GLOBALISