A Study on Financing Structure of MFIs in India

[*]Dr.R.Rupa

[*]*Associate Prof., Department of Commerce, Kumaraguru College of Liberal Arts and Science, Saravanampatti, Coimbatore (India)*

ARTICLE DETAILS

ABSTRACT

"Microfinance" is often defined as financial services for poor and low-income clients. The institutions offering the financial services and banking opportunities to the unbankable population are called as Microfinance Institutions (MFIs). With the increasing commercialization of microfinance sector in the country, the financing structure is changing. The share of client savings and grants has reduced over the years. Grants are becoming scarcer and savings as source of financing is also decreasing as more and more MFIs transform into regulated structure of NBFC and the central bank does not allow these institutions to raise deposit. The present study is an attempt to assess the financing structure using three variables, namely, Capital Asset ratio, Debt Equity Ratio and Gross loan portfolio to total assets of Microfinance Institutions operating in India. A sample of 46 MFIs have been taken for purpose of the study.

1. Introduction

"Microfinance" is often defined as financial services for poor and low-income clients. The institutions offering the financial services and banking opportunities to the unbankable population are called as Microfinance Institutions (MFIs). Microfinance initially has been a form of voluntary help to most deprived population. However, today it represents a market solution to mitigation of poverty and acts as a development and economic tool in bringing about financial inclusion. With the increasing commercialization of microfinance sector in the country, the financing structure is changing. The share of client savings and grants has reduced over the years. Grants are becoming scarcer and savings as source of financing is also decreasing as more and more MFIs transform into regulated structure of NBFC and the central bank does not allow these institutions to raise deposit. Concomitantly, debt has become the dominant source of finance for Indian MFIs. The commercial banks along with government apex institutions like SIDBI are major sources of debt funding to MFIs. Debt funding requirements are high due to the restriction to raise funds through savings. It is important to highlight that borrowing from the commercial banks is an important source of financing to MFIs. As per the central bank regulation domestic and foreign commercial bank are required to lend 40 per cent and 32 per cent of fund to priority sector and lending to microfinance qualifies as priority sector lending. This policy has been a key factor in commercial banks' lending to MFIs. Most banks continue to lend only to top tier institutions. Besides term loans, there has been a rise in non-traditional products such as non-convertible debentures, securitizations and portfolio buyouts available to MFIs through domestic as well as foreign debt funds. As a result, today, larger MFIs have adequate and easy access to debt financing. However, smaller and emerging MFIs are still struggling to find adequate funds as they have unproven business models and present a higher default risk to banks. Alternative debt providers are emerging in an attempt to fill this gap with subordinated-debt, guarantees and pooled securitizations.

2. Review of literature

Robert Cull, Asli Demiguc Kunt, Jonathan Morduch (2003), has conducted a study on "Financial Performance and outreach: A global analysis of leading microfinance institutions". The study has aimed to explore patterns of profitability, loan repayment and cost reduction. The data have been collected from micro banking bulletin. The data on 124 microfinance institutions in 49 developing countries have been chosen for the study. The study has been conducted during the period 1999 to 2002. The key dependent variable for analysis of profitability has been the financial self-sufficiency ratio. It has been found that larger loan sizes are associated with lower average costs for both individual-based lenders and solidarity group lenders.

Alain de Crombrugghe, Michel Tenikue and Julie Sureda (2008), in their paper entitled "Performance analysis for a sample microfinance institution in India" has focused on the operational aspect of performance of Indian MFIs surveyed by SaDhan, a know-how sharing organization. The data set has included 42 MFIs which reported through onsite cooperation with SaDhan during the year 2004-05. The ratio and regression analysis has been used to study the determinant of self-sustainability of a sample of MFIs in India. It has been found that MFIs can ensure sustainability through financial, while keeping the focus on poor.

