



Sa-Dhan

The Association of
Community Development
Finance Institutions



The Bharat Microfinance Report 2017

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The Indian Microfinance Sector has witnessed a phenomenal growth over the past 18 years. The number of institutions providing microfinance services has gone up from a few to several hundreds. The quantum of credit made available to the poor and financially excluded clients has reached ₹46,842 crore and number of clients benefitted crossed 29 million as of March 2017 without the data of 6 large sized MFIs who converted to Small Finance Banks before April 2017. The SHG bank linkage programme has equally grown to touch the lives of individuals through SHGs with an outstanding loan portfolio of ₹61,581 crores.

The Government of India and the Reserve Bank of India have created conducive policy and regulatory framework for Microfinance Institutions (MFIs) to operate in the country. This has provided necessary legitimacy and impetus to the sector. MFIs in general comply with the regulations, take care of client protection issues, adhere to the Industry Code of Conduct. These factors go a long way in infusing confidence among all the stakeholders. This year the sector had to face certain issues when two denominations of currency notes were demonetized. This was coupled with efforts in certain regions to put spokes in the recovery efforts of the institutions. Though in the short term these developments have indeed affected the sector, we have displayed enough resilience to carry on with our activities to achieve the goal of financial inclusion.

In this context, I think there are three areas within our domain deserving our special attention. One is the need for articulating the fact that microfinance is a strategic part of the financial inclusion agenda of the government and that of the central bank. The second is the criticality of re-demonstrating our collective intention to help the poor and the unbanked populace by way of having the right mission, social performance measures and client protection processes. The third area is in projecting the fact that microfinance institutions are sustainable financial institutions and they continue to be the investible destination for the bankers and the investors.

In order to articulate these positions, we need empirical data. This Bharat Microfinance Report has been designed to provide comprehensive information and newer perspectives on the above three areas. Primary data received from 168 MFIs and 4 Small Finance Banks who represent around 96 percent of the microfinance sector in India and analysis thereon forms the basis for this report.

Sa-Dhan, as the leading association of community development finance institutions in India, has been publishing The Bharat Microfinance Report for the past fourteen years. This year 172 MFIs/SFBs reported data, including 62 non-members of Sa-Dhan. We thank them for reposing confidence in us and valuing transparency through data reporting.

This year the substantial part of the work relating to the report has been shouldered by Mr. Ardhendu Nandi, right from data collection, consolidation, analysis to report writing in which he was ably supported by Ms. Shyamasree Nandan and Mr. Sunny Koshy.

Mr. Somesh Dayal and Mr. Saibal Paul provided a broad support to the report, especially in sourcing useful inputs. Ms. Sangeeta Naik and Mr. Chandan Thakur also supported by giving write-ups for box items.

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We hope this report would be extremely useful to you as a reference and data source. We welcome suggestions for further enhancing its coverage and utility.

P. Satish
Executive Director
14 September, 2017

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List of Abbreviations

1	ABCO	Active Borrower per Credit Officer
2	AEPS	Aadhaar enabled payment systems
3	ANBC	Adjusted Net Bank Credit
4	AP	Andhra Pradesh
5	APBS	Aadhaar Payment Bridge System
6	APY	Atal Pension Yojana
7	ATM	Automatic Teller Machines
8	AUM	Assets Under Management
9	BC	Business Correspondent
10	BCFI	Business Correspondent Federation of India
11	BCNM	Business Correspondent Network Manager
12	BF	Business Facilitator
13	BPL	Below Poverty Line
14	BSBDA	Basic Savings Bank Deposit Account
15	CAR	Capital Adequacy Ratio
16	CBEO	Community Based Economic Organization
17	CDR	Corporate Debt Restructuring
18	CEO	Chief Executive Officer
19	CGT	Compulsory Group Training
20	CIB	Credit Information Bureau
21	CIF	Community Investment Fund
22	CmF	Centre for Micro Finance
23	CO	Credit Officer
24	CoC	Code of Conduct
25	COCA	Code of Conduct Assessment
26	CPPs	Client Protection Principles
27	CRR	Cash Reserve Ratio
28	CSO	Customer Service Officer
29	CSP	Customer Service Point
30	DBT	Days Beyond Terms
31	DBT	direct benefit transfers
32	DNBS	Department of Non-Banking Supervision
33	DOTs	Directly Observed Treatment, Short Course
34	DPD	Days Past Due
35	DRDA	District Rural Development Agency
36	DWCD	Department of Women and Child Development
37	ECB	External Commercial Borrowing
38	FCR	Finance Cost Ratio
39	FDI	Foreign Direct Investment
40	FER	Finance Expense Ratio
41	FI	Financial Institution
42	FIIs	Foreign Institutional Investors
43	FLCs	Financial Literacy Centers
44	FPIs	Foreign Portfolio Investors
45	GBA	Gramin Bank of Aryavart
46	GCC	General Credit Card
47	GIC	General Insurance Corporation of India

48	GLP	Gross Loan Portfolio
49	GoI	Government of India
50	GPRS	General Packet Radio Service
51	GRT	Group Recognition Test
52	HTTP	Hyper Text Transfer Protocol
53	ICIB	Inclusive Credit Information Bureau
54	ICT	Information and Communication Technology
55	IMPS	Immediate Payment Service
56	IPO	Initial Public Offering
57	IPPB	India Post Payments Bank
58	IRDA	Insurance Regulatory Development Authority
59	IVR	Interactive Voice Response
60	JAM	Jan Dhan Yojana, Aadhaar and Mobile
61	JLG	Joint Liability Group
62	KCC	Kisan Credit Card
63	KYC	Know Your Customer
64	LAB	Local Area Bank
65	LLG	Limited Liability Group
66	LLP	Loan Loss Provision
67	LWE	Left Wing Extremism
68	MACS	Mutually Aided Cooperative Societies
69	MEPMA	Mission for Elimination of Poverty in Municipal Area
70	MFDR	Micro Finance and Development Regulatory Council
71	MFIs	Microfinance Institutions
72	MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
73	MIS	Management Information System
74	MoA	Memorandum of Association
75	MoF	Ministry of Finance
76	MoRD	Ministry of Rural Development
77	MoU	Memorandum of Understanding
78	NABARD	National Bank for Agriculture and Rural Development
79	NBFC	Non-Banking Finance Company
80	NBFC -SI -ND	Systemically Important Non-Deposit taking NBFCs
81	NBFC-ND	Non Deposit taking NBFCs
82	NCD	Non-Convertible Debenture
83	NGO	Non-Governmental Organization
84	NIM	Net Interest Margin
85	NoF	Net Owned Fund
86	NPA	Non Performing Asset
87	NPCI	National Payment Corporation of India
88	NPS	National Pension System
89	NRLM	National Rural Livelihood Mission
90	NSS	National Sample Survey
91	NULM	National Urban Livelihood Mission
92	OD	Overdraft
93	OER	Operating Expense Ratio
94	OSS	Operational Self Sufficiency
95	P2P	Peer-to-Peer

96	PAR	Portfolio at Risk
97	PFRDA	Pension Fund Regulatory and Development Authority
98	PLF	Primary Level Federation
99	PMDJY	Pardhan Mantri Jan Dhan Yojana
100	PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana
101	PMSBY	Pradhan Mantri Suraksha Bima Yojana
102	POS	Point of Sale
103	PSIG	Poorest State Inclusive Growth
104	PSL	Priority Sector Lending
105	PSLC	Priority Sector Lending Certificate
106	PSU	Public Sector Unit
107	RBI	Reserve Bank of India
108	RF	Revolving Fund
109	RFF	Responsible Finance Forum
110	RFIP	Rural Financial Institutions Programme
111	RGMVP	Rajiv Gandhi Mahila Vikas Pariyojna
112	RMK	Rashtriya Mahila Kosh
113	RoA	Return on Asset
114	RoE	Return on Equity
115	RPCD	Rural Planning and Credit Department
116	RRBs	Regional Rural Banks
117	RSETIs	Rural Self Employment Training Institutes
118	RWAs	Risk Weighted Assets
119	SBLP	Self-Help Group Bank Linkage Programme
120	SBLP	SHG Bank Linkage Programme
121	SC/ST	Scheduled Caste/Scheduled Tribe
122	SERP	Society for Elimination of Rural Poverty
123	SFB	Small Finance Bank
124	SGSY	Swarnajayanti Gram Swarozgar Yojana
125	SHGs	Self-Help Groups
126	SHPI	Self Help Promoting Institute
127	SIDBI	Small Industries Development Bank of India
128	SLF	Secondary Level Federation
129	SLR	Statutory Liquidity Ratio
130	SMS	Short Message Service
131	SPM	Social Performance Management
132	SRLM	State Rural Livelihood Promotion
133	SRLP	State Rural Livelihood Promotion
134	SRO	Self-Regulatory Organisation
135	SRTT	Sir Ratan Tata Trust
136	UCBs	Urban Cooperative Banks
137	UID	Unique Identification
138	UIDAI	Unique Identification Authority of India
139	UT	Union Territory
140	WSHGs	Women Self Help Groups
141	Y-O-Y	Year On Year

ABCO

ABCO is an acronym for Average Borrower per Credit Officer, a measure of client-staff ratio. It is also known as Case Load

Average Loan Size

Average Loan size represents the client-per capita loan amount. It is calculated as: The Loan portfolio divided by the number of clients of an MFI.

Borrowing Cost

The total charge for taking on a debt obligation that can involve interest payments and other financing fees.

Capital Adequacy

Capital Adequacy is the means of measuring the solvency level of MFIs which is an important indicator of risk bearing ability of the entities. It is the proportion of the capital/own fund held by an MFI against its total asset

Capital to Total Assets

Ratio of net worth to total assets

Debt-Equity Ratio

Debt-Equity Ratio is the proportion of total debt borrowed to the total equity held at a given point of time.

Debt Funding

Debt Funding refers to the percentage of loan portfolio funded by outside borrowings

External Cost

External Cost here refers to Finance cost which is determined by the lending rate of banks and hence is beyond the control of MFIs

Finance Cost

Finance Cost here refers to the interest and other expenses incurred on average bank loan outstanding in the books of MFIs. This does not include notional cost of utilizing the equity fund.

Financial Inclusion

Financial Inclusion is the delivery of financial services at affordable costs to sections of disadvantaged and low income segments of society.

Margin

Margin refers to the difference between the finance cost on portfolio and the total yield on portfolio. This term is analogous to the concept of Net Interest Margin (NIM) widely used in banking parlance. Margin Cap refers to the ceiling of Margin of 12 percent fixed by RBI.

Managed Loan Portfolio

Managed Loan Portfolio is the loan asset originated by MFIs and later sold to banks for getting liquidity. The MFIs continue to manage it i.e. collection of repayment on behalf of the banks which purchased the portfolio.

Non Performing Assets (NPA)

A debt obligation where the borrower has not paid any previously agreed upon interest and principal repayments to the designated lender for an extended period of time. The NPA is therefore not yielding any income to the lender in the form of principal and interest payments.

Operating Expense Ratio (OER)

Ratio of staff, travel, administration costs, other overheads and depreciation charges of the MFIs (non-financial costs) to the average loan portfolio during a year

Operating Self Sufficiency (OSS)

Operating Self Sufficiency (OSS) shows the sufficiency of income (operating income and investment income) earned by MFIs to cover the cost like operating cost, loan loss provision and finance cost, incurred for conducting the operations.

Portfolio Quality

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 at Risk (PAR)

PAR indicates the proportion of outstanding amounts of all loan accounts having past due/arrears to the total outstanding loan. In general, PAR 60, i.e., the portfolio / part of the portfolio remaining unpaid 60 days and beyond crossing the due date, would be used as a measure to assess the portfolio quality.

Qualifying Assets

Qualifying Assets are loan portfolios created by MFIs adhering to certain conditions to make the MFIs eligible to be called as MFIs and to raise loans from banks under Priority Sector Advances Scheme (as per recent RBI norms).

Return on Asset (RoA)

Return on Asset (RoA) is the universally accepted profitability measure which, in essence, is the percentage net income earned out of total average asset deployed by MFIs during a given period, say a year.

Return on Equity (RoE)

Return on Equity (RoE) is the net income earned out of average equity of MFIs held by MFIs during the given period.

Self Help Groups (SHGs)

SHGs refer to groups of 10-20 women coming together to form a semi formal community based institution to meet their common financial and social needs.

SHG Bank Linkage Programme (SBLP)

SHGs are linked to mainstream banks for depositing surplus savings of the SHGs and to obtain loans. It is considered to be an effective strategy to ensure financial inclusion.

Surplus

Surplus is Yield minus Total cost

Yield on Portfolio

Yield represents total income from microcredit operation-Interest income, processing fee/ service charge – earned out of average loan portfolio outstanding. It does not, include investment income. It is a good proxy / surrogate for loan interest rate.

Context

For the microfinance sector in India the year 2016 -17 was one of growth with a few hiccups. External environment had some non-conducive elements for the sector. RBI's continuing interest in the sector is reflected in its engagement with both the SROs of the Microfinance sector-Sa-Dhan and MFIN, coming out with modifications and improvements in guidelines whenever required, and support to the sector in the aftermath of demonetization.

MFIs continue to be major contributors for the progress of MUDRA. The Pradhan Mantri Bima Yojana (PMBY) and the Atal Pension Yojana provide additional financial instruments for MFIs to offer to their clientele. Bandhan Bank which rose from the microfinance sector completed two years of its service, five MFIs started off as Small Finance Banks during the year along with four Payment Banks. Further, RBI is coming up with guidelines for Peer To Peer lending. These are game changers for the banking and financial sector landscape of the country in general and for financial inclusion scenario in particular.

Objective

This report is an attempt to collect primary data on MFI client outreach, their loan portfolio and other financials of MFIs in India that includes both members as well as non-members of Sa-Dhan.

The report purports to provide primary data based analytical information to a wide range of stakeholders such as the Government, policymakers, regulators, banks, investors, researchers, media, MFIs and others, helping them to understand the current status and the underlying trends in the sector in order to take appropriate decisions/actions that are critical for the development of the industry.

Methodology

The contributing MFIs have voluntarily provided their data and detailed information as sought through a data acquisition sheet consisting of their financial, outreach, geographic spread, credit plus and developmental activities etc. For this report we have compiled data from MFIs representing all legal forms (Societies, Trusts, Sec-8 Companies, NBFC-MFIs, Cooperatives). The data has been collated, validated, and analysed for peer groups.

The project team rigorously scrutinized the self reported data, validated it from the MFIs' financial statements, and reconciled from other secondary sources. The validity of the findings however, is subject to the accuracy of the self-reported data, though reconciliation techniques used would have minimized such errors.

The analysis of the report was undertaken on the basis of a predesigned framework and the findings have been improved to the extent possible though advisory inputs from microfinance experts and practitioners. The chapters pertaining to SHGs and the BC model, while culled out from secondary sources, have been further enhanced by inputs from the experts in the field.

The Report Coverage

The report is divided into two parts. Part one covers the MFI sector and is based on primary data, whereas Part two covers the SHG sector and the BC model and is mainly culled out from secondary sources of information.

Part 1 is further divided into four chapters. Chapter 1 represents an overview of the microfinance sector within the larger ambit of financial inclusion, Chapter 2 deals with growth and outreach of MFIs, Chapter 3 deals with operational and financial aspects of credit services, while Chapter 4 deals with credit plus activities. Chapter 3 is further subdivided into 4 sections. Section 1 dwells upon the workforce, productivity and portfolio quality. Section 2 represents the cost and revenue aspects of the MFIs. Section-3 represents surplus, sufficiency and profitability of the MFIs, while Section 4 deals with capital structure and balance sheet distribution.

In the Part 2 of the report, Chapter 5 deals with the SHG section of microfinance and Chapter 6 presents an overview of the BC model and other technology led approaches of financial inclusion.

Highlights of the Report

Growth and Outreach

MFIs currently operate in 29 States, 4 Union Territories and 563 districts in India. The reported 168 MFIs with a branch network of 10,233 and 89,785 employees have reached out to 29 million clients with an outstanding loan portfolio of ₹46,842 crore. This includes a managed portfolio of ₹13,898 crore. Out of managed portfolio, BC portfolio accounts for ₹10,131 crore. The average loan outstanding per borrower stood at ₹12,751 and 85% of loans were used for income generation purposes

Outreach fell by 26% and loan outstanding grew by 27% over the previous year. The Southern region continues to have the highest share of both outreach and loans outstanding, followed by East. However growth rates are higher in the Northeastern and East regions. Outreach proportion of urban clientele has decreased significantly as against the rural population. The proportion of urban clientele which was 62% in 2015-16 decreased to 39% in 2016-17. Women borrowers constitute 96% of the total clientele of MFIs, SC/ST borrowers constitute 20% and minorities 10%.

Of the total, For Profit MFIs (NBFC/NBFC-MFIs) contribute to 79% of clients outreach and 79% of outstanding portfolio, while NGO MFIs contribute to the remaining. MFIs with portfolio size of more than ₹500 crore contribute significantly to the total outreach (80%) and loan outstanding (82%) of the sector.

Operational and Financial Aspects

MFI sector employs 89785 personnel, out of which 12% are women, and 60% are field staff. The number of active borrowers per credit officer (ABCO) is 426, which is lower than the previous year indicating higher focus on client services without much of staff growth.

Financial expense is the major expense (48%) incurred by MFIs. Personnel expense and other administrative expenses contribute 24% and 28% respectively. Median OER (Operating Expense Ratio) and FCR (Finance Cost Ratio) remained at 10.5% and 14.8% respectively. It is seen that the OER comes down with scale of operation. MFIs, with portfolio of more than ₹500 crore have a median OER of 8.5% and FCR of 17.7%.

The Yield of the sector for the year was 22%, which is the highest for Others MFIs (Society/Trust/MACS) (23%) and lowest for the Section 8 Companies (21%). The Margin for different types of institutions was in the range of 6-9%. For-profit MFI (NBFC/NBFC-MFIs) maintained a median margin of 8.1%. Median OSS (Operational Self Sufficiency) is 114%. Approximately 8% of MFIs have OSS less than 100%. This includes 3% of the NBFC-MFIs on account of AP portfolio and 5% not for profit MFIs. Generally, the OSS improves with the average loan size and yield of the institution.

Median ROA and ROE for the sector remained at 2.4% and 13.31% respectively. The returns are generally higher for not for profit MFIs and very large sized MFIs.

The CAR (Capital Adequacy Ratio) for all types of MFIs remained above the desirable level of 15%. NBFC-MFIs have CAR of 21%. Leveraging of the sector was 2.9 The sector received a sum of ₹26236 crore, which includes a portfolio sale of ₹3768 crore. Total outstanding borrowing of MFIs stood at ₹33923 crore, with a substantial share of this derived by NBFC-MFIs (94%) especially from the very large MFIs (87%).

Self-Help Groups and the BC model

The SHG-Bank Linkage Programme has completed its quarter century this year, which is an important milestone in the financial inclusion history of the nation. Number of SHGs linked to credit and bank loan amount to SHGs has witnessed an increasing trend after 2010-11. The number of saving linked SHGs has also increased during the year.; till date, 112 million families have been covered under the SBL Programme with a total number of 85.77 lakh SHGs with a saving amount of ₹16,114 crores. A total of 48.48 lakh SHGs have a gross loan outstanding of ₹61,581 crores.

The amount of savings and the average per SHG savings (₹18,788) held in the banking system are both increasing since 2011-12. Average loan disbursed per SHG for 2016-17 is reported at ₹204,314, whereas average loan outstanding per SHG stood at ₹127017

The aggregate NPA of SHG loans remain a concern though it has declined marginally to 6.45% in 2015-16, it again rose in 2016-17 to 6.5 %. Quality of SHGs, their performance has emerged as one of the major issues affecting the movement.

Also the fact that NRLM will push for improvement in the SHG bank linkage with better monitoring, lower rates of interest and a sharper focus on livelihood generation, would give a greater fillip to the growth of SHG programme.

MFIs are finding the BC model increasingly attractive to carry out their activities on the credit side and to spread it to deposit taking activities 44 MFIs had an exposure to a BC loan portfolio of ₹6712 crores through linkage to 29 banks. Apart from this 6 MFIs were undertaking deposit related activities for 9 banks. The deposit portfolio of BCs amounted to ₹588.11crores.

Performance Highlights: A Snapshot

Indicators: MFI Model	2017	2016	Change
Client Outreach	295 lakh	399 lakh	↓
Women Clients	96%	97%	↓
SC/ST Clients	20%	30%	↓
Other Minorities	10%	27%	↓
Rural Clients	61%	38%	↑
Gross Outstanding Portfolio	₹46,842 Cr.	₹63,853 Cr.	↓
Own Portfolio	₹32,944 Cr.	₹46,939 Cr.	↓
Managed Portfolio	₹13,898 Cr.	₹16,914 Cr.	↓
Avg. Loan per Borrower	₹12,751	₹11,425	↑
Income Generation Loan	85%	94%	↓
Female Staff in MFIs	12%	15%	↓
ABCO	426	440	↓
OER	10.50%	10.22%	↑
FCR	14.8%	13.83%	↑
Yield	22%	21%	↑
Margin	8.08%	10.00%	↓
OSS	114%	113%	↑
ROA	2.4%	2.2%	↑
ROE	13.31%	11.6%	↑
CAR	21.13%	19.39%	↑
Leverage	2.9	3.2	↓
Fund Flow (Outstanding)	₹33,923 Cr.	₹44,822 Cr.	↓
Equity Outstanding	₹3,615 Cr.	₹4,509 Cr.	↓
NPA	0.69%	0.15%	↑
SHG Model			
Total No of SHGs Linked	85.77 lakh	79.03 lakh	↑
No. of Families Reached	112 million	103 million	↑
Total Savings of SHGs	₹16,114 Cr	₹13,691 Cr	↑
Total No. of SHGs Credit Linkage	18.98 lakh	18.32 lakh	↑
Gross Loan Outstanding	₹61,581 Cr	₹57,119 Cr	↑
Total Loan Disbursed	₹38,781 Cr.	₹37,286 Cr	↑
Avg. Loan Disbursed per SHG	₹2,04,314	₹2,03,495	↑
Avg. Loan Outstanding per SHG	₹1,27,017	₹1,22,242	↑
NPA	6.50%	6.45%	↑

1.1 Introduction

During the last financial year 2016-17, the Indian economy has continued to consolidate the gains achieved in restoring macro-economic stability. Despite the continuing global sluggishness and recent pick-up in petroleum prices, the economic growth has continued to be robust and inflation has remained more or less stable, while fiscal deficit and current account deficit as percentage of GDP have improved. The growth rate of the economy during the first half of the year is estimated at 7.2 per cent, which makes India one of the fastest growing major economies in the world. At the sectoral level, the growth rates for agriculture and allied sectors, industry and services sectors for the first half of the year were estimated at 2.5 per cent, 5.6 per cent, and 9.2 per cent respectively. The stress given to fiscal consolidation through expenditure rationalization and revenue raising efforts and the focus on administrative measures for cooperative financial governance and also steps towards containing inflation have contributed significantly to macro-economic stability

1.2 Demonetization and its Aftermath

The year gone by has been a challenging one for the microfinance sector. It was a year in which, old currency notes of ₹500 and ₹1000 were withdrawn – an event that has been commonly referred to as demonetization. The restrictions imposed during demonetization provided a reality check to MFIs on their capacity to manage organizational stress. The businesses of clients of MFIs witnessed disruption in the immediate aftermath of demonetization, as they primarily were in the habit of using cash for their transactions. In addition, rumors regarding loan waivers made several MFI clients not pay their installments back. Also, vested interests created doubt among MFI clients regarding their legitimacy as MFIs could not accept repayments in old currency notes. MFIs witnessed a decline in their repayment rates, with several leading MFIs reporting Portfolio at Risk (PAR) in excess of 10%. MFIs, which have significant exposure in states of Maharashtra, Madhya Pradesh, Uttar Pradesh, Uttarakhand and Karnataka, continue to experience problems in their loan portfolios.

Demonetization was an unanticipated event for the microfinance sector. However, it also had a few silver linings. Firstly, MFIs have increased the rate at which they have been adopting technological solutions so that they can promote cashless transactions among their clients. This will have a positive impact on the operating efficiency as well as the operational risk profile of MFIs as losses due to theft and frauds, two of the major operational risks of MFIs, will reduce.

Secondly, although MFIs faced severe disruption in their cash flows after demonetization, this has not had a catastrophic impact on them. This was due in large part due to better risk management practices that MFIs have adopted. Some of the important aspects of the risk management practices that have helped several MFIs include the following:

- Maintaining adequate level of capital adequacy and liquidity buffer based on short term cash flow forecasts
- Prioritizing cash-outflow to manage liquidity stress
- Diversifying sources of funds and keeping channels of communications with lenders open
- Tracking early signals of risks, and taking steps to control them
- Ensuring sound relationship management with clients
- Strengthening loan origination, appraisal and monitoring
- Limiting concentration of portfolio in geographical pockets

The above strategies have stood MFIs in good stead during the period after demonetization. However, the challenge has not been overcome in its entirety and MFIs will need to ensure a high level of risk-oversight to return to a sustainable state, characterized by low portfolio risks and high customer satisfaction. Hence, Sa-Dhan continues to encourage its members to adopt a sound risk management framework. This is also necessary for continued provision of financial services to MFI clients.

Box: 1.1: Digitization of Microfinance Payments

The Microfinance Industry comprises of 233 MFIs catering to over 40 million low income customers with an outstanding portfolio of ₹535 billion and repayment rate of over 99%. While digitisation has been implemented in backend processes, the products are still delivered in operational models which are high on human touch and use of cash based disbursement and repayment processes. Digitising cash based operations has the potential to bring a host of benefits to MFIs. It mitigates cash carrying risks and improves operational efficiency by saving time for frontline staff. It can aid in the diversification of products offered to consumers and enable the innovation of customer centric offerings based on critical insights sourced from digital data collected over time on customer behaviour.

It was under this context that NPCI, in its endeavour to bring payments to the last mile, started a pilot to digitise MFI transactions with Svatantira as the MFI, RBL Bank for disbursement and HDFC bank to receive the repayments.

A simple innovative use of the Aadhaar Payment Bridge System (APBS) and *99# infrastructure has made this possible. The customer's Aadhaar numbers are collected and sent to disbursing bank for onward direct credit to account using APBS system. For repayments a string of numbers *99*1*4*1# is being saved as a contact number in the MFI customers feature phone during MFI group meetings. The customer has to dial the contact, input amount and UPI PIN on the feature phone and the repayment is successfully done. With this it is expected that the 80 million annual disbursements and the over 900 million repayment transactions will be digitised. NPCI hopes to popularise this process with the MFI industry across the country and has released a guide booklet titled "UPI & APBS Digitizing Microfinance – An NPCI Initiative" in February 2017.

To ride along with current digital payments revolution, MFI's have to take a step ahead and digitise the industry as it will take the digital revolution to the last mile customer of the country as MFI's have a good rural outreach and working closely with more than 40 million rural women. It will also help MFI's in reducing operational cost, transit risk and also to connect Indian rural women to the digital banking channel.

About NPCI:

NPCI, during its journey for last over eight years, has made a significant impact on the retail payment systems in the country. Dedicated to the nation by the then Hon'ble President, Shri Pranab Mukherjee, endorsed by the Hon'ble Prime Minister, Shri Narendra Modi, RuPay is now an established brand with complete portfolio of debit, credit, contactless and prepaid. Needless to mention, National Financial Switch, Cheque Truncation System and Aadhaar Enabled Payment System continues to be the flagship products of NPCI. With Immediate Payment Service, India became the leading country in the world in real time payments in retail sector while Bharat Interface for Money/Unified Payments Interface has been termed as the revolutionary product in payment system. The other recently launched products Bharat Bill Pay, National Common Mobility Card and National Electronic Toll Collection are geared to bring revolution in small value electronic payments.

Source: National Payment Corporation of India

1.3 Microfinance: The Continuing Relevance

The importance of microfinance can be assessed by the fact that the Reserve Bank of India classifies microfinance loans as priority sector loans. The successful utilization of microfinance loans for income generation as proven by high repayment rates of microfinance clients is one of the reasons that there is now a proven business case for such loans. The total gross loan portfolio of MFIs, excluding Small Finance Banks (SFBs), was over ₹46,000 crore on 31 March 2017. This is a growth of around 18% over the previous year.

Over the previous year, several SFBs have commenced operations. This is an exciting development for microfinance clients, as SFBs will offer a full range of financial services to them. RBI's guidelines for SFBs, issued in July 2017, require them to extend 75% of their Adjusted Net Bank Credit (ANBC) for priority sector lending.

According to RBI, "the scope of activities of a small finance bank would primarily be to undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganized sector entities." SFBs are required to open 25% of their branches in unbanked areas. While 40% of the lending has to be allocated according to the norms for commercial banks, the remaining 35% can go towards any priority sector where the small finance bank has competitive advantage. Domestic commercial banks and foreign banks with more than 20 branches have to lend at least 40% towards priority sectors within which 18% has to be towards agriculture, 7.5% towards micro enterprises, 10% towards weaker sections and remaining 4.5% towards any priority sector. The lending to agriculture sector will be categorized as (i) Farm Credit (which will include short-term crop loans and medium/long-term credit to farmers) (ii) Agriculture Infrastructure and (iii) Ancillary Activities. Farm Credit includes loans to individual farmers, (including SHGs or JLGs, i.e. groups of individual farmers, provided banks maintain disaggregated data of such loans), directly engaged in Agriculture and Allied Activities – dairy, fishery, animal husbandry, poultry, bee-keeping and sericulture.

Early evidence suggests that MFIs that have become SFBs will easily exceed these targets. There will be an opportunity for them to sell Priority Sector Lending Certificate (PSLC), to other banks which need to cover their shortfalls in priority sector loans. In the near term, SFBs face the challenge to evolve their business model in a manner that makes it possible for them to serve their clientele, which to a large extent will include low income households as well as micro and small enterprises. They will need to evolve a mix of financial products and services that are tailored to the needs of this market segment. At the same time, they will need to establish sound risk management systems so that they can successfully cope with any uncertainty that their operating environment throws at them.

This year has provided evidence that the microfinance sector has matured and is in a better position to manage risks that may arise from time to time. However, the need to remain vigilant at the organizational level as well as the sector level remains as important today as ever. In the past year we have seen high profile cases of fraudulent organizations mimicking MFIs as well as SHPIs (in Odisha and Bihar). Such instances create confusion among the general population and harm the reputation of microfinance. It is therefore important for responsible organizations involved in microfinance to make efforts to safeguard their clients from becoming victims of such frauds. There is now an imperative from a risk management perspective for responsible organizations to make efforts to raise the financial literacy levels of their clients. They should ensure that their clients are able to distinguish between legitimate and fake financial institutions, genuine and fake financial products and genuine and fake banking agents.

1.4 Quarter Century of SBLP

SHG-bank linkages have been a primary driving force of financial inclusion in the country. It is expected that SFBs will provide further impetus to SHG bank linkages. The RBI has advised SFBs to consider lending to SHGs as part of their mainstream credit operations. Further the RBI has advised them to include SHG linkage in their corporate strategy/plan, training curriculum of their officers and staff and implement SHG linkage as a regular business activity and monitor and review it periodically. According to RBI's July 2017 guidelines, "Lending to SHGs should be included in branch credit plan, block credit plan, district credit plan and state credit plan of each SFB. While no target is being prescribed under SHG bank linkage programme, utmost priority should be accorded to the sector in preparation of these plans. It should also form an integral part of the bank's corporate credit plan".

It is worth mentioning that the SHG bank linkage movement has entered its 26th year. According to NABARD's "Status of Microfinance in India (2016-17)" report, as on 31 March 2017, the SHG bank linkage program covered "10 crore families through 85 lakh SHGs with savings deposits of ₹16,114 crore and 48.4 lakh groups with collateral-free loan outstanding of over ₹61,500 crore, of which, 88% for rural women". An important factor that has helped this program achieve this scale has been the wide participation of banks, NGOs, as well as State Rural Livelihood Missions in the recent years. The organizations involved in the SHG bank linkage project are now making efforts to link credit data of SHG members to credit information bureaus. Once this is achieved, there will be greater integration of the low-income population living in the rural areas of the country with the formal credit markets.

1.5 Furthering Financial Inclusion

Business Correspondents (BCs) have emerged as important links in providing last mile outreach to the economically underprivileged clients. BCs have now started playing an important role in providing a variety of services to these clients, including providing access to Pradhan Mantri Jan Dhan Yojana (PMJDY) accounts, direct benefit transfers (DBT) as well as a variety of credit products. Use of mobile and internet technology to provide safe and secure financial services to these clients is an important aspect of the BC model. At the same time, it is important to remember, that the clients being served by the BCs do not possess a high level of financial literacy and are very vulnerable to mis-selling and financial frauds. It is therefore very important that a code of conduct is devised and implemented to ensure that clients get access to ethical financial services, transparent pricing and a mechanism to have their grievances redressed. Progress is being made in this direction by the Business Correspondent Federation of India (BCFI), and it is expected that a code of conduct for BCs will soon be established.

With the passing of Aadhaar Bill, the project of the Unique Identification Authority of India (UIDAI), got a legal framework, strengthening its use for enhancing digital financial inclusion. The ultimate objective is to provide direct and multiple access to the customer; to develop the ecosystem with the help of geographical information system mapping banking points; these are steps towards greater acceptance of digitization that has potential to open up possibilities for the hitherto excluded. A study on financial inclusion by Intermedia indicates that financial inclusion is on the rise (currently 65%), mobile money awareness is 10% and use of mobile money is 0.5%. Usage of basic banking services has increased which implies increase in number of new account holders who are adults and belong to BPL and rural population.

A MicroSave study on PMJDY suggests that the percentage of zero-balance or static accounts can be reduced by aggressively linking the DBT schemes that can drive transactions. Bank Mitras are the last mile architecture (BC), who are preferred to ATM and bank branch for transactions, so training and certification of BC has been proposed to be carried out by Indian Banks Association (IBA). Besides, RBI has proposed two initiatives for BCs, a) growth path and b) Incentives for continuation. Adoption of JAM strategy (Jan

Dhan Yojana, Aadhaar and Mobile) also is one policy initiative to increase the throughput of transactions. These also have Aadhaar enabled payment systems (AEPS) authentication of beneficiaries so that in-kind subsidies may be converted to cash subsidies in future.

Indian postal network has an extensive outreach and is undergoing renovation under the e-governance project. About 28,000 Departmental post offices have been established across the country and the administrative offices have been connected under single wide area network. Core banking solution is available in more than 22,000 centers and ATM have been installed. 4000 hand held devices have been provided to rural postmen to go for 3rd party products and make e-commerce deliveries. This can also dovetail with the expansion of the India Post Payments Bank (IPPB), and derive synergies from its outreach programme.

1.6 DBT and Social Security

The PAHAL scheme (direct cash transfer of subsidy to LPG subscribers) is now focused on relatively poorer segments of the society, and has provided a basis for voluntary classification of beneficiaries rather than universal coverage. All accounts are now termed as PMJDY accounts which are receiving direct benefit transfers and are eligible for insurance cover, OD facility and RuPay Card. The scope of DBT has been extended to MGNREGA wages, old age pension, scholarships, people working for the schemes (Anganwadi workers, teachers in aided school) etc. The number of beneficiaries stood at more than 300 million amounting to subsidies to the tune of ₹47 billion. Three social security schemes pertain to the insurance and pension: Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Atal Pension Yojana (APY); out of which PMSBY is more popular while APY has been subscribed by more urban customers, as people receiving old age pension do not want to pay for another pension scheme.

Client outreach and loan portfolio are two key indicators of an MFI's contribution to financial inclusion as well as the depth and breadth of financial deepening achieved by it. This chapter aims to provide an overview of MFIs' outreach in terms of client coverage and loan portfolio, based on the data received from 168 MFIs and 4 SFBs. This chapter is divided into two parts; the first part explains geographic distribution of microfinance institutions and their client outreach. The second discusses the issues of portfolio outstanding, loan disbursement, and purpose of loan.

2.1 Geographical Spread of Microfinance

MFIs currently operate in 29 States, 4 Union Territories and 563 districts in India. Table 2.2 shows the distribution of MFIs by state. In particular, it shows the number of MFIs operating in each state, their total number of branches in the state and the number of districts with microfinance operations. Annexure 1 indicates the state wise presence of different MFIs.

Twenty one MFIs with a large outreach and portfolio have operations in more than five states, out of which four leading MFIs are operating in more than fifteen states. A total of 57 MFIs (34%) are operating in two to five states, while 90 MFIs (54%) have confined their operations to only one state. The details of States/ Union Territories wise operation of 168 MFIs are given in Table 2.1.

Table 2.1: No. of MFIs in Indian States/UTs

No. of States/UTs	No. of MFI
1	90
2 to 5	57
6 to 10	13
11 to 15	4
> 15	4
Total	168

MFIs with a smaller scale or regional focus have concentrated their operations in 1-2 states only whereas other MFIs have spread across a higher number of states in order to increase their size, scale and simultaneously mitigate concentration risk. MFIs operating in multiple states, in general, are typically larger in size and follow the legal form of an NBFC-MFI. The geographical expansion of bigger MFIs is illustrated by the fact that while in 2013 -14 only 15 MFIs had operations in more than 5 states, that number increased to 25 in 2015 -16 and stands at 21 in 2016-17. List of top 10 MFIs operating in more number of states and more number of districts are presented in Figure 2.1 and 2.2 respectively.

Figure 2.1: Top 10 MFIs Operating in Number of Indian States/Union Territories

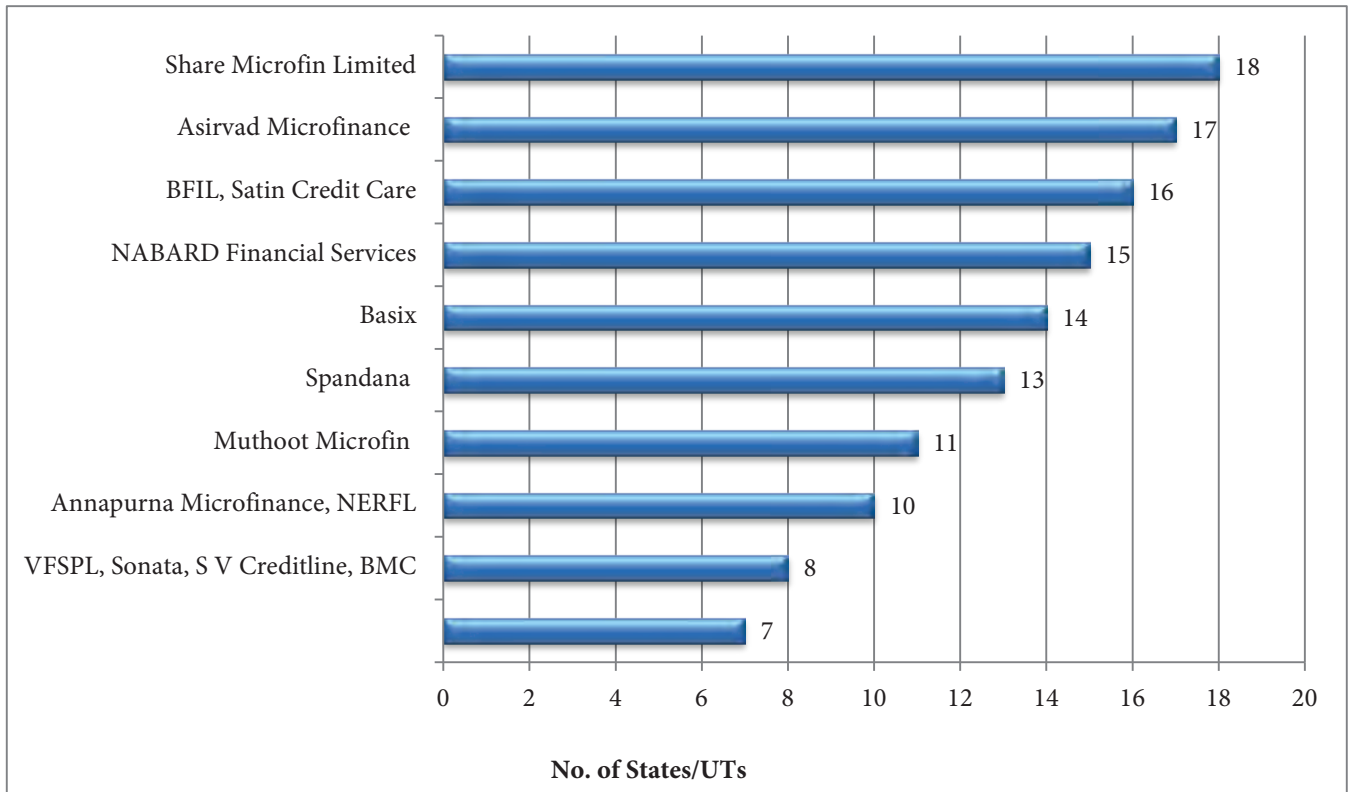


Figure 2.2: Top 10 MFIs Operating in Number of Indian Districts

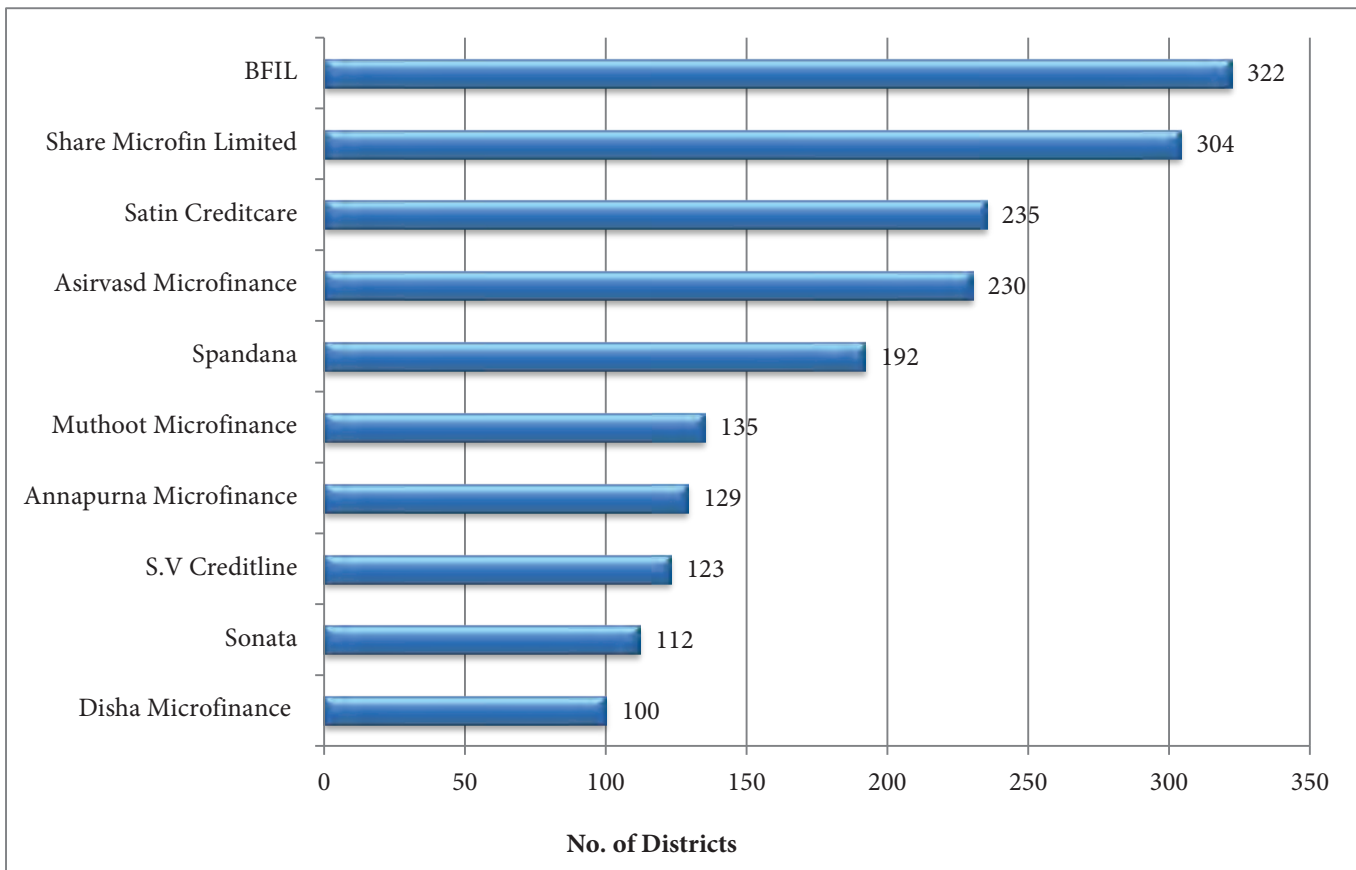


Table 2.2: No. of MFIs in Indian States/UTs and No. of Districts with MFI Operation

Name of the States/UTs	No. of MFIs operating in the state (including those having Head Quarters outside)	No. of districts of the state where MFIs operate	No. of Branches
Andaman Nicobar Islands	2	1	1
Andhra Pradesh	3	12	66
Arunachal Pradesh	4	4	11
Assam	21	28	344
Bihar	33	37	692
Chandigarh	3	1	4
Chhattisgarh	20	22	306
Delhi	10	6	33
Goa	4	2	10
Gujarat	18	24	257
Haryana	17	19	190
Himachal Pradesh	4	4	9
Jammu & Kashmir	1	1	1
Jharkhand	20	24	263
Karnataka	23	30	1218
Kerala	16	12	261
Madhya Pradesh	34	48	907
Maharashtra	41	36	808
Manipur	5	10	38
Meghalaya	8	5	18
Mizoram	4	8	26
Nagaland	3	2	3
Odisha	28	30	744
Puducherry	7	2	10
Punjab	10	22	173
Rajasthan	22	29	352
Sikkim	2	3	8
Tamil Nadu	35	34	1152
Telangana	5	6	11
Tripura	9	6	39
Uttarakhand	20	6	117
Uttar Pradesh	28	68	1064
West Bengal	41	21	1097
Total		563	10,233

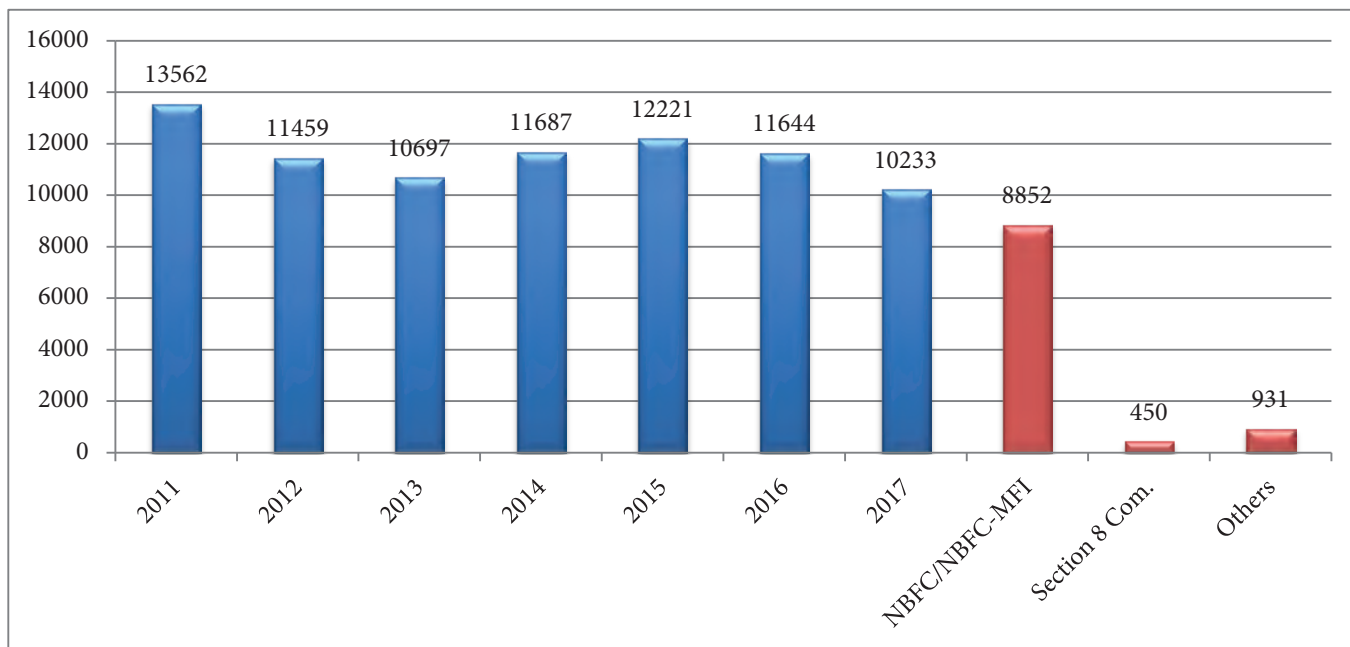
2.2 Branch Network

The MFIs in India had been consolidating their operations to cope with the effects of transition taking place in the sector. While 2012 and 2013 witnessed a decline in the branch network, the trend was arrested in 2014. In 2014 -15, MFIs have expanded their branches, posting a marginal growth of 4.57 %. In 2016 -17, total branch network of the MFIs excluding 6 Small Finance Bank (SFBs) was 10233. In 2015-16, six MFIs (*Equitas, Ujjivan, ESAF, Suryoday, Utkarsh, and Janalakshmi*) graduated to SFBs covered 1978 branches out

of total branch network of 11644. Number wise, branch network in 2016-17 has declined to 10233 from 11644 but actually there is a growth of 6% (factoring in 6 SFBs' exit as MFIs).

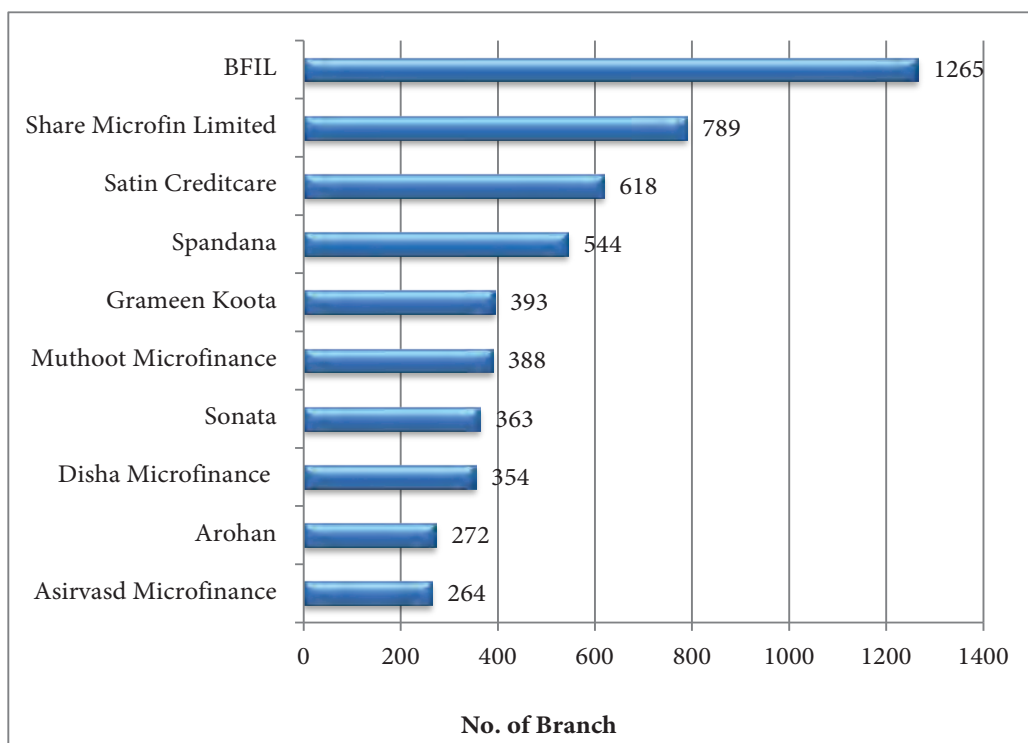
The distribution of branches among different categories of MFIs as of March 2017 showed that NBFCs (NBFC/NBFC-MFI) had the lion's share of 8852 (87%) branches.

Figure 2.3: MFI Branch Network – Yearly Trend and Category-wise Breakup



Names of Top 10 MFIs in terms of Branch Network are given in Figure 2.4.

Figure 2.4: Top 10 MFIs in Terms of Branch Network

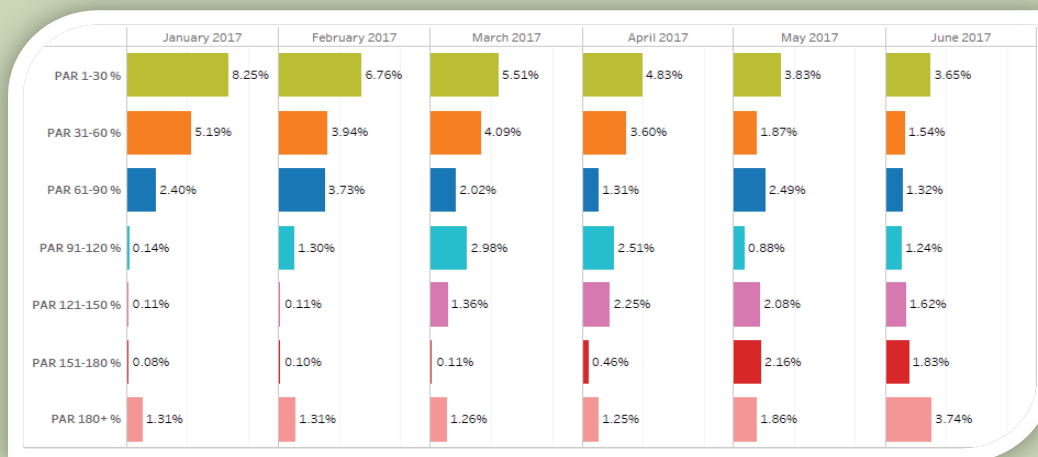


Top 10 MFIs account for over 50% of the industry Branch Network. BFIL was the first with the largest number of branches at 1265

Box 2.1: The year it was for Microfinance

The Microfinance JLG Industry grew by 30% to close the year with a gross loan portfolio of nearly ₹1.05 lakh crores. This was also the year when the industry crossed a loan portfolio of ₹1 lakh crores. However, it did not call for any celebrations as the industry also observed unforeseen deterioration in portfolio performance as an after effect of withdrawal of high denomination of currency notes in circulation.

The industry observed a sharp rise in PAR30-180 level (portfolio at risk for 30-180 days delays in repayment) from 0.33% to 10.5% by March 2017. Such a stress on portfolio quality was observed first time since the Andhra Pradesh Crisis of 2010. The industry was very concentrated in one state then, whereas now the industry is much more widespread – 5 states have 58% of portfolio – this allowed for a better resilience for the sector. Though there has been an improvement in collections, PAR1-180 still looms at over 11%.



Some observers say high stress had already built up in the areas of very high growth, which is where the collections efficiency have been very low after the currency note-ban. It is difficult to establish the causality, since areas in Tamil Nadu and West Bengal which have larger portfolios and experienced high growth, did not observe similar drops in collections. Severe impact of localized external reasons seems to be more plausible.

The growth has also been tepid since the de-monetization. Uttar Pradesh saw very minor year-on-year increase of just about 5% in the portfolio outstanding as well as in new customer addition. There has been a 30% drop in number of new disbursements and 20% drop in disbursed value in the monthly averages considering a period of 6 months before and 6 months after demonetization, Maharashtra most affected amongst the larger states.

The shockwave forced the industry to relook at how the industry operates --- moving away from dependence on cash, and of course on use of technology to improve cost and process efficiencies.

