overheads and depreciation. Table 7 shows the difference between the yield and the operating cost. The surplus shown in the last column indicates that the microfinance operation is viable. Figure 7 shows surplus percentage realized by different operating models over three years.

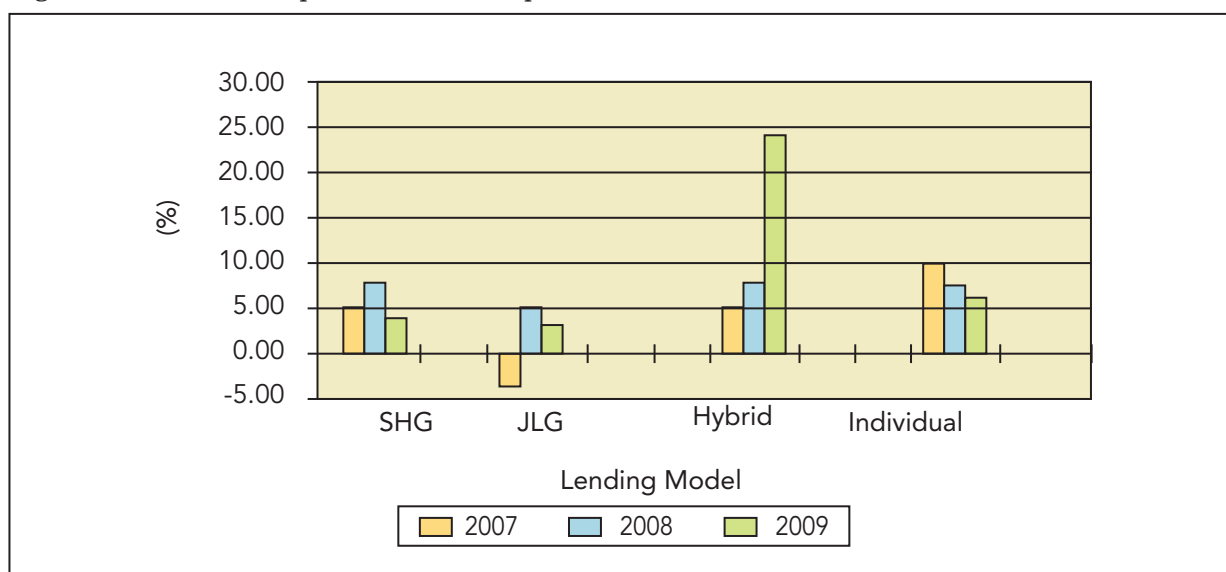
Indian MFIs have been internationally commended for their relatively low operational costs. However, the major source of funding (re-financing) is commercial, in particular from banks. The cost of refinancing is a major part of MFI total cost which the MFIs can hardly influence. If total cost is taken into account, the yield may not be sufficient to generate surplus. Thus other sources of income like investment income may have to be taken into account to ascertain the real surplus.



Table 7 : Yield, Operating Cost Ratio and Surplus.

Factor	Yield (%)	Operating Cost Ratio(%) [OCR]	Surplus (%)	Factor	Yield (%)	Operating Cost Ratio(%) [OCR]	Surplus (%)
Overall	21.0	14.30	6.70	Region			
GLP Size (Cr)				East	21.0	11.0	10.0
>Rs. 5	19.0	16.0	3.0	South	21.0	12.0	9.0
Rs. 5-50	28.0	13.0	15.0	North	19.0	19.0	0.0
>Rs. 50	20.0	9.0	11.0	West	17.0	14.0	3.0
Model				Legal Form			
SHG	16.0	12.0	4.0	Society	18.0	14.0	4.0
Hybrid	37.0	13.0	24.0	NBFC	21.0	17.0	4.0
JLG	21.0	18.0	3.0	Trust	44.0	15.0	29.0
Individual	22.0	16.0	6.0	Cooperative	16.0	12.0	4.0
				MACS	19.0	7.0	12.0

Figure 7: Yield Minus Operation Cost (Surplus)



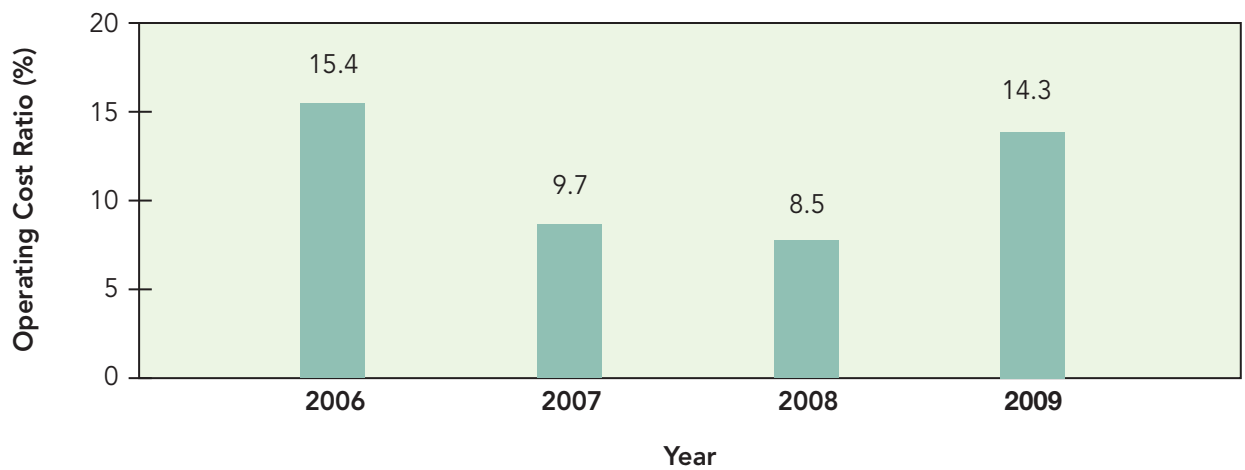
2.4 Cost and Efficiency

The major cost driver of MFIs' operational cost is their service delivery approach, which involves delivering services at the doorsteps of the poor, who are often geographically dispersed. Moreover, the loan amounts are very small and transactions happen as often as weekly. All of these factors contribute to their operational cost. Given that MFIs are generally unable to influence the cost of borrowing, their efficiency and survival depend on their ability to minimize the operational cost. As their clients are primarily

poor, vulnerable and women, they need to be served at their (clients) sustainable cost to enable them escape poverty.

To understand the efficiency of MFIs, data have been presented for 2009 on Operational Cost Ratio (OCR)

Figure 8 : Operating Cost Ratio Over Years



The Figure 8 & 9 depict the trend of OCR & TCR for Sa-Dhan sample data, beginning in 2006. They declined through 2008, but spiked upward in 2009. This reveals the rise of various cost components in MFI operations. The OCR across different factors have already been captured in Table 7. TCR across factors is shown in Table 8

Figure 9 : Total Cost Ratio Over Years

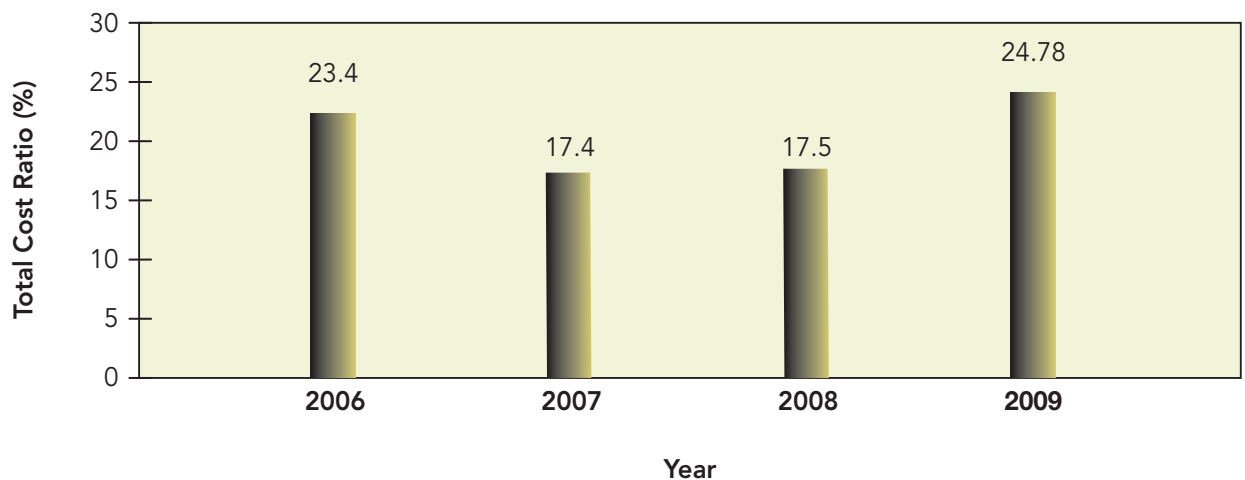




Table 8 : TCR Across Factors

Age category	< 5years	5-10 years >	10Years			
TCR %	28.0	23.0	22.0			
Portfolio Size (Rs)	> 50 Crore	5-50 Crore	< 5 Crore			
TCR %	20.0	24.0	26.0			
Legal Form	Coop	MACS	NBFC	Section 25	Society	Trust
TCR%	23.0	17.0	27.0	17.0	24.0	23.0
Region	East	North	South	West		
TCR %	21.0	30.0	23.0	21.0		
Delivery Model	Hybrid	Individual	JLG	SGH		
TCR %	24.0	25.0	30.0	22.0		

In Table 7 & 8, OCR & TCR are shown to decrease as MFIs get older. This confirms the general belief that as MFIs mature, their operations increase in efficiency and they are able to reduce costs. The data on the above tables also indicate that portfolio size inversely affects the cost ratios (OCR & TCR), meaning that the larger the portfolio size lower would be the cost ratio. This confirms to the expectation that scaling up brings down costs, as cost incurred in managing unit volume of loan comes down.

According to the analysis (Table 7), type of legal form also influences operating costs. NBFCs and Section 25 companies (both companies) incur higher operation costs per unit loan amount managed. All other legal forms show mid-range OCRs. MACS, which were found to have the best OCR in 2008, are in 2009 again found to be the most cost efficient.

Eastern MFIs again are found to be operating with low cost across the years, displaying the lowest OCR among regions in both 2008 and 2008. Northern MFIs will have to cut costs to be rated on par with other MFIs. One possible reason for high OCR among northern MFIs is the poor infrastructure in this region.

Among delivery models, both the ratios show that JLGs have the high costs and SHGs the lowest costs. This may be the result of transaction frequency. The JLG model , in general , involves weekly transactions between the MFIs and the clients, while the SHG model relies on the monthly transactions.

**Cost tends to decrease as portfolio size increases and as MFIs mature.
MACS and eastern MFIs exhibit lowest OCR over time.
The Company form and JLG Model raise cost**

2.5 Portfolio Quality

Important determinants of yield for an MFI include the interest rate charged on the loan portfolio and the portfolio quality. The MFI should have more active clients, each client should have borrowed sufficiently to meet his/her needs, and he/she must repay the loan regularly to enable the MFI to earn enough to scale up its outreach.

There are two important measures of portfolio quality — Current Repayment Rate (CRR) and Portfolio at Risk (PAR). Current Repayment Rate refers to the amount of dues repaid/recovered out of the total amount due from the clients. It is a direct measure of repayment rate. Sometimes it may overestimate the portfolio quality since it measures the repayment as such. A more conservative estimate of the portfolio quality is Portfolio At Risk (PAR), which considers the entire outstanding of a loan account as risky and non recoverable when the client defaults on even one installment from that account. It assumes that a client not repaying a single installment may not be willing or able to repay the rest of installments and declares the entire loan from that client as risky and nonrecoverable. PAR is the proportion of such impaired loan outstanding to the total loan portfolio. PAR 60 is that proportion (to total portfolio) of all loans whose installments pending beyond 60 days. As a measure of portfolio quality, CRR and PAR are two sides of the same coin— one increases as the other decreases.

Figure 10 : CRR & PAR 60 Over Years

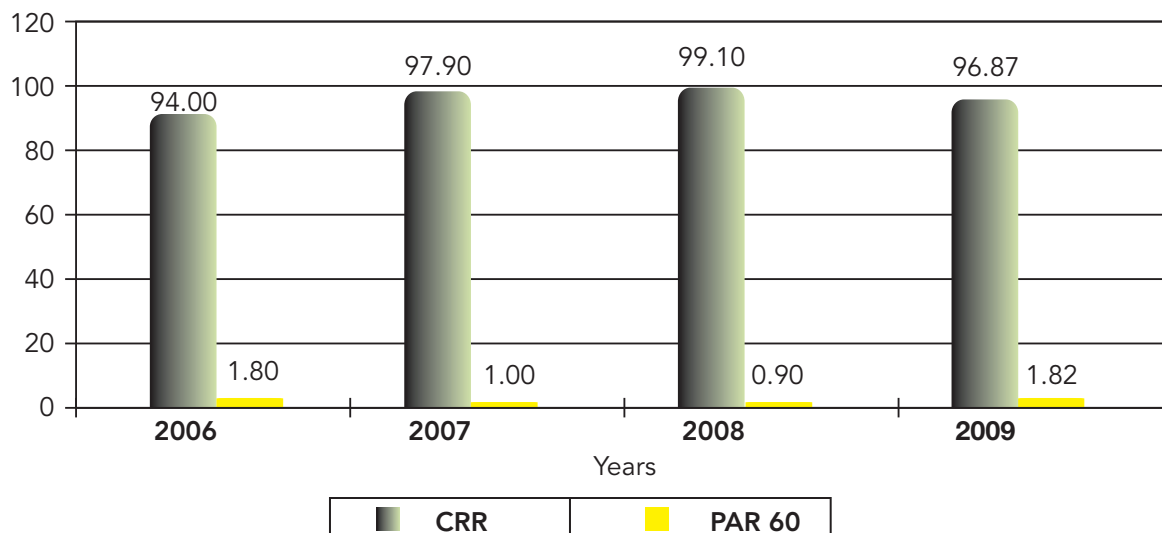


Figure 10 shows an increase in repayment rate and a decrease in PAR through 2008, auguring well for the industry. But the reversal of this trend in 2009 could be a cause for concern. One possible reason for this reversal could be the financial crisis during the last year. The crisis and the associated inflation of food prices is known to have affected the poor, forcing them to spend more on food leaving less surplus with which to repay their loans. Further, the repayment crisis experienced in Kolar and Ramanagaram districts of Karnataka could have also contributed to the result.



To varying degrees, all aspects of MFIs including portfolio size, region, delivery model, growth rate and age are found to affect the portfolio quality in terms of CRR and PAR 60. Table 9 shows CRR and PAR 60 when analyzed according to these different aspects.

Table 9 : CRR & PAR 60 Across Factors.

Factor	CRR (%)	PAR 60 (%)
GLP Size (Cr)		
< Rs. 5	95.8	2.5
Rs.5-50	97.7	3.4
> Rs.50	98.4	1.2
Model		
SHG	96.4	3.2
Hybrid	96.8	1.0
JLG	97.5	2.4
Individual	97.7	1.5
Region		
East	96.2	1.5
South	97.8	2.4
North	96.2	3.5
West	98.0	2.6
Legal Form		
Society	96.7	2.2
NBFC	99.0	1.8
Trust	96.6	2.7
Section 25	95.1	8.0
Cooperative	98.1	4.3
MACS	100	0.0
Growth Rate		
Up to 25%	95.6	4.5
25-50%	95.9	1.1
>75%	98.1	1.4
Age Category		
Up to 5years	97.3	2.5
5-10 years	97.0	2.7
> 10 years	95.8	2.3

2008 Vs 2009

Size: In 2008, mid size MFIs showed the strongest performance in maintaining Portfolio quality.

In 2009, the largest MFIs were found to manage the quality better.

Region: In both 2008 and 2009, Western MFIs had the highest CRR .

Southern MFIs had the lowest PAR 60 in 2008, while in 2009, eastern MFIs did.

Legal Form: In 2008, Trusts performed very efficiently in terms of CRR and PAR 60.

In 2009, MACS / NBFCs showed the highest efficiency in terms of CRR and PAR 60



2.6 Productivity

Efficiency of an MFI measures the ability of the MFI to perform functions while incurring the least cost. Similarly, productivity measures the ability of an MFI to use non-financial resources judiciously to produce results. Average Borrower per Credit Officer (ABCO) measures the productivity of a credit officer in terms of number of active borrowers he/she effectively supervises. It is derived by dividing the number of active borrowers by the number of credit officers of an MFI.

Figure 11 : ABCO Over Years

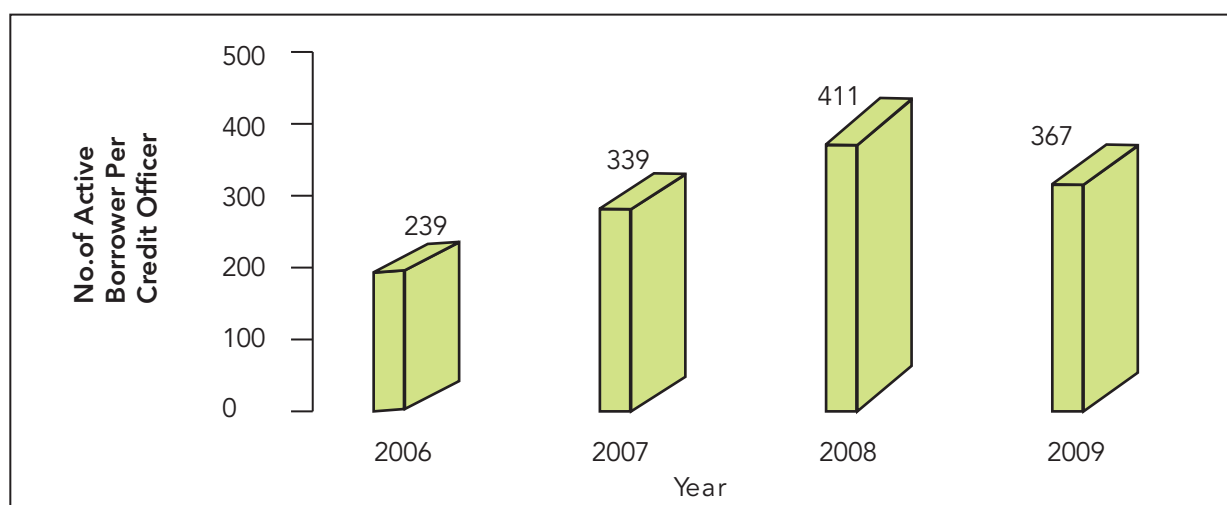


Figure 11 reflects the data on ABCO available from 2006 through 2009. Similar to the trend in portfolio quality, the trend in ABCO was encouraging until 2008, revealing a productivity drop in 2009. The reason for this reduction in productivity could be again attributed to the deteriorating portfolio quality. The available credit officers of an MFI might have been compelled to concentrate on existing borrowers, either to consolidate the existing operation or to recover loan that would otherwise be repaid slowly. Table 10 depicts the categories of MFIs with the highest ABCO and the lowest ABCO.

In 2008, MFIs in the northern region had the highest productivity (ABCO), while in 2009, the southern region topped in ABCO ranking. In both 2008 and 2009, societies had the highest ABCO, though Trusts share this position in 2009.

Table 10 : Category Of MFIs Having Highest And Lowest ABCO

MFI Category with lowest ABCO	MFI Category with highest ABCO
< 5 years old (302)	5-10 years Old (458)
< 5Crore Size (241)	5-50 crore Size(535)
Up to 25% growth (298)	25-50% growth (406)
Coop. Bank (6)	Society & Trust (393)
Northern (211)	Southern (604)
Hybrid (280)	Individual (435)

In 2010, MFIs may have a difficult time in maintaining portfolio quality. Among the reasons for the difficulty is the continuation of financial crisis as well as the influence of other factors like repayment crisis in Karnataka and sporadically emerging intermediaries between the repaying clients and the MFIs (for more on intermediaries, see chapter 5) Table 9: CRR & PAR 60 Across Factors.

SHG Performance



SIDE BY SIDE 2009



3. SHG Performance

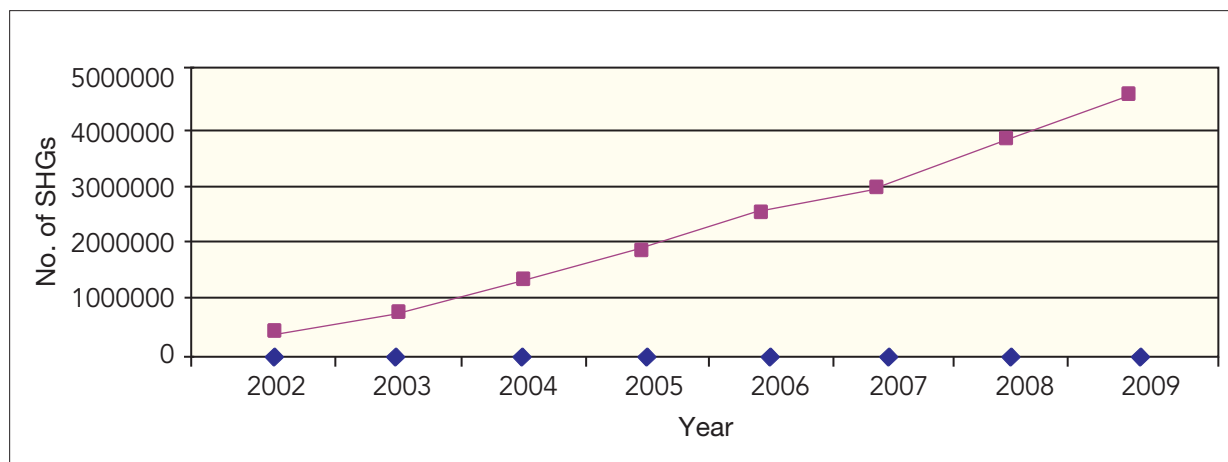
Self Help Group (SHG) involve mobilizing poor women into groups similar to Rotating Savings and Credit Association (ROSCA) for thrift collection, internal lending and collective learning. The SHG idea was incubated by NABARD in collaboration with Indian NGOs. SHGs graduate to scaled up financial intermediation when they are linked to banking system for saving and borrowing. The SHG model has now been replicated by the Indian government for distributing credit under poverty alleviation programmes.

In this chapter, three aspects of SHG programme are presented. The first is the performance of the Self Help Group Bank Linkage Programme (SBLP) based on NABARD's quantitative data for 2008-09. The second is an analysis of the qualitative performance of SHGs based on Sa-Dhan's field work as well as a review of various recent studies and documents available in the public domain. The third is a brief account of Sa-Dhan's SHG Standard setting and data collection initiative.

3.1 SBLP : Quantitative Performance

The Self Help Group Bank Linkage Program (SBLP) is stated to be the largest microfinance programme in the world. A panoramic view of SBLP quantitative performance during 2008-09 reflects the contours of SHGs and their savings with and borrowing from banks.

Figure 12 : Growth of SHGs with Bank Loan



Client Outreach

SHGs are the basic units of transaction under the programme, while the members of SHGs are the beneficiaries. Figure 12 shows the growth of SHGs receiving bank credit over the years. As on 31 March 2009, 6121147 SHGs had savings account with Indian banking system. With an average of 14 members per SHG, there are an estimated 85.0 million SHG members reached by the banking system, and this number is growing.

Table 11 : Client Outreach During Last 3 Years

Year	2007	2008	2009
No. of Borrowers	40.5 mill	50.8 mill	59.1 mill

Source : NABARD

Financial Performance (All India)

Table 11 shows the growth of various parameters under the programme during the past three years. Year 2008-09 has shown higher rates of growth in savings and disbursement compared to the previous years. The amount of savings, in particular, has grown, with total savings of Rs. 5545 crore at the end of the period. Evidence from across the world, clearly suggests that savings are the most commonly sought after financial product among the poor. In India, where only banks are allowed to collect savings, SBLP programme offers a rare opportunity for the poor to save.

The growth of the loan disbursements has not diminished despite the financial crisis and the reported negative sentiments among bankers during such crisis. The banking system has pumped in an additional Rs. 12253 crore into the SHG movement, thanks to the encouragement given by NABARD, RBI and the Government

According to NABARD data (Annexure 4), banks have lent to SHGs, on an average, six times the amount received from SHGs as savings.

Table 12 : Quantitative Performance Of SBLP Over Years

Parameter (Amt-Rs. Crore)		2006-07	2007-08	2008-09
Savings of SHG s	No. of SHG s	4160584	5009794 (20.4%)	6121147 (22.2%)
	Amount	3512.71	3785.39 (7.8%)	5545.62 (46.5%)
Bank Loan Disbursement	NO. of SHG s	1105749	1227770 (11%)	1609586 (31.1%)
	Amount	6570.39	8849.26 (34.7%)	12253.51 (38.5%)
Bank Loan Outstanding	No. of SHG s	2894505	3625941 (25.3%)	4224338 (16.5%)
	Amount	12366.49	166999.91 (37.5%)	22679.84 (33.4%)

Source : Status of Microfinance in India 2008-09, NABARD

**Table 13 : Leaders in SBLP (Commercial Banks Among All Banks & RRBs Among All RRBs)**

Top Three Banks in Savings Outstanding (Commercial Banks & RRBS)	Amount (Rs. Crore)	Top Three Banks in Loan Outstanding (Commercial Banks & RRBS)	Amount (Rs. Crore)
State Bank of India	735	State Bank of India	4733
Uttarabanga Kshetriya Gramin Bank (West Bengal)	709	Andhra Pradesh Gramin Vikash Bank (Andhrapradesh)	905
Indian Overseas Bank	302	Andhra Bank	1679
Bangiya Gramin Vikash Bank (West Bengal)	239	Andhra Parakati Grameen Bank (Andhrapradesh)	635
Andhra Bank	214	India Bank	1350
Vidarbha Kshetriya Gramin Bank	213	Utkal Gramya Bank (Orissa)	332

Source: NABARD 2008-09

State Bank of India— India’s largest bank— and three banks based in the south top the list in terms of SHG savings and loans, as noted in Table 13.