Letenah Ejigu (2009) has conducted a study on "Performance analysis of sample Microfinance Institutions of Ethiopia". The study has aimed to compare the performance of the Ethiopian MFIs with Micro Banking Bulletin benchmark. The data for the research has been taken from Mix market website. As per National bank of Ethiopia database there has been 27 MFIs, but based on the availability of online data only 16 MFIs from mix market has been taken for the period 2001-2007. The data analysis have been made using one sample t test, one way ANOVA with Scheffe Post Hoc comparison test, Kruskal Wallis test and Pearson Correlation Coefficient. Microfinance age has correlated positively with efficiency, productivity, use of

debt financing and operational self-sufficiency. The use of debt financing has made MFIs more efficient and productive.

Abhijeet Chandra (2010) in his study on "Pursuing efficiency while maintaining outreach: Microfinance in India" has attempted to examine the dynamic relationship between outreach to poor and financial efficiency of MFIs and also explores the pattern of profitability, loan repayment and cost reduction during 2003-2008. The data has been analyzed using univariate and multivariate statistical methods, in order to describe the correlation of profitability, focusing particularly on the roles of cost and interest charged on loan and its relation on outreach of MFIs. The study has been based on the survey and analysis of high quality financial data of more than 70 MFIs from across India. The study has revealed that financial sustainability depends on institutions lending model.

Pankaj K. Agarwal and S.K.Sinha (2010), in their study on "Financial performance of microfinance institutions of India: A cross sectional study", has analysed and compared the financial performance of MFIs primarily from a sustainability stand point. The study has been conducted during 2008 with a sample of 22 MFIs which are five stars rated and data have been collected from mix market. The study have concluded that the most of the best performing firms were following different business model in India, this has been reflected in 13 out of 22 parameter studied.

The review of literature has established the framework for the study and has highlighted the results of previous studies, which in turn, has helped to clearly identify the gap. The present study has aimed to fill this research gap, substantiating with more information.

3. Statement of the Problem

MFIs finance their activities with funds from various sources, both debt in the form of deposits from clients, borrowing from bank and other financial institutions and equity. Financing structure is a specific mixture of long–term debt and equity that an MFI uses to finance its operations. This financial structure is a mixture that directly affects the risk and value of the business. The MFIs in India selected for the study are individually analysed based on financing structure indicator to identify the top line and bottom line performers based on the variables selected. The present study is an attempt to assess the financing structure using three variables, namely, Capital Asset ratio, Debt Equity Ratio and Gross loan portfolio to total assets of Microfinance Institutions operating in India.

4. Objectives of the study

The study focuses on the following objectives:
a) To analyse the Institutionwise financing structure of Microfinance Institutions in India and identify topline and bottom line performers.
b) To study the growth and pattern of financing structure of MFIs in India
c) To identify the key drivers of the financing structure in the overall performance of Microfinance Institutions in India.

5. Research Methodology

The study is primarily based on secondary data. The data have been collected from Microfinance Information Exchange (MIX) i.e., www.mixmarket.org. The period undertaken for the study is from fiscal year 2007 to 2011. There are 71 MFIs in India which have reported their financial information to CGAP through MIX in the fiscal year 2011. The MFIs for which the financial details have been reported atleast for 5 years continuously have been identified. It is noted that only 46 MFIs in India have fulfilled the requirement and all these MFIs are taken for the study.

6. Tools for Analysis

Descriptive statistics, namely, Mean and Standard deviation, Coefficient of Variation (CV per cent), has been used in this study to understand the distribution and characteristics of the variables studied. Mean is referred to as the measure of central tendency as it gives an idea of what is a typical or common value for a given variable. The Standard Deviation is called the measure of dispersion which is used to study how far the variable of interest is 'spread out' in the study. CV per cent is the Coefficient of Variation expressed in terms of percentage. This is useful in comparing the variations of two groups or two different sample since it is free from units of measurements.

The growth measures such as, Annual Growth Rate (AGR), Linear Annual Growth Rate (LAGR) and Compounded Annual Growth Rate have been computed to study the trend of ratios and overall growth of ratios during the study period.