The industry is in a state of flux also for another reason. Most large players are getting into the banking fold – some becoming banks and some being acquired by an existing bank. There is still no clarity when and how the code of conduct guidelines will get reviewed by the regulator. It assumes more relevance as the data for self-help group (SHG) bank linkage program gets reported at a member-level to the credit bureaus. Recent mention by the RBI Deputy Governor on moving towards activity based regulations from entity-based is a ray of hope.

Courtesy: CRIF-High Mark

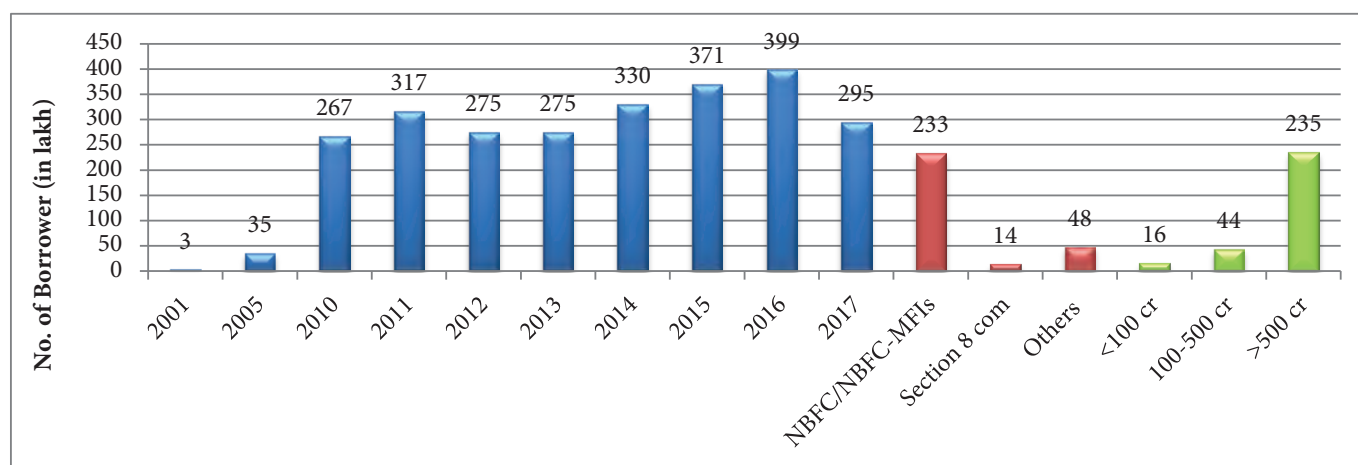
2.3 Client¹ Outreach

The total number of clients served by MFIs excluding 6 Small Finance Bank (SFBs) stood at 295 lakh as on 31 March, 2017. In 2015-16, six SFBs alone had 130 lakh clients out of total client of 399 lakh. Number wise client outreach in 2016-17 has declined to 295 from 399 lakh but actually there is a growth of 10% (factoring in 6 SFBs' exit as an MFI).

Client outreach of MFIs had grown substantially from 2005 to 2011, reaching a level of 317 lakh. This trend slowed down during 2012 and 2013 and the number of clients slumped to 275 lakh. The trend reversed in 2014 with a growth and reached a level of 330 lakhs. This trend continues in 2016 with a huge rise in clients/borrowers to an all-time high of 399 lakh. Majority of these clients are being served by NBFCs (NBFC/NBFC-MFIs) 79% whereas Section 8 Companies account for 5% and Others (Society/Trust/MACS) account for 16%. MFIs with outstanding portfolio above ₹500 crore are responsible for reaching out to 80% of the clients in the industry.

Apart from 168 MFIs, 4 Small Finance Bank (SFB) having exposure in microfinance also provided data. These 4 SFBs together accounts for 58 lakh client. By clubbing MFIs and SFBs total clients stood at 353 lakh.

Figure 2.5: Outreach to Borrowers: Yearly Trend and Category – wise Breakup for 2017

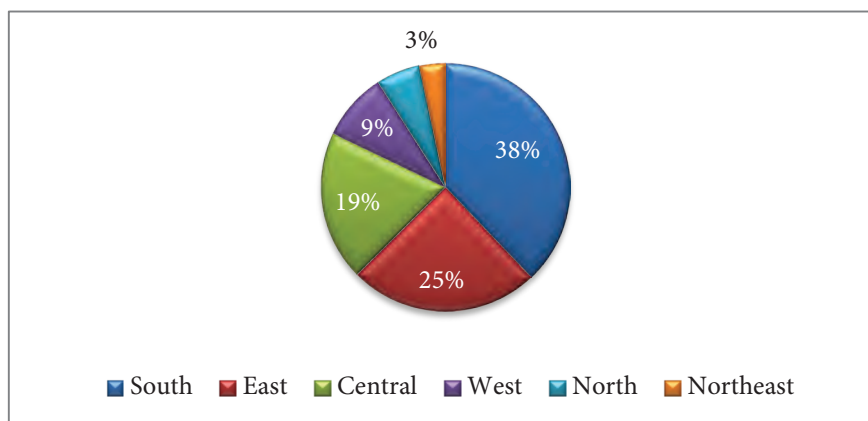


Client Outreach grew by 10% 2017 relative to 2016 without six SFBs which indicate a sound growth of MFIs in 2016-17. This rise in the number of borrowers is positively correlated with an increase in fund flow from banks, MUDRA and financial institutions to MFIs.

2.3.1 Regional Outreach of MFIs

Out of the total client base of 295 lakh, Southern region alone contributes to 38% followed by 25% in East and 19% in Central region whereas West and North have 9% and 6% of total outreach respectively. Northeast has the least client outreach numbers with 3%. Share in outreach has expanded only in case of East and Northeast regions from 20 to 25%, 2 to 3% respectively.

Figure 2.6: Regional break up of Client Outreach



¹ Clients of MFIs are essentially Loan Borrowers. 'Clients' and 'Borrowers' have been interchangeably used in this report.

This year, a positive growth trend in client outreach is observed across East and Northeast only. Northeast region has grown at 50%, followed by East at 25% respectively. The Southern region is still leading although there is a negative growth rate of 3% whereas Central and Western regions have declined by 5% and 44% respectively.

2.3.2 State-wise Client Outreach

Client outreach in various states is mapped in Table 2.3. It is observed that in many States/UTs outreach has declined, except Assam, Arunachal Pradesh, West Bengal, Tripura, Meghalaya, Nagaland, Jammu & Kashmir and Andaman. Exclusion of 6 SFBs is the reason for the fall in client outreach in most of the states.

Table 2.3: Outreach (in lakh) of MFIs across States/UTs – 2017 & 2016 (Decreasing Order)

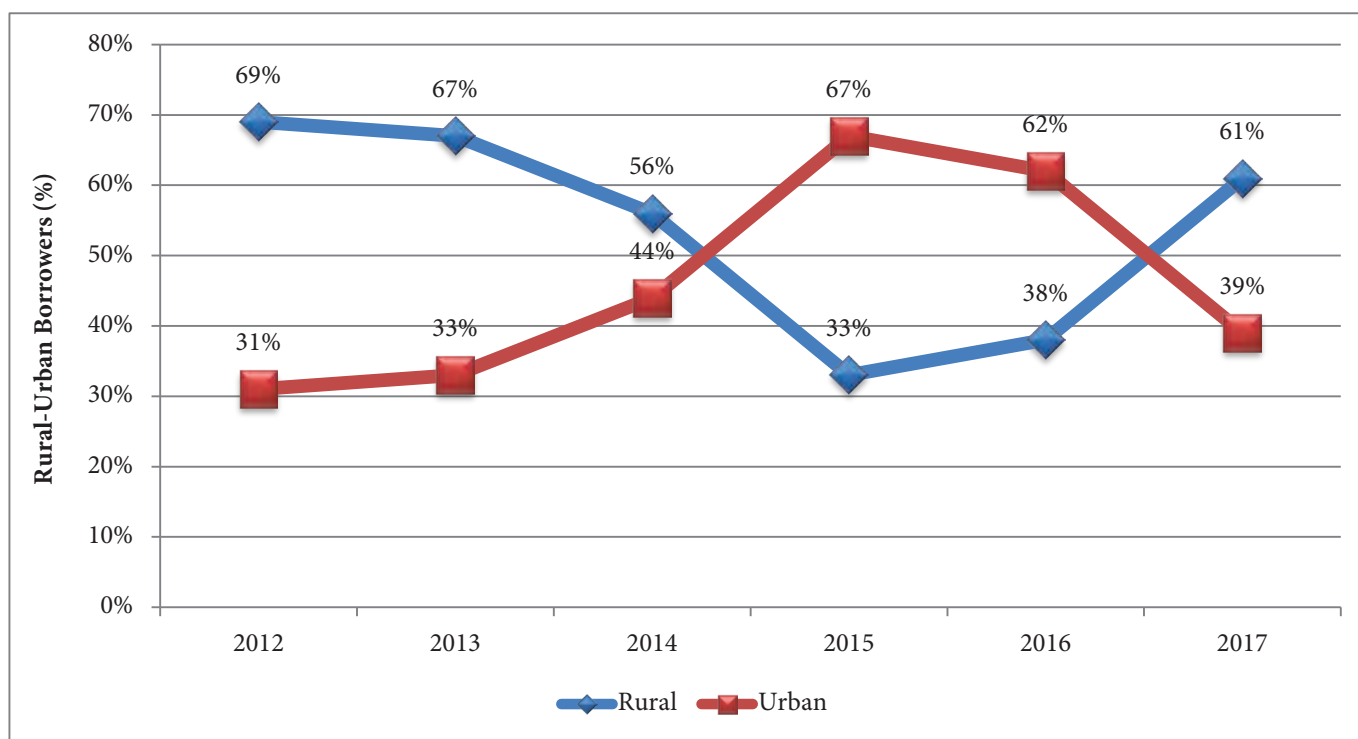
State	2017	2016	Growth (%)
Karnataka	68.33	75.28	-9%
Tamil Nadu	32.25	57.22	-44%
Uttar Pradesh	29.82	39.36	-24%
Odisha	22.94	23.52	-2%
Bihar	22.57	23.93	-6%
Maharashtra	21.33	38.57	-45%
West Bengal	21.16	24.91	-15%
Madhya Pradesh	20.53	28.19	-27%
Assam	7.73	6.84	13%
Kerala	7.42	12.23	-39%
Rajasthan	6.28	8.20	-23%
Jharkhand	6.21	6.75	-8%
Punjab	5.46	6.26	-13%
Chhattisgarh	5.35	8.36	-36%
Gujarat	4.60	12.63	-64%
Haryana	3.83	5.98	-36%
Telangana	2.59	2.95	-12%
Uttarakhand	1.92	3.22	-40%
Delhi	1.15	2.52	-54%
Andhra Pradesh	1.04	7.27	-86%
Manipur	0.73	0.88	-16%
Mizoram	0.57	0.65	-12%
Tripura	0.43	1	-58%
Puducherry	0.28	1.27	-78%
Arunachal Pradesh	0.19	0.17	9%
Himachal Pradesh	0.13	0.49	-73%
Meghalaya	0.12	0.19	-36%
Sikkim	0.11	0.28	-59%
Goa	0.07	0.13	-47%
Nagaland	0.04	0.04	10%
Jammu & Kashmir	0.03	0.02	17%
Chandigarh	0.02	0.13	-82%
Andaman	0.02	0.01	267%
Total	295	399	

Top five states account for 60% of total client outreach and rest of other states hold only 40% of total clientele.

2.3.3 Rural – Urban Share of MFIs Borrowers

2014-15 can be described as a watershed year as far as the rural-urban divide in Indian microfinance is concerned. Hitherto Indian microfinance was touted as basically a rural phenomenon as compared to microfinance in Latin America as also in large parts of Africa and Asia. But that statement is no longer valid. A very interesting trend is seen in the rural-urban focus of MFIs. The share of rural clientele which was 69 % in 2012 decreased to 56 % in 2014 and has drastically come down to 33 %. The proportion of rural to urban clients for the year 2014-15 is 33% to 67%. In the year 2015-16, there was a slight improvement in the share of rural clientele which increased to 38% because of exclusion of Bandhan. In 2016-17, the trend of rural to urban is the reverse of trend of 2015-16 because of exclusion of 6 SFBs. One of the key findings from our research shows that small sized of MFIs are rural centric.

Figure 2.7: Trends in Rural - Urban Share of MFI Borrowers



2.3.4 Outreach to special segment of borrowers (Women, SC/ST, and Minorities)

World over the focus of microfinance has always been on serving women. In India as an alternate vehicle of credit, microfinance serves a large segment of people from Scheduled Castes, Scheduled Tribes and Minorities. Women clients constitute 96% of the total clients of MFIs. Similarly, SC/ST borrowers also constitute a substantial chunk (20%) of the clients. A trend analysis of women borrowers, SC/ST borrowers and minority borrowers is shown in numbers using a table.

For the first time, in 2016-17, data for borrowers having personal Bank A/c and borrowers having BPL Card has been collected. Borrowers having personal Bank A/c and borrowers having BPL Card constitute only 22% and 11% of the total respectively. The reason for a low coverage under these heads is the non-collection of such data at MFI level.

Focusing on microfinance services towards women, SC/ST and minorities, MFIs are contributing significantly to the wellbeing of the underprivileged, leading to a rise in their welfare and assisting with the financial inclusion agenda.

Table 2.4: Composition of Borrowers – Category wise

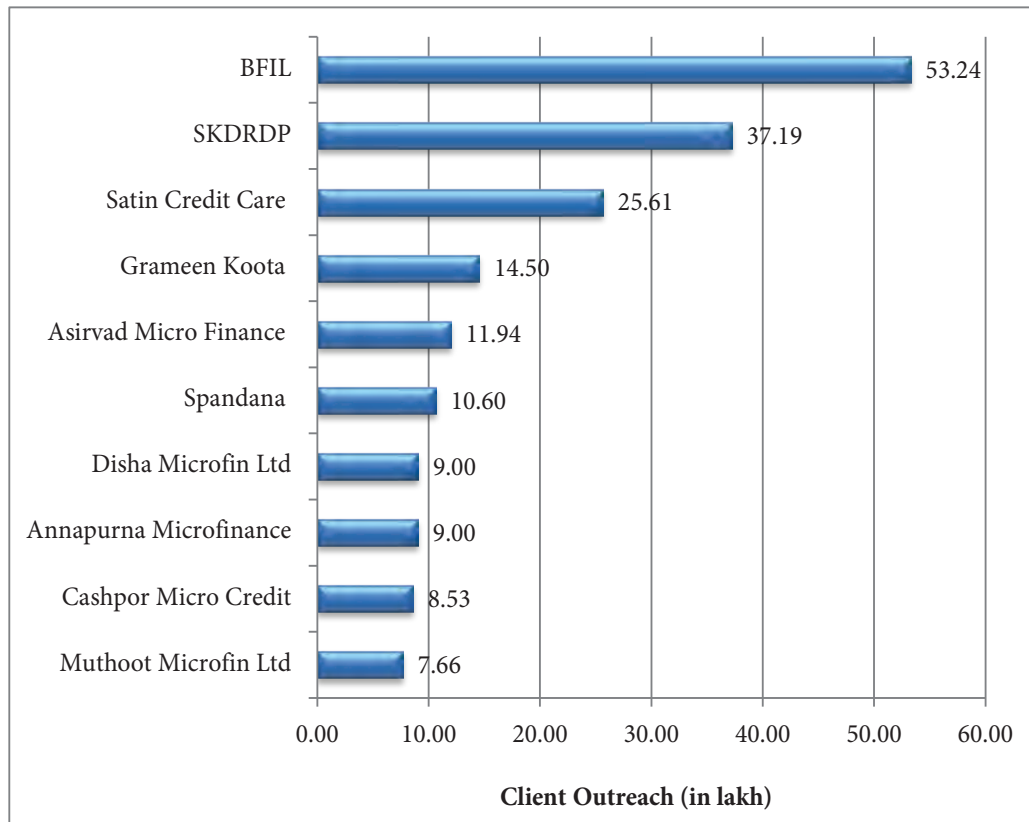
% to Total Borrowers									
Year	Women Borrowers	SC/ST Borrowers	Minority Borrowers	Differently abled Borrowers	Borrowers having Aadhaar Card	BC Borrowers	Individual Borrowers	Borrowers having personal Bank A/c	Borrowers having BPL Card
2011	94%								
2012	95%	20%	23%						
2013	96%	21%	23%						
2014	97%	19%	14%						
2015	97%	28%	18%	0.05%	10%				
2016	97%	30%	27%	4%	18%	15%	3%		
2017	96%	20%	10%	0.12%	52%	23%	3%	22%	11%

Note: Data for SC/ST and Minorities is being collected from 2012; data for Differently abled borrowers and Borrowers having Aadhaar Card is being collected from 2015, data for BC Borrowers and Individual Borrowers is being collected from 2016 whereas data for borrowers having personal Bank A/c and borrowers having BPL Card started from 2017.

2.3.5 Leading MFIs in Client Outreach

It is evident that large NBFC-MFIs have a larger client outreach in contrast to other legal forms of MFIs. Among these, BFIL has the largest client outreach i.e. approximately 18% of the total client outreach of the sector. SKDRDP, Satin Creditcare, Grameen Koota are the other major players in this aspect.

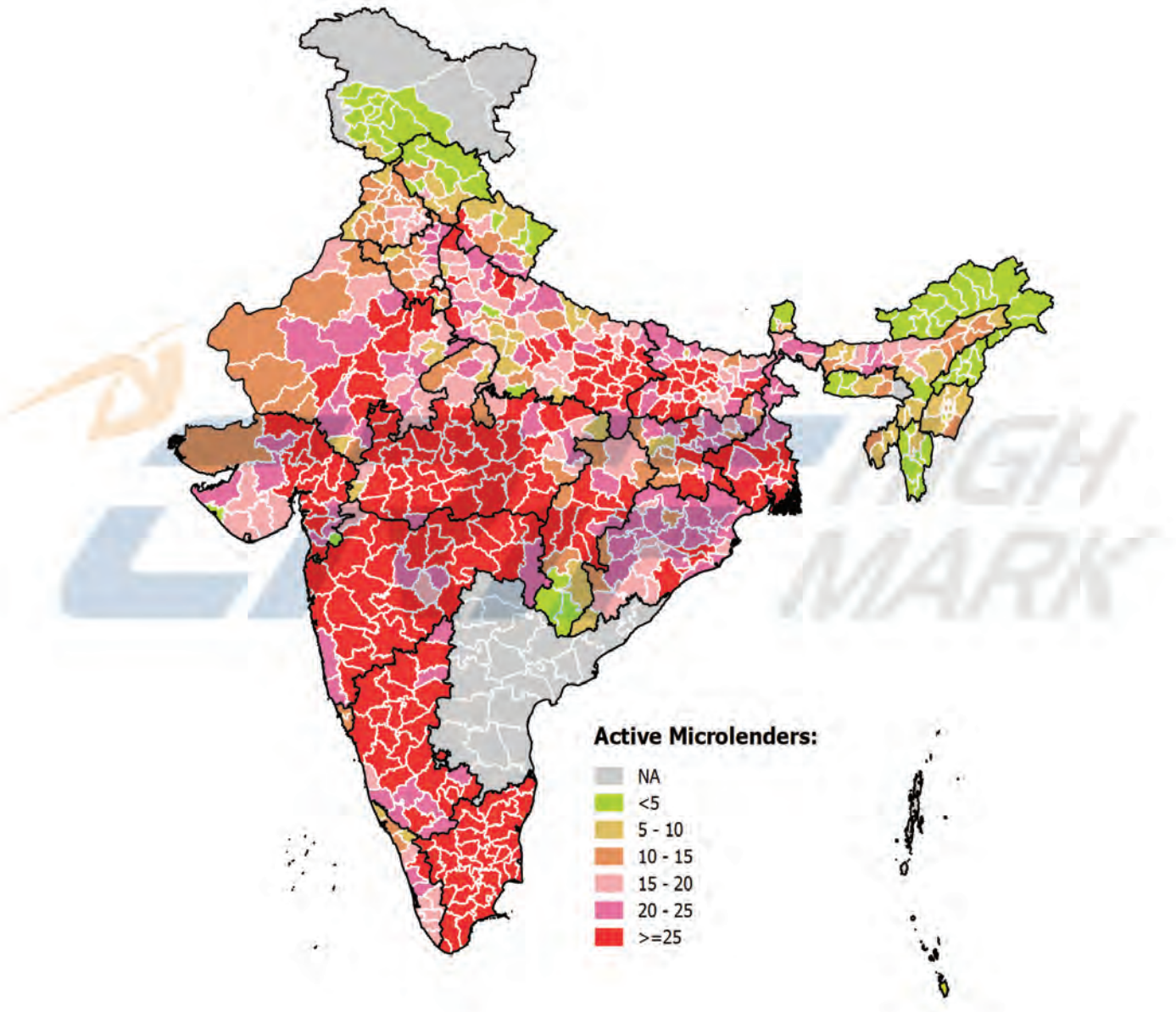
Figure 2.8: List of Top 10 MFIs with Client Outreach as of March 2017



Top ten MFIs account for 65% of the total client base and rest of other MFIs account for the remaining clientele.

Interestingly, SKDRDP and Cashpor remain the only non-NBFC MFIs with a large client outreach. Other than legal form, factors like availability of funds, business plan, regulatory environment etc. also determine the scale of operation and client outreach.

Active Micro-lenders²

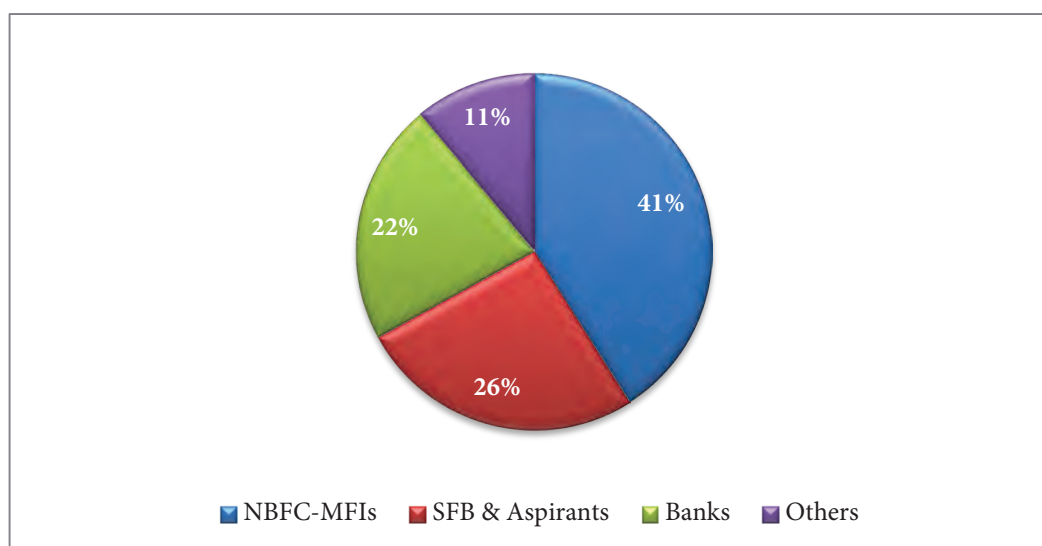


2.3.6 Client Outreach distribution across Players

Out of the total client base, NBFC-MFIs are leading with 41% followed by SFB & Aspirants with 26% whereas Banks and Others contribute to 22% and 11% respectively.

² Source: CRIF Highmark

Figure 2.9: Player wise break up of Client Outreach as of March 2017



Box 2.2: Limited Liability Group (LLG) –A New Way of Doing Microfinance

In India, Microfinance has a practice of Joint Liability Group (JLG), wherein borrowers come together to form a group and take the responsibility of each other in case of default by any of the members. In the current scenario, the responsibility of the financially disciplined members are extended to a large extent in case the group has few customers who are intentional defaulters. This puts additional financial pressure on the disciplined customers and at times, such customers also default in repayment due to extended financial obligations. So, the existing JLG model has this limitation that good clients face pressure due to few defaulting customers in the group.

To address this limitation, Satya MicroCapital Ltd has come up with a refined model of JLG which it termed as “Limited Liability Group (LLG) Model”. In this model, the share of responsibility of defaulted clients of a group on disciplined clients is limited to certain time. Under this process, delinquencies are controlled through its credit appraisal and seven layers approval process which would lead to take the responsibility of defaulting customers beyond a point. So, under LLG model, good customers will have limited liability (maximum up to 10 percent of loan tenure through joint liability) in case of an event of default by a delinquent member. Satya will take the ownership of this delinquency and will relieve the disciplined customers from the obligation of making payment on behalf of a delinquent customer. A special software is employed to capture the source of repayment whether it is member herself or through joint liability. This MFI has focused training for its staff on delinquency management and client relationship and they ensure ethical behaviour on these grounds.

SATYA MicroCapital Ltd, one of the latest entrant in the microfinance sector is building a vision of change and transformation in the financial inclusion space through its innovative approach on the Joint liability model. In addition, it is disbursing all its loans in cashless manner from the initial stage, and moving on E-KYC and Aadhaar Enable Payment System for its collection purpose.

Courtesy: Satya MicroCapital Ltd

2.4 Loan Portfolio of MFIs

As per the NSS data of various years, including the latest one of 2013, majority of the population is still dependent largely on informal and expensive sources, including money lenders to meet their credit needs. Credit needs for such a population range from emergency loans, consumption loans to business loans, working capital loans, housing etc. Credit is the flagship service offered by MFIs to clients outside the net of formal financial services. For MFIs, loan portfolio is the primary revenue generating asset. It also gives details about the health of MFIs through financial performance, as the financial performance is a function of revenue and cost. Loan portfolio of the MFIs and its trends are analyzed below to understand the performance of the institutions and their contribution to the goal of financial inclusion.

As of March 2017, the total loan portfolio outstanding of MFIs excluding 6 Small Finance Banks (SFBs) has reached to ₹46,842 crore. In 2015-16, six SFBs alone had ₹24,034 crore out of total GLP ₹63,853 crore. GLP in 2016-17 has declined to ₹46,842 crore from ₹63,853 crore but actually there is a growth of 18% (factoring in 6 SFBs' exit as an MFI).

Total managed portfolio also includes a BC portfolio of ₹13,898 crore which is 30% of total loan portfolio. The net loan portfolio or owned portfolio on the books of the MFIs stood at ₹32,944 crore.

The share of NBFC-MFIs stood over 79%, followed by Others (Society, Trust and MACS) at 17%. Nearly 82% of the portfolio is held by MFIs with a portfolio size above ₹500 crore.

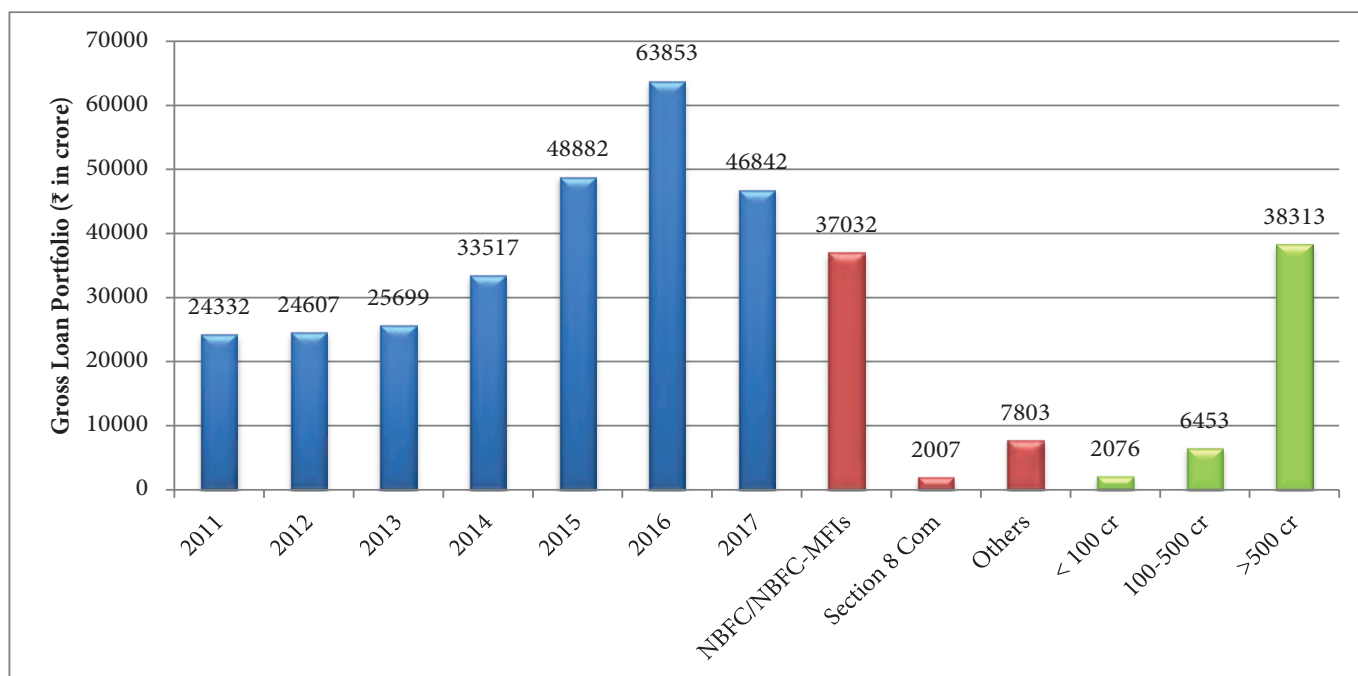
List of top 10 MFIs in terms of loan portfolio is indicated in Table 2.5. Among these, BFIL has the largest portfolio i.e. approximately 20% of the total client outreach of the sector. SKDRDP, Satin Creditcare, Grameen Koota are the other major players in this area.

Table 2.5: List of Top MFIs with Loan Portfolio as of March 2017

S. No.	Name of MFI	Gross Loan Portfolio (₹ crore)
1	BFIL	9150
2	SKDRDP	6399
3	Satin Credit Care	3617
4	Grameen Koota	3075
5	Muthoot Microfin	1972
6	Asirvad Micro Finance	1793
7	Cashpor Micro Credit	1330
8	Disha Microfin Ltd	1314
9	Spandana Sphoorty	1297
10	Annappurna Microfinance	1239

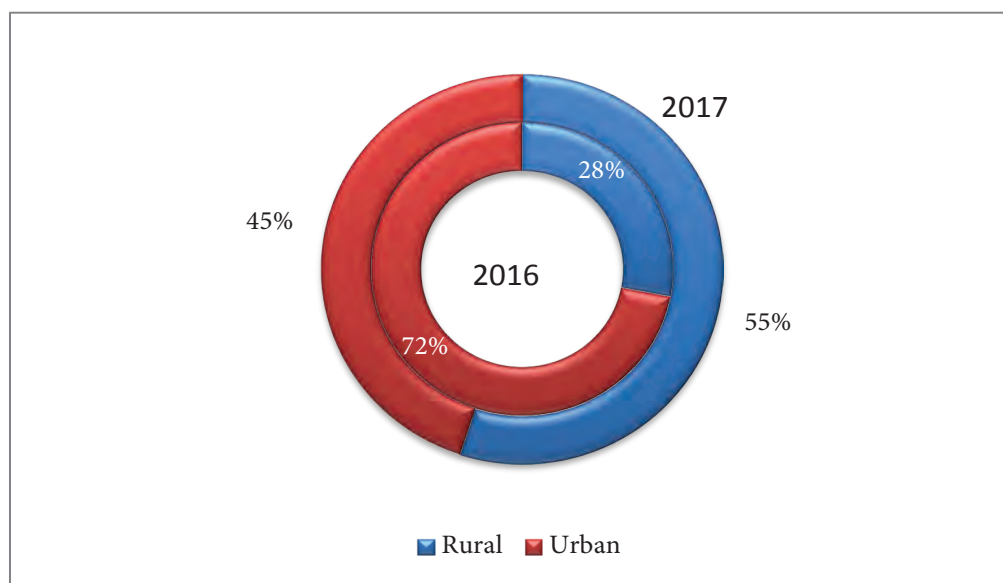
Top ten MFIs contribute ₹31,185 of loan portfolio which is 67% of sector's total and rest of other MFIs hold 33% only.

Figure 2.10: Gross Loan Portfolio – Yearly Trend and Category-wise Breakup of 2017



2.4.1 Rural – Urban Share of Gross Loan Portfolio

Figure 2.11: Percentage of Rural - Urban Share of Gross Loan Portfolio



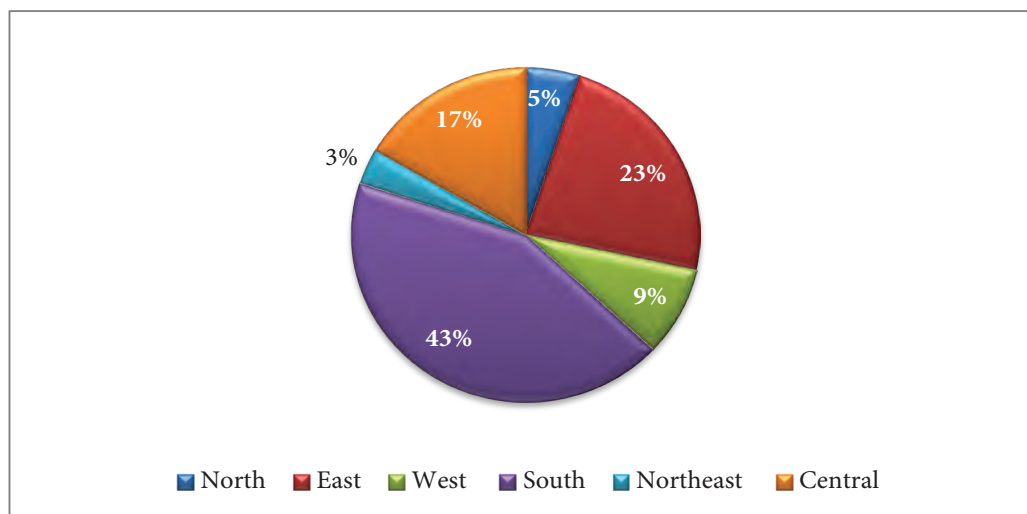
In 2016-17, the trend of rural to urban is the reverse of trend of 2015-16 because of exclusion of 6 SFBs.

Figure 2.11 indicates that the Gross Loan Portfolio in Rural areas is ₹25,959 crore which constitute 55% whereas the share of Urban areas is ₹120,882 crore which constitutes 45%. In the year 2015-16, share of Rural and Urban portfolio was 28% and 72% respectively.

2.4.2 Regional Spread of Loan Portfolio

Among the regions, South still dominates the overall loan portfolio outstanding of MFIs with 43% followed by East with 23%. Central and West have a share of 17% and 9% respectively. While North and Northeast have least portfolio share of 5% and 3% respectively.

Figure 2.12: Region wise Loan Portfolio



All regions have experienced an upward trend in loan portfolio outstanding except Northern and Central. Highest growth is visible in Northeast with 50% followed by East and South with 28% and 8% respectively.

2.4.3 Loan Portfolio Across States/UTs

Table 2.6, indicates that portfolio in most States/UTs has declined, except Andaman, Assam, Odisha, Bihar, Arunachal Pradesh, Nagaland. Exclusion of 6 SFBs is the reason for the fall in loan portfolio in most of the States/UTs.

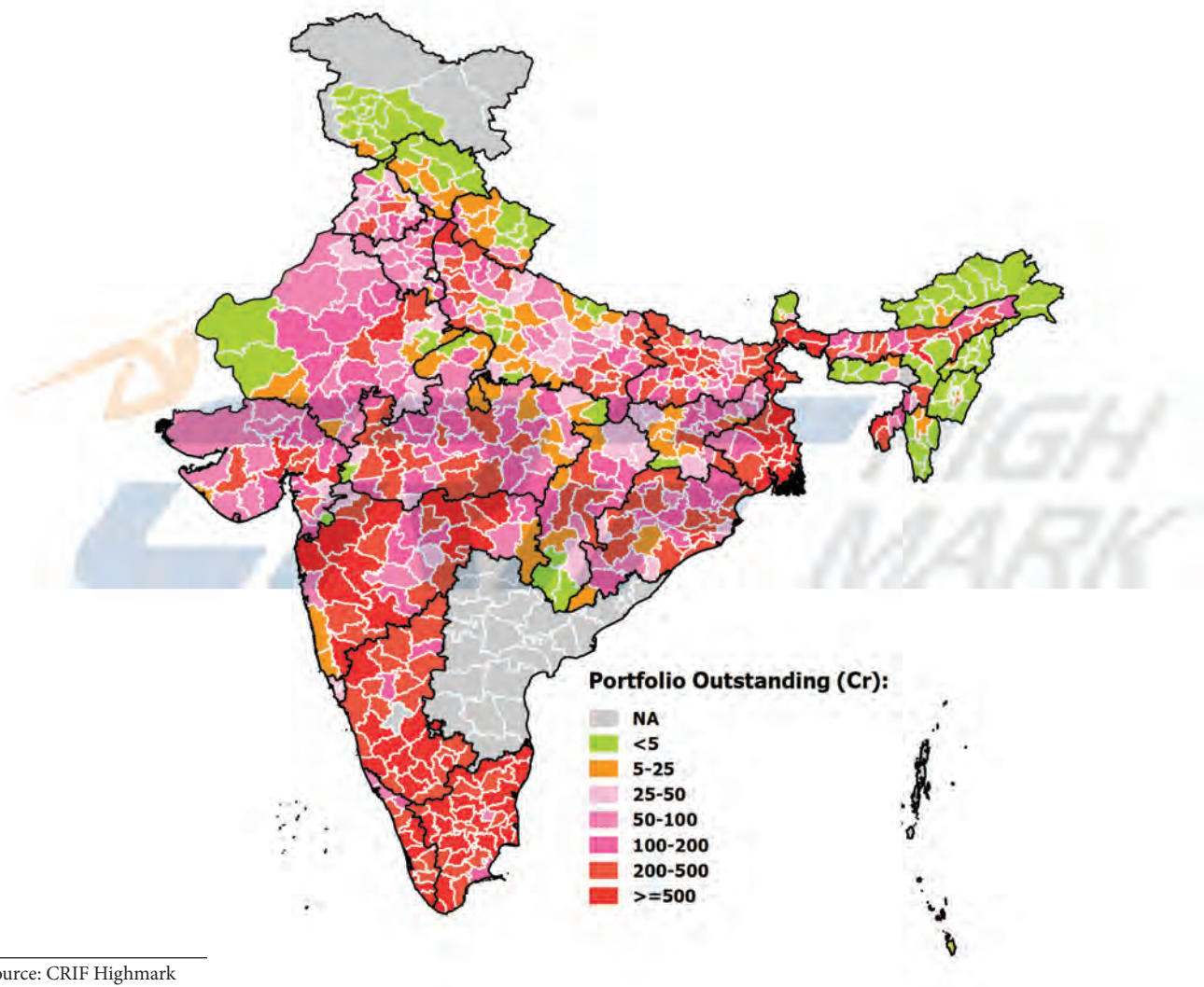
Table 2.6: Loan Portfolio Outstanding Across States/UTs – 2017 & 2016 (Decreasing Order)

State	2017	2016	Growth (%)
Karnataka	11952	12645	-5%
Tamil Nadu	5164	9039	-43%
Uttar Pradesh	4207	6671	-37%
Odisha	3564	3339	7%
Bihar	3541	3526	0.4%
Maharashtra	3457	6589	-48%
West Bengal	3140	3406	-8%
Madhya Pradesh	2711	4088	-34%
Kerala	1668	2372	-30%
Assam	1186	1013	17%
Rajasthan	1022	1368	-25%
Jharkhand	897	977	-8%
Chhattisgarh	872	1136	-23%
Gujarat	783	2193	-64%
Punjab	738	1116	-34%
Haryana	536	1186	-55%
Telangana	389	393	-1%
Uttarakhand	257	577	-55%
Andhra Pradesh	164	893	-82%

Top five states account for 60% of total client outreach and rest of other states hold only 40% of total clientele.

Mizoram	158	170	-7%
Manipur	131	134	-2%
Delhi	69	559	-88%
Tripura	61	70	-13%
Arunachal Pradesh	51	49	3%
Puducherry	41	201	-80%
Sikkim	19	34	-44%
Goa	18	23	-21%
Meghalaya	16	29	-43%
Himachal Pradesh	14	23	-40%
Andaman	4	1	647%
Nagaland	4	4	11%
Jammu & Kashmir	3	4	-6%
Chandigarh	3	25	-89%
Total	46842	63853	

Portfolio Outstanding of MFIs³



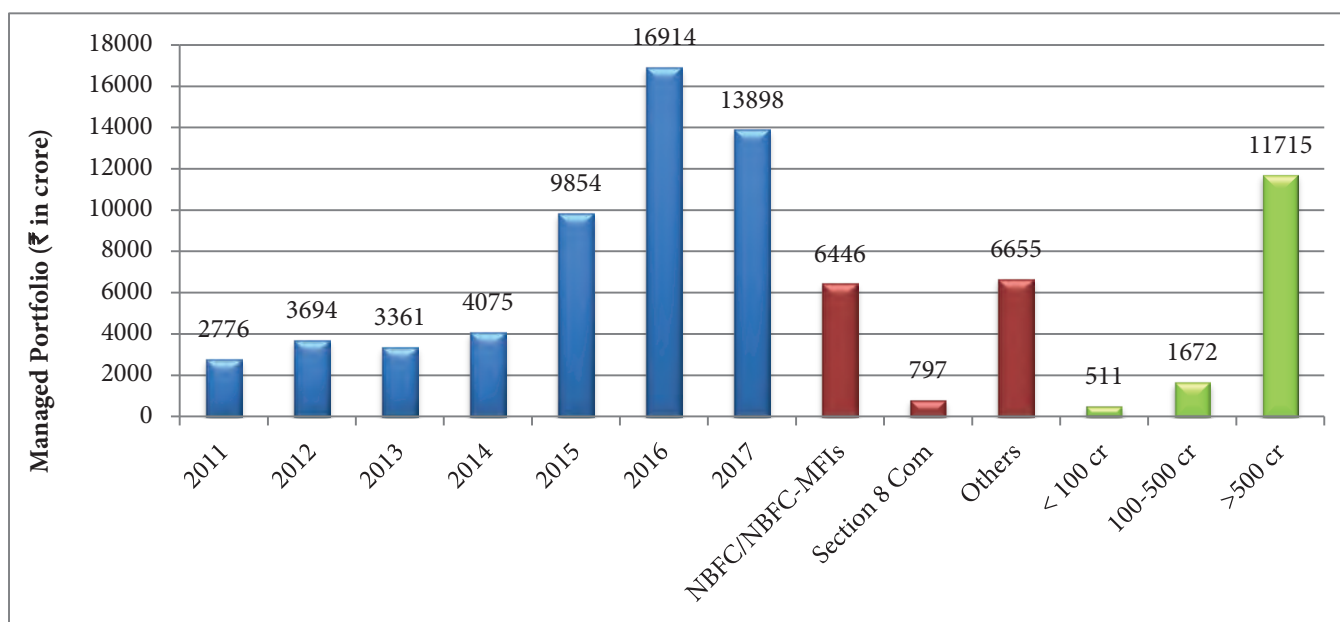
³ Source: CRIF Highmark

2.4.4 Managed Portfolio

MFIs have become increasingly prudent in using financial innovations to enhance their income and reduce risk. Securitization model was devised for the purpose of overcoming capital constraints. Under the guidelines of RBI, MFIs are required to maintain capital to the extent of at least 15% of their risk-weighted assets. In order to avoid further capital requirements on the mounting loan assets, they tend to sell a part of the portfolio to Banks/FIs. They, however, continue to manage them, on behalf of the purchasing bank/FI and get fee income from these banks. On the other hand, the model of securitization has helped banks to meet Priority Sector lending targets as these loans on the books of the banks would qualify under 18 % requirement of agriculture credit. Many MFIs have been taking recourse to the BC route to increase their outreach without straining their balance sheets.

Indian MFIs have collectively managed a portfolio worth of nearly ₹13,898 crore as of March 2017 whereas it was ₹16,914 crore in 2016. Out of ₹16,914 crore, 6 MFIs (Equitas, Ujjivan, ESAF, Suryoday, Utkarsh, and Janalakshmi) which graduated to SFBs together hold ₹3,850 crore. Managed Portfolio in 2016-17 has declined to ₹13,898 crore from ₹16,914 crore but actually there is a growth of 6% (factoring in 6 SFBs' exit as MFIs). This indicates an increasing preference of MFIs for this route. Total managed portfolio also includes a BC portfolio of ₹10,131 crore which is 22% of total loan portfolio. The distribution of the portfolio among different categories of MFIs is also displayed in the Figure 2.13.

Figure 2.13: Managed Loan Portfolio – Yearly Trend and Category-wise Breakup for 2016-17



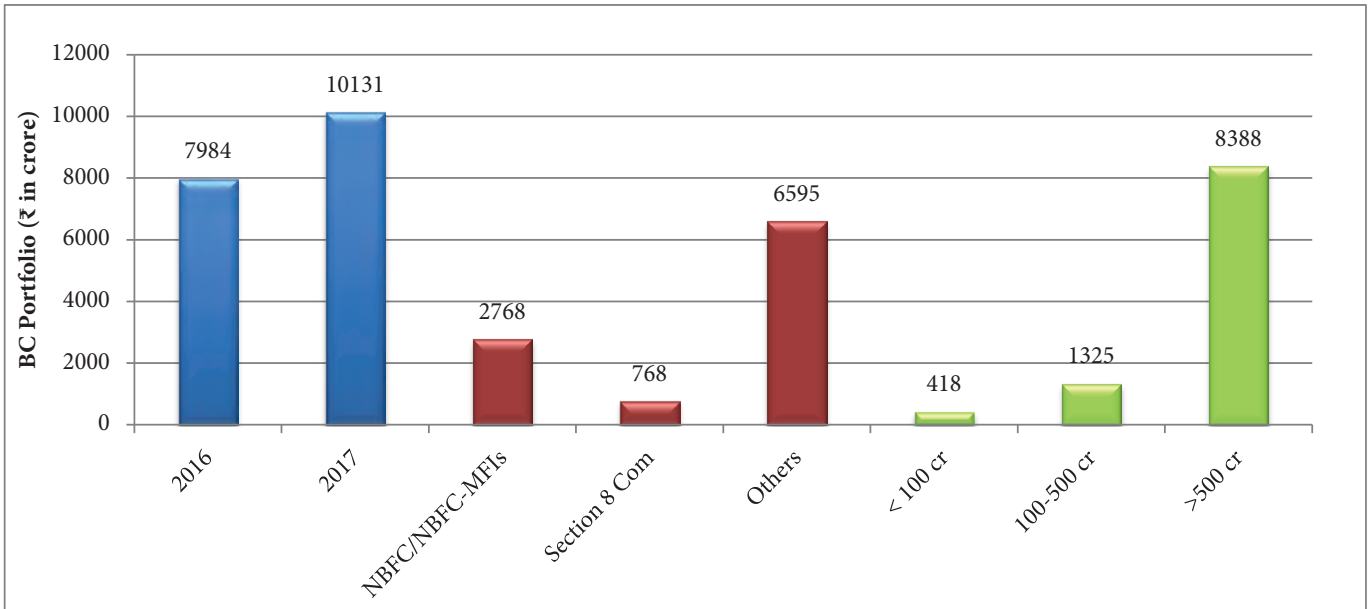
2.4.5 Business Correspondent (BC) Portfolio

Business Correspondents (BC) manage and service the loan portfolio on behalf of banks. Earlier only NGO-MFIs were allowed to be BCs but now NBFC-MFIs are also allowed by RBI to act as BCs. As a result more and more MFIs are coming forward to be BCs of banks. So Sa-Dhan felt the necessity of capturing BC portfolio separately and started data collection from the financial year 2015-16 onwards. BC Portfolio constitutes 22% of total portfolio and 73% of managed portfolio.

As of March 2017, total BC Portfolio of MFIs stood at ₹10,131 crore, a growth of 27% over 2016.

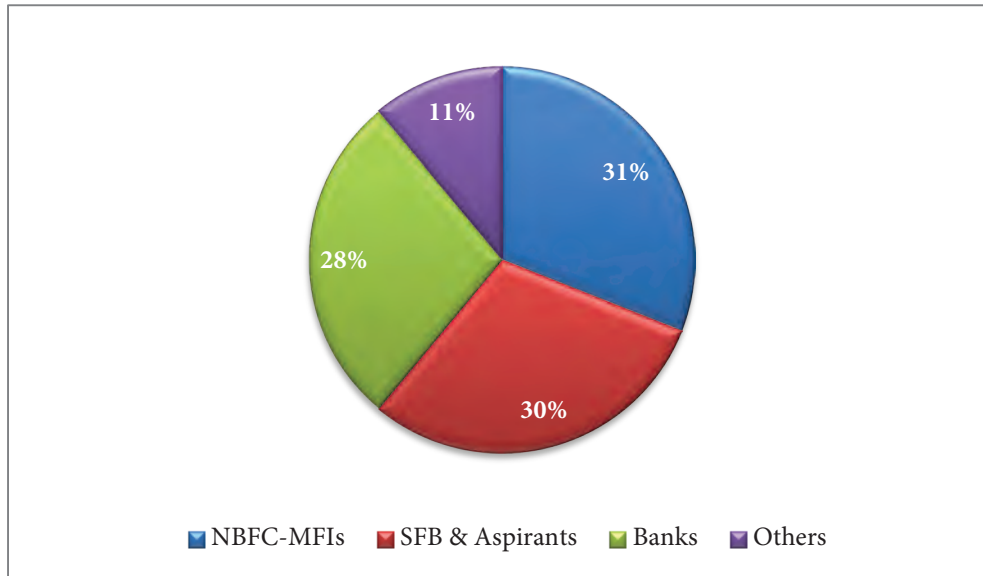
The distribution of the BC portfolio among different categories of MFIs is displayed in the Figure 2.14.

Figure 2.14: BC Loan Portfolio and Category-wise Breakup for 2016-17



2.4.6 Gross Loan Portfolio Distribution Across Players

Figure 2.15: Player wise break up of Loan Portfolio as of March 2017



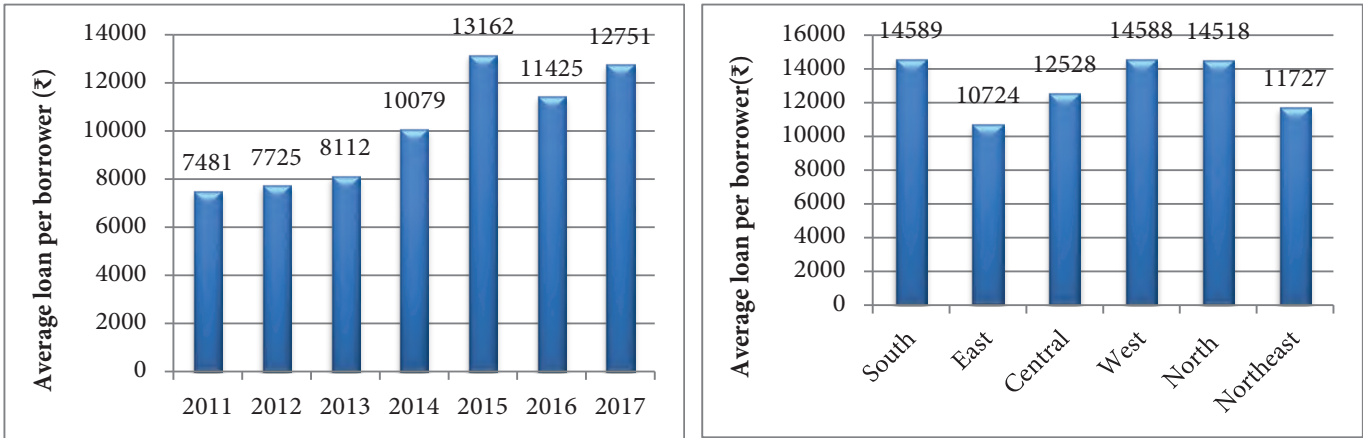
Out of the total loan portfolio, NBFC-MFIs are leading with 31% followed by SFB & Aspirants with 30% whereas Banks and Others contribute to 28% and 11% respectively.

2.4.7 Loan Outstanding per Borrower

Average loan outstanding per borrower has been an important criterion to understand the general profile of clients borrowing from MFIs (a surrogate indicator for depth of outreach). It has implications on operating cost as well as the adequacy of loan amount for the purpose it was borrowed.

Average loan for the year stood at nearly ₹12751 which is a big jump of 12% over the previous year. Average loan size in South is reported close to ₹14589 followed by West at ₹14588.

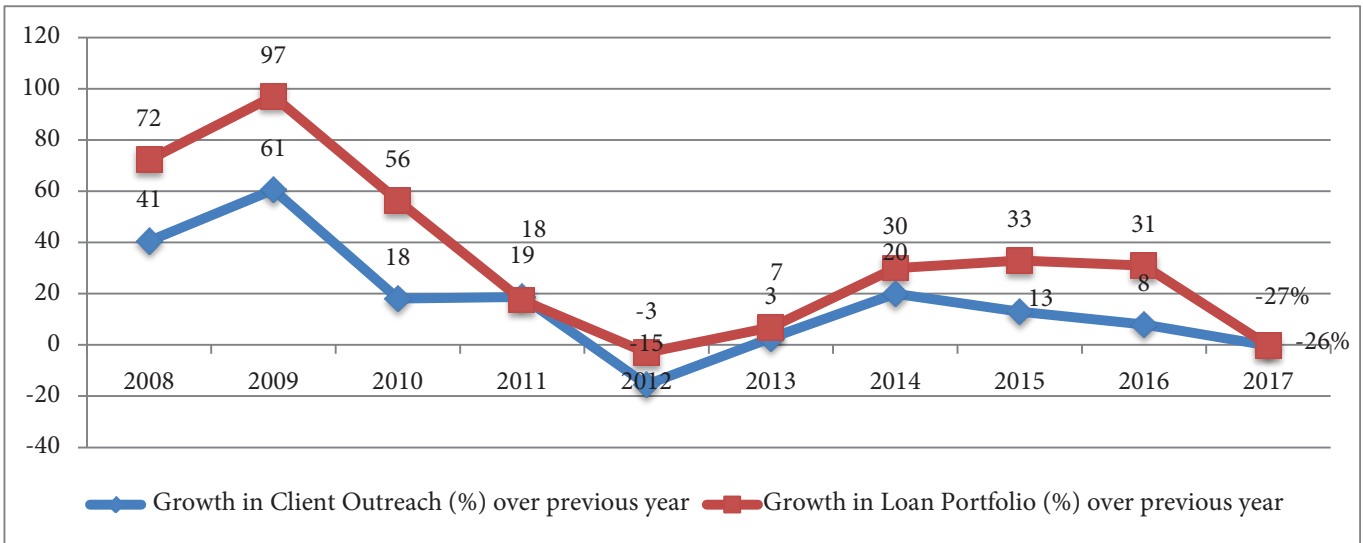
Figure 2.16: Loan Outstanding per Borrower yearly trend and across regions for the FY 2016-17



2.4.8 Trends in Outreach and Outstanding Portfolio

Growth in outreach and loan portfolio has fluctuated year on year and reached its lowest level in 2012, owing to AP crisis and consequent drop in commercial funding to MFIs. In 2013, however, the reverse trend started and continued in 2015 thanks to resumption of bank funding to MFIs. This upward growth is broken again in 2015 because of Bandhan becoming a bank and exiting the MFI sector and again in 2016 because of 6 out of 8 MFIs converted to Small Finance Banks.