These top three commercial banks share 22.5 % of total savings held by the banking system and 34 % of all loan outstanding in the system. Similarly, five out of six Regional Rural Banks (RRBs) topping the savings/loans outstanding in the RRB category are located either in southern or Eastern India, reflecting the strong influence of these regions.

Commercial Banks Lead

Among categories of banks in lending to SHGs, commercial banks (both public and private banks) were the biggest lenders (as a category) as on 31 March 2009. They had lent to 68% of total SHGs enjoying credit and provided 70% of the total credit outstanding on that date. Regional Rural Banks account for 23% of lending to SHGs and 21% of total loan outstanding. Cooperative banks came later to the programme than the rest, a fact that is reflected in their low rate of 9% under both the parameters. There remains significant scope available for RRBs and cooperative banks to capitalize on their rural reach by expanding their participation in SHG lending.

Box 1 : ‘Women SHGs’ means less NPA?

Through simple correlation analysis of the figures published by NABARD, several obvious relationships among different parameters are reconfirmed. Higher Number of SHGs lead to higher savings, loan outstanding and consequent higher gross NPA. Though statistically not significant, there appears to be a negative relationship between loan outstanding among women SHGs and Gross NPA. This implies that women members in SHGs observe more repayment discipline. This hypothesis need to be proved/disputed with separate data sets.



NPA: Emerging Concern

Though they do not lead in lending, RRBs and Cooperative banks display higher NPA ratios with respect to their loan portfolios. While public sector banks had 2.3% NPA, RRBs had 4.2% and cooperative banks had 6.8%. These results have various implications not only for categories of banks or bank branches in the regions but also for the SHPIs and MFIs who facilitate SBLP. NPA is a major area of concern. In a study conducted by NABARD in the Tumkur district of Karnataka, it was found that the recent farm loan waiver has adversely affected the repayment pattern among SHGs, which may contribute to NPA. The incidence of NPA among SHG loan portfolio can be addressed through financial literacy interventions for SHG members.

Financial Performance: Regional and State Perspectives

Indian microfinance concentration is skewed in favor of south, as demonstrated by the NABARD data for 2008-09.

Table 14 shows that in all the parameters, the southern region contributes more or less half of SHG transactions. The eastern region occupies the second position, while all other regions lag behind.

The average per-SHG figures are given in Table 15. According to these figures, SHGs in central and north eastern regions enjoy comparable amount of loan/savings to their counterparts in the east and south.

Table 14 : Percentage Share Of Savings & Loan Figures

Year 2008-09	Savings (No. of SHG)	Savings (Amt)	Loan o/s (No. of SHG)	Loan o/s (Amt)
Northern	5%	4%	4%	3%
North Eastern	4%	2%	3%	2%
Eastern	20%	29%	22%	13%
Central	12%	7%	8%	9%
Western	13%	12%	9%	7%
Southern	46%	46%	54%	66%
Total	100%	100%	100%	100%

Note: The states coming under each region are furnished in Annexure VII

SHG Savings are increasing. NPA is a source of concern. Rate of increase in loan outstanding decreases. Given the continuing financial crisis, loan outstanding is likely to grow slowly in 2010. Eastern region will continue to surge



This may be due to the fact that there are fewer SHGs in these regions. However, the fact is encouraging. Nevertheless, there is an urgent need for banks to give focus to north, north east, central and western regions for promoting SHGs. The state wise per SHG figures are furnished in a separate table (Annexure IV)

As explained by the Chairman, NABARD, the room for growth in the southern states is limited. But the expected growth in 13 priority states identified by NABARD was not realized either, suggesting that the intensive work will be required.

Table 16 shows the region wise top two best performing states and banks. The experience of these states/banks can be made use of for guiding other states and banks in the respective regions.

Table 15 : Region Wise Per SHG Outstanding Figures as on 31 March 2009 (Rs)

	Northern	North Eastern	Eastern	Central	Western	Southern
Savings	7300	4252	12944	5425	8340	9084
Loan	4077	39834	32383	61584	39419	65377
Gross NPA	2555	3204	995	5049	2068	892

Table 16 : SBLP- Region Wise Leaders (States & Banks)

Region	Top Two States (Outstanding)		Top Two Banks (Outstanding)		NABARD's 13 priority States
	Savings	Loan	Savings	Loan	
Northern	Rajasthan	Rajasthan	Bank of Baroda	State Bank of India	Assam Bihar Chhattisgarh Gujarat Himachal Pradesh Jharkhand Madhya Pradesh Maharashtra Orissa Rajasthan Uttar Pradesh Uttarakhand West Bengal
	Himachal Pradesh	Haryana	Punjab National Bank	Punjab National Bank	
North Eastern	Assam	Assam	United Bank of India	State Bank of India	
	Tripura	Sikkim	Central Bank of India	United Bank of India	
Eastern	West Bengal	Orissa	State Bank of India	State Bank of India	
	Orissa	West Bengal	United Bank of India	United Bank of India	
Western	Maharashtra	Maharashtra	State Bank of India	State Bank of India	
	Gujarat	Gujarat	Central Bank of India	Central Bank of India	
Central	Uttar Pradesh	Uttarakhand	State Bank of India	State Bank of India	
	Madhya Pradesh	Uttar Pradesh	Punjab National Bank	Bank of Baroda	
Southern	Andhra Pradesh	Andhra Pradesh	State Bank of India	State Bank of India	
	Tamil Nadu	Tamil Nadu	India Overseas Bank	Andhra Bank	

Source: NABARD - 2008-09



By and large, growth of savings and loan disbursement under SBLP increased in 2008-09 compared to the previous year. Yet regional disparity persists, and performance in the programme was dominated by the southern and eastern regions. Banks and SHPIs will have to focus their efforts on the 13 states identified by NABARD, where many factors inhibit growth, including poor infrastructure. Banks in these regions need to increase their effort to form SHGs as well as to encourage savings from and lending to them.

Among the categories of banks in SBLP, RRBs and Cooperatives will have to work hard to increase their share of SBLP lending. The repayment rate is becoming a source of concern. It is reflective of group quality which justifies the urgency with which the group capacity issue should be addressed by all the stakeholders.

Box 2 : Insufficient SHG Loan

The statistics published by NABARD, reveals that the average bank loan outstanding per SHG is just over Rs. 53000 . For this amount, SHGs on an average maintain savings of around Rs. 9000 in the bank. Technically, the effective loan amount received by the group is around Rs.44000, which if divided among the individual group members — is too small an amount to support any micro enterprise. Another limitation of the loan type is that repayment is expected to begin immediately, without gestation period that any investment would require to generate cash flow. Anecdotal evidence suggests in order to mitigate the risk associated with the personal guarantee that SHG member extend to fellow members, SHG tend to divide the loan amount received from the bank equally among them, depriving some members of large amounts that they may need, while thrusting unnecessary debt on others. This trend, obviously, thwarts SHG's effective financial intermediation between the savers and the spenders .

Box 3 : Performance of MFIs with SHG Model

For the year 2008-09, Sa-Dhan has collected data from 70 MFIs that follow SHG as an operating model. Analysis of the data reveals the following key findings:

Operational Self Sufficiency (OSS): This indicates the percentage of operational expense covered by operational income. The OSS for these MFIs is 120 %. This is higher than that of JLG –MFIs, which have OSS of 117%.

Portfolio At Risk (PAR 60 Days): This is the percentage (of the total loan portfolio) of outstanding loans with installments pending beyond 60 days. PAR 60 for the MFIs with SHG model is found to be 3.24%, which is higher than of the 2.42% for JLG–MFIs. The occurrence of NPA has been reported under SBLP also in this chapter.

Current Repayment Rate (CRR) : CRR, another measure of portfolio quality, represents the percentage of recovery of amount due to the total amount due. CRR for the above sample is 96.36 %, which is lower than 97.47% for JLG-MFIs.

Cost of Delivery: SHG-MFIs are found to be the most cost efficient. The Operational Cost Ratio is 12% (18% for JLG-MFIs) and Total Cost Ratio is 22% (30% for JLG –MFIs)

Portfolio Nature:The SHG-MFIs grew (portfolio growth) 93% during 2008-09. 89% of their total assets were of Gross Loan Portfolio. They had average per borrower portfolios of Rs.39500, which is much higher than that of JLG (Rs. 6639)



3.2 SBLP : Qualitative Performance

Quality of SHGs is a much talked about aspect of microfinance in India. The reason is that SHG-based microfinance is predominant model in the country. SHG model uses microfinance as a means to empower women through their own community - based organizations. The women are encouraged to form groups, which are the foundations of such community based organizations. Their group quality, in turn, determines the quality of the financial and social intermediation undertaken by SHGs. Many studies have been conducted by various agencies analyzing the quality of SHGs in India. Results of select studies are discussed below.

Sa-Dhan study on SHG quality

Side By Side 2008 carried the findings of Sa-Dhan study that had used a Performance Measurement Tool developed by Sa-Dhan to procure data from 266 SHGs across the country. The highlights from the findings are:

- ✓ Of all legal models studied, SHGs nurtured by Self Help Promoting Institutions (SHPIs) / MFIs with Society / Trust as legal constitutions were found to have better quality.
- ✓ In general, the SHGs functioning in southern and northern India obtained better grading in performance. Group in eastern and western India lag behind.
- ✓ Almost no SHGs studied obtained good grading in terms of their performance in social and community action.
- ✓ SHGs older than 24 months did not exhibit all the qualities of matured groups. As age of SHGs increased, their performance declined along certain parameters.

Box 4 : Rapid SHG Performance Survey 2009

To compare southern and northern SHGs, Sa-Dhan held a quick examination of SHGs located in North and in South India during December 2009. Sa-Dhan's Performance Measurement Tool was again used to collect data. The survey found that group performances were by and large encouraging and reveal the following aspects of SHG performance

- * The majority of group members could articulate the social vision and goal of their groups.
- * The members are homogeneous in terms of economic status and geographical proximity.
- * Among northern state SHGs, the regularity of meeting and attendance need to improve. Though they meet regularly, not all schedule meetings actually take place and in almost all the meetings only 90 % (or fewer) of the members participate. Similarly, among those present not all are actively involved in decision making. The southern state SHGs perform better in all these counts.
- * All SHGs save regularly on a monthly basis.
- * The northern SHGs, have group norms/regulation on savings, meetings, group management and credit and their implementation is good. The southern counterparts are found to be wanting in these norms and implementation.
- * Periodic election of office bearers does not happen properly among northern SHGs. Southern SHGs fare better in this respect.
- * Book keeping is good. Though, there is ample scope for improvement. The Keeping of minutes book is found to be better among southern SHGs compared to northern ones.
- * Loan disbursement to members is good. More than 60% of members get loans. However, southern SHGs appear to be inferior in terms of equitable distribution of loan amount.
- * The majority of groups have repayment performance of 85-100%. The incidence of less than 95% repayment could be a source of concern. Under this count, however, southern state SHGs score better than their counterparts in north.

SHG Performance : Summary of Research Findings

Financial Performance

Various researchers have observed that the financial performance of SHGs can not be captured completely because of absence of financial statements at the SHG level. There is an urgent need to develop comprehensive Management Information Systems (MIS) for SHGs that can be adapted for use across the country. Such system need to be user-friendly and capable of being operated by the members themselves. Certain MIS programs have been developed for SHGs, such as the one designed by MYRADA, a leading NGO. The replication of best performing MIS along with customization and training of members to use it for day to day book keeping and to track financial transactions are essential aspects in SHG management today. SHPIs and banks have a big role in this mammoth exercise.

Similarly, the internal control system of SHGs must be strengthened for improved financial performance. Some 40% of SHGs examined for a Lights and Shades study by EDA Rural System and APMAS had weak record keeping, while 54% of cases had moderate to good quality book keeping. Six percent of cases did not have records at all.

Outreach

Outreach and membership under SHGs have expanded every year since the programme's inception. According to NABARD report for 2008-09, more than six million SHGs contribute to the movement. Women from different socio-economic backgrounds including the poor, weaker sections (SC / ST) are now members of SHGs. The darker side of such inclusive program is 'Self Exclusion', which refer to the fact that certain potential members of SHGs keep themselves out of the groups or are kept out by existing members. The reason for self-exclusion, as understood from the EDA and APMAS study, include:

- ▲ Certain members are unable to contribute savings amount and do not require loans.
- ▲ Apprehension about loss of savings.
- ▲ Caste factor - members of marginalized castes may be reluctant to join
- ▲ Illiteracy and lack of confidence of vulnerable families in dealing with group processes - SHPIs not effective in ensuring participation of these individuals or families.
- ▲ Many have disagreements with one or more SHG members and hence do not join.
- ▲ Many do not perceive benefits of being members of the groups.

Factors Influencing Performance

Various studies have identified factors that can enhance or limit the performance of SHGs, as discussed below.

Activities like conscious capacity building as well as the economic activities, social status, self monitoring and communicability of SHG members are found to have significant and positive relationship to performance. Similarly, organizational system and discipline like regular savings, credit, book keeping and documentation significantly improve the financial performance of SHGs. Performance of SHGs has been found to improve with repeat loan, usually until a particular cycle when it starts deteriorating.

Among the factors limiting SHG performance, competition among SHPIs to form groups under a targeted approach is important. This has led to compromise on group quality and performance. Other factors that can limit the performance include:



- Seasonal migration of SHG members in search of wage employment leads to dropout and deterioration of performance.
- Households with variable income resorting to self-exclusion.
- Lack of resources and inputs on capacity building of group members.
- Lack of ownership among the members .
- Heterogeneity of group in wealth and caste hindering cooperation among members and hence the performance.

Impact of SHGs

The studies undertaken to measure the impact of SHGs on their members have yielded mixed results.

The major study on SHG-Bank Linkage Program carried out by NCAER and commissioned by GTZ and NABARD revealed that the groups studied reported a significant 6.1 % increase in their net household income and high growth of 11.2 % (per annum) in income from livestock activities. The annual household expenditure on education and health grew by 5.6 %

Similarly MYRADA found among their SHG member- interviewees that 89% of members of matured groups and 71 % of members of younger SHGs saw improvements in their financial positions. The EDA and APMAS studies revealed that the members became politically active at the panchayat level. They also observed that certain members of SHGs remained poor even after seven years of being members of the groups.

In qualitative terms, studies reveal that the members have become assertive and self confident in dealing with social evils.

Areas for intervention

The studies have shown certain areas that require stakeholders intervention to help the SHG program deliver desired results. These are:

- Capacity building of SHGs is of paramount importance to make the groups self-reliant .
- Consolidation of groups already formed rather than forming new groups.
- Standardization of systems and process for SHG management .
- The incentive system designed for SHG work should necessarily be based on the quality of SHG formed and nurtured rather than on the number of groups formed.

3.3 SHG Performance Management: Sa-Dhan's Standards Setting Initiatives

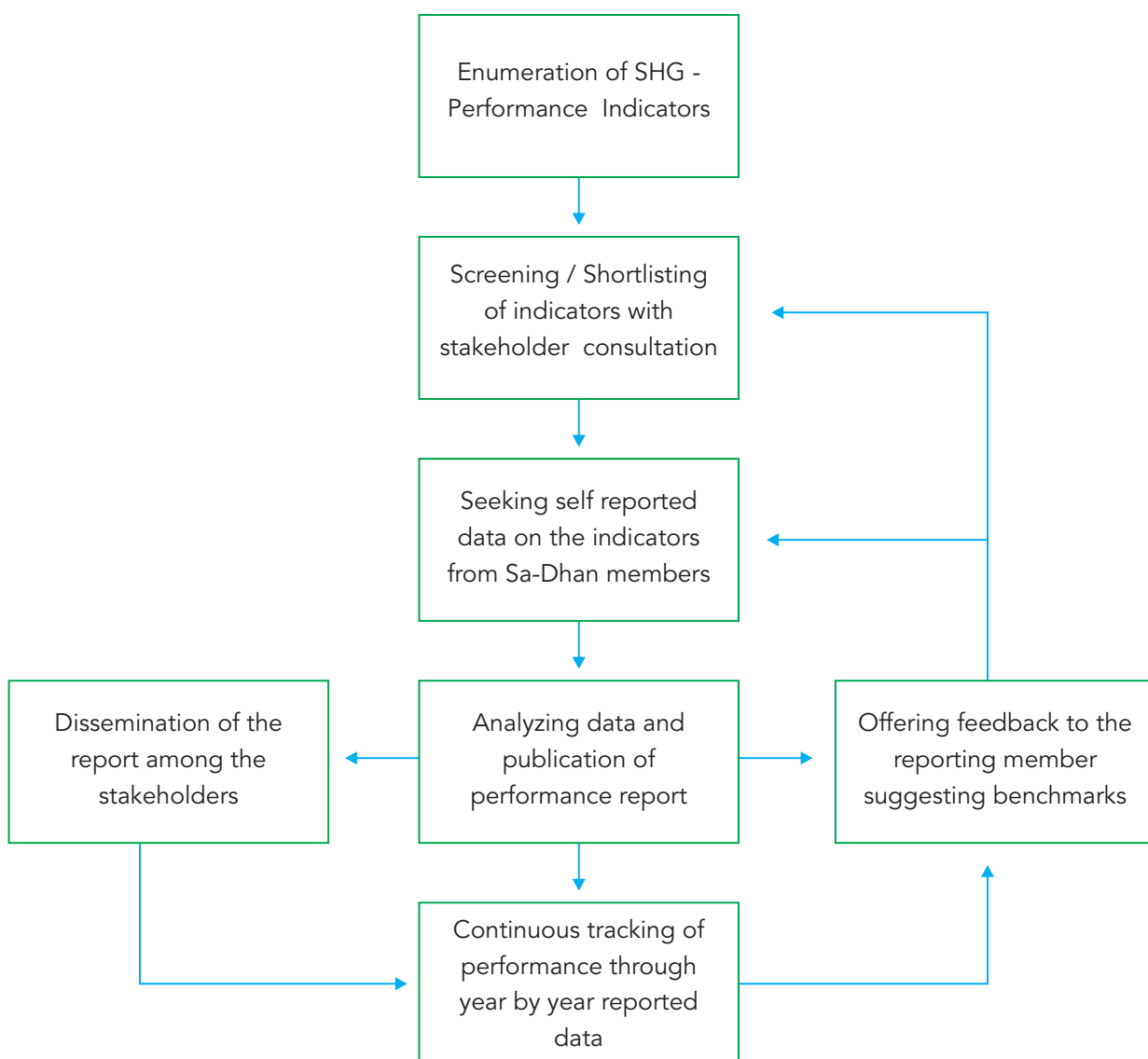
SHG work in India has been ongoing for over 20 years with the twin dimension of women empowerment and financial management. SHG performance management is therefore, a continuous learning process. Standard setting in SHG performance management is a part of that process and entails continual screening of best practices as well as identification of best performance indicators, dissemination of indicators, and collection of data on the indicators to monitor or track improvements, etc.

The Indian SHG sector has a wealth of literature on best practices developed by NABARD, NGOs, MFIs, Banks, research institutions, etc. Most of this literature is available in public domain and the same are referred to and used by many stakeholders. However, any best practice will yield good result only through consistent adoption by the users (with suitable modification). But with the exception of a few

voluntary initiatives to track users' performance/ practice through conscious study, most practices are not tracked and therefore can not be validated or subjected to refinement by collective wisdom. This deprives SHPIs and banks of the opportunity to attract external feedback / support. The regulators, government agencies and banks would be interested to know more about the standards of SHG work in order to fine-tune their policy formulation and support.

Against this backdrop, Sa-Dhan is introducing an SHG performance management reporting system among its members. It introduces the approach of such reporting system in this chapter to enable the members and others to offer their feedback and prepare themselves for contributing data. The initiative relies heavily on self reporting of data from Self Help Promoting Institutions (SHPIs). Sa-Dhan intends to seek data from the members especially from SHPIs, NGOs, MFIs and banks. The entire process is depicted in Figure 12.

Figure 13 : SHG Performance Standards Process



Who Should Report SHG Performance Data

SHG performance is the result of collective efforts of SHGs themselves and the Self-Help Promoting Institutions (NGOs, MFIs, Banks and government). Strong performance of SHGs is the ultimate aim of SHPIs, which aim to develop SHGs into self-managed, financial intuitions owned by the poor. Thus, the performance of SHPIs is a lever to create high-performing SHGs. Performance standards of both SHPIs and SHGs, therefore, assume significance to any one designing an intervention. It is important to collect data and track performance of both types of entities. However, as a member based organization that does not deal directly with SHGs, Sa-Dhan proposes its standards initiative largely with SHPIs (NGOs, MFIs and banks) and their data on SHG work. SHPIs are expected to self-report for Sa-Dhan's standards work.

Why Should Members Report Data

Sa-Dhan has been collecting financial performance data from its MFI-members and publishing two sector reports— Quick Report and Side By Side Report—for the past several years. The reports are well received by government agencies, regulators , banks and research institutes, as well as by Sa-Dhan's members. The finding in the analytical reports are quoted in other sector reports as well. They are found to create credibility and transparency among the contributing MFIs. Transparent reporting and disclosure is the corner stone of good governance among MFIs. Many banks rely on such data for complementing/reinforcing their funding decisions.

The scope of existing reports for MFIs is being widened by collecting data on more indicators and from nonmembers also. Thus, MFIs under Sa-Dhan umbrella have the opportunity to participate in and benefit from the transparency building process.

However, Sa-Dhan members who are NGOs (or MFIs dealing with SHG- promotion and lending) promoting SHGs and federations do not have many opportunities to showcase their good work . They have relatively little chance to increase their visibility. Their ground work, by and large, prepares the platform for microfinancing, livelihood promotion and other social intermediation, and hence deserves to be reported.

In addition, as noted previously, SHPIs' best performance has to be tracked for monitoring, external scrutiny and support and for evolving best performance for emulation by all players to build the SHG sector

Where we are

Going by the steps laid out in the process illustration (Figure 13), the work on enumerating best performance indicators has been initiated. The available research studies on SHG work have been reviewed to map the performance status of SHGs. The review is far from exhaustive. A part of the findings have been furnished in Section 3.2.

As a byproduct of the review of literature, the best performance indicators established by the studies have been identified, which will help in enumerating indicators of performance. The indicators so identified are furnished in Table 17 and Table 18. They will be further discussed by Sa-Dhan's SHG Task force on SHGs for screening indicators.

Table 17 : SHPI-Performance Indicators

SHPI Performance Indicators	
Aspect	Indicator
Group Formation	Nature of group formed
	Group formation strategy
	Number of groups formed
Training	Institutional capacity building strategy
	Training of SHG members with focus on knowledge, skill & attitude. awareness creation.
	Regularity & quality of training
Group Management Support	Regularity of interaction and relation with groups
	Monitoring, assessing and mentoring the group towards self-reliance.
	Guidance in group meeting proceedings
	MIS development support
Financial Management Support	Savings management support
	Income generation support
	Group asset building support
	Bank linkage support
	Credit linkage facilitation
External Linkage Support	Market linkage (forward & backward)
	Linkage with private and govt. enterprises /schemes
	Linkage with financial system
Advocacy Support	SHG image building and advocacy among govt. agencies, financial institutions and the public

Source: Review of research literature by Sa-Dhan

When to Report Data

The short-listed indicators will be communicated to members during the months of April-May 2010 along with data sheet format to enable them to report data.



Table 18 : SHG Performance Indicators

SHG Performance Indicators	
Aspect	Indicator
Group Dynamics	Member affinity, homogeneity, cohesiveness and cooperation
	Regularity of meetings
	Meeting attendance
	Member participation in decision- making
	Leadership quality and group democracy
	Defined rights and obligations
	Communication among members.
	Shared group vision and goals
Group Development	Training undergone by members
	Collective learning opportunities
	Member continuity (Absence of drop out)
	Linkage with external institutions
Group Management	Self -regulation, Self -monitoring and autonomy
	Process documentation
	Governance quality
	Quality of MIS
	Performance assessment
	Shared responsibility of tasks
	Transparency of operation to members and external agency
Crisis management	
Financials	Timely and voluntary savings
	Amount and periodicity of savings
	Group loan disbursement and repayment
	Interest rate structure– group savings and group loans
	Bank linkage for savings and credit
	Funds management
	Book keeping quality
	Transaction cost –savings, credit, governance
	Internal lending pattern
	Group loan quality
	Loan utilization
Self -sustainability and profitability of finance operation	
Economic Activity	Entrepreneurship of the members
	Group income generation activity
Impact on members	Individual savings, availability of credit
	Dependency on informal money lenders
	Group support for family income generation
	Spending on education , health , school attendance of members' children
	Vulnerability to diseases
	Member skill enhancement and self- confidence
	Women empowerment
Family and individual need satisfactio	

Source: Review of literature (research studies and SHG tools viz NABARD, BASIX, APMAS, Union Bank of India, Pragathi Seva Sansthan and so on)

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Social Performance



SIDE BY SIDE 2009

4. Social Performance

Social Performance has gained the attention of all stakeholders in microfinance. A great need is felt by investors, regulators and microfinance institutions to demonstrate that the work of the organizations is actually benefiting the client. During the last several years a comprehensive framework has been developed to track improvements in living standards of the poor as well as to identify the strengths and weaknesses of the operations of MFIs. The aim of this chapter, therefore, is to describe the rationale for Social Performance in Microfinance and to discuss challenges that arise. Section one describes the framework and the idea behind the Social Performance Pathway, section two introduces the relevant indicators and section three gives a short overview of tools available and reporting procedures. Section four concludes with a summary and outlook.