7. Institution wise Analysis of Financing Structure of MFI in India

Institution wise analysis has been made individually for all the selected MFIs in India in respect of financing structure considering the Mean values, Coefficient of Variation and LAGR. The financing structures, namely, capital/asset ratio, debt equity ratio and gross loan portfolio to total assets of MFIs in India have been shown in the table no.1, 2 and 3.

Capital/Asset Ratio (CAR): Capital asset ratio shows relationship between capital and risk weighted assets. CAR indicates the amount of capital that an MFI has to cushion against future losses and ensure that it is able to cover its expenses and debt obligations over the long term. Sa-Dhan has proposed that CAR > 20 per cent is seen as insufficient leverage and inefficient use of capital.

CAR = Adjusted Total Equity/Adjusted Total Assets

Based on the mean value, capital/asset of MFIs has been lower for NCS with 2.66 per cent and greater for NBJK with 58.27 per cent. It is observed that Sarvodaya has recorded the highest LAGR in capital asset ratio of 11.18 per cent and the lowest by Asirvad with a decrease of 9.38 per cent during the study period. The highest CV has been registered by Mahasakthi with 92.91 per cent and the lowest CV by Sanghamitra with 3.96 per cent. The top five MFIs in India based on the mean value of capital by asset ratio are NCS,

SKDRDP, Cashpor MC, GU, BJS and bottom five MFIs are HiH, Asirvad, Asomi, Swadhaar and NBJK.

Debt to Equity ratio (DER): Debt to equity ratio measures the overall financial leverage or gearing of an institution and how much cushion the MFI has to absorb losses after all liabilities are paid.

DER = Adjusted Total Liabilities/Adjusted Total Equity

It is observed that the mean value of debt to equity ratio has been highest for NCS with 88.36 per cent and the lowest for SKS with 3.28 per cent. SKDRDP has recorded the highest LAGR with an increase of 4.19 per year and NCS has recorded the lowest with a decrease of 58.13 per year during the study period. Swadhaar has registered the highest CV of 214.26 per cent and HiH with the lowest CV of -345.17 per cent. The top five MFIs in India based on the mean value of debt to equity ratio are NCS, Cashpor MC, BWDA Finance, SKDRDP, Swadhaar and bottom five MFIs are Asirvad, Ujjivan, Sonata, BISWA and SKS.

Gross loan Portfolio to Total Assets (GLP to TA): Gross loan portfolio to total assets measures the MFIs allocation of assets to its lending activity which is considered to be the core activity for a microfinance lender.

GLP to TA = Adjusted Gross Loan Portfolio/Adjusted Total Assets

The mean value of GLP to total assets of MFIs has been the highest for Spandana with 103.96 per cent and the lowest for Sewa bank with 33.42 per cent. SCNL has recorded the

highest LAGR with an increase of 8.88 per cent and the lowest for CCFID with a decrease of 7.75 per cent during the study period. HiH has witnessed the highest CV of 36.53 per cent and Sangamithra has witnessed the lowest CV of 1.42 per cent during the study period. The top five MFIs in India based on the mean value of Gross loan portfolio to total assets are Spandana, GFSPL, Sanghamitra, Cashpor MC, Smile and bottom five MFIs are Swadhaar, PWMACS, KBSLAB, HiH and SEWA Bank.

Arohan, Asirvad, Asomi, Biswa, HiH, Mimo finance, MMFL, NBJK, Sarvodaya, SKS, Swadhaar, Trident microfinance, Ujjivan and VFS of India have shown insufficient leverage or inefficient use of capital. NCS is found to be highly leveraged, whereas, SKS is found to be low leveraged. The MFIs' allocation of assets to their leading activity, which is considered to be the core activity for a microfinance lender, has been greater for Indian MFIs. Spandana has the highest gross loan portfolio to total assets and SEWA Bank has the least gross loan portfolio to total assets. Indian MFIs are growth oriented. Equity holders will be more interested in investing in Indian MFIs.

8. Pattern and growth of Financing Structure of MFIs in India

MFIs financing structure includes long term debt and equity. This financial structure is a mixture that directly affects the risk and value of the MFIs. The table below gives descriptive statistics and growth rates for the variables studied.