Figure 2.17: Growth Fluctuations in Outreach and Loan Outstanding over the Years



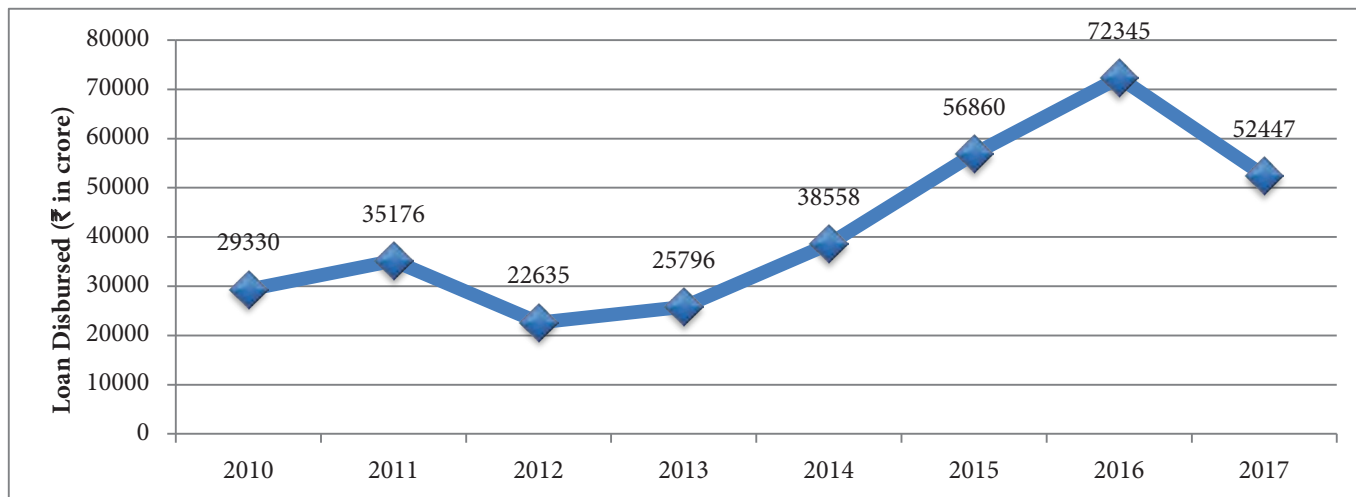
2.5 Loan Disbursement

Loan disbursement is a factor of funds received by the MFIs from lenders, primarily the commercial banks. Loan disbursement during 2010-11 was higher⁴ on account of large size sanctions made by the banks to the MFIs before the crisis hit in Andhra Pradesh. Subsequent years witnessed a sharp fall in disbursement as fund flow to the sector was severely constrained. Disbursement by MFIs in recent years indicates a positive trend since 2012-13. In 2015-16, Loan disbursement increased to all time high with ₹72,345 crore. During 2016-17, Loan disbursement decreased by ₹19,898 crore to ₹52,447 crore over the previous year accounting for a 28% decrease. List of Top 10 MFIs disbursing loan during 2016-17 is given in Figure 2.19

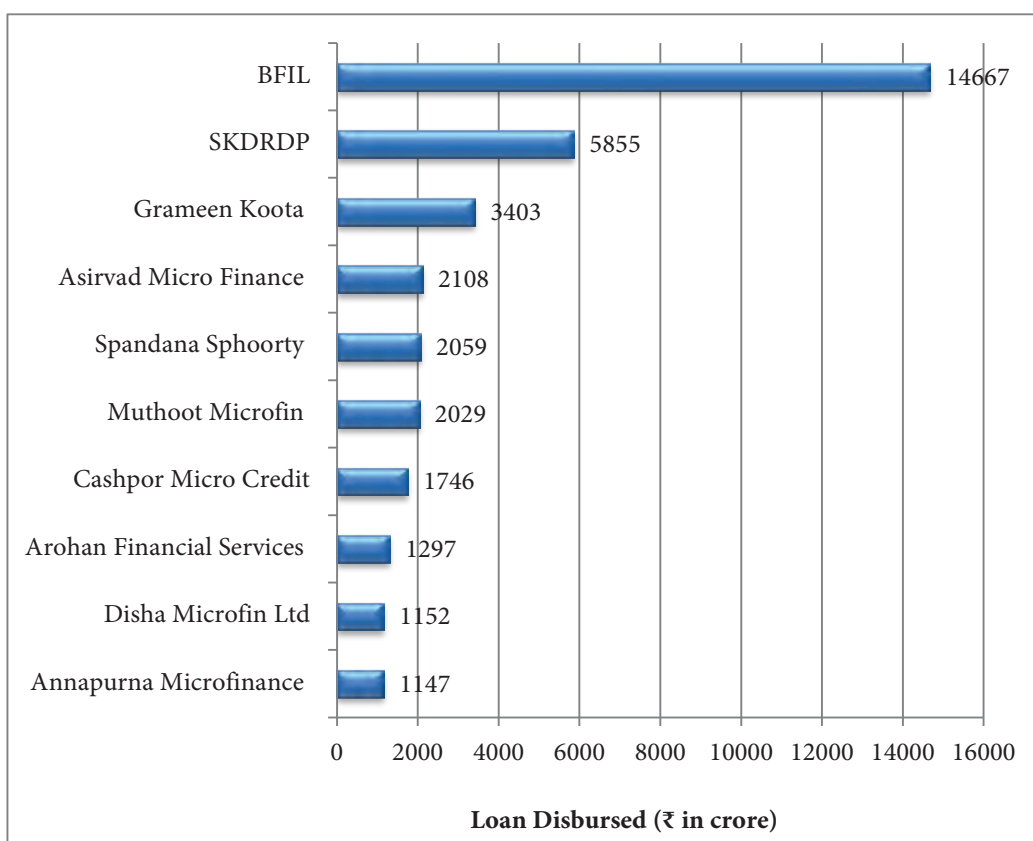
⁴ No of MFIs reported in 2010 - 11 was much higher than other years (184 MFIs)

Figure 2.18: Loan Disbursement over the years

Figure 2.19: Top 10 MFIs in term of Loan amount disbursed during 2016-17



2.5.1 Loan Disbursement- States/UTs and Regional Pattern



Top ten MFIs disbursed ₹35,463 crore which is 68% of sector's total and rest of other MFIs disbursed 32% only.

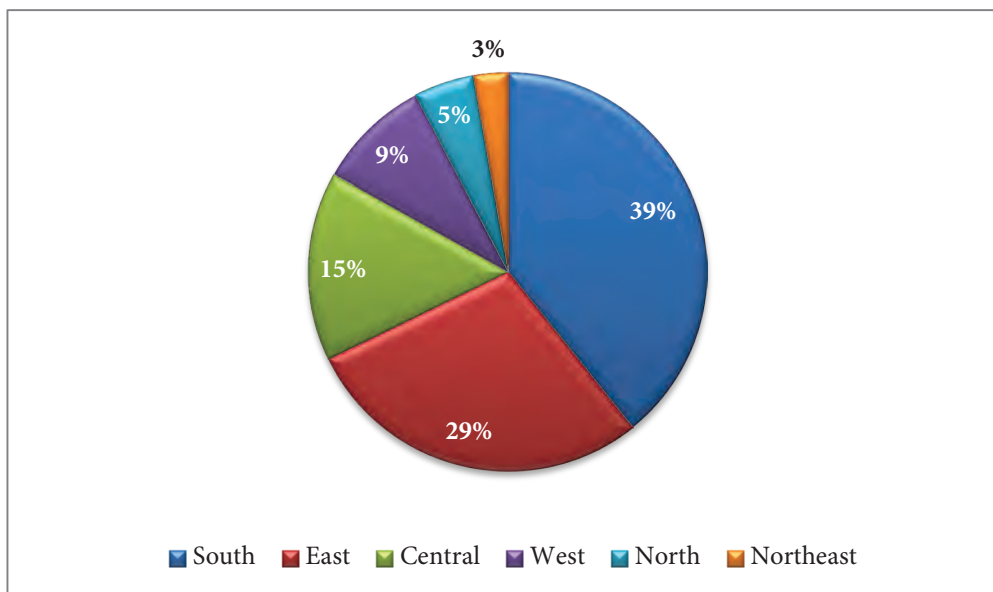
State-wise Disbursement as shown in Table 2.7, indicates that States like, Odisha, Assam, Jharkhand, Chhattisgarh, Andhra Pradesh, Goa, Arunachal Pradesh, Andaman and Nagaland have substantially increased their disbursement during 2016 -17 compared to the previous year. In other States/UTs, the disbursements have shrunk as 6 MFIs became Small Finance Banks and are not part of MFI sector.

Table 2.7: Loan Disbursement Across States/UTs – 2017 & 2016 (decreasing order)

State	2017	2016	Growth (%)
Karnataka	12566	13857	-9%
Tamil Nadu	5775	10522	-45%
Odisha	4795	3834	25%
West Bengal	4610	4623	-0.3%
Bihar	4309	4496	-4%
Maharashtra	4048	7435	-46%
Uttar Pradesh	3925	7791	-50%
Madhya Pradesh	2852	4530	-37%
Kerala	1969	3010	-35%
Rajasthan	1303	1574	-17%
Assam	1282	1129	14%
Jharkhand	1247	1182	6%
Chhattisgarh	1067	1066	0.1%
Gujarat	754	2334	-68%
Haryana	633	1355	-53%
Punjab	528	1372	-62%
Andhra Pradesh	213	190	12%
Uttarakhand	201	667	-70%
Tripura	85	91	-6%
Delhi	70	600	-88%
Puducherry	58	273	-79%
Manipur	39	79	-51%
Goa	21	12	74%
Sikkim	21	60	-65%
Meghalaya	19	30	-37%
Himachal Pradesh	19	117	-84%
Telangana	11	64	-83%
Arunachal Pradesh	9	8	6%
Andaman	5	1	858%
Nagaland	5	4	17%
Chandigarh	4	16	-76%
Mizoram	4	18	-80%
Jammu & Kashmir	1	4	-76%
Total	52447	72345	

Karnataka disbursed ₹12,566 crore during FY 2016-17, holding top position in terms of loan amount disbursed. Tamil Nadu occupied second position with ₹5,775 crore disbursement, followed by Odisha with ₹4,795 crore and West Bengal with ₹4,610 crore.

Figure 2.20: Regional Pattern of Loan Disbursement

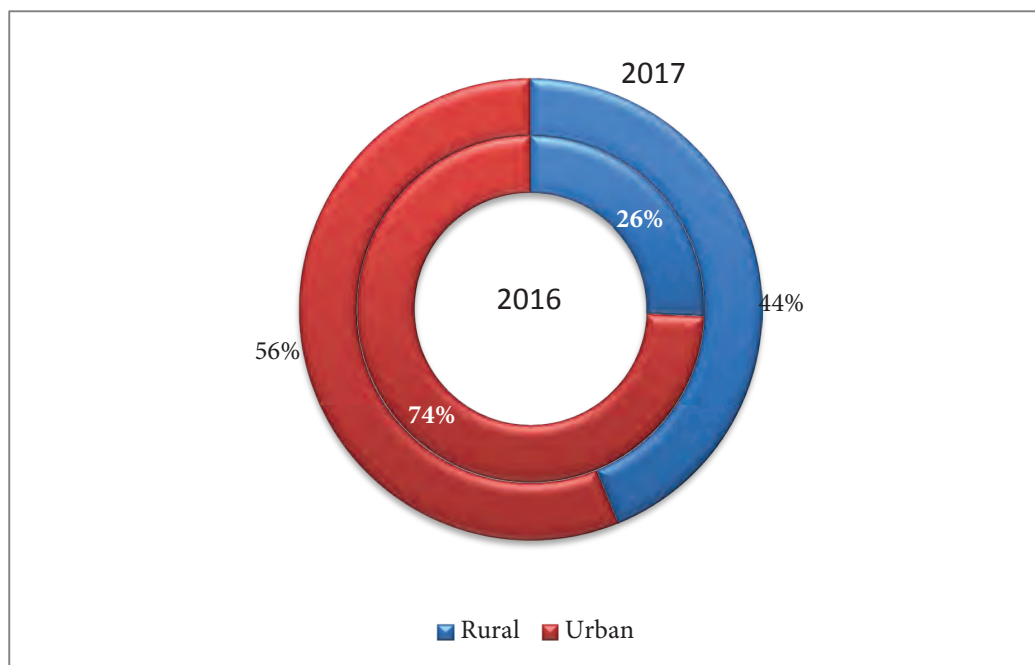


Among the regions, South still dominates the overall loan disbursement of MFIs with 39% followed by East with 29%. Central and West have a share of 15% and 9% respectively. While North and Northeast have least disbursement share of 5% and 3% respectively.

2.5.2 Rural – Urban Share of No. of Loans Disbursed

In 2016-17, 100 lakh loans had been disbursed in Rural areas which constitute 44% of total, whereas 128 lakh loans had been disbursed in Urban areas which constitutes 56%. Figure 2.21 depicts that number of loans in Urban areas had decreased and number of loans in Rural areas had increased over 2016 to 2017.

Figure 2.21: Percentage of Rural - Urban Share of No. of Loan Disbursed



2.5.3 Loan Amount Disbursed

In 2017, total loan amount disbursed decreased by ₹19,898 crore over 2016, which is a fall of 28%, whereas the amount increased in rural areas by 23% and decreased in urban areas by 48%.

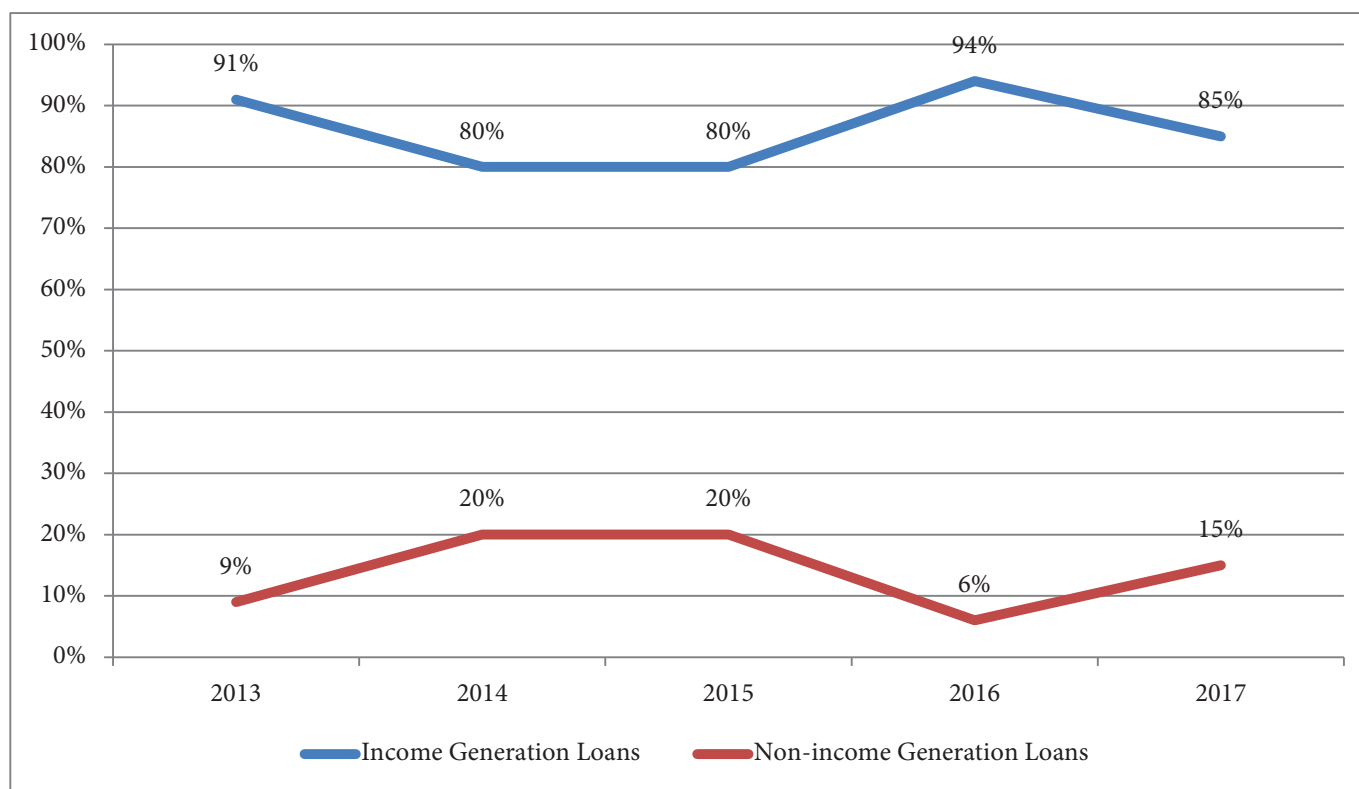
Table 2.8: Amount disbursed during the year 2017 and 2016

Loan Disbursement	Loan disbursed in 2017 (₹ in crore)	Loan disbursed in 2016 (₹ in crore)	Amount of disbursement increased/decreased in 2017 over 2016	Growth (%)
Rural	25597	20893	4704	23%
Urban	26849	51452	-24603	-48%
Total	52447	72345		

2.5.4 Purpose of Loan

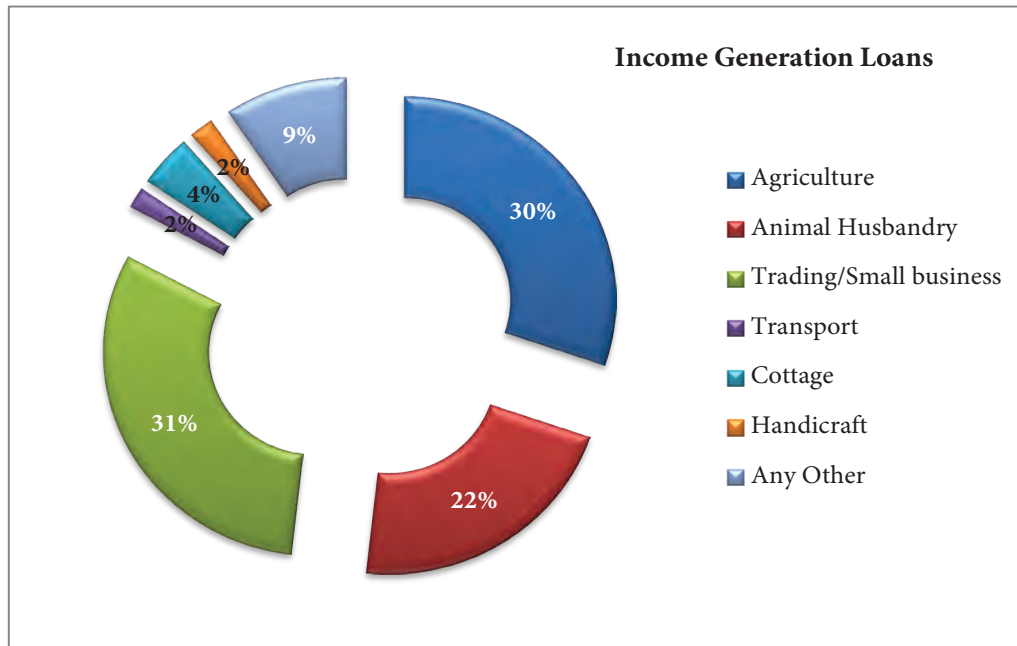
Traditionally, MFIs have been lending for both consumption and productive purposes. It is believed that poor people use their loans for their emergency and consumption needs more than for livelihoods. In 2015, RBI regulation stipulated that a minimum of 50% of the MFI loans are to be deployed for income generating activities. Analysis of the loan portfolio held by reporting MFIs for 2016-17 shows that the proportion of income generation loan to non income generation loan is 85:15. Loan usage under different sub sectors is presented in Figure 2.24 for both income generation and non income generation loans. Agriculture, animal husbandry and trading are major sub-sectors where income generation loans are deployed. Non income generation loans are used for consumption, housing, education, water & sanitation, health etc.

Figure 2.22: Share of Income Generation Loans and Non Income Generation Loans



2.5.4.1 Income Generation Loans

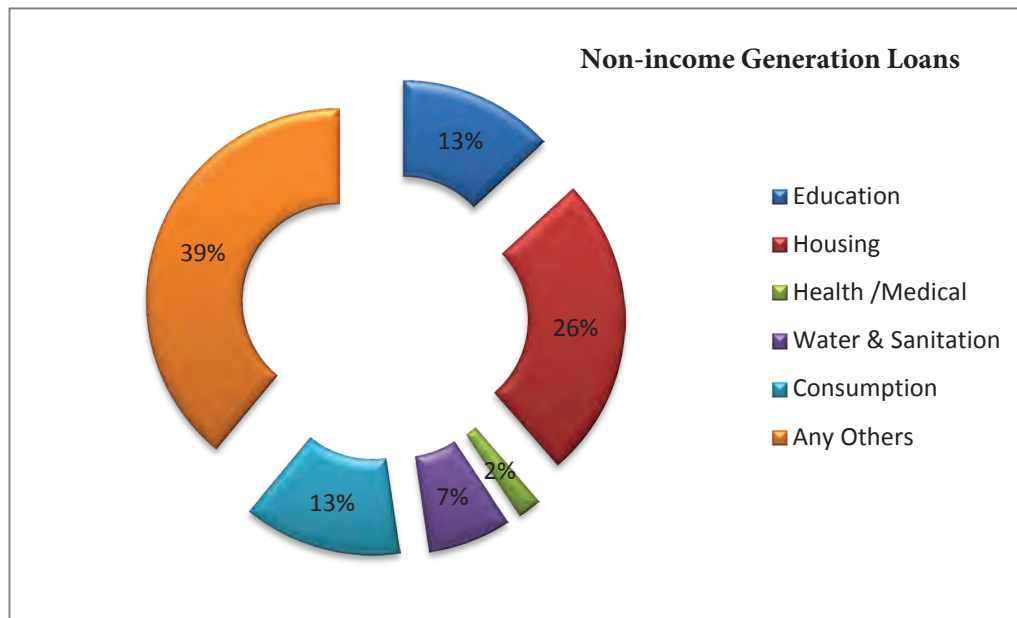
Figure 2.23: Share of MFIs Income Generation Loans under Different Sub-sectors as of March 2017



Purpose of MFIs' loans has assumed significant importance after the RBI regulation which stipulates that aggregate amount of loans, given for income generation, should not be less than 50 per cent of the total loans given by the MFIs. An analysis of the loan portfolio held by reporting MFIs under different sub-sectors is portrayed in Figure 2.23.

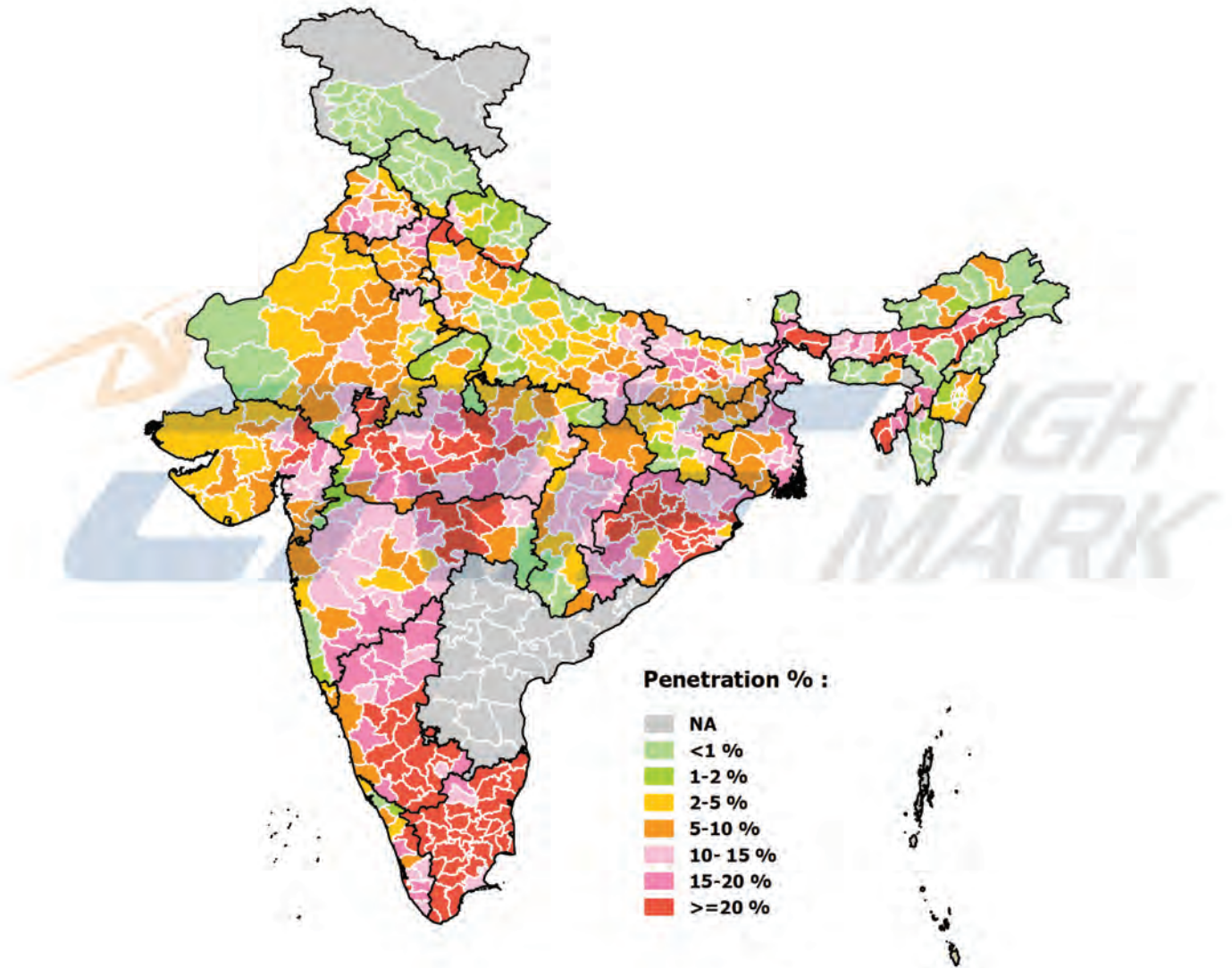
2.5.4.2 Non- Income Generation Loans

Figure 2.24: Share of MFIs Non-Income Generation Loans under Different Sub-sectors as of March 2017



The Figure 2.24 confirms that among the non-income generation loans, Housing loans are predominant with 26%.

District wise Penetration of Portfolio Outstanding of MFIs⁵



⁵ Source: CRIF Highmark

Box 2.3: Self-Assessment and Monitoring Tool

Sa-Dhan in association with Smart Campaign is setting up a web-based Self-Assessment and Monitoring Tool. The project is funded by IFC and SIDBI. The tool is unique and comprehensive since it covers existing surveillance and regulatory guidelines and tools of RBI, CoCA Sa-Dhan tool, Harmonized COCA Tool of SIDBI and global Client Protection Principles standards of Smart Campaign, Governance Standards from Microsave, parameters from the study of Overindebtedness in Mexico, Microfinance CEO Working Group Publication and Standards of STPF/CGAP and Mimosa Tool.

The design of the tool is modular such as to help a Microfinance Institution (MFI) in identifying their strengths and potential areas of improvement and thereby review their performance to prepare for an in depth COCA Assessment of SIDBI or a Smart Certification.

For Sa-Dhan it will help in identifying industry trends, strengths, overall sectoral gaps, and monitor heat maps for identifying over heated markets. The tool has three components: Quantitative, Qualitative and Over-indebtedness.



1. Quantitative aspect includes financial parameters which will give us a better understanding of the quarterly growth of MFI in terms of clients, portfolio outstanding, PAR status.
2. Qualitative aspect covers parameters of COC which provide us with information on client protection practices at MFI level.
3. In order to monitor Over indebtedness, the Smart Campaign is currently developing an add on tool to identify states, districts with higher risk of over indebtedness and a broad guidance on the field visits and interaction with branch/field staff of MFIs and clients.

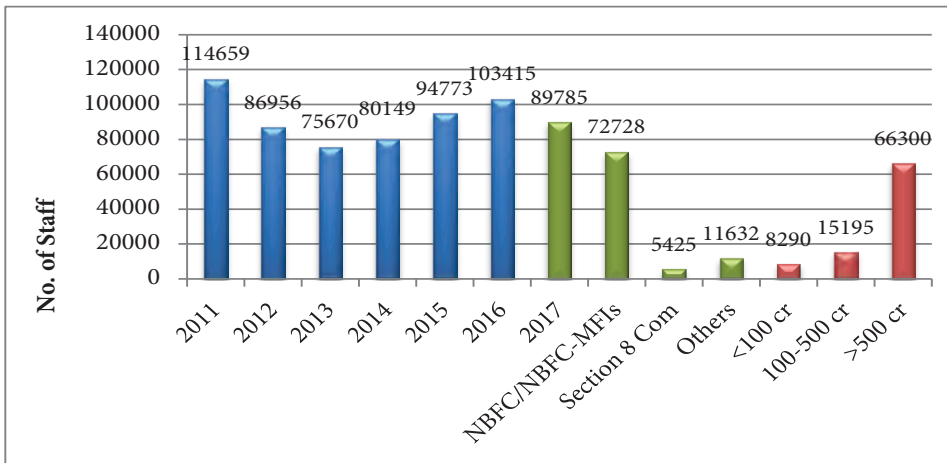
We are in the process of developing a web based online platform to enable MFIs to report their data every quarter. Following the completion of the online tool, Sa-Dhan members will be trained through workshops on how to use the self-reporting online platform to report their data as well as get their self-assessment reports. Sa-Dhan foresees this as a unique digital breakthrough in the industry which will be beneficial to all stakeholders including regulators, funders, MFIs and donors to keep abreast with industry trends and the status of implementation of Code of Conduct.

3.1.1 Workforce in MFIs

Microfinance services, by nature, have a close human touch with clients on the ground. Even with the advent of technology, these services still predominantly depend on human resources for ensuing effective delivery. Considering the fact that personnel costs contribute substantially to the total expenses of MFIs (i.e. 24% as given in section 3.2 of this report), staff productivity plays a major role in determining their cost efficiency. Staff productivity is measured through some key indicators such as active borrowers per credit officer (ABCO), active borrowers per MFI staff, amount of loan outstanding per credit officer etc.

The MFI sector had brought down its workforce significantly from over one lakh in 2011 to just over 75000 in 2013. Thanks to an increased fund flow to the sector, MFIs increased their workforce over the years in order to support their enhanced activity. As on 31st March 2017, total workforce stood at 89,785 excluding 6 large sized MFIs who graduated to Small Finance Bank is (SFB) and not part of this data. In 2016, these 6 SFBs together engaged 30156 employees. By excluding their (6 SFBs) part, there is a growth of 23%. The following figure illustrates the trend and furthermore shows that NBFC–MFIs and large MFIs have major share of employees (Figure 3.1.1).

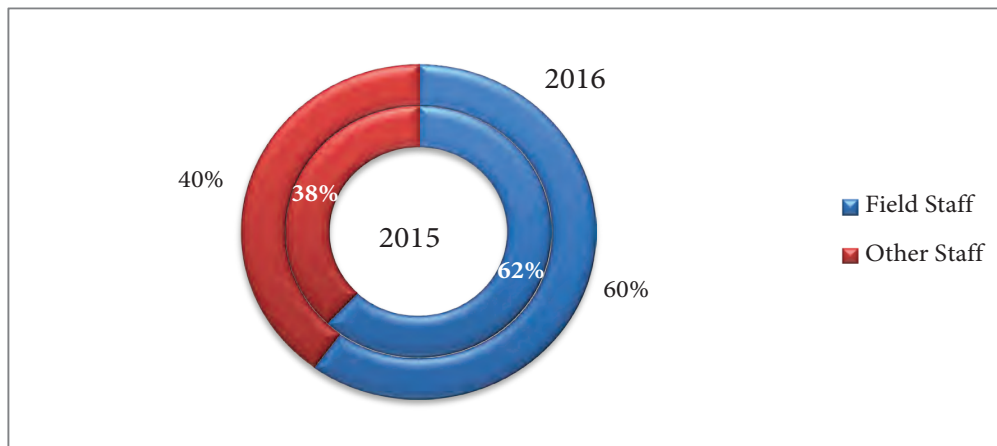
Figure 3.1.1: No. of MFI Staff - Yearly Trend and MFI-Category-wise Break-up



81% workforce is being engaged by For-profit MFIs and MFIs with outstanding portfolio above ₹500 crore engaged 74% of the workforce in the industry.

Sixty per cent (60%) of total staff is field staff, working in the branches of MFIs. This is obviously because of the labour-intensive nature of the MFI-operations, which involves human interaction with clients, cash handling etc. Female staff comprises of approximately 12% of the total workforce of MFIs and 11% of total field staff.

Figure 3.1.2: MFI Field Staff vs Other Staff Distribution – 2017 & 2016

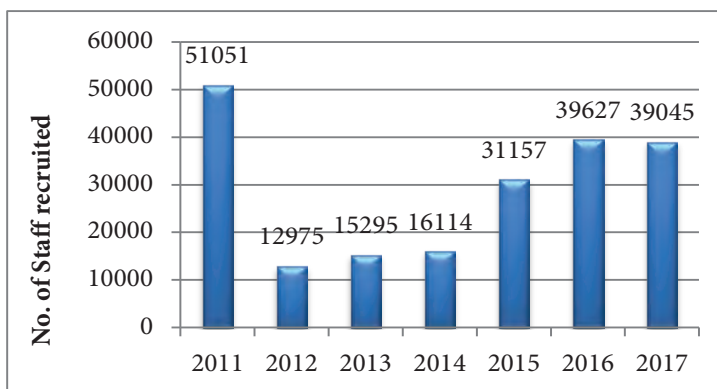


In 2016 -17, ratio of Field Staff to Other Staff reduced over previous year. In 2015-16, share of Field staff to Total staff was 62% which reduced to 60% in 2016-17 indicating that either efficiency of the field staff has improved to handle more clients or more workload/ targets are being set for the field staff.

Table 3.1.1: Yearly trend of Total Staff vs Women Staff

Year	Total Staff	Women Staff	% of Women staff to Total Staff
2011	114659	9265	8%
2012	86956	10435	12%
2013	75670	12283	16%
2014	80149	15279	19%
2015	94773	15027	16%
2016	103415	15724	15%
2017	89785	10877	12%

Figure 3.1.3: New Staff Recruited by the MFIs over the years



The number of new staff recruited came down heavily in 2012 after that again it is increasing steadily. Break-up of figures of new staff further indicate that major part of new staff were hired by For-profit MFIs. The disturbing trend is the level of staff turn-over (Table 3.1.2). Exit of staff from the sector and induction of new staff escalate the operating costs for training and orienting new staff frequently.

For-Profit MFIs account for 93% and MFIs with outstanding GLP >₹500 crore account for 75% of the recruitment in the industry.

Table 3.1.2: Staff Turn-over among MFIs during 2016-17

No. of new Staff Recruited	39045
No. of Staff who left MFIs	22204
Net Gain	16841
Of the Total recruited, % recruited by For-profit MFIs	93%
Of the Total recruited, % recruited by NGO-MFIs	7%
Of the Total staff left, % left from For-profit MFIs	89%
Of the Total staff left, % left from NGO-MFIs	11%

3.1.2 Staff Productivity

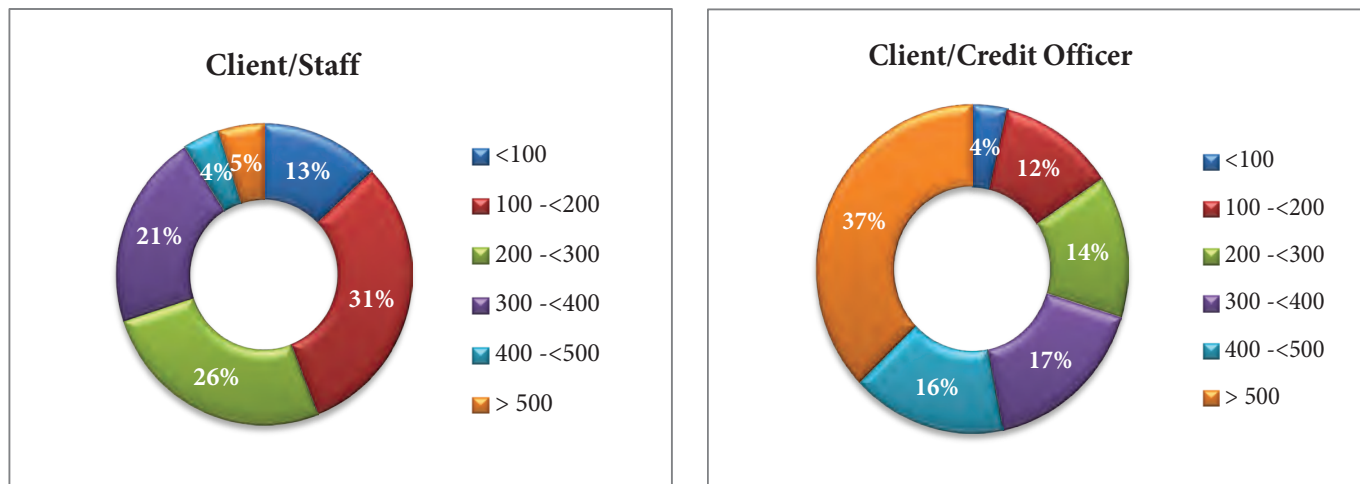
Active Borrowers per Credit Officer (ABCO) and No of Borrowers per Staff

ABCO measures the number of active borrowers served by a Credit Officer (CO). The ratio is an effective way to measure the productivity. The number is significant as it determines the quantity and quality of time spent by the credit officer with a borrower, affecting his/her service quality. With very low ratio of ABCO, better service is possible, but it involves a higher cost to MFIs. Similarly, a very high ABCO ratio would affect the service quality.

Diversity in the microfinance industry is also reflected in staff productivity levels among different MFIs. Figure 3.1.4 depicts the staff productivity ratios measured through active borrowers per staff member and ABCO. We can find that about 13% of MFIs have less than 100 borrowers per staff member, 31% have 100-200 borrowers per staff, 26% have 200-300 borrowers per staff, and 30% have more than 300 borrowers per

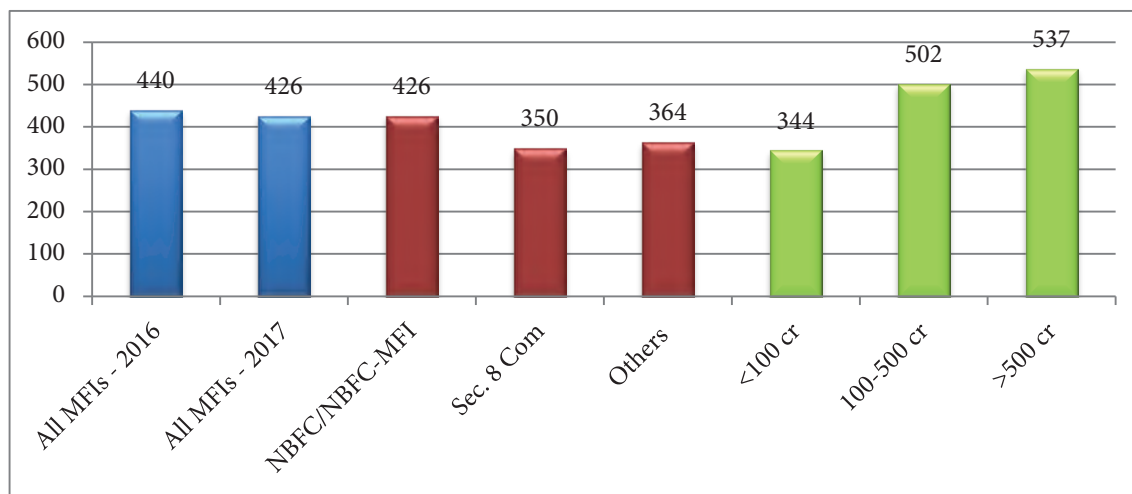
staff. Similarly for ABCO, 30 % of MFIs have ABCO less than 300 while 33% fall between 300 to 500 and 37% have ABCO above 500. Among the 168, 11 MFIs are having ABCO above 1000 which indicates that unrealistic targets are being set for credit staff.

Figure 3.1.4 Distribution of MFIs based on clients served per Staff & Credit Officer



The Median ABCO for 2017 stands at 426 as against 440 in 2015-16. ABCO has high for For-profit MFIs (426) followed by Other MFIs (364). Section 8 Companies typically have lesser ABCO of 350, as most of these organisations follow the philosophy of providing financial services along with some development activities. ABCO seems to be increasing with the scale of operations. MFIs with larger scale of operations have systems and processes in place that require minimal time for credit officers to be spent at the client level.

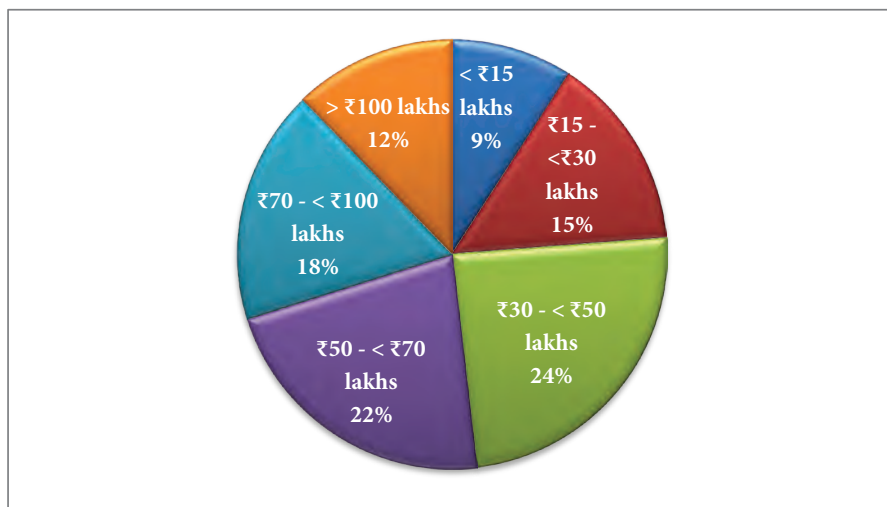
Figure 3.1.5: ABCO Across MFIs



Distribution of MFIs Based on Loan Portfolio per Credit Officer

In addition to the number of clients reached by credit officers, the amount of loan handled by them is also an important measure that contributes to staff productivity. Figure 3.1.6 presents the distribution of MFIs across various bands of loan portfolio handled by each credit officer. 9% of MFIs have credit officers handling a loan portfolio of less than ₹15 lakh, 15% of MFIs have a range of ₹15-30 lakh loan portfolio per credit officer, 24% of MFIs have a range of ₹30-50 lakh loan portfolio per credit officer, while 22% of MFIs have a range of ₹50-70 lakh loan portfolio per credit officer About 30% of MFIs in our sample have loan officers handling a portfolio worth more than ₹ 70 lakh.

Figure 3.1.6: Distribution of MFIs Based on Loan Portfolio per Credit Officer



3. 1. 3 Portfolio Quality

The loan portfolio is the primary income-generating asset in an MFI's balance sheet. Interest income typically constitutes over 90% of the total income of MFIs. Lending, obviously, is fraught with the inherent risk of repayment default. Therefore, maintaining a healthy loan portfolio with minimum loan default ensures the profitability and financial health of an MFI. This section presents the analysis of current performance of the loan portfolio quality as measured through Portfolio at Risk (PAR 30 Days)

The portfolio quality of Indian MFIs is by and large healthy if we exclude the CDR (Corporate Debt Restructuring) MFIs' figures based in Andhra Pradesh. The overall PAR for the MFI sector has been coming down since 2012, but has shown an increase in 2014-15 and 2015-16, adding to the concerns of the sector observers.

Figure 3.1.7: MFI Loan Portfolio at Risk (PAR)

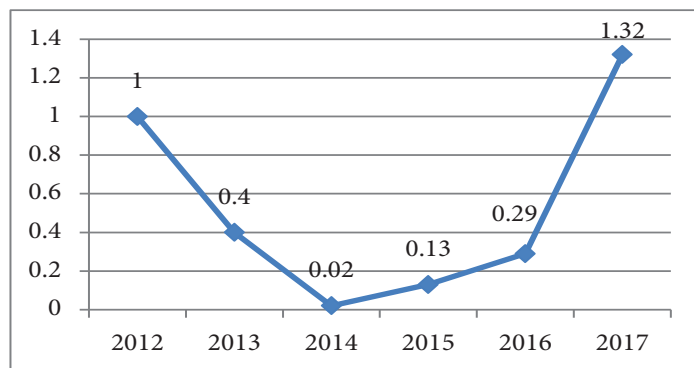
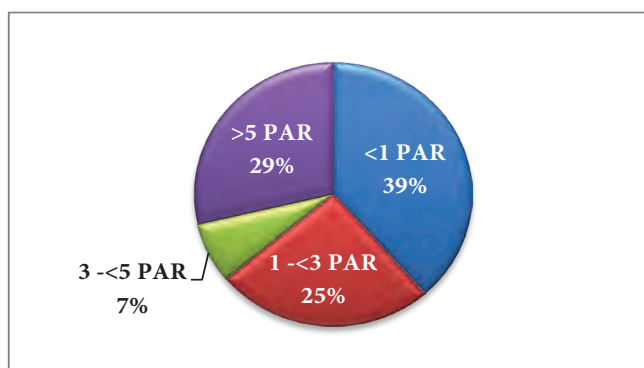


Figure 3.1.8: Distribution of MFIs Based on PAR



Distribution of MFIs as per various levels of PAR shows (Figure 3.1.8) that over 39% of MFIs have PAR <1 for 30 days, 25% of MFIs have PAR in the range of 1-3, and 36% of MFIs have a PAR of more than 5%. Approx 7% of MFIs have PAR in the range of 3-5%.

Another important indicator of portfolio quality is overdue installments beyond 180 days. The pending installment amount is ₹576 crore as of March 2017, which is lower compared to March 2016 (₹1319 crore). The significance of this amount is that the MFIs concerned ought to make 100 % provision in the balance sheet as per RBI prudential norms.

¹ PAR indicates the proportion of outstanding amount of all loan accounts having past due/arrears to the total loan portfolio. In general, PAR 30, that is, the portfolio / part of the portfolio remaining unpaid 30 days and beyond crossing the due date, would be used as a measure to assess the portfolio quality.

This section of the report covers the analysis of income and expenditure patterns of the microfinance sector and the sustainability of the sector through its profitability and self sufficiency. This section hence contains the analysis of operational and financial expenses, revenues/income, margin, surplus, operational self sufficiency and return on assets and return on equity.

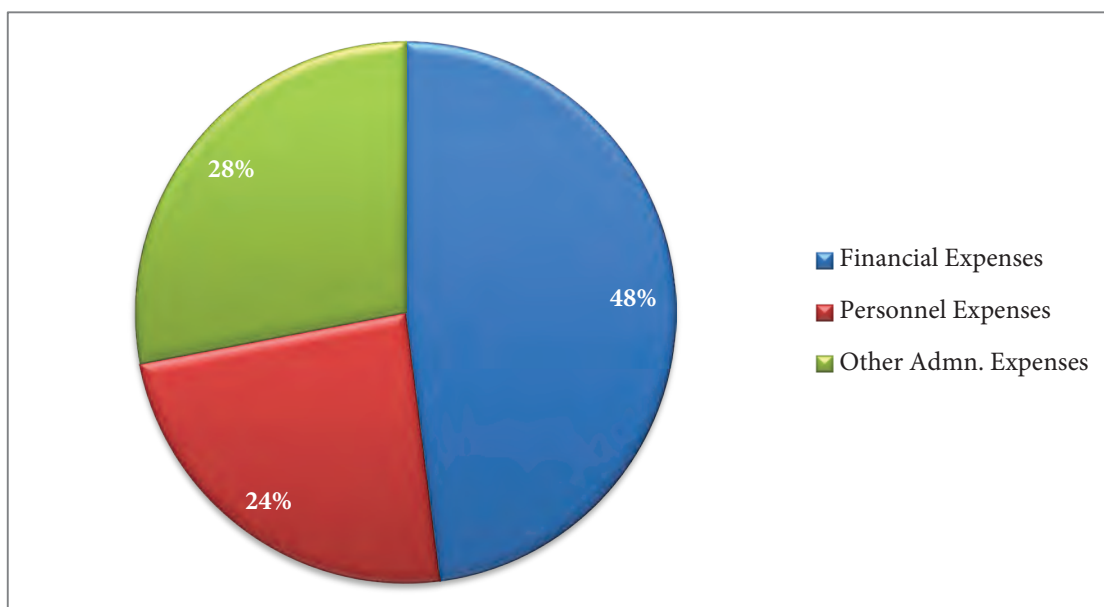
3.2.1 Expenditure Analysis

During the year 2016-17, ₹7435 crores were reported as the total expenses on microfinance operations of the MFIs that provided data for the report. The above expenses comprise of operating expenses (personnel expenses + administrative expenses + loan loss provisions + any others) and finance expenses (mainly interest on borrowings). This year's total expenses were approximately ₹684 crores lesser than last year. Actually total expenses increased by ₹2725 (58%) over last year as 6 large sized MFIs recently converted to SFB is not part of total expenses incurred by the MFIs.

Loan Loss Provision (LLP) expenses have increased significantly from the previous years. In 2017, LLP to Operating Expenses is 19% whereas it was only 9% in 2016 because of demonetization. This marks a deterioration in the overall quality of the outstanding portfolio of the sector.

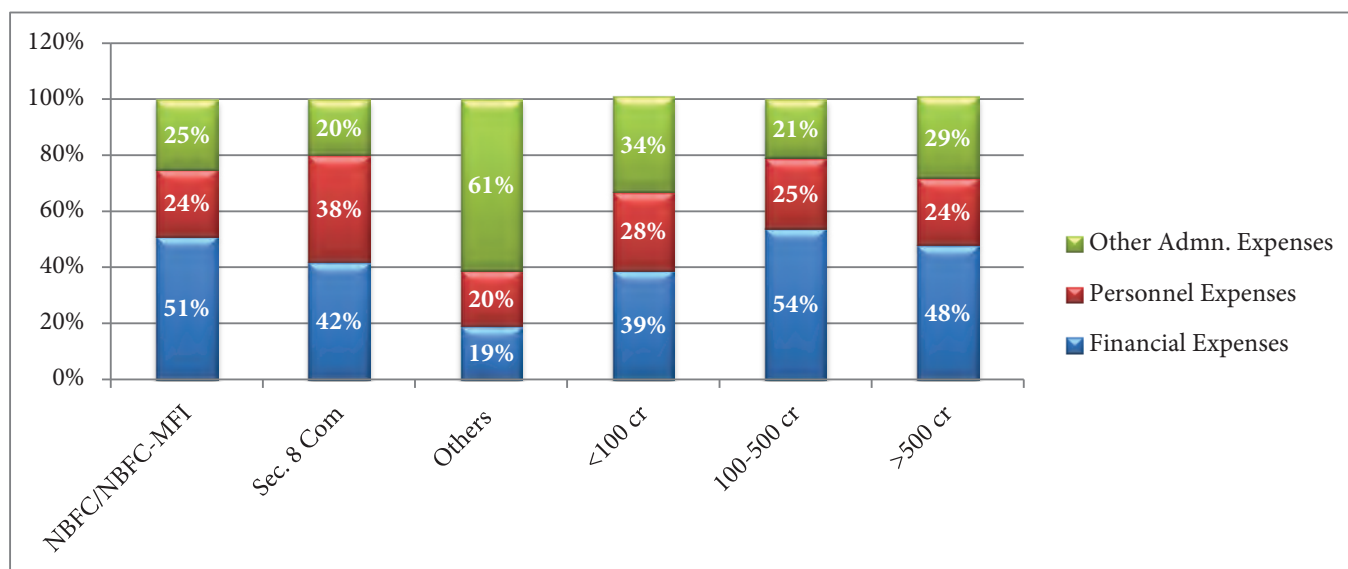
As seen in Figure 3.2.1, the total expenses incurred are distributed at 48% in finance expenses and 52% in operating expenses. The operating expenses of 52% comprised of 24% personnel expenses and 28% other administrative expenses. Loan Loss Provisions for the year are 19% of operating expenses and 15% of total expenses has been incurred as a part of other administrative expenses.

Figure 3.2.1: Break up of Expenses by Indian MFIs



Since MFIs with an outstanding portfolio over ₹500 crores account for 81% of the total portfolio of the sector, it is understandable that they incur a major chunk of the expenditure too i.e. 81% of total financial expenses and 81% of total personnel expenses. This leaves the MFIs with portfolio less than ₹500 crores with financial expenses less than 19% and personnel expenses less than 19% of the overall expenses of the sector. This proportion of expenses is consistent with the outstanding portfolio of the MFIs.

Figure 3.2.2: Break up of Expenses by Indian MFIs based on Portfolio size and Legal form

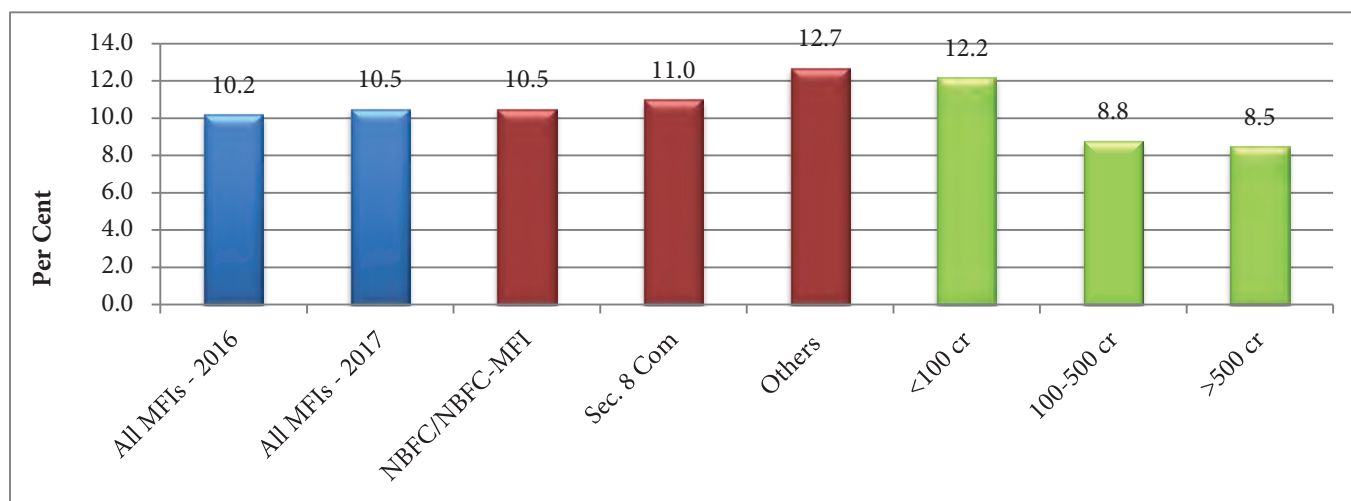


Operating Expense Ratio¹ (OER)

As seen above, operating expenses of MFIs form 52% of its total expenses. As can be seen from Figure 3.2.2 above, other administration costs make a significant contribution to the high operating costs of an MFI with about a quarter to one-third of their total expenses, except for MFIs with outstanding portfolio over ₹100-500 crores and Section 8 Companies, where administration expenses come down marginally to 20% and 21% respectively of their total expenses.

The median operating expenses of the microfinance sector in 2017 is 10.5%. As can be seen in Figure 3.2.3, OER is lowest for For-profit MFIs at 10.5%, followed by Section 8 Companies at 11 significantly lower than the OER of Other MFIs (Society/Trust/MACS) at 12.7%. In addition to the legal form, Figure 3.2.3 also shows that there is a direct correlation between OER and portfolio size. While the median OER is only 8.5% for MFIs with portfolio size of over ₹500 crores, it is at a high of 12.2% for MFIs with portfolio size of less than ₹100 crore.