4.1 Social Performance framework*

"In Microfinance.....It is significant that we do not really know where we stand. We have no reliable aggregate numbers on clients, active or inactive, and continue to assume that the gap between those reached and those not reached automatically means a demand for our services (without taking debt capacity into account). Nor do we have even a rough sense of who has moved out of poverty and who has not. [...] we have instead a Babel of claims. People can say almost anything and with the public relations or 'halo effect' surrounding the field, much of it goes unquestioned."

This comes from the preface of a book published in 2007, with the catchy title of 'What's wrong with Microfinance' (Ed. Thomas Dichter and Malcolm Harper). This observation reinforces the interest among stakeholders around the world in what is generally known as 'Social Performance' .

The current interest in the Social Performance of microfinance is a response to the lack of information about key values, a lack of evidence about what is being achieved and, to the extent there is information-a growing recognition that achieving social goals requires a deliberate strategy by MFIs. As the industry grows more competitive and commercial there is also a demand for evidence that the social objectives of Microfinance are not being abandoned, and a call to define what those social objectives are.

Two main groups are contributing to this demand: social investors, who seek assurance that their investment funds are flowing into microfinance institutions that are really achieving the social goals expressed in their mission statements, and microfinance institutions themselves, who are beginning to recognize that they can not know whether they are achieving their desired social goals without having information or evidence.

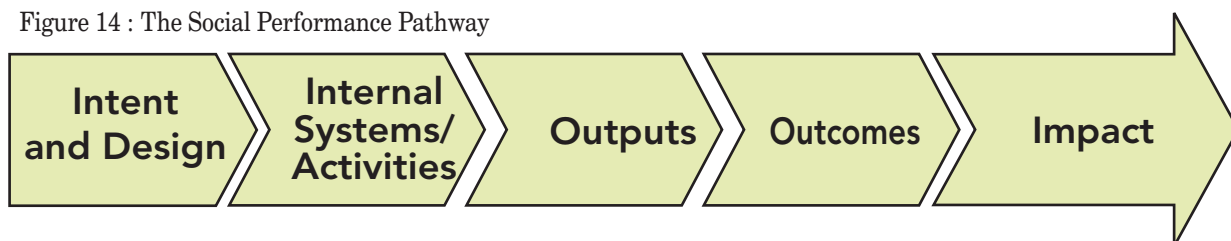
Understanding Social Performance

Traditionally, Social Performance has been understood in terms of complexity of impact assessment on the one hand and the other hand as a sort of counterpart, nice pictures and case studies of clients. To be more practical and more robust, the new thinking around Social Performance demand analyze of the steps that are necessary to create impact (in comparison with a focus on impact assessment per se). Unpacking these steps provides a clear framework with manageable indicators related to intent, implementation, outputs and outcomes.

* We thank Frances Sinha of EDA Rural Systems Pvt. Ltd. for contribution for the section.

The Social Performance Pathway reflects the definition: putting mission into practice in line with accepted social values, as shown in Figure 14.

Figure 14 : The Social Performance Pathway



INTENT AND DESIGN

- What is the mission of the institution?
- Does it have clear values?
- Does it have clear social objectives?
- Is the strategy aligned with mission?

INTERNAL SYSTEMS & ACTIVITIES

- Are systems designed and in place to achieve those objectives?
- Does the institution have information to track performance towards those objectives?

OUTPUTS

- Who does the institution serve? Is it reaching intended clients? Poor/excluded people?
- Are the products catering to their needs and capacities?

OUTCOMES

- Have clients and their households experienced social and economic improvements?

IMPACT

- Can these improvements be attributed to institutional activities?

4.2 Reporting Standards: Background

The Social Performance Task Force (SPTF, of which Sa- Dhan is a member) is a collaborative group of over 350 Microfinance stakeholders, including practitioners from all regions of the world, donors, investors, and support organisations. In the last annual meeting of the SPTF in Madrid last June, there were over 40 Microfinance networks, including Sa-Dhan, engaging with Social Performance issues for the first time. At the Madrid meeting, the Microfinance Information Exchange (MiX) presented its Social Performance Standards as the basis for Social Performance reporting in the future. The standards are the results of an iterative process underway since 2006, through which the SPTF has engaged with organizations already active in developing social assessment tools both within Microfinance (Cerise, Imp-Act, the INAFI network, the FOROLAC network, the specialist rating agencies and more recently the Campaign for Client Protection and Microfinance Transparency) as well as in the corporate sector (Global reporting initiative),

and piloted with MFIs across the world since 2006. After a broad survey in 2006, there was a detailed pilot in 2007, with a draft set of Social Performance indicators piloted by 57 MFIs from all regions of India (including NGO-MFIs, NBFCs, Microfinance Banks, Cooperatives/Credit Unions, and Banks). For each indicator, MFIs responded to the following four statements:

- 1) This data can be easily obtained;
- 2) This data can be easily verified;
- 3) This indicator is relevant to my institution; and
- 4) My institution is willing to publish the data of this indicator publicly on the MiX.

Based on the responses and the reporting experience, SPTFs next meeting in 2008 including a discussion around 22 indicator categories, divided into 13 indicators in 'Part I' - 'Agree to Report', which are deemed the relevant, able to obtain, possible to verify and willing to publish, and 9 indicators in 'Part II' - 'Agree to Work On': that were considered relevant, not yet able to obtain, but worth continued effort to find ways to define, or to collect the information.

Uniform standards

The Social Performance Pathway provides a basis for uniform Social Performance reporting. It helps move away from diverse—and therefore burdensome -reporting requirements on various measures to different funders/ investors. The Social Performance Task Force has taken up the challenge to develop a uniform set of social reporting indicators, based on the Social Performance Pathway, through an interactive process which aims at standards that are meaningful to different constituencies, practical to apply, not too onerous to collect (but that will nevertheless involve some systematic effort), relevant to the MFI and integrated into MFI systems. In other words, the aim is to achieve in the field of Social Performance reporting, what we have for financial reporting.

Voluntary Reporting

Since early 2009, over 150 MFIs have reported to the MiX on Part 1; many have also started to report on Part 2. The Indian MFIs that have reported are ESAF, Mimoza Enterprises Finance Private Limited, Ujjivan and Sonata Finance Private Limited. The results have started to appear on the MiX website already (Box 5). All MFIs are invited to report on Part 1 to the MiX, all country and regional networks are invited to support this process, encouraging their members to report on social performance; providing feedback on the consensus so as to build an even stronger foundation in the future; adding or adapting questions that seem appropriate in local contexts: and finally, supporting methods of verification and ensuring relevant standard reporting in order to help build the credibility of microfinance as a double bottom line sector.



Box 5 : A snapshot of Sa-Dhan members' Social Performance reporting to the MiX

Four Indian MFIs have reported on their Social Performance to the MiX so far. This is not a representative sample of Indian MFIs or Sa-Dhan members.

Indicator 1 a): Social mission statements

(...) mission is to provide financial services to the economically active poor, to enable them to lead a 'better life

(...) see BPL households getting access to sustainable micro finance services and pulling themselves out of poverty

To empower the poor and marginalized, especially women, children and youth by providing access to financial, marketing, health and natural resources and technological support to explore the fullest human potential and create opportunities for sustenance, development and holistic transformation.

Strengthening economic capacity of urban/rural small business operators to ensure economic self-reliance.

Indicator 1 c): all 4 MFIs focus on poor clients (though they apply three different reference points in estimating the poverty levels of their clients: a poverty line of the Indian government, family income of less than 2000 INR and the international 2\$ a day poverty line)

Indicator 1 e): all 4 MFIs serve women in urban /semi-urban areas; none serves adolescents and youth (below the age of 18)

Indicator 1 g): all 4 MFIs have the development objective of poverty reduction

Indicator 7 a): the dropout rate of the 4 MFIs ranges from 8 % to 35 % with a mean of 17.25%

Indicator 8 b): all 4 MFIs use plain language and provide full disclosure of prices terms and conditions in their contracts and communications.

Indicator 8 c): all 4 MFIs have a code of acceptable and unacceptable collections practices in place

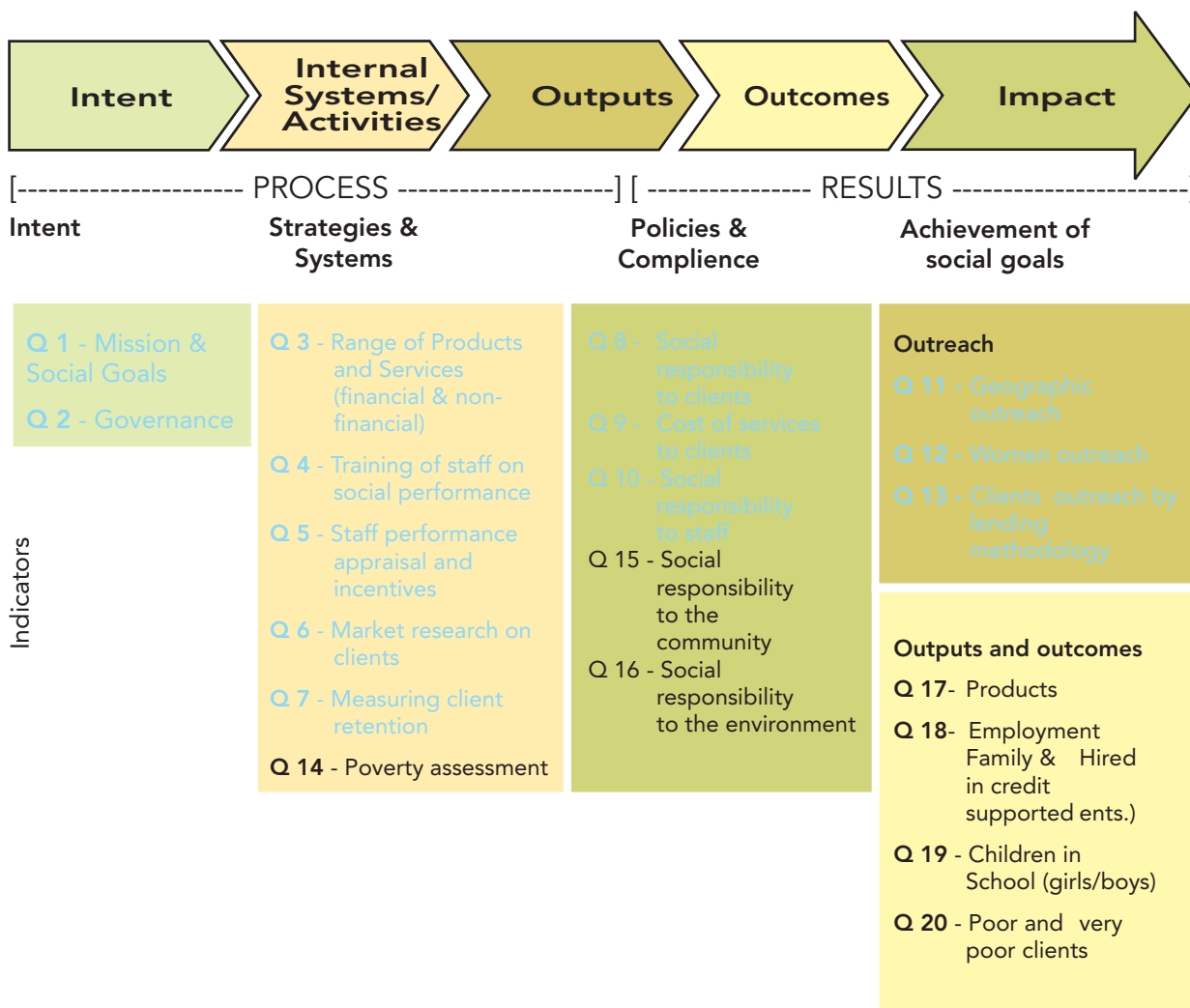
Indicator 14 a): all 4 MFIs measure the poverty levels of entering or recently joined clients
Indicator

14 c): all 4 MFIs track the changes in the poverty levels of clients over time

Indicator 15 b): all 4 MFIs promote transparency and anti-corruption



Figure15: Indicators and the Social Performance Pathway



4.3 Social Performance Indicators

This section will connect the indicators to the Social Performance Pathway. It will also give a sample of indicators and the sub questions aligned to them in order to highlight the comprehensive nature of the framework.

The current Social Performance reporting to the MiX consists of 22 indicators. The emerging consensus on reporting indicators is shown in Figure 15, with Part 1 shown as Q1-Q13 and Part II shown as Q14-Q22. They are mapped in relation to the dimensions of Social Performance from the pathway. The indicators 'still to work on' are mostly to the right of the pathway, reflecting outputs and outcomes. The set of indicators on the MIX comes with a clear rationale, a set of definitions and a glossary of terms. Each indicator has a subset of questions and options which provide details on what is involved in any of the dimensions and offer insight into standard practice. In this chapter, the Part 1 indicators will be introduced in detail, while Part 2 indicators will be touched upon.

The part one indicators are those on which Sa-Dhan requests its members to start reporting . They are given in detail in Annexure 6, together with their relevance in the Indian context and practical suggestions.

4.4 Why Should Sa-Dhan Members Report on Social Performance

Assessing Microfinance Impact

Social Performance management can be seen as a second-best solution to impact assessment. Microfinance has to show that it results in better living standards for the poor. Impact assessment studies look at how the work of MFIs contribute to changes in their living standards. But there may be alternatives to assessing microfinance with standard econometric assessment from outside the sector. Well designed impact studies require a lot of time and money, especially in India where the sector, geography and population are very diverse. Social Performance reporting can be seen as a practical substitute for impact assessment.

Addressing Regulators' Concerns

During the past several years, there has been some degree of cynicism among the public about the intention of microfinance providers and the impact the sector makes on the lives of the poor. The cynicism is also fuelled by some vested interest groups (money lenders in particular) whose parochial business interests are jeopardized by the growth of the sector.

The sector provides space for glorified money lenders to fake standard microfinance practice, and undesirable practice of these imposters threaten the image of the sector. More over, in their rush to reach more clients even genuine MFIs inadvertently cause competition that results in multiple lending/borrowing. This has led to some instances of complaints against players in the microfinance sector. All these have made regulators and government agencies grow cynical about the microfinance sector.

In this context, Indian MFIs in general and Sa-Dhan members in particular, need to work hard to prove that their operations are well intended and create desirable social impact among the poor. Social Performance reporting will assist in this regard by enabling Sa-Dhan to consolidate data on good work done and to place it before the stakeholders.

Mobilizing Resources

Funding microfinance growth has been key area of concern for MFIs. Indian banks have the potential to serve as resource partners that enable MFIs to scale up their operations. In 2008-09, according to NABARD data, more than Rs. 12000 crore has been lent to microfinance sector (SBLP) from the banking system.

Majority of banks in India are owned by the government and therefore are concerned about social banking—the very purpose for which they were nationalized. The government and hence the government owned banks are conscious about what their funds do to the clients.

Lending to MFIs and SHG has been brought under priority sector lending under the premise that microfinance helps the priority clients. Banks look for evidences to support MFIs' position as a priority sector borrowers. Social performance and its reporting will enable the banking community to extend the needed financial support MFIs.

In Indian MFI market, it is also imperative to attract social investors and equity participants for sustainability.

Social investors may be interested in investing in MFIs, if MFI-reporting produces testimony for social impact. In this way, social performance reporting can become a base for resource mobilization.

Self-Regulation and Image Building

The social responsibility of MFIs towards their customers is an area where rules and benchmarks are required to ensure customer protection. Sa-Dhan's Code of Conduct (Annexure V) covers these social responsibilities by incorporating core values, best practices and inside knowledge of the Microfinance sector in India. The Code of Conduct (CoC) implementation and enforcement is very much warranted now.

The stakeholders must learn more about the nuances of financing the poor people. Social Performance reporting and management can be seen as a tool for educating the public about the good work that is being done through microfinance. The sector itself should lead the discussion about viability and need of profits made in the business. At the same time, the sector must be clear about good practices and standard rules (as agreed on in the Sa-Dhan Code of Conduct) to identify violators and to give them a chance to revise their business policy.

If social performance data is captured in a standardized way, fed into management information systems and tracked over time, microfinance can ultimately deliver impact assessment itself, provide evidence to counter illfounded criticism of the sector.

In addition, reporting on social performance indicators helps build knowledge on best practices.

4.5 Where, When and How to Report

Sa-Dhan members are advised to report data for the year 2009-2010. Since Sa-Dhan is a member of global Social Performance Task Force which designed the indicators, Sa-Dhan members may use the task force (Part -1) indicators to begin reporting. This data will be published in the forthcoming Sa-Dhan Social Performance report in 2010. The importance and relevance of Part-1 indicators for Indian/Sa-Dhan MFIs are narrated in Annexure 6.

As another member of the task force, the MiX has also started receiving data on social performance from certain Indian MFIs (the abstract of this report is furnished in Box 6). In order to avoid duplication, the data sheet suggested by the task force and used by MiX can also be used by Sa-Dhan members. There has been discussion between Sa-Dhan and the MiX to share the data they receive.

Sa-Dhan's members-MFIs can download the Social Performance report datasheet for the MiX website: <http://www.themix.org/standards/sp-reports>. The same report datasheet can be downloaded from the Social Performance Task Force website: <http://www.sptf.info/page/social-performance-indicators>. Once completed, the members/ MFIs may e-mail the report to Sa-Dhan (standards@sa-dhan.org) as well as to mpistelli@themix.org.

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Competition of MFI Performance



SIDE BY SIDE 2009

5. Competition

and MFI Performance

Microfinance activity has got intensified in India. The rates of annual growth in the number of microfinance clients and in the portfolio have been in the order of 40% and 70 % respectively. The total client outreach was in the vicinity of eight crore by the end of financial year 2009. The government has resolved to achieve 100% financial inclusion by the year 2015. Considering the total number of poor families, the scope for outreach is vast, both in terms of width and depth. The level of outreach required can be realized through collective action by all finance service providers - both mainstream and MFIs.

In the meantime, certain developments in the microfinance sector have become sources of both elation and concern. It is encouraging to see the growth of the sector and its increased support from the government, NGOs, private players, banks and the public at large. But the flip side of the development appears to be unhealthy competition among the service providers, affecting the performance of the service providers and the clients. This chapter deals with certain important aspects of competition in microfinance in India.

The broader areas covered under this discussion include the drivers of competition, mode of competition, the positive and negative impact of competition and effective strategy for the MFIs to handle the competition.

5.1 Drivers of competition

Though the motive of individual MFIs to compete varies, the following section narrates several factors that may drive the competitive environment.

Geographical Concentration

The spread of microfinance activity is skewed and heavily concentrated in the southern region of the country. According to NABARD data, 46 % of the SBLP's savings clients and 54 % of its loan clients are located in the southern region. Similarly, most of the microfinance clients of MFIs are based in the south. Andhra Pradesh, Tamilnadu and Karnataka have high concentration of clients, particularly in certain districts. Districts of Coastal Andhra Pradesh, Krishna and Mehabub Nagar districts, for instance, have high concentration of activity. Southern states initially had greater patronage of NGOs and state governments, which may have allowed the microfinance movement to make greater inroads in these states. The factors influencing the choice of a particular area for concentrated activity by MFIs needs to be understood through a systematic study. However, experience indicates that the availability of 'prepared and receptive' client base for the newer players may have encouraged more MFIs to begin operation in areas that already had other MFIs, before spreading their reach to other areas. MFI branches have tended to cluster in areas that indicate viable business volumes (Krishnaswamy 2007), and concentrated operation of many MFIs among a given client base has lead to competition among them.

Strong Need for sustainability

Most of the present MFIs earlier operated as NGOs extending non-financial services before they entered into credit services. Their clients' expectation and demands have drawn these NGOs to credit transactions. However, finance is a different arena altogether and the financial discipline must be adhered to for successful operation. Once loan facility given to clients, the extension of credit should be repeated in cycles. For that, MFIs need to identify sources of both financial and human resources. MFIs need to grow constantly and profitably to source the financial resources from the commercial suppliers. Similarly, their

growth and profitable operations will aid them to attracting and retaining quality staff. This cycle will accelerate the appetite for growth, leading to competition. The competitive spirit of the MFI management will trickle down to the field level functionaries through mechanism like target set for quantum of loan disbursed, new clients acquired etc.

Need to Lower Group Formation Cost

Microfinance clients usually do not have a borrowing track record or credit history. This is provided to them after interacting with the MFIs over a number of loan cycles. As part of their initial investment, MFIs 'lay the foundation' for track record by forming groups and training the clients. This investment pays off only if the client undertakes a certain volume of loan business with the MFI, and the pay off is larger if the clients continue undertaking business with the MFI. Microfinance clients, however, might be persuaded by competitor to cut off their relationship with one MFI and migrate to another. These clients are considered ready for loans, though the initial investment was made by the original MFI. There are instances where MFIs skip forming groups or form groups just for the sake of group guarantee leading to lack of group cohesion, which affects repayment.

Shifting Loyalty with Credit Officer

Another important driver of competition is staff changeover among employers, which is quite common in the Indian microfinance industry. In a phenomenon common to all service industries, financial services become tangible only through the individual actually providing them. If a set of clients is satisfied with the services of a particular credit officer—who serves as the interface between the MFI and the clients, and is perceived to be a friend and philosopher by the clients—the credit officer will enjoy high client loyalty. If the credit officer switches employers but continues to operate in an area that overlaps with his previous operations, the officer will be able to achieve quick results by serving the same set of clients with products of the new employer. This results in competition between the shifting officer—who wants to entice the clients to switch MFI—and the staff of the original MFI, who strive to retain the clients.

**Box 6: Contours of Competition**

Competition among MFIs exists in terms of ideas, ideology, practices, market share, resources, client, and visibility.

Competition in the realm of ideas revolves around who does it first. There is competition among MFIs to come up with ideas, which often causes wastage of resources. Sharing ideas and following an open source model may be more effective than the proprietary model of functioning.

Ideology plays an important role in competition because it has implications for resources and support from regulatory agencies, public agencies, press, and others. Ideology has been used by organizations in the sector for disreputable purposes. For example, it has been used to exercise territorial hegemony by preventing organizations working on a different model of financing from entering one's territory. It has also been used by organizations to keep themselves out of the purview of objective evaluation by asserting superiority on account of a certain ideology.

We also observe competition in practices (methodology) as organizations compete for the most effective practice and constantly strive to make it superior to the others in the field. Practices are shaped by ideology and business model. Practices have implications for client acquisition (poaching or buying clients) and the recovery mechanism employed. Though market appears unlimited, we do find MFIs competing for sets of clients in certain geographies. When there is competition to acquire additional market share, but if MFIs focus too much on certain clients while acquiring market shares, it may lead to overexposure and over lending. This might lead to less stringent appraisal norms of clients prior to lending.

Though resources also appear unlimited, providers of resources are finite in number, hence there is competition over resources. The providers of resources (funding agencies) often look at volume, number of clients, intended impact and transaction size. Competition over resources has implications for interventions undertaken by MFIs. MFIs also compete for visibility provided by conferences, awards, international recognition etc.

-Excerpts from M.S. Sriram's Speech in Sa-Dhan Conference at Bangalore (2006)

5.2 Modes of Competition

Competition exists among all types of market players including banks and MFIs. In some Indian states, government programmes offer subsidies and larger loans and established SHGs move away from their promoters to grab these facilities. Groups are encouraged to split and reform to access the government-offered benefits. This leads to competition between government programmes and NGO/MFI programmes. In the early days of microfinance, banks 'acquired' groups from NGOs by offering incentives to the NGOs.

This type of competition was also evident during the AP crisis, when government representatives were reported to have accused the MFI movement of "eating into the SHG movement". At this same time, the governments' Pavalavaddi (quarter interest) was found to be highly competitive rate, which the MFIs are still unable to match.

Competition among MFIs

In general, competition exists in terms of market share, clients, funding and also for staff. There are multiple levels at which competition has become a part of business environment.

Competition for client acquisition occurs mostly when a new institution enters the space occupied by another institution. This results in competitive offers to entice clients from existing institutions. Some of these offers are listed below:



- * higher loan amount (very often used tool)
- * a longer repayment period
- * lower rate of interest
- * shorter time for processing the loan application
- * shorter waiting period for a client to take a loan after enrolment
- * possibility of multiple loans and also add-ons, such as insurance cover for risks such as accidents

Efforts to poach staff from existing players intensify the competition. The staff are enticed with offers of better salary, better incentives, better designation, career position, place of choice, better training, improved growth path, etc. The 'readymade' manpower exerts pressure on MFI who lose such trained hands to compete with the new ones.

Certain section of MFIs follow the policy of lending to existing borrowers with loan outstanding with other MFIs until the collective amount of a client's loans outstanding reaches Rs.50000/-. Clients may also be offered micro housing loans over and above the micro credit. These happen irrespective of the repayment capacity of such clients.

Buying Market share, ego wars of MFI leaders, undercutting through indiscriminate pricing, and entering the market through political connections are other means of competition witnessed in the market.

"There is competition among MFIs to show that what they are doing is novel. In a bid to prove themselves as pioneers not only is there a wastage of resources but also it impedes the process of developing a larger vision for the sector." - Ajit Kanitkar, Ford Foundation, (at Sa-Dhan Conference, Bangalore 2006)

5.3 Impact of Competition

Ideally, client of MFI should benefit from competition because it should lead to better service, lower interest rates, and better products. Access to more credit should lead to more investment and income and should ideally translate into reduced poverty. But many studies reveal that this is not often the case.

Multiple Borrowing

Many people borrow from MFIs, banks, moneylenders, friends and relatives, chit funds, SHGs etc. But MFI and SHG customers stated that these organizations cover only about 60% of their credit demand (Sa-Dhan, 2006). Research indicates that only 3 or 4 out of 10 MFI/SHG clients are multiple borrowers (Sa-Dhan, 2006). Krishnaswamy (2007) finds that fewer than 1 out of 10 clients borrow from multiple MFIs.

