Bibliography
CHAPTER 9

BIBLIOGRAPHY


2. Sample Registration Survey Bulletin 2009

3. National Family Health Survey-3, 2005-06

4. NSSO data

5. NREGA, Rajasthan www.nrega.nic.in


9. “Microfinance and NGOs”, article available through Kumarappa Institute of Gram Swaraj.

10. Srinivasan, N. “Microfinance India, State of the sector report 2008”.

11. Sa-Dhan is a national network of microfinance institutions.

12. The Bharat Microfinance Report—Quick Report 2008, Sa-Dhan. The report contains data about operational and financial details of 223 MFIs of which, 196 are members of Sa-Dhan and 97 non members. There are MFIs that have not reported to the Sa-Dhan database. Their data is not a part of the analysis and to that extent, allowances have to be made for the conclusions drawn in this chapter. But the volumes involved are not expected to be significant in the
13. Some of the institutions reporting data do not seem to have their own clients, but have clients working in promotion, development and umbrella support. Significant numbers have been reported, for example, by Maharashtra Mahila Athik Vikas Mahamandal (MAVIM).

14. In the previous year’s report, the number of clients was reported as 10.4 million, but revised to 10.04 million in the current year’s report.

15. At the end of chapter 2, contains the state-wise client outreach and loan portfolio details.


17. www.nrega.nic.in

18. Assuming number of members per household in Rajasthan remains same as 5.6 which were found in Population Census 2001, number of households by March 2010 can be estimated to be 1.27 cr. Out of which, over 65 households have benefitted from MGNREGS.


20. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

21. Cash flow study in 5 cities conducted by CmF, Jaipur.

22. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

23. Cash flow studies conducted by CmF in 2006.


27. http://www.sifo.in/
28. Average household income in rural Rajasthan is Rs. 54159 (As per risk profiling study of 493 households in Rajasthan over 5 districts conducted by CmF, Jaipur). As per NCAER, 2007, saving rate in rural India is 22%. Number of households in Rajasthan as of March 2010 can be estimated at 97.2 lakhs as follows - As per Population Census 2001, rural population is 75.45% of total population and average strength of household in Rajasthan is 5.6. Extrapolating these figures to 2010 level assuming 2.6% p.a. growth rate in population and assuming strength of households to remain same over last 10 years.

29. Cash flow study in 5 cities conducted by CmF, Jaipur.

30. Average household income in urban Rajasthan is Rs. 77000 (As per risk profiling study of 493 households in Rajasthan over 5 districts conducted by CmF, Jaipur). As per NCAER, 2007, saving rate in urban India is 28%. Number of households in Rajasthan as of March 2010 can be estimated at 29.7 lakhs as follows - As per Population Census 2001, Urban population is 24.55% of total population and average strength of household in Rajasthan is 5.6. Extrapolating these figures to 2010 level assuming 2.6% p.a. growth rate in population and assuming strength of households to remain same over last 10 years.

31. Cash flow studies conducted by CmF in 15 locations in Rajasthan.

32. Assuming 'loan use pattern' of SHG members is taken as an indicator.

33. Extrapolating number of rural families in Rajasthan as of March, 2010 to be 97.2 lakh and assuming about 60% of them as clients of microfinance, total annual credit demand works out to be Rs. 8700 crores.

34. However it is important to mention here that 'credit alone' will not bring people out of poverty and a number of services like technical skills, market linkages etc. will be needed along with credit. But credit as capital investment (long term capital and working capital) is critical.

35. This is assuming only 60% of clients avail micro credit as discussed in last footnote.

37. Cash flow studies conducted by CmF in 15 locations in Rajasthan.

38. Extrapolating number of urban families in Rajasthan as of March, 2010 to be 29.7 lakh and assuming about 60% of them as clients of microfinance, total annual credit demand works out to be Rs. 2700 crores.

39. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

40. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

41. Assuming average annual household income of Rs. 54159 which was found in cash flow studies conducted by CmF, Jaipur in rural areas.

42. Most Indians are willing to pay 1.35 per cent of income or more for health insurance. As per survey conducted in 7 locations by David M Dror - “Health Insurance for the Poor: Myths and Realities”.

43. Assuming premium to be around 0.5% p.a. of insurance coverage amount.

44. Assuming number of rural households in Rajasthan by March, 2010 to be 97.2 lakhs (through extrapolation as discussed in notes above).

45. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

46. Risk profiling study of 493 households conducted in 5 districts of Rajasthan.

47. Assuming average annual household income of Rs. 54159 as discussed in footnote above.

48. Most Indians are willing to pay 1.35 per cent of income or more for health insurance. As per survey conducted in 7 locations by David M Dror - “Health Insurance for the Poor: Myths and Realities”.