Figure 3.2.3: Operating Expenditure Ratio Across MFIs



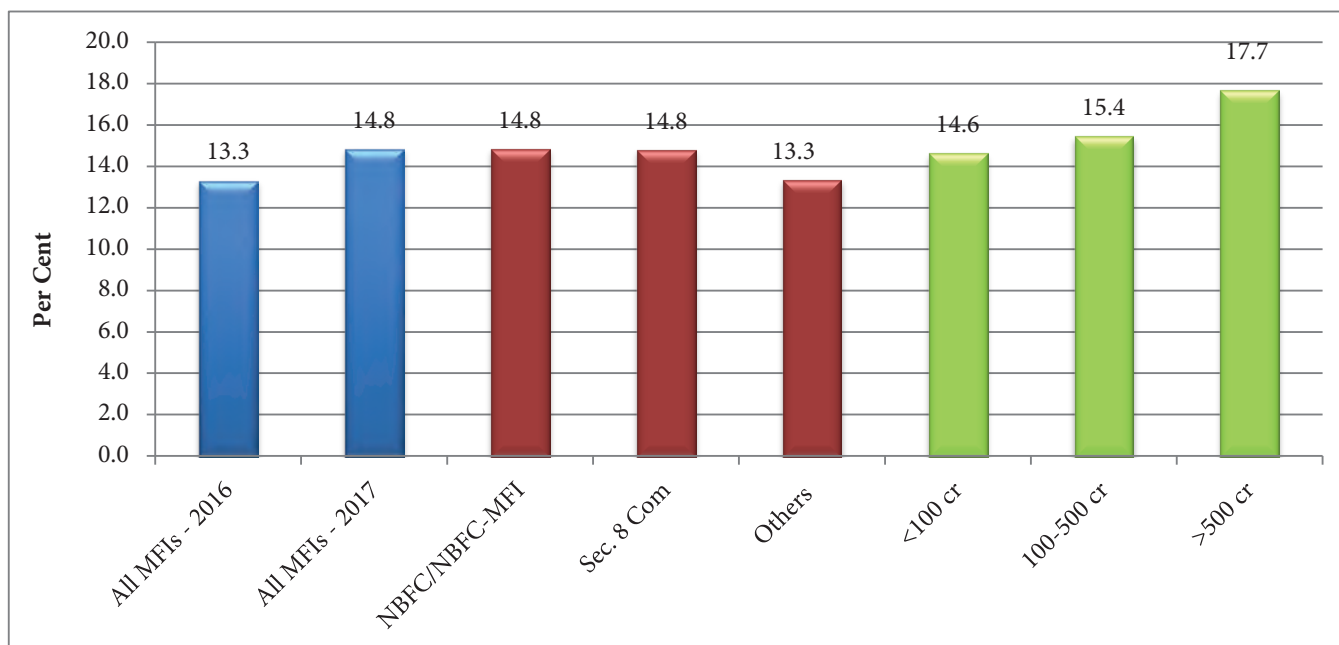
¹ Denotes ratio of all administrative and salary expenses to average loan portfolio.

Finance Cost Ratio² (FCR)

The median FCR of the microfinance sector in 2017 is 14.8%. As can be seen in Figure 3.2.4, FCR is lowest for Other MFIs (Society/Trust/MACS) at 13.3%, In addition to the legal form, Figure 3.2.4 also shows that there is a direct correlation between FCR and portfolio size. FCR is only 14.6% for MFIs with portfolio size of <₹100 crores, it is at a high of 17.7% for MFIs with portfolio size of above ₹500 crore. This is due to the fact that smaller MFIs but with portfolio size lower than ₹100 crore have more access to low cost funds from NABARD, SIDBI, MUDRA, Ananya etc. compared to larger MFIs.

Since bank loans are the major source of funds for MFIs and the rates are largely similar or within a range, FCR for most legal forms, especially those dependent mainly on bank loans, are almost similar with FCR for Not-for Profit MFIs marginally lower than that of For-profit MFIs and Section 8 Companies. This is primarily because not for profit MFIs may have access to grants, revolving funds and subsidised loans from government sources.

Figure 3.2.4: Finance Cost Ratio across MFI Categories



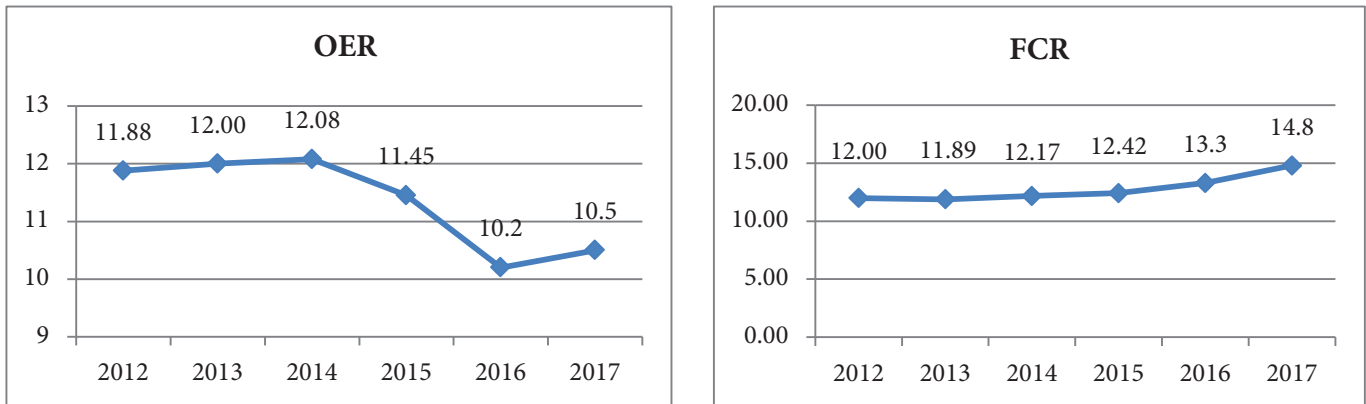
Trends of OER and FCR

OER of MFIs in 2016-17 has increased over the last year. OER had been consistently increasing for the last 3 years from 11.88% in 2011-12, to 12% in 2012-13 and 12.08% in 2013-14. But OER has come down to 11.45% in 2014-15 and 10.2% in 2015-16. OER 10.2% in 2015-16 and OER 10.5% in 2016-17 is the lowest and second lowest respectively in the last 6 years.

FCR has been however growing consistently for the last 6 years from 11.89% in 2012-13, 12.17% in 2013-14, 12.42% in 2014-15 and to 14.8% in 2016-17.

² Denotes ratio of financial expenses paid to banks/FIs on average borrowing outstanding.

Figure 3.2.5: Trends of OER and FCR

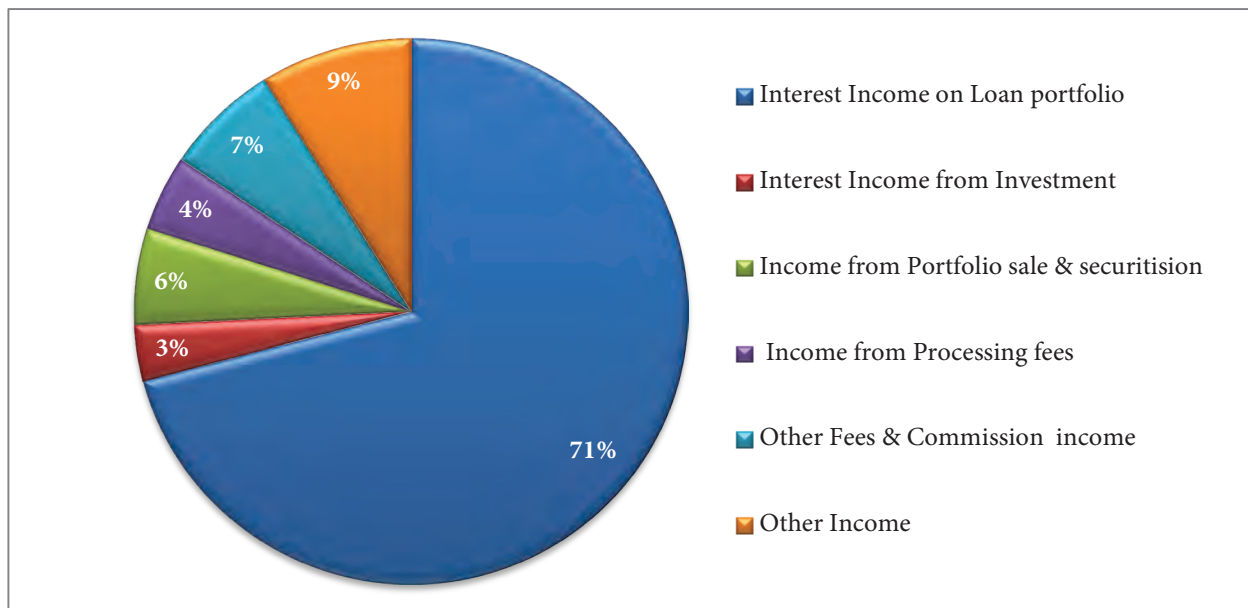


3.2.2 Income Analysis:

The total income earned by MFIs for the year 2016-17 is approximately ₹8918 crores, reduced from ₹10329 crores in 2015-16. This is because of exit of SFBs from microfinance.

Figure 3.2.6 shows the break-up of income sources of MFIs, with 71% coming from interest on loan portfolio. The rest of the income comes from processing fees, investment income and income from sale of portfolio, other fees and commission income and other income.

Figure 3.2.6: Break-up of Income



Yield on Loan Portfolio (Financial Revenue Ratio)

While an analysis of yield on loan portfolio tells us about the pattern of income of MFIs, it is also very useful to study the yield as one of the results of portfolio quality and to understand the margin by comparing it to the costs.

Since the AP microfinance crisis, the portfolio quality of MFIs has been improving, reflecting in an increasing trend in yield on portfolio. However the yield came down in 2015-16 but came up again in 2016-17 (Figure 3.2.7).

Figure 3.2.7: Yield Trend of MFIs

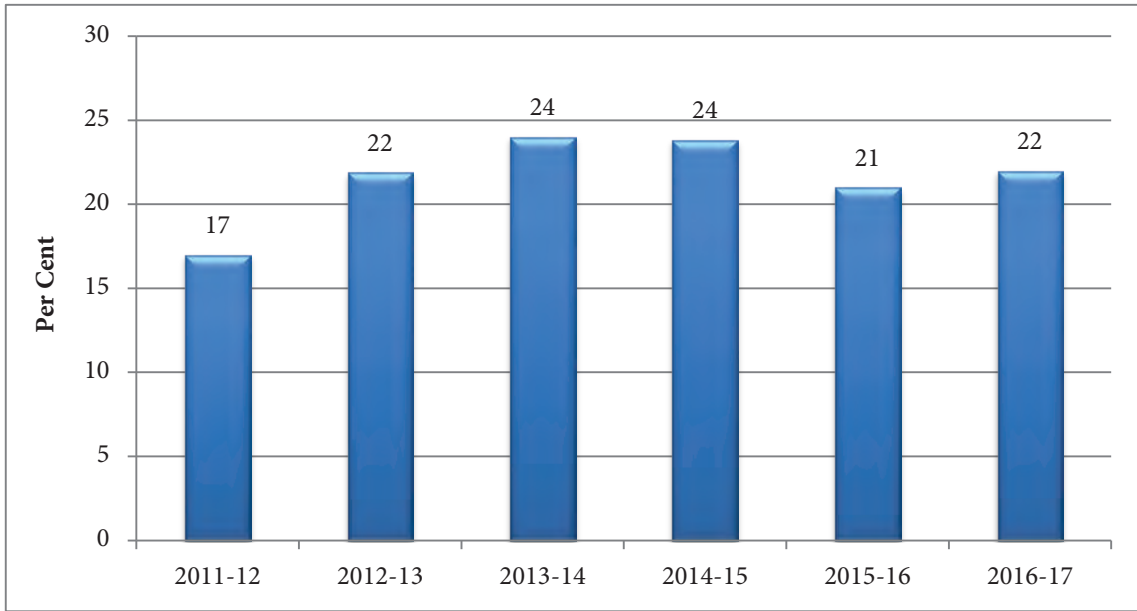
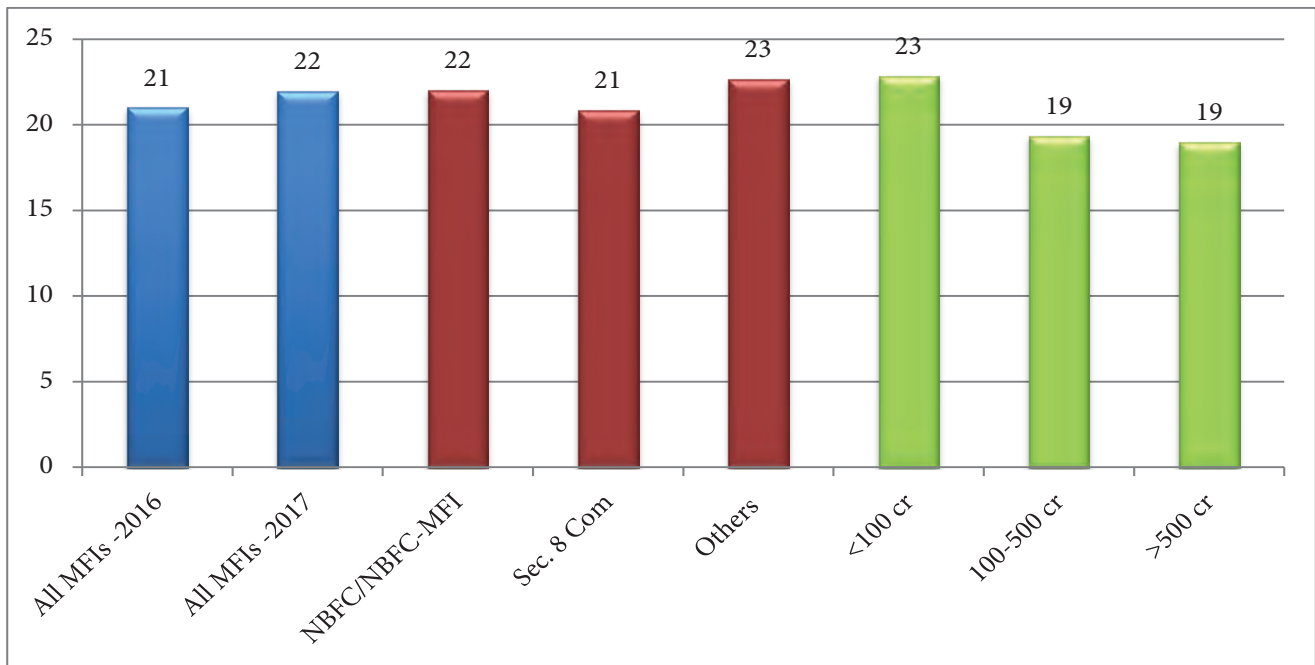


Figure 3.2.8 shows that MFIs in all legal forms have a yield within the range of 21% to 23%. Among them Section 8 Companies have least yield at 21%, followed by For-profit MFIs at 22% whereas Other MFIs (Society/Trust/MACS) have yield of 23%. But portfolio size has a very major bearing on the yield on portfolio. Yield is decreasing with the increase of portfolio size. Yield is lower at 19% for the bigger MFIs whereas yield is marginally higher at 23% for the smallest MFIs with the portfolio of less than ₹100 crore.

Figure 3.2.8: Yield on Portfolio Across MFIs



3.2.3 Margin³

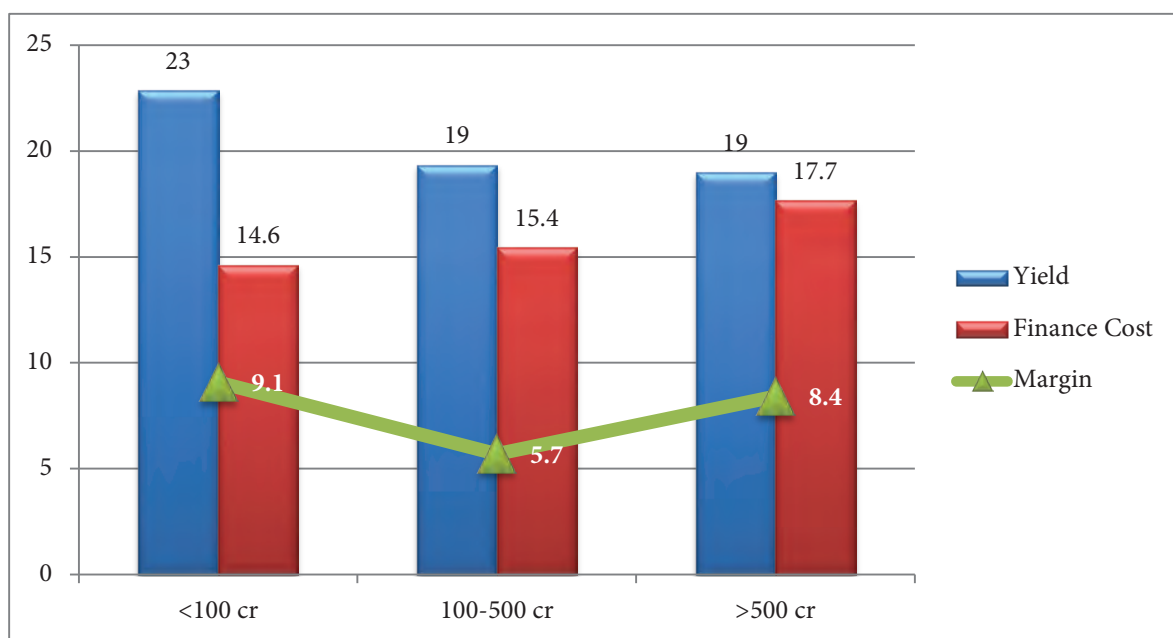
MFIs, NBFC-MFIs in particular, need to comply with RBI norms on revenue margins for MFIs, which need to be maintained under 12% and 10%. As per the data reported by the MFIs for the study, MFIs have been compliant to this regulation with margins for all the legal forms of MFIs within 6-9% with For-Profit MFIs having a median margin of 8%, comfortably below the limit prescribed by RBI.

3.2.4 Yield, Cost and Margin: Performance Across MFI size

Taking the yield, cost and margin together and analysing them based on portfolio size of MFIs, it may be observed that largely, margins in MFIs with smaller portfolio sizes are higher than the MFIs with higher portfolio sizes.

As can be seen from Figure 3.2.9, MFIs with portfolio less than ₹100 crores have the lowest financial cost and highest yield on portfolio and highest margin while the MFIs with portfolio above ₹500 crore have the highest financial cost and the second highest yield and margin. The lowest margin is for those MFIs that have a portfolio ₹100-500 crore, as their financial costs yield are moderate.

Figure 3.2.9: Yield, Cost and Margin of MFIs –size wise



³ Margin is the difference between MFIs' financial revenue (excluding processing fee) % age on average loan portfolio and the financial cost % age on average outstanding borrowing from different sources.

Sustainability of an organisation is a key factor and in MFIs it is measured through profitability and self sufficiency. Operational Self Sufficiency (OSS), Return on Assets (ROA) and Return on Equity (ROE) etc. are some of the key ratios that are used to determine the profitability and self sufficiency of MFIs. In this report, operational profit is taken to be the net surplus after taxes.

3.3.1 Surplus

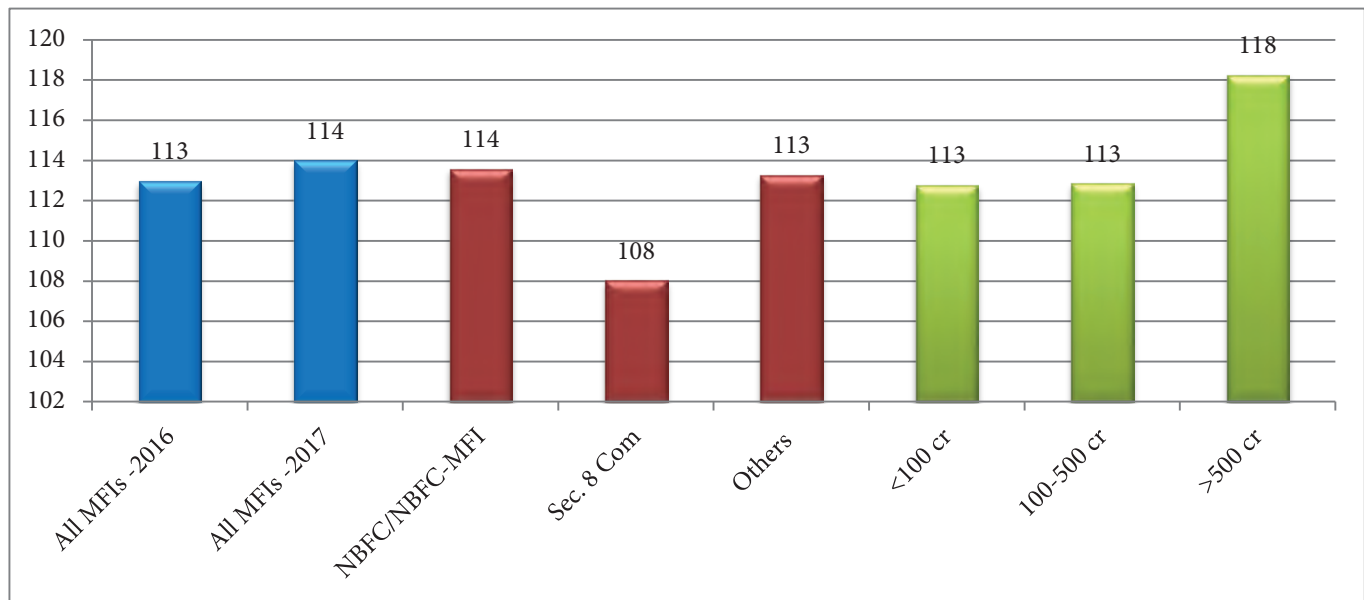
The total net surplus (after tax) generated by the sector is ₹1286 crore. This is despite the fact that some AP as well as non AP based MFIs having reported negative surplus and negative impact of demonetization. In line with the 82% outstanding portfolio that is owned by the large MFIs (MFIs with GLP>500 crore), their contribution to the net surplus is 58% at ₹741 crores. An overwhelming share of the surplus (94%), at ₹1205 crores of the ₹1286 crores is from For-profit MFIs (NBFC/NBFC-MFIs).

3.3.2 Operational Self Sufficiency (OSS)

Overall, the median OSS of all the MFIs that provided data for the report stands at over 100% at 114% for the year 2016-17. This indicates that as a sector, the income from operations of the MFIs is sufficient to meet their expenses. The lowest median OSS has been reported from Section 8 Companies at 108% whereas understandably, the maximum median OSS was reported by For-profit MFIs and Other MFIs at 114%. Hence no types of MFIs as a group have an OSS less than 100%. However, 5% of the individual MFIs that were Not-for profit MFIs reported OSS of less than 100%, while 3% of For Profit MFIs, mainly with an exposure of portfolio in AP, too reported an OSS of less than 100%.

Figure 3.3.1 also shows a consistent relationship between OSS and scale of operations/portfolio size. The largest MFIs have the highest OSS and vice versa.

Figure 3.3.1: OSS Across MFIs



As can be seen from Figure 3.3.2, average loan size has a direct impact on the OSS of an MFI. While very small loan sizes result in lower OSS, higher loan sizes result in higher OSS.

Figure 3.3.2: OSS Based on Average Loan size

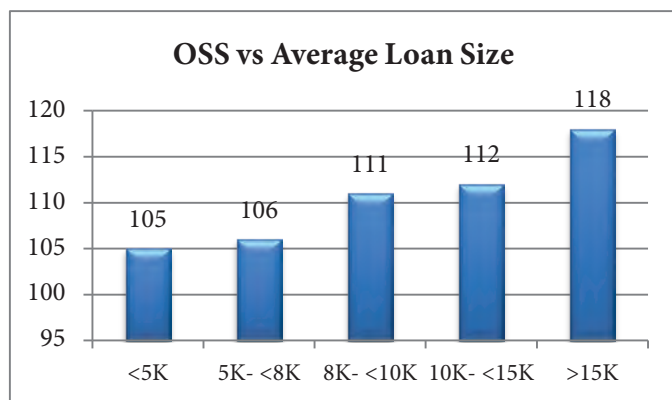
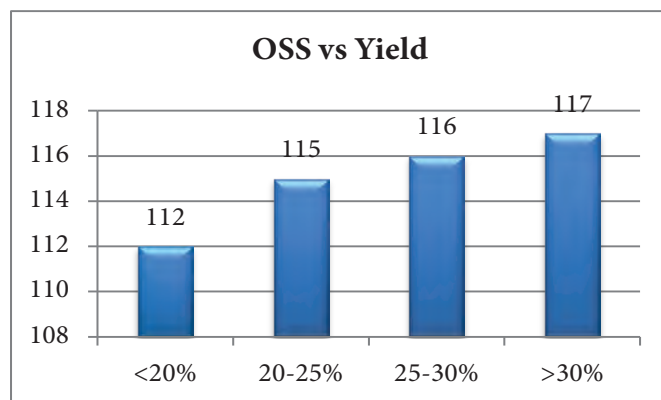


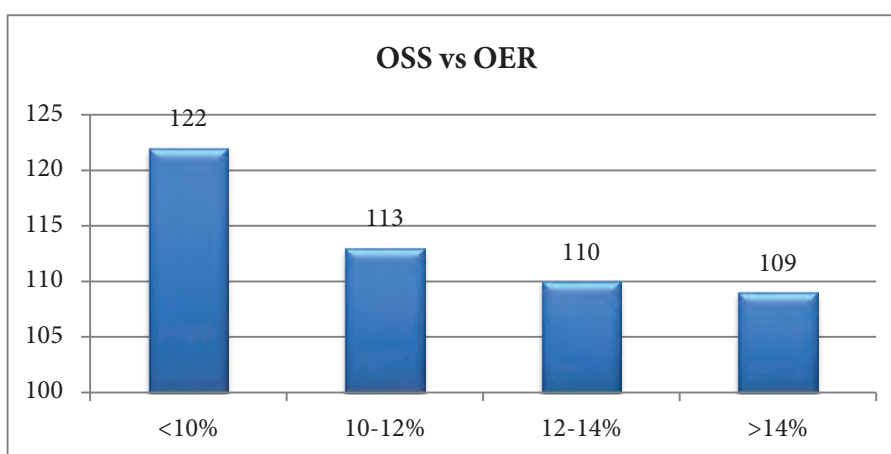
Figure 3.3.3: OSS Based on Yield Category



It is interesting to note the impact of yield on the OSS of MFIs. While it can be seen from Figure 3.3.3 that the median OSS increases steadily with yield till yield greater than 30%.

Impact of Operating Expense Ratio (OER) on Operational Self-Sufficiency (OSS): Figure 3.3.4 shows that MFIs with the lowest OER (<10%) have the best median OSS (122) while MFIs with the highest OER (>14%) have the lowest median OSS (109). The figure also shows that any decrease in OER results in significant increase in OSS.

Figure 3.3.4: OSS Based on OER of MFIs



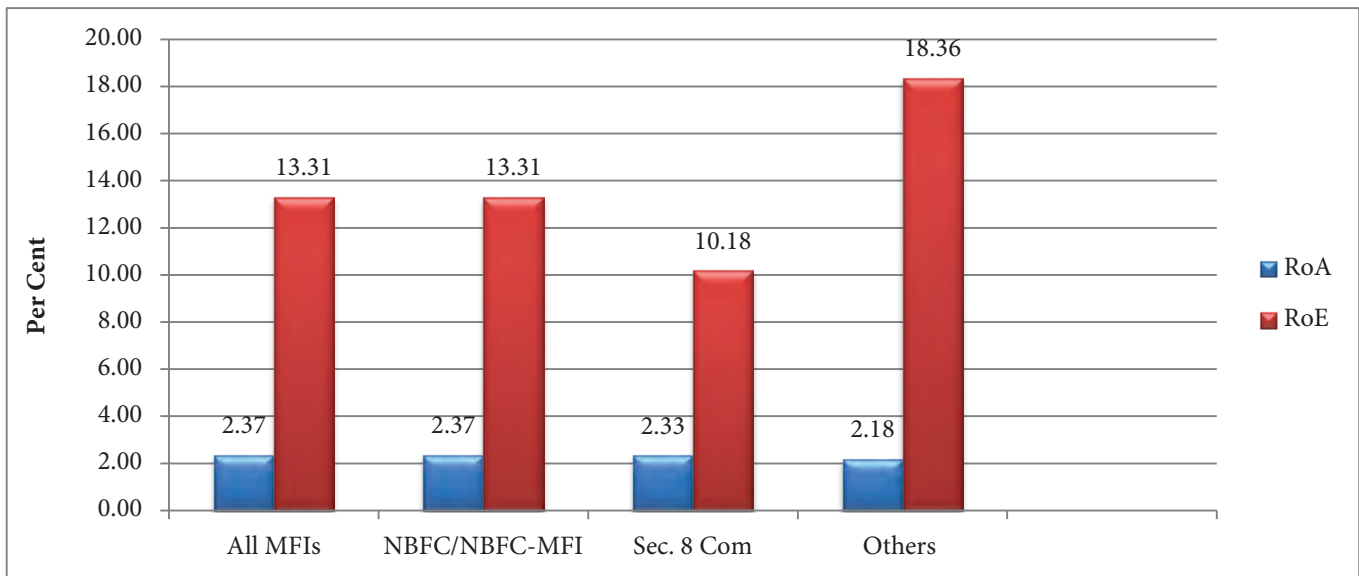
3.3.3 Profitability Ratios

Since the worst crisis of the microfinance sector in 2010, the sector has come back strongly and has been going from strength to strength for the last few years. This has again brought the sector in focus for the investors as it has shown immense potential in profitability, measured by the ROA and ROE of the last few years which has made the sector attractive to investment. While the ROA and ROE have increased marginally from 1.73% and 8.19% respectively of last year, they stand at a very healthy 2.21% and 11.57% for the year 2016-17.

Figure 3.3.5 shows the distribution of ROA and ROE across different legal forms of MFIs and it makes for interesting viewing. The chart shows clearly how the asset and equity base of the different types of MFIs differ and hence how it impacts the ROA and ROE of the MFIs. It has been established from 3.3.1 that For-Profit MFIs contribute to 94% of the surplus generated by the sector. In terms of ROA and ROE, For-Profit MFIs are at 2.37% and 13.31% respectively.

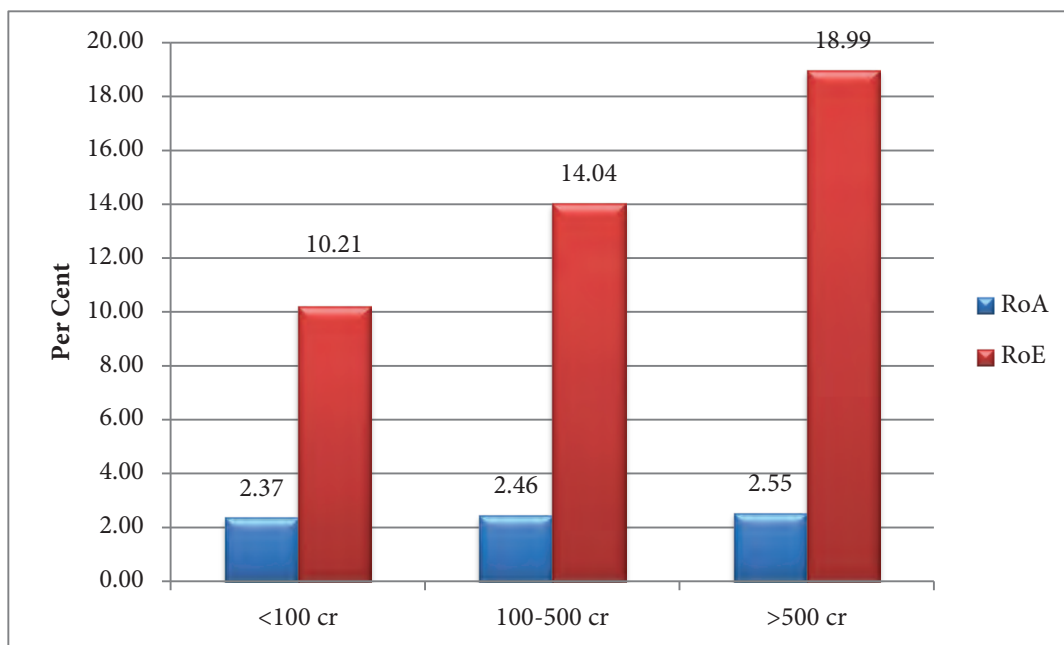
For- Profit MFIs have highest ROA at 2.37%, followed by Section 8 Companies with 2.33%. As for ROE, Others MFIs (*Society/Trust/MACS*) have the highest at 18.36%, followed by For-profit MFIs with 13.31%.

Figure 3.3.5: Return on Asset (ROA) and Return on Equity (ROE) Across MFI Types



Impact of scale of operation on ROA and ROE: Figure 3.3.6 shows a clear trend of higher ROA and ROE for larger scale of operations. Hence the largest MFIs with outstanding portfolios over ₹500 crores have the highest ROA and highest ROE of 2.55% and 18.99% respectively while the MFIs with outstanding portfolio under ₹100 crore have ROA and ROE of only 2.37% and 10.21%.

Figure 3.3.6: Return on Asset (ROA) and Return on Equity (ROE) of MFI-Size wise



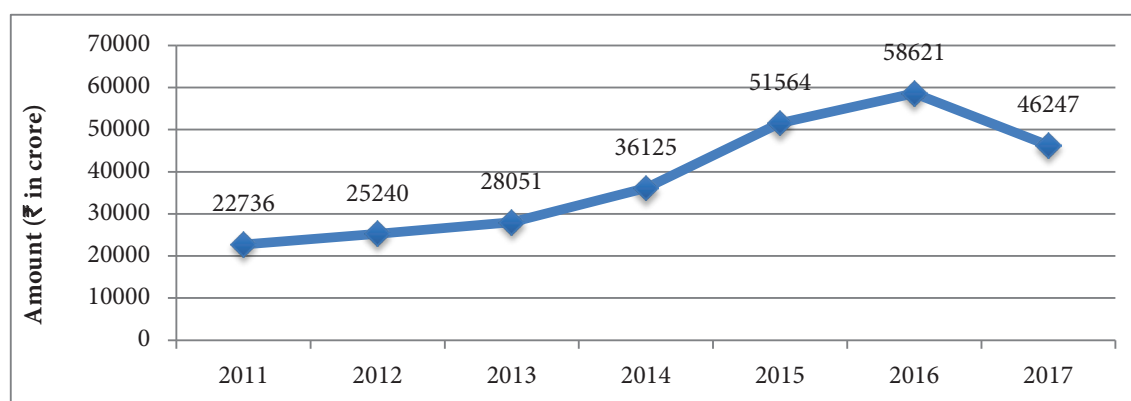
It is critical for MFIs to manage their balance sheet effectively in order to be able to generate better profitability, strengthen themselves and attract investors and funders. This chapter attempts to analyse the balance sheet structure of MFIs and studies the patterns of funding and leverage as well as allocation of assets.

3.4.1 MFI Assets

In 2016 -17, total assets of the MFIs excluding 6 Small Finance Banks (SFBs) is ₹46247. In 2015-16, six SFBs alone had ₹25188 crore out of total assets of ₹58621 crore. Volume wise total assets in 2016-17 have declined by ₹12374 but actually there is a growth of 38% (factoring in 6 SFBs' exit as MFIs).

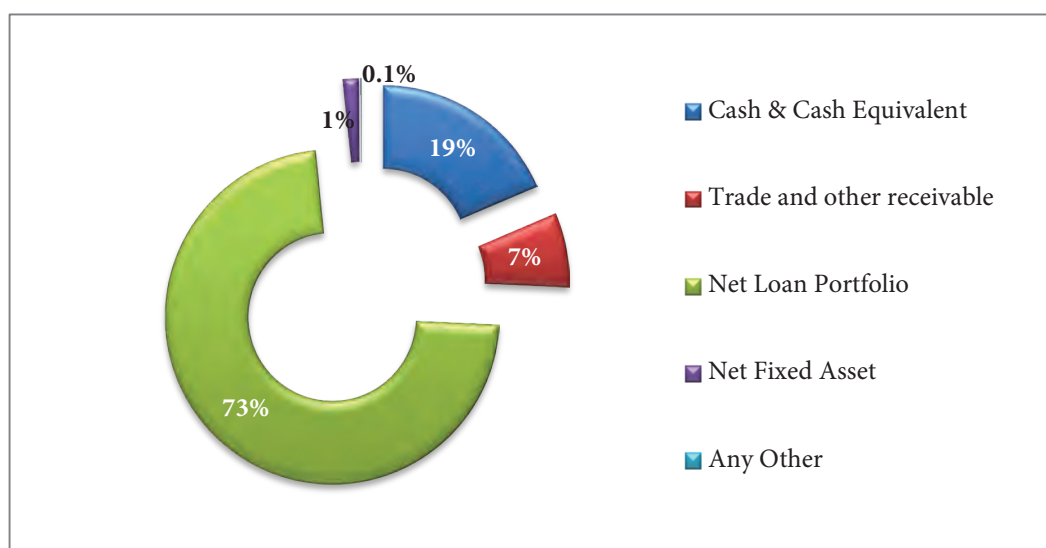
Total assets of MFIs have seen a consistent growth trend over last 6 years from 2011 to 2016 but in 2016-17, there is a sharp decline of 21%.

Figure 3.4.1: MFI Total Assets - Yearly Trend



Distribution of Assets: The assets of an MFI comprise mostly of its net loan portfolio. At the end of the year 2016-17, the net loan portfolio of reporting MFIs was over 73% of the total assets. This was followed by cash and cash equivalents of 19%. Cash and cash equivalents are at this level mainly because most MFIs receive debt funding largely towards the very end of the year while it can be lent to the clients only at the beginning of next year. Trade and other receivables form the other major component of MFI assets at 7%.

Figure 3.4.2: Composition of Total Assets of MFIs



3.4.2 Pattern of Portfolio Financing

3.4.2.i Net Owned Fund (NOF)

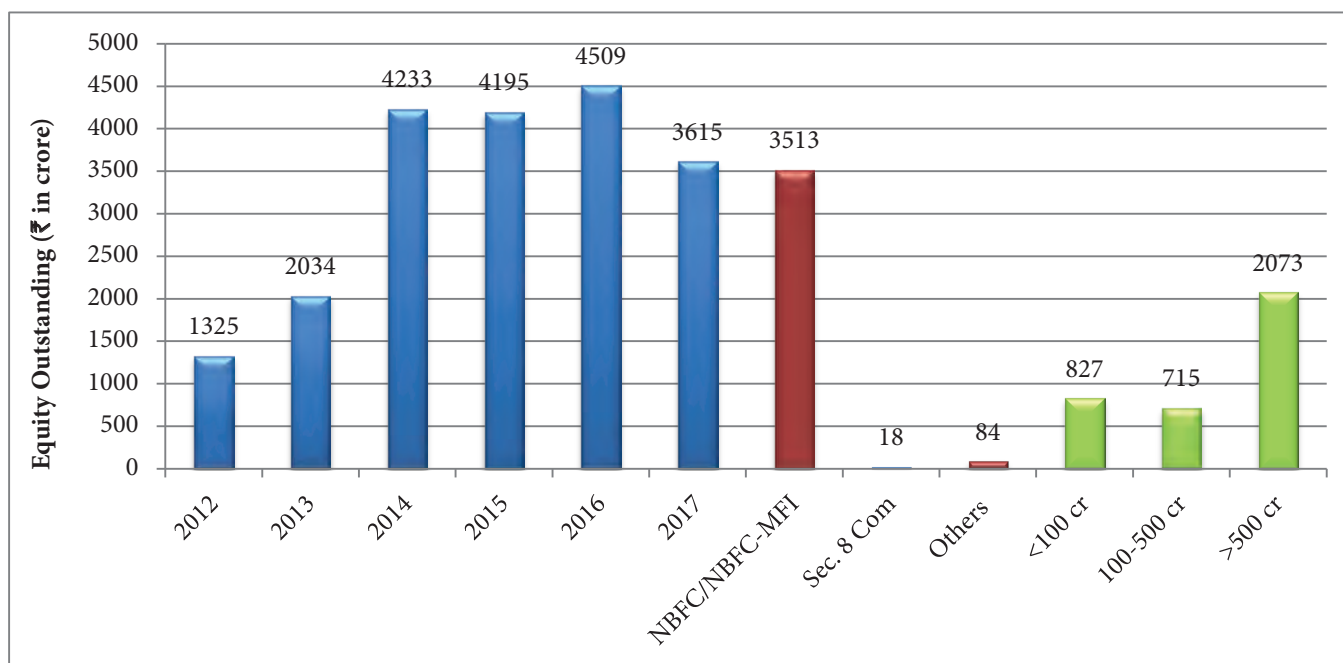
The MFIs reported a total Net Owned Funds (NOF) of close to ₹8845 crores for the year 2016-17. This NOF comprised of paid up equity, share premium, retained earnings and other reserves. For-profit MFIs, as can be expected, hold the lion's share of the NOF, at over 95% of the total NOF of the sector. Other MFIs (Society/Trust/MACS) follow with 3% of the total NOF of the sector at ₹253 crores.

Equity Outstanding

In 2016 -17, of the total NOF of ₹8845 crores equity constitutes nearly ₹3615 crores excluding 6 Small Finance Banks (SFBs). In 2015-16, six SFBs alone had ₹1502 crore out of total equity of ₹4509 crore. Volume wise total assets in 2016-17 have declined by ₹894 but actually there is a growth of 20% (factoring in 6 SFBs' exit as an MFI).

It is understandable that For-profit MFIs (NBFCs/NBFC-MFIs) hold 97% of the equity as their legal form is the most conducive to absorb equity. Again, there is a direct correlation between equity size and portfolio size, as close to two-thirds of the total equity is held by MFIs with portfolio over ₹500 crores.

Figure 3.4.3: MFI Equity Outstanding - Yearly Trend and MFI- Category- wise Break-up of 2017 Figure

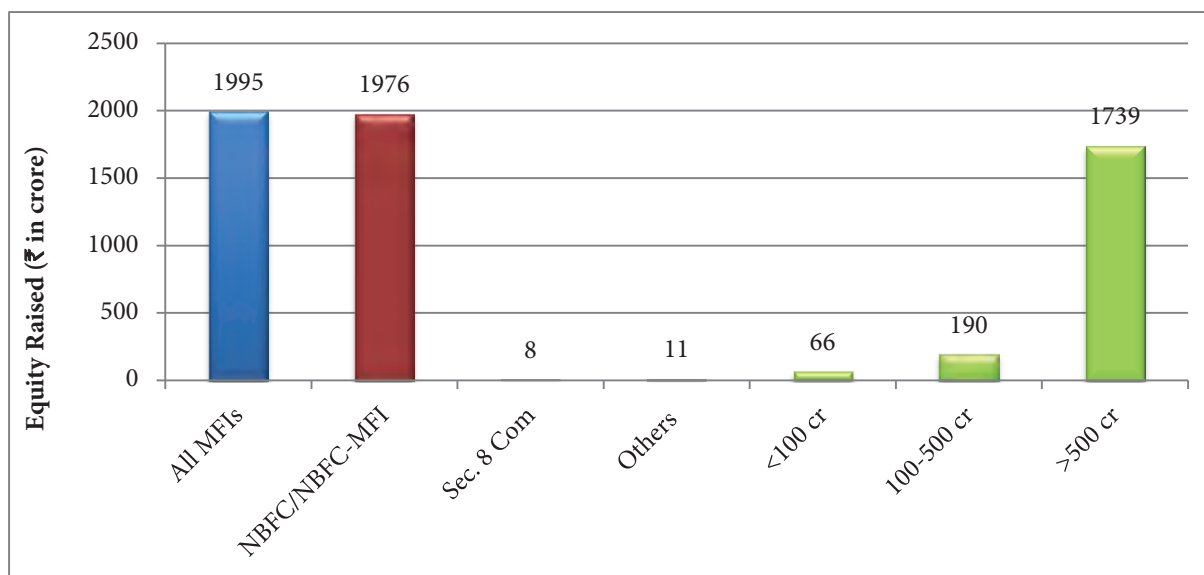


Fresh Equity Acquired

During the year 2016-17, the reporting MFIs collectively raised fresh equity to the tune of ₹1995 crores. This is significantly higher than equity raised in the previous years.

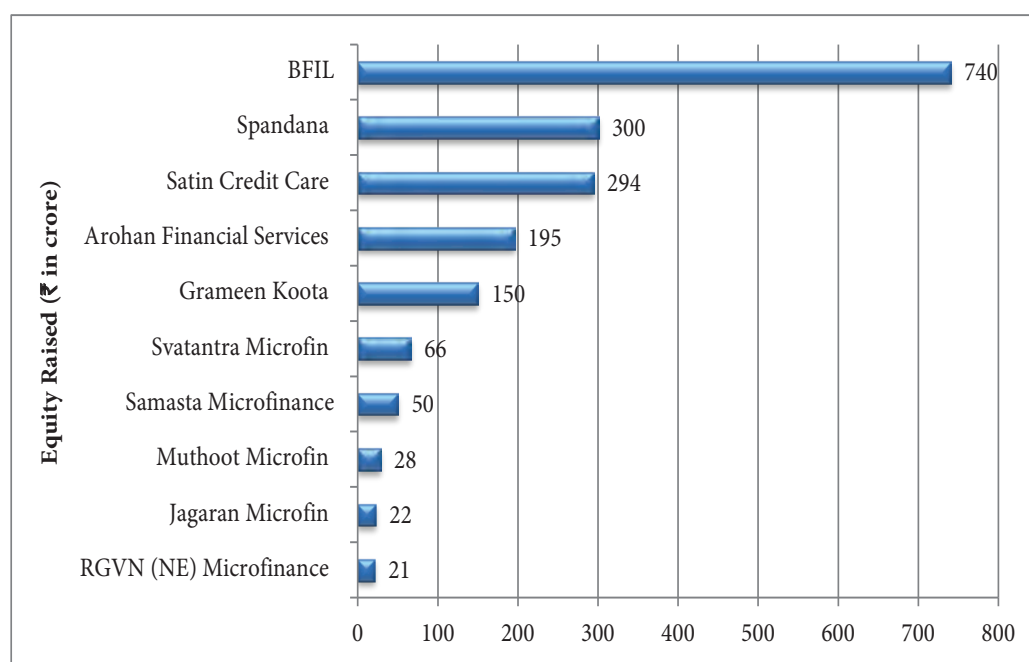
Again, of the total fresh equity raised, close to 99% is by For-profit MFIs (NBFC/NBFC-MFIs) and close to 87% by MFIs with portfolio over ₹500 crores.

Figure 3.4.4: Fresh Equity Raised by MFIs and MFI-Category-wise Break-up



List of Top 10 MFIs in terms of equity received is indicated in Figure 3.4.5.

Figure 3.4.5: Top 10 MFIs in Terms of Equity Raised



Top 10 MFIs raised ₹1867 crore which is 94% and top 5 MFIs raised ₹1680 crore which is 84% of sector's total

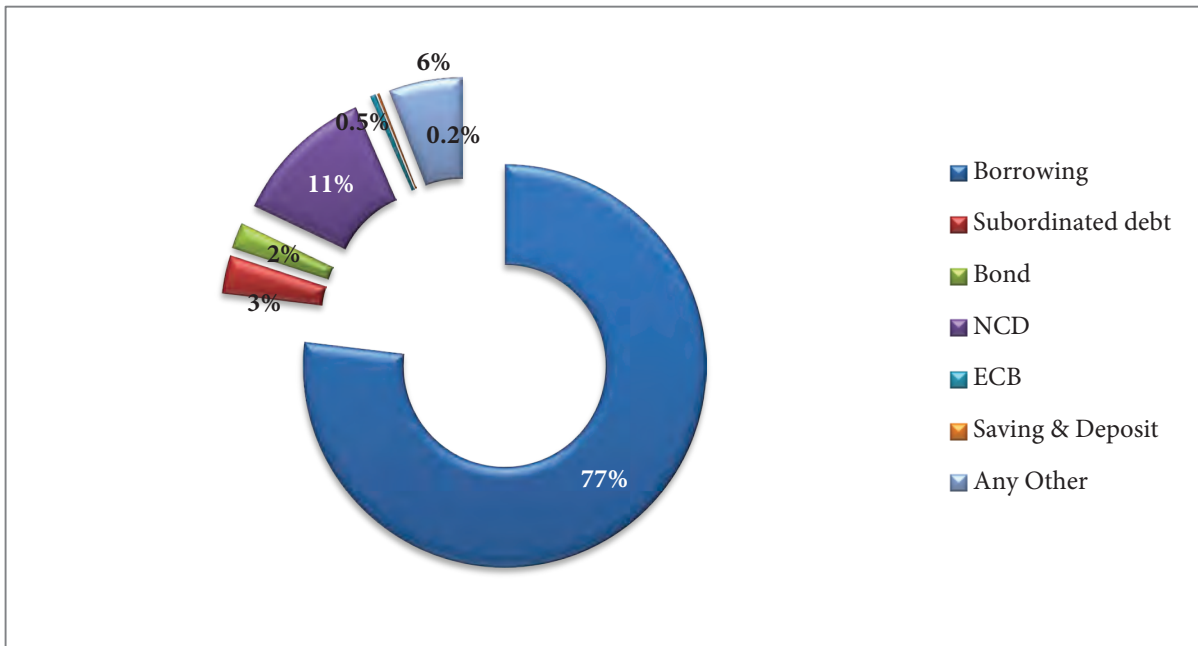
3.4.2.ii Debt Financing:

The confidence of lenders in the microfinance sector continues to grow post the AP microfinance crisis as MFIs show compliance to RBI guidelines and the strengthened regulatory framework takes effect. Strong performance of MFIs outside Andhra Pradesh, strengthening operational efficiency and the effective functioning of credit bureaus has again made banks start lending to MFIs in a major way.

The total MFI debt funding for the sector has been reported at over ₹33923 crores during the year 2016-17. While most of this funding is through borrowing (77%) and Non-Convertible Debenture (11%), Figure

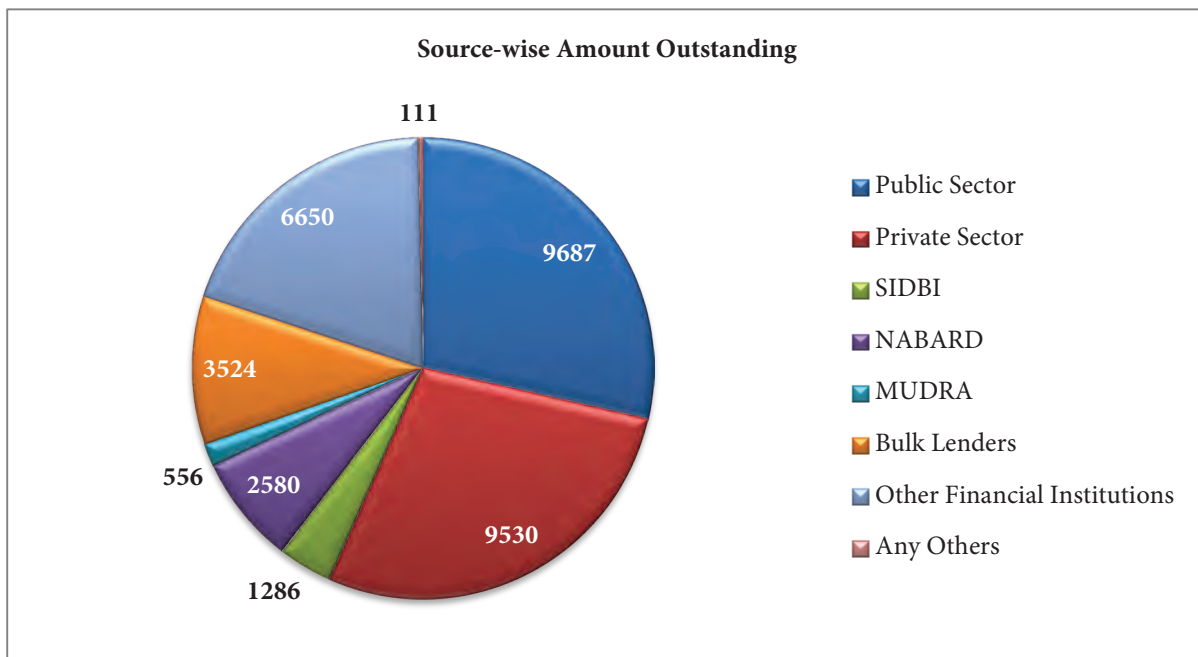
3.4.6 indicates that subordinated debt, overdraft, bonds, and savings and deposits also form some minor avenues for fundraising for MFIs. Cooperatives have the added option to raise funds through deposits and savings from borrowers/members. In addition to Debt funding, 31 MFIs have raised funds to the tune of ₹3768 crores through securitisation deals in 2016-17.

Figure 3.4.6: Sources of Funding based on Types of Instruments



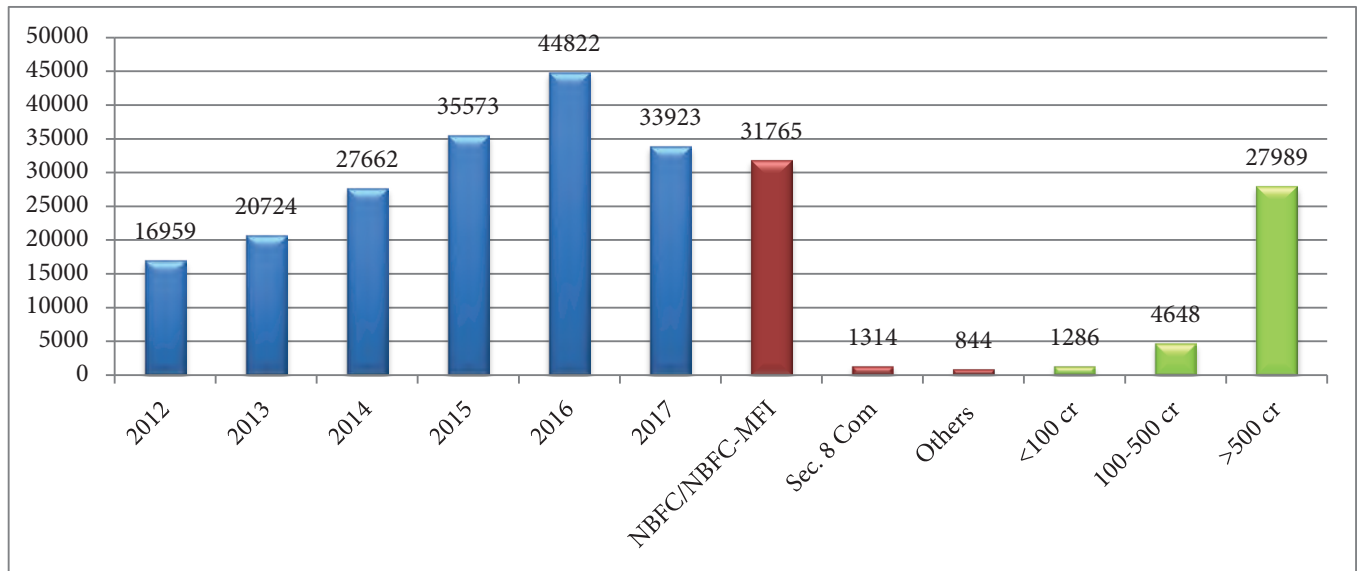
The total amount of outstanding borrowings as on 31st March, 2017 for all MFIs collectively was close to ₹33923 crores without data of 6 SFBs (Equitas, ESAF, Janalakshmi, Suryoday, Ujjivan and Utkarsh). Of this the maximum outstanding borrowings were from public sector banks at 29% followed by private sector banks at 28%, for a combined portfolio outstanding of over 57% (₹19217crores) of the total borrowings.

Figure 3.4.7: Sources of Funding based on Institution Types



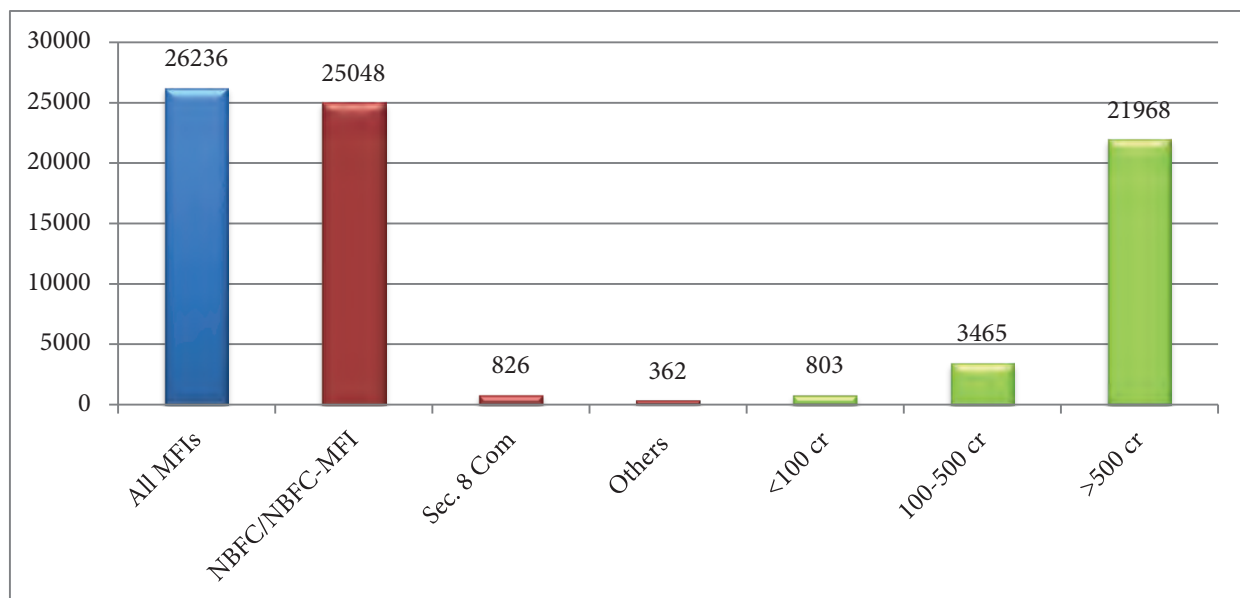
Out of total outstanding borrowing to lenders, the share of For-profit MFIs (NBFC/NBFC-MFIs) alone constitutes ₹31765 crore (94%), whereas NGO-MFIs hold an outstanding borrowing close to 6%. Size-wise, MFIs with portfolio size above ₹500 crore hold 83% of the total outstanding amount and MFIs with portfolio size of ₹100-500 cr. hold another 14%. Smaller MFIs hold a miniscule amount of the outstanding borrowed portfolio.

Figure 3.4.8: Outstanding Borrowing – Yearly Trend and MFI-Category wise Break-up of 2017 Figure



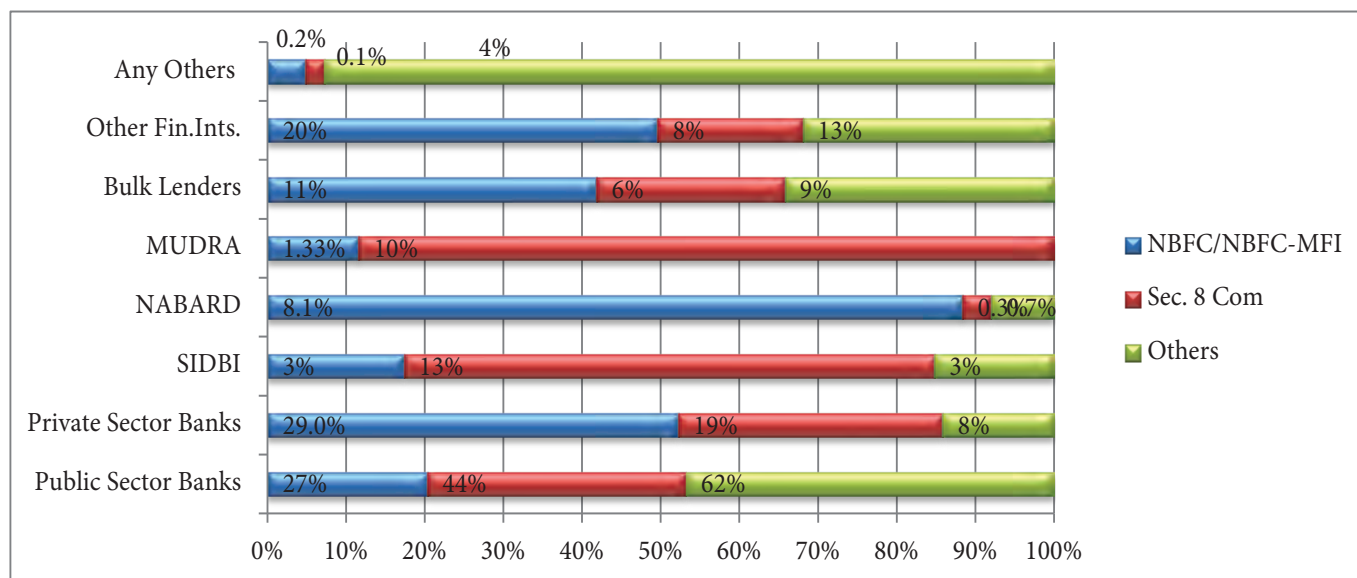
The total debt fund received during the year (April '16 – March'17) for all MFIs collectively was close to ₹26236 crores without data of 6 SFBs (Equitas, ESAF, Janalakshmi, Suryoday, Ujjivan and Utkarsh). Out of total debt fund received, the share of For-profit MFIs (NBFC/NBFC-MFIs) alone constitutes ₹25048 crore (95%), whereas NGO-MFIs hold only 5%. Size-wise, MFIs with portfolio size above ₹500 crore hold 84% of the total debt fund received and MFIs with portfolio size of 100-500 cr. hold another 13%. Smaller MFIs hold a miniscule amount of the outstanding borrowed portfolio.

Figure 3.4.9: Fund Received during the year and MFI-Category wise Break-up of 2017 Figure



It is not very difficult to understand the preference for legal form of MFIs of different lenders. It is evident that lenders of all kinds overwhelmingly prefer to lend to NBFC-MFIs over any other legal forms. This is understandable given the size of NBFC-MFIs and more importantly, the current regulatory framework.

Figure 3.4.10: Source wise Share of Loans lent among Different Legal Forms of MFIs during 2016-17



It was also found that MFIs with a portfolio above ₹500 crore hold approximately 90% of the loan outstanding amount from all lenders.

Top Lenders to MFIs during 2016-17

The data of reporting MFIs has been further analysed to enumerate major banks and bulk lenders having outstanding balances with MFIs as of March 2017. The MFIs had been asked to list down lenders names who appear under Top 10 lenders as per their books as of March 2017.

Table 1 lists banks and other lenders respectively, which appear in the list of Top 10 lenders in the books of the MFIs. This list is obviously significant, though not exhaustive, as it contains the names of lenders who happened to be Top 10 among the reporting MFIs.

Table 3.4.1: List of lenders reported among Top 10 Lenders of the individual reporting MFIs (in terms of Outstanding as of March 2017)

Name of the Banks	No. of MFI
Allahabad Bank	1
Andhra Bank	4
Assam Cooperative Apex Bank	1
Assam Gramin Vikas Bank	4
Axis Bank	7
Bandhan Bank	9
Bangiya Gramin Vikas Bank	8
Bank of America	1
Bank of Baroda	8
Bank of India	7
Bank of Maharashtra	13
Bharatiya Mahila Bank	2

Canara Bank	23
Catholic Syrian Bank Ltd	1
Central Bank of India	3
Citi Bank	2
Corporation Bank	5
Development Credit Bank (DCB)	6
Dena Bank	13
Dhanlaxmi Bank Ltd.	5
ESAF Small Finance Bank	1
Federal Bank	5
HDFC Bank	10
HSBC Bank	1
ICICI Bank	10
IDBI Bank	29
IDFC Bank	5
Indian Bank	9
Indian Overseas Bank	10
IndusInd Bank	4
Karnataka Bank	2
Karnataka Gramin Vikas Bank	1
Karur Vysva Bank	1
Kaveri Grameen Bank	1
Kotak Mahindra Bank Ltd.	7
Lakshmi Vilas Bank	4
MUDRA	5
NABARD	31
National Housing Bank	1
Oriental Bank of Commerce	6
Pallavan Gram Bank	2
Punjab National Bank	4
Rabobank	3
Ratnakar Bank	1
RBL Bank	8
Shinhan Bank	1
SIDBI	40
South Indian Bank Ltd.	9
Standard Chartered Bank	1
State Bank of Bikaner & Jaipur	4
State Bank of Hyderabad	1
State Bank of India	57
State Bank of Mysore	3
State Bank of Travancore	2
Syndicate Bank	5
Tamilnad Mercantile Bank	1
UCO Bank	20
Union Bank of India	24
United Bank of India	7
Vijaya Bank	16
Yes Bank	7

Name of the other Lenders	No. of MFI
Agri Business Finance Ltd	1
Ananya Finance	21
Assam Fin. Corporation	4
Au Financiers	1
Bajaj Finance Ltd	1
Benovolent Risk Fund	1
Blue Orchard	4
Capital First Limited	16
Caspian	2
Dia Vikas	4
Electronica Capital	4
FWWB	4
Habitat for Humanity	4
Hero Fincorp Ltd	1
Hinduja Leyland	2
IFMR	14
IGS	16
Kanika Investment Ltd	2
KIVA	2
L&T Financial Services	4
Maanaveeya Dev	19
Manappuram Finance Ltd	1
Mahindra & Mahindra Fin Services	3
MAS Fin Services Ltd	35
Milaap	7
Muthoot Capital	4
Muthoot Fincorp Ltd	2
NEDFI	9
Others	66
Rang De	2
Rashtriya Mahila Kosh	3
Reliance Cap Ltd.	37
Reliance Comm Fin	10
Religare Finvest Ltd.	3
Responsibility India	2
Sampark Fin Services	3
Tata Capital	2
Usha Financial Services Pvt. Ltd.	1
World Business Capital	1

Analysis based on data submitted by 141 MFIs

Note: This is not an exhaustive list of lenders as we only collected MFI-wise top 10 lenders in terms of amount of loan outstanding. Some MFIs received funds from more than 10 lenders which are not captured here.

Table 3.4.2: MFI wise Loan Outstanding (based on top 10 lenders data) to Lenders

S.No.	Name of MFIs	Amount (₹ in crore) Outstanding
1	Adhikar Microfinance Pvt Ltd	67
2	Adhikar Society	2
3	Agora Microfinance India Ltd	15
4	Agradut Polly Unnayan Samity	0.87
5	Altura Financial Services Ltd	41
6	Anandita Micro Credit Services	0.26
7	Anik Financial Services Ltd.	0.12
8	Annapurna Mahila Coop Credit Society	61
9	Annapurna Microfinance Pvt. Ltd.	626
10	Arohan Financial Services	443
11	Arth Microfinance Pvt .Ltd	26
12	ASA International Microfinance Ltd	227
13	Asirvad Microfinance Ltd	500
14	Asomi Finance Pvt. Ltd.	13
15	Bagaria Relief Welfare Ambulance Society	0.11
16	Balajee Sewa Sansthan	0.29
17	Bal-Mahila Vikas Samiti (VAMA)	3
18	Barasat Grameen Society	1
19	Barasat Society of Self Employment for Rural Inhabitants & All Liberal	0.15
20	Belghoria Janakalyan Samity	29
21	Belstar Investment And Finance Private Limited	443
22	Bengal Women Welfare Association	0.16
23	Bharat Financial Inclusion Ltd.	3954
24	Bharati Women Development Centre	15
25	Bhartiya Micro Credit	83
26	Blaze Trust	2
27	BSS Microfinance Pvt. Ltd.	300
28	BURS	0.08
29	BWDA Finance Ltd	0.06
30	Capital Trust Microfinance Ltd.	51
31	Cashpor Micro Credit	799
32	Chaitanya India Fin Credit Pvt Ltd	89.39
33	Chanura Microfin	6
34	DBIS	15
35	Deshabandhu Micro Finance and Livelihood Institution	0.10
36	Dhosa Chandaneswar Bratyajana Samity (DCBS)	6
37	Digamber Capfin Ltd	125
38	Disha India Micro Credit	1
39	Disha Microfin Ltd	395

40	dMatrix Development Foundation	2
41	Forum for Rural Environment and Economic Development (FREED)	3
42	Futureage India Micro Credit Services	3
43	G B P Nobel Microfinances	0.05
44	Gram Utthan	16
45	Gramalaya Urban and Rural Development Initiatives and Network	19
46	Grameen development and Finance Pvt. Ltd.	30
47	Grameen Koota Financial Services Private Limited	1101
48	Gramin Mahila Swayamsiddha Sangh	5
49	Gramin Micro Credit Foundation	0.10
50	Gramotthan Micro Finance Company	6
51	Growing Opportunity India Finance Pvt. Ltd.	102
52	GU Financial Services Pvt. Ltd.	11
53	Hand in Hand India	52
54	Hindusthan Microfinance Pvt. Ltd.	38
55	Humana People to People India	10
56	IDF Financial Services Ltd.	53
57	Innovative Microfinance for Poverty Alleviation and Community Transformation	23
58	Institute of Rural Credit and Entrepreneurship Development	7
59	Jagaran Microfin Pvt. Ltd.	117
60	Jeevankiran	6
61	Jigyasa Livelihood Promotions Microfinance Foundation	1
62	Kotalipara Development Society	11
63	Life Foundation	2
64	Madura Micro Finance Ltd.	500
65	Magilchi Foundation	1
66	Mahasemam Trust	58
67	Mahashakti Foundation	10
68	Margdarshak Financial Services Ltd	145
69	Matashree Gomati Devi Jan Seva Nidhi	0.22
70	Midland Microfin Ltd	94
71	M Power Microfinance Ltd	76
72	Muthoot Microfin Ltd	535
73	NABFINS Ltd.	678
74	Namra Finance Ltd	64
75	Navachetana Microfin Services Pvt Ltd	99
76	NDFS	5
77	Need Livelihood Microfinance Pvt Ltd	3
78	Nightingale Finvest Pvt Ltd	41
79	Nirantara FinAccess Pvt Ltd	2.94
80	North East Region Fin Services Limited	288
81	People's Action for Transformation	20

82	Peoples Forum	204
83	Planned Social Concern	4
84	Pragathi Seva Samithi	3
85	Prakruthi Foundation	6
86	Pratigya Mahila Samanvit Vikas Bachat ASSSM	1
87	PRAYAS- Organization for Sustainable Development	19
88	Prochesta Thrift & Credit Cooperative Society Asom Ltd.	2
89	Rajasthan Shram Sarathi Association	1
90	Rural Education and Action Development (READ)	1
91	REPCO Micro Finance Pvt. Ltd	343
92	RGVN NE Microfinance Ltd	463
93	RORS Finance Pvt. Ltd.	13
94	Sahara Utsarga Welfare Society	29
95	Saija Finance Pvt. Ltd.	182
96	Sakhi Samudaya Kosh	6
97	Samasta Microfinance	84
98	Sambandh Finserv Ltd.	102
99	Samhita Community Development Services	13
100	Sampada Entrepreneurship & Livelihoods Foundation	1
101	Sampurna Training and Entrepreneurship Programme	5
102	Sanghamitra Rural Financial Services	97
103	Sarala Development and Microfinance Ltd	87
104	Sarvodaya Nanofinance Pvt Ltd	20
105	Satin Credit Care Network Ltd.	1860
106	Satra Development Finance Pvt. Ltd.	3
107	Satya Micro Capital Ltd	37
108	Seba Rahara	13
109	Shikhar Microfinance Ltd	58
110	SKDRDP	173
111	SMILE Microfinance Ltd.	203
112	Social Action For Rural Community (SARC)	1
113	Society for Model Gram Bikash Kendra	11
114	Sonata Finance Pvt Ltd	738
115	Spandana Sphoorty Financial Ltd.	956
116	Sreema Mahila Samity	21
117	Srija Chemo Pvt. Ltd.	1
118	Sripur Swami Vivekananda Welfare Society	3
119	SV Creditline Pvt. Ltd.	318
120	Svatantra Microfin Pvt. Ltd.	167
121	Swashree Mahila Sakh Sahakari Sanstha Maryadit	1
122	Swayam Micro Services	79
123	Swayamsampurna	0.05

124	Swayamshree Mahila Samabaya Samiti Ltd.	1
125	Swayamshree Micro Credit Services	17
126	Share Microfin Limited	387
127	The Eastern Multipurpose Coop Society Ltd.	1
128	The Saath Saving And Credit Co Operative Society Limited	0.22
129	Unnaco Financial Services Ltd.	38
130	Unnati Microfin Pvt Ltd	27
131	Uttrayan Financial Services Pvt Ltd	62
132	Varam Capital Private Ltd	96
133	Vedika Credit Care Ltd	124
134	Village Financial Services Pvt. Ltd.	228
135	Virutcham Microfinance Ltd	3
136	Vivekananda Sevakendra O Sishu Uddyan (VSSU)	5
137	Volunteers for Village Development	4
138	Welfare organisation for Multipurpose mass Awareness Network (WOMAN)	9
139	Welfare Services Ernakulam	35
140	Yukti Samaj Sewa Society	0.24
141	YVU Financial Services Pvt Ltd	0.74
	Total	19,946

Analysis based on data submitted by 141 MFIs

Loan outstanding (based on top 10 lenders data) to Lenders across legal form

Legal Form	No. of MFI	Amount of Loan	Percentage
NBFC/NBFC-MFIs	64	17,893	90%
Section. 8 Company	25	1,176	6%
Society/Trust/MACS or Co-operative	52	877	4%
Total	140	19,946	

From the table we can conclude that NGO-MFIs are struggling to get fund from lenders.

Table 3.4.3: Lender wise Loan Outstanding (based on top 10 lenders data) to MFIs – Decreasing order

S. N	Name of the Lenders	Amount (₹in crore) Outstanding
1	NABARD	2546
2	State Bank of India	1453
3	SIDBI	1128
4	IDBI Bank	1097
5	Others	1063
6	Yes Bank	1026
7	ICICI Bank	847
8	MAS Fin Services Ltd	764
9	RBL Bank	653
10	IFMR	611
11	IndusInd Bank	601
12	Kotak Mahindra Bank Ltd.	534

13	Bank of India	526
14	IDFC Bank	504
15	Dena Bank	452
16	Bandhan Bank	416
17	Reliance Cap Ltd.	407
18	Union Bank of India	406
19	Blue Orchard	404
20	Capital First Limited	338
21	Vijaya Bank	258
22	Punjab National Bank	253
23	Canara Bank	231
24	MUDRA	230
25	Responsibility India	223
26	HDFC Bank	196
27	Development Credit Bank (DCB)	196
28	Axis Bank	180
29	UCO Bank	157
30	L&T Financial Services	155
31	HSBC Bank	109
32	South Indian Bank Ltd	107
33	Bank of Baroda	99
34	NEDFI	94
35	Indian Bank	93
36	Maanaveeya Dev	90
37	Oriental Bank of Commerce	89
38	Indian Overseas Bank	85
39	Dhanlaxmi Bank Ltd.	84
40	Bank of Maharashtra	71
41	Ratnakar Bank	71
42	Standard Chartered Bank	64
43	Lakshmi Vilas Bank	63
44	Hinduja Leyland	55
45	Syndicate Bank	52
46	Federal Bank	51
47	Corporation Bank	51
48	Bank of America	50
49	United Bank of India	50
50	Ananya Finance	45
51	Andhra Bank	40
52	Muthoot Fincorp Ltd	38
53	Muthoot Capital	36
54	Citi Bank	36
55	Central Bank of India	34
56	World Business Capital	27
57	Religare Finvest Ltd.	26
58	State Bank of Travancore	25
59	Reliance Comm Fin	25

60	Bajaj Finance Ltd	25
61	State Bank of Bikaner & Jaipur	24
62	Bangiya Gramin Vikas Bank	23
63	Karur Vysva Bank	22
64	Dia Vikas	18
65	Tata Capital	16
66	Karnataka Bank	16
67	Assam Gramin Vikas Bank	14
68	Shinhan Bank	14
69	State Bank of Mysore	14
70	Milaap	13
71	Caspian	12
72	State Bank of Hyderabad	11
73	Allahabad Bank	11
74	Rabo Bank	11
75	Habitat for Humanity	10
76	KIVA	9
77	Electronica Capital	8
78	Karnataka Gramin Vikas Bank	7
79	Pallavan Gram Bank	6
80	Bharatiya Mahila Bank	6
81	Agri Business Finance Ltd	5
82	Hero Fincorp Ltd	5
83	Manappuram Finance Ltd	5
84	Assam Fin. Corporation	5
85	Kaveri Grameen Bank	5
86	IGS	4
87	ESAF Small Finance Bank	4
88	Au Financiers	4
89	Catholic Syrian Bank Ltd	3
90	Tamilnad Mercantile Bank	2
91	FWWB	2
92	Rang De	1
93	Sampark Fin Services	1
94	National Housing Bank	1
95	Rashtriya Mahila Kosh	1
96	Mahindra & Mahindra Fin Services	1
97	Assam Cooperative Apex Bank	0.55
98	Kanika Investment Ltd	0.38
99	Usha Financial Services Pvt. Ltd.	0.37
100	Benovolent Risk Fund	0.34

Analysis based on data submitted by 141 MFIs

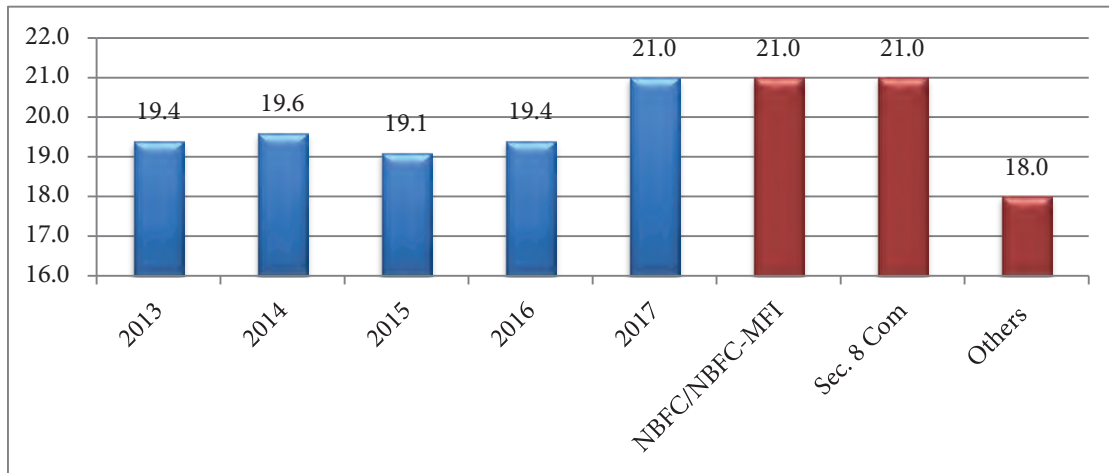
Note: This is not an exhaustive list of lenders and outstanding loan amount as we only collected MFI-wise top 10 lenders in terms of amount of loan outstanding. Some MFIs received fund from more than 10 lenders which are not captured here.

3.4.3 Capital¹ (Net owned Fund) to Total Asset Ratio

The Capital Adequacy of Indian MFIs, by and large, is well above the prescribed norms. The RBI has stipulated that NBFC-MFIs need to maintain at least 15 per cent capital on their risk weighted assets. The risk-weighted asset details are not readily available. However, with the help of Net Owned Fund and Total Asset particulars, Figure 3.4.11 brings out the estimates of CAR for the MFIs who reported this data. The median CAR for 2016-17 stands at 21, which is slightly higher than the figure of 19.4 for 2015-16.

NBFC-MFIs, for which maintaining Capital adequacy is now mandatory, have an adequate CAR of 21% in aggregate, while Sec-8 Companies also have a CAR of 21%. Others MFIs have a median CAR above the desirable limit at 18%.

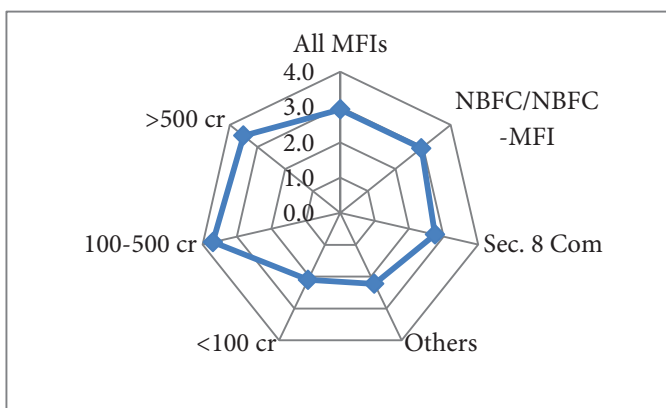
Figure 3.4.11: Capital to Total Asset Ratio



3.4.4 Leverage / Debt – Equity² Ratio

MFIs, like any other business institution, use their own funds as a base for borrowing from banks. Their borrowing capacity depends on their capital. This leverage is generally understood as a multiple of their own capital amount; these borrowings are from outside sources including banks. Debt-Equity Ratio is the parameter considered for measuring the extent of leveraging of equity to raise outside debt. The leverage needs to be optimum to balance between the profitability and stability of MFIs.

Figure 3.4.12: Debt - Equity Ratio Trend and Break-up of 2017 Figure across MFI –Categories



Median for 2017	2.9
NBFC/NBFC-MFI	2.9
Section 8 Com	2.8
Others	2.2
<100 cr.	2.1
100-500 cr.	3.7
>500 cr.	3.5

Leverage of NBFC-MFIs is highest at 2.9, followed by Section 8 companies at 2.8. According to Size of MFIs, MFIs with portfolio of more than ₹100-500 crore have the highest median leverage of 3.5

¹ The capital includes the free reserves and surplus also (collectively termed as Net Owned Fund)

² Equity refers to Net Owned Fund (Equity + Free Reserves and Surplus)

In the Indian context, the term “Financial Inclusion” was used for the first time in April 2005 in the Annual Policy Statement presented by Y. Venugopal Reddy, the then Governor, Reserve Bank of India. Later on, this concept gained ground and came to be widely used in India and abroad. While recognizing the concerns in regard to the banking practices that tend to exclude rather than attract vast sections of population, banks were urged to review their existing practices to align them with the objective of financial inclusion. The Report of the Internal Group to Examine Issues relating to Rural Credit and Microfinance (Khan Committee) in July 2005 drew strength from this announcement by Governor Y. Venugopal Reddy in the Annual Policy Statement for 2005-06 wherein he had expressed deep concern on the exclusion of vast sections of the population from the formal financial system. In the Khan Committee Report, the RBI exhorted the banks with a view to achieving greater financial inclusion to make available a basic “no-frills” banking account. The recommendations of the Khan Committee were incorporated into the mid-term review of the policy (2005–06). Financial inclusion again featured later in 2005 when it was used by K.C. Chakraborty, the Chairman of Indian Bank. Mangalam, Puducherry became the first village in India where all households were provided banking facilities. Norms were relaxed for people intending to open accounts with annual deposits of less than ₹50,000. General credit cards (GCCs) were issued to the poor and the disadvantaged with a view to help them access easy credit. In January 2006, the Reserve Bank permitted commercial banks to make use of the services of non-governmental organizations (NGOs/SHGs), micro-finance institutions, and other civil society organizations as intermediaries for providing financial and banking services. These intermediaries could be used as business facilitators or business correspondents by commercial banks. The bank asked the commercial banks in different regions to start a 100% financial inclusion campaign on a pilot basis. As a result of the campaign, states or union territories like Puducherry, Himachal Pradesh and Kerala announced 100% financial inclusion in all their districts. Reserve Bank of India’s vision for 2020 is to open nearly 600 million new customers’ accounts and service them through a variety of channels by leveraging on IT. However, illiteracy and the low income savings and lack of bank branches in rural areas continue to be a roadblock to financial inclusion in many states and there is inadequate legal and financial structure.

The Government of India announced “Pradhan Mantri Jan Dhan Yojna,” a national financial inclusion mission which aims to provide bank accounts to at least 75 million people by January 26, 2015. To achieve this milestone, it’s important for both service providers and policy makers to have readily available information outlining gaps in access and interactive tools that help better understand the context at the district level. MIX designed the FINclusion Lab India FI workbook to support these actors as they craft strategies to achieve these goals.

Several Startups are working towards increasing Financial Inclusion in India by organising various large unorganised sectors where payments primarily happen in cash, instead of a bank transaction.

Recently, the Government of India came up with a policy under the name “rupee exchange” to exchange higher notes with the intent of: clamping down on tax defaulters, track down corrupt officers (by rendering valueless heavy cash stashed away secretly) and generally restoring sanity to the economic system. First off it is alarming that despite the fact that India’s CRISIL index is in excess of 40% and it is reputed to be heavy on technology, over 85% of its financial transactions are cash based. While income and inequality gaps will widen anyways, it is recommended that India embraces - proposed - as a matter of policy financial inclusion.

In India, RBI has initiated several measures to achieve greater financial inclusion, such as facilitating no-frills accounts and GCCs for small deposits and credit. Some of these steps are:

Financial inclusion is not an Indian specific problem, it is global one. So now financial inclusion is a topic of increasing interest on the international policy agenda. But in India, home to the second largest population in

the world, with huge mass of people below the poverty line spread across nearly 600,000 villages in 600 districts, it assumes utmost importance. India's government has a long tradition of promoting financial inclusion. For more than 40 years, the Reserve Bank of India has been operating priority sector lending mandating a portion of banks' loan portfolios to be in the agriculture sector and to small and micro enterprises. In 2005, it required banks to offer basic no-frills accounts with no, or very low, minimum balances and affordable charges. However, use of these accounts has been very low. In 2011, banks were advised to provide at a minimum four products: (a) a savings or overdraft account, (b) a remittance product for electronic transfer of government benefits and other remittances, (c) a pure savings product (ideally a recurring-deposit scheme), and (d) entrepreneurial credit. In a parallel initiative, in 2010 the government and the central bank set goals to provide by 2015 all villages in India with a banking outlet (either by a branch or a retail agent, in India known as a business correspondent), with stipulated annual targets along the way. While these targets were not specified by law, the Reserve Bank of India requires all banks to report progress regularly and closely monitors their achievements. It is still too early to say how successful the implementation of these ambitious goals will be. Some banks have risen to the challenge and opened numerous new outlets (mostly business correspondents). Others have complained that the financial inclusion targets hurt their profits.

For taking Financial Inclusion agenda forward, RBI granted "in-principle" licensing of 11 payments banks and 10 small finance banks. 11 payments Banks includes, Indian Post Office as the Indian post office has a huge network of branches with an unique outreach in rural areas. The sector is poised for much-needed disruption that will bring millions of Indian households into the formal financial system for the first time.

The nation has also enlarged the envelope of Financial Inclusion by including insurance, pension and other activities into its definition and priorities. The Pradhan Mantri Jan Dhan Yojana (PMJDY), which advocates for micro insurance and pension along with credit and savings, is one such recent development for an inclusive financial system. However, the Microfinance sector which is comprised of MFIs and SHPIs/SHGs has been proactively providing credit plus services such as micro-credit, savings, micro-insurance, micro-pensions, and other development related activities. The sector clearly understands the importance of credit plus services to low-income people. This chapter throws a light on such credit plus activities provided by MFIs and SHPIs.

4.1 Micro Insurance¹

In order to facilitate penetration of insurance to the lower income segments of population, IRDA had formulated the micro insurance regulations. Micro Insurance Regulations, 2005 provide a platform to distribute insurance products, which are affordable to the rural and urban poor and to enable micro insurance to be an integral part of the country's wider insurance system.

The main thrust of micro insurance regulations is protection of low income people with affordable insurance products to help cope with and recover from common risks with standardized popular insurance products adhering to certain levels of cover, premium and benefit standards. These regulations allow Non Government Organizations (NGOs) and Self Help Groups (SHGs) to act as agents to insurance companies in marketing the micro insurance products and also allow both life and non-life insurers to promote combi-micro insurance products (combination of different lines of business).

The Authority undertook the review of the Micro Insurance Regulations, 2005 comprehensively. In this connection, the Authority has notified the Amended Regulations on 13th March 2015 wherein it has permitted several more entities like District Co-operative Banks, Regional Rural Banks including Business Correspondents of Scheduled Commercial Banks to be appointed as Micro Insurance agents facilitating better penetration of Micro Insurance business.

¹ IRDA Annual Report 2015-16.

The Authority has reviewed the Micro Insurance Regulations, 2005 comprehensively and notified IRDAI (Micro Insurance) Regulations, 2015. Micro Insurance is the insurance provided through the Micro Insurance Products which includes “general micro-insurance product”. General Micro Insurance Products cover health insurance contract, any contract covering the belongings, such as, hut, livestock or tools or instruments or any personal accident contract, either on individual or group basis with a maximum amount of cover as Rupees one lakh and minimum and maximum term cover of one year.

The Authority in order to propagate micro insurance in various segments has permitted more entities or individuals to be appointed as Micro Insurance Agents which include Non-Government Organisations (NGO), Self-Help Groups (SHG), Micro-Finance Institution(MFI), RBI regulated NBFC-MFIs, District Cooperative Banks, Regional Rural Banks, Urban Co-operative banks, Business correspondents, Primary Agricultural Cooperative Societies and Other Cooperative Societies.

There are around fifty two products offered by all registered non-life insurance companies targeting low income segment of the population e.g., Cattle Micro Insurance, Kisan Agriculture Pumpset Micro Insurance Policy, Janata Personal Accident Sukshma Bima Policy, Silkworm Sukshma Bima Policy, Sheep & Goat Micro Insurance Policy, Sampoorna Griha Suraksha Policy etc. Further, General Insurance Policies issued to Micro, Small and Medium Enterprises as classified in MSMED Act, 2006 under various lines of General Insurance business will also be qualified as general micro insurance business upto ₹10,000 premium p.a. per MSM enterprise.

Micro Insurance being a low price-high volume business, its success and sustainability depends mainly on keeping the transactions costs down. Section 32B and 32C of the Insurance Act, 1938 and IRDAI (Obligations of insurers to rural and social sectors) 2015, stipulate obligations to insurers in respect of rural and social sector, which have also contributed a lot in development and promotion of micro insurance products by insurers in India.

Box 4.1: Microfinance and Affordable Insurance Access - A path to achieve Sustainable Development Goals

Bajaj Allianz Life Insurance is one of the largest private players in the rural insurance space and the largest micro insurance provider in India. It has covered more than 20 crore lives through 350 Rural Partners and settled more than ₹47,139 crore worth of claims. It has also covered MFI client through 50 MFI Partners and settled 3,97,942 claims during last six months with 98% claim settlement ratio. Claims paid of ₹1015.43 crore under Financial Inclusion (Group Scheme). It has entered into more than ₹2700 crore new business and more than ₹1600 crore renewal business.

All the insurance products are designed through extensive market research to fit the budget of the rural clients. It also involves in training the rural clients on various livelihood earning activities such as Nukkad Nataks, Drum beating etc.

Bajaj Allianz Life Insurance is a joint venture between Allianz SE, the world’s leading insurer, and Bajaj Finserv Limited. Allianz SE is a leading insurance conglomerate globally and one of the largest asset managers in the world. Bajaj Allianz Life Insurance Company was incorporated on 12th March 2001 and started its operations on 3rd August 2001 with a commitment to offer premium financial solutions providing financial security to individuals and their families. It is one of India’s leading private life insurance companies today. The Company has developed insurance solutions that cater to all kinds of customer needs from ULIPs to Child plans, and from group insurance to health insurance. The Company has a pan-India presence with 638 branches in India. Recently, the Company achieved a milestone of crossing ₹50,000 crores of Assets Under Management (AUM) on 31 May 2017.

Courtesy: Bajaj Allianz Life Insurance Co Ltd.

However a large numbers of MFIs have been providing micro insurance products. As the Table 4.1 below shows, 15 MFIs have reached to 14.68 lakh clients for health products and Table 4.2 states that 33 MFIs have reached to 51.1 lakh clients for non-health products.

Table 4.1: MFIs involved in Micro Insurance- Health

S.N.	Name of the Organisation	State	No of Client
1	Annapurna Mahila Coop Credit Society Ltd	Maharashtra	228260
2	ASA International India Microfinance Ltd	West Bengal	281801
3	Bengal Women Welfare Association	West Bengal	385
4	Blaze Trust	Tamil Nadu	2863
5	Disha India Micro Credit	Uttar Pradesh	23349
6	G B P Nobel Microfinances	Maharashtra	130
7	Grameen Koota Financial Services Pvt. Ltd.	Karnataka	46339
8	Makkal Sakthi Sangamum	Tamil Nadu	2404
9	Mass Care International	Bihar	1200
10	Micro Enterprises and Sustainable Project	Jharkhand	20
11	Sakhi Samudaya Kosh	Maharashtra	3776
12	SKDRDP	Karnataka	833311
13	Svatantra Microfin Pvt. Ltd.	Maharashtra	1051
14	The Saath Saving And Credit Co -operative Society Ltd.	Gujarat	100
15	Welfare Services Ernakulam	Kerala	43614

Table 4.2: MFIs involved in Micro Insurance - Non-health

S.N.	Name of the Organisation	State	No of Client
1	Agradut Polly Unnayan Samity	West Bengal	4631
2	Annapurna Mahila Coop Credit Society Ltd	Maharashtra	58798
3	Arohan Financial Services	West Bengal	128450
4	Asomi Finance Pvt Ltd	Assam	54979
5	Belghoria Janakalyan Samity	West Bengal	137051
6	dMatrix Development Foundation	Maharashtra	700
7	Grameen Development and Finance Pvt Ltd	Assam	12715
8	Grameen Koota Financial Services Pvt. Ltd.	Karnataka	3326362
9	GU Financial Services Pvt Ltd	Odisha	30437
10	Hand in Hand India	Tamil Nadu	34314
11	IMPACT	Tamil Nadu	19527
12	Mass Care International	Bihar	1200
13	Pratigya Mahila Samanvit Vikas Bachat ASSSM	Madhya Pradesh	13114
14	Rajasthan Shram Sarathi Association	Rajasthan	231
15	Rashtriya Seva Samithi (RASS)	Andhra Pradesh	38304

16	Sambandh Finserv Pvt. Ltd.	Odisha	75221
17	Samhita Community Development Services	Madhya Pradesh	177136
18	Sampada Entrepreneurship & Livelihoods Foundation	Maharashtra	9650
19	Samruddhi Welfare Development Foundation	Maharashtra	190
20	Sanghamitra Rural Financial Services	Karnataka	32827
21	Shroff Capital and Finance Pvt Ltd.	Gujarat	6600
22	SKDRDP	Karnataka	76040
23	Social Action For Rural Community (SARC)	Odisha	621
24	Sreema Mahila Samity	West Bengal	2844
25	SV Creditline Pvt Ltd.	Haryana	658768
26	Svatantra Microfin Private Limited	Maharashtra	167187
27	Swashree Mahila Sakh Sahakari Sanstha Maryadit	Madhya Pradesh	4688
28	Swayam Micro Services	Gujarat	12578
29	The Saath Saving And Credit Co-operative Society Ltd.	Gujarat	8810
30	Vivekananda Sevakendra O Sishu Uddyan (VSSU)	West Bengal	4562
31	Volunteers for Village Development	Manipur	6747
32	Welfare Services Ernakulam	Kerala	4462
33	Yukti Samaj Sewa Society	Madhya Pradesh	582

Note: The number of clients under microinsurance programmes appears lower than 2015-16 as fewer MFIs have provided data on this aspect.

4.2 Micro Pension²

The National Pension System (NPS) and Atal Pension Yojana (APY)'s subscriber base has seen gradual growth during the last five years. As of Ist quarter of this year, NPS had a subscriber base of 163.55 lakhs.

The number of subscribers under NPS and APY increased from 160.43 lakhs as at the end of May, 2017 to 163.55 lakhs as at the end of June, 2017. The main contributor to the growth is Atal Pension Yojana in which the number of subscriber increased from 53.33 lakhs as at the end of May 2017 to 55.60 lakhs as at the end of June 2017, registering a growth of 4.26 %. All citizen subscribers have increased by 2.39% during the same period and Corporate Sector subscribers have increased by 1.65 % during the same period. The overall growth has been 1.94 % in the month of June, 2017.

4.2.1 NPS: Swavalamban

There are 29 states under NPS. Various State Governments have adopted NPS architecture and implemented NPS with effect from different dates. Tamil Nadu has adopted pension scheme under National Pension System (NPS), though it does not contribute towards the employees pension account under NPS. Besides, West Bengal and Tripura have not adopted the NPS so far, and PFRDA is in discussion with both the states to take them on board.

As end of June 2017, Uttar Pradesh has the highest number of subscribers enrolled under NPS followed by Madhya Pradesh, Rajasthan and Chhattisgarh.

² PFRDA Pension Bulletin June 2017

Box 4.2: Client Engagement and Grievance Redressal Mechanism using IVR Technology

Sa-Dhan in collaboration with Gram Vaani has developed a unique grievance redressal mechanism using a helpline phone number that uses IVR technology under the “Financial Inclusion and Women Empowerment Challenge Fund” of DFID with financial support from SIDBI

This helpline number is not only working as a grievance redressal mechanism, but also gives callers vital information on financial literacy by means of entertainment. The helpline is continually updated with the latest information to keep callers informed.

This service runs audio episode on women’s leadership and empowerment and develops the understanding of microfinance among JLG members. It also allows clients to file grievances, which are then routed to the relevant MFIs for resolution.

In addition, this service covers Client Insight Survey (CIS). CIS is a tool to gain MFI consumer insights that will be useful for MFIs to gauge customer satisfaction and retention; and to gather data/information that will help them build more client friendly practices and products.

This helpline services is named “Punji ki Kunji (PKK). Since its pilot roll-out in Muzaffarpur with a single MFI partner in July this year, we received a phenomenal response, with more than 30,000 calls (during June and July, 2017); with an average 6 calls per user – showing the ability of the platform to engage people. It will be rolled out in several districts across MP, UP and Bihar.

Outcome of the Pilot Roll out:

During 2 months from date of launching the following activities are carried on:

- 10 modules on Code of Conduct (CoC) published.
- 5 Women Leadership Episodes Published.
- 2 Consumer Insight Surveys (CIS) completed.
- Grievance Services promoted through outbound calls.
- Systems built to identify grievances if recorded in wrong sections.
- Content vetting chain/ process defined

“Punji Ki Kunji representatives were here to tell us about the Punji Ki Kunji service. It gives us information about loans etc. and also allows us to file a complaint if we face a problem.”

Rita Devi from Muzaffarpur, Bihar

Explore Punji Ki Kunji
Give a Missed Call at : 92505 00111
We will call you back

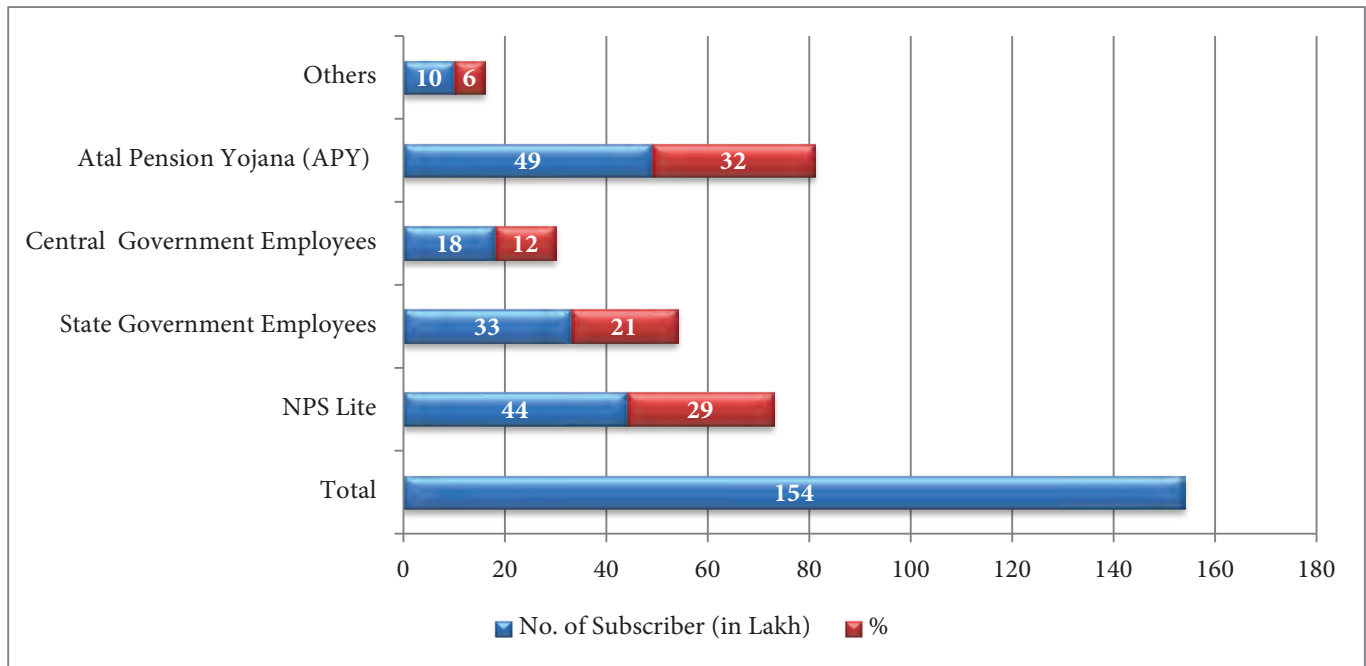
4.2.2 Atal Pension Yojana

The subscriber base of Atal Pension Yojana has reached 55.60 lakhs as on 30th June, 2017 from 53.33 lakhs as end of May 2017. Contribution under APY has increased from ₹2,012 crore as on May’ 2017 to ₹2,152 crore as on June, 2017.i.e by 6.95%. AUM under APY has increased from ₹506 crore as at the end of March, 2016 to ₹1,885 crore as at the end of March 2017 and further ₹2,161 crore as on May, 2017 to ₹2,354 crore as on June, 2017.

4.2.3 Composition of NPS Subscribers³

The number of subscribers under National Pension Scheme (NPS) and Atal Pension Yojana (APY) increased to 154.37 lakh and Assets under Management under NPS have increased to ₹1,74,558 crore as end of March 2016. The decline in number of subscribers under NPS Lite is partly due to migration of eligible NPS Lite/Swavalamban subscribers to APY. The table depicting the same is as under:

Figure 4.1: Composition of NPS Subscribers



The scheme is structured into two tiers:

Tier - I account: This is the non - withdrawable permanent retirement account into which the accumulations are deposited and invested as per the option of the subscriber. As on 31st March 2017, the total number of active accounts of All Citizen subscribers under Tier I is 437,076.

Tier - II account: This is a voluntary withdrawable account which is allowed only when there is an active Tier I account in the name of the subscriber. The withdrawals are permitted from this account as per the needs of the subscriber as and when claimed. As at the end of March, 2017, there are 81,607 subscribers availing Tier II accounts under NPS.

A number of MFIs have been providing micro pension services under various schemes. As the Table 4.3 below states, 9 MFIs have reached to 3.85 lakhs clients.

³ Pension Bulletin (June 2017)

Table 4.3: MFIs involved in Micro Pension

S.N.	Name of the Organisation	State	No of Clients
1	SKDRDP	Trust	337464
2	Swayamshree Micro Credit Services	Sec 8 Company	696
3	Rajasthan Shram Sarathi Association	Sec 8 Company	1256
4	G B P Nobel Microfinances	Sec 8 Company	30
5	Grameen Koota Financial Services Pvt. Ltd.	NBFC-MFI	13776
6	Sambandh Finserv Pvt Ltd	NBFC-MFI	529
7	Blaze Trust	Trust	7000
8	Samhita Community Development Services	Sec 8 Company	24677
9	Welfare Services Ernakulam	Society	450

4.3 Pradhan Mantri Jan Dhan Yojana

PMJDY is a National Mission on Financial Inclusion encompassing an integrated approach to bring about comprehensive financial inclusion of all the households in the country. The plan envisages universal access to banking facilities with at least one basic banking account for every household, financial literacy, access to credit, insurance and pension facility. In addition, the beneficiaries would get RuPay Debit card having inbuilt accident insurance cover of ₹1 lakh. The plan also envisages channelling all Government benefits (from Centre / State / Local Body) to the beneficiaries accounts and pushing the Direct Benefits Transfer (DBT) scheme of the Union Government. The technological issues like poor connectivity, on-line transactions will be addressed. Mobile transactions through telecom operators and their established centres as Cash Out Points are also planned to be used for Financial Inclusion under the Scheme. Also an effort is being made to reach out to the youth of this country to participate in this Mission Mode Programme.

Achievements of the projects

- Total beneficiaries of the projects are 29.58 crore out of which 17.69 crore are rural beneficiaries.
- Total number of RuPay card issued is 22.74 crore.
- Total amount deposited in accounts is ₹65,900 crore which makes it ₹2,228 per account.

Challenges of the projects:

1. The commission paid to the business correspondents is very less due to which the people working as BCs are neither satisfied nor interested to work as BCs.
2. Educating the huge population falling under the category unbanked belonging to the rural areas of the country, and making them aware of the banking facilities is a difficult task and may pose a challenge and threat to its speed.
3. The indifferent approach of banks especially the private sector banks for opening their branches in rural areas may pose a big challenge. The initiative by these banks lacks willingness. Of the 115 million bank accounts opened 90 million were opened by public sector banks, 4.1 million accounts opened by private sector banks.
4. The biggest challenge that the BCs face is the lack of connectivity, since the BCs are present more in rural areas.

5. The percentage of issue of Aadhaar cards is very low in the north-eastern part of the country thus connecting bank accounts with the Aadhaar card may pose a challenge in these states.
6. As the success of this initiative largely depends on the BCs, finding a highly motivated workforce who can act as Business Correspondent Agent competitively is a challenge and retaining them in the profession is a bigger challenge.
7. The large number of dormant accounts under Jan Dhan Yojana, if not taken care of may create unnecessary burden on the banks and can reduce the speed of the growth of financial inclusion.

4.4 Other Development Services

As we have seen, the Microfinance sector (MFIs, SHPIs, SHG Federations etc.) along with other stakeholders has been significantly contributing in providing micro-insurance and micro-pension. There are also various other services which the MFIs and SHPIs provide, such as capacity building, empowerment of the community (especially for the women), education, financial literacy, housing, health and sanitation, training, livelihoods support etc. The reported MFIs undertake several developmental activities. The number of MFIs engaged in such activities is indicated in Table 4.4.

Table 4.4: Development Services of Reporting MFIs

Development Activities	No of MFIs
Capacity Building Initiatives	32
Education	26
Financial Literacy	58
Water and Sanitation	34
Livelihood promotion	42
Preventive Healthcare	36
Training Initiatives	54

Sa-Dhan has received special reports from MFIs on their development activities undertaken during the last year. The primarily development interventions of reporting MFIs are summarized in Tables 4.5, 4.6, & 4.7.

Table 4.5: MFIs and Livelihoods Intervention

Name of MFI	Main Livelihood Promotion Initiatives
Mahashakti Foundation	Running 10 different Projects on Livelihood Development
Volunteers for Village Development	Solar system through IGA Tech Industrial Electronics Pvt. Ltd.
Society for Model Gram Bikash Kendra	Training about profitability and marketing their product
Nightingale Finvest Pvt Ltd	Providing micro credit for investing in income generating activities
Mahasemam Trust	To buy cattle worth ₹36000 to each client
Micro Enterprises and Sustainable Project	Providing training and micro credit for promotion of tailoring the cluster
Cashpor Micro Credit	Distribution of sanitary napkin through Community Health Facilitator
Centre for Promoting Sustainable Livelihood (CPSL)	Support on existing activities like share cropping, purchase of livestock which they have been raising since long

BWDA Finance Ltd	Promotional Training on different livelihood activities like business guidance and facilitation of business opportunity. Subsistence training, life skill training, vocational training, to the self help group leaders, members and entrepreneurs
Opportunity Microfinance India Ltd	Provided loans of income generating activities
Dakshin Budhakhali Improvement Society	Embroidery, clay modelling, leather
Life Foundation	Conducted three programs in each branch
SKDRDP	Through JLG and farm planning, Income Generation training mechanism livelihood promotion is carried out
Anik Financial Services Pvt Ltd	Extended Loan For Income Generating Activities
Institute of Rural Credit and Entrepreneurship Development	Dairy activities for livelihood
Dhosa Chandaneswar Bratyajana Samity (DCBS)	Village level entrepreneurship, promotion for solar energy program.
Sampurna Training and Entrepreneurship Programme	Business Counseling is provided to beneficiaries so that they can run their business well. Vocational training centres are run where partners are provided with skills which will be helpful for livelihood generation.
Barasat Sampark	Skill and capacity development for beneficiaries/members.
NABFINS Financial Services Ltd	Sustainable Livelihood.
G B P Nobel Microfinances	Cow, buffalo, goat farming etc.
Balajee Sewa Sansthan	MEDP, skill development and vocational.
Blaze Trust	new business ventures, value addition trainings, business plan preparation
Gaddala Financial Services	Promoted dairy and sheep
Mass Care International	All rural women SHG's
Hand in Hand India	Family enterprises created
Social Action For Rural Community (SARC)	Vegetable, paddy cultivation, mushroom cultivation, goat rearing and dairy
Pratigya Mahila Samanvit Vikas Bachat Avam Sakh Sahakari Sanstha Maryadit	Readymade Garment, Sweet Box, Kiran Shope
Growing Opportunity Finance India Pvt Ltd	Floriculture
Arohan Financial Services	Skill building initiative for youths in Bengal, Bihar and Assam with placement in association with NSHM Udaan Skills Foundation
Bal-Mahila Vikas Samiti (VAMA)	Promoted 10 Farmers Producers Organizations for Datia & Gwalior Districts of Madhya Pradesh with financial support from NABARD. VAMA will provide hand holding support to these 10 companies for 03 years. The motto behind the formation of these companies is to promote agriculture & dairy farming activities amongst small & marginal farmers & promote their livelihood and provide market linkage and fair value of their Produces. The main activity for all the companies is Dairy Farming. Also running a project Reinforcing women for sustainable livelihood in Morar Block of Gwalior.

Gram Utthan	Integrated Fish farming in Kendrapara district, Goat Rearing under SC Development coroporation, stiching training & provide sweeing mechine undr Bhadrak & Kendrapara , Balaosre, Angul & Dhenkanal District of Odsiha.
Swayamsampurna	Training for embroidery, tailoring and Soft toy making throughout the year alongwith tailoring equipment provided only 50% discounted cost.
Bagaria Relief Welfare Ambulance Society	Agriculture & Fishery
Pragathi Seva Samithi	Trainings, Orientation programs conducted
People's Forum	We have arranged a trade fair (both farming and non firming) and more than 1000 clients joined for market linking of their own business products

Note: The list of MFIs taking up these services is not exhaustive.

Table 4.6: MFIs and General Education Intervention

Name of MFI	Main General Education Initiatives
RGVN (NE) Microfinance Ltd	Other general education and awareness: Child education, Women rights, Legal issues and environmental issues etc.
GU Financial Services Pvt Ltd	Group discipline, digital literacy, financial literacy, facilitating in opening bank account and other financial services
Centre for Promoting Sustainable Livelihood (CPSL)	Additional services on improvement on education status of children of group members
BWDA Finance Ltd	General education on financial inclusion, SHG management, skill management, EDP trainings, health education, Family planning, agriculture education summer school programs for children etc.
Dakshin Budhakhali Improvement Society	Arranging coaching classes at school level and financial prog
The Saath Saving and Credit Co Operative Society Limited	Tab banking, transaction sms, cashless due to demonetization
SKDRDP	During the year as a support to Swachh Bharat Mission, 8300 Shrudha Kendras were cleaned in collaboration with the local community.
Sampurna Training and Entrepreneurship Programme	Community awareness programmes are organized such as immunization, swine flu, parenting skill, dowry, gender discrimination, child birth care etc.
Barasat Sampark	Books and other material purchasing for poor students
BURS	Running a pre-primary school where approximate 50 students from hard core poor families are reading.
G B P Nobel Microfinances	Women borrowers
Balajee Sewa Sansthan	Consumer awareness and others
Blaze Trust	Importance of child education
Gaddala Financial Services	2 Orientation camps conducted.
Grameen Koota Financial Services Private Limited	As part of its awareness creation/general awareness program "Jagruthi", Grameen Koota covers topics on Women's rights, health and hygiene. Govt benefits, nutrition and food etc. Each of the field officers read for about 5 minutes in the weekly meeting on these subjects.
Mass Care International	Basic education imparted to out-of school girls
Hand in Hand India	Govt school enrolment of never enrolled children

Agradut Polly Unnayan Samity	With the association Rotary India un Swabhiman... dignity through education
Vivekananda Sevakendra O Sishu Uddyan (VSSU)	KG, High and Junior high B.Ed, Creches
Social Action For Rural Community (SARC)	Preschool education and nutrition of child from 1 to 6 yrs
Pratigya Mahila Samanvit Vikas Bachat Avam Sakh Sahakari Sanstha Maryadit, Indore	Literacy, Functional Literacy etc.
Arohan Financial Services	Distribution of educational aids to students in primary school in Bengal, Bihar and Assam
Bagaria Relief Welfare Ambulance Society	Child Education

Note: The list of MFIs taking up these services is not exhaustive.

Table 4.7: MFIs and Preventive Healthcare Initiatives

Name of MFI	Main Preventive Healthcare Initiatives
Margdarshak Financial Services Ltd	Eye Camp organised
RGVN (NE) Microfinance Ltd	Conducting Free health camps; General Specialized, Cancer detection, Eye, Free Cataract Surgeries etc
Volunteers for Village Development	Awareness on Sanitation
GU Financial Services Pvt Ltd	500 beneficiaries covered under mass health camp with treatment of minor elements and preventive health cautions
Mahasemam Trust	Vitamin A supplementary and albondazole to clients kids
Grameen Development and Finance Pvt Ltd.	So far GDFPL have conducted 3 health cum eye camps in the last financial year 2016-17 in Chhayagaon, Dudnoi, Lohargat in which 200, 139, 197 beneficiaries have attended the camp respectively.
Cashpor Micro Credit	Mini Health Clinic
Centre for Promoting Sustainable Livelihood (CPSL)	University of Nottingham along with PMCH did trial to judge the impact of finance on malnutrition and found positive impact on reducing malnutrition.
Dakshin Budhakhali Improvement Society	Swatch, Sanitation, Watch Making
SKDRDP	Awareness creation, training and other services are offered through Jnanavikasa women empowerment wing
BWDA Finance Ltd	Awareness on TB preventing activities through cultural meetings, GKS meetings, Mid media awareness meetings, among industrial workers, awareness rallies, TB identification, notification, facilitation of treatment through DOTS providers, WatSan awareness programs, Observation of World Population Day, World Water Day, Toilet day etc
Anik Financial Services Pvt Ltd	Extended Loan for Construction of Toilets
Institute of Rural Credit and Entrepreneurship Development	Organised 4 camps in a year
Sampurna Training and Entrepreneurship Programme	Minimum information regarding different diseases are provided so that the beneficiaries can protect themselves from any health hazard. Also information about different government schemes are provided so that they can avail those facilities

Barasat Sampark	Doctors fee, free medicine and others for benifical members
BURS	Tested Blood Sugar, Blood Pressure and Distributed Medicines
G B P Nobel Microfinances	Women Borrowers
Balajee Sewa Sansthan	HIV-AIDS, TB, and Tobacco control program
ASA International India Microfinance Ltd	Eye camp, diabetes camp, health check up camp
Blaze Trust	Training on women health and epidemic diseases
Gaddala Financial Services	Health camps conducted
Mass Care International	Focussed on RCH/Pre-maternity care
Swayamshree Mahila Samabaya Samiti Ltd.	Regular blood donation camps organized in association with AMA Odisha. 22 awareness camps have been organized on donation of organ after death. Biswa Angadan Diwas was also organized
Hand in Hand India	Medical camps organized
Vivekananda Sevakendra O Sishu Uddyan (VSSU)	Free health check up center
Social Action For Rural Community (SARC)	Primary health care
Pratigya Mahila Samanvit Vikas Bachat ASSSM	Health Camps, Puls Poliyo and etc.
Bal-Mahila Vikas Samiti (VAMA)	Conducted Asha Health Workers residential training at district Datia.
Arohan Financial Services	Health camps in Bengal, Jharkhand and Odisha
Swayamsampurna	Swayamsampurna organized Blood Donation Camp on 17th Dec, 2016 and preparing for organized an eye camp on April 2017 onwards.
Sarala Development & Microfinance Pvt. Ltd.	We have provided primary/preventive care facility to our clients and their entire families through mobile health clinics, distribution of low cost generic medicines, providing spectacles at low cost, and organized cataract operations at free of cost etc by MBBS/MD Doctors.
Adhikar Society	Six school level health & hygene awareness camp organised, 2 Panchyat Level work shop on Wash has been organised
People's Forum	Aware on toilet use and water purification

Note: The list of MFIs providing these services is not exhaustive

Box 4.3: Handholding and Capacity Building support for Small MFIs

Small MFIs have been key drivers of last mile financial services in India in the last two decades and their role in promoting financial inclusion is indisputable. They have the distinct advantages of being localized, rooted in the community and serving a dedicated customer base. Nevertheless, their operations are fraught with challenges in terms of funding, capacity building, governance and so on. In a scenario where their larger peers aggressively pursue growth, small MFIs have the onerous task of retaining and growing their clientele. Lenders and investors have their own concerns regarding these organizations. Small MFIs' – capacity to comply with regulations, their area of operations and whether it is already saturated, their level of equity capital, their systems and processes, portfolio quality and profitability – are all issues which lenders and investors intensely look at while evaluating proposals from such organizations. A majority of small MFIs have a not-for-profit form. The institutional dilemma they face is whether they should convert into for-profit NBFC-MFIs or should they continue with their not-for-profit forms.

Given the persistent issues in view, Sa-Dhan with financial support of SIDBI and DFID under Poorest State Inclusive Program (PSIG) has been providing handholding and capacity building support to selected Microfinance Institutions (MFIs). These initiatives would help partner MFIs to evolve as bigger MFIs with robust practices in place. It would also help in improving their Gross Loan Portfolio (GLP), Client Outreach, Non Performing Asset (NPAs) and so forth.

Handholding and Capacity Building Support is primarily being provided in various aspects of their operations viz. Risk Management, Process Mapping, Financial Management, MIS, Internal Audit, Operations, Human Resource, Grievance Redressal, Business Plan, Training modules and so forth. It has also been earmarked that this support would help in improving their rating thereby augment fund flow. Efforts are being taken to enable them to avail India Microfinance Equity Fund (IMEF) of SIDBI and from other sources. We are optimistic that this would yield fruitful result for partner MFIs.

In addition to this, good governance is another important component. Good governance has assumed increasing importance in the Indian microfinance sector over the last few years. There is a need for prudent corporate governance structure as strong governance not only contributes to robust growth of the institution but also avoids the possibility of mission drift. Furthermore, the credibility building initiative for microfinance sector has to be strengthened. In this context, a series of governance workshops are being organized to inculcate good governance practices among MFIs and sector at large. Workshops are primarily for Non Executive Board Members and Independent Directors and touch upon various aspects of good governance viz. Companies Act, 2013 and other acts governing MFIs, the Board's legal environment, compliance issues, emerging role of Independent Directors, Leadership for maximizing effectiveness and accountability of Boards and so forth.

Source: Sa-Dhan's initiatives with financial support of SIDBI and DFID under PSIG

SHG – Bank Linkage Programme, the largest microfinance model in the world, began formally in 1992 with a set of guidelines issued by NABARD. RBI facilitated commercial banks to lend to SHGs without collateral. Since then it has taken the shape of a movement. This year the programme celebrated its silver jubilee. This chapter will present an aggregate picture of the SHG-Bank Linkage Programme and also the progress under NRLM.

The following sections present a brief overview of each aspect of the programme:

5.1 Self Help Group Bank Linkage Programme (SBLP)

Self Help Group Bank Linkage Programme (SBLP) is a step to bring the “unbanked” poor into the formal banking system and to inculcate thrift and credit habits. A natural corollary is for the group members to graduate into seeking better livelihood opportunities through access to credit from financial institutions.

Key Statistics under SBLP as of March 2017¹

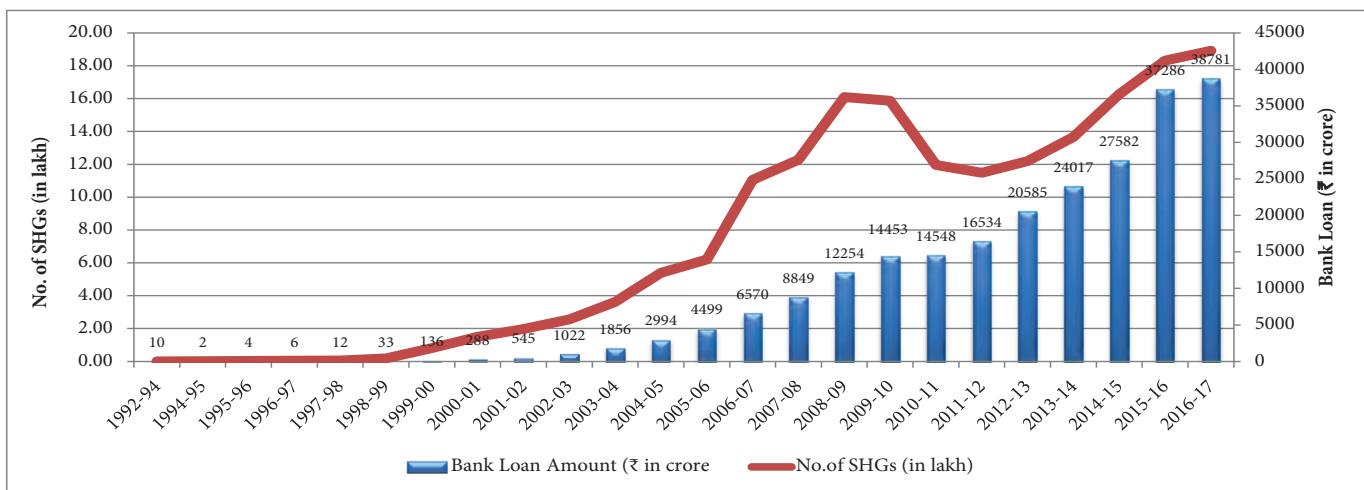
- Total number of SHGs saving-linked with banks – 85.77 lakh
- Total saving amount of SHGs linked with banks – ₹16,114 crore
- Total number of SHGs with loan outstanding – 48.48 lakh
- Total loan amount outstanding – ₹61,581 crore
- Total No. of SHGs credit linked during 2015-16 – 18.98lakh
- Total Amount disbursed during 2015-16 – ₹ 38,781 crore

SBLP Activity since Inception

Banks have been active in accepting SHGs’ savings and lending to SHGs since the early nineties. Figure 5.1 brings out the historical trend in credit linkage of SHGs.

Trend of SHGs linked to banks has remained positive since the beginning though the credit linked SHGs have witnessed a decline during the year 2010-11 and 2011-12 as a ramification of the AP crisis. The credit linkage to banks resumed a positive trend after year 2012-13 and continued in 2015 -16. However the growth in 2016-17 has been modest. The number of SHGs which received credit grew at 3.6 % as compared to the previous year and credit disbursed grew at 4 %.

Figure 5.1: Historical Trend in Credit Linkage and Bank Loan Disbursed



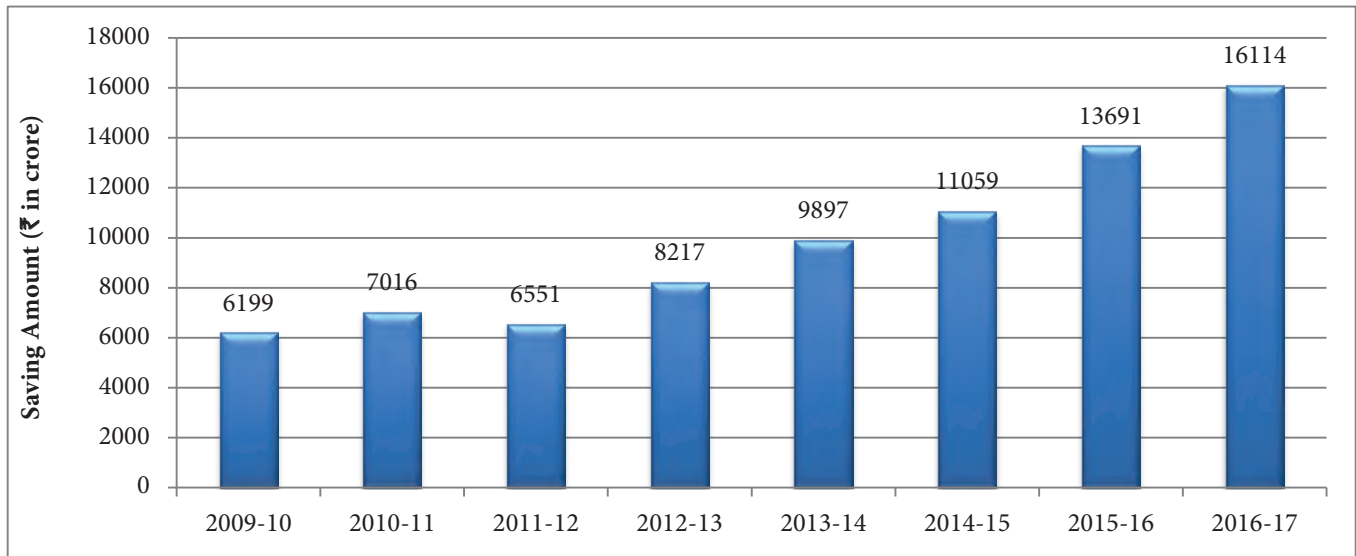
Source: Data compiled from various reports of NABARD

¹ Source: NABARD

5.1.1 Savings Performance of SBLP

The SHG savings amount held by banks has been growing (Figure 5.2) except for a marginal decline in 2011-12. This is largely due to the decline in saving of SHGs in the Eastern region. As of March 2016, the banking system held SHG savings to the tune of ₹16,114 crore which is 17.7 % more than the previous year.

Figure 5.2: All India Trend in SHG Savings Amount Held in the Indian Banking System

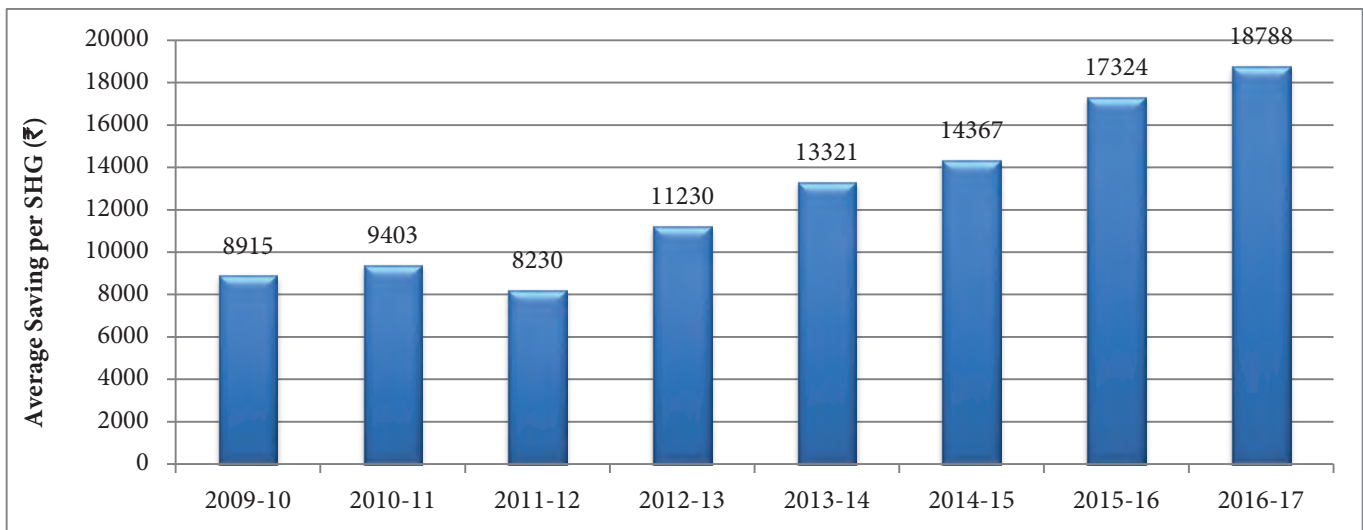


Source: NABARD

Average Savings per SHG:

The average savings per SHG amount to ₹18,788 at an all India level as of March 2017. Figure 5.3 depicts the trend in the average savings held by the banking system.

Figure 5.3: All India Trend in average per SHG savings held in the Banking System

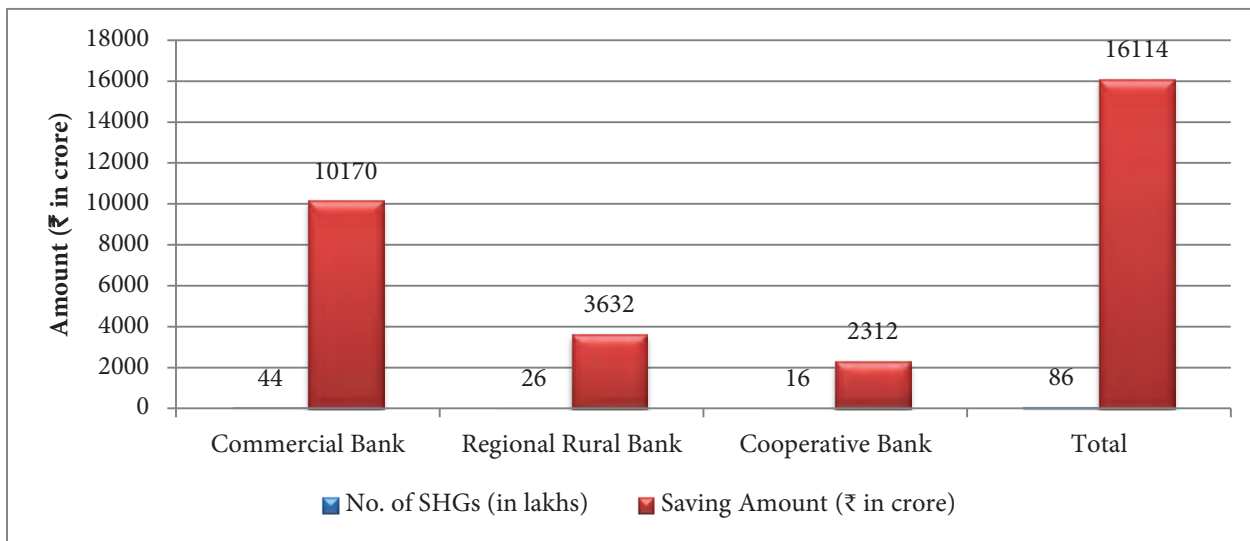


Source: NABARD

Average savings per SHG have been on an increasing trend since 2011. Year 2016-17 witnessed an increase of 8% in comparison to last year. Average savings had previously witnessed a decline of 12% in 2011-12, but in the subsequent year, the decline was arrested and growth restored.

Figure 5.4 depicts the savings of SHGs as on 31 March 2017 with various Banks viz. Commercial Banks, Regional Rural Banks and Cooperative Banks. Commercial Banks continue to play a leading role, serving 52% of total number of SHGs and accounting for 63% of the total savings by SHGs in the banking system. RRBs holding second position by serving 30% of total number of SHGs and accounting for 22.5% of the total savings by SHGs followed by Cooperative Banks by serving 18% of total number of SHGs and accounting for 14.4% of the total savings.

Figure 5.4: Savings of SHGs with Banks as on 31 March 2017

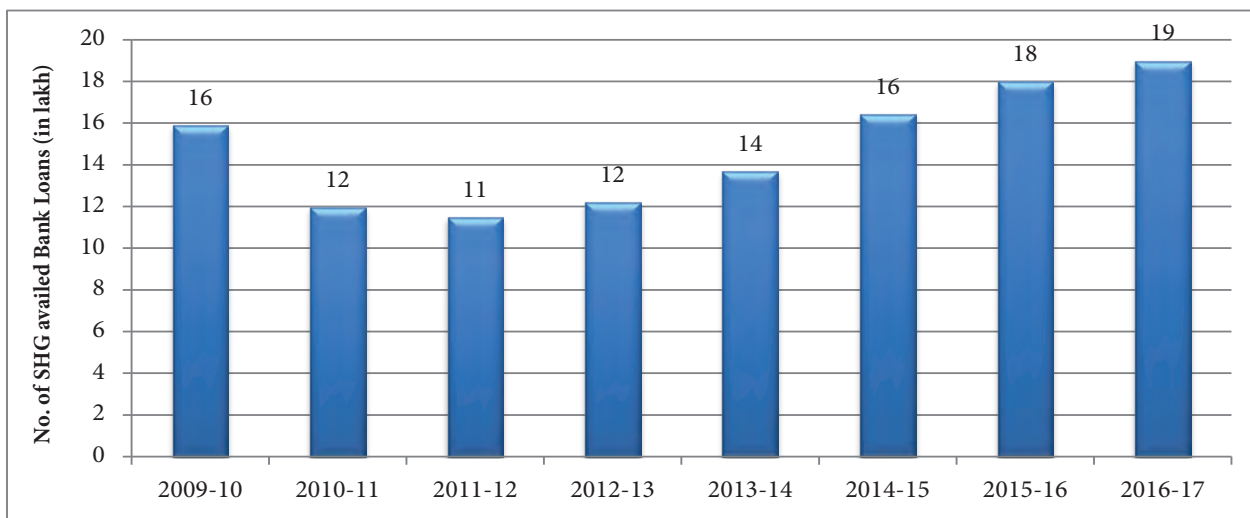


Source: NABARD

5.1.2 No of SHGs Availing Bank Loan during 2016-17

The year 2016-17 witnessed a 3.6% increase in the number of SHGs availing bank loans, as evident in Figure 5.5.

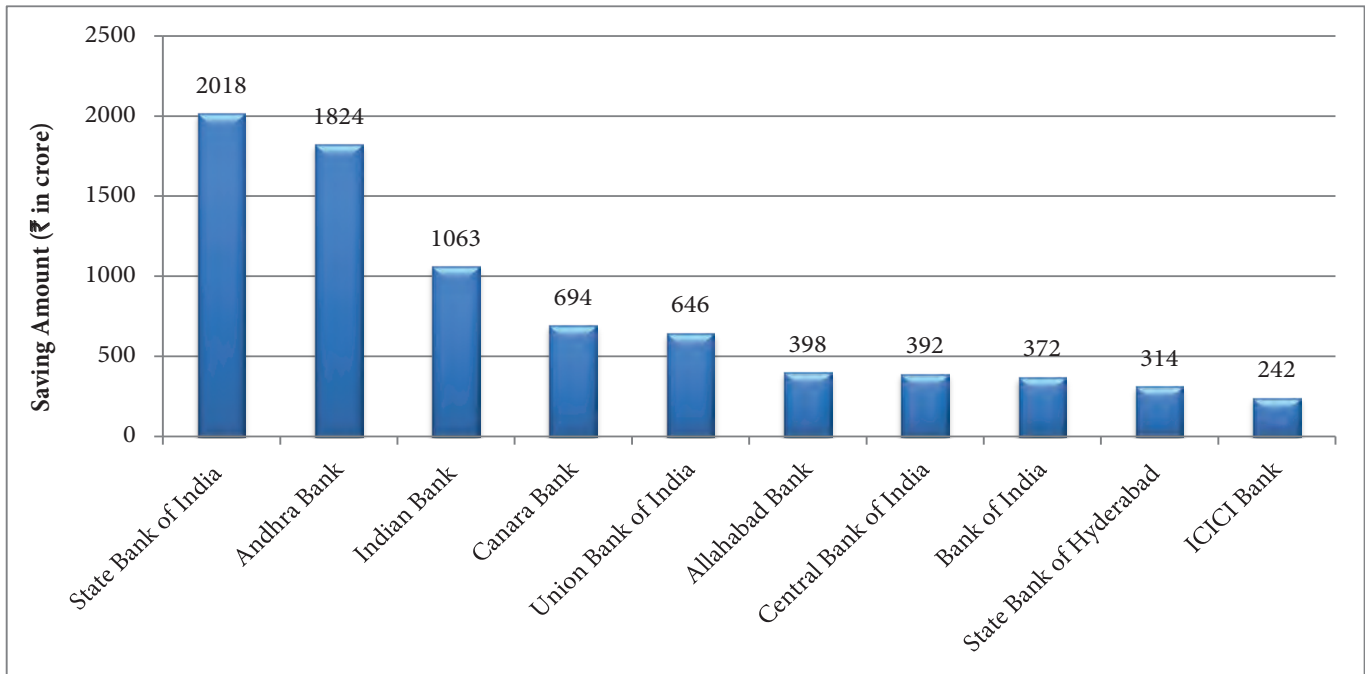
Figure 5.5: No. of SHGs availing Bank Loan during 2016-17 from the Banking System



Source: NABARD

Figure 5.6 shows top 10 banks in terms of savings where State bank of India is leading with ₹2018 crore, followed by Andhra Bank with ₹1824 crore.

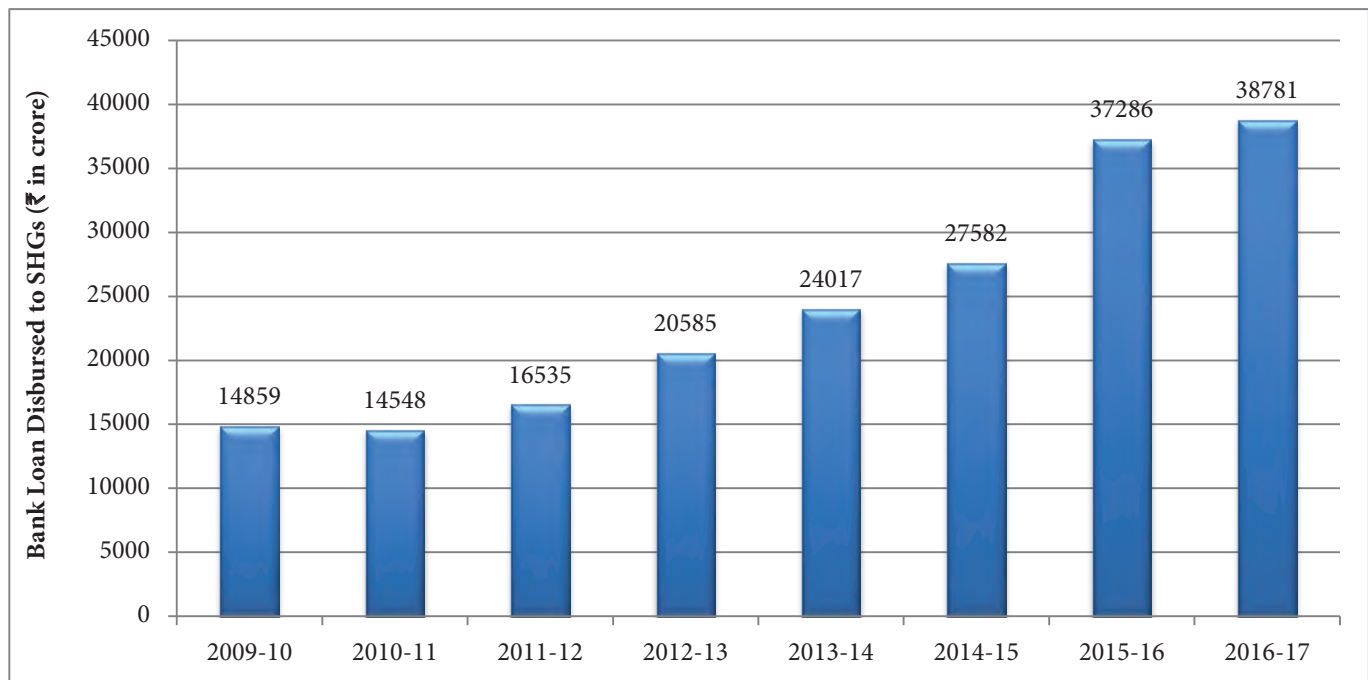
Figure 5.6: Top 10 Banks in Terms of Savings



Source: NABARD

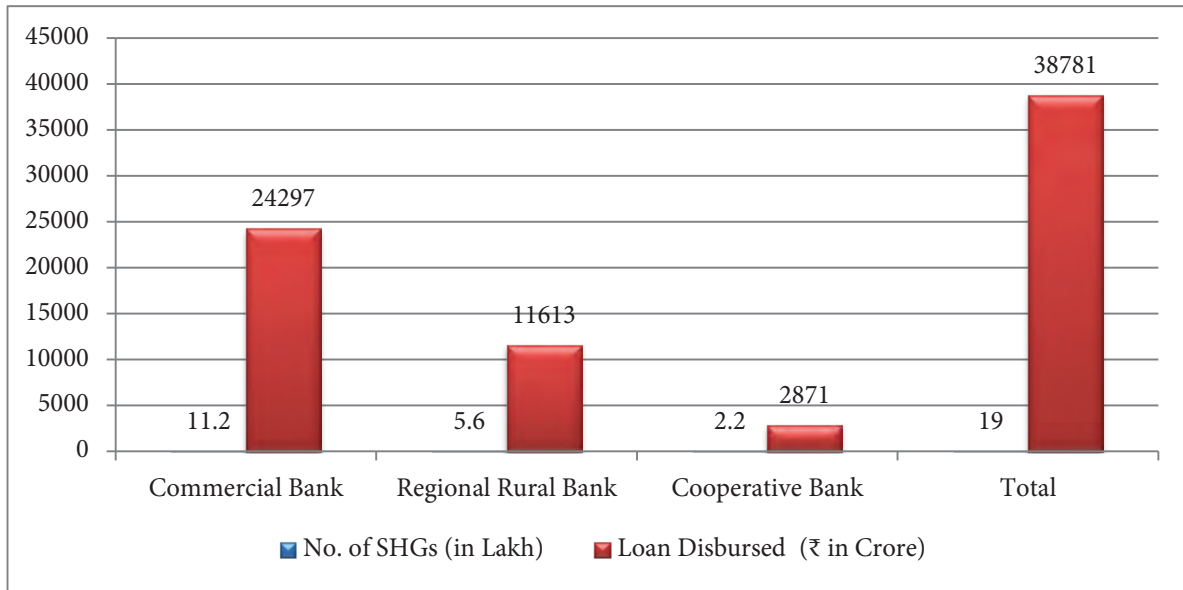
Figure 5.7 depicts that the loan amount disbursed to SHGs at all India level during the year was ₹38,781 crore which is an increase of a modest 4% in comparison to last year.

Figure 5.7: All India Trend in Bank Loan Amount Disbursed to SHGs



Source: NABARD

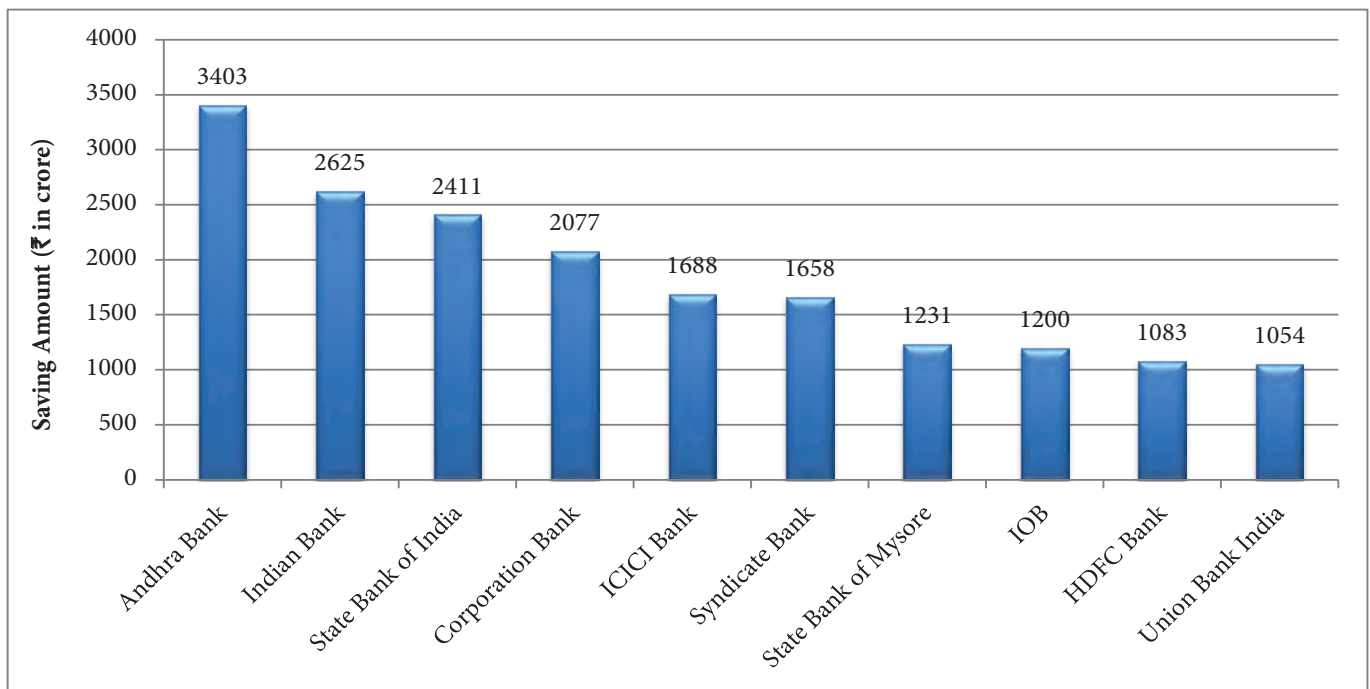
Figure 5.8: Agency-wise loan Disbursement – No. of SHGs and Loan Amount Disbursed



Source: NABARD

Maintaining the trend, Commercial Banks are leading the chart in terms of bank loans disbursed to number of SHGs and amount disbursed during 2016-17 with ₹24,297 crore having been given out to 11.2 lakh SHGs (Figure 5.7). Commercial Banks alone account for around 63% of the total loan amount disbursed to SHGs. RRBs and Cooperative banks come in at the second and third positions with 30 % and 7.4 % respectively.

Figure 5.9: Top 10 Banks in Terms of Disbursement

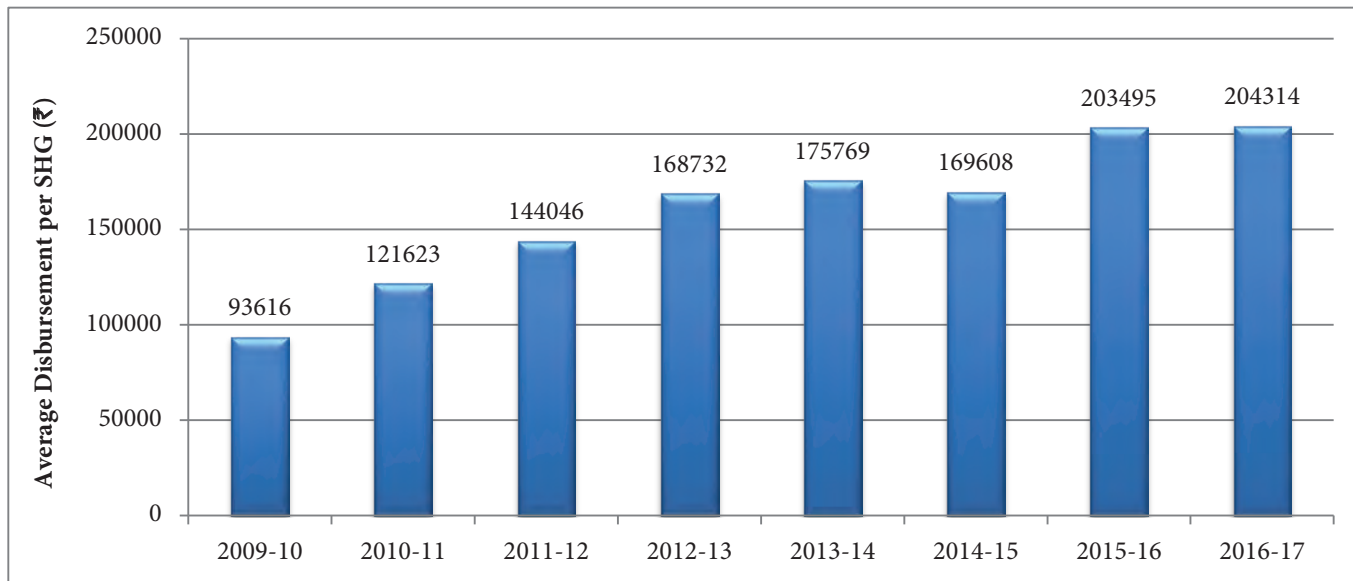


Source: NABARD

Figure 5.9 shows top 10 banks in terms of amount disbursed where Andhra Bank is leading with ₹3403 crores, followed by Indian Bank with ₹2625 crores.

Average Loan Disbursement per SHG

Figure 5.10: All India Trend in Average Bank Loan Amount Disbursed per SHG



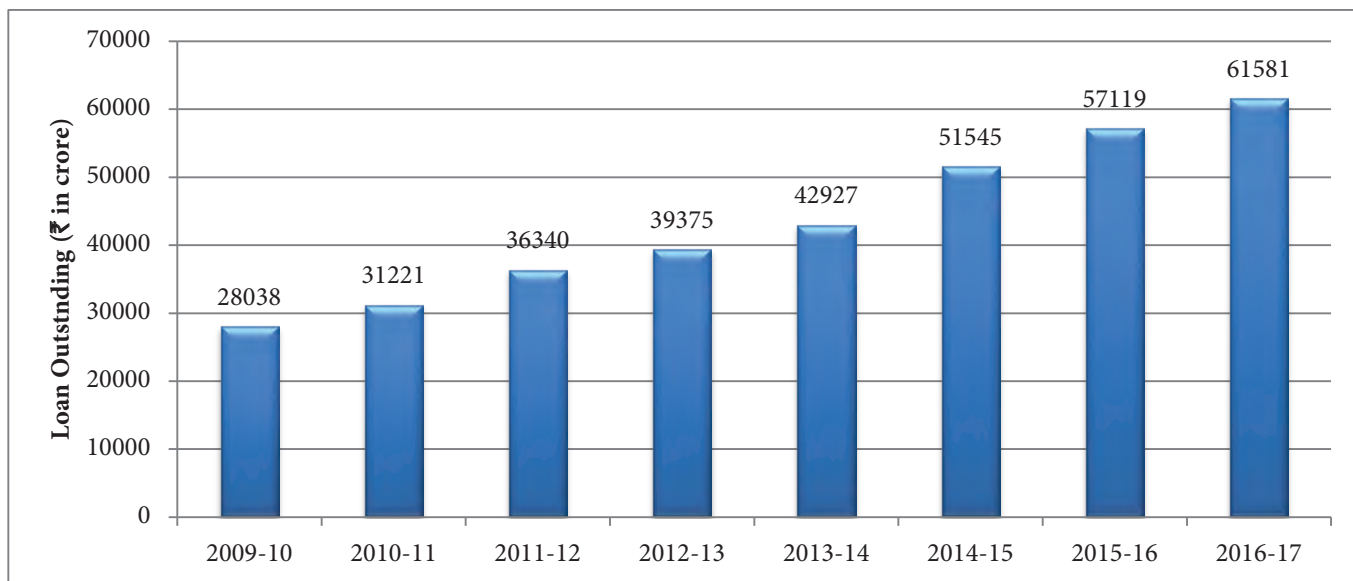
Source: NABARD

The average loan amount disbursed per SHG has been on the increase. It was ₹204314 during 2016-17 across India (Figure 5.10). Average loan amount disbursed per SHG has been maintaining an increasing trend over the period of years, though the increase in the current year was only 0.4 % over the previous year.

5.1.3 Loan Outstanding with SHGs

The outstanding loan amount has been on an increasing trend, which demonstrates the business viability of SHG lending for banks (Figure 5.11) in these areas. In 2016-17, at an all India level, the loan outstanding amount has witnessed a growth of 8% in comparison to last year.

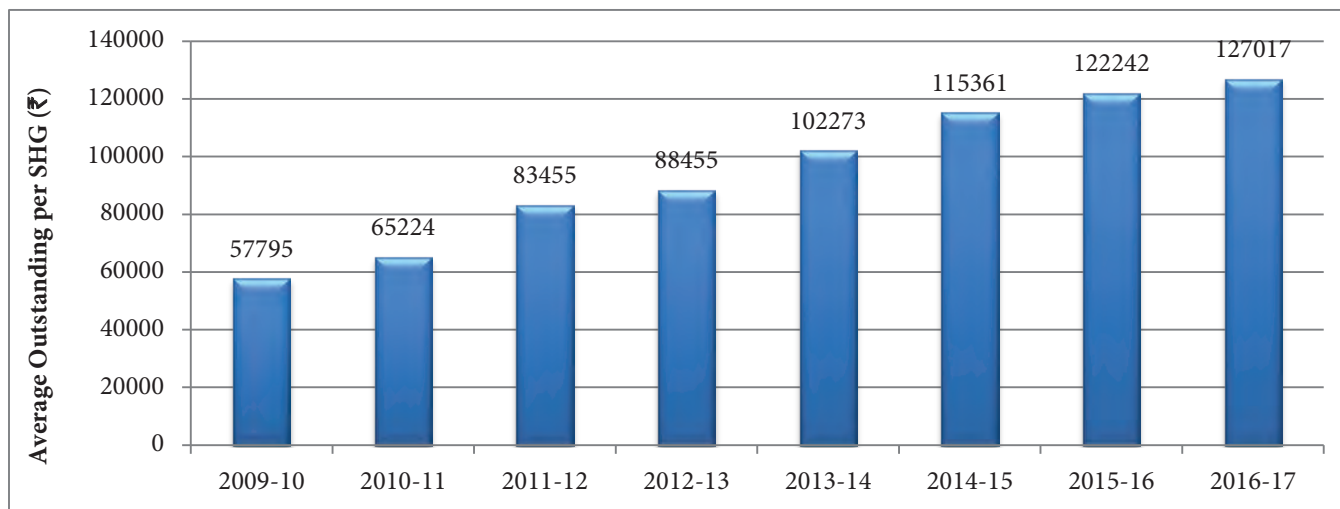
Figure 5.11: All India Trend in SHG Loan Outstanding in the Books of Banking System



Source: NABARD

Average Loan Outstanding per SHG

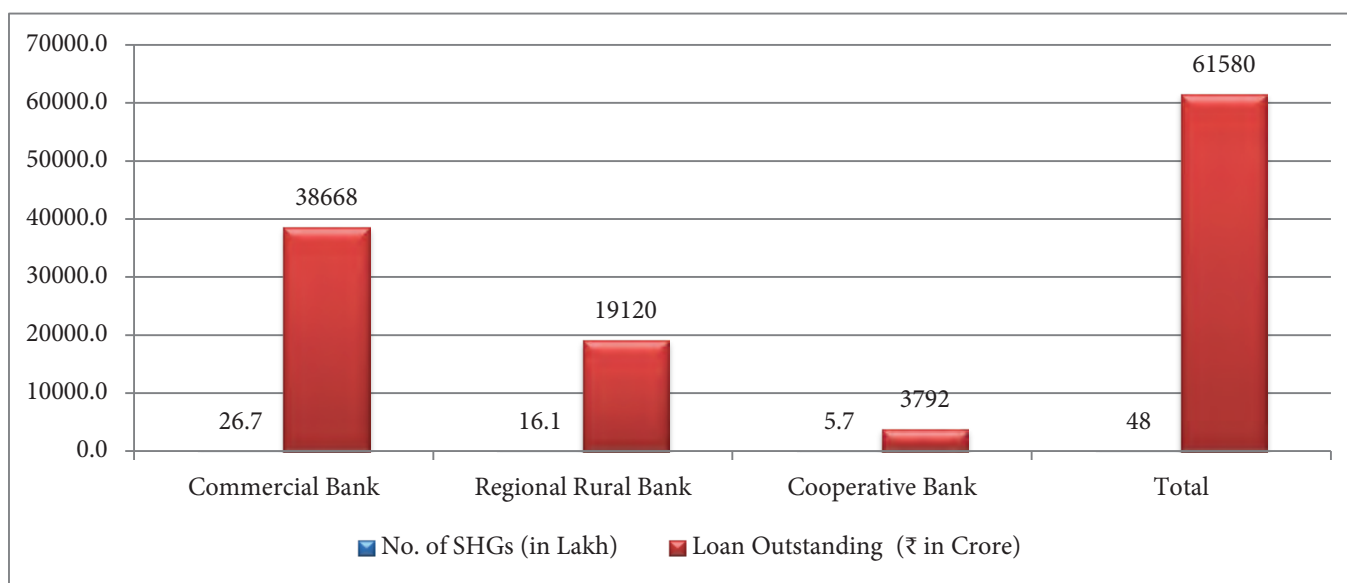
Figure 5.12: All India Trend in Average per SHG Loan Outstanding in the Banking System



Source: NABARD

On an average, the loan outstanding per SHG as of March 2017 is ₹127017 at an all India level, which is a jump of around 4 %.

Figure 5.13: Agency-wise Bank Loan Outstanding Against SHGs as on 31 March 2017



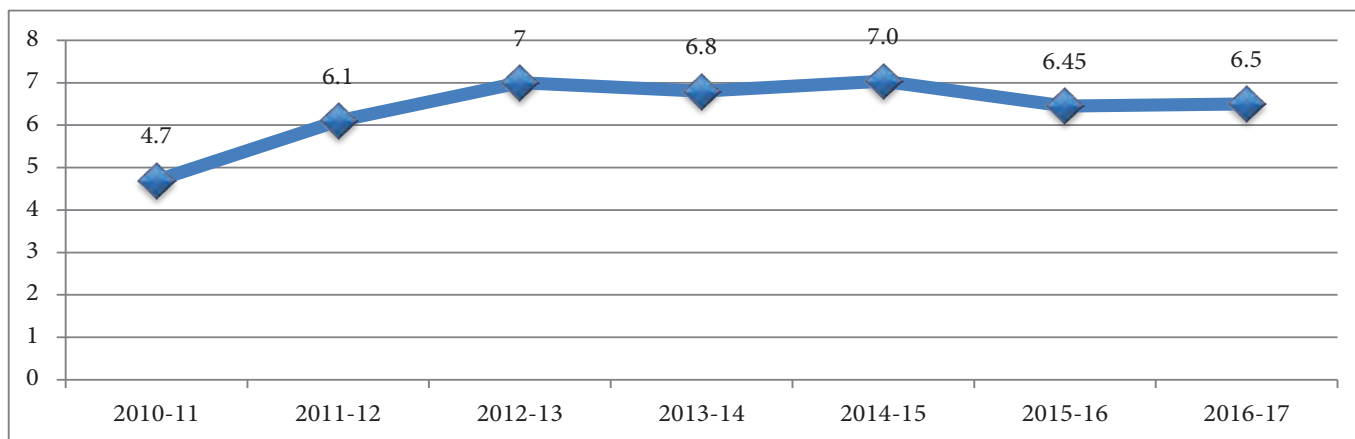
Source: NABARD

Figure 5.13 depicts the agency wise bank loans outstanding against SHGs as on 31 March 2017. Yet again, Commercial Banks lead the chart, with around 63% of total bank loans outstanding. RRBs are second with 31%, followed by Cooperative banks with 6.2%. On the basis of their size and outreach, RRBs have acquitted well in comparison with their commercial bank peers.

Portfolio Quality

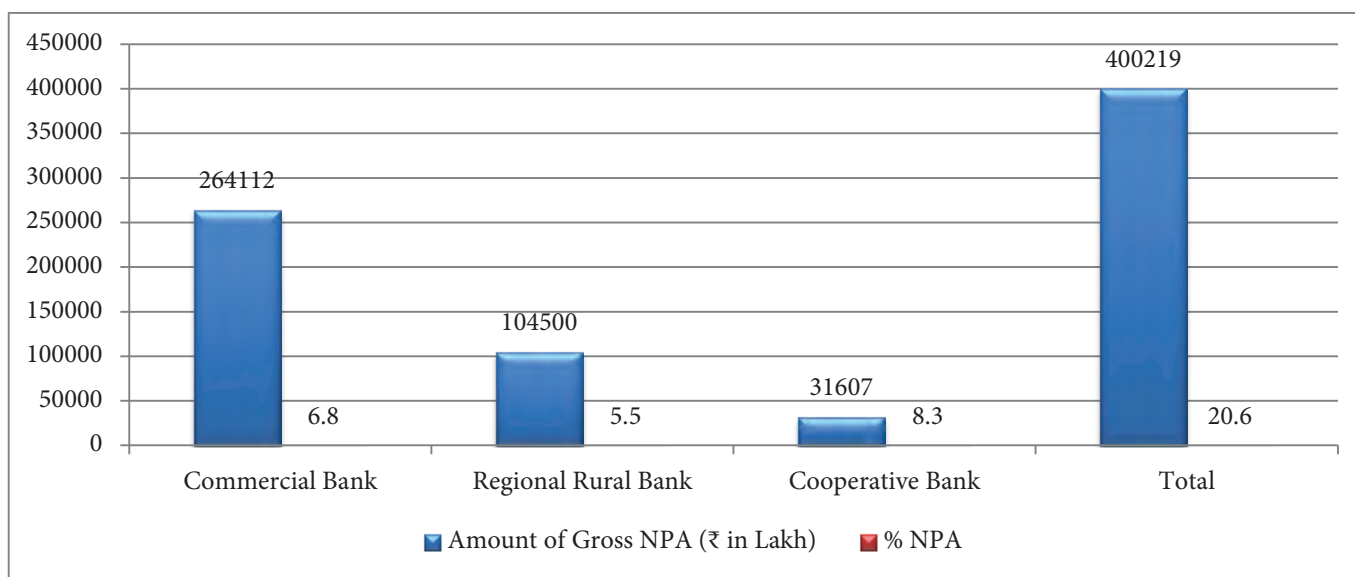
At an all India level, the NPAs of banks stood at 6.5%, which is near about the level of previous year which stood at 6.45%.

Figure 5.14: Non Performing Asset Per Cent of SHG Loans with Banks



Source: NABARD

Figure 5.15: NPAs of Banks against SHGs Loan Outstanding



Source: NABARD

Figure 5.15 throws light on Non Performing Assets of Banks against SHG loans outstanding as of 31 March 2017. It is evident that Cooperative Banks have highest NPA with 8.33%. However, they account for only 6.2% of total bank loans outstanding. On the contrary, Regional Rural Bank, which account for 31% of total loan outstanding, have an NPA of 5.47 % while Commercial Banks account for 63 % of total loan outstanding, have an NPA of 6.83 %.

Integration of credit history of individual SHG members in the Credit Bureau could be a way forward for reducing NPAs. A report from the Aditya Puri Committee highlighted the need for sharing the data of SHG members with CIBs. Furthermore, the Nachiket Mor Committee also stated the need to develop a robust legal and regulatory framework around customer data generated in various transactions (credit and payments, digital and off-line), with the objective of customer ownership of their own transactions data and

its use, among others, for signaling credit-worthiness and reduction of NPAs. Therefore, credit reporting systems are very important in today's financial system; this information flow enables credit markets to function more efficiently.

5.2 Aajeevika - National Rural Livelihoods Mission (NRLM)

National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. Aided in part through investment support by the World Bank, the Mission aims at creating efficient and effective institutional platforms of the rural poor enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services. NRLM has set out with an agenda to cover 7 Crore rural poor households, across 600 districts, 6000 blocks, 2.5 lakh Gram Panchayats and 6 lakh villages in the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives in a period of 8 -10 years²

There are four components of the NRLM (World Bank – Government of India project). The first component of the project is institutional and human capacity development. The objective of this component is to transform the role of the Ministry of Rural Development (MoRD) into a provider of high quality technical assistance in the field of rural livelihoods promotion. The second component of the project is state livelihood support. The objective of this component is to support state governments in the establishment of the necessary institutional architecture for the implementation of the National Rural Livelihoods Mission (NRLM) activities from the state to the block level. The third component of the project is innovation and partnership support. The objective of this component is to create an institutional mechanism to identify, nurture and support innovative ideas from across the country to address the livelihood needs of the rural poor. The fourth component of the project is project implementation support. The objective of this component is to establish an effective project management unit at the national level that develops key systems and processes for coordination and management of the project and the NRLM.

According to the latest report of DAY-NRLM, NRLM has now been rolled out across 30 States/UTs, Number of Districts with intensive blocks in NRLM States stood at 557, Number of Blocks identified for intensive approach in NRLM States is 4066, Number of Blocks where intensive implementation has commenced is 4049, Number of villages in which intensive implementation has started is 2,65,325, Number of households mobilized into SHGs (in Lakh) is 365.7, Number of SHGs promoted (in Lakh) is 36.2, Number of Village Organizations promoted is 161350, Amount of credit mobilized through banks reached ₹561 crores Amount of Revolving Fund disbursed to SHGs is ₹1131 crores and the amount of Community Investment Fund disbursed to SHGs is ₹2505 crores

In the year 2016-17, 37.44 lakh SHGs were savings linked to banks under NRLM. This represents a growth of 8.3 % over the previous year. These SHGs had savings to the tune of ₹7552.70 crores which is growth of 17.3 % over the previous year. Under NRLM, in 2016-17 credit was disbursed to 8.86 lakh SHGs, indicating a growth of 8.6 % over the previous year. The amount disbursed was ₹17,336 crores which represents a growth of 3.3 % over the previous year. 24.91 lakh NRLM groups had credit outstanding of ₹29,994.4 crores in 2016-17 which indicates a growth of 14.1 % and 12.7 % respectively.

The Figures 5.16, 5.17 and 5.18 below indicate the progress of SHG linkage under NRLM.