The reasons for joining multiple MFIs and groups are mixed, as shown by various studies. Some argue that loan sizes are too small to undertake economic projects. Others argue that clients have over-extended themselves and must move from one player to another to get money to manage their liabilities. When multiple lenders are present, competition leads to rapid movement of clients from one lender to another. Competition complicates things to the disadvantage of both clients and MFIs.

Over Indebtedness

Microfinance clients who borrow from multiple sources, particularly from multiple MFIs, may be overfed with credit. Differently put, they may be exposed to the risk of over-indebtedness. Over-indebtedness is dangerous for the client as her property might be subjected to attachment, and it is dangerous to MFI both because the process of attaching property results in some extreme cases of client stress. Above all, MFI's credibility as agents working in the interest of the poor would be harmed. Since microfinance clientele are politically sensitive, consequences of over-indebtedness may also entail political risk.



Box 7 : AP Crisis & Competition

The Andhra Pradesh crisis was triggered by different factors including intense competition and competition related excesses. Higher loan amount had become a key instrument for poaching clients from competitors. This was considered to be 'dumping of loan amount' in the hands of poor women who could not repay the amount. There were also reported to be questionable practices for recovering the amount. Demands to show 100% rates of recovery to impress MFI stakeholders including funding agencies, encouraged coercive collection practices leading to customer dissatisfaction and hostility.

"Over the last 4-5 years higher competition and Andhra Pradesh crisis have led to rationalizing of interest rates. MFI in the upper extremes have reduced interest rates which now range around 24% per annum. In the recent past larger & well established MFIs despite achieving economies of scale have not reduced interest rates further despite competition. This is because of large unmet loan demand of customers, which make them insensitive of the interest rates charged by MFIs. However, with increased competition customers have option to choose between MFIs. They are exercising this option by 'using their feet' when they are unhappy with the way they are treated or with the products features by walking out of the relationships. This has led to higher customer drop outs for MFIs. This is a positive impact of competition."

Samit Ghosh, CEO, Ujjivan Financial Services

Box 8 : Over Lending is Harmful and Not Multiple lending

As understood from the arguments in this report, multiple borrowing is like buying of household items from multiple sources, a common phenomenon. Microfinance clients resort to multiple borrowing to meet their needs effectively.

Similarly, if multiple borrowing is common and is not always harmful for the customers since it helps them to meet their needs, multiple lending also should not by definition be harmful. There may be more than one MFI involved in meeting the needs of the clients, as a single MFI might not be able to provide the variety or quantum of financial solution needed by the clients. Loan syndication, a contemporary example is available from the mainstream banking sector to support this argument.

What is harmful is snatching clients from other MFIs and lending indiscriminately to them without verifying their repaying capacity.

Clients might be motivated to borrow from multiple sources (not voluntary multiple borrowing) due to the hard core marketing efforts of the providers. This happens particularly to show results when the loan officer changes his/her employer.

In a recent meeting of Sa-Dhan members, held to discuss the Code of Conduct, members unanimously felt that MFIs do not normally objectively verify the repaying capacity of the clients before lending. This amounts to taking the huge risk of jeopardizing the health of the MFI operation and also the welfare of the clients who could not repay because of over-borrowing.



Box 9 : FINDING (On Effects of Competition)	COUNTRY (Source)
Competition Provides benefits to customers in stages: first on access, then service, then price	Kenya, Uganda, and Pakistan
The degree of information sharing available about borrowers is critical to the outcome of competition	Uganda, Guatemala
Competition may lead to increased efficiency but may be unstable	Bolivia vs Peru
Competition may lead to multiple indebtedness of borrowers, resulting in lower repayment rates	Bolivia, Bangladesh. This is not the case in India (as found out by Krishna Swamy)
More concentrated markets may have more, not less competition	Bolivia vs Peru
The social outcome of competition is ambiguous : Competition leads to innovation but reduces the ability of lenders to cross –subsidize less profitable smaller loans	Bolivia

Customer loyalty to Intermediaries

For obvious reasons, competition alters the internal practices of MFIs. Each successive cadres in the hierarchy is given targets in terms of number of clients acquired, amount of loan disbursed and recovered, etc for a given period. Target-based incentive system including pay hike and recognition are reported to have resulted in certain aberration in the field. In the process, the relationship between the clients and MFIs gets strained. The personal relation of MFI staff is 'replaced' by emerging intermediaries whose services are used to form groups, secure repayment etc . Sa-Dhan team found such an occurrence as narrated in Case 1.

Case-1 : Kanpur city in Uttar Pradesh is a hub of leather and cotton industries. Microfinance is one of the important sources of finance for the poor including migrant laborers working in the leather industries.

In the central part of Kanpur, there lives a well informed women by name Mrs. Punam. She is relatively well off, with certain household commodities like TV and other utensils. She is also literate to the extent that she can understand English spoken to her. She wants to be considered as an important person and is a key informer to many outsiders. Her ambition is to become politically active with public support, at least in the ward level of the municipality. She is approached by many field functionaries of MFIs who wish to utilize her services. She apparently is cooperative and hospitable to outsiders seeking key information about the locality and households .

She hands over a set of documents that include her neighbors' loan passbooks pertaining to the loans they have received from different MFIs. She does not have her own, as she is not herself a borrower.

So why are her neighbours' loan pass book in her custody ? The answer reflects a development in microfinance practice at the field level across the world. Mrs. Punam is an unofficial agent mediating between the local women borrowers and the lenders, including the MFIs. She is reported to often help approaching MFI-staff to form 'quick' groups, based on her acquaintances in the locality. She also claims to have helped MFIs by advising her borrower-neighbors to repay the defaulted loan installments. It is later confirmed that she often serves as recovery agent for certain MFIs.

What is startling is Mrs. Punam's level of confidence in asserting "the members are at my disposal ...they will stop repaying loan to MFIs if I advise them to do so"



The phenomenon of intermediaries emerging between the MFIs and the clients is reported across the world, as indicated in the SEEP conference held in Singapore. The MFIs seeking to grow fast to compete with others inadvertently promote such developments at the field level. Very often, the information about such happenings at the client level does not travel up to reach the management of MFIs. The growth – conscious management would be comfortable only receiving information on 100% recovery and growth of the portfolio. Their attention is drawn to instances like these only when the business transactions are disturbed, as understood from/made known through the monthly reports/meetings.

Fishing in Troubled water

As with the activities of Mrs. Punam, (case 1) which were encountered during a field visit made by Sa-Dhan team in Kanpur, many interests would exploit the competitive situation among MFIs to their advantage. Rumors have been reportedly spread by such vested interests (or possibly fellow competitors) to sabotage the operation of certain MFIs. Through one rumor, the clients of an MFI were made to believe that the head office of the MFI had been shut down and operation had been wound up due to exigencies experienced by the top management. During the interaction with clients of that MFI, the clients' debate on the need (or otherwise) to repay the loan to the MFI was observed. This also was found to be one of the reasons for the highest Portfolio At Risk (PAR 60) - > 60% reported by the MFI. This problem was compounded further by the insulation created by the intermediaries managing the relationship between the MFI and the clients. The priority of the MFI now is to 'locate' the members of their disintegrated groups by visiting and establishing contact individually. In all probability, the MFI operation could be the victim of the unhealthy competition in the town, rather than its own faulty approach.

5.4 Client Perspective in Competitive settings

During the field visits made by the Sa-Dhan team to Kanpur and Mehabub Nagar, another locality in Andhra Pradesh with intense MFI competition, the perspectives of the clients on different aspects were elicited. (These perspectives are anecdotes only and have not been corroborated with other systematic studies or observations)

On competition

In both the localities, as generally expected, clients welcomed competition. They felt that more competition gives them wider choice. They resort to multiple borrowing because of emergencies in the family. Competition among MFIs helped them to immediately get loans to meet their needs from the other MFIs. Most of the clients met were happy about the efficiency of MFIs in delivering credit quickly.

The waiting period for getting loans has come down because of the competition. Some of MFIs were not able to meet additional credit needs of the clients because of their inability to get refinancing (loans) from the bank. This has encouraged their clients to seek help from competing alternative MFIs.

On reason borrowing from MFI

Among various reasons for getting loans from MFIs, clients quoted ready access to credit as the most important advantage.

On interest rate

Clients do not seem to have enough patience to attach importance to interest rate because of exigency with which they seek credit. However, they are aware that MFI interest rate is lower than that charged by money lenders.

On micro insurance

The clients were happy to have insurance as an added feature of the loan product, but they expressed dissatisfaction about the fact that the insurance is made compulsory.

On installments

Clients felt that weekly repayment obligations are cumbersome and instead preferred monthly repayment as provided by some of the MFIs. They are at times compelled to set apart amount otherwise meant for purchasing provisions (groceries) in the local market/shandy for the installment amount due. In some occasions, they had to borrow from members/ villagers to repay the weekly installment.

On recovery

They felt somewhat uncomfortable with the requirement that 100% repayment must be made by all the members of the groups in the centre meeting before group members are allowed to leave.

Box 10 : Women Have The Intention To Repay

Even in Kanpur, where certain sections of women stopped repayment to MFIs because of the collapse of the group system, individual members say they intended to repay. When the Sa-Dhan team interacted with the defaulting women members, they expressed their desire to repay the loan once all other members would come forward to repay. In the absence of a group system (with respect to their transactions), they expressed their apprehension that if they repay the loan in their individual capacity, the rest of the members might/would mistake them. An extraneous uncertainty factor (may be perceived threat from the so called intermediaries) was also found to delay their repayment. This attitude of the women borrowers could be the foundation of future healthy Indian microfinance

5.5 Way Forward

Financial services have the power to help people to improve their lives. However, if offered carelessly or used improperly, financial services-especially credit - can also cause harm. Achieving financial inclusion and poverty alleviation calls for cooperation among practitioners. If we accept financial inclusion as our common goal, then there is scope for beneficial cooperation to achieve this end. Cooperation among microfinance practitioners should create an environment of trust rather than of suspicion. We need to have a common Code of Conduct that is clear and non-negotiable. Transparency should become cardinal principle of MFIs' governance. The MFIs should come together to share client information to avoid unhealthy competition. All these will support MFIs common mission of client protection and their development.

Self Regulation and Code of Conduct

The Andhra Pradesh crisis in 2006 was an eye opener for many in the microfinance sector bringing to light practices that would not help the microfinance movement and would impede orderly growth. In response to the crisis, Sa-Dhan introduced a voluntary Code of Conduct (Annexure V) for its members to follow. Each member agreed to adhere to the code in letter and spirit. The new members, at the time of entry, adopt the codes through their board resolution. In order to imbibe the code throughout their organizations, members display charts containing the code in all their branch premises, in addition to the head office. Every year, the members report through their renewal form report on the adoption of Code of Conduct (CoC).

In spite of this, competition related issues have resurfaced in places like Kolar, Kanpur etc. This indicates the urgent need for and the importance of enforcing the CoC. Sa-Dhan therefore, has designed Self-Regulation among the members through mechanisms like Steering Committee to monitor and enforce the CoC. A process of intensive consultation has begun and the final self regulatory framework is expected to be put in place shortly.

Other encouraging developments are also taking place in the sector. Microfinance India Network - a network of NBFC-MFIs has decided to avoid over lending to clients by restricting the collective exposure of loan amount to a particular client from all the network members to Rs.50000/-

Transparency : The Credibility Builder

Transparent transactions and disclosure of results will go a long way towards enhancing the credibility of MFIs. This includes transparency to customers in terms of disclosure of terms of the loan contract in the language understandable to them, transparency among the MFI staff in terms of operation and transparency to outsiders in terms of disclosure of financial results, impact of operation etc.

Interest rate transparency as perceived by the clients is of paramount importance in retaining clients and avoiding reputation risk. In the words of Muhammad Yunus, 'Transparency is very vital especially on interest rate. Annualized interest rate should be disclosed for all loans products irrespective of the tenor'. During the field visits to Kanpur, Sa-Dhan team found the passbooks of clients carrying the APR (Annualized Interest Rate) printed on them.

Staff are internal customers for an MFI. Areas of transparency that are important for internal management include: the policies of MFIs, recruitment, pay structure, incentive system, promotion, etc. Transparency in these areas will help MFIs to attract and retain quality manpower.

Essential aspects of transparency to outsiders includes disclosure of financials of MFIs through financial statements that follow a standardized accounting norm. Institute of Chartered Accountants of India (ICAI), in collaboration with Sa-Dhan, has come out with ' Technical Guide on Accounting for MFIs'. The accounting norm suggested by the guide will enable MFIs to generate financial statements that can be compared across peer groups.

Information Sharing

Failure to exchange information about default borrowers creates an unfavorable environment of competition, while the defaulters take advantages of multiple lending. These are the negative fallouts of competition where the presence of multiple players is seen as a threat to others.

Increased competition among lenders demands institutional innovations for sharing information on client indebtedness levels.

Existing informal information sharing methods are not able to overcome the problem of identifying a borrower's total outstanding indebtedness, which is necessary to allow proper assessment of risk under multiple loan taking .

Credit Information Bureau (CIB) could partly solve this problem. CIB is an organization that collects client data from its member organizations (MFIs) and aggregates it for sharing among members on demand. The information received from CIB would enable the member MFIs to assess the credit facility already availed by clients and avoid multiple/over lending. This would prevent client from becoming over indebted and reduce destructive competition among MFIs.

An encouraging recent development is that MFIs, for example district level functionaries of members of AKMI (Association of Karnataka Microfinance Institutions), have started sharing the client details informally. Sa-Dhan, on its part, is bringing together state level MFI-members to form state chapters to enable them work closely and avoid undue competition.

"The sector needs to reach people, capacities of groups and MFIs must be strengthened. Organizations need the capacities to stand firm (to principles) in the face of competition, to partner with others as equals ...the sector needs to build a culture of transparency, trust and share standards' - Ela R Bhatt

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Note : For this report, 190 MFIs as per Annexure- I reported data. Of them, data pertaining to 181 MFIs have been used for preparing the profile. The data of nine MFIs were not as per the data sheet/ were incomplete and hence could not be used to prepare the profile.

Profile



SIDE BY SIDE 2009



ANDHRA PRADESH

Name Of Organization: Ashajyothi Mahilabhyudaya Society (AMS)

Membership Status: Applicant
MFI Starting Year: 2007

State Name : ANDHRA PRADESH

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	105.9%	53.5%	NA	OCR:	29.0%	8.4%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	33.0%	10.8%	NA
CRR:	100.0%	100.0%	NA	ABCO:	570	319	NA

Name Of Organization: Asmitha Microfin Ltd

Membership Status: Associate Member
MFI Starting Year: 2002

State Name : ANDHRA PRADESH

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	130.8%	111.1%	109.1%	OCR:	9.1%	10.4%	11.0%
PAR>60Day:	0.1%	0.6%	2.2%	TCR:	21.2%	21.9%	20.9%
CRR:	99.9%	99.7%	97.6%	ABCO:	580	507	470

Name Of Organization: Bhartiya Samruddhi Finance Limited (BASIX)

Membership Status: Primary Member
MFI Starting Year: 1999

State Name : ANDHRA PRADESH

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	117.5%	114.5%	115.1%	OCR:	16.1%	16.9%	18.1%
PAR>60Day:	1.1%	0.9%	1.4%	TCR:	25.0%	24.7%	25.0%
CRR:	99.2%	99.2%	98.8%	ABCO:	1145	1024	1054

Name Of Organization: Camel Mahila MACS Ltd

Membership Status: Non Member
MFI Starting Year: 2002

State Name : ANDHRA PRADESH

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	114.7%	109.7%	101.7%	OCR:	7.3%	10.4%	8.8%
PAR>60Day:	0.0	0.0	0.0	TCR:	20.0%	18.6%	14.5%
CRR:	NA	100.0%	100.0%	ABCO:	550	456	169

Name Of Organization: Centre for Rural Reconstruction Through Social Action / CReSA

Membership Status: Associate Member
MFI Starting Year: 2000

State Name : ANDHRA PRADESH

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	109.5%	103.5%	105.2%	OCR:	14.4%	9.3%	11.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	31.1%	21.5%	24.9%
CRR:	100.0%	100.0%	100.0%	ABCO:	542	438	437



Name Of Organization: Development Organization for Village Environment (DOVE)							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	131.2%	161.5%	147.3%	OCR:	4.6%	6.4%	2.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	16.3%	20.0%	5.9%
CRR:	100.0%	100.0%	18.1%	ABCO:	595	497	613
Name Of Organization: Future Financial Services Ltd							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	173.5%	185.1%	NA	OCR:	6.8%	6.0%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	17.0%	14.0%	NA
CRR:	97.5%	100.0%	NA	ABCO:	662	616	NA
Name Of Organization: Hope Integrated Rural Development Society							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	134.2%	120.3%	109.8%	OCR:	15.1%	13.7%	15.4%
PAR>60Day:	0.0	0.0	0.0	TCR:	32.1%	30.9%	34.8%
CRR:	100.0%	100.0%	100.0%	ABCO:	566	702	570
Name Of Organization: Indur Intideepam Macs Federation Ltd							
Membership Status: Non Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	135.0%	118.0%	107.0%	OCR:	3.9%	6.5%	7.5%
PAR>60Day:	0.0	0.0	0.0	TCR:	15.7%	17.7%	19.2%
CRR:	100.0%	NA	100.0%	ABCO:	303	258	186
Name Of Organization: Institute of Womens Banking (IWB)							
Membership Status: Non Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	117.9%	137.4%	113.7%	OCR:	1.6%	1.5%	1.0%
PAR>60Day:	0.0	0.0	0.0	TCR:	3.7%	1.5%	1.0%
CRR:	100.0%	100.0%	100.0%	ABCO:	962	979	975



Name Of Organization: Krishna Bima Samruddhi Local Area Bank (KBSLAB)							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	109.5%	106.7%	107.1%	OCR:	13.7%	14.3%	17.3%
PAR>60Day:	2.3%	4.1%	5.5%	TCR:	26.7%	25.8%	26.7%
CRR:	97.3%	96.0%	95.9%	ABCO:	67	982	878
Name Of Organization: Krushi							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	115.3%	112.7%	120.8%	OCR:	4.7%	4.2%	2.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	15.2%	14.7%	3.6%
CRR:	100.0%	99.0%	99.0%	ABCO:	390	584	777
Name Of Organization: Mother Teresa Mahila MACS Ltd							
Membership Status: Non Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	67.5%	97.1%	98.2%	OCR:	9.6%	10.1%	8.8%
PAR>60Day:	0.0	36.9%	34.6%	TCR:	10.1%	12.7%	10.3%
CRR:	NA	45.9%	30.7%	ABCO:	50	271	176
Name Of Organization: Peoples Activity and Rural Technology Nurturing Ecological Rejuvenation (PARTNER)							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	126.1%	142.5%	163.1%	OCR:	21.6%	11.1%	12.7%
PAR>60Day:	0.0	0.0	0.0	TCR:	34.4%	27.0%	23.2%
CRR:	100.0%	100.0%	100.0%	ABCO:	359	247	295
Name Of Organization: Pragathi Seva Samiti							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	103.9%	106.8%	108.6%	OCR:	1.3%	1.1%	0.8%
PAR>60Day:	0.6%	0.7%	0.4%	TCR:	12.4%	14.4%	13.7%
CRR:	98.5%	98.0%	98.0%	ABCO:	462	539	582



Name Of Organization: Rashtriya Seva Samithi (RASS)							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1989							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	132.7%	115.1%	109.2%	OCR:	2.1%	3.3%	4.9%
PAR>60Day:	0.0	0.1%	0.4%	TCR:	12.3%	13.0%	12.8%
CRR:	95.6%	94.4%	86.8%	ABCO:	589	461	282
Name Of Organization: Saadhana Microfin Society							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2001							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	123.9%	131.0%	146.4%	OCR:	10.1%	9.5%	9.6%
PAR>60Day:	0.0	0.0	0.0	TCR:	23.5%	21.7%	21.0%
CRR:	100.0%	100.0%	100.0%	ABCO:	1039	869	769
Name Of Organization: Siri Microfin Society							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	198.0%	128.9%	112.8%	OCR:	10.3%	18.8%	23.1%
PAR>60Day:	0.0	0.0	0.0	TCR:	10.4%	20.4%	23.1%
CRR:	100.0%	100.0%	100.0%	ABCO:	294	325	252
Name Of Organization: SKS Microfinance Pvt Ltd							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	128.9%	NA	NA	OCR:	21.4%	NA	NA
PAR>60Day:	0.2%	0.0	0.0	TCR:	39.1%	NA	NA
CRR:	99.3%	NA	NA	ABCO:	414	NA	NA
Name Of Organization: Social Education and Voluntary Action (SEVA)							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	119.9%	154.9%	230.6%	OCR:	13.2%	9.7%	12.1%
PAR>60Day:	1.9%	0.7%	2.9%	TCR:	15.1%	17.2%	12.1%
CRR:	99.8%	99.9%	99.5%	ABCO:	208	196	79



Name Of Organization: Spandana Spoorly Innovative Financial Services Limited							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	166.2%	156.4%	109.4%	OCR:	6.0%	5.9%	9.0%
PAR>60Day:	0.0	0.0	0.0	TCR:	16.5%	14.5%	13.3%
CRR:	100.0%	99.6%	97.2%	ABCO:	582	534	645
Name Of Organization: Star Microfin Service Society(SMSS)							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1997							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	125.5%	130.9%	114.8%	OCR:	10.7%	9.8%	11.5%
PAR>60Day:	0.0	0.0	0.0	TCR:	23.6%	23.8%	29.3%
CRR:	100.0%	100.0%	100.0%	ABCO:	558	373	405
Name Of Organization: SWAWS Credit Corporation India Private Ltd							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	127.3%	NA	NA	OCR:	8.4%	NA	NA
PAR>60Day:	0.1%	0.0	0.0	TCR:	21.3%	NA	NA
CRR:	99.9%	NA	NA	ABCO:	588	NA	NA
Name Of Organization: The Payakaraopta Womens Mutually Aided Co-operative Thrift and Credit Society Ltd (PWMACTCS)							
Membership Status: Primary Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 1997							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	109.1%	102.5%	100.9%	OCR:	8.4%	9.6%	7.7%
PAR>60Day:	0.0	0.1%	0.1%	TCR:	21.3%	21.4%	18.0%
CRR:	100.0%	100.0%	NA	ABCO:	341	281	230
Name Of Organization: Trident Microfin Private Limited							
Membership Status: Associate Member				State Name : ANDHRA PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	137.5%	157.2%	NA	OCR:	19.0%	12.1%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	28.4%	13.9%	NA
CRR:	100%	100%	NA	ABCO:	412	158	NA



ASSAM

Name Of Organization: Ajagar Social Circle

Membership Status: Applicant **State Name : ASSAM**
MFI Starting Year: 2007

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.2%	117.2%	NA	OCR:	19.9%	17.2%	NA
PAR>60Day:	0.7%	3.9%	NA	TCR:	31.1%	26.6%	NA
CRR:	98.77%	94.47%	NA	ABCO:	183.75	159.55	NA

Membership Status: Global Welfare Society(GLOWS) **State Name : ASSAM**

Membership Status: Applicant **State Name : ASSAM**
MFI Starting Year: 2006

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	128.9%	125.6%	137.8%	OCR:	14.0%	16.4%	12.8%
PAR>60Day:	1.0%	0.6%	1.8%	TCR:	17.4%	24.8%	15.6%
CRR:	75.5%	82.4%	97.2%	ABCO:	72	57	57

Name Of Organization: Grameen Sahara

Membership Status: Associate Member **State Name : ASSAM**
MFI Starting Year: 2006

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.3%	100.7%	77.9%	OCR:	14.6%	20.6%	9.7%
PAR>60Day:	0.8%	0.9%	1.1%	TCR:	26.8%	21.4%	28.3%
CRR:	98.9%	97.3%	97.0%	ABCO:	200	108	104

Name Of Organization: Institute of Integrated Resource Management (IIRM)

Membership Status: Associate Member **State Name : ASSAM**
MFI Starting Year: 1990

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	98.2%	87.6%	106.8%	OCR:	12.6%	10.1%	8.0%
PAR>60Day:	0.5%	0.5%	0.7%	TCR:	32.7%	26.5%	31.0%
CRR:	91.1%	93.3%	90.0%	ABCO:	288	269	255

Name Of Organization: Prochesta

Membership Status: Primary Member **State Name : ASSAM**
MFI Starting Year: 2001

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	133.5%	103.3%	103.4%	OCR:	17.8%	12.1%	11.9%
PAR>60Day:	3.8%	7.0%	8.0%	TCR:	30.0%	28.9%	25.8%
CRR:	94.3%	93.0%	92.0%	ABCO:	287	583	650



Name Of Organization: Social Action for Appropriate Transformation and Advancement in Rural Areas (SATRA)							
Membership Status: Non Member				State Name : ASSAM			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	104.4%	97.6%	76.5%	OCR:	7.7%	6.4%	4.1%
PAR>60Day:	3.3%	1.0%	1.3%	TCR:	17.5%	15.3%	10.7%
CRR:	98.3%	96.5%	95.3%	ABCO:	577	295	77
Name Of Organization: UNACCO Financial Services Pvt. Ltd.							
Membership Status: Associate Member				State Name : ASSAM			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	150%	NA	NA	OCR:	36.8%	NA	NA
PAR>60Day:	0	NA	NA	TCR:	36.8%	NA	NA
CRR:	99.32%	NA	NA	ABCO:	688	NA	NA
BIHAR							
Name Of Organization: Batika							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	93.8%	NA	NA	OCR:	8.8%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	19.9%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	100	NA	NA
Name Of Organization: Bihar Development Trust							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	52.4%	45.0%	NA	OCR:	42.9%	21.6%	NA
PAR>60Day:	0.0	0.8%	0.0	TCR:	57.2%	26.5%	NA
CRR:	99.1%	97.0%	NA	ABCO:	166	73	NA
Name Of Organization: Bureau of Obligate and Accompanier for Rural Development (BOARD)							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	112.0%	55.8%	104.1%	OCR:	8.7%	17.3%	1.5%
PAR>60Day:	0.0	78.9%	22.8%	TCR:	14.8%	37.0%	26.8%
CRR:	100.0%	100.0%	83.3%	ABCO:	138	38	56