Table 4
Financing Structure of MFIs in India

Year	Capital asset ratio (%)	Debt Equity Ratio (%)	GLP to Total Assets (%)
2007	14.8	23.63	82.04
2008	18.91	10.24	84.2
2009	17.05	8.6	82.69
2010	19.72	7.26	82.84
2011	24.38	5.08	85.53
Mean	18.97	10.96	83.46
S.D	3.57	7.33	1.4
C.V	18.8	66.86	1.68
AGR	14.31	-29.57	1.07
LAGR	2	-4.01	0.56
CAGR	10.96	-28.95	0.67

Source: Computed

The **Capital Asset Ratio (CAR)** (per cent) shows the relationship between capital and risk weighted assets. A higher CAR represents higher the level of capital that an MFI has to cushion against future losses and ensure that it is able to cover its expenses and debt obligations over the long term. It has been evident from table that the CAR (per cent) of MFIs in India has shown an increasing trend during the study period. The CAR of MFIs in India has increased from 14.8 per cent in 2007 to 24.38 per cent in 2011; with a mean value of 18.97 per cent during the study period. According to Basel II norms the CAR > 20 per cent indicates insufficient leverage and inefficient use of capital. The mean value has revealed that the CAR has

been sufficient during the study period except in 2011. It has revealed a CV of 18.8 per cent during the study period. The AGR of CAR of MFIs in India has been positive with 14.31 per cent, along with a CAGR of 10.96 per cent during the study period. The LAGR has shown an increase of 2 per cent in the CAR of MFIs in India.

The **Debt Equity Ratio (DER)** measures the overall financial leverage of an institution and how much cushion the MFI should have to absorb the losses after all liabilities is paid. It is evident from the table that the DER of MFIs in India has shown a decreasing trend during the study period. It has

decreased from 23.63 per cent in 2007 to 5.08 per cent in 2011, with an average of 10.96 per cent during study period. It has registered a CV of 66.86 per cent during the study period. The AGR, CAGR and LAGR of DER of MFIs in India have witnessed a negative trend during the study period.

The **Gross Loan Portfolio to total assets (GLP to Total assets)** measures the MFIs allocation of assets to its lending activity. The GLP to total assets of MFIs in India has shown a fluctuating trend during the study period. It has increased from 82.04 per cent in 2007 to 84.2 per cent in 2008, then slowly decreased in 2009 and again witnessed a marginal increase in 2010 and remained at 85.53 per cent in 2011. The mean value of gross loan portfolio to total assets of MFIs in India has been 83.46 per cent and recorded a CV of 1.68 per cent during the study period. The AGR of GLP to total assets of MFIs in India has registered a growth with 1.07 per cent, along with a CAGR of 0.67 per cent during the study period. The LAGR has shown an increase of 0.56 per year.

It is observed from the results that though the MFIs in India have maintained sufficient the financial leverage during initial years of study period, but in 2011 the MFIs capital asset ratio has crossed the standard proposed by Sa-Dhan. Hence, the MFIs have to be more efficient in using its capital to cover its expenses and debt obligations. It is observed from the GLP to total assets that the MFIs in India have increased their allocation of the assets to its lending activity during the study period, which is considered to be the core activity of MFIs. The financing structure of MFIs in India has been satisfactory during the study period.

9. Key driver of Financing structure – A Multiple Regression Analysis

Multiple regression analysis has been employed to identify the effect of selected parameters on the comprehensive or overall performance score of MFIs in India. The dependent variable taken for the analysis is overall performance. For the purpose of analysis, null hypotheses has been framed and tested. The table no. 5 reveal the result of Multiple Regression analysis conducted for financing structure.