49. Assuming premium to be around 0.5% p.a. of insurance coverage amount.

50. Assuming number of urban households in Rajasthan by March, 2010 to be 29.7 lakhs (through extrapolation as discussed in notes above).
51. NSSO, Report 470, migration in India, Sept 2001, this also includes within the state migration: rural to urban migration, urban to urban migration and inter state migration.

52. Cash flow study, CmF 2006b

53. Sa-Dhan is a national network of microfinance institutions.

54. “Microfinance and NGOs”, article available through Kumarappa Institute of Gram Swaraj.


56. Ledgerwood, Joanna, Microfinance Handbook: an institutional and financial perspective, Sustainable Banking with the Poor, accessed online at <http://books.google.co.in/books?id=luaAHdTKMM8C&pg=PA160&lpg=PA160&dq=organizational+structure+of+MFIs&source=bl&ots=t1ZweLMNha&sig=J1wBG7nzphjk2EC9V7k4c7OQNHI&hl=en&ei=kPIqTOuEH8WVrAeN_LR0&sa=X&oi=book_result&ct=result&resnum=4&ved=0CCQQ6AEwAw#v=onepage&q=organizational%20structure%20of%20MFIs&f=false>.


60. Srinivasan, N. “Microfinance India, State of the Sector Report 2008”.
61. SHGs outstanding credit as of March 2009 was Rs. 347.9936 cr while credit disbursed during last year was Rs. 219.02 cr. Assuming that in conservative scenario, only 30% of credit disbursed to SHGs was repaid in last year, then the total credit outstanding to SHGs till March 2010 would be Rs. 501.3 cr. Comparing this with conservative estimates of outstanding credit of MFIs as Rs. 527 cr, one can conclude that MFI credit has surpassed SHG Credit outstanding.

62. Primary Survey conducted by CmF, Jaipur

63. For example, gross remuneration paid to managing director of SKS for year ended March, 2009 was Rs. 3.28 cr and that to CEO of SKS for year ended March, 2010 was Rs. 2.45 cr. In comparison, gross remuneration paid to managing director of India's second largest private bank ICICI for year 2009-2010 was Rs. 1.62 cr. In another example, the managerial remuneration of the managing director of Share Microfin Ltd was around Rs.2.29 crores. In 2008-09 it shot up to Rs. 8.08 crores, by far not only the highest remuneration in the microfinance sector, but way above the remuneration obtained by the CEO of the largest private sector bank ICICI Bank as discussed above. The remuneration paid to the managing director was around 7% of the total personnel cost of SML in 2007-08 and shot up to 15% of the personnel cost of the company in 2008-09.


65. Ledgerwood, Joanna, Microfinance Handbook: an institutional and financial perspective, Sustainable Banking with the Poor, accessed online at <http://books.google.co.in/books>.


71. DWCD 2009-10

72. Three voluntary agencies Lupin, BCT and URMUL have formed SHGs under ICDS program

73. Under SGSY, total SHGs reported are 2,09,412 but it was found that many of SHGs are actually not formed but reported. Therefore all SHGs having passed grade 1 and SHGs formed but yet to be graded (about 20% of graded SHGs) are reported here. On enquiry, it was told that 75% of the groups are formed by NGOs and 25% by others

74. NABARD had reported 7897 SHGs formed by NGOs from their support till 2007, additional 3172 SHGs are formed later

75. DPIP project evaluation. Anecdotal reports claim that only about 30% CIGs formed under DPIP are functioning

76. Internal Research of CmF
77. Cooperative Department has reported 44,047 SHGs formed but it appears that all those SHGs who have accounts in cooperatives (irrespective of who has formed those SHGs) are reported by the department. So there is some double reporting here.

78. Others: Watershed Development (9400); Literacy Mission (12977); RCDF (5168); Forest (145).

79. Assuming growth in rural population at 2.6% p.a. rural population was 4.32 crores in 2001 in Rajasthan (Source: Population Census 2001). It is also assumed that average number of members per household, which was found as 5.6 in Population Census 2001, still holds good.

80. Study of SHGs in 7 districts of Rajasthan by CmF.

81. Number of BPL households in Rajasthan as of March, 2010 is 2119352. Source: bpl2002.raj.nic.in

82. Source: SGSY Progress Report 2007-10 Department of Rural Development GoR.


84. Study of SHGs in 7 districts of Rajasthan by CmF.

85. The Baseline Survey of Women SHGs, DWCD.

86. Average saving per member in Ibtada is Rs. 2131, in Pradan is Rs. 1174, in Srijan is Rs. 1870 and in PEDO is Rs. 2500.