Name Of Organization: Centre For Development Orientation & Training							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	77.2%	96.9%	NA	OCR:	14.1%	40.4%	NA
PAR>60Day:	0.0	0.0	NA	TCR:	33.0%	50.4%	NA
CRR:	100.0%	100.0%	NA	ABCO:	185	55	NA
Name Of Organization: Centre for Promoting Sustainable Livelihood (CPSL)							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	84.5%	85.5%	123.0%	OCR:	16.1%	18.3%	11.0%
PAR>60Day:	0.7%	1.2%	1.3%	TCR:	20.5%	31.3%	20.3%
CRR:	NA	NA	100.0%	ABCO:	761	600	600
Name Of Organization: Mass Care International							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	118.6%	121.7%	107.5%	OCR:	44.2%	37.7%	78.6%
PAR>60Day:	2.5%	2.0%	1.5%	TCR:	58.9%	58.0%	89.0%
CRR:	98.1%	97.8%	97.9%	ABCO:	180	200	80
Name Of Organization: Nidan Microfinance Foundation							
Membership Status: Primary Member				State Name : BIHAR			
MFI Starting Year: 1996							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	45.32%	80.98%	77.38%	OCR:	NA	NA	17.58%
PAR>60Day:	0	0	0	TCR:	NA	NA	25.89%
CRR:	98.8%	98%	NA	ABCO:	190	299	NA
Name Of Organization: Saija Finance Private Limited							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	50.7%	NA	NA	OCR:	79.2%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	82.7%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	111	NA	NA



Name Of Organization: Societal Upliftment and Rural Action for Job and Empowerment (SURAJE)							
Membership Status: Associate Member				State Name : BIHAR			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	96.3%	48.8%	134.2%	OCR:	33.1%	29.2%	3.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	53.9%	38.5%	14.6%
CRR:	99.3%	100.0%	100.0%	ABCO:	172	125	88
Name Of Organization: Society for Intergrated Development of Riverine Belt (SIDRIB)							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	73.1%	NA	NA	OCR:	15.2%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	24.9%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	150	NA	NA
Name Of Organization: Trust Microfin Services							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	108.1%	74.6%	NA	OCR:	23.8%	3.8%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	25.2%	18.5%	NA
CRR:	100.0%	100.0%	NA	ABCO:	302	53	NA
Name Of Organization: Vikas Deep							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	NA	NA	NA	OCR:	13.11	NA	NA
PAR>60Day:	0	NA	NA	TCR:	9.09	NA	NA
CRR:	NA	NA	NA	ABCO:	20	NA	NA
Name Of Organization: Womens Empowerment & Micro Credit Services (WEMCS)							
Membership Status: Non Member				State Name : BIHAR			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	39.3%	NA	NA	OCR:	56.4%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	56.4%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	80	NA	NA



DELHI

Name Of Organization: Capital Trust Limited

Membership Status: Non Member State Name : DELHI
MFI Starting Year: 2008

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	100.1%	NA	NA	OCR:	24.1%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	24.6%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	73	NA	NA

Name Of Organization: Humana People to People India

Membership Status: Non Member State Name : DELHI
MFI Starting Year: 2007

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	78.9%	91.6%	NA	OCR:	22.0%	6.2%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	28.1%	6.4%	NA
CRR:	100.0%	22.7%	NA	ABCO:	256	223	NA

Name Of Organization: Ishara Foundation for Finance and Rural Development

Membership Status: Primary Member State Name : DELHI
MFI Starting Year: 2005

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	136.21%	138.14%	145.87%	OCR:	4.4%	6.72%	9.6%
PAR>60Day:	6.9%	0.40%	1.44%	TCR:	21.6%	16.2%	21.8%
CRR:	93.1%	98.8%	98.9%	ABCO:	145	108	63

Name Of Organization: Satin Creditcare Network Limited

Membership Status: Primary Member State Name : DELHI
MFI Starting Year: 1990

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.2%	108.3%	107.4%	OCR:	13.5%	16.1%	16.0%
PAR>60Day:	3.8%	5.8%	6.0%	TCR:	28.2%	30.8%	27.3%
CRR:	99.2%	98.7%	97.8%	ABCO:	86	59	71

Name Of Organization: Shikhar Development Foundation

Membership Status: Associate Member State Name : DELHI
MFI Starting Year: 2007

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	43.4%	5.4%	NA	OCR:	63.0%	146.5%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	79.5%	155.6%	NA
CRR:	100.0%	100.0%	NA	ABCO:	119	36	NA



Name Of Organization: We The People							
Membership Status: Applicant				State Name : DELHI			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	323.2%	49.3%	151.6%	OCR:	19.8%	67.1%	223.8%
PAR>60Day:	0.4%	0.0	0.0	TCR:	28.9%	75.5%	223.8%
CRR:	99.4%	100.0%	100.0%	ABCO:	129	6	8

GUJARAT

Name Of Organization: Arman Financial Services Limited							
Membership Status: Associate Member				State Name : GUJARAT			
MFI Starting Year: 1992							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	131.3%	140.9%	136.8%	OCR:	9.1%	7.2%	8.7%
PAR>60Day:	3.8%	3.7%	3.1%	TCR:	20.4%	18.6%	16.9%
CRR:	97.3%	97.9%	98.0%	ABCO:	110	94	107

Name Of Organization: Prayas (Organization for Sustainable Development)							
Membership Status: Associate Member				State Name : GUJARAT			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	105.0%	96.5%	68.1%	OCR:	20.9%	21.0%	36.3%
PAR>60Day:	0.6%	0.6%	1.4%	TCR:	33.8%	34.0%	44.0%
CRR:	99.4%	98.7%	92.4%	ABCO:	236	92	80

Name Of Organization: Saath Charitable Trust (Ekta)							
Membership Status: Associate Member				State Name : GUJARAT			
MFI Starting Year: 1994							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	123.0%	160.6%	88.6%	OCR:	12.1%	8.6%	15.4%
PAR>60Day:	13.6%	3.7%	16.1%	TCR:	16.6%	15.8%	26.5%

Name Of Organization: Saath Charitable Trust (Sakhi)							
Membership Status: Associate Member				State Name : GUJARAT			
MFI Starting Year: 1994							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	111.8%	57.58%	53.65%	OCR:	15.6%	34.58%	36.73%
PAR>60Day:	3.3%	7%	9%	TCR:	22.4%	44.1%	48.12%
CRR:	76.2%	82%	70%	ABCO:	6	2	1.75



Name Of Organization: SEWA Bank							
Membership Status: Primary Member				State Name : GUJARAT			
MFI Starting Year: 1974							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	NA	NA	NA	OCR:	NA	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	12.0%	NA	NA
CRR:	NA	NA	NA	ABCO:	NA	NA	NA
Name Of Organization: Sri Vardhan Socio Development Foundation							
Membership Status: Non Member				State Name : GUJARAT			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	113.1%	NA	NA	OCR:	45.25%	NA	NA
PAR>60Day:	0.0	NA	NA	TCR:	45025%	NA	NA
CRR:	25.93%	NA	NA	ABCO:	NA	NA	NA
Name Of Organization: Vikas Center for Development							
Membership Status: Non Member				State Name : GUJARAT			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	105.7%	122.7%	122.8%	OCR:	0.9%	2.5%	9.8%
PAR>60Day:	3.1%	4.1%	6.8%	TCR:	19.3%	12.8%	13.3%
CRR:	96.0%	94.0%	90.0%	ABCO:	556	449	335
JHARKHAND							
Name Of Organization: Ajiwika Society							
Membership Status: Primary Member				State Name : JHARKHAND			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	105.87%	105.5%	78.2%	OCR:	23.9%	17.7%	14.7%
PAR>60Day:	1.5%	0.8%	0.5%	TCR:	23.9%	25.9%	29.4%
CRR:	97.3%	97.7%	98.7%	ABCO:	203	246	187
Name Of Organization: Jan Sewa Parishad							
Membership Status: Non Member				State Name : JHARKHAND			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	597.1%	NA	NA	OCR:	3.5%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	13.2%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	50	NA	NA



Name Of Organization: Mahila Kalyan Samiti							
Membership Status: Associate Member				State Name : JHARKHAND			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	708.12	NA	NA	OCR:	NA	NA	NA
PAR>60Day:	0.78	NA	NA	TCR:	1.73%	NA	NA
CRR:	0.69	NA	NA	ABCO:	NA	NA	NA
Name Of Organization: Nav Bharat Jagriti Kendra (NBJK)							
Membership Status: Primary Member				State Name : JHARKHAND			
MFI Starting Year: 1993							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	143.0%	124.4%	128.9%	OCR:	10.2%	11.8%	10.2%
PAR>60Day:	1.1%	1.1%	5.5%	TCR:	17.6%	18.3%	18.0%
CRR:	98.3%	98.0%	98.8%	ABCO:	279	276	248
Name Of Organization: Samarthan Weakling Development Foundation							
Membership Status: Associate Member				State Name : JHARKHAND			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	84.5%	136.2%	NA	OCR:	14.4%	11.6%	NA
PAR>60Day:	0.7%	0.7%	0.0	TCR:	25.6%	24.9%	NA
CRR:	97.0%	100.0%	NA	ABCO:	161	225	NA
Name Of Organization: Support							
Membership Status: Associate Member				State Name : JHARKHAND			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	81.8%	84.2%	68.5%	OCR:	10.8%	11.7%	14.5%
PAR>60Day:	3.0%	2.0%	2.0%	TCR:	27.3%	24.4%	21.2%
CRR:	97.4%	98.1%	98.1%	ABCO:	304	236	171
Name Of Organization: Srijan Foundation							
Membership Status: Non Member				State Name : JHARKHAND			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	505%	163.23	39.77	OCR:	41.67	2.05	0.59
PAR>60Day:	0	0	0	TCR:	77.93	21.44	7.70
CRR:	17.5	100	100	ABCO:	25	19	15



Name Of Organization: Vedika Credit Capital Ltd							
Membership Status: Associate Member				State Name : JHARKHAND			
MFI Starting Year: 1995							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	108.6%	107.6%	104.1%	OCR:	22.9%	22.8%	22.6%
PAR>60Day:	1.1%	0.2%	1.2%	TCR:	31.5%	31.9%	26.5%
CRR:	98.9%	95.0%	93.1%	ABCO:	181	109	100
KARNATAKA							
Name Of Organization: BSS Microfinance Private Limited							
Membership Status: Primary Member				State Name : KARNATAKA			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	156.4%	114.4%	118.4%	OCR:	11.0%	9.2%	11.2%
PAR>60Day:	0.0	0.0	0.0	TCR:	21.8%	26.1%	24.3%
CRR:	100.0%	88.1%	93.2%	ABCO:	530	529	448
Name Of Organization: Grameen Financial Services Pvt Ltd							
Membership Status: Primary Member				State Name : KARNATAKA			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	111.8%	118.9%	116.2%	OCR:	10.2%	11.7%	15.1%
PAR>60Day:	0.0	0.0	0.0	TCR:	22.9%	22.2%	26.4%
CRR:	100.0%	100.0%	100.0%	ABCO:	484	433	328
Name Of Organization: IDF Financial Services Private Limited							
Membership Status: Associate Member				State Name : KARNATAKA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.2%	106.8%	129.1%	OCR:	6.6%	5.1%	5.8%
PAR>60Day:	0.8%	0.3%	0.0	TCR:	16.4%	14.1%	10.8%
CRR:	100.0%	99.6%	99.7%	ABCO:	1166	327	204
Name Of Organization: Janalakshmi Social Services							
Membership Status: Non Member				State Name : KARNATAKA			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	69.1%	96.1%	96.8%	OCR:	42.2%	20.2%	9.8%
PAR>60Day:	4.0%	6.2%	5.3%	TCR:	52.8%	29.7%	13.9%
CRR:	92.3%	93.7%	89.4%	ABCO:	323	668	623



Name Of Organization: Janodaya Public Trust							
Membership Status: Associate Member				State Name : KARNATAKA			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	123.8%	NA	NA	OCR:	11.1%	NA	NA
PAR>60Day:	1.8%	0.0	0.0	TCR:	24.8%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	598	NA	NA
Name Of Organization: Navachetana Microfin Services Limited							
Membership Status: Associate Member				State Name : KARNATAKA			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	124.7%	NA	NA	OCR:	15.9%	NA	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	21.7%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	289	NA	NA
Name Of Organization: Nirantara Community Services							
Membership Status: Associate Member				State Name : KARNATAKA			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.87%	103.55%	27.7%	OCR:	15.74%	14.71%	81.77%
PAR>60Day:	0.0	0.0	0.0	TCR:	32.82%	33.06%	83.82%
CRR:	100.0%	100%	NA	ABCO:	573	409	5
Name Of Organization: Outreach							
Membership Status: Primary Member				State Name : KARNATAKA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	25.11%	NA	NA	OCR:	NA	NA	NA
PAR>60Day:	70%	NA	NA	TCR:	NA	NA	NA
CRR:	-	NA	NA	ABCO:	272	NA	NA
Name Of Organization: Prakruthi Foundation							
Membership Status: Associate Member				State Name : KARNATAKA			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	61.9%	NA	NA	OCR:	7.6%	NA	NA
PAR>60Day:	8.8%	0.0	0.0	TCR:	27%	NA	NA
CRR:	99.0%	NA	NA	ABCO:	223	NA	NA



Name Of Organization: Rores Micro Entrepreneur Development Trust

Membership Status: Associate Member **State Name : KARNATAKA**
MFI Starting Year: 2005

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	186.8%	149.3%	146.1%	OCR:	16.9%	6.7%	8.9%
PAR>60Day:	0.5%	0.2%	0.6%	TCR:	28.7%	20.5%	17.6%
CRR:	94.0%	100.0%	99.3%	ABCO:	779	614	378

Name Of Organization: Sanghamithra Rural Financial Services

Membership Status: Primary Member **State Name : KARNATAKA**
MFI Starting Year: 2000

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	115.2%	104.9%	119.0%	OCR:	1.3%	1.1%	1.6%
PAR>60Day:	6.7%	5.1%	2.6%	TCR:	3.6%	4.5%	4.6%
CRR:	95.2%	98.0%	96.2%	ABCO:	129	172	132

Name Of Organization: Sri Kshetra Dharmasthala Rural Development Project (SKDRDP)

Membership Status: Primary Member **State Name : KARNATAKA**
MFI Starting Year: 1996

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.9%	NA	103.3%	OCR:	4.2%	NA	2.3%
PAR>60Day:	0.5%	0.0	0.0	TCR:	14.1%	NA	10.1%
CRR:	99.2%	NA	100.0%	ABCO:	558	NA	303

Name Of Organization: Ujjivan Financial Services Private Limited

Membership Status: Associate Member **State Name : KARNATAKA**
MFI Starting Year: 2005

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	97.2%	64.8%	49.2%	OCR:	21.4%	31.0%	59.7%
PAR>60Day:	0.1%	0.2%	0.0	TCR:	28.2%	36.6%	63.2%
CRR:	99.7%	99.2%	100.0%	ABCO:	249	180	178

KERALA

Name Of Organization: Evangelical Social Action Forum (ESAF)

Membership Status: Primary Member **State Name : KERALA**
MFI Starting Year: 1995

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	104.8%	NA	NA	OCR:	19.6%	NA	NA
PAR>60Day:	0.5%	0.0	0.0	TCR:	30.6%	NA	NA
CRR:	95.8%	NA	NA	ABCO:	226	NA	NA



Name Of Organization: Hope Foundation							
Membership Status: Associate Member				State Name : KERALA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.0%	106.3%	105.2%	OCR:	22.3%	18.9%	20.1%
PAR>60Day:	0.0	0.0	0.0	TCR:	33.0%	29.0%	31.0%
CRR:	99.9%	99.7%	100.0%	ABCO:	164	89	51

Name Of Organization: Welfare Services Ernakulam							
Membership Status: Primary Member				State Name : KERALA			
MFI Starting Year: 2001							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.8%	102.1%	105.2%	OCR:	4.6%	5.1%	6.0%
PAR>60Day:	0.6%	0.4%	1.3%	TCR:	14.9%	13.4%	12.9%
CRR:	99.3%	98.2%	98.0%	ABCO:	6196	7967	5675

MADHYA PRADESH

Name Of Organization: Action for Social Advancement (ASA)							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.1%	101.6%	NA	OCR:	11.2%	7.4%	NA
PAR>60Day:	0.5%	0.0	0.0	TCR:	22.3%	23.0%	NA
CRR:	99.1%	98.7%	NA	ABCO:	494	289	358

Name Of Organization: Aprajita Mahila Sangh							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 1997							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	62%	97%	89%	OCR:	0.958%	0.00137%	0.002172%
PAR>60Day:	0	0	0	TCR:	7.89%	4.65%	3.15%
CRR:	50%	37.8%	51.1%	ABCO:	350	368	531

Name Of Organization: Bal Mahila Vikas Samiti - VAMA							
Membership Status: Associate Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	138.8%	109.7%	101.2%	OCR:	23.8%	17.2%	17.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	24.3%	32.3%	26.2%
CRR:	100.0%	100.0%	100.0%	ABCO:	107	71	35



Name Of Organization: Lok Biradari Trust							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	118.6%	86.69%	44.01%	OCR:	16.05%	21%	39.94%
PAR>60Day:	0.0	0.0	0.0	TCR:	29.94%	31.86%	51.32%
CRR:	100.0%	99.68%	100%	ABCO:	300	300	90
Name Of Organization: Parath Samiti							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	89.4%	50.5%	7.5%	OCR:	20.8%	29.6%	145.1%
PAR>60Day:	0.0	0.0	0.0	TCR:	31.7%	41.2%	147.1%
CRR:	100.0%	100.0%	100.0%	ABCO:	112	75	27
Name Of Organization: Priyasakhi Mahila Sangh							
Membership Status: Associate Member				State Name : MADHYA PRADESH			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.2%	655.7%	111.3%	OCR:	19.4%	25.2%	5.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	28.2%	31.8%	8.0%
CRR:	100.0%	100.0%	100.0%	ABCO:	366	302	274
Name Of Organization: Sambhav Micro Finance Institute							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.0%	99.2%	99.5%	OCR:	12.8%	19.9%	8.8%
PAR>60Day:	0.0	0.0	0.0	TCR:	28.4%	29.9%	13.5%
CRR:	97.5%	99.9%	100.0%	ABCO:	155	50	12
Name Of Organization: Samhita Community Development Services							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	71.6%	10.8%	NA	OCR:	20.1%	46.3%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	36.1%	50.2%	NA
CRR:	100.0%	100.0%	NA	ABCO:	199	139	NA



Name Of Organization: Unnati Mahila Sangh							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	283.1%	216.1%	208.1%	OCR:	26.6%	12.4%	18.5%
PAR>60Day:	0.0	0.0	0.0	TCR:	26.6%	14.4%	18.7%
CRR:	100.0%	100.0%	100.0%	ABCO:	285	182	106
Name Of Organization: Yukti Samaj Sewa Society (YSSS)							
Membership Status: Non Member				State Name : MADHYA PRADESH			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	77.5%	46.9%	NA	OCR:	26.0%	33.5%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	39.8%	46.2%	NA
CRR:	100.0%	100.0%	NA	ABCO:	85	47	NA
MAHARASHTRA							
Name Of Organization: Annapurna Mahila Multi-State Co-Op Credit Society Ltd							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 1993							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.7%	93.0%	94.0%	OCR:	20.0%	25.5%	31.5%
PAR>60Day:	2.4%	0.8%	5.7%	TCR:	30.6%	34.5%	45.9%
CRR:	98.9%	98.7%	93.6%	ABCO:	341	236	201
Name Of Organization: Fullerton India Credit Company Limited							
Membership Status: Associate Member				State Name : MAHARASHTRA			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	NA	NA	NA	OCR:	70%	NA	NA
PAR>60Day:	0.22%	NA	NA	TCR:	84%	NA	NA
CRR:	99%	NA	NA	ABCO:	464	NA	NA
Name Of Organization: Gram Swaraj Seva Trust							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	114.5%	110.7%	127.7%	OCR:	26.2%	28.3%	33.3%
PAR>60Day:	0.0	0.8%	1.1%	TCR:	26.2%	28.3%	33.3%
CRR:	100.0%	98.9%	99.5%	ABCO:	215	94	67



Name Of Organization: Grameen Mahila Swayamsiddha Sangh, Junnar							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 1993							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.8%	96.4%	86.9%	OCR:	5.5%	7.0%	11.7%
PAR>60Day:	5.3%	12.6%	15.0%	TCR:	16.7%	15.7%	18.0%
CRR:	NA	94.4%	92.6%	ABCO:	105	160	206
Name Of Organization: Grameen Mahila Swayamsiddha Sangh, Ambegaon							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	103.9%	154.8%	NA	OCR:	6.2%	1.9%	NA
PAR>60Day:	7.6%	2.2%	0.0	TCR:	16.2%	6.5%	NA
CRR:	94.5%	22.2%	NA	ABCO:	375	146	NA
Name Of Organization: Institute of Rural Credit and Entrepreneurship Development (IRCED)							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.1%	120.1%	157.0%	OCR:	9.1%	11.4%	13.2%
PAR>60Day:	6.2%	7.9%	6.7%	TCR:	17.1%	25.8%	27.3%
CRR:	99.0%	98.9%	99.0%	ABCO:	154	159	658
Name Of Organization: Sakhi Samudaya Kosh							
Membership Status: Associate Member				State Name : MAHARASHTRA			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	97.6%	NA	NA	OCR:	9.06%	NA	NA
PAR>60Day:	6.16%	NA	NA	TCR:	17.13%	NA	NA
CRR:	99%	NA	NA	ABCO:	154	NA	NA
Name Of Organization: Sankalpa Grameen Mahila Swayamsiddha Sangh							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.0%	126.9%	NA	OCR:	8.8%	5.0%	NA
PAR>60Day:	7.2%	2.5%	0.0	TCR:	17.1%	9.6%	NA
CRR:	96.6%	97.9%	NA	ABCO:	333	99	NA



Name Of Organization: Swadhaar Finserve Private Limited							
Membership Status: Applicant				State Name : MAHARASHTRA			
MFI Starting Year: 2008							
	2009	2008	2007	Year	2009	2008	2007
	36.5%	NA	NA	OCR:	131.1%	NA	NA
PAR>60Day:	0.8%	0.0	0.0	TCR:	132.4%	NA	NA
	73.5%	NA	NA	ABCO:	141	NA	NA
Name Of Organization: Samagra Gram Vikas Sanstha "Sagras"							
Membership Status: Non Member				State Name : MAHARASHTRA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	118.6%	134.7%	51.1%	OCR:	22.0%	14.2%	72.8%
PAR>60Day:	0.0	0.0	0.0	TCR:	35.3%	26.5%	158.2%
CRR:	100.0%	100.0%	100.0%	ABCO:	93	367	164
Name Of Organization: Sampada Trust							
Membership Status: Associate Member				State Name : MAHARASHTRA			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	273.8%	224.1%	NA	OCR:	7.8%	4.8%	NA
PAR>60Day:	5.4%	2.1%	0.0	TCR:	8.1%	8.0%	NA
CRR:	97.1%	NA	NA	ABCO:	749	NA	NA
MANIPUR							
Name Of Organization: Volunteers for Village Development (VVD)							
Membership Status: Associate Member				State Name : MANIPUR			
MFI Starting Year: 2000							
	2009	2008	2007	Year	2009	2008	2007
	140.1%	109.4%	NA	OCR:	19.2%	2.9%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	30.0%	6.7%	NA
	100.0%	100.0%	NA	ABCO:	206	317	NA
Name Of Organization: WSDS- Institute of Innovative Technology Transfer & Environment							
Membership Status: Applicant				State Name : MANIPUR			
MFI Starting Year: 2002							
	2009	2008	2007	Year	2009	2008	2007
	113.3%	150.7%	129.9%	OCR:	11.0%	12.0%	22.0%
PAR>60Day:	0.0	0.0	0.0	TCR:	11.0%	12.0%	22.1%
	99.3%	99.6%	98.0%	ABCO:	174	158	96



ORRISA

Name Of Organization: **Adhikar**

Membership Status: **Primary Member**

State Name : **ORISSA**

MFI Starting Year: **2004**

	2009	2008	2007	Year	2009	2008	2007
	118.7%	108.3%	140.0%	OCR:	11.0%	11.5%	9.2%
PAR>60Day:	0.2%	0.1%	0.1%	TCR:	24.7%	15.7%	19.0%
	99.9%	99.9%	99.9%	ABCO:	494	356	416

Name Of Organization: **Asian Institute for Rural Regeneration**

Membership Status: **Associate Member**

State Name : **ORISSA**

MFI Starting Year: **2004**

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	113.8%	96.4%	89.1%	OCR:	8.0%	13.4%	5.3%
PAR>60Day:	0.4%	0.1%	9.8%	TCR:	21.5%	20.9%	16.6%
CRR:	100.0%	94.7%	87.0%	ABCO:	448	240	190

Name Of Organization: **Banki Anchalika Dibasi Harijan Kalyana Parishad**

Membership Status: **Associate Member**

State Name : **ORISSA**

MFI Starting Year: **2004**

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	123.3%	106.8%	110.6%	OCR:	2.9%	4.9%	3.3%
PAR>60Day:	0.0	1.0%	0.0	TCR:	13.1%	17.4%	14.8%
CRR:	100.0%	100.0%	100.0%	ABCO:	281	281	213