H_0: *"The financing structure variables, namely, capital asset ratio, debt to equity ratio and gross loan portfolio to total assets do not have a significant influence on the overall performance"*

Table no.5
Multiple Regression Analysis - Financing Structure

Variables	Regression Coefficients (B)	Std. Error	t	Sig.
(Constant)	112.392	4.431		
Zscore: Capital/asset ratio	3.885	3.400	1.143	Ns
Zscore: Debt to equity ratio	-0.387	3.385	-0.114	Ns
Zscore: Gross loan portfolio to total assets	2.728	.523	5.213	**

R	R Square	F	Sig.
.391	.153	13.567	**

*Source: computed   ** significant at 1 per cent   Ns – Not significant*

The coefficient of multiple correlation with its value 0.391 indicates a positive moderate degree of correlation of independent variable with the overall performance score. The R^2 signifies that 15.3 per cent of variation in the overall performance score has been explained by the independent variables. The regression coefficient value shows that the debt to equity ratio has negatively influenced the overall performance score and all other variables have positively influenced the overall performance score. The 'F' ratio with its value 13.567 reveals that the estimated equation is statistically significant. The t value shows that the variable gross loan portfolio to total assets with the regression coefficient value of 2.728 has significantly influenced the overall performance score at 1 per cent level. The capital asset ratio and debt to equity ratio have not significantly influenced the overall performance score. Since the model is proved to be statistically significant the null hypothesis is rejected.

To conclude, it is found that the gross loan portfolio to total assets has been found to be the key drivers of the overall performance of MFIs in India.

10. Conclusion

MFIs in India include a broad range of diverse institutions that offer financial services to low – income clients in the form of Non-Government Organizations, Non-Bank Financial Institutions, Credit Union and Banks. Overall, MFIs in India are dynamic and growing and, therefore, the journey of MFIs has been encouraging. The debt to equity ratio of Indian MFIs are higher. A higher debt to equity ratio implies a risky investment because higher the debt to equity, higher is the interest to be paid by the MFIs. Most of the Indian MFIs are growth oriented and they tap capital market for raising adequate capital and have liberal access to commercial debt fund which leads to higher debt to equity ratio. Thus, continuous efforts are required to diversify the sources of funding available for the MFIs in order to attract foreign Investment for well-established MFIs in order to serve the rural low income population, alleviate poverty and also, make

them profitable. In order to serve the large population of underserved poor, several Indian NGO MFIs are converting themselves into NBFC MFIs; thereby they are able to raise their capital base.

11. Limitations of the study

The study is subject to the limitations inherent in statistical tools apply to this study also. Non availability of continuous data from MIX for more than five years has restricted the period and number of MFIs in this study.

Annexure:
Table no.1
Capital/Assets Ratio of MFIs in India

MFI	Mean	S.D	C.V	LAGR
Adhikar	14.31	8.32	58.11	5
AML	15.78	10.33	65.47	5.47
Arohan	23.85	7.19	30.16	0.27
Asirvad	37.43	20.35	54.35	-9.38
Asomi	39	32.05	82.17	-2.06
Bandhan	11.02	4.19	38.06	2.43
BASIX	13.07	1.44	11.02	0.78
BISWA	25.85	5.92	22.88	0.21
BJS	5.59	2.81	50.19	0.94
BSS	16.79	1.8	10.73	0.92
BWDA Finance	16.51	5.83	35.33	3.26
Cashpor MC	3.68	3.31	89.99	2.08
CCFID	9.59	1.53	15.92	-0.94
ESAF	16.27	6.73	41.36	3.82
GFSPL	16.18	1.53	9.43	0.5
Grama Vidiyal	17	3.58	21.05	0.15
GU	5.18	1.11	21.49	0.63
HiH	35.57	24.84	69.83	9.1
KBSLAB	11.27	0.62	5.48	0.13
Mahasemam	8.2	1.89	23.1	0.68
Mahashakti	10.21	9.49	92.91	4.73
Mimo Finance	21.12	7.45	35.29	-0.27
MMFL	26.41	9.64	36.5	5.25
NBJK	58.27	4.52	7.75	2.4
NCS	2.66	1.17	43.99	0.74
NEED	12.43	3.04	24.43	1.14
PWMACS	10.72	4.76	44.42	1.21
RGVN	7.03	5.26	74.77	2.87
Sanghamithra	13.86	0.55	3.96	0.23
Sarala	9.38	6.44	68.67	3.82
Sarvodaya	30.64	18.9	61.67	11.18
SCNL	20.77	5.85	28.15	1.61
SEWA Bank	18.2	1.7	9.34	0.56
SHARE	17.59	9.58	54.44	3.55
SKDRDP	3.3	1.02	31.04	-0.35
SKS	25.85	9.83	38.03	4.05
SMILE	23	12.38	53.81	7.51
SMSS	10.72	6.6	61.5	-1.42
Sonata	29.77	9.11	30.61	3.97
Spandana	20.31	13.42	66.04	6.7
SU	12.52	6.32	50.49	3.81
Swadhaar	44.13	30.76	69.7	5.22
SWAWS	20.14	16.03	79.57	-2.99
Trident microfinance	31.56	17.35	54.97	0.48
Ujjivan	28.87	13.34	46.21	-2.68
VFS	21.08	9.9	46.94	4.58