² <http://aajeevika.gov.in/content/welcome-national-rural-livelihoods-mission-nrlm>

Figure 5.16: SHGs with Savings-Linked to Banks under NRLM

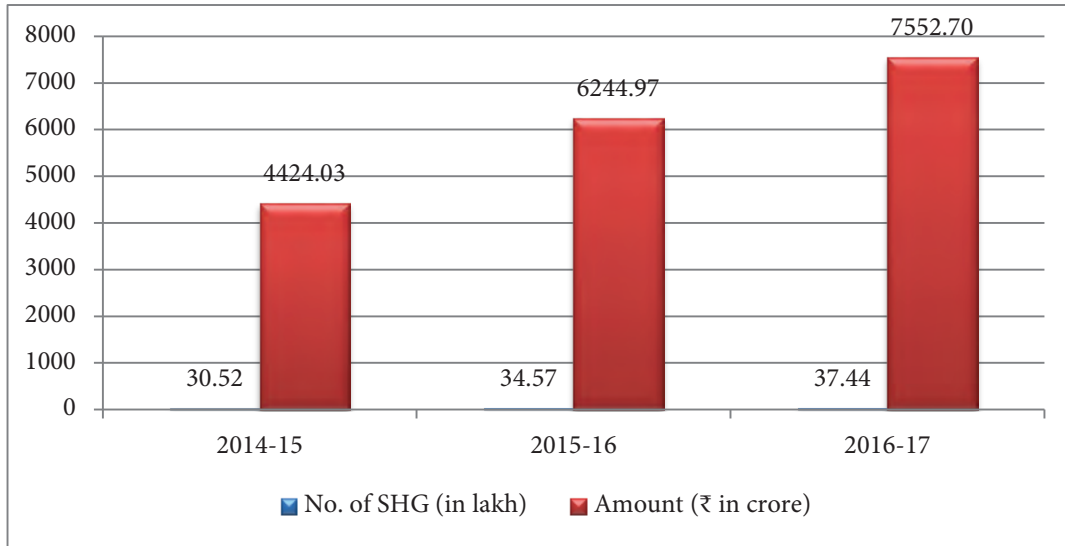


Figure 5.17: SHGs having Credit-Linked to Banks under NRLM

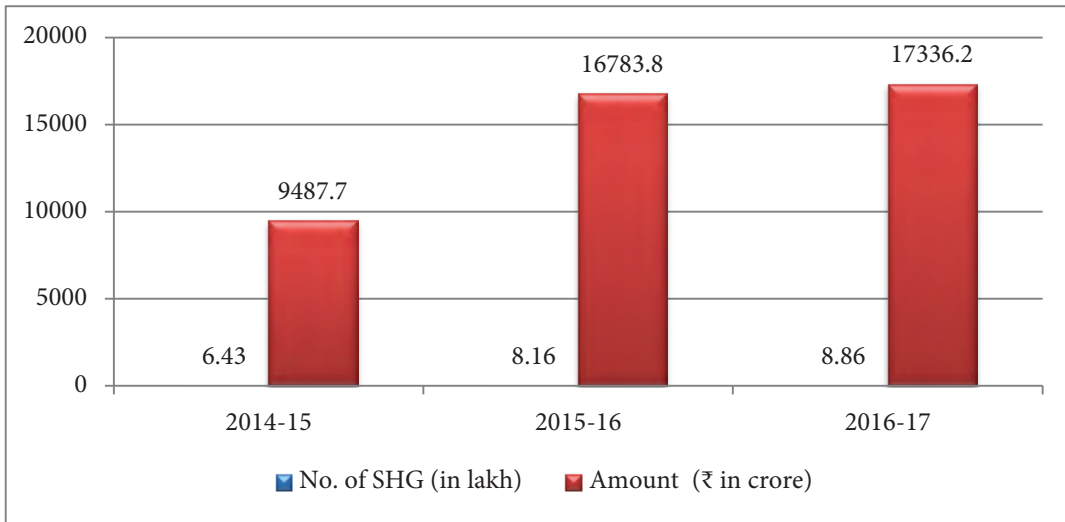
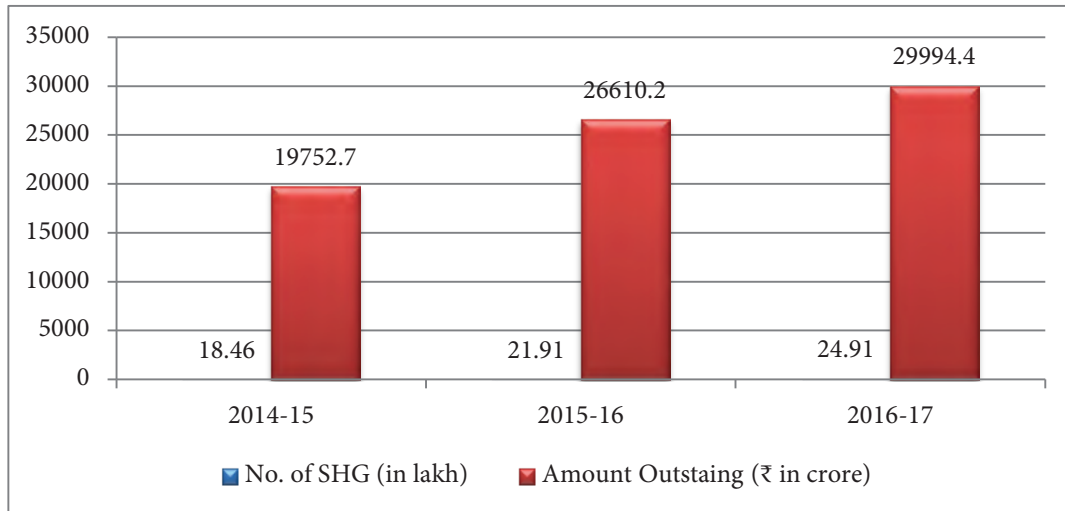


Figure 5.18: SHGs having Credit Outstanding to Banks under NRLM



Box 5.1: Self Help Promoting Institutions (SHPIs): Efficiency, Cost Structure & Challenges

Although Indian cultural and economic pressures have distilled women to a disproportionately vicious cycle of poverty, Self Help Groups (SHGs) have experienced recent success in enhancing their members' social mobility by teaching the values and tools of microfinance. Self Help Promoting Institutions (SHPIs) influence the success of these SHGs by connecting them to lenders and laying the foundation for sustainable and organic growth. While NABARD's research provides a wealth of information for SHGs, an information gap exists for SHPIs. As a result, Sa-Dhan - the Association of Community Development Financial Institutions - is developing a knowledge base on various aspects of SHPIs with this investigation. The intended outcome is a better understanding of SHPI efficiency, cost structure and challenges.

The SHPI parameters listed above are defined relative to the context of the study. Efficiency is determined by the following criteria: geographical outreach, profile of the members, secondary and tertiary institutions of SHGs, SHG linkage to banks, and program interventions. Cost is a function of both the cost of interventions per SHG and the credit-deposit ratio (these are sourced from SHPI financial statements). Challenges are plentiful and self-explanatory, and they were discovered via direct contact with SHPI members. The challenges presented hereafter provide a roadmap of obstacles for SHPIs and segue nicely into a recommendations section.

will be beneficial to all stakeholders including regulators, funders, MFIs and donors to keep abreast with industry trends and the status of implementation of Code of Conduct.

Efficiency	Cost Structure
<ul style="list-style-type: none"> • Geographical expansion of the SHPIs needs to be done as only 12 out of the 29 states and 7 Union Territories are being covered by the SHPIs which is less than 50% of the total number of states. • The SHPIs have been able to target overwhelmingly the financially excluded sections of the society. The members of SHGs formed by the SHPIs constitute about 96% of the females, 4% of the males, 35% Below the Poverty Line (BPL) members and 24% of the minority members. This indicates that the SHPIs are playing a significant role in the socioeconomic development of the women and the backward sections of the society. • The total number of SHGs formed by the SHPIs were 1,12,565. 57% of the SHPIs formed clusters and 50% of the SHPIs formed federations. However, all the SHGs are not part of these clusters and federations. 	<ul style="list-style-type: none"> • Cost of Salary per SHG decreases with the increase in the number of SHGs formed by the SHPIs. The cost of salary per SHG comes down by six times for the SHPIs operating on 8000 and above SHGs. • There is an approximate decline in the administrative cost per SHG with the rise in the number of SHGs formed by the SHPIs. • The average income of the SHPIs increases with the increase in the number of SHGs because more funds and resources will be needed for the formation, capacity building and promotion of large number of SHGs. • The income from grants, donations and contributions is less in proportion for the SHPIs having a larger number of SHGs (10%). However, the major source of income for the SHPIs operating at a smaller levels comes from grants/donations and commissions (74%).

Efficiency	Cost Structure
<ul style="list-style-type: none"> • Out of the 150 federations formed, 108 were registered as legal entities- Society, Trust and Cooperatives. Maximum number of federations (87%) were registered under the Indian Societies Registration Act. • 83% of the SHGs are having bank accounts. However, only 31% of the SHGs having bank accounts, have received loans from the banks. • Regarding type of programmes, most of the SHPIs are performing 5-7 types of programmes like livelihood programmes, MEDP, agriculture, SHG strengthening, etc. Of which, livelihood programmes were performed by the majority of the SHPIs (67%) followed by educational programmes (50%) and other activities (42%). 	<ul style="list-style-type: none"> • The income from fees and commissions is negligible (0%) in the case of the SHPIs having up to 1000 SHGs. An increase in the income up to 60% from fees and commissions was observed with the increase in the number of SHGs. • The credit advanced per SHG was ₹64,469 and the credit-savings ratio was 1.22. High credit-deposits ratio indicates that the credits granted to the SHGs is more than the savings.
Challenges	Recommendation
<ul style="list-style-type: none"> • Opening of bank account • Credit linkage to bank of SHGs • Getting repeat credit from banks • The cost of promoting SHGs • The cost of promoting clusters/federation • Sustainability of the SHGs over time • Sustainability of federations • Maintenance of SHGs books of account • It was found that the credit linkage to the bank of SHGs was the major challenge faced by the banks. 	<ul style="list-style-type: none"> • Proper capacity building model for SHGs as well as SHPIs . • The forms and rules of bank keep on changing, therefore banks should also provide financial literacy to the SHGs. This will help n reducing the cost of the SHPIs. • Cost of facilitation of the federation should also be included in the programme. • The SHGs need a minimum period of 5 years of hand holding by the SHPIs to undergo the whole process of sustainability and achieve self-reliance. (D’Souza, 2010) • SHPIs should put in place a system right in the beginning of the project to make SHGs self-sufficient by the end of the project so that they can sustain even after the external funding stops. • Grading process for the SHGs from the banks should be eased out. It should also include social indicators like knowledge, government policy and upliftment of family etc.

Source : Report of an Intern at Sa-Dhan

Financial Inclusion has been always at the forefront in India, which includes access to useful and affordable financial products and services that meet the needs of – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable manner .

The main focus of this programme was to give access to the credit flow to the unbanked population of the country. But in the last decade a strategic shift has been observed where the focus is shifting from the credit to a more holistic approach.

This new approach has changed the core banking architecture of the Indian economy. Since bank account creation is an integral part of the agenda, banks are more directly involved, with the regulations mandating that deposit taking be retained as their exclusive domain. One of the popular informal mode of the banking is 'Business Correspondent'. The BC model is an innovative technology-based banking model which enables people in remote areas of India access to formal financial institutions.

The Reserve Bank had taken several steps to provide banking facilities in all the unbanked villages in the country. A roadmap to cover villages with population more than 2,000 was first rolled out in 2010. A total of 74,414 villages with population more than 2,000 were identified and allotted to various banks (public sector banks, private sector banks and regional rural banks) through State Level Bankers' Committees (SLBCs) for coverage. All the identified villages have been provided banking services through branches or business correspondents or through other modes such as ATMs and mobile vans. In June 2012, a roadmap was rolled out to provide banking services to unbanked villages with population less than 2,000. A total of 491,825 unbanked villages across the country with a population of less than 2,000 were allotted to various banks through SLBCs for coverage. As on 31 March 2017, 96.0 per cent (472,136 villages) of the total villages allotted had been covered comprising of 19,875 villages through brick and mortar branches, 431,359 villages through BCs and 20,902 villages through other modes.

6.1 Strengthening the BC Model¹

Reserve Bank of India (RBI) on 15 July 2015 formed a committee on Medium-term Path on Financial Inclusion to create a five-year plan for financial inclusion in India. It is headed by Deepak Mohanty, Executive Director of RBI. The Committee submitted its report in December 2015, sought to propel the economy onto a medium-term sustainable inclusion path. The Committee had recommended for setting up a framework for a BC registry and BC certification, following which instructions regarding the same were issued to the Indian Banks' Association (IBA) during the year. As recommended by the Committee, a financial literacy week was conducted across the country from June 5-9, 2017. The literacy week focussed on four broad themes, viz., Know Your Customer (KYC), Exercising Credit Discipline, Grievance Redressal and Going Digital. During the week, banks were advised to display posters on the four common themes inside branch premises and also display one message each day on the home page of their respective websites as well as ATM screens across the country. Further, Financial Literacy Centers (FLCs) and rural branches were advised to conduct special camps during the week. A movable asset registry was also launched by the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI), as recommended by the Committee to facilitate lending to the MSME sector.

BC Registry

A BC registry is proposed to be structured as a database of comprehensive information pertaining to the existing or potential business correspondents. The BC registry will give a holistic view of under-banked and less penetrated areas in a region and accordingly the delivery of financial services can be improved in

¹ RBI Annual Report 2016-17

such areas through appropriate policy interventions. It will help in effective monitoring and oversight of BC operations. It is expected that banks and the regulators would utilise this database to gather critical insights and frame policies accordingly for strengthening the BC infrastructure. The Reserve Bank has developed the framework for the BC registry and IBA is in the process of setting up the online registry portal.

BC Certification

As the customers served by the BCs are usually new to the formal financial system, it is essential to have knowledgeable business correspondents. Thus, a need was recognised to upgrade the skill sets of the BC agents thereby making them more sensitive towards the requirements of various customer groups who use the BC channel, viz., small and marginal farmers, SHGs, micro, medium and small entrepreneurs, migrant labourers and retired people. Accordingly, the Reserve Bank has developed a framework for BC certification with basic and advanced level courses to enhance the functional and behavioural competencies of BCs. On the basis of this framework, IBA has set up a Governing Council comprising members each from IBA, NABARD, two members each from academics and experts from industry. The Council is in the process of developing the course curriculum.

6.2 Progress and Challenges

India's financial inclusion initiative expanded its presence manifold in 2010–2017. The number of banking outlets in villages increased from 67694 at the end of March 2010 to 598093 at the end of March 2017, comprising 50860 branches, and 547233 through branchless mode.

Table 6.1: Financial Inclusion Plan-Summary Progress of all Banks including RRBs²

Particulars	Year ended March 2010	Year ended March 2016	Year ended March 2017	Progress April'16- March' 17
Banking Outlets in Villages – Branches	33,378	51,830	50,860	(-)970
Banking Outlets in Villages – Branchless Mode	34,316	534,477	547,233	12,756
Banking Outlets in Villages – Total	67,694	586,307	598,093	11,786
Urban Locations covered through BCs	447	102,552	102,865	313
Basic Savings Bank Deposit A/c through branches (No. in million)	60	238	254	16
Basic Savings Bank Deposit A/c through branches (₹ billion)	44	474	691	217
Basic Savings Bank Deposit A/c through BCs (No. in million)	13	231	280	49
Basic Savings Bank Deposit A/c through BCs (₹ billion)	11	164	285	121
BSBDA-Total (No. in million)	73	469	533	64
BSBDA Total (₹ billion)	55	638	977	339
OD facility availed in BSBDA (No. in million)	0.2	9	9	-
OD facility availed in BSBDA (₹ billion)	0.1	29	17	(-)12
KCCs (No. in million)	24	47	46	(-)1
KCCs (₹ billion)	1,240	5,131	5,805	674
GCC (No. in million)	1	11	13	2
GCC (₹ billion)	35	1,493	2117	624
ICT-A/Cs-BC Transactions (No. in million)	26.5	827	1159	332
ICT-A/Cs-BC Transactions (₹ billion)	6.9	1,687	2652	965

² RBI Annual Report 2016-17

Box 6.1: National Strategy for Financial Inclusion

The Reserve Bank had set up the Financial Inclusion Advisory Committee (FIAC) in 2012 to review financial inclusion policies on an on-going basis and to provide expert advice to the Reserve Bank in this matter. Given the renewed focus on financial inclusion by the Government of India, the on-going implementation of the Pradhan Mantri Jan-Dhan Yojana (PMJDY) and the need for convergence of the financial inclusion efforts of various stakeholders, FIAC was reconstituted in June 2015. Apart from continuous reviewing of the financial inclusion policy, monitoring the progress of financial inclusion and financial literacy, and assessing their impact, the reconstituted FIAC has been actively involved in the process of formulating the National Strategy for Financial Inclusion (NSFI), a public document.

NSFI will comprehensively present the strategy developed at the national level to systematically accelerate the level of financial inclusion. It is being developed through a broad consultative process involving, among others, public and private sector stakeholders engaged in financial sector development. Typically, it will include an analysis of the current status of, and constraints on, financial inclusion in the country; a measurable financial inclusion goal; how the country proposes to reach this goal and by when; and how it will measure the progress and achievements of the strategy.

The proposed strategy pillars for NSFI include: developing physical and digital infrastructure, regulatory framework, fostering competition, increased financial awareness, grievance redressal mechanism and scientific assessment measures.

Given the recent thrust on digital financial inclusion and in line with international best practices, NSFI also seeks to draw upon the G-20 High Level Principles on Digital Financial Inclusion, adapted to meet the India-specific requirements.

Source: RBI Annual Report 2016-17.

6.3 MFIs as Business Correspondents

Many MFIs are increasingly going in for a BC mode of operations as it frees them from the problems related to accessing funds from banks and financial institutions. Data has been obtained from MFIs regarding their BC operations. To the extent received the data is presented in the Tables below.

The MFIs which reported data had been operating as BCs of 9 banks (Table 6.2).

Table 6.2: MFIs as Banking Correspondents – No. of saving clients and amount saved

S.N	Name of the Banks	Name of MFI	No. of MFIs	Bank wise No. of Saving Client	Bank wise Amount Saved (₹in crore)
1	Yes Bank	Vaya Finserv	1	65002	3.9
2	IDBI	Vaya Finserv, VAMA	2	526	0.01
3	Indusind Bank	Cashpor	1	116801	5.6
4	State Bank of India	SKDRDP, Blaze Trust	2	44093	119.6
5	ICICI Bank	Cashpor	1	239375	3.3
6	Corporation Bank	SKDRDP	1	101491	260.1
7	RBL Bank	Vaya Finserv	1	53460	2.5
8	Pragathi Krishna Gramin Bank	SKDRDP	1	59252	162.6
9	DCB	Annapurna Microfinance	1	45251	0.5
	Total			725251	558.11

Table 6.3: MFIs as Banking Correspondents – No. of Loan clients, amount disbursed and amount outstanding

S.N	Name of the Banks	Name of MFI	No. of MFIs	Bank wise No. of Loan Clients	Bank wise Amount of Loan Disbursed (₹ in crore)	Bank wise Amount of Loan Outstanding (₹ in crore)
1	Yes Bank	People's Forum, Margdarshak, Mahashakti, GU Financial Services, Arth Microfinance, Adhikar, Muthoot, Uttrayan, Samhita, IRCED, Disha India, SSK, BMC, Vaya Finserv, Samasta Sambandh, WOMAN	17	346576	655	444
2	IDBI	Margdarshak, Mahashakti, Saija, Asomi, Arth Microfinance, VFSPL, Adhikar, Sonata, Uttrayan, Cashpor, Samhita, Jagaran, PAT, SMCS, Annapurna Microfinance, ASA International, SSK, HIH, BMC, Nirantara, Vaya Finserv, VAMA, Samasta, Arohan, Gramin Mahila Swayamsiddha Sangh, Sreema Mahila, Sarala, Sambandh	28	441186	822	667
3	Indusind Bank	Sonata, Cashpor, Samhita, SVCL, Arohan, BFIL	6	467280	621	1330
4	Kotak Mahindra Bank	Sonata, SVCL	2	65014	51	90
5	State Bank of India	Adhikar, SKDRDP, Blaze Trust, SMCS	4	14565	311	330
6	ICICI Bank	Cashpor	1	22906	30	27
7	Corporation Bank	SKDRDP	1	101491	1480	1588
8	DCB Bank	People's Forum, M Power Microfinance Ltd, Annapurna Microfinance	3	121700	246	198
9	Bank of India	GUARDIAN	1	2565	4	4
10	IDFC Bank	ASA International	1	11775	26	21
11	RBL Bank	Nirantara, Vaya Finserv	2	201018	431	343
12	Central Bank of India	BMC	1	40	0.1	0.1
13	Union Bank of India	BMC	1	19055	17	24
14	Kashi Gomti Samyut Grameen Bank	BMC	1	2225	2	2
15	Pragathi Krishna Gramin Bank	SKDRDP	1	59252	1040	1116

16	Shrimant Malojiraje Sahakari Bank Ltd	IRCED	1	104	2	2
17	MAS Fin. Services	Unnati, Arth Microfinance, Hindusthan, ASA International, Varam, BMC	6	49585	120	85
18	Reliance Commercial Finance Ltd	Nightingale, Sambandh	2	6063	11	9
19	Reliance Capital	Margdarshak, BMC	2	32184	73	61
20	Swarna Pragathi Housing Micro Finance Ltd.	Margdarshak, GUARDIAN, Gram - Utthan	3	7720	93	53
21	Arohan Financial Services Ltd	GU Financial Services	1	11067	29	22
22	Nirmal Ujjwal Credit Cooperative Society Ltd	Hindusthan	1	55367	36	93
23	Samata Nagari Sahakari Patsanstha	Hindusthan	1	3527	9	7
24	Edelweiss	SVCL	1	152231	149	190
25	Kamal Nagari Sahakari Patsantha	IRCED	1	595	1	1
26	Tata Capital	M Power Microfinance Ltd	1	150	2	2
27	Swarna Pragati Housing Microfinance	SSK	1	253		1
28	Volition Credit and Holding Pvt Ltd	Varam	1	691	2	2
	Total			2196185	6263	6712

Note :The total figures do not match with the figures in section 2.4.5 as some MFIs have not filled in the BC data collection sheet.

Annexure 1 State wise Presence of Different MFIs

Name of the States	Name of the MFIs working in the State	Total No. of MFIs in operation	No. of MFIs having head-quarter in same state	State wise District covered
Andaman Nicobar Island	BMC, BFL	2	0	1
Andhra Pradesh	RASS , Disha Microfin Ltd, Spandana	3	1	12
Arunachal Pradesh	Nightingale Finvest Pvt. Ltd, RGVN (North East) Microfinance Ltd, NABARD Financial Services Ltd, NERFS,	4	0	4
Assam	Ajagar, Asomi Finance Pvt. Ltd , Sarala Development & Microfinance Pvt. Ltd, Satra Development Finance Pvt. Ltd , Arohan Financial Services Pvt. Ltd, GDFPL, Unacco Financial Services Pvt. Ltd, Nightingale Finvest Pvt. Ltd , VFSPL, YVU Financial Services Pvt. Ltd, Prochesta Thrift & Credit Co-Operative Society , ASA International India Microfinance Pvt. Ltd, RGVN (North East) Microfinance Ltd , Vedika Credit Capital Ltd, Annapurna Microfinance (P) Ltd, Deshabandhu Micro Finance , Satin Creditcare Network Limited, Uttrayan Financial Services Pvt. Ltd, KDS, NERFS, SML	21	9	28
Bihar	Margdarshak Financial Services Ltd, S V Creditline (P) Ltd, DCBS, SMGBK, Annapurna Micro Finance (P) Ltd, Arohan Financial Services Pvt. Ltd, NBJK, Saija Finance Private Limited , Sarala Development & Microfinance Pvt. Ltd, Satin Creditcare Network Limited, BFIL, Vedika Credit Capital Ltd, VFSPL, NEED, ASA International India Microfinance Pvt Ltd, C DOT , Cashpor Micro Credit, Srija Chemo Pvt. Ltd, BMC, Seba Rahara, Uttrayan Financial Services Pvt. Ltd, Asirvad Micro Finance Ltd, BASIX, BOARD, CPSL , Gramotthan Micro Finance Company, Jagaran Microfin Pvt Ltd, KDS, Mass Care International , Sonata Finance Pvt. Ltd, Spandana, SML	32	5	37
Chandigarh	Satin Creditcare Network Limited, Asirvad Micro Finance Ltd, BASIX,	3	0	1
Chhattisgarh	S V Creditline (P) Ltd, BFIL, Grameen Koota Financial Services Private Limited, Cashpor Micro Credit, Growing Opportunity Finance (India) Pvt Ltd, Annapurna Micro Finance (P) Ltd, Sambandh Finserve Pvt Ltd, Satin Creditcare Network Limited, Adhikar Microfinance Pvt. Ltd, Altura Financial Services Ltd, Arohan Financial Services Pvt. Ltd, Hindusthan Microfinance Pvt. Ltd, Samhita Community Development Services, Asirvad Micro Finance Ltd, Digamber Capfin Ltd, NABARD Financial Services Ltd, Spandana, Svatantra Microfin Pvt Ltd, Varam Capital Pvt Ltd, SML	20	0	22

Delhi	Satin Creditcare Network Limited , BFIL, BMC, Capital Trust Microfinance Pvt Ltd , BASIX, Gramin Micro Credit Foundation , NABARD Financial Services Ltd, NERFS, SMPL , SML	10	4	6
Goa	Muthoot Microfin Limited, Samasta Microfinance Limited, Spandana, SML	4	0	2
Gujarat	Prayas , Adhikar Microfinance Pvt. Ltd, Satin Creditcare Network Limited, BFIL, Namra Finance Limited , Altura Financial Services Ltd, BMC, Disha Microfin Ltd , Muthoot Microfin Limited, Shroff Capital and Finance Pvt Ltd , Digamber Capfin Ltd, M Power Micro Finance Pvt. Ltd, NABARD Financial Services Ltd, Sewa Bank , Spandana, Swayam Micro Services , Saath , SML	18	7	24
Haryana	Margdarshak Financial Services Ltd, Midland Microfin Ltd, S V Creditline (P) Ltd , Satin Creditcare Network Limited, BFIL, DIMC, Altura Financial Services Ltd, Anandita Micro Credit , Muthoot Microfin Limited, Satya MicroCapital Limited, Asirvad Micro Finance Ltd, Digamber Capfin Ltd, HPPI, M Power Micro Finance Pvt. Ltd, SMPL, Sonata Finance Pvt. Ltd, SML	17	2	19
Himachal Pradesh	Satin Creditcare Network Limited, BFIL, DIMC, Margdarshak Financial services Ltd,	4	0	4
Jammu and Kashmir	Satin Creditcare Network Limited	1	0	1
Jharkhand	Annapurna Micro Finance (P) Ltd, Arohan Financial Services Pvt. Ltd, NBJK , Saija Finance Private Limited, Sambandh Finserve Pvt Ltd, Satin Creditcare Network Limited, BFIL, Vedika Credit Capital Ltd , VFSPL, Cashpor Micro Credit, Disha Microfin Ltd, MESP , Asirvad Micro Finance Ltd, BASIX, HPPI, Jagaran Microfin Pvt Ltd, KDS, NABARD Financial Services Ltd, Spandana, SML	20	3	24
Karnataka	BSS Microfinance Private Limited , Grameen Koota Financial Services Private Limited , IDF Financial Services Pvt Ltd , Rors Finance Private Limited , SKDRDP , BFIL, Navachetana Microfin Services Pvt Ltd , Muthoot Microfin Limited, Opportunity Microfinance , Samasta Microfinance Limited , Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, BASIX, Chaitanya India Fin Credit Pvt Ltd , Hand In Hand India, IRCED, Madura Micro Finance Ltd, NABARD Financial Services Ltd , Nirantara FinAccess Pvt Ltd , Prakruthi Foundation , Sanghamithra Rural Financial Services , Spandana, SML	23	13	30
Kerala	SKDRDP, BFIL, Blaze Trust, Jeevankiran , Muthoot Microfin Limited, Smile Microfinance Ltd, Welfare Services Ernakulam , Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, FREED , IMPACT , Life Foundation , Madura Micro Finance Ltd, NABARD Financial Services Ltd, Spandana, SML	16	4	12

Madhya Pradesh	S V Creditline (P) Ltd, Prayas, VAMA , Annapurna Micro Finance Pvt. Ltd, Satin Creditcare Network Limited, BFIL, Namra Finance Limited, Cashpor Micro Credit, Grameen Koota Financial Services Private Limited, Arth Microfinance Pvt. Ltd, BMC, BSS Microfinance Private Limited, Capital Trust Microfinance Pvt Ltd, Disha Microfin Ltd, Hindusthan Microfinance Pvt. Ltd, Muthoot Microfin Limited, Samhita Community Development Services , Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, BASIX, Digamber Capfin Ltd, Hand In Hand India, Jigyasa Livelihood Promotions Microfinance Foundation , Lok Biradari Trust , NABARD Financial Services Ltd, Pratigya Mahila Samanvit Vikas Bachat Avam Sakh Sahakari Sanstha Maryadit , Sanghamithra Rural Financial Services, Sonata Finance Pvt. Ltd, Spandana, Svatantra Microfin Pvt Ltd, Yukti Samaj Sewa Society , SMSSM, SML	33	7	48
Maharashtra	Annapurna Micro Finance Pvt. Ltd, BSS Microfinance Private Limited, Hindusthan Microfinance Pvt. Ltd , IDF Financial Services Pvt. Ltd, Sampada Entrepreneurship and Livelihoods Foundation , Satin Creditcare Network Limited, BFIL, Navachetana Microfin Services Pvt Ltd, Grameen Koota Financial Services Private Limited, Altura Financial Services Ltd, Anik Financial Services Pvt. Ltd , BMC, Disha Microfin Ltd, dMatrix , Muthoot Microfin Limited , Namra Finance Limited, Prayas, Samasta Microfinance Limited, Unnati Microfin Private Limited , Agora Microfinance India Ltd , Annapurna Mahila Coop Credit Society Ltd , Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, BASIX, Chaitanya India Fin Credit Pvt Ltd, Digamber Capfin Ltd, GBP Nobel Microfinance , Gramin Mahila Swayamsiddha Sangh , Hand In Hand India, IRCED , M Power Micro Finance Pvt. Ltd , Madura Micro Finance Ltd, NABARD Financial Services Ltd, Sakhi Samudaya Kosh , Samruddhi Welfare Development Foundation , Sanghamithra Rural Financial Services, Sonata Finance Pvt. Ltd, Spandana, Svatantra Microfin Pvt. Ltd , SML	40	15	36
Manipur	VVD , YVU Financial Services Private Limited , Chanura Microfin , Self Employment Voluntary Association , NERFS ,	5	5	10
Meghalaya	GDFPL, Nightingale Finvest Pvt. Ltd., RGVN (North East) Microfinance Ltd, Annapurna Micro Finance Pvt. Ltd, Arohan Financial Services Pvt. Ltd, ASA International India Microfinance Pvt. Ltd, BASIX, NERFS,	8	0	5
Mizoram	Nightingale Finvest Pvt. Ltd, Unacco Financial Services Pvt. Ltd, NABARD Financial Services Ltd, NERFS,	4	0	8
Nagaland	GDFPL, RGVN (North East) Microfinance Ltd, NERFS,	3	0	2

Odisha	Swayanshree Mahila Samabaya Samiti Ltd, Adhikar, Adhikar Microfinance Pvt. Ltd, Annapurna Micro Finance (P) Ltd, Arohan Financial Services Pvt. Ltd, Sambandh Finserve Pvt Ltd, BFIL, G U Financial Services Pvt. Ltd, Altura Financial Services Ltd, Anandita Micro Credit, Muthoot Microfin Limited, VFSPL, Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, BASIX, Gram-Utthan, Hand In Hand India, Jagaran Microfin Pvt Ltd, KDS, Peoples Forum, Mahashakti Foundation, NABARD Financial Services Ltd, Prasad Foundation, SARC, Spandana, SMCS, The Eastern Multipurpose coop Society Ltd, SML	27	13	30
Puducherry	Smile Microfinance Ltd, Sarvodaya Nano Finance Limited, BFL, Growing Opportunity Finance (India) Pvt Ltd, Valar Aditi Social Finance Pvt. Ltd, Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd,	7	0	2
Punjab	Midland Microfin Ltd, S V Creditline (P) Ltd., Satin Creditcare Network Limited, BFIL, Capital Trust Microfinance Pvt Ltd, Muthoot Microfin Limited, Satya MicroCapital Limited, Asirvad Micro Finance Ltd, NERFS, Sonata Finance Pvt. Ltd,	10	1	22
Rajasthan	Midland Microfin Ltd, S V Creditline (P) Ltd, Annapurna Micro Finance (P) Ltd, Arth Microfinance Pvt. Ltd, Satin Creditcare Network Limited, BFIL, Capital Trust Microfinance Pvt Ltd, Disha Microfin Ltd, Planned Social Concern, Pustikar, Rajasthan Shram Sarathi Association, Satya MicroCapital Limited, Asirvad Micro Finance Ltd, BASIX, Digamber Capfin Ltd, Hand In Hand India, HPPI, M Power Micro Finance Pvt. Ltd, Matashree Gomati Devi Jan Seva Nidhi, SMPL, Sonata Finance Pvt. Ltd, Svatantra Microfin Pvt Ltd, SML	23	6	29
Sikkim	RGVN (North East) Microfinance Ltd, VFSPL	2	0	3
Tamil Nadu	RASS, Growing Opportunity Finance(India) Pvt Ltd, Repco Micro Finance Limited, Virutcham Microfinance Limited, Mahasemam Trust, Smile Microfinance Ltd, Valar Aditi Social Finance Pvt. Ltd, Grameen Koota Financial Services Private Limited, Rors Finance Private Limited, Sarvodaya Nano Finance Limited, Blaze Trust, Disha Microfin Ltd, Magilchi Foundation, Muthoot Microfin Limited, Opportunity Microfinance, READ, Samasta Microfinance Limited, Asirvad Micro Finance Ltd, Belstar Investment and Finance Pvt. Ltd, Bharathi Women Development Centre, CONSO, GUARDIAN, Hand In Hand India, IMPACT, Madura Micro Finance Ltd, Magalir Micro Finance Pvt. Ltd, MASS Trust, NABARD Financial Services Ltd, NDFS, PAT, Sanghamithra Rural Financial Services, SHEPHERD, Varam Capital Pvt Ltd, Welfare organisation for Multipurpose Mass Awareness Network, SML	35	26	34
Telangana	Gaddala Financial Services Pvt Ltd, NABARD Financial Services Ltd, Pragathi Seva Samithi, Spandana, Vaya Finserv Pvt Ltd	5	4	6

Tripura	Unacco Financial Services Pvt. Ltd, ASA International India Microfinance Pvt Ltd, Annapurna Micro Finance Pvt. Ltd, RGVN (North East) Microfinance Ltd, VFSPL, BASIX, KDS, NABARD Financial Services Ltd, NERFS,	9	0	6
Uttar Pradesh	Cashpor Micro Credit, Margdarshak Financial services Ltd, S V Creditline (P) Ltd, Saija Finance Private Limited, Satin Creditcare Network Limited, BFIL, Vedika Credit Capital Ltd, NEED, ASA International India Microfinance Pvt Ltd, DIMC, BMC, Capital Trust Microfinance Pvt Ltd, Futureage India Micro Credit Services, Muthoot Microfin Limited, Namra Finance Limited, Samhita Community Development Services, Satya MicroCapital Limited, Asirvad Micro Finance Ltd, BASIX, Gramotthan Micro Finance Company, HPPI, IMPACT, SMPL, Sonata Finance Pvt. Ltd, Spandana, Svatantra Microfin Pvt Ltd, SML	27	8	68
Uttarakhand	Satin Creditcare Network Limited, BFIL, Margdarshak Financial services Ltd, S V Creditline (P) Ltd, DIMC, Balajee Sewa, BMC, Capital Trust Microfinance Pvt. Ltd, Namra Finance Limited, NEED, Satya MicroCapital Limited, VFSPL, Asirvad Micro Finance Ltd, BASIX, Gramin Micro Credit Foundation, HPPI, NERFS, SMPL, Sonata Finance Pvt. Ltd, SML	20	1	6
West Bengal	Belghoria Janakalyan Samity, DCBS, SMGBK, Arohan Financial Services Pvt. Ltd, Dakshin Budhakali Improvement Society (DBIS), Sarala Development & Microfinance Pvt. Ltd., Satin Creditcare Network Limited, BFIL, Unacco Financial Services Pvt. Ltd, Vedika Credit Capital Ltd, VFSPL, Sahara Utsarga Welfare Society, Destiny Finco Private Limited, ASA International India Microfinance Pvt. Ltd, Srija Chemo Pvt. Ltd, Altura Financial Services Ltd, Barasat Sampark, Margdarshak Financial services Ltd, Muthoot Microfin Limited, RGVN (North East) Microfinance Ltd, Seba Rahara, Uttrayan Financial Services Pvt. Ltd, Agradut Polly Unnayan Samity, Asirvad Micro Finance Ltd, BRAWAS, Barasat SSERIAL, Barasat Gramin Society, Barasat Unnayan Prostuti, BWWA, BASIX, BURS, Jagaran Microfin Pvt Ltd, KDS, NABARD Financial Services Ltd, STEP, Sreema Mahila Samity, SSVWS, Swayamsampurna, VSSU, SML	40	28	21
Total				563

Based on the data collected from 168 MFIs.

Note: Names in bold indicate that the MFI is headquartered in that state

Annexure 2 District wise Number of MFIs in Operation

Name of the States/UTs	Name of District	No. of District	District wise name of the MFIs
Andhra Pradesh (AP)	Anantapur	2	Spandana, Nabfin
	Chittoor	3	Nabfin, Rass, Disha
	East Godavari	1	Spandana
	Guntur	1	Spandana
	Kadapa	1	Spandana
	Krishna	2	Nabfins, Spandana
	Kurnool	1	Spandana
	Nellore	1	Nabfin
	Prakasam	1	Spandana
	Vishakhapatnam	2	Nabfin, Spandana
	Vizianagaram	1	Spandana
Arunachal Pradesh (AR)	West Godavari	1	Spandana
	East Siang	3	RGVN, Nightingale, NERFS
	Lower Subansiri	1	NERFS
	Papum Pare	2	RGVN, NERFS
Assam (AS)	West Siang	1	NERFS
	Barpeta	6	RGVN, Asomi, Nightingale, Annapurna, Arohan, Uttrayan
	Baksa	3	RGVN, Satra. Prochesta
	Biswanath	2	Annapurna, KDS
	Bongaigaon	7	RGVN, Asomi, Nightingale, Village, Arohan, KDS, Sarala
	Cachar	3	UNACCO, DMLI, NERFS
	Charaideo	1	Arohan
	Chirang	2	RGVN, Asomi
	Darrang	6	RGVN, Asomi, Nightingale, Satra, UNACCO, Arohan
	Dhemaji	5	RGVN, Asomi, Nightingale, Arohan, NERFS
	Dhubri	4	RGVN, Village, ASA, Sarala
	Dibrugarh	5	RGVN, Asomi, Arohan, NERFS, Prochesta
	Dima Hasao	1	NERFS
	Goalpara	7	RGVN, Grameen Development, Nightingale, Ajar, Arohan, Prochesta. Sarala
	Golaghat	4	RGVN, Asomi, Annapurna, Arohan
	Hailakandi	1	UNACCO
	Jorhat	5	RGVN, Asomi, UNACCO, Arohan, NERFS
	Kamrup	13	RGVN, Asomi, Grameen Development, Nightingale, Satra, UNACCO, YVU, Annapurna, ASA, Arohan, NERFS, Prochesta, Uttrayan
	Kamrup Metropolitan	8	RGVN, Asomi, Grameen development, Nightingale, UNACCO, Arohan, Prochesta, Uttrayan
	Karbi Anglong	2	RGVN, Nightingale
	Lakhimpur	4	RGVN, Asomi, Annapurna, Arohan
	Majuli	1	RGVN
	Morigaon	7	RGVN, Asomi, Nightingale, UNACCO, Annapurna, Arohan, NERFS
Nagaon	8	RGVN, Asomi, Nightingale, UNACCO, Annapurna, Arohan, NERFS, Prochesta	
Nalbari	7	RGVN, Asomi, Nightingale, UNACCO, Village, Annapurna, Arohan	
Sivasagar	4	RGVN, Asomi, Arohan, NERFS	
Sonitpur	7	RGVN, Asomi, UNACCO, Annapurna, Arohan, NERFS, Prochesta	
Tinsukia	4	RGVN, Asomi, Arohan, NERFS	
Udalguri	2	RGVN, Satra	

Andaman and Nicobar (AN)	South Andaman	2	BMC, BWDA
Bihar (BR)	Araria	6	Cashpor, Jagaran, Satin, Sonata, Asirvad, BFIL
	Arwal	3	Cashpor, Satin, BFIL
	Aurangabad	6	Cashpor, Satin, Sonata, Annapurna, Arohan, BFIL
	Banka	2	Satin, BFIL
	Begusarai	9	Vedika, Saija, Satin, Sonata, Asirvad, Arohan, BFIL, Sarala, Uttrayan
	Bhagalpur	4	Saija, Satin, Village, BFIL
	Bhojpur	8	Vedika, NEED, Saija, Satin, Annapurna, Arohan, Basix, BFIL
	Buxar	6	Vedika, Cashpor, Satin, Arohan, BFIL, SVCL
	Darbhanga	8	Margdarshak, Cashpor, Saija, Satin, Sonata, Asirvad, Arohan, BFIL
	East Champaran	8	Margdarshak, NEED, Cashpor, Satin, Sonata, Asirvad, Arohan, BFIL
	Gaya	9	Vedika, Cashpor, Satin, Sonata, Arohan, Annapurna, Basix, BFIL, SVCL
	Gopalganj	6	Cashpor, Satin, Asirvad, BFIL, Grammothan, SVCL
	Jamui	2	Spandana, BFIL
	Jehanabad	8	Vedika, Saija, Satin, Sonata, Annapurna, Arohan, BFIL, SVCL
	Kaimur	4	Cashpor, Satin, BFIL, SVCL
	Katihar	10	Jagaran, Saija, Satin, Seba Rahara, SMGBK, Srija, Village, Asirvad, Basix, BFIL
	Khagaria	5	Saija, Satin, Arohan, Basix, BFIL
	Kishanganj	7	Jagaran, Satin, Village, ASA, BFIL, KDS, Sarala
	Lakhisarai	5	Spandana, Asirvad, Arohan, BFIL, SVCL
	Madhepura	2	Satin, BFIL
	Madhubani	3	Margdarshak, Arohan, BFIL
	Munger	3	Saija, Arohan, BFIL
	Muzaffarpur	11	Margdarshak, Vedika, Cashpor, Saija, Satin, Sonata, Annapurna, Asirvad, Arohan, Basix, BFIL
	Nalanda	10	Vedika, Saija, Satin, Sonata, Annapurna, Arohan, Basix, BFIL, CDOT, SVCL
	Nawada	8	Vedika, Saija, Satin, Sonata, BMC, Arohan, BFIL, CDOT
	Patna	16	Margdarshak, Vedika, NEED, Saija, Satin, Annapurna, Asirvad, Arohan, Basix, BFIL, CPSL, CDOT, Masscare, NBJK, SVCL, BOARD
	Purnia	6	Saija, Satin, SMGBK, Village, Asirvad, BFIL
	Rohtas	5	Cashpor, Satin, Basix, BFIL, SVCL
	Saharsa	3	Asirvad, Arohan, BFIL
	Samastipur	11	Margdarshak, Vedika, Saija, Satin, Sonata, Annapurna, Asirvad, Arohan, Basix, BFIL, Sarala
	Saran	9	NEED, Cashpor, Saija, Satin, Sonata, Asirvad, Arohan, BFIL, SVCL
	Sheohar	2	Arohan, CDOT
	Sitamarhi	5	Margdarshak, Cashpor, Asirvad, Arohan, BFIL
Siwan	5	Cashpor, Satin, Asirvad, BFIL, SVCL	
Supaul	1	BFIL	
Vaishali	14	Margdarshak, Vedika, NEED, Cashpor, Saija, Satin, Sonata, Annapurna, Asirvad, Arohan, Basix, BFIL, SVCL, Uttrayan	
West Champaran	7	Margdarshak, Cashpor, Satin, Sonata, Asirvad, Arohan, BFIL	
Chandigarh (CH)	Chandigarh	2	Satin, Asirvad
Chhattisgarh (CG)	Balod	6	Spandana, Annapurna, Asirvad, BFIL, Grameen Koota, Svatantra
	Baloda Bazar	6	Samhita, Satin, Annapurna, Asirvad, BFIL, Svatantra

Chhattisgarh (CG)	Balrampur	1	Cashpor
	Bastar	1	Adhikar
	Bemetara	4	Satin, Annapurna, BFIL, Grameen Koota
	Bilaspur	15	Samhita, Satin, Spandana, Annapurna, Asirvad, Altura, Arohan, Basix, BFIL, Grameen Koota, Growing Opportunity, SVCL, Svatantra, Sambandh, Varam
	Dhamtari	8	Satin, Annapurna, Asirvad, Altura, BFIL, Grameen Koota, SVCL, Svatantra
	Durg	11	Satin, Spandana, Annapurna, Asirvad, Altura, Basix, BFIL, Grameen Koota, Growing Opportunity, SVCL, Varam
	Gariaband	5	Satin, Spandana, Annapurna, BFIL, Grameen Koota
	Janjgir-Champa	10	Samhita, Spandana, Annapurna, Asirvad, BFIL, Growing Opportunity, SVCL, Svatantra, Sambandh, Nabfins
	Jashpur	4	Cashpor, Annapurna, BFIL, SVCL
	Kabirdham	3	Satin, Annapurna, SVCL
	Kanker	1	Svatantra
	Korba	9	Samhita, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, SVCL, Nabfins
	Koriya	4	Cashpor, Spandana, Annapurna, SVCL
	Mahasamund	7	Satin, Spandana, Annapurna, Arohan, BFIL, Grameen Koota, SVCL
	Mungeli	4	Satin, Annapurna, Grameen Koota, SVCL
	Raigarh	8	Samhita, Spandana, Annapurna, Asirvad, Arohan, BFIL, SVCL, Sambandh
	Raipur	15	Samhita, Satin, Spandana, Annapurna, Asirvad, Altura, Aroha, Basix, BFIL, Grameen Koota, Growing Opportunity, SVCL, Svatantra, Sambandh, Varam
	Rajnandgaon	9	Hindusthan, Satin, Spandana, Annapurna, Asirvad, Grameen Koota, SVCL, Svatantra, Varam
	Surajpur	4	Cashpor, Spandana, Annapurna, SVCL
Surguja	6	Cashpor, Spandana, Annapurna, BFIL, SVCL, Varam	
Delhi (DL)	East Delhi	1	Shikhar
	New Delhi	5	BMC, Basix, BFIL, Capital Trust, NERFS
	North Delhi	1	Satin
	North West Delhi	1	Shikhar
	South Delhi	3	Satin, Gramin Micro, Shikhar
	West Delhi	1	Shikhar
Goa (GA)	North Goa	2	Spandana, Samasta
	South Goa	2	Spandana, Samasta
Gujarat (GJ)	Ahmedabad	9	Disha Microfin, Prayas, Satin, Spandana, Swayam, Saath, Mpower, Namra, Prayas, Sewa Bank
	Anand	5	Disha Microfin, Satin, Spandana, Mpower, Namra
	Aravalli	5	Disha Microfin, Satin, Swayam, Namra, Digambar
	Banaskantha	3	Disha Microfin, Satin, Namra
	Bharuch	1	Disha Microfin
	Bhavnagar	1	Satin
	Chhota Udaipur	1	Disha Microfin
	Dahod	4	Prayas, Spandana, Namra, Digambar
	Gandhinagar	4	Disha Microfin, Prayas, Spandana, Sewa Bank
	Kutch	2	Namra, Prayas
	Kheda	6	Disha Microfin, Satin, Spandana, Swayam, Mpower, Namra
Mahisagar	5	Satin, Spandana, Swayam, Namra, Digambar	

	Mehsana	6	Disha Microfin, Satin, Spandana, Swayam, Namra, Sewa
	Morbi	1	Prayas
	Narmada	2	Disha Microfin, Namra
	Panchmahal	6	Disha Microfin, Satin, Spandana, Mpower, Namra, Digambar
	Patan	1	Satin
	Rajkot	1	Satin
	Sabarkantha	5	Disha Microfin, Satin, Spandana, Namra, Digambar
	Surat	2	Adhikar, BMC
	Surendranagar	2	Satin, Prayas
	Tapi	1	Namra
	Vadodara	7	Disha Microfin, Satin, Spandana, Mpower, Namra, Shroff
	Valsad	1	Namra
Haryana (HR)	Ambala	8	Margdarshak, Satin, Sonata, Asirvad, Altura, BFIL, Disha India, SVCL
	Bhiwani	4	Satin, Asirvad, BFIL, SVCL
	Faridabad	2	Satin, Shikhar
	Fatehabad	4	Satin, Asirvad, BFIL, Midland
	Gurgaon	5	Satin, Altura, BFIL, HPPI, Anandita
	Hissar	3	Satin, Asirvad, BFIL
	Jhajjar	1	BFIL
	Jind	3	Satin, Asirvad, BFIL
	Kaithal	4	Satin, Asirvad, BFIL, HPPI
	Karnal	9	Margdarshak, Satin, Satya, Sonata, Asirvad, Altura, BFIL, Disha India, Midland
	Kurukshetra	10	Satin, Satya, Sonata, Asirvad, Altura, BFIL, Disha India, HPPI, SVCL, Midland
	Mahendragarh	6	Satin, BFIL, HPPI, Mpower, SVCL, Digambar
	Palwal	5	Satin, Satya, Altura, BFIL, Shikhar
	Panipat	6	Margdarshak, Satin, Satya, Sonata, Asirvad, Altura
	Rewari	5	Satin, BFIL, HPPI, SVCL, Digambar
	Rohtak	3	Altura, BFIL, Digambar
	Sirsa	3	Satin, BFIL, Midland
Sonapat	3	Satin, Asirvad, BFIL	
Yamuna Nagar	8	Margdarshak, Satin, Sonata, Asirvad, Altura, BFIL, Disha India, SVCL	
Himachal Pradesh (HP)	Bilaspur	1	Margdarshak
	Kangra	3	Margdarshak, Satin, BFIL
	Mandi	1	Margdarshak
	Sirmaur	3	Satin, BFIL, Disha India
Jammu & Kashmir (JK)	Jammu District	1	Satin
Jharkhand (JH)	Bokaro	9	Vedika, Saija, Satin, Spandana, Annapurna, Asirvad, Arohan, Basix, BFIL
	Chatra	1	BFIL
	Deoghar	8	Jagaran, Satra, Spandana, Village, Asirvad, Basix, BFIL, MESP
	Dhanbad	8	Vedika, Saija, Satin, Spandana, Annapurna, Asirvad, Arohan, BFIL
	Dumka	9	Saija, Satin, Spandana, Village, Asirvad, Arohan, Basix, BFIL, MESP
	East Singhbhum	12	Vedika, Saija, Satin, Spandana, Village, Annapurna, Asirvad, Arohan, Basix, BFIL, HPPI, Sambandh
	Garhwa	3	Cashpor, Spandana, BFIL
	Giridih	8	Vedika, Jagaran, Saija, Satin, Spandana, Asirvad, Arohan, BFIL
	Godda	5	Saija, Spandana, Asirvad, Arohan, BFIL
	Gumla	2	Cashpor, Arohan

	Hazaribag	9	Vedika, Saija, Satin, Spandana, Annapurna, Asirvad, Arohan, BFIL, NBJK
	Jamtara	4	Satin, Spandana, BFIL, KDS
	Khunti	2	Asirvad, NBJK
	Koderma	7	Vedika, Satin, Spandana, Asirvad, Arohan, Basix, BFIL
	Latehar	1	Cashpor
	Lohardaga	2	Spandana, Basix
	Pakur	6	Saija, Spandana, Village, Asirvad, Arohan, BFIL
	Palamu	3	Cashpor, Spandana, BFIL
	Ramgarh	9	Vedika, Saija, Satin, Spandana, Annapurna, Asirvad, Arohan, Basix, BFIL
	Ranchi	11	Vedika, Saija, Satin, Spandana, Annapurna, Asirvad, Arohan, Basix, BFIL, NBJK, Sambandh
	Sahibganj	4	Jagaran, Spandana, Asirvad, BFIL
	Seraikela Khar-sawan	7	Saija, Satin, Village, Annapurna, Asirvad, Arohan, BFIL
	Simdega	1	Sambandh
	West Singhbhum	7	Vedika, Saija, Spandana, Annapurna, Asirvad, Arohan, BFIL
	Karnataka (KA)	Bagalkot	11
Bangalore Rural		11	Disha Microfin, BSS, Opportunity, SKDRDP, Spandana, Asirvad, BFIL, Grammen Koota, HHI, Nirantara, Samasta
Bangalore Urban		10	BSS, Sanghamitra, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Madura, Samasta, Nabfins
Belgaum		13	Disha Microfin, BSS, IDF, Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, IRCED, Madura, Nabfins
Bellary		10	Disha Microfin, Navchetana, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Madura
Bidar		8	Disha, Sanghamitra, SKDRDP, Spandana, BFIL, Chaitanya, Grameen Koota, Nabfins
Chamarajnagar		9	Disha Microfin, BSS, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Nabfins
Chikkaballapur		10	Disha Microfin, BSS, Rors, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Nirantara
Chikkamagaluru		10	Disha Microfin, BSS, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Nirantara
Chitradurga		13	Disha Microfin, BSS, IDF, Navchetana, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Nirantara, Belstar
Dakshina Kan-nada		7	BSS, SKDRDP, Asirvad, BFIL, Grameen Koota, Samasta, Nabfins
Davanagere		12	Disha Microfin, BSS, Navchetana, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Nirantara, Belstar
Dharwad		13	Disha Microfin, BSS, IDF, Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Madura, Belstar Nabfins
Gadag		11	BSS, IDF, Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Madura, Nabfins
Gulbarga		10	Disha Microfin, IDF, Sanghamitra, SKDRDP, Spandana, BFIL, Chaitanya, Grameen Koota Nirantara, Nabfins
Hassan		10	Disha Microfin, BSS, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Samasta, Nabfins
Haveri district		13	Disha Microfin, BSS, IDF, Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Nirantara, Belstar, Nabfins