Name Of Organization: **Bharat Integrated Social Welfare Agency (BISWA)**

Membership Status: **Primary Member**

State Name : **ORISSA**

MFI Starting Year: **1997**

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	179.9%	406.46%	131%	OCR:	6%	4.15%	3.41%
PAR>60Day:	0.0	0.3%	0.18%	TCR:	15.43%	12.74%	7.97%
CRR:	99.0%	99.0%	99%	ABCO:	153	61	51

Name Of Organization: **Bright Association for Noble & Decent Human Understanding (BANDHU)**

Membership Status: **Associate Member**

State Name : **ORISSA**

MFI Starting Year: **2004**

Year	2009	2008	2007	Year	2009	2008	2007
OSS:	103.9%	110.2%	119.5%	OCR:	6.8%	6.4%	5.0%
PAR>60Day:	1.4%	0.0	0.0	TCR:	17.4%	14.8%	10.7%
CRR:	98.5%	100.0%	100.0%	ABCO:	307	164	154



Name Of Organization: Centre for Action and Rural Reconstruction (CARR)							
Membership Status: Non Member				State Name : ORISSA			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	113.4%	67.7%	6.3%	OCR:	17.6%	17.2%	98.8%
PAR>60Day:	0.3%	0.0	0.0	TCR:	39.6%	27.3%	98.8%
CRR:	99.5%	100.0%	100.0%	ABCO:	172	167	60
Name Of Organization: Credible Microfinance Pvt. Ltd							
Membership Status: Non Member				State Name : ORISSA			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	82.3%	109.6%	47.02%	OCR:	13.94%	9.66%	13.37%
PAR>60Day:	0.0	0.0	0.0	TCR:	19.89%	16.10%	16.86%
CRR:	100.0%	100.0%	100.0%	ABCO:	301	20	3
Name Of Organization: Darbar Sahitya Sansad(DSS)							
Membership Status: Primary Member				State Name : ORISSA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.9%	105.6%	130.2%	OCR:	3.4%	2.4%	3.4%
PAR>60Day:	0.0	2.8%	7.3%	TCR:	16.9%	14.7%	11.8%
CRR:	82.4%	94.7%	95.0%	ABCO:	195	193	132
Name Of Organization: Khandagiri Madhyamika Mahila Samabaya Sangha Ltd.							
Membership Status: Associate Member				State Name : ORISSA			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	108.6%	112.3%	104.2%	OCR:	4.6%	4.8%	4.5%
PAR>60Day:	6.1%	9.3%	0.0	TCR:	14.7%	15.9%	13.5%
CRR:	87.5%	98.1%	100.0%	ABCO:	248	NA	NA
Name Of Organization: Mahashakti Foundation							
Membership Status: Associate Member				State Name : ORISSA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	108.4%	111.6%	106.7%	OCR:	10.2%	8%	3.9%
PAR>60Day:	0.3%	0.2%	0.0	TCR:	21.9%	17.3%	15.3%
CRR:	99%	99.7%	100.0%	ABCO:	510	379	218



Name Of Organization: Mahila Vikas Prathmika Sanchaya Samabaya Ltd.							
Membership Status: Primary Member				State Name : ORISSA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	7%	NA	NA	OCR:	5%	NA	NA
PAR>60Day:	1.17%	NA	NA	TCR:	4.3%	NA	NA
CRR:	93%	NA	NA	ABCO:	60	NA	NA
Name Of Organization: Orissa Rural Infrastructure Development Association (ORIDA)							
Membership Status: Associate Member				State Name : ORISSA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	31.9%	9.1%	8.7%	OCR:	1.9%	7.0%	6.4%
PAR>60Day:	21.1%	10.8%	13.8%	TCR:	45.7%	171.2%	131.2%
CRR:	83.9%	58.6%	13.8%	ABCO:	115	50	30
Name Of Organization: Peoples Forum							
Membership Status: Non Member				State Name : ORISSA			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	115.7%	154.4%	102.9%	OCR:	5.6%	3.8%	69.4%
PAR>60Day:	0.0	0.0	0.0	TCR:	17.4%	12.9%	79.6%
CRR:	100.0%	100.0%	NA	ABCO:	455	171	102
Name Of Organization: Sanginee Secondary Co-operative Ltd.							
Membership Status: Associate Member				State Name : ORISSA			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.6%	108.8%	95.7%	OCR:	8.2%	7.6%	2.0%
PAR>60Day:	1.3%	1.0%	0.1%	TCR:	25.0%	20.7%	5.4%
CRR:	98.0%	96.1%	98.6%	ABCO:	289	309	298
Name Of Organization: Swayamshree Micro Credit Services(SMCS)							
Membership Status: Primary Member				State Name : ORISSA			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	122.9%	134.28%	120.23%	OCR:	3.2%	3.44%	4.67%
PAR>60Day:	1.9%	8.1%	14.3%	TCR:	14.4%	12.4%	12.7%
CRR:	95.7%	94.1%	94%	ABCO:	464	1586	5709



Name Of Organization: Youth Council for Development Alternatives (YCDA)							
Membership Status: Associate Member				State Name : ORISSA			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	156.8%	84.7%	39.5%	OCR:	22.6%	10.8%	12.5%
PAR>60Day:	0.0	0.0	0.0	TCR:	30.2%	16.6%	19.4%
CRR:	100.0%	95.0%	61.9%	ABCO:	5	6	6
RAJASTHAN							
Name Of Organization: Arth Finance							
Membership Status: Associate Member				State Name : RAJASTHAN			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	113.7%	80.1%	NA	OCR:	17.0%	9.4%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	26.0%	12.7%	NA
CRR:	99.8%	98.2%	NA	ABCO:	168	171	NA
Name Of Organization: Bazaari Global Finance Ltd.							
Membership Status: Non Member				State Name : RAJASTHAN			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	137.3%	123.5%	113.5%	OCR:	19.3%	23.0%	23.9%
PAR>60Day:	4.3%	4.7%	7.4%	TCR:	24.8%	26.1%	26.8%
CRR:	93.0%	87.5%	83.9%	ABCO:	156	120	134
Name Of Organization: Bhoruka Charitable Trust							
Membership Status: Associate Member				State Name : RAJASTHAN			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	104.7%	118.5%	180.6%	OCR:	1.9%	6.8%	4.7%
PAR>60Day:	17.9%	13.9%	11.4%	TCR:	3.8%	10.1%	6.6%
CRR:	NA	88.7%	78.3%	ABCO:	40	NA	NA
Name Of Organization: Dar Credit & Capital Limited							
Membership Status: Non Member				State Name : RAJASTHAN			
MFI Starting Year: 1994							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	128.0%	133.9%	135.8%	OCR:	26.7%	28.0%	27.0%
PAR>60Day:	1.8%	1.7%	1.5%	TCR:	28.4%	30.7%	29.8%
CRR:	NA	NA	NA	ABCO:	106	185	187



Name Of Organization: Pushtikar Laghu Vyaparik Pratishthan Bachat and Sakh Sahakari Samiti							
Membership Status: Primary Member				State Name : RAJASTHAN			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	116.3%	121.9%	128.3%	OCR:	1.6%	1.3%	1.1%
PAR>60Day:	3.1%	2.3%	2.7%	TCR:	15.6%	14.4%	11.0%
CRR:	94.3%	95.4%	95.2%	ABCO:	456	417	400
Name Of Organization: Seva Mandir							
Membership Status: Primary Member				State Name : RAJASTHAN			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	708.12%	NA	NA	OCR:	NA	NA	NA
PAR>60Day:	0.78	NA	NA	TCR:	1.73	NA	NA
CRR:	0.69	NA	NA	ABCO:	NA	NA	NA
TAMILNADU							
Name Of Organization: BWDA Finance Limited (BFL)							
Membership Status: Non Member				State Name : TAMIL NADU			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	115.4%	117.6%	114.6%	OCR:	7.4%	16.4%	17.6%
PAR>60Day:	2.3%	2.5%	1.7%	TCR:	17.7%	17.2%	17.9%
CRR:	98.2%	96.6%	98.1%	ABCO:	681	771	1123
Name Of Organization: Community Development Centre							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1994							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	113.7%	113.9%	116.5%	OCR:	5.2%	3.9%	5.2%
PAR>60Day:	0.0	0.1%	0.4%	TCR:	18.2%	14.1%	17.5%
CRR:	100.0%	78.2%	99.9%	ABCO:	389	512	455
Name Of Organization: Community Services Trust							
Membership Status: Associate Member				State Name : TAMIL NADU			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	47.0%	42.9%	82.9%	OCR:	21.5%	20.2%	24.0%
PAR>60Day:	0.2%	0.4%	0.1%	TCR:	27.4%	40.0%	27.4%
CRR:	99.8%	99.8%	99.8%	ABCO:	137	226	126



Name Of Organization: Ecumenical Church Loan Fund of India (ECOLOF)							
Membership Status: Associate Member				State Name : TAMIL NADU			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	81.9%	115.7%	NA	OCR:	19.2%	15.0%	NA
PAR>60Day:	28.3%	29.5%	0.0	TCR:	22.4%	15.3%	NA
CRR:	100.0%	96.9%	NA	ABCO:	963	771	NA
Name Of Organization: Equitas Micro Finance India Pvt Ltd.							
Membership Status: Associate Member				State Name : TAMIL NADU			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	119.69%	27.7%	NA	OCR:	13.03%	28.97%	NA
PAR>60Day:	0.01%	0.0	NA	TCR:	24.17%	31.22%	NA
CRR:	99.98%	100.0%	NA	ABCO:	945	351	NA
Name Of Organization: Grama Vidiyal Microfinance Limited							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1992							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	126.0%	136.0%	105.8%	OCR:	14.7%	4.0%	20.2%
PAR>60Day:	0.0	0.4%	0.1%	TCR:	25.5%	6.8%	30.9%
CRR:	100.0%	99.4%	98.7%	ABCO:	400	396	502
Name Of Organization: Guidance Society for Labour Orphans and Women (GLOW)							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 2003							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.9%	120.4%	132.5%	OCR:	15.5%	17.2%	19.3%
PAR>60Day:	1.0%	0.4%	1.8%	TCR:	25.4%	25.5%	32.9%
CRR:	99.4%	100.0%	100.0%	ABCO:	358	238	209
Name Of Organization: Indian Association for Savings and Credit (IASC)							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	85.8%	93.7%	113.3%	OCR:	12.6%	9.9%	6.4%
PAR>60Day:	3.3%	14.0%	8.1%	TCR:	28.1%	22.7%	20.4%
CRR:	99.9%	96.9%	88.5%	ABCO:	400	370	370



Name Of Organization: League for Education And Development (LEAD)							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	12.7%	77.2%	29.4%	OCR:	31.0%	30.0%	36.0%
PAR>60Day:	45.9%	17.2%	5.9%	TCR:	29.0%	26.0%	31.0%
CRR:	48.1%	61.7%	89.0%	ABCO:	205	201	230
Name Of Organization: Mahasemam							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.9%	106.8%	105.5%	OCR:	45.2%	11.2%	78.9%
PAR>60Day:	0.2%	1.8%	2.4%	TCR:	57.8%	25.4%	89.5%
CRR:	99.7%	98.5%	98.3%	ABCO:	451	424	421
Name Of Organization: Peoples Voluntary Integral Service Organisation							
Membership Status: Non Member				State Name : TAMIL NADU			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	5.83%	NA	NA	OCR:	NA	NA	NA
PAR>60Day:	NIL	NA	NA	TCR:	NA	NA	NA
CRR:	4%	NA	NA	ABCO:	170	NA	NA
Name Of Organization: Sangamam Womens Multipurpose Thrift and Credit Society							
Membership Status: Associate Member				State Name : TAMIL NADU			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	12.7%	77.2%	29.4%	OCR:	31.09%	30.0%	24.6%
PAR>60Day:	45.9%	17.2%	5.9%	TCR:	29.39%	26.2%	29.1%
CRR:	48.1%	61.7%	89%	ABCO:	205	201	230
Name Of Organization: Sarvodaya Nano Finance Limited							
Membership Status: Primary Member				State Name : TAMIL NADU			
MFI Starting Year: 1996							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	103.4%	107.4%	111.3%	OCR:	2.2%	2.5%	2.7%
PAR>60Day:	2.6%	0.7%	0.7%	TCR:	12.7%	11.3%	10.0%
CRR:	98.1%	99.2%	99.3%	ABCO:	121	134	128



Name Of Organization: SMILE Microfinance Limited							
Membership Status: Associate Member				State Name : TAMIL NADU			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	115.0%	108.4%	NA	OCR:	5.8%	5.1%	NA
PAR>60Day:	0.7%	1.3%	0.0	TCR:	20.7%	20.7%	NA
CRR:	99.6%	99.1%	NA	ABCO:	498	447	NA

UTTAR PRADESH

Name Of Organization: Bhartiya Micro Credit							
Membership Status: Non Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	42.1%	13.1%	NA	OCR:	51.8%	45.9%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	65.0%	48.5%	NA
CRR:	100.0%	100.0%	NA	ABCO:	121	26	NA

Name Of Organization: Cashpor Micro Credit							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 1997							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.7%	102.5%	87.0%	OCR:	13.6%	13.9%	20.2%
PAR>60Day:	0.6%	1.6%	2.3%	TCR:	25.0%	25.5%	27.3%
CRR:	99%	98%	97.4%	ABCO:	298	282	218

Name Of Organization: Disha India Micro Credit							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	80.0%	NA	NA	OCR:	24.5%	NA	NA
PAR>60Day:	1.0%	0.0	0.0	TCR:	39.3%	NA	NA
CRR:	95.6%	NA	NA	ABCO:	162	NA	NA

Name Of Organization: Jaago Samajik Arthik & Harit Vikas Sangathan							
Membership Status: Associate Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	62%	27%	NA	OCR:	16%	37%	NA
PAR>60Day:	0	0	NA	TCR:	24%	37%	NA
CRR:	100%	100.0%	NA	ABCO:	92	18	NA



Name Of Organization: Margadarshak Development Services							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.4%	39.6%	NA	OCR:	15.6%	27.5%	NA
PAR>60Day:	0.2%	0.0	0.0	TCR:	26.1%	32.5%	NA
CRR:	99.8%	100.0%	NA	ABCO:	167	89	NA
Name Of Organization: Network of Entrepreneurship and Economic Development (NEED)							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	121.0%	146.6%	98.4%	OCR:	11.0%	4.5%	14.1%
PAR>60Day:	0.7%	0.0	0.0	TCR:	23.3%	12.3%	22.0%
CRR:	94.4%	99.1%	100.0%	ABCO:	262	209	105
Name Of Organization: Nirmaan Bharati Samajik & Vikas Sangathan							
Membership Status: Associate Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	39.7%	123.2%	90.6%	OCR:	22.3%	16.4%	37.5%
PAR>60Day:	64.2%	0.0	0.0	TCR:	77.4%	25.5%	44.2%
CRR:	75.6%	100.0%	100.0%	ABCO:	365	335	258
Name Of Organization: Peoples Action for National Integration (PANI)							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 1990							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	95.58%	98.48%	95.89%	OCR:	5.44%	4.54%	5.09%
PAR>60Day:	2.92%	2.72%	2.95%	TCR:	7.34%	5.55%	5.89%
CRR:	96.03%	97.16%	95.90%	ABCO:	459	608	622
Name Of Organization: Parmarth Samaj Sevi Sansthan							
Membership Status: Associate Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	152.86%	160.21%	181.6%	OCR:	7.32%	4.87%	24.08%
PAR>60Day:	0.42%	0.16%	0.62%	TCR:	8.73%	6.65%	33.4%
CRR:	14.6%	3.41%	29.1%	ABCO:	NA	NA	NA



Name Of Organization: Rural and Urban Innovative Social Entrepreneurship (RiSE)							
Membership Status: Non Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2008							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	80.1%	NA	NA	OCR:	19.1%	NA	NA
PAR>60Day:	0.1%	0.0	0.0	TCR:	38.1%	NA	NA
CRR:	100.0%	NA	NA	ABCO:	178	NA	NA
Name Of Organization: Sonata Finance Private Ltd.							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	142.9%	101.5%	53.1%	OCR:	12.4%	18.6%	48.0%
PAR>60Day:	0.6%	0.1%	0.0	TCR:	24.1%	32.1%	61.2%
CRR:	99.4%	100.0%	100.0%	ABCO:	255	212	106
Name Of Organization: Shramik Bharti							
Membership Status: Primary Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2001							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	140%	144%	141%	OCR:	4%	4%	5%
PAR>60Day:	NA	NA	NA	TCR:	13%	13%	15%
CRR:	NA	NA	NA	ABCO:	449	365	338
Name Of Organization: Trust Microfin Network							
Membership Status: Associate Member				State Name : UTTAR PRADESH			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	84.9%	65.6%	28.4%	OCR:	5.4%	16.7%	17.3%
PAR>60Day:	0.0	0.0	0.0	TCR:	15.7%	16.7%	22.1%
CRR:	91.9%	99.7%	100.0%	ABCO:	NA	NA	NA
UTTARAKHAND							
Name Of Organization: Mimoza Enterprises Finance Pvt Ltd							
Membership Status: Associate Member				State Name : UTTARAKHAND			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	99.6%	61.5%	76.1%	OCR:	15.0%	35.3%	32.6%
PAR>60Day:	0.4%	0.1%	0.0	TCR:	28.6%	51.1%	46.8%
CRR:	99.5%	99.7%	100.0%	ABCO:	340	185	35



Name Of Organization: Pahal							
Membership Status: Associate Member				State Name : UTTARAKHAND			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	121.0%	49.9%	52.0%	OCR:	19.5%	14.5%	4.7%
PAR>60Day:	3.3%	7.3%	1.9%	TCR:	21.6%	22.4%	13.2%
CRR:	NA	NA	NA	ABCO:	527	108	NA
Name Of Organization: Uttarakhand Micro Finance and Livelihood Promotion Co-operative Institution							
Membership Status: Associate Member				State Name : UTTARAKHAND			
MFI Starting Year: 2007							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	222.2%	666.4%	NA	OCR:	8.0%	435.2%	NA
PAR>60Day:	8.5%	0.0	0.0	TCR:	19.2%	435.2%	NA
CRR:	95.2%	100.0%	NA	ABCO:	NA	NA	NA
WEST BENGAL							
Name Of Organization: Agradut Polly Unnayan Samity							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	111.4%	NA	2.2%	OCR:	10.1%	NA	27.0%
PAR>60Day:	1.2%	0.0	0.0	TCR:	17.6%	NA	55.7%
CRR:	98.9%	NA	73.2%	ABCO:	119	NA	106
Name Of Organization: Arohan Financial Services Ltd							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1980							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	126.3%	101.1%	63.1%	OCR:	14.5%	17.8%	31.8%
PAR>60Day:	0.2%	0.2%	0.0	TCR:	24.7%	27.7%	35.4%
CRR:	99.8%	98.7%	99.9%	ABCO:	369	346	255
Name Of Organization: Bajkul Sports Association							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 1970							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	130.9%	135.8%	114.2%	OCR:	10.9%	10.1%	9.9%
PAR>60Day:	1.7%	1.1%	0.4%	TCR:	20.3%	22.0%	19.1%
CRR:	71.5%	98.0%	97.0%	ABCO:	301	341	259



Name Of Organization: Bandhan Financial Services Pvt. Ltd.							
Membership Status: Primary Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	153.83%	132.98%	141.03%	OCR:	9.07%	10.63%	8.69%
PAR>60Day:	0.07%	0.08%	0.06%	TCR:	18.56%	19.29%	18.13%
CRR:	99.97%	99.99%	99.99%	ABCO:	490	406	342
Name Of Organization: Belgharia Janakalyan Samity							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	131.3%	137.4%	93.4%	OCR:	14.3%	18.3%	28.8%
PAR>60Day:	0.4%	0.0	0.0	TCR:	24.5%	30.9%	34.5%
CRR:	99.8%	100.0%	100.0%	ABCO:	233	289	254
Name Of Organization: B U R S							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	147.95%	124.67%	147.20%	OCR:	159.77%	166.38%	114.31%
PAR>60Day:	NA	NA	NA	TCR:	15.84%	17.35%	9.53%
CRR:	100%	100%	100%	ABCO:	255	250	250
Name Of Organization: Dibakar (An Organisation - Hope for needy poor people)							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	116.9%	35.8%	NA	OCR:	27.0%	14.0%	NA
PAR>60Day:	0.0	0.0	0.0	TCR:	27.0%	14.0%	NA
CRR:	NA	35.3%	NA	ABCO:	35	23	NA
Name Of Organization: Durganagar Sabuj Sangha							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	85.7%	NA	NA	OCR:	6.7%	NA	NA
PAR>60Day:	2.8%	0.0	0.0	TCR:	15.4%	NA	NA
CRR:	NA	NA	NA	ABCO:	25	NA	NA



Name Of Organization: Human Development Centre							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 2001							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	121.2%	100.5%	100.9%	OCR:	10.4%	11.8%	5.5%
PAR>60Day:	0.2%	0.9%	0.8%	TCR:	17.1%	23.1%	15.1%
CRR:	99.1%	98.7%	98.2%	ABCO:	275	265	253
Name Of Organization: Kalighat Society for Development Facilitation (KSDF)							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2002							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	106.3%	105.3%	110.1%	OCR:	7.2%	2.9%	6.2%
PAR>60Day:	1.3%	1.9%	1.3%	TCR:	12.1%	12.0%	19.0%
CRR:	98.0%	97.9%	96.9%	ABCO:	168	221	151
Name Of Organization: Kotalipara Development Society (KDS)							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1980							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	103.4%	95.6%	75.0%	OCR:	23.0%	25.4%	22.8%
PAR>60Day:	1.1%	1.2%	0.0	TCR:	31.3%	33.5%	29.2%
CRR:	98.8%	98.3%	98.7%	ABCO:	191	186	158
Name Of Organization: Liberal Association for Movement of People (LAMP)							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	130.1%	120.8%	127.6%	OCR:	7.4%	10.7%	7.4%
PAR>60Day:	1.5%	1.5%	2.0%	TCR:	14.0%	15.1%	12.0%
CRR:	93.2%	92.2%	88.6%	ABCO:	98	97	90
Name Of Organization: Parama Mahila Samity							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 1996							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	105.04%	152.29%	506.48%	OCR:	NA	NA	NA
PAR>60Day:	NA	NA	NA	TCR:	NA	NA	NA
CRR:	93%	89%	80%	ABCO:	233	265	332



Name Of Organization: Rajapur Seva Niketan							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	70.2%	97.2%	106.0%	OCR:	5.0%	7.9%	7.1%
PAR>60Day:	1.1%	0.1%	0.1%	TCR:	11.9%	20.1%	15.1%
CRR:	98.9%	83.6%	92.3%	ABCO:	NA	NA	NA
Name Of Organization: Sahara Utsarga Welfare Society							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1999							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	170.1%	164.7%	111.0%	OCR:	13.3%	11.9%	8.9%
PAR>60Day:	1.0%	1.4%	0.0	TCR:	23.1%	24.6%	20.4%
CRR:	99.8%	99.2%	100.0%	ABCO:	296	334	260
Name Of Organization: Sahara Uttarayan							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 2001							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	123.3%	143.3%	120.1%	OCR:	20.5%	20.0%	19.9%
PAR>60Day:	1.9%	1.3%	0.8%	TCR:	24.3%	25.3%	26.6%
CRR:	91.7%	99.6%	99.0%	ABCO:	455	313	278
Name Of Organization: Sarala Women Welfare Society							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	133.4%	139.3%	68.6%	OCR:	7.2%	8.2%	5.9%
PAR>60Day:	0.0	0.0	0.0	TCR:	16.0%	14.3%	8.8%
CRR:	100.0%	100.0%	100.0%	ABCO:	393	326	268
Name Of Organization: Seba Rahara							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.7%	107.9%	75.3%	OCR:	11.6%	16.0%	6.5%
PAR>60Day:	0.4%	0.6%	0.0	TCR:	25.1%	29.4%	12.2%
CRR:	99.6%	99.4%	100.0%	ABCO:	322	240	266



Name Of Organization: Society for Model Gram Bikash Kendra							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2004							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	129.67%	125.78%	133.54%	OCR:	18.54%	21.5%	19.48%
PAR>60Day:	0.24%	1.55%	1.63%	TCR:	28.33%	28.83%	29.33%
CRR:	99.76%	98.64%	98.62%	ABCO:	330	255	167
Name Of Organization: Sreema Mahila Samity							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2000							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.8%	118.8%	126.0%	OCR:	5.3%	6.2%	4.3%
PAR>60Day:	16.1%	3.7%	0.4%	TCR:	17.6%	17.5%	13.1%
CRR:	93.5%	71.5%	91.8%	ABCO:	525	514	515
Name Of Organization: Tajpur Ma Saradamayee Nari Kalyan Samity							
Membership Status: Non Member				State Name : WEST BENGAL			
MFI Starting Year: 1998							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	102.8%	125.7%	120.8%	OCR:	3.6%	6.0%	4.3%
PAR>60Day:	0.0	0.0	22.8%	TCR:	18.0%	15.5%	5.3%
CRR:	100.0%	100.0%	100.0%	ABCO:	1207	842	988
Name Of Organization: Village Financial Services Pvt Ltd							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2006							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	116.1%	116.9%	116.4%	OCR:	11.3%	14.3%	20.7%
PAR>60Day:	0.5%	0.0	0.0	TCR:	21.6%	24.4%	28.6%
CRR:	99.3%	100.0%	100.0%	ABCO:	433	531	529
Name Of Organization: Village Micro-Credit Services (VMCS)							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 2005							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	101.5%	103.6%	139.0%	OCR:	11.5%	6.5%	1.4%
PAR>60Day:	2.0%	2.6%	2.6%	TCR:	26.6%	19.2%	3.3%
CRR:	96.8%	96.8%	96.5%	ABCO:	96	465	599
Name Of Organization: Vivekananda Sevakendra-o-Sishu Uddyan (VSSU)							
Membership Status: Associate Member				State Name : WEST BENGAL			
MFI Starting Year: 1994							
Year	2009	2008	2007	Year	2009	2008	2007
OSS:	107.5%	101.4%	80.7%	OCR:	3.1%	2.6%	2.4%
PAR>60Day:	2.0%	1.8%	1.3%	TCR:	28.6%	19.3%	20.7%
CRR:	96.0%	96.0%	95.0%	ABCO:	280	320	289