Source: Computed

Table No.2
Debt Equity ratio of MFIs in India

MFI	Mean	S.D	C.V	LAGR
Adhikar	8.18	5.02	61.43	-2.9
AML	6.96	3.25	46.73	-1.98
Arohan	3.63	1.84	50.79	-0.07
Asirvad	2.18	1.23	56.31	0.51
Asomi	4.07	5.43	133.25	-1.97
Bandhan	9.28	4.14	44.55	-2.14
BASIX	5.17	4.05	78.34	-2.03
BISWA	3.05	1.01	33.1	-0.07
BJS	19.74	7.48	37.87	-1.25
BSS	5.01	0.64	12.81	-0.34
BWDA Finance	5.56	1.8	32.31	-1.07
Cashpor MC	77.32	91.58	118.45	-51.91
CCFID	9.54	1.69	17.7	1.02
ESAF	7.05	6	85.13	-3
GFSPL	5.22	0.56	10.75	-0.19
Grama Vidiyal	5.12	1.41	27.55	-0.09
GU	19.29	5.69	29.5	-3
HiH	-2.26	7.81	-345.17	1.58
KBSLAB	7.89	0.47	6.01	-0.09
Mahasemam	11.66	2.52	21.61	-0.8
Mahashakti	14	8.25	58.94	-4.8
Mimo Finance	4.21	1.68	39.92	0.07
MMFL	3.49	2.54	72.83	-1.26
NBJK	0.72	0.13	18.1	-0.07
NCS	88.36	120.2	136.04	-58.13
NEED	7.38	1.74	23.6	-0.59
PWMACS	11.43	9.26	81.03	-3.5
RGVN	21.86	15.29	69.94	-6.8
Sanghamithra	6.22	0.28	4.5	-0.12
Sarala	14.15	9.29	65.67	-5.77
Sarvodaya	3.27	2.14	65.44	-1.33
SCNL	4.2	1.73	41.15	-0.33
SEWA Bank	4.53	0.49	10.86	-0.16
SHARE	5.66	2.32	40.95	-0.58
SKDRDP	31.68	9.87	31.16	4.19
SKS	3.28	1.43	43.66	-0.72
SMILE	4.69	3.3	70.31	-2.01
SMSS	6.11	2.19	35.8	-1.38
Sonata	2.64	1.18	44.75	-0.58
Spandana	5.19	2.6	50	-1.46
SU	8.9	5	56.15	-2.91
Swadhaar	23.9	51.2	214.26	-22.77
SWAWS	3.45	5.05	146.25	-2.55
Trident Microfinance	3.33	2.74	82.31	0.36
Ujjivan	2.97	1.48	49.92	0.28
VFS	5.08	3.68	72.35	-1.7