88. In SHGs promoted by DWCD which is leading SHPI in Rajasthan, % of savings lying idle is 33% in 2009-10. However, internal studies by CmF Jaipur indicate that well over 50% of savings of SHGs especially in case of credit linked SHGs is deposited in banks. Therefore, conservatively, it has been assumed that fund lying idle in bank accounts is 40% of total SHG savings.

89. Assuming 12 members per SHG.

91. DWCD Base line survey of women SHGS, March 2009.

92. Assuming 12 members per SHG with Rs. 60 average saving per month per member and 2.6 lakh SHGs.

93. CmF had projected total SHG savings of Rs. 384 cr in Rajasthan in Rajasthan Microfinance Report 2007. By March, 2010 the total SHG savings is estimated to be Rs. 450 cr owing to increased average saving per member per month from Rs. 35 in 2007-08 to Rs. 60 by 2009-10.


95. Analysis of DWCD Base Line Survey indicates that in majority of cases, interest rate charged is 2% p.m. on borrowing in case of inter-loaning funds. While interest rate charged is less than 1% on borrowing in case of bank credit.

96. As per feedback from SSV partners viz. PEDO, Pradan, Srijan, Ibtada, GDS etc.

97. Data from DWCD for 2009-10.

98. Comments of SHG federation leaders at “Future Search: Secondary Institutions in Community based microfinance” held on 20 August 2009 at Jaipur.

99. Internal Research, CmF Jaipur.

100. Even though the sample size is low, it can be assumed to represent whole set. SHG federation called Saheli Samiti, Dausa has been found to be running at operational self sufficiency (OSS) level of 76% and financial self-sufficiency of 76%. Savera Mahila Manch has been found to be running at OSS level of 113% and financial self-sufficiency of 75%.
101. A back-of-the-envelope computation of incremental benefits attributable to SHG federations of Saheli Samiti, Dausa and Savera Mahila Manch indicate that present value of incremental benefits are way higher than total costs incurred at today's value, indicating positive net present value of investment in SHG federations.

102. Analysis of data in NABARD Microfinance 2008-09 Report

103. Based on analysis of data in NABARD 2008-09 Report

104. Page 34, 105 Meeting Agenda of SLBC, Rajasthan, 2010

105. Typical margin on working capital loans or capital expenditure loans is 15% - 25% in banks.

106. This survey was carried out by Centre for Study of Financial Innovations, supported by Citibank and CGAP.

107. Indian Institute of Banking and Finance is an industry-level body that caters to the capacity building needs of bank staff and certification of their competencies. It offers diploma and certificate courses as well.

108. S. Mullainathan and Minakshi in a study on behalf of CMF, IFMR, found that among a sample of 200 microfinance borrowers, 58 per cent did not know of the interest payable as per the loan contract; 34 per cent about the correct installment amount and 86 per cent about the total interest on the loan amount.

109. Excerpts from a note on interest pricing and implications of flat rate and annual percentage rate by Chuck Waterfield.

110. The draft guidelines proposed by the Ministry of Rural Development (under discussion, yet to be operationalised) for revamping the poverty alleviation programme, SGSY sets a minimum outlay of Rs 1,00,000 to bring families above the poverty line.

111. As there is no law or regulation in India requiring organisations, which provide micro credit to formally register or provide basic statistics on outreach, accurately assessing the growth of the overall sector is a difficult
task. As a crude proxy, we may use the growth in the total number of clients for all MFIs reporting to the MIX market. According to this measure, the Indian microfinance sector as a whole, grew at a compound annual growth rate of over 100 per cent between the years of 2001 and 2006.

112. Vijay Mahajan, founder and MD of Basix, in an interview carried in Microfinance Insights, June 2007.

113. Excerpts from the RBI notification on the revised risk capital requirements.

114. The Central Bank has specified that ‘while applying risk weights to exposure/limits of Rs. 5 crores and above, if such exposure is rated by any of the recognised credit rating agencies, the risk weights varies with the rating of the exposure. A better rated exposure attracts a better risk weight.’ Master circular on Capital Adequacy issued to banks by Reserve Bank of India, DBOD.No.BP.BC.11/21.06.001/2008–09, dated 1 July 2008.

115. Sanjay Sinha, M-CRIL, explained ‘The RBI has said that they would like to see default data in relation to the rating grades awarded by us and they will then consider adding our name to the list. We are in the process of collecting the necessary data from the leading lenders to MFIs.’


118. 114 NSSO survey 59th round

119. Quality improvement of existing SHGs (about 1 lakh SHGs are lacking quality) needs an investment of Rs. 50 crores (Rs. 5000/- per SHG). In terms of increasing outreach by about 50,000 new SHGs per year for he next 5 years, an investment of Rs 8000 per SHG is required which aggregates to a total of Rs 200 crore. This translates to total investment of Rs. 250 crores.