Annexures



SIDE BY SIDE 2009

Annexure - I



List of Contributed MFIs

Sl.No	Organization	Data Sheet	Annual Report
1	Access Development Services	No	Yes
2	Action for Social Advancement	Yes	No
3	Adarsh Shiksha Samiti	Yes	No
4	Adhikar	Yes	No
5	Agradut Polly Unnayan Samity	Yes	Yes
6	Ajagar Social Circle	Yes	Yes
7	Ajiwika Society	Yes	No
8	Annapurna Mahila Multi-State Co-Op Credit Society Ltd	Yes	Yes
9	Aprajita Mahila Sangh	Yes	No
10	Arman Financial Services Limited	Yes	Yes
11	Arohan Financial Services Ltd.	Yes	No
12	Arth Micro Finance	Yes	No
13	Ashajyothi Mahilabhyudaya Society (AMS)	Yes	No
14	Asian Institute for Rural Regeneration	Yes	No
15	Asmitha Microfin Ltd.	Yes	No
16	Association of Women Entrepreneurs of Karnataka (AWAKE)		Yes
17	Bajkul Sports Association	Yes	No
18	Bal -Mahila Vikas Samiti (VAMA)	Yes	Yes
19	Bandhan Financial Services Pvt. Ltd	Yes	Yes
20	Banki Anchalika Adibasi Harijan Kalyan Parisad	Yes	Yes
21	BATIKA	Yes	No
22	Bazaari Global Finance Limited	Yes	No
23	Belghoria Janakalyan Samiti	Yes	No
24	Bharat Integrated Social Welfare Agency (BISWA)	Yes	Yes
25	Bharatiya Samruddhi Finance Ltd (BASIX)	Yes	Yes
26	Bhartiya Micro Credit	Yes	No
27	Bhoruka Charitable Trust	Yes	No
28	Bihar Development Trust	Yes	No
29	BOARD	Yes	No
30	Bright Association for Noble & Decent Human Understanding (BANDHU)	Yes	Yes



Sl.No	Organization	Data Sheet	Annual Report
31	BSS Microfinance Pvt. Ltd.	Yes	No
32	Budhanath Seba Sangha	No	Yes
33	Bullock-Cart Workers Development Association (BWDA)	Yes	Yes
34	BURS	Yes	No
35	Camel Mahila MACTS Ltd	Yes	No
36	Capital Trust	Yes	Yes
37	CASHPOR Micro Credit	Yes	Yes
38	CECOEDECON	No	Yes
39	Centre for Action and Rural Re-construction	Yes	Yes
40	Centre for Development Orientation & Training (CDOT)	Yes	Yes
41	Centre for Good Governance (CGG)	No	Yes
42	Centre for Promoting Sustainable Livelihood	Yes	No
43	Centre for Youth and Social Development (CYSD)	Yes	Yes
44	Community Development Centre	Yes	Yes
45	Community Services Trust	Yes	No
46	"Credible Microfinance Pvt. Ltd."	Yes	No
47	CRESA Financial Services Pvt. Ltd	Yes	No
48	CRISIL Ltd.	No	Yes
49	Dar Credit & Capital Ltd.	Yes	Yes
50	Darbar Sahitya Sansad	Yes	No
51	Development Organization for Village Environment (DOVE)	Yes	Yes
52	DIBAKAR	Yes	No
53	Disha India Micro Credit	Yes	No
54	Durganagar Sabuj Sangha	Yes	Yes
55	Ecumenical Church Loan Fund of India (ECOLOF)	Yes	No
56	Equitas Microfinance India Pvt Ltd.	Yes	No
57	Evangelical Social Action Forum (ESAF)	Yes	No
58	Friends of Women's World Banking India (FWWB)	No	Yes
59	Fullerton India Credit Company Limited	Yes	No
60	Future Financial Services Ltd.	Yes	No
61	Global Welfare Society	Yes	No
62	Gram Swaraj Seva Trust	Yes	No
63	Gram Vidyal Microfinance Limited	Yes	No



Sl.No	Organization	Data Sheet	Annual Report
64	Grameen Financial Services Pvt. Ltd.	Yes	No
65	Grameen Mahila Swayamsiddha Sangh, Ambegaon	Yes	Yes
66	Grameen Mahila Swayamsiddha Sangh, Khed	Yes	Yes
67	Grameen Sahara	Yes	Yes
68	Guidance Society For Labour Orphans & Woman(GLOW)	Yes	Yes
69	Hope Foundation	Yes	Yes
70	Hope Integrated Rural Development Society	Yes	No
71	Housing Development Finance Corporation Ltd. (HDFC),	No	Yes
72	Human Development Centre	Yes	No
73	Humana People to People	Yes	Yes
74	IDF Financial Services Pvt Ltd.	Yes	No
75	Indian Association for Savings & Credit (IASC)	Yes	No
76	Indian Grameen Services (IGS)	No	Yes
77	Indian School of Microfinance for Women	No	Yes
78	Indur Inteddeepam Macs Federation Ltd.	Yes	No
79	Institute of Integrated Resource Management	Yes	Yes
80	Institute of Rural Credit & Entrepreneurship Development (IRCED)	Yes	No
81	Institute of Womens Banking	Yes	No
82	Ishara Foundation for Finance and Rural Development	Yes	Yes
83	Jaago Samajik Arthik & Harit Sangathan	Yes	No
84	Jan Sewa Parisad	Yes	Yes
85	Janalakshmi Social Services	Yes	No
86	Janodaya Public Trust	Yes	No
87	Kalighat Society For Development Facilitation	Yes	No
88	Khandagiri Madhyamika Mahila Samabaya Sangha Ltd	Yes	No
89	Kotalipara Development Society	Yes	Yes
90	Krishna Bhima Samruddhi Local-Area Bank Ltd.	Yes	No
91	Krushi	Yes	No
95	LEAD	Yes	No
96	Liberal Association for Movement of People(LAMP)	Yes	No
97	Lok Biradari Trust	Yes	No
98	Maanaveeya Holdings & Investments Pvt. Ltd.	No	Yes
99	Madhyam Foundation	No	Yes



Sl.No	Organization	Data Sheet	Annual Report
100	Mahaseemam	Yes	No
101	Mahashakti Foundation	Yes	Yes
102	Mahila Abhivruddhi Society, (APMAS)	No	Yes
103	Mahila Kalyan Samiti	Yes	No
104	Mahila Vikas Prathamika Sanchaya Samabaya Ltd.	Yes	No
105	Manab Seba Sangha	No	Yes
106	Margdarshak Development Services	Yes	No
107	Mass Care International	Yes	No
108	Microsave India Foundation	No	Yes
109	Mimoza Enterprises Finance Pvt Ltd (Mimo Finance)	Yes	No
110	Mother Teresa Mahila MACS Ltd.	Yes	No
111	Nav Bharat Jagriti Kendra	Yes	Yes
112	Navchetana Microfin Services Ltd.	Yes	No
113	Navchetna	Yes	Yes
114	Network of Entrepreneurship & Economic Development (NEED)	Yes	Yes
115	Nidan Microfinance Foundation	Yes	No
116	Nirantara Community Services	Yes	No
117	Nirmaan Bharati Samajik and Arthik Vikas Sangathan	Yes	Yes
118	North Eastern Development Corporation Limited	No	Yes
119	ODISHA	No	Yes
120	Orissa Rural Infrastructure Development Association(ORIDA)	Yes	Yes
121	Outreach	Yes	No
122	PAHAL	Yes	Yes
123	Parama Mahila Samitee	Yes	No
124	Pararth Samiti	Yes	No
125	Parmarth Samaj Sevi Sansthan	Yes	No
126	PARTNER	Yes	No
127	People's Action for National Integration (PANI)	Yes	Yes
128	Peoples Forum	Yes	Yes
129	Peoples Voluntary Integrated Service Organization	Yes	No
130	Pragathi Seva Samithi	Yes	No
131	Prakruhti Foundation	Yes	No
132	Prayas(Organization for Sustainable Development)	Yes	Yes



Sl.No	Organization	Data Sheet	Annual Report
133	Priyasakhi Mahila Sangh	Yes	Yes
134	Prochesta	Yes	No
135	Pustikar Laghu Vyaparik Bachat Evam Sakh Sahkari Samiti Ltd.	Yes	No
136	PWMACS	Yes	No
137	Rajapur Seva Niketan	Yes	No
138	Ramprasad Smriti Sangha & Pathagar	Yes	No
139	Rashtriya Gramin Vikas Nidhi (RGVN)	No	Yes
140	Rashtriya Seva Samithi (RASS)	Yes	No
141	Rores Micro Entrepreneur Development Trust	Yes	No
142	Rural and Urban Innovative Social Entrepreneurship (RiSE)	Yes	No
143	Saadhana MicroFin Society	Yes	No
144	Saath Charitable Trust(Ekta)	Yes	No
145	Saath Charitable Trust(Sakhi)	Yes	No
146	Sahara Utsarga Welfare Society	Yes	Yes
147	Sahara Uttrayan	Yes	Yes
148	Saija Finance Pvt. Ltd.	Yes	Yes
149	Sakhi Samudaya Kosh	Yes	No
150	Samagra Gram Vikas Sanatha	Yes	No
151	Samarthan Weakling Development Foundation	Yes	Yes
152	Sambhav Social Service Organization	Yes	Yes
153	Samhita Community Development Services	Yes	No
154	Sampada Trust	Yes	No
155	SAMUHA	No	No
156	Sangamam Women's Multipurpose Thrift and Credit Co-operative Society Ltd.	Yes	Yes
157	Sanghamitra Rural Financial Services	Yes	No
158	Sanginee Secondary Cooperative Ltd.	Yes	No
159	Sankalpa Grameen Mahila Swayamsiddha Sangh	Yes	Yes
160	Sarala Women Welfare Society	Yes	Yes
161	Sarvodaya Nano Finances Ltd.	Yes	Yes
162	Satin Creditcare Network Limited	Yes	No
163	SATRA	Yes	Yes
164	Seba Rahara	Yes	Yes



Sl.No	Organization	Data Sheet	Annual Report
165	Seva Mandir	Yes	Yes
166	Social Education and Voluntary Action (SEVA)	Yes	No
167	Sewa Bank	Yes	No
168	Shikhar Development Foundation	Yes	No
169	Shramik Bharti	Yes	No
170	Shree Pachhim Kutch Mahila Savings & Credit Society	No	No
171	Shri Kshethra Dharmasthala Rural Development Project(SKDRDP)	Yes	Yes
172	SIDRIB	Yes	No
173	Siri Micro Fin Society	Yes	No
174	SMILE Microfinance Limited	Yes	No
175	Society for Model Gram Bikash Kendra	Yes	Yes
176	Sonata Finance Pvt. Ltd.	Yes	No
177	Spandana Sphoorty Innovative Financial Services Ltd.	Yes	Yes
178	Sreema Mahila Samity	Yes	Yes
179	Sri Vardan Socio Development Foundation	Yes	No
180	SRIJAN	Yes	No
181	Srijan Foundation	Yes	Yes
182	Srijani Society for People with Disabilities	Yes	No
183	Star Microfin Service Society	Yes	Yes
184	Supath Gramodhyog Sansthan	Yes	Yes
185	Support	Yes	Yes
186	SURAJE	Yes	No
187	Swadhaar FinServe Pvt Ltd (SFPL)	Yes	Yes
188	SWAWS Credit Corporation India Pvt. Ltd.	Yes	No
189	Swayamshree Micro Credit Services	Yes	No
190	Tajpur Ma Saradamayee Nari Kalyan Samity	Yes	Yes
191	The Livelihood School	No	Yes
192	Trident Microfin Pvt ltd.	Yes	No
193	Trust Microfin Network	Yes	No
194	Trust Microfin Services	Yes	No
195	Ujjivan Financial Services Pvt. Ltd.	Yes	Yes
196	Unacco Financial Services Pvt. Ltd.	Yes	No
197	Unnati Mahila Sangh	Yes	No



Sl.No	Organization	Data Sheet	Annual Report
198	Uttarakhand Microfinance & livelihood Promotion Cooperative Institution	Yes	No
199	Vedika Credit Capital Ltd.	Yes	No
200	Viivekananda Sevakendra-O-Sishu Uddyan	Yes	Yes
201	VIKAS Centre for Development – Lok Vikas Nidhi	Yes	Yes
202	Vikas Deep	Yes	No
203	Village Financial Services Pvt. Ltd.	Yes	Yes
204	Village Micro Credit Services	Yes	No
205	Voluntary for Village Development Microfinance Program	Yes	No
206	We the People	Yes	No
207	Welfare Services Earnakulam	Yes	Yes
208	Women Empowerment & Micro Credit Services	Yes	No
209	WSDS, Institute of Innovative Technology Transfer and Environment	Yes	No
210	Youth Council for Development Alternatives (YCDA)	Yes	Yes
211	Yukti Samaj Sewa Society	Yes	No

Annexure - II

Data Collection Format

1. Name of the Organization:
2. Name +Designation of the staff member who filled the form:
3. Address of the Organization:
4. Are you acting as BC? :- Yes/No. If yes, name your partners for this arrangement
 - a) Banks:
 - b) Technology Partners:
5. Are you acting as BF? :-Yes/No. If yes name your partner for this arrangement
 - a) Banks:
 - b) Technology Partners:

Audited Financial Performance Data

The six financial performance indicators recommended by Sa-Dhan cover core elements of financial performance viz., Sustainability, Asset Quality and Efficiency.

Guidance Note on below mentioned information is appended

S N	Performance Ratio [formula for calculation]	2008-09	2007-08	2006-07
1.	Operational Self Sufficiency [a / (b+c+d+e)] %			
a	Operating Income (from Loans + Investments)			
b	Personnel Costs			
c	Administrative Costs			
d	Loan Loss Provisions			
e	Financial Costs			
2.	Portfolio at Risk > 60 Days Past Due [a / b] %			
a	Unpaid Principal Balance of Past Loans due (with overdue > 60 days of age)			
b.	Total Gross Outstanding Portfolio			
3.	Current Repayment Rate [(a-b) / c] %			
a	Total Amount (Principal + Interest) collected for the period			
b	Prepayments (Principal + Interest)			
c	Total Amount (Principal + Interest) Due (to be collected during the period)			
4.	Operating Cost Ratio [a / b] %			
a	Total Operating Costs (Operating Cost-Cost of Loan-Provision for Bad Debts-Bad Debts Written Off)			
b	Average Outstanding Portfolio(Annual Average)			
5.	Total Cost Ratio [a / b] %			
a	Total Costs (Operational Costs + Loan loss Provisions + Cost of Funds) (Total Cost includes Provisions for Doubtful Debts & Written off)			
b	Average Outstanding Portfolio			



6.	Active Borrowers per Credit Officer [a / b]			
a	Average number of active borrowers (Month wise Annual Average)			
b	Average number of credit officers (Annual Average)			

Please provide information for item no 7 to 18 from your Audit Report				
		2008-09	2007-08	2006-07
7.	Investment			
8.	Net Loan Portfolio			
9.	Net Fixed Assets			
10.	Bank Balance			
11.	Cash in Hand			
12.	Borrowings			
13.	Deposits			
14.	Revolving Fund			
15.	Other Liabilities			
16.	Donations			
17.	Gross Loan Portfolio			
18.	Shareholdings (Total Equity Amount)			

Note:

1. If you have provided data for the SBS 2008(last year SBS), fill up only 2008-09 columns. If you have not provided data for SBS 2008, please fill up all the three columns. Also please submit Annexure 1 1(a) If there is any change in legal form/delivery model/name/operational area etc, please also submit Annexure 1
2. The year 2008-09, 2007-08 and 2006-07 refers to respective financial years i.e., April – March.
3. Please submit your annual report for 2008-09 including audited financial statements.
4. For calculating the ratios, you may refer operational manual/ Sa-Dhan website: <http://www.sa-dhan.net/Inner.aspx?Others\ResourceCentre.htm> - under Tools click "Technical Notes"
5. Please send back the filled up format to the E-mail ID: - sbs@sa-dhan.org

Date:

Authorized Signatory

Guidance Note on information sought

1. In case the organization has not completed two years of microfinance operations, please provide data for relevant years.
2. Please indicate all ratios from 1-6 in percentages (%) after calculation and for column a, b, c and d In amounts in rupees in full (not in thousands / lakhs / crores of Rupees).
3. Operational cost for micro finance operations includes salaries and benefits, administrative expenses, occupancy expenses, travel, depreciation and it excludes cost of fund and loan loss provision.
4. An average Loan Portfolio means last year's portfolio + current year's portfolio divided by 2. e.g. [Loan Portfolio (31st March 2008) + Loan Portfolio (31st March 2009)]/2.

State - wise poorest districts covered by MFIs

State	2008		2009		New Dist. Entered during 2009
	Total Dist. Covered	Total Poorest Dist. Covered	Total Dist. Covered	Total Poorest Dist. Covered	
Andaman & Nicobar Islands	1	0	1	0	
Andhra Pradesh	23	19	23	19	
Assam	20	7	24	11	Golaghat, Jorhat, Karbi-Anglong, North Cachar Hills
Bihar	32	31	35	34	Mathepura, Sehore, Supaul
Chhattisgarh	17	15	17	15	
Delhi	4	0	8	0	East Delhi, North-East Delhi, West Delhi, South-East Delhi
Goa	0	0	1	0	Info. not available
Gujarat	16	4	19	6	Baruch, Sabarkanta, Surat
Haryana	11	1	20	2	Bhiwani, Fatehabad, Hissar, Jind, Kaithal, Panchkula, Rewari, Sirsa, Yamuna Nagar
Himachal Pradesh	0	0	1	1	Sirmaur
Jharkhand	21	20	24	23	Simdega, Saraikala, Gumla
Karnataka	28	10	28	10	
Kerala	11	3	13	4	Cannor(Kannaore), Waynad
Madhya Pradesh	34	17	38	21	Betul, Datia, Harda, Mandsaur
Maharashtra	35	18	35	18	
Manipur	2	0	6	2	Chandel, Churachandpur, Impal East, Impal West
Meghalaya	0	0	2	2	East Khasi Hills, Ribhoi
Nagaland	4	3	4	3	
Orissa	30	24	30	24	
Pondicherry	2	0	2	0	
Punjab	0	0	3	2	Amritsar, Jalandhar, Patiala
Rajasthan	20	6	26	9	Ajmir, Bundi, Jalore, Karauli, Rajasamund, Sirohi,
Sikkim	0	0	1	1	South district
Tamil Nadu	30	10	31	10	Tirupur
Tripura	2	2	3	2	North district
Uttar Pradesh	36	16	44	23	Ambedkarnagar, Basti, Budaun, Bulandsheher, Jalaun, Sant Kabir Nagar, Sitapur, Sunbhadra
Uttarakhand	7	3	7	3	
West Bengal	19	16	19	16	
Total	405	225	465	261	

Annexure - IV



State - wise per SHG figures

State	Per SHG Savings (Rs)	Per SHG Loan Disbursement (Rs)	Per SHG Loan Outstanding (Rs)	Per SHG Loan to Savings Ratio
Haryana	7661	139580	81076	11
Himachal Pradesh	716	89409	29413	41
Punjab	7361	95932	41624	6
Jammu & Kashmir	11209	81814	50063	4
Rajasthan	7189	56368	37419	5
New Delhi	914	32613	78179	86
Assam	3479	59347	36966	11
Meghalaya	3404	50790	20767	6
Nagaland	2602	213308	36575	14
Tripura	12532	113897	99008	8
Arunachal Pradesh	1818	5873	35627	20
Mizoram	4364	91265	100919	23
Manipur	2024	53846	47261	23
Sikkim	5653	127563	61137	11
Bihar	5221	96933	54507	10
Jharkhand	5127	81996	46623	9
Orissa	6097	57797	39435	6
West Bengal	20236	38075	22228	1
A & N Island	2918	41106	36478	13
Chattisgarh	4413	77176	47333	11
Madhya Pradesh	4139	22963	37938	9
Uttarakhand	7406	104486	80085	11
Uttar Pradesh	6113	105875	57746	9
Goa	14039	30102	67998	5
Gujarat	5974	70018	29479	5
Maharashtra	8656	34240	40233	5
Andhra Pradesh	9305	86502	73009	8
Karnataka	12393	76021	52204	4
Kerala	6476	85586	53983	8
Tamil Nadu & Pondy (UT)	7907	86765	59780	8
All India	9059	76128	53688	6

CORE VALUES AND VOLUNTARY MUTUAL CODE OF CONDUCT FOR MICRO FINANCE INSTITUTIONS INTRODUCTION

Introduction

Microfinance institutions seek to create social benefits and promote financial inclusion by providing financial services to low income households, including those who were previously excluded. As these institutions build partnerships with their clients and the microfinance sector grows more complex, it is getting increasingly important to define core values and fair practices, so as to ensure that microfinance services are provided in a manner that benefits and respects clients. This document states core values for microfinance (Part-I), a voluntary mutual code of conduct for microfinance institutions to abide by these values (Part-II) and a process of compliance (Part-III). All microfinance institutions, which are members of Sa-Dhan, unanimously and whole-heartedly agree to abide by the core values and the code of conduct as set out hereunder:

Part - I Core Values in Microfinance

Integrity

Our mission is to service low-income clients—women and men—and their families, providing them short term and/or long-term access to financial services, that are client focused, designed to enhance their well-being, and delivered in a manner that is ethical, dignified, transparent, equitable and cost effective.

Quality of Service

We believe that our clients deserve fair and efficient microfinance services. We will provide these services to them in as convenient, participatory and timely manner as possible

Transparency

We shall give our clients complete and accurate information and educate them about the terms of financial services offered by us in a manner that is understandable by them.

Fair Practices

We are committed to ensure that our services to our clients are not unethical and deceptive. In providing microfinance services including lending and collection of dues, we are committed to fair practices, which balance respect for client's dignity and an understanding of a client's vulnerable situation, with reasonable pursuit of recovery of loans.

Privacy of Client Information

We will safeguard personal information of clients, only allowing disclosures and exchange of such information to others who are authorized to see it, with the knowledge and consent of clients.

Integrating Social Values into Operations

We believe that high standards of governance, participation, management and reporting are critical to our mission to serve our clients and to uphold core social values.

Feedback Mechanism

We shall provide our clients formal and informal channels for their feedback and suggestions for building our competencies to serve our clients better.

Part -II

Voluntary Mutual Code of Conduct

To ensure that all our activities and dealings with clients are in compliance with the above core values, we all agree to adopt the code of conduct as elaborated hereunder:

2.0 Application of the Code :

- I) This code applies to all categories of member microfinance institutions irrespective of their constitution (a society or a trust or company or cooperative society under any state enactment or Multi-State Cooperative Societies Act) whose principal activity is microfinance.
- ii) This code applies to following activities undertaken by member microfinance institutions:
 - a) Formation of any type of community collectives including self-help groups, Joint liability groups and their federations.
 - b) Providing financial literacy to the clients.
 - c) Collection of thrift from clients.
 - d) Making arrangement for remittance of funds collected from clients through banking channels or by any other means.
 - e) Providing credit services to clients individually or in groups;
 - f) Recovery of credit provided to clients for economic activities or for any other purpose for the welfare and benefit of clients.
 - g) Business development services including marketing products or services made or extended by the eligible clients or for any other purpose for the welfare and benefit of clients.
 - h) Providing insurance or pension benefit products as partners or agents of insurance companies, or pension or mutual fund schemes duly licensed to undertake microfinance or insurance or pensioners' benefit schemes by a competent authority.
- iii) Certain key words used in this code are defined in the Annexure at the end of this code.
- iv) This code comes into effect from 18 January 2007 unless otherwise indicated.

2.1 We all agree to -

- I) Promote and strengthen the microfinance movement in the country by bringing the low-income clients to the mainstream financial sector.
- ii) Build progressive, sustainable and client-centric microfinance institutions in the country to provide integrated financial services to our clients.
- iii) Promote cooperation and coordination among microfinance institutions and other agencies to achieve higher operating standards and avoid unethical competition in order to serve our clients better.

2.2

In order to achieve the aforesaid, we all agree to follow the following practices mentioned below:



2.2.1 Integrity

We agree to -

- i) Act honestly, fairly and reasonably in conducting microfinance activities.
- ii) Conduct our microfinance activities by means of fair competition, not seeking competitive advantages through illegal or unethical microfinance practices. No officer, employee, agent or other person acting on our behalf shall take unfair advantage of anyone by manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.
- iii) Prominently display the core values and code of conduct on the notice board of head office and all branches, and put systems in place to ensure compliance.
- iv) Ensure that our staff and any person acting for us or on our behalf, are trained or oriented to put these values into practice.

2.2.2 Transparency

We agree to -

- i) Disclose to clients all the terms and conditions of our financial services offered in the language understood by the client.
- ii) Disclose the source of funds, costs of funds and use of surpluses to provide truthful information to clients.
- iii) Provide information to clients on the rate of interest levied on the loan, calculation of interest (monthly/quarterly/half-yearly), terms of repayment, and any other information related to interest rates and other charges
- iv) Provide information to clients on the rate of interest offered on the thrift services provided by us.
- v) Provide information to clients related to the premium and other fees being charged on insurance and pension services offered by us as intermediaries.
- vi) Provide periodical statements of our accounts to the clients.