Source: computed

Table No.3
Gross Loan Portfolio to total assets of MFIs in India

MFI	Mean	S.D	C.V	LAGR
Adhikar	87.09	11.54	13.25	2.16
AML	87.3	9.32	10.68	5.36
Arohan	90.91	8.86	9.75	4.1
Asirvad	91.15	9.96	10.93	5.91
Asomi	73.19	18.82	25.72	0.89
Bandhan	82.43	7.44	9.03	3.34
BASIX	76.29	10.82	14.18	-0.36
BISWA	86.83	7.17	8.26	-1.5
BJS	93.45	4.02	4.3	-1.22
BSS	80.76	9.28	11.48	-5.49
BWDA Finance	76.31	6.06	7.95	-2.41
Cashpor MC	99.65	14.34	14.39	-1.06
CCFID	84.65	12.33	14.57	-7.75
ESAF	93.48	6.96	7.45	1.55
GFSPL	102.1	19.81	19.4	5.31
Grama Vidiyal	94.87	12.8	13.5	5.4
GU	84.6	2.25	2.66	-0.94
HiH	46.94	17.15	36.53	-2.91
KBSLAB	63.34	1.18	1.86	-0.08
Mahasemam	74.3	4.81	6.47	1.34
Mahashakti	86.96	5.55	6.38	-3.32
Mimo Finance	84.83	7.5	8.85	-3.22
MMFL	85.24	8.76	10.27	-2.58
NBJK	83.8	2.73	3.25	1.47
NCS	78.58	11.9	15.15	-6.11
NEED	89.33	6.66	7.45	-3.26
PWMACS	64.72	5.88	9.09	-1.32
RGVN	83.2	5.1	6.13	2.2
Sanghamithra	99.88	1.42	1.42	-0.65
Sarala	91.45	3.78	4.13	-1.65
Sarvodaya	87.27	1.83	2.1	0.87
SCNL	74.44	18.17	24.41	8.88
SEWA Bank	33.42	1.57	4.69	0.36
SHARE	85.73	14.56	16.99	2.97
SKDRDP	83.48	5.45	6.53	3.32
SKS	92.44	12.55	13.58	5.94
SMILE	97.72	10.7	10.95	0.8
SMSS	91.05	3.83	4.21	2.03
Sonata	86.05	13.94	16.2	-3.44
Spandana	103.96	13.2	12.69	2.95
SU	76.68	8.65	11.28	1.93
Swadhaar	71.54	14.95	20.9	8.18
SWAWS	87.51	7.84	8.96	-1.94
Trident Microfinance	83.16	6.85	8.24	-0.54
Ujjivan	86.93	4.61	5.31	-1.81
VFS	80.14	6.97	8.7	2.12

Source: Computed

References

1. "India Microfinance review 2007", M-Cril, Mix 2007.
2. "Tracking Financial Performance standards of Microfinance Institutions – An operational manual", Technical Tool series 1, published by Sa-Dhan – The Association of Community Development finance Institutions, August 2003.
3. Abhijeet Chandra. "Pursuing efficiency while maintaining outreach: Microfinance in India", Thesis, Jamia Millia Islamia (Central University), IIT Madras, 14th Feb 2010.
4. ADB, "Finance for the poor: Microfinance Development Strategy", Manila: ADB, 2000.
5. Alain de Crombrugghe, Michael Tenikue and Julie Sureda, "Performance analysis for a sample microfinance institution in India", Annals of Public and Cooperative Economics, Vol. 79:22, 2008, 269-299.
6. Anand Kumar Rai, "A comparative analysis of the financial performance of microfinance institutions of India and Bangladesh", Thesis, Jaypee Business School, July 2012.
7. Frances Sinha, "State of microfinance in India 2009", Prepared for Institute of Microfinance, as a part of project on state of microfinance in SAARC countries, 2009.

8. http://in.reuters.com/article/2010/10/28/idINIndia-52503220101028

9. http://timesofindia.indiatimes.com/articleshow/2653281.cms

10. Hubert Tchakoute – Tchnigoua, "Is there a difference in performance by legal status of microfinance Institution?" The Quarterly Review of Economics and Finance, Vol.50, 2010, 436 -44.

