



Map of Microfinance Distribution in India

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EXECUTIVE SUMMARY

Project Scope and Data

Map of Microfinance Distribution in India project gathered general institutional information, district-wise outreach and portfolio details, product offering details, and business correspondence details from 103 MFIs across India. Similar data was collected through secondary sources for the preceding three years (2007-2009). State level data regarding savings amount and loans outstanding regarding the SHG-linkage program was also collected from publicly available sources such as the Micro Credit Innovation Department and NABARD (MCID) for the last three years (2008-2010). This data was used to visually display growth in microfinance penetration over the last four years. Finally, demographic and socioeconomic data of the states, union territories and districts were collected to enhance the microfinance penetration analysis.

Findings

General Findings

Over 24 million clients were being served by the 103 MFIs with Rs. 19,676 crores loans outstanding as of March 2010. For-profit MFIs account for 90% of total client outreach and loans outstanding. Nearly 81 million people were being served by the SHG-linkage program with Rs. 6,199 crores of savings deposits and Rs. 28,048 crores loans outstanding as of March 2010.

Regional Penetration Imbalance

The majority of microfinance services are in the Southern region, which accounts for 52% of all microfinance clients and 54% of all microfinance loan portfolios. The Northeastern, Northern, and Central regions have very underdeveloped microfinance sectors, accounting for 2%, 6%, and 6% of client outreach respectively.

SHGs show a similar regional imbalance, with the Southern region accounting for 52% of client outreach and 68% of loan portfolios, while the Northeastern, Northern, and Central regions account for 3%, 9%, and 3% of client outreach and 2%, 8%, and 2% of loan portfolio respectively.

Sector Growth

The number of districts served by these MFIs increased dramatically each year in all regions. The number of clients served by the MFIs increased dramatically as well, with the greatest increase occurring in the Southern and Eastern regions. The SHG-linkage program grew at a fast pace as well, showing a growth rate of 22% from 2009 to 2010.

Product Diversity

Productive loans are the most popular product offered by MFIs. Approximately 30% of MFIs offer consumption/emergency loans, and 15% offer housing loans. Approximately 15% of MFIs registered as cooperatives, societies, and trusts offer savings products as well. Nearly 60% of MFIs offer life insurance, and 10% of MFIs offer either cattle insurance, health insurance, or accidental insurance. Two MFIs are offering remittance products and two MFIs offer pension products.

Conclusion and Further Research

Map of Microfinance Distribution in India has collected MFI and SHG data to analyze penetration over time by region and state, drilling down the district level. The data collected by Map of Microfinance Distribution in India has taken a detailed stock of operation and outreach of MFIs and presents interesting findings. Further data collection should be conducted from more MFIs and SHG sources to improve district and state level data so that the coverage of the map could be widened.