2.2.3 Fair Practices

We are committed to follow fair practices built on dignity, respect, fair treatment, persuasion and courtesy to clients. We agree to i) Provide micro finance services to low income clients irrespective of gender, race, caste, religion or language.

- ii) Ensure that the services are provided using the most efficient methods possible to enable access to financial services by low income households at reasonable cost.
- iii) Recognize our responsibility to provide financial services to clients based upon their needs and repayment capacity.
- iv) Promise that, in case of loans to individual clients below Rs 25,000, the clients shall not be asked to



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hand over original land titles, house pattas, ration cards, etc as collateral security for loans except when obtaining copies of these for fulfilling “know your customers” norms of the RBI. Only in case of loan to individual clients of Rs 25,000/- and above can land titles, house pattas, vehicle RC books, etc. be taken as collateral security.

- v) Interact with the clients in an acceptable language and dignified manner and spare no efforts in fostering clients’ confidence and long-term relationship.
- vi) Maintain decency and decorum during the visit to the clients’ place for collection of dues.
- vii) Avoid inappropriate occasions such as bereavement in the family or such other calamitous occasions for making calls/visits to collect dues.
- viii) Scrupulously avoid any demeanour that would suggest any kind of threat or violence.
- ix) Emphasize using social collateral which includes various forms of peer assurance such as lending through groups and group guarantees at the village, hamlet or neighbourhood level, or guarantees by relatives, friends, neighbours or business associates; and explain clearly to clients what are the obligations of social collateral.

2.2.4 Governance

We agree to -

- i) Observe high standards of governance, ensuring fairness, integrity and transparency by inducting persons with good and sound reputation, as members of Board of Directors. We shall ensure that the majority of the directors are independent directors and/or duly elected representatives of the community we serve, and that we will involve the Board in all policy formulation and other important decisions.
- ii) Ensure transparency in the maintenance of books of accounts and reporting/ presentation and disclosure of financial statements by qualified auditor/s.
- iii) Put in our best efforts to follow the Audit and Assurance Standards issued by the Institute of Chartered Accountants of India (ICAI).
- iv) Place before the Board of Directors, a compliance report indicating the extent of compliance with this Voluntary Mutual Code of Conduct, specifically indicating any deviations and reasons therefore, at the end of every half financial year.

2.2.5 Feedback/Grievance Mechanisms

We agree to -

- i) Establish effective and efficient feedback mechanism
- ii) Take steps to correct any errors and handle complaints speedily and efficiently.
- iii) Provide; where a complainant is not satisfied with the outcome of the investigation into her complaint, she shall be notified of her right to refer the matter to the Ethics and Grievance Redressal Committee constituted by Sa-Dhan



Part -III

Compliance Mechanism

3.1

The Board of Directors of Sa-Dhan shall form an independent Ethics and Grievance Redressal Committee to facilitate compliance with this code. The committee shall be constituted of respected and trusted persons from the microfinance sector and other social development sectors, providing guidance and help in resolving any disputes.

3.2

The board of the member microfinance institutions should adopt the core values and the code of conduct on an annual basis.

3.3

In case of a written complaint received by the Ethics and Grievance Redressal Committee regarding non-compliance with the code by any member microfinance institution, the committee shall take the following steps:

- i) Assist in compliance.
- ii) Failing which—
 - a) Formally write to the chief executive of that member microfinance institution to respond to the complaint within 15 days.
 - b) If the chief executive of that member microfinance institution fails to respond within 15 days of the receipt of the communiqué, the matter will be formally communicated to the board of that microfinance institution in writing to seek a response.
 - c) If the board does not respond within the 15 days of the receipt of the communiqué, the membership of that microfinance institution shall be suspended till further decision of the committee.
 - d) If the committee decides it is necessary to expel the microfinance institution from the membership of Sa-Dhan, it shall recommend the expulsion to the Board of Directors of Sa-Dhan.
 - e) The Board of Directors of Sa-Dhan shall then take the appropriate decision and if they decide to expel the member, the name of the expelled member will be published on the website of Sa-Dhan. Sa-Dhan Core Values and Voluntary Mutual Code of Conduct For Microfinance Institutions Sa-Dhan : The Association of Community Development Finance Institutions

Annexure

“Clients” refers to those served by the microfinance institutions - women and men from socially, economically and politically disadvantaged sections of society, including small and marginal farmers, oral lessees, tenants, sharecroppers, disadvantaged social groups, artisans, and persons engaged in small and tiny economic activities. “Microfinance Services” means the following activities undertaken by Sa-Dhan’s member microfinance institutions:

- i) Formation of any type of community collectives including self-help groups, Joint liability groups and their federations;
- ii) Collection of thrift from clients;
- iii) Making arrangement for remittance of funds collected from clients, through banking channels or by any other means;
- iv) Providing credit services to clients, individually or in groups.;
- v) Recovery of credit provided to clients for economic activities or for any other purpose for the welfare and benefit of clients;
- vi) Business development services including marketing products or services made or extended by the eligible clients or for any other purpose for the welfare and benefit of clients.
- vii) Providing insurance or pension benefit products as partners or agents of insurance companies or pension or mutual fund schemes duly licensed to undertake micro finance or insurance or pensioners’ benefit schemes by a competent authority “Thrift” means savings of clients, who have become members of self-help groups, other than public deposits.

Social Performance Indicators Part 1: Relevance to Sa-Dhan members

Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
Indicator 1: Mission and social goals	<ol style="list-style-type: none"> 1. What is your MFI's social mission? 2. In which year was the mission statement formulated (or updated)? 3. What is the poverty level of the clients that your institution aims to reach? 4. If you checked the boxes "very poor or poor clients", which reference point/ benchmark do you consider appropriate for estimating the poverty level of your clients? 5. What is the target market of your institution? 6. What kind of enterprises does your institution support? 7. Which development objectives does your institution specifically pursue through its provision of financial and non financial products and services? 	<p>Social Performance is the translation of an MFI's mission into practice. What is measured in Social Performance is related to an MFI's mission and social goals. This indicator assesses the MFI's stated commitment to its social mission, its target market and development objectives.</p>	<p>Section 4 in this chapter introduced tools for measuring poverty levels. They prove to be helpful, also with respect to reporting on Part 2 indicators in the medium term.</p>
Indicator 2: Governance	<ol style="list-style-type: none"> 1. Are Board members' responsibilities and terms of services specified by the Institution's bylaws? 2. If not, in which ways are the procedures documented? 3. How is your institution's Board composed? 	<p>Governance is a process by which a board of directors guides an institution in fulfilling its corporate mission. This indicator assesses the way through which board members' responsibilities and terms of services are disclosed.</p>	<p>India's diverse Microfinance sector covers different legal forms. In the Indian context the share of government representatives</p>



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
	<ol style="list-style-type: none"> 4. What are the areas of expertise of your institution's Board members? 5. What is the total number of your Board members? 6. What is the number of women on your Board? 7. If you have representatives on your Board of your target market which categories of clients are represented? 8. How does your institution reinforce Board members' knowledge of, and commitment to, social performance? (<p>It also assesses board composition and member's expertise and how the institution reinforces board members knowledge and commitment to social performance.</p>	<p>and community leaders in the board is of great interest as well as the participation of women.</p>
<p>Indicator 3: Range of products and services</p>	<ol style="list-style-type: none"> 1. Which of the following financial products/ services does your institution offer? Credit Savings Insurance Services 2. What are the lending methodologies of your institution? 3. Which of the following non-financial services does your institution offer to its clients? Enterprise services Adult education Health services Women education 4. Does your institution offer these non financial services directly or through negotiated partnerships/agree-ments with third-party providers? 	<p>Once the target population is identified, the MFI has to work on the design of its financial products and services so that they can fit the needs and the constraints of clients. This indicator considers the integrated approach to Microfinance by assessing both financial and non-financial products and services offered by an MFI.</p>	<p>The education of clients covering different aspects of life gains importance the higher the poverty among clients is. It is therefore important to show the approach the MFIs take towards a comprehensive client service.</p>



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
<p>Indicator 4: Training on Social Performance</p>	<ol style="list-style-type: none"> 1. Did any of your staff participate in training or orientation sessions related to any aspect of Social Performance management, during the reporting year? 2. Which staff have received some kind of training on Social Performance management during the reporting year? 3. On which areas related to Social Performance does your institution offer staff training? 	<p>Staff training on Social Performance management is important to ensure that staff understands how their work helps the organization achieve the social mission. MFIs can use training as an opportunity to capture staff feedback, enabling it to make changes where necessary so that its management systems are fully aligned with the social mission. This indicator assesses which MFI's members have received training on any aspect of Social Performance during the reporting year and the areas of training covered.</p>	<p>S o c i a l Performance training is very important in a rapidly growing sector like in India. Gaps in S o c i a l Performance education need to be identified.</p>
<p>Indicator 5: Staff performance appraisal and incentives</p>	<ol style="list-style-type: none"> 1. Does your institution conduct performance appraisals of staff in relation to Social Performance management? 2. Which areas does your institution appraise? 3. Does your institution have in place a staff incentives scheme related to Social Performance goals? 4. Which areas does your institution reward? 5. Which staff members qualify for these incentives? 	<p>In order to ensure the validity of reported data and staff performance on relevant areas of Social Performance management, it is important to carry out staff appraisals. An MFI should also establish staff incentives to increase productivity and employees satisfaction levels while complying with social objectives of the MFI. This indicator assesses which areas of Social Performance an MFI appraise and the implementation of a staff incentive system tied to Social Performance goals.</p>	<p>This indicator is important in different dimensions: due to different legal forms, incentives for optimal outcomes are different. Well designed incentives enhance the social and overall performance of MFIs. Sa-Dhan will be interested to serve as a hub for knowledge on incentivisation for MFI staff.</p>



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
<p>Indicator 6: Market research on clients</p>	<ol style="list-style-type: none"> 1. Does your institution use market research to identify the needs of clients and potential clients? 2. How does your institution identify the needs of clients and potential clients? 3. How often does your institution conduct or commission market research on clients? 	<p>An MFI can use standard market research techniques to identify clients' needs. Through market research an MFI can refine existing products and develop new ones. This is very useful in meeting clients' needs, retaining clients, reaching new ones and reducing drop-out rates. This indicator assesses how and how often the MFI undertakes market research on clients.</p>	<p>Interviewing clients regularly on their satisfaction and problems with Microfinance can help retaining clients and thus lower costs connected to acquisition of new clients.</p>
<p>Indicator 7: Measuring client retention</p>	<ol style="list-style-type: none"> 1. Please provide the following data points to help us calculate your institution's exit/dropout rate: Total number of clients (borrowers and savers) at the beginning of the reporting period: Total number of clients (borrowers and savers) at the end of the reporting period: New clients (all those who joined during the reporting period): 2. How often does your institution conduct or commission exit surveys or receive informal feedback from exiting clients? 3. If any major event, external to the institution, has occurred that may have affected the drop-out rate please report it here: 	<p>Beyond client satisfaction, exit rates can also be an important indicator of social performance. Drop-out rates can provide important information for an MFI if supplemented with client exit interviews, in order to identify problems that lead to dropouts. This indicator assesses the drop-out rate of an MFI.</p>	<p>This indicator relates to market research in providing the necessary data for optimal research focus.</p>



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
<p>Indicator 8: Social responsibility to clients</p>	<ol style="list-style-type: none"> 1. What does your institution do to avoid client over-indebtedness? 2. How does your institution ensure transparent communication with clients about prices, terms and conditions of financial products? 3. How does your institution ensure that appropriate collections practices are followed? 4. How does your institution ensure staff ethical codes of conduct are consistently followed? 5. Does your institution have policies and procedures in place for complaint resolution and client problem solving? 6. How does the institution safeguard privacy of clients' data? 7. If you have other policies or practices designed to protect clients and ensure their fair treatment, please provide details here: 	<p>Social responsibility to clients is a fundamental dimension of an MFI's social performance. This indicator is linked to The Campaign for Client Protection in Microfinance, which seeks to unite Microfinance providers worldwide to develop and implement standards for the appropriate treatment of low-income clients based on the following six principles: 1)Avoidance of Over-Indebtedness; 2)Transparent Pricing; 3)Appropriate Collections Practices; 4)Ethical Staff Behavior; 5)Mechanisms for Redress of Grievances; 6)Privacy of Client Data. For more information about the client protection initiative, you can visit the website of the Center for Financial Inclusion at this link:</p>	<p>This is a focus area for Sa-Dhan and Indian Microfinance. This indicator is closely related to the Sa-Dhan code of conduct which will be implemented through a self regulatory organization in 2010. Members will be asked to report on this indicator.</p>
<p>Indicator 9: Costs of services to clients</p>	<ol style="list-style-type: none"> 1. How does your institution state the interest rate? 2. What is the main loan product that your institution offers? 3. What percentage of the portfolio does it represent? 4. Provide here the effective annual interest rate for your main loan product 	<p>Interest rates should be set to ensure the sustainability of the institution and long-term availability of the service, but at the same time institutions should actively be looking for ways to reduce the cost for their clients. This indicator assesses the effective interest rate for the</p>	<p>This indicator is closely related to social responsibility. It also gives a valuable overview on the structure of financing for clients and can be used for credit information and more efficient operations.</p>



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
	5. Do you know the percentage of your clients that are borrowing from other institutions? If yes, provide the estimated percentage: 6. Do you know the percentage of your clients that are borrowing from money lenders? If yes, provide the estimated percentage:	main loan product offered and the estimated percentage of clients who are borrowing from other institutions or money lenders.	To calculate the effective interest rate use the calculator page in Social Performance task force report to obtain the EIR.
Indicator 10: Social responsibility to staff	1. Which of the following are included in your human resources policy? 2. What policies does your institution have in place to support women staff? 3. Total number of staff: 4. Total number of top managers: 5. Total number of middle managers: 6. Total number of loan officers: 7. Presence of women staff: 8. Does your institution monitor employees satisfaction? 9. How does the institution monitor employee satisfaction? 10. Please provide the following data points to help us calculate your institution's staff turnover rate: Total number of staff at the end of the current reporting period:	Human resources policy is important to ensure that employees are treated fairly. At the same time, it is important to monitor employee satisfaction and have a system in place to understand employees concerns and needs. This indicator assesses the MFI's policy regarding social responsibility to staff, by looking at its human resources policy in place, systems to monitor employees satisfaction and staff turnover rate, as a measure of staff satisfaction.	This indicator is connected to incentives and appraisals and can give an overview on the human resource policies and innovations in Indian Microfinance.



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
	Total number of staff at the end of the previous year reporting period: New staff contracted during the current reporting period: Staff turnover rate		
Indicator 11: Geographic outreach	<ol style="list-style-type: none"> 1. Clients coverage in each geographic area: 2. Does your institution have regular service points located in areas where there are no other MFIs or bank branches? If yes, what is the number of service points you have in these areas? 3. What is the number of clients served in these areas? 4. What is the total number of service points that you have? 5. Percentage of service points you have in these areas: 6. Percentage of clients served in these areas: 	The provision of financial services to different geographic areas can support income and employment generation to underserved rural and urban clients. This indicator assesses the number of clients reached in the different geographical areas and in the areas below the national average level of development. It also assesses the ability of the MFI to serve clients in those areas where no other financial services are provided.	S a - D h a n members' outreach to the poorest districts in north eastern districts is monitored by government, regulator etc.
Indicator 12: Women outreach	<ol style="list-style-type: none"> 1. Number of women active borrowers: 2. Percentage of women active borrowers: 3. Number of women voluntary savers: 4. Percentage of women voluntary savers: 	If an MFI has women as its target market, then any initiative in place needs to be reflected in the number of women clients actually reached. This indicator assesses the number of women clients (borrowers and savers) reached by the MFI.	More than 80% of S a - D h a n members reach women clients.



Indicator	Sub questions	Relevance to Indian MFIs	Suggestions to Sa-Dhan members
<p>Indicator 13: Clients outreach</p>	<ol style="list-style-type: none"> 1. Clients outreach by lending methodology 2. If you can, please state the percentage of clients who have graduated from group loans, during the reporting year: 3. If it applies, number of clients who are indigenous people or ethnic minorities : 4. Percentage of clients who are indigenous people or ethnic minorities: 5. Number of other clients that your institution target (specify according to the target group): 	<p>Outreach is determined by the types and numbers of clients reached with microfinancial services. This indicator assesses the ability of the MFI to reach its target market. It also assesses clients outreach by lending methodology.</p>	<p>The Indian government is particularly interested in the outreach of MFIs to SC/ST, minorities, women and vulnerable clients.</p>

Annexure - VII



Region - wise States.

Region		
East	1	Bihar
	2	Jharkhand
	3	Orissa
	4	West Bengal
	5	A & N Islands (UT)
West	1	Gujarat
	2	Maharashtra
	3	Goa
South	1	Andhra Pradesh
	2	Karnataka
	3	Kerala
	4	Tamilnadu & Pondicherry(UT)
North	1	Delhi
	2	Haryana
	3	Himachal Pradesh
	4	Punjab
	5	Jammu & Kashmir
	6	Rajasthan
Central	1	Chattisgarh
	2	Madhya Pradesh
	3	Uttrakhand
	4	Uttar Pradesh
North-East	1	Assam
	2	Tripura
	3	Arunachal Pradesh
	4	Nagaland
	5	Manipur
	6	Sikkim
	7	Meghalaya
	8	Mizoram

Source : NABARD

Glossary



SIDE BY SIDE 2009

Active Borrowers Per Credit Officer (ABCO):

- ✓ Active borrowers per credit officer is a number (#) ratio
- ✓ In simple terms, it highlights the “number of active clients serviced by a credit officer”
- ✓ It measures the overall productivity of the MFI's total human resources in managing clients who have an outstanding loan balance and are thereby contributing to the financial revenue of MFI.
- ✓ This indicator is valuable for monitoring staff productivity and for determining institutional operating efficiency. The caseload is determined by the methodological aspects of the institution, with well-designed institutions capable of reaching higher numbers of borrowers per loan officer

Annual Percentage Rate: The annual rate that is charged for borrowing (or made by investing), expressed as a single percentage number that represents the actual yearly cost of funds over the term of a loan. This includes any fees or additional costs associated with the transaction.

Average Portfolio: Average Portfolio used for calculations that require a comparison of assets to income. Formulas:

1. Most accurate: $(\text{Portfolio Outstanding at the End of Each Month in the Period} + \text{Portfolio at the End of the Previous Period}) / (1 + \text{Number of Months in the Period})$
2. Less accurate: $(\text{Portfolio Outstanding at the End of the Previous Period} + \text{Portfolio Outstanding at the End of Current Period}) / 2$

Collateral: Assets pledged to secure the repayment of a loan. Asset provided to creditor as a security for a loan

Current Repayment Rate (CRR):

- ✓ Current period repayment rate helps in understanding the behaviour of clients and performance of the institution in the on-going period.
- ✓ This can be especially useful when the institution has several years of micro-finance experience and a Large overall disbursement, which can usually camouflage 'poor' performance in the current period.
- ✓ In other words, an excellent repayment track record in the past can shroud current poor repayment performance, especially if the volume of money lent in the current period is quite small in comparison to that lent cumulatively. Having the current period repayment rate is useful in such cases.

Default: The situation that occurs when a borrower cannot or will not repay his/her loan and the MFI no longer expects to receive repayment.

Delinquency: The situation that occurs when loan payments are past due. A delinquent loan (or loan in arrears) is a loan on which payments are past due. Delinquency is also referred to as arrears or late payments

Effective Interest Rate: The rate that converts all the borrower's financial costs for a loan into a single declining balance interest calculation. It includes the effects of interest rates, whether they are calculated on a flat or declining basis, payment schedules, commissions, fees, discounting, and compensating balances. The effective rate allows a calculation of all financial charges as a percent of the loan actually held by the client during each payment period. It is the rate that a client actually pays based on the amount of loan proceeds actually in the client's hands. Distinguished from the APR because it includes the effect of compounding.

Efficiency: An operation is efficient when it produces the greatest output for the least input.

Equity Participation: The provision of equity to an institution by donors or investors. Equity participants expect to share in the financial returns of the organization. They are distinct from creditors whose interest, in the form of liabilities, is due regardless of the institution's performance.

Financial Inclusion: Financial inclusion is the availability of banking services at an affordable cost to disadvantaged and low-income groups. In India the basic concept of financial inclusion is having a saving or current account with any bank. In reality it includes loans, insurance services and much more.

Financial Intermediation: The process by which the formal and informal financial sectors manage liquidity in the economy, reallocating liquid resources by mobilizing savings from institutions and individuals and allocating it in



the form of credit to institutions and individuals.

Gross Portfolio: The total amount of outstanding loans including the amount for which repayment is not expected, which is represented by the loan loss reserve.

Loan Loss Provision Expense: An accounting entry on the expense side of the income statement. It is made to adjust the loan reserve so that the loan loss reserve accurately reflects the risk of default in the portfolio. Loan loss provision expenses increase the loan loss reserve.

Microfinance: Microfinance is the provision of financial services to low-income clients, including consumers and the self-employed, who traditionally lack access to banking and related services.

Microfinance Institutions (MFIs): Institutions who are extending the microfinance products e.g. microcredit, microfinance, micro-insurance etc. to the disadvantaged population are called Microfinance Institutions.

Net Loan Portfolio: It is a gross loan portfolio less the loan loss provision. The net loan portfolio figure reflects only the principal due and does not include interest expected to be received.

Net Worth: Similar to equity, the excess of assets over liabilities. The owner's equity in a business. The amount of a company's stockholders' equity. Listed as total stockholders' equity on the statement of financial position.

Operating Cost Ratio (OCR):

- ✓ Operating Cost Ratio is a percentage (%)
- ✓ This ratio is perhaps the best indicator of the overall efficiency of a lending institution. For this reason, the ratio is also commonly referred to as Administrative Efficiency ratio: it measures the institutional cost of delivering loan services. The lower the Operating Cost Ratio, the higher the efficiency of an institution.
- ✓ This ratio is affected by increasing or decreasing operational costs relative to the average loan Portfolio outstanding.

Operating Expenses: Expenses incurred in the normal operation of the business. Expenses incurred in the normal operation of the business.

Operational Self-Sufficiency (OSS):

- ✓ Operating self-sufficiency is a percentage (%)
- ✓ Operating Self-Sufficiency indicates whether or not enough revenue has been earned to cover the MFI's total costs – operational expenses, loan loss provisions and financial costs.

Outreach: The ability to reach large numbers of people, especially the very poor and less advantaged, with quality financial services. Outreach is considered along three dimensions: level of income or advantage of clients, scale of services, and quality of services. Deep outreach refers to reaching very poor or hard-to-reach clients. The latter could be women in certain societies or clients in sparsely populated areas with minimal infrastructure.

Portfolio at Risk (PAR)

- ✓ Portfolio at Risk (also called as "PAR") is a percentage (%).
- ✓ It represents the "proportion of an MFI's total gross outstanding loan portfolio that is at (default) risk"
- ✓ It is perhaps the most important measure of an MFI's asset quality

Portfolio Quality: Refers in general to the amount of risk of default in the loan portfolio. A high quality portfolio contains a lower amount of risk. Portfolio quality changes continually as loans are disbursed, payments are made, and payments become due.

Portfolio Yield: Measures what the portfolio actually earned. Tells us about the MFI's pricing policy. Formula: $\text{Income from Lending} / \text{Average Net Portfolio for the Period}$. See Yield gap. measures what the portfolio actually earned. Tells us about the MFI's pricing policy. Formula: $\text{Income from Lending} / \text{Average Net Portfolio for the Period}$.



Product or Service: Refers to what is delivered to the client. Elements of a loan product include the loan size, price (interest rate), repayment intervals, term and purpose.

Repayment Rate: Measures the amount of payments received with respect to the amount due. Does not measure the risk in the portfolio (as do the portfolio at risk and other delinquency measures.)

Self- Help Group (SHG): SHG is a group formed by the community women, which has specific number of members like 15 or 20. In such a group the poorest women would come together for emergency, disaster, social reasons, economic support to each other have ease of conversation, social interaction and economic interactions.

Self-Help Promoting Institutions (SHPIs): Self-Help Promoting Institutions are those institutions who enroute the development amongst the members, who are mainly the women, through the promotion of Self-help Groups.

Self-Sufficiency: Self-sufficiency occurs when a micro-credit programme can cover all of its operating expenses (including loan losses and the cost of capital) entirely with internally-generated sources of income.

Social Performance: "The effective translation of an institution's social mission into practice in line with accepted social values that relate to serving larger numbers of poor and excluded people; improving the quality and appropriateness of financial services; creating benefits for clients; and improving social responsibility of an MFI."

Total Cost Ratio (TCR):

- ✓ Total Cost Ratio is a percentage (%)
- ✓ Like the operating cost ratio, this ratio is an indicator of the overall efficiency of a lending institution. The lower the total Cost Ratio, the higher the efficiency of an institution
- ✓ However, because costs of funds and loan loss provision are included here, greater care must be exercised while interpreting the ratio.

Transaction Costs: Money paid out to access a loan and not paid directly to the MFI. These are costs other than those paid to the financial institution but often imposed by lenders through the delivery system. Examples include transportation costs involved in receiving and repaying a loan fees paid to obtain financial documents or business registration, and the cost of maintaining a bank account that is a requisite for obtaining a loan.

Viability: Refers to financial and institutional viability. Financial viability is the ability of a microfinance institution (MFI) to cover its costs with its interest and fee revenues. Institutional viability is the capacity of the institution to continue to thrive as a sound service delivery organization. Financial viability allows MFIs to maintain their operations into the future, independent of donor subsidy or grant funding.

Yield: Return on an investment an investor receives from dividends or interest expressed as a percentage of the cost of the security.