	Kodagu	8	BSS, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Samasta, Nabfins
	Kolar	11	Disha Microfin, BSS, Prakruthi, Rors, Sanghamitra, SKDRDP, Spandana, Asirvad, Basix, BFIL, Grameen Koota
	Koppal	10	Disha Microfin, Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanaya, Grameen Koota, Madura, Nabfins
	Mandya	10	Disha Microfin, BSS, Opportunity, SKDRDP, Spandana, Asirvad, BFIL, Grammen Koota, Samasta, Nabfins
	Mysore	10	Disha Microfin, BSS, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Samasta, Nabfins
	Raichur	8	Disha Microfin, Sanghamitra, SKDRDP, Spandana, BFIL, Chaitanya, Grameen Koota, Nabfins
	Ramanagara	10	Disha Microfin, BSS, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Nirantara, Samasta
	Shimoga	15	Disha Microfin, BSS, IDF, Navchetana, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Madura, Nirantara, Belstar, Nabfins
	Tumkur	14	Disha, BSS, IDF, Sanghamitra, SKDRDP, Spandana, Asirvad, Basix, BFIL, Chaitanya, Grameen Koota, Nirantara, Samasta, Nabfins
	Udupi	7	BSS, SKDRDP, Spandana, Asirvad, BFIL, Grameen Koota, Samasta
	Uttara Kannada	9	Navchetana, SKDRDP, Spandana, Asirvad, BFIL, Chaitanaya, Grameen Koota, Samasta, Nabfins
	Vijayapura (Bijapur)	11	Disha Microfin, Navchetana, Sanghamitra, SKDRDP, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, Nirantara, Nabfins
Yadgir	8	Disha Microfin, Sanghamitra, SKDRDP, Spandana, BFIL, Chaitanya, Grameen Koota, Nabfins	
Kerala (KR)	Alappuzha	4	Asirvad, BFIL, WSE, FREED
	Ernakulam	6	Life, Spandana, Asirvad, BFIL, WSE, Nabfins
	Idukki	5	Life, Asirvad, IMPACT, FREED, Nabfins
	Kasaragod	1	SKDRDP
	Kollam	2	Asirvad, BFIL
	Kottayam	5	Asirvad, BFIL, WSE, FREED, Nabfins
	Kozhikode	2	Spandana, BFIL
	Malappuram	1	BFIL
	Palakkad	8	Smile, Spandana, Asirvad, Blaze, BFIL, Jeevankiran, Madura, Belstar
	Pathanamthitta	3	Asirvad, BFIL, FREED
	Thiruvananthapuram	3	Asirvad, Madura, Nabfins
	Thrissur	5	Spandana, Asivad, BFIL, Jeevankiran, WSE
Madhya Pradesh (MP)	Alirajpur	1	Prayas
	Anuppur	5	Samhita, Satin, Sonata, Spandana, Annapurna
	Ashok Nagar	8	Disha Microfin, Samhita, Satin, Sonata, Spandana, BFIL, SVCL, Svatantra
	Balaghat	7	Hindusthan, Samhita, Sonata, Spandana, Annapurna, BFIL, Grameen Koota
	Barwani	9	Disha Microfin, Prayas, Spandana, Annapurna, BFIL, Grameen Koota, Namra, Svatantra, Pratigya
	Betul	9	Disha Microfin, Satin, Sonata, Spandana, Annapurna, Asirvad, Basix, Grameen Koota, Namra
	Bhopal	13	Disha Microfin, Samhita, Satin, Spandana, Asirvad, BMC, BFIL, Capital Trust, SVCL, Jigayasa, Belstar, Nabfins, Digambar
	Burhanpur	3	Disha Microfin, Satin, Annapurna

Madhya Pradesh (MP)	Chhatarpur	8	Cashpor, Samhita, Sanghamitra, Satin, Sonata, Spandana, Annapurna, SVCL
	Chhindwara	13	Disha Microfin, Hindusthan, Satin, Sonata, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, Namra, SVCL, Svatantra
	Damoh	7	Samhita, Satin, Sonata, Spandana, Asirvad, Grameen Koota, SVCL
	Datia	2	Sonata, Vama
	Dewas	12	Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Capital Trust, Grameen Koota, HHI, Namra, SVCL, Belstar
	Dhar	15	Disha Microfin, Prayas, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, Lok Biradri, SVCL, Svatantra, Belstar, Pratigya, Digambar
	Dindori	5	Samhita, Spandana, Sonata, Grameen Koota, Svatantra
	Guna	7	Samhita, Satin, Sonata, Spandana, BFIL, SVCL, Svatantra
	Garoth	1	Asirvad
	Gwalior	5	Samhita, Sonata, Spandana, VAMA, SVCL
	Harda	9	Disha Microfin, Satin, Spandana, Annapurna, Basix, BFIL, Grameen Koota, Namra, SVCL
	Hoshangabad	10	Disha Microfin, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, SVCL, Yukti Samaj, Digambar
	Indore	19	Disha Microfin, BSS, Satin, Spandana, Arth, Asirvad, BMC, Basix, BFIL, Capital Trust, HHI, Namra, SVCL, Svatantra, Belstar, Swashree, Pratigya, Nabfins, Digambar
	Jabalpur	13	Disha Microfin, Samhita, Satin, Sonata, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, SVCL, Svatantra, Digambar
	Jhabua	1	Prayas
	Katni	12	Disha Microfin, Satin, Sonata, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, SVCL, Svatantra, Digambar
	Khandwa (East Nimar)	10	Disha Microfin, Satin, Spandana, Annapurna, Basix, BFIL, Grameen Koota, Namra, Svatantra, Digambar
	Khargone (West Nimar)	11	Disha Microfin, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, Namra, Svatantra, Pratigya
	Mandla	10	Disha Microfin, Samhita, Satin, Sonata, Spandana, Annapurna, Asirvad, BFIL, Grameen Koota, SVCL
	Mandsaur	10	Disha Microfin, Satin, Spandana, Annapurna, Asirvad, BFIL, Namra, SVCL, Svatantra, Digambar
	Narsinghpur	9	Disha Microfin, Satin, Sonata, Spandana, Annapurna, BFIL, SVCL, Svatantra, Digambar
	Neemuch	10	Disha Microfin, Satin, Spandana, Annapurna, Asirvad, BFIL, Namra, SVCL, Svatantra, Digambar
	Panna	7	Samhita, Sanghamitra, Sonata, Spandana, Annapurna, Grameen Koota, SVCL
	Raisen	11	Disha Microfin, Samhita, Satin, Sonata, Spandana, Annapurna, Asirvad, BFIL, SVCL, Jigayasa, Digambar
	Rajgarh	7	Satin, Spandana, Arth, Asirvad, BFIL, SVCL, Svatantra
	Ratlam	12	Disha Microfin, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Lok Biradri, Namra, SVCL, Svatantra, Digambar
	Rewa	6	Cashpor, Samhita, Satin, Sonata, Spandana, SVCL
	Sagar	8	Disha Microfin, Samhita, Satin, Sonata, Spandana, Annapurna, BFIL, SVCL
Satna	6	Samhita, Satin, Sonata, Spandana, Asirvad, SVCL	
Sehore	14	Samhita, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Capital Trust, Grameen Koota, Namra, SVCL, Svatantra, Jigayasa, Digambar	

	Seoni	12	Disha Microfin, Hindusthan, Sonata, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, Namra, SVCL, Svatantra
	Shahdol	6	Samhita, Satin, Sonata, Spandana, Annapurna, BFIL
	Shajapur	7	Satin, Spandana, Arth, BFIL, Grameen Koota, Namra, SVCL
	Sheopur	1	Spandana
	Shivpuri	4	Samhita, Sonata, Spandana, SVCL
	Sidhi	2	Sonata, Samhita
	Tikamgarh	3	Cashpor, Sanghamitra, Sonata
	Ujjain	14	Disha Microfin, BSS, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Capital Trust, Lok Biradri, Namra, SVCL, Svatantra, Digambar
	Umaria	5	Samhita, Satin, Sonata, Annapurna, Grameen Koota
	Vidisha	8	Disha Microfin, Samhita, Satin, Spandana, Annapurna, Basix, BFIL, SVCL
Maharashtra (MH)	Ahmednagar	13	Belstar, Svatantra, Namra, Madura, M Power, Grameen Koota, BFIL, Annapurna, Spandana, SELF, Hindusthan, BSS, Disha
	Akola	8	Grameen Koota, BFIL, Basix, Annapurna, Spandana, Satin, Hindusthan, Disha
	Amravati	11	NABFin, Svatantra, Grameen Koota, BFIL, Basix, Annapurna, Spandana, Satin, SELF, Hindusthan, Disha
	Aurangabad	8	NABFin, Grameen Koota, BFIL, Basix, Annapurna, Spandana, SELF, Hindusthan
	Beed	6	SSK, Grameen Koota, BFIL, Basix, Anik, SELF
	Bhandara	9	Svatantra, Grameen Koota, BFIL, Basix, Asirvad, annapurna, Spandana, Hindusthan, Disha
	Buldhana	8	Grameen Koota, BFIL, Basix, Annapurna, Spandana, Satin, Hindusthan, Disha
	Chandrapur	5	BFIL, Basix, Spandana, Hindusthan, Disha
	Dhule	8	NABFin, Svatantra, Namra, Grameen Koota, BFIL, Annapurna, Spandana, Disha
	Gadchiroli	1	Grameen Koota
	Gondia	5	Svatantra, BFIL, Annapurna, Hindusthan, Disha
	Hingoli	5	Grameen Koota, BFIL, Basix, Anik, Spandana
	Jalgaon	8	Svatantra, Namra, Grameen Koota, BFIL, BMC, Annapurna, Spandana, Disha
	Jalna	3	Grameen Koota, BFIL, annapurna
	Kolhapur	17	NABFin, Samasta, Svatantra, Madura, M Power, IRCED, Grameen Koota, Chaitanya, BFIL, Asirvad, Annapurna Mahila, Spandana, Navchetna, IDE, hindusthan, BSS, Disha
	Latur	8	SSK, GBP Nobel, Grameen Koota, Chaitanya, BFIL, Basix, Anik, Sanghamitra
	Mumbai City	4	M Power, annapurna Mahila, Satin, Unnati
	Mumbai suburban	1	Agora
	Nagpur	11	NABFin, Grameen Koota, BFIL, Altura, Asirvad, Annapurna, Spandana, Sonata, Satin, Hindusthan, Disha
	Nanded	5	NABFin, Grameen Koota, BFIL, Basix, Spandana
Nandurbar	2	Grameen Koota, BFIL	
Nashik	8	Namra, M Power, Grameen Koota, BFIL, Annapurna, Spandana, Hindusthan, Disha	
Osmanabad	11	SSK, Madura, Grameen Koota, Chaitanya, BFIL, Basix, Asirvad, Anik, Spandana, IDE, Sanghamitra	
Palghar	3	Unnati, Hindusthan, Svatantra	

	Parbhani	3	Anik, Basix, Grameen Koota
	Pune	15	Unnati, BSS, Hindusthan, Spandana, Annapurna Mahila, BFIL, Grameen Koota, HHI, IRCED, Madura, Svatantra, GMSS, Belstar, Samruddhi, Nabfins
	Raigad	3	Unnati, IRCED, Mpower
	Ratnagiri	1	Madura
	Sangli	14	Disha Microfin, BSS, Hindusthan, IDF, Navchetana, Spandana, Asirvad, BFIL, Chaitanya, Grameen Koota, IRCED, Mpower, Madura, Svatantra
	Satara	13	Disha Microfin, BSS, Hindusthan, IDF, Spandana, Asirvad, BFIL, Grameen Koota, IRCED, Mpower, Madura, Svatantra, Nabfins
	Sindhudurg	1	Samasta
	Solapur	10	BSS, Hindusthan, IDF, Navchetana, Spandana, Asirvad, BFIL, Grameen Koota, Madura, SSK
	Thane	5	Unnati, Hindusthan, Spandana, Mpower, Svatantra
	Wardha	10	Disha Microfin, dMatrix, Hindusthan, Satin, Spandana, Annapurna, Asirvad, BFIL, Grameen Koota, Digambar
	Washim	7	Disha Microfin, Hindusthan, Satin, Spandana, Annapurna, BFIL, Svatantra
	Yavatmal	11	Disha Microfin, Hindusthan, Satin, Spandana, Annapurna, Asirvad, Basix, BFIL, Grameen Koota, Svatantra, Nabfins
Manipur (MN)	Bishnupur	4	SEVA, YVU, Chanura, NERFS
	Chandel	2	SEVA, NERFS
	Churachandpur	2	YVU, NERFS
	Imphal East	5	SEVA, VVD, YVU, Chanura, NERFS
	Imphal West	4	SEVA, YVU, Chanura, NERFS
	Kakching	2	SEVA, NERFS
	Senapati	2	VVD, NERFS
	Tamenglong	1	VVD
	Thoubal	4	SEVA, YVU, Chanura, NERFS
	Ukhrul	2	VVD, NERFS
Meghalaya (ML)	East Jaintia Hills	1	NERFS
	East Khasi Hills	7	RGVN, Grameen Development, Nightingale, Annapurna, Arohan, Basix, NERFS
	North Garo Hills	1	Grameen Development
	Ri-Bhoi	4	RGVN, Arohan, Uttrayan, NERFS
	West Garo Hills	1	Grameen Development
Mizoram (MZ)	Aizawl	3	Nightingale, NERFS, Nabfins
	Champhai	1	NERFS
	Kolasib	2	Unacco, NERFS
	Lawngtlai	1	NERFS
	Lunglei	1	NERFS
	Mamit	1	NERFS
	Saiha	1	NERFS
	Serchhip	1	NERFS
Nagaland (NL)	Dimapur	2	RGVN, Grameen Development
	Kohima	1	NERFS
Odisha (OR)	Angul	7	Spandana, SMCS, Annapurna, Arohan, Basix, BFIL, Sambandh
	Boudh (Bauda)	3	Spandana, Annapurna, BFIL
	Bhadrak	11	Adhikar, GU Financial, Jagaran, Spandana, SMCS, Village Financial, Annapurna, Arohan, BFIL, Anandita, Gramutthan
	Bolangir (Balangir)	6	Mahashakti, Adhikar, Spandana, Annapurna, Basix, BFIL

Odisha (OR)	Bargarh (Baragarh)	7	Mahashakti, Adhikar, Spandana, Annapurna, Arohan, Basix, BFIL
	Baleswar (Balasore)	12	Adhikar, GU Financial, Jagaran, Spandana, SMCS, Village Financial, Annapurna, Arohan, Basix, BFIL, Anandita, KDS, Gramutthan
	Cuttack	12	Mahashakti, Adhikar, GU Financial, Spandana, SMCS, Annapurna, Altura, Arohan, Basix, BFIL, Gramutthan, SMSS
	Debagarh (Deogarh)	3	Annapurna, BFIL, Sambandh
	Dhenkanal	9	Adhikar, GU Financial, Spandana, Annapurna, Altura, Arohan, Basix, BFIL, Gramutthan
	Ganjam	6	Mahashakti, Spandana, Annapurna, Arohan, Basix, BFIL
	Gajapati	3	Spandana, Annapurna, BFIL
	Jharsuduga	6	Spandana, SMCS, Annapurna, Arohan, BFIL, Sambandh
	Jajapur (Jajpur)	8	Adhikar, GU Financial, Jagaran, Spandana, Annapurna, Arohan, BFIL, Gramutthan
	Jagatsinghpur	4	Spandana, Altura, Arohan, SMSS
	Kendujhar (Keonjhar)	7	Spandana, SMCS, Annapurna, Arohan, Basix, BFIL, Sambandh
	Kalahandi	7	Mahashakti, Adhikar, Spandana, SMCS, Annapurna, BFIL, Eastern Multipurpose
	Khordha	13	Mahashakti, Adhikar, Spandana, SMCS, Annapurna, Asirvad, Altura, Arohan, Basix, BFIL, Sambandh, SMSS, Eastern Multipurpose
	Kandhamal	4	Spandana, Annapurana, Basix, Eastern Multipurpose
	Koraput	7	Mahashakti, adhikar, Spandana, SMCS, Annapurna, Adhikar Society, BFIL
	Kendrapara	3	GU Financial, Arohan, Gramutthan
	Malkangiri	3	Adhikar, adhikar Society, BFIL
	Mayurbhanj	7	Jagaran, Spandana, SMCS, Annapurna, Arohan, BFIL, Sambandh
	Nabarangpur	5	Adhikar, Spandana, Annapurna, Adhikar Society, BFIL
	Nuapada	9	Mahashakti, Adhikar, GU Financial, Spandana, SMCS, Annapurna, Arohan, BFIL, Gramutthan
	Nayagarh	6	SMCS, Annapurna, Asirvad, Arohan, Basix, BFIL
	Puri	7	Mahashakti, Adhikar, Spandana, SMCS, Arohan, BFIL, Prasad
	Rayagada	8	Mahashakti, Adhikar, Spandana, SMCS, Annapurna, Adhikar Society, Basix, BFIL
Sambalpur	8	Spandana, SMCS, Annapurna, Arohan, Basix, BFIL, Sambandh, SARC	
Subarnapur (Sonepur)	6	Mahashakti, Adhikar, Spandana, Annapurna, Arohan, BFIL	
Sundargarh (Sundergarh)	7	Spandana, SMCS, Annapurna, Arohan, BFIL, Sambandh, Belstar	
Puducherry (PY)	Karaikal	2	Smile, Valar Aditi
	Puducherry	6	Smile, Asirvad, BWDA, Gramin Micro, Growing Opportunity, Belstar
Punjab (PB)	Amritsar	3	Satin, Asirvad, BFIL
	Gurdaspur	2	Satin, Asirvad
	Hoshiarpur	4	Satin, Asirvad, SVCL, Midland
	Rupnagar (earlier Ropar)	4	Satin, Sonata, Asirvad, BFIL
	Sangrur	7	Satin, Satya, Asirvad, BFIL, Capital Trust, SVCL, Midland
	Barnala	4	Satin, Capital Trust, SVCL, Midland
	Bathinda	4	Satin, BFIL, Capital Trust, Midland
	Faridkot	3	Satin, BFIL, Midland

	Fatehgarh Sahib	5	Satin, Satya, Asirvad, SVCL, Midland	
	Fazilka (New)	1	Midland	
	Firozpur	3	Satin, BFIL, Midland	
	Jalandhar	6	Satin, Asirvad, BFIL, Capital Trust, SVCL, Midland	
	Kapurthala	4	Satin, Asirvad, SVCL, Midland	
	Ludhiana	7	Satin, Satya, Asirvad, Capital Trust, NERFS, SVCL, Midland	
	Mansa	3	Satin, BFIL, Midland	
	Moga	5	Satin, BFIL, Capital Trust, SVCL, Midland	
	Pathankot (New)	1	Satin	
	Patiala	9	Satin, Satya, Sonata, Asirvad, BFIL, Capital Trust, NERFS, SVCL, Midland	
	Sahibzada Ajit Singh Nagar (earlier Mohali)	5	Sonata,Asirvad,BFIL,NERFS, Midland	
	Shahid Bhagat Singh Nagar (Nawan Shahr)	2	Satin, Midland	
	Sri Muktsar Sahib	3	Satin, BFIL, Midland	
	Tarn Taran	2	Asirvad, BFIL	
	Rajasthan (RJ)	Ajmer	8	Disha Microfin, Satin, Asirvad, Basix, BFIL, Capital Trust, SVCL, Digambar
		Alwar	11	Satin, Satya, Sonata, Basix, BFIL, HPPI, Mpower, SVCL, Matashree, Shikhar, Digambar
Banswara		3	Disha Microfin, BFIL, Svatantra	
Baran		5	Annapurna, Arth, BFIL, HPPI, Digambar	
Bharatpur		1	Sonata	
Bhilwara		8	Disha Microfin, Annapurna, Asirvad, Basix, BFIL, HPPI, SVCL, Digambar	
Bikaner		7	Pustikar, Satin, Basix, BFIL, Capital Trust, Midland, Digambar	
Bundi		4	Annapurna, Arth, BFIL, Digambar	
Chittorgarh		7	Disha Microfin, Satin, Annapurna, Asirvad, BFIL,SVCL, Digambar	
Churu		4	BFIL, Capital Trust, HPPI, Digambar	
Dausa		2	Basix, BFIL	
Dholpur		1	Sonata	
Dungarpur		3	Disha Microfin, BFIL, Shram Sarathi	
Ganganagar		3	Satin, BFIL, Midland	
Hanumangarh		3	BFIL, Capital Trust, Midland	
Jaipur		14	Satin, Satya, Sonata, Arth, Asirvad, Basix, BFIL, Capital, HPPI, Mpower, SVCL, PSC, Shikhar, Digambar	
Jaisalmer		1	Pustikar	
Jhalawar		4	Annapurna, Arth, BFIL, Digambar	
Jodhpur		5	Pustikar, Satin, Basix, BFIL, Digambar	
Jhunjhunu		8	Satin, Asirvad, BFIL, Capital Trust, HPPI, Mpower, SVCL, Digambar	
Kota		6	Disha Microfin, Arth, Basix, BFIL, HPPI, Digambar	
Nagaur		6	Pustikar, Satin, Asirvad, BFIL, SVCL, Digambar	
Pratapgarh		5	Disha Microfin, BFIL, Shram Sarathi, Svatantra, Digambar	
Pali		6	Pustikar, Satin, Annapurna, BFIL, HHI, Digambar	
Rajsamand	3	Satin, Annapurna, BFIL		
Sikar	7	Satin,Satya, Asirvad, BFIL, HPPI, SVCL, Digambar		

	Sirohi	1	BFIL
	Tonk	4	Asirvad, BFIL, HPPI, Digambar
	Udaipur	8	Disha Microfin, Satin, Annapurna, Asirvad, Basix, BFIL, Shram Sarathi, Digambar
Sikkim (SK)	East Sikkim	2	RGVN, Village
	South Sikkim	1	RGVN
	West Sikkim	1	RGVN
Tamil Nadu (TN)	Ariyalur	8	PAT, READ, SMILE, Virutcham, Asirvad, Madura, REPCO, Samasta
	Chennai	10	SMILE, Virutcham, Asirvad, BWDA, Growing Opportunity, Madura, REPCO, Samasta, Varam, Nabfin
	Coimbatore	9	SMILE, Asirvad, Blaze, Grameen Koota, Madura, REPCO, Samasta, Belstar, Nabfin
	Cuddalore	10	PAT, Sarvodaya, SMILE, Asirvad, BWDA, Madura, REPCO, Belstar, RASS, Nabfin
	Dharmapuri	5	Sanghamitra, Asirvad, Grameen Koota, Madura, REPCO
	Dindigul	10	Disha Microfin, Sanghamitra, Sarvodaya, SMILE, Asirvad, Grameen Koota, Madura, REPCO, Samasta, Nabfin
	Erode	11	Rors, Sanghamitra, Sarvodaya, SMILE, Asirvad, Blaze, Grameen Koota, Growing Opportunity, Madura, REPCO, Nabfin
	Kanchipuram	12	Disha Microfin, Sarvodaya, SMILE, Asirvad, BWDA, Growing Opportunity, HHI, Madura, REPCO, Varam, Belstar, Nabfin
	Kanyakumari	6	Mahasemam, Asirvad, BWDA, Madura, REPCO, Nabfin
	Karur	5	SMILE, Asirvad, GUARDIAN, Madura, REPCO
	Krishnagiri	9	Disha Microfin, Rors, Sanghamitra, Asirvad, Grameen Koota, Madura, REPCO, Samasta, Nabfin
	Madurai	12	Mahasemam, Sarvodaya, SMILE, Virutcham, Asirvad, Madura, REPCO, Varam, Mass Trust, CONSO, Magilchi, Nabfin
	Nagapattinam	11	Disha Microfin, PAT, SMILE, Valar Aditi, Asirvad, IMPACT, Madura, REPCO, Samasta, BWDC, Nabfins
	Namakkal	8	Sanghamitra, SMILE, Asirvad, GUARDIAN, Madura, REPCO, Belstar, Nabfins
	Nilgiris	8	Sanghamitra, Asirvad, Blaze, Grameen Koota, IMPACT, REPCO, Samasta, Nabfins
	Perambalur	5	Opportunity, GUARDIAN, IMPACT, Madura, REPCO
	Pudukkottai	10	Disha Microfin, Sarvodaya, SMILE, Valar Aditi, Woman, Asirvad, GUARDIAN, IMPACT, Madura, REPCO
	Ramanathapura	4	Mahasemam, SMILE, Asirvad, Madura
	Salem	12	Rors, Sanghamitra, Sarvodaya, Asirvad, Grameen Koota, Growing Opportunity, HHI, GUARDIAN, Madura, REPCO, Belstar, Nabfins
	Sivagangai	10	Opportunity, Sarvodaya, SMILE, Asirvad, HHI, Madura, REPCO, Belstar, Mass Trust, Nabfins
	Tanjore	9	Disha Microfin, Opportunity, PAT, SMILE, Asirvad, Madura, REPCO, Samasta, Nabfins
	Theni	6	Disha Microfin, SMILE, Asirvad, Madura, REPCO, Nabfins
	Thirupur	11	Sanghamitra, Sarvodaya, SMILE, Asirvad, Blaze, Grameen Koota, HHI, Madura, REPCO, Samasta, Nabfins
	Thiruvallur	13	Disha Microfin, PAT, Sarvodaya, SMILE, Asirvad, BWDA, Growing Opportunity, Madura, REPCO, Samasta, Varam, Belstar, Nabfins
	Thiruvarur	11	Disha Microfin, Opportunity, PAT, SMILE, Asirvad, IMPACT, Madura, REPCO, Samasta, BWDC, Belstar
	Thoothukudi	3	Virutcham, HHI, REPCO

	Tiruchirappalli	7	Disha Microfin, Opportunity, PAT, Sarvodaya, Asirvad, HHI, Madura
	Tirunelveli	10	Mahasemam, Opportunity, Valar Aditi, Virutcham, Asirvad, BWDA, Madura, REPCO, Magalir, Mass Trust
	Tiruvannamalai	10	Disha Microfin, Sarvodaya, SMILE, Asirvad, Grameen Koota, Growing Opportunity, Madura, REPCO, Belstar, Nabfins
	Trichy	7	SMILE, Woman, GUARDIAN, REPCO, NDFS, Belstar, Nabfins
	Tuticorin	5	Mahasemam, Sarvodaya, Virutcham, Asirvad, BWDA
	Vellore	11	Disha Microfin, Opportunity, Rors, Sarvodaya, SMILE, Asirvad, Grameen Koota, Madura, REPCO, Belstar, Nabfins
	Villupuram	13	Disha Microfin, Opportunity, Sarvodaya, SMILE, Asirvad, BWDA, Grameen Koota, Growing Opportunity, HHI, Madura, REPCO, Belstar, Nabfins
	Virudhunagar	13	Mahasemam, Sarvodaya, SMILE, Asirvad, BWDA, HHI, IMPACT, Madura, REPCO, Varam, Belstar, Mass Trust, Nabfins
Telangana (TS)	Adilabad	1	Spandana
	Hyderabad (Old)	2	Spandana, Vaya
	Khammam	1	Spandana
	Mahaboobnagar	1	Nabfins
	Malkajgiri (Ranga Reddy)	1	Spandana
	Warangal	2	Gaddala, Pragati Seva
Tripura (TR)	Gomati	2	Village, ASA
	Khowai	3	RGVN, Village, ASA
	North Tripura	1	UNACCO
	Sipahijala	2	Village, Annapurna
	South Tripura	3	Village, ASA, NERFS
	West Tripura	7	RGVN, Village, Annapurna, ASA, Basix, KDS, NERFS
Uttarakhand (UK)	Almora	1	NERFS
	Champawat	1	BFIL
	Dehradun	10	Satin, VFSPL, Balajee, BMC, Basix, BFIL, Capital Trust, Disha India, NERFS, SVCL
	Haridwar	12	Satin, Satya, Sonata, Asirvad, BMC, Basix, BFIL, Capital Trust, Disha India, Gramin Micro, Namra, SVCL
	Nainital	9	NEED, Satin, Sonata, Basix, BFIL, Capital Trust, HPPI, NERFS, SVCL
	Udham Singh Nagar	10	Margdarshak, Satin, Sonata, BMC, Basix, BFIL, Capital Trust, HPPI, SVCL, Shikhar
Uttar Pradesh (UP)	Agra	11	Margdarshak, Satin, Satya, Asirvad, BMC, Basix, BFIL, Capital Trust, HPPI, SVCL, Shikhar
	Aligarh	8	Margdarshak, Satin, Sonata, Asirvad, BFIL, Capital Trust, SVCL, Shikhar
	Allahabad	10	Margdarshak, Vedika, Cashpor, Satin, Sonata, Spandana, BMC, BFIL, SVCL, Svatantra
	Ambedkar Nagar	5	Margdarshak, Cashpor, Satin, Sonata, BFIL
	Amethi (Chhatrapati Shahuji Maharaj Nagar)	5	Cashpor, Satin, Sonata, BMC, SVCL
	Amroha (Jyotiba Phule Nagar)	6	Satin, Sonata, Asirvad, BFIL, Captial Trust, SVCL

Uttar Pradesh (UP)	Azamgarh	6	Cashpor, Satin, Spandana, Asirvad, BFIL, SVCL
	Bagpat	2	Satin, BFIL
	Bahraich	3	Margdarshak, Samhita, BFIL
	Ballia	7	Cashpor, Saija, Satin, Asirvad, BFIL, SVCL, Svatantra
	Banda	3	Cashpor, Sonata, BMC
	Barabanki	6	Margdarshak, Vedika, NEED, Sonata, BFIL, Namra
	Bareilly	9	Margdarshak, Satin, Sonata, Basix, BFIL, Capital, HPPI, SVCL, Shikhar
	Basti	7	Margdarshak, Cashpor, Saija, Satin, Sonata, Asirvad, BFIL
	Bijnor	8	Margdarshak, Satin, Sonata, Asirvad, BFIL, Capital Trust, SVCL, Shikhar
	Budaun	6	Satin, Sonata, BFIL, Capital, HPPI, SVCL
	Bhadohi	3	Margdarshak, Cashpor, SVCL
	Bulandshahr	6	Satin, Satya, Sonata, BFIL, Capital Trust, SVCL
	Chandauli	10	Cashpor, Saija, Satin, Sonata, Spandana, ASA, Asirvad, BFIL, SVCL, Svatantra
	Chitrakoot	2	Cashpor, Sonata
	Deoria	9	Margdarshak, Cashpor, Saija, Satin, Sonata, Asirvad, BMC, BFIL, SVCL
	Etah	2	Satin, Sonata
	Faizabad	9	Margdarshak, Cashpor, Saija, Satin, Sonata, BMC, BFIL, Namra, SVCL
	Fatehpur	8	Margdarshak, Cashpor, Satin, Sonata, Asirvad, BMC, BFIL, SVCL
	Firozabad	6	Margdarshak, Satin, Sonata, Asirvad, BFIL, SVCL
	Gautam Buddha Nagar	3	Satin, BMC, Shikhar
	Ghaziabad	6	Satin, Sonata, Asirvad, BFIL, SVCL, Shikhar
	Ghazipur	9	Cashpor, Saija, Satin, Sonata, Spandana, Asirvad, BMC, BFIL, SVCL
	Gonda	4	Cashpor, Samhita, Sonata, BMC
	Gorakhpur	9	Margdarshak, Cashpor, Saija, Satin, Sonata, Asirvad, BMC, BFIL, SVCL
	Hamirpur	1	Cashpor
	Hapur (Panchsheel Nagar)	7	Margdarshak, Satin, Sonata, Asirvad, BFIL, Capital Trust, SVCL
	Hardoi	4	Margdarshak, Samhita, Sonata, IMPACT
	Hathras (Mahamaya Nagar)	9	Margdarshak, Satin, Sonata, Asirvad, BFIL, Capital, HPPI, SVCL, Shikhar
	Jalaun	1	Cashpor
	Jaunpur district	12	Vedika, Cashpor, Saija, Satin, Sonata, Spandana, ASA, Asirvad, BFIL, Futureage, SVCL, Svatantra
	Jhansi	3	Margdarshak, Sonata, SVCL
	Kannauj	2	Margdarshak, Sonata
	Kanpur Dehat (Ramabai Nagar)	2	Margdarshak, Sonata
	Kanpur Nagar	4	Margdarshak, Cashpor, Sonata, BMC
Kaushambi	5	Cashpor, Satin, Sonata, BFIL, SVCL	
Kushinagar	8	Cashpor, Saija, Satin, Sonata, Asirvad, BFIL, Gramotthan, SVCL	
Lakhimpur Kheri	6	Margdarshak, Samhita, Sonata, BMC, BFIL, SVCL	

Uttar Pradesh (UP)	Lucknow	9	Margdarshak, Vedika, NEED, Satin, Sonata, BMC, BFIL, Futureage, Namra
	Maharajganj	8	Cashpor, Samhita, Satin, Sonata, Asirvad, BFIL, Gramotthan, SVCL
	Mahoba	1	Cashpor
	Mathura	9	Satin, Satya, Sonata, Asirvad, BFIL, Capital Trust, HPPI, SVCL, Shikhar
	Mau	7	Cashpor, Saija, Satin, Sonata, Asirvad, BMC, BFIL
	Meerut	6	Satin, Sonata, Asirvad, BFIL, Disha India, SVCL
	Mirzapur	10	Margdarshak, Cashpor, Satin, Sonata, Asirvad, BMC, BFIL, Futureage, SVCL, Svatantra
	Moradabad	6	Margdarshak, Satin, Sonata, Basix, Capital Trust, SVCL
	Muzaffarnagar	3	Sonata, Asirvad, BFIL
	Pilibhit	3	Margdarshak, Sonata, Shikhar
	Pratapgarh	7	Cashpor, Satin, Sonata, Spandana, BFIL, SVCL, Svatantra
	Raebareli	8	NEED, Cashpor, Satin, Sonata, Spandana, Asirvad, BMC, BFIL
	Rampur	4	Margdarshak, Satin, BMC, SVCL
	Saharanpur	9	Sonata, Asirvad, BMC, Basix, BFIL, Capital Trust, Disha India, Namra, SVCL
	Sambhal (Bheem Nagar)	2	Satin, Sonata
	Sant Kabir Nagar	3	Satin, Sonata, BFIL
	Sant Ravidas Nagar	4	Satin, Sonata, BMC, BFIL
	Shahjahanpur	6	Margdarshak, Satin, Sonata, BFIL, Capital Trust, SVCL
	Shamli	1	BFIL
	Siddharthnagar	4	Cashpor, Satin, Sonata, BFIL
Sitapur	7	Margdarshak, NEED, Samhita, Sonata, BMC, BFIL, Futureage	
Sonbhadra	4	Cashpor, Asirvad, BFIL, Svatantra	
Sultanpur	9	Margdarshak, Cashpor, Satin, Sonata, Asirvad, BMC, BFIL, Namra, SVCL	
Unnao	6	Margdarshak, NEED, Sonata, BMC, BFIL, Futureage	
Varanasi	13	Margdarshak, Vedika, Cashpor, Satin, Sonata, Spandana, ASA, Asirvad, BMC, BFIL, Gramotthan, SVCL, Svatantra	
West Bengal (WB)	Alipurduar	5	RGVN, Jagaran, Village, Asirvad, BJS
	Bankura	8	Sahara Utsarga, Satin, Village, ASA, Altura, Arohan, Basix, BFIL
	Bardhaman	16	Vedika, Jagaran, Satin, SMGBK, Village, ASA, Asirvad, Altura, Barasat Sampark, Arohan, Basix, BFIL, KDS, Sarala, Sreema, Uttrayan
	Birbhum	9	Sahara Utsarga, Satin, Village, ASA, Asirvad, Arohan, BFIL, KDS, Uttrayan
	Cooch Behar	6	Jagaran, Village, ASA, Asirvad, BJS, Sarala
	Dakshin Dinajpur	9	Jagaran, Seba Rahara, SMGBK, Village, ASA, Asirvad, BFIL, Destiny, KDS
	Darjeeling	8	Satin, Village, ASA, Asirvad, BJS, BFIL, KDS, Sarala
	Hooghly	13	Vedika, Sahara Utsarga, Satin, Village, ASA, Asirvad, Agradut Polly, Barasat Sampark, Arohan, BFIL, KDS, Sarala, Uttrayan
	Howrah	13	Vedika, Sahara Utsarga, Satin, Village, ASA, Asirvad, Agradut Polly, Arohan, BFIL, DBIS, KDS, Sarala, STEP
	Jalpaiguri	10	RGVN, Jagaran, Satin, Village, ASA, Asirvad, BJS, BFIL, KDS, Sarala
Jhargram	1	Village	
Kolkata	15	Vedika, Jagaran, Sahara Utsarga, Village, ASA, Asirvad, Arohan, BURS, BFIL, DBIS, KDS, Sarala, BWWA, STEP, Nabfins	

West Bengal (WB)	Malda	8	Jagaran, Village, ASA, BFIL, Destiny, KDS, Sarala, Uttrayan
	Medinapore (Purba)	7	Jagaran, Village, ASA, Asirvad, Arohan, KDS, Sarala
	Medinapore (West)	5	Jagaran, Asirvad, Village, Arohan, BFIL
	Murshidabad	11	Jagaran, Sahara Utsarga, Village, ASA, BJS, Arohan, BFIL, KDS, Sarala, Sreema, Uttrayan
	Nadia	16	Vedika, Jagaran, Sahara Utsarga, Satin, SMGBK, Srija, Village, ASA, Asirvad, Barasat Sampark, Arohan, BFIL, KDS, Sarala, Sreema, Uttrayan
	North 24 Par-ganas	21	Vedika, Jagaran, Sahara Utsarga, Seba Rahara, Village, ASA, Asirvad, Barasat Sampark, BJS, Arohan, BURS, BFIL, DBIS, KDS, Barasat Unnayan, BGS, Sarala, Sreema, Uttrayan, Sserial, STEP
	Purulia	4	Village, Asirvad, Agradut Polly, Basix
	South 24 Par-ganas	19	Vedika, Jagaran, Sahara Utsarga, UNACCO, Village, ASA, Asirvad, Arohan, BRWAS, BFIL, DBIS, DCBS, KDS, Swayamsampurna, Sarala, VSSU, Uttrayan, BWWA, SSVWS
	Uttar Dinajpur	10	Jagaran, Seba Rahara, SMGBK, Srija, Village, BFIL, DCBS, Destiny, KDS, Uttrayan

Based on the data collected from 164 MFIs.

Annexure 3 Distribution of Data Contributing MFIs/SFBs for his Report

(I) Distribution of MFIs Across State and Membership Status			
State	Total No. of MFIs	Of which No. of Member MFIs	Of which No. of Non-member MFIs
Andhra Pradesh	1	0	1
Assam	9	8	1
Bihar	5	2	3
Delhi	8	7	1
Gujarat	7	6	1
Haryana	2	2	0
Jharkhand	3	2	1
Karnataka	13	11	2
Kerala	5	2	3
Madhya Pradesh	7	1	6
Maharashtra	14	3	11
Manipur	4	4	0
Odisha	13	10	3
Punjab	1	1	0
Rajasthan	6	4	2
Tamil Nadu	26	18	8
Telangana	7	7	0
Uttrakhand	1	0	1
Uttar Pradesh	8	7	1
West Bengal	28	15	13
Total	168	110	58

(II) Distribution of SFBs Across State			
State	Total No. of SFBs	Of which No. of Member MFIs	Of which No. of Non-member MFIs
Kerala	1	1	0
Maharashtra	1	0	1
Tamil Nadu	1	1	0
Uttar Pradesh	1	0	1
Total	4	2	2

Distribution of MFIs across Legal Form			
State	Total No. of MFIs	Of which No. of Member MFIs	Of which No. of Non-member MFIs
NBFC/NBFC-MFI	73	59	14
Sec. 8 Company	27	17	10
Society	44	19	25
Trust	18	11	7
MACS or Coopera- tive	6	4	2
SFB	4	2	2
Total	172	112	60

(I) No. of MFIs across Size (GLP Base)			
Size	Gross Loan Portfolio (GLP)	No. of MFIs	Percentage (%)
Small	< ₹100 crore	118	70%
Medium	₹100 crore and < ₹500 crore	31	18%
Large	> ₹500 crore	19	11%
Total		168	

(II) Distribution of SFBs Across Size (GLP Base)			
Size	Gross Loan Portfolio (GLP)	No. of MFIs	Percentage (%)
Large	>₹500 crore	4	100%

(I) Distribution of MFIs across Region and State		
Region	States/Union Territories	No. of MFIs
North	Delhi (8) , Haryana (2), Rajasthan (6), Punjab (1), Chandigarh, Himachal Pradesh, Jammu & Kashmir	17
East	Bihar (5) , Odisha (13), Jharkhand (3), West Bengal (28), Andaman	49
West	Gujarat (7) , Maharashtra (14), Goa, Dadra & Nagar Haveli, Daman and Diu	21
South	Andhra Pradesh (1) , Karnataka (13), Kerala (5), Tamil Nadu (26) , Telangana (7), Puducherry	52
North East	Assam (9) , Manipur (4), Tripura, Nagaland, Sikkim, Meghalaya, Mizoram, Arunachal Pradesh	13
Central	Madhya Pradesh (7) , Uttarakhand (1), Uttar Pradesh (8) , Chhattisgarh	16
Total		168

(II) Distribution of SFBs across Region and State		
Region	States/Union Territories	No. of MFIs
North	Delhi, Haryana, Rajasthan, Punjab, Chandigarh, Himachal Pradesh, Jammu & Kashmir	0
East	Bihar, Odisha, Jharkhand, West Bengal, Andaman	0
West	Gujarat, Maharashtra (1) , Goa, Dadra & Nagar Haveli, Daman and Diu	1
South	Andhra Pradesh, Karnataka, Kerala (1) , Tamil Nadu (1) , Telangana, Puducherry	2
North East	Assam, Manipur, Tripura, Nagaland, Sikkim, Meghalaya, Mizoram, Arunachal Pradesh	0
Central	Madhya Pradesh, Uttarakhand, Uttar Pradesh (1) , Chhattisgarh	1
Total		4

Note: States in bold indicate MFIs having headquarters in that state and have submitted data to BMR 2017.

Annexure 4 Profile of MFIs which Contributed Data for this Report

(A) List of MFIs with Loan Portfolio Less than ₹100 crore			
S.No.	Name of the MFIs	State	Legal Form
1	Adhikar Society	Odisha	Society
2	Agora Microfinance India Ltd	Maharashtra	NBFC-MFI
3	Agradut Polly Unnayan Samity	West Bengal	Society
4	Ajagar Finance Pvt Ltd	Assam	NBFC-MFI
5	Altura Financial Services Limited	Delhi	NBFC-MFI
6	Anandita Micro Credit Services	Haryana	Sec. 8 Company
7	Anik Financial Services Ltd	Maharashtra	NBFC-MFI
8	Annapurna Mahila Coop Credit Society	Maharashtra	Society
9	Arth MicroFinance Pvt. Ltd.	Rajasthan	NBFC-MFI
10	Asomi Finance Pvt Ltd	Assam	NBFC
11	Bagaria Relief Welfare Ambulance Society	West Bengal	Society
12	Balajee Sewa Sansthan	Uttrakhand	Society
13	Bal-Mahila Vikas Samiti (VAMA)	Madhya Pradesh	Society
14	Barasat Grameen Society	West Bengal	Society
15	Barasat Sampark	West Bengal	Society
16	Barasat SSERIAL	West Bengal	Society
17	Barasat Unnayan Prostuti	West Bengal	Society
18	Belghoria Janakalyan Samity	West Bengal	Society
19	Bengal Women Welfare Association	West Bengal	Sec. 8 Company
20	Bharathi Women Development Centre	Tamil Nadu	Society
21	Bhartiya Samruddhi Finance Ltd	Telangana	NBFC
22	Blaze Trust	Tamil Nadu	Trust
23	Bureau of Obligate and Accompanier for Rural Development (BOARD)	Bihar	Trust
24	BURS	West Bengal	Society
25	BWDA Finance Limited	Tamil Nadu	NBFC
26	Capital Trust Microfinance Private Limited	Delhi	NBFC-MFI
27	Centre for Promoting Sustainable Livelihood (CPSL)	Bihar	Society
28	Centre for Development Orientation and Training	Bihar	Society
29	Chanura Microfin Manipur	Manipur	Society
30	Consortium For Social Care And Development (CONSO)	Tamil Nadu	Trust
31	Dakshin Budhakhali Improvement Society (DBIS)	West Bengal	Society
32	Deshabandhu Micro Finance and Livelihood Institution (DMLI)	Assam	Sec. 8 Company
33	Destiny Finco Private Limited	West Bengal	NBFC
34	Dhosa Chandaneswar Bratyajana Samity (DCBS)	West Bengal	Society

35	Disha India Micro Credit	Uttar Pradesh	Sec. 8 Company
36	dMatrix Development Foundation	Maharashtra	Sec. 8 Company
37	Forum for Rural Environment and Economic Development(FREED)	Kerala	Society
38	Futureage India Micro Credit Services	Uttar Pradesh	Sec. 8 Company
39	G B P Nobel Microfinances	Maharashtra	Sec. 8 Company
40	Gaddala Financial Services Pvt Ltd	Telangana	NBFC
41	Gramalaya Urban and Rural Development Initiatives and Network	Tamil Nadu	Sec. 8 Company
42	Grameen Development and Finance Pvt Ltd	Assam	NBFC-MFI
43	Gramin Mahila Swayamsiddha Sangh	Maharashtra	Trust
44	Gramin Micro Credit Foundation	Delhi	Sec. 8 Company
45	Gramotthan Micro Finance Cpomany	Uttar Pradesh	Sec. 8 Company
46	Gram-Utthan	Odisha	Society
47	GU Financial Services Pvt Ltd	Odisha	NBFC
48	Hand In Hand India	Tamil Nadu	Trust
49	Humana People to People India	Delhi	Sec. 8 Company
50	IDF Financial Services Ltd	Karnataka	NBFC-MFI
51	Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT)	Tamil Nadu	Sec. 8 Company
52	Institute of Rural Credit and Entrepreneurship Development	Maharashtra	Society
53	Jeevankiran	Kerala	Society
54	Jigyasa Livelihood Promotions Microfinance Foundation	Madhya Pradesh	Sec. 8 Company
55	Kotalipara Development Society (KDS)	West Bengal	Society
56	Life Foundation	Kerala	Trust
57	Lok Biradari Trust	Madhya Pradesh	Trust
58	Magalir Micro Finance Private Limited	Tamil Nadu	NBFC-MFI
59	Magilchi Foundation	Tamil Nadu	Trust
60	Mahashakti Foundation	Odisha	Trust
61	Makkal Sakthi Sangamum (MASS)	Tamil Nadu	Trust
62	Mass Care International	Bihar	Society
63	Matashree Gomati Devi Jan Seva Nidhi	Rajasthan	Trust
64	Micro Enterprises and Sustainable Project	Jharkhand	Sec. 8 Company
65	Nanayasurebhi Development Financial Services (NDFS)	Tamil Nadu	Sec. 8 Company
66	Nav Bharat Jagriti Kendra	Jharkhand	Society
67	NEED Livelihood Microfinance Ltd	Uttar Pradesh	NBFC-MFI
68	Nightingale Finvest Pvt Ltd	Assam	NBFC-MFI
69	Nirantara FinAccess Pvt Ltd	Karnataka	NBFC-MFI
70	Opportunity Microfinance India Ltd	Karnataka	NBFC
71	People's Action for Transformation	Tamil Nadu	Trust
72	Planned Social Concern	Delhi	Sec. 8 Company

73	Pragathi Seva Samithi	Telangana	MACS or Co-operative
74	Prakruthi Foundation	Karnataka	Trust
75	Prasad Foundation	Odisha	Trust
76	Pratigya Mahila Samanvit Vikas Bachat Avam Sakh Sahakari Sanstha Maryadit	Madhya Pradesh	MACS or Co-operative
77	PRAYAS- Organization for Sustainable Development	Gujarat	Trust
78	Prochesta Thrift & Credit Cooperative Society Asom Ltd.	Assam	MACS or Co-operative
79	Pustikar Sakh Sahakari Samiti Ltd	Rajasthan	Society
80	Rajasthan Shram Sarathi Association	Rajasthan	Sec. 8 Company
81	Rashtriya Seva Samithi (RASS)	Andhra Pradesh	Society
82	RORS Finance Private Limited	Karnataka	NBFC-MFI
83	Rural Education and Action Development	Tamil Nadu	Society
84	Sahara Utsarga Welfare Society	West Bengal	Society
85	Sakhi Samudaya Kosh	Maharashtra	Sec. 8 Company
86	Sampada Entrepreneurship & Livelihoods Foundation	Maharashtra	Sec. 8 Company
87	Sampurna Training and Entrepreneurship Programme	West Bengal	Sec. 8 Company
88	Samruddhi Welfare Development Foundation	Maharashtra	Sec. 8 Company
89	Sarvodaya Finance Ltd	Tamil Nadu	NBFC
90	Satra Development Finance Private Ltd	Assam	NBFC-MFI
91	Satya MicroCapital Limited	Delhi	NBFC
92	Seba Rahara	West Bengal	Society
93	Self Employment Voluntary Association	Manipur	Society
94	SHEPHERD	Tamil Nadu	Society
95	Shikhar Microfinance Pvt. Ltd.	Delhi	NBFC-MFI
96	Shroff Capital and Finance Pvt. Ltd.	Gujarat	NBFC-MFI
97	Social Action for Rural Community (SARC)	Odisha	Society
98	Society for Model Gram Bikash Kendra	West Bengal	Society
99	Sreema Mahila Samity	West Bengal	Society
100	Srija Chemo Pvt Ltd	West Bengal	NBFC
101	Sripur Swami Vivekananda Welfare Society	West Bengal	Society
102	Swashree Mahila Sakh Sahakari Sanstha Maryadit	Madhya Pradesh	Society
103	Swayam Micro Services	Gujarat	Sec. 8 Company
104	Swayam Shree Micro Credit Services (SMCS)	Odisha	Sec. 8 Company
105	Swayamsampurna	West Bengal	Trust
106	Swayamshree Mahila Samabaya Samiti Ltd.	Odisha	MACS or Co-operative
107	The Eastern Multipurpose Coop Society Ltd	Odisha	MACS or Co-operative
108	The Saath Saving And Credit Co Operative Society Limited	Gujarat	MACS or Co-operative

109	UNACCO Financial Services Pvt. Ltd.	Assam	NBFC-MFI
110	Unnati Microfin Pvt Ltd	Maharashtra	NBFC
111	Valar Aditi Social Finance Pvt Ltd	Tamil Nadu	NBFC
112	Virutcham Microfinance Ltd	Tamil Nadu	NBFC-MFI
113	Vivekananda Sevakendra O Sishu Uddyan (VSSU)	West Bengal	Society
114	Volunteers for Village Development	Manipur	Society
115	Welfare organisation for Multipurpose Mass Awareness Network (WOMAN)	Tamil Nadu	Society
116	Welfare Services Ernakulam	Kerala	Society
117	Yukti Samaj Sewa	Madhya Pradesh	Society
118	YVU Financial Services Pvt. Limited	Manipur	NBFC-MFI

(B) List of MFIs with Loan Portfolio between ₹100 crore and < ₹500 crore

S.No.	Name of MFIs	State	Legal Form
1	Adhikar Microfinance Private Limited	Odisha	NBFC-MFI
2	ASA International India Microfinance Ltd	West Bengal	NBFC
3	Bhartiya Micro Credit	Uttar Pradesh	Sec. 8 Company
4	Chaitanya India Fin Credit Pvt Ltd	Karnataka	NBFC-MFI
5	Digamber Capfin Ltd	Rajasthan	NBFC-MFI
6	Growing Opportunity Finance India Private Limited	Tamil Nadu	NBFC-MFI
7	Hindusthan Microfinance Pvt Ltd	Maharashtra	NBFC-MFI
8	Jagaran Microfin Private Limited	West Bengal	NBFC-MFI
9	M Power Microfinance Ltd	Maharashtra	NBFC-MFI
10	Mahasemam Trust	Tamil Nadu	Trust
11	Margdarshak Financial Services Ltd	Uttar Pradesh	NBFC-MFI
12	Midland Microfin Ltd	Punjab	NBFC-MFI
13	Namra Finance Ltd.	Gujarat	NBFC-MFI
14	Navchetna Microfin Services Pvt Ltd	Karnataka	NBFC-MFI
15	North East Region Fin Services Limited	Manipur	NBFC
16	Peoples Forum	Odisha	Society
17	REPCO Micro Finance Pvt Ltd	Tamil Nadu	NBFC-MFI
18	Saija Finance Private Limited	Bihar	NBFC-MFI
19	Samasta Microfinance Limited	Karnataka	NBFC-MFI
20	Sambandh Finserv Pvt Ltd	Odisha	NBFC-MFI
21	Samhita Community Development Services	Madhya Pradesh	Sec. 8 Company
22	Sanghamitra Rural Financial Services	Karnataka	Sec. 8 Company
23	Sarala Development & Microfinance Pvt. Ltd.	West Bengal	NBFC-MFI
24	Shri Mahila Sewa Sahakari Bank Ltd.	Gujarat	MACS or Co-operative
25	SMILE Microfinance Limited	Tamil Nadu	NBFC-MFI

26	Svatantra Microfin Private Limited	Maharashtra	NBFC-MFI
27	Uttrayan Financial Services Pvt Ltd	West Bengal	NBFC-MFI
28	Varam Capital Private Limited	Tamil Nadu	NBFC-MFI
29	Vaya Finserv Private Limited	Telangana	NBFC-MFI
30	Vedika Credit Capital Ltd	Jharkhand	NBFC-MFI
31	Village Financial Services Pvt. Ltd.	West Bengal	NBFC-MFI

(C) List of MFIs with Loan Portfolio > ₹500 crore

S.No.	Name of the MFIs	State	Legal Form
1	Annapurna Microfinance Pvt Ltd	Odisha	NBFC-MFI
2	Arohan Financial Services Pvt Ltd	West Bengal	NBFC-MFI
3	Asirvad Micro Finance Ltd	Tamil Nadu	NBFC-MFI
4	Belstar Investment and Finance Private Limited	Tamil Nadu	NBFC-MFI
5	Bharat Financial Inclusion Ltd.	Telangana	NBFC-MFI
6	BSS Microfinance Pvt Ltd	Karnataka	NBFC-MFI
7	Cashpor Micro Credit	Uttar Pradesh	Sec. 8 Company
8	Disha Microfin Ltd	Gujarat	NBFC-MFI
9	Grameen Koota Financial Services Private Limited	Karnataka	NBFC-MFI
10	Madura Micro Finance Limited	Tamil Nadu	NBFC-MFI
11	Muthoot Microfin Ltd	Maharashtra	NBFC-MFI
12	NABARD Financial Services Ltd.	Karnataka	NBFC-MFI
13	RGVN (NE) Microfinance Ltd	Assam	NBFC-MFI
14	Satin Credit Care Network Ltd	Delhi	NBFC-MFI
15	Share Microfin Ltd	Telangana	NBFC-MFI
16	Shri Kshethra Dharmasthala Rural Development Project (SKDRDP)	Karnataka	Trust
17	Sonata Finance Pvt Ltd	Uttar Pradesh	NBFC-MFI
18	Spandana Sphoorty Financial Ltd	Telangana	NBFC-MFI
19	SV Creditline Pvt Ltd.	Haryana	NBFC-MFI

(II) Profile of Small Finance Banks (SFBs) which Contributed Data for this Report

S.No.	Name of SFBs	State	Legal Form
1	ESAF Small Finance Bank Limited	Kerala	SFB
2	Suryoday Small Finance Bank Limited	Maharashtra	SFB
3	Utkarsh Small Finance Bank	Uttar Pradesh	SFB
4	Equitas Small Finance Bank	Tamil Nadu	SFB

A REGRET

We regret that despite constant follow-up by the Sa-Dhan team the following institutions have not provided data for The Bharat Microfinance Report- 2017: Janalakshmi, Intrepid Finance & Leasing Pvt. Ltd, Light Microfinance Pvt. Ltd, Pahal Financial Services Pvt. Ltd, Sahayog Microfinance, Kalighat Society for Development Facilitation. Needless to say, such an attitude is contrary to the principles of transparency and information dissemination which are essential for financial services providers in the present times.



National Bank for Agriculture and Rural Development



Our Mission: Promotion of sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institution development and other innovative initiatives.

- Research and Development on matters of importance pertaining to agriculture, agricultural operations and rural development including the provision of training and research facilities.
- Consultancy services related to Agriculture & Rural Development through subsidiary (NABCONS).

Our Functions:

- Provide Credit/Refinance for production credit and investment credit to eligible banks and financing institutions.
- Development functions undertaken through Farm Sector Promotion Fund (FSPF), Financial Inclusion Fund (FIF), Watershed Development Fund (WDF), Tribal Development Fund (TDF), Rural Infrastructure Development Fund (RIDF), etc.
- Supervisory functions in respect of Cooperative Banks and Regional Rural Banks.

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Mission of Sa-Dhan

“To build the field of community development finance in India, to help its members and associate institutions to better serve low income households, particularly women, in both rural and urban India, in their quest for establishing stable livelihoods and improving their quality of life”.

Mission of NABARD

“Promotion of sustainable and equitable agriculture and rural development through effective credit support, related services, institution development and other innovative initiatives”.



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