11. India Top 50 MFIs: A financial awareness initiative of CRISIL, CRISIL Ratings, October 2009.

12. James Copestake, "Simple Standards or Burgeoning Benchmarks? Institutionalising social performance monitoring, assessment and auditing of microfinance", University of Bath, UK, October 2003.

13. Jivan Kumar Chowdhury, "Microfinance revolution and microfinance services in Indian perspective", Banking Finance, Vol. XXI, No.6, June 2008, 5-8.

14. K. Srinivasa Rao, "What's gone wrong with microfinance?", Kurushetra - A Journal on Rural Development, Vol. 59, No.3, Jan 2011, 30 – 32.

15. K.Muralidhara Rao, "MFIs in India: An overview", NABARD, 2011, 57-66.

16. K.S.Thakur, Peyush Kant Sharma and Ravi Jain, "A comprehensive study of microfinance in India with special reference to Gwalior", Journal of Accounting and Finance, Vol.25, No. 2, April – September 2011.

17. Letenah Ejigu, "Performance analysis of sample microfinance institutions of Ethiopia", International NGO Journal, Vol. 4(5), May 2009, 287-298.

18. Mahendra Varman and Samyukta Ramgopal, "Microfinance Institutions and Technical efficiency in India", International Conference on Microfinance, Pondicherry University, 2008.

19. MFIN Annual report 2012 -13.

20. Microfinance barometer 2013, Convergences, 2013, pg.2.

21. Microfinance in India: A crisis at the bottom of pyramid, Legatum Ventures, May 2011.

22. Microfinance industry in India, Lok Capital, March 2010.

23. Morusu Siva Sankar, S. Saritha and E. Chitra, "Rural Financial Institutional in India (Study on Agricultural Sector)", Banking Finance, Vol. XX1, No.11, November 2008, 8-15.

24. MPRA Munich Personal RePEc Archive, "Micro-finance in the India: the changing face of micro-credit Schemes", Wanchoo, Rajat, 10th June 2007,

25. Muhammad Amin, Yasir Iqball Paracha, "Microcredit to Microfinance Institutions - The need for transition", June 2008.

26. N.Tejmani Singh, "Microfinance practices in India: An Overview", International Review of Business Research papers, Vol.5, No.5, September 2009, 131 -146.

27. Nihel Halouani and Younes Boujelbene, "Microfinance and Social Performance in Africa", Indian Journal of Finance, Vol. 5, No. 8, August 2011, 3-15.

28. P. Malyadri , " Union Budget : 2011-12: Positive vibes for microfinance", Kurukshetra – A Journal on Rural Development , Vol. 59, No.6, April 2011, 19-22.

29. Pankaj.K.Agarwal and S.K.Sinha, "Financial performance of microfinance institutions of India: A cross sectional study", Delhi Business Review, Vol.11, No.2, July- Dec 2010.

30. Prakash Singh, "Performance analysis of microfinance institutions in India: what drives their valuation", Prajnan, Vol.XL, No.1, 2011-12.

31. Robert Cull, Asli Demiguc Kunt, Jonathan Morduch, "Financial Performance and Outreach: A global analysis of leading microfinance institutions", Economic Journal, Vol. 117, 2003, 107-133.

32. Sa-Dhan, "Quick report: A snapshot of MFIs in India", www. Sa-dhan.org, 2007.

33. Seep Network, "Social Performance progress brief", Vol. 1, No.5, February 2009.

34. Vithal Rajan, "Killing the MFI Golden goose," Economic and Political weekly , Vol. XLV, No: 49, Dec 4 2010 , 79 -80.

35. Wanchoo Rajat, "Microfinance in India: The changing face of microcredit schemes", MPRA paper no: 3675, 10th June 2007.

36. Zeynup Ugur, "Commercial banks and microfinance", University of Pennsylvania, 2006.

37. Zohra Bi and Shyam Lal Dev Pandey, "Comparison of performance of microfinance institutions with commercial banks in India", Australian Journal of Business and Management Research, Vol.1, No.6, September 2011, 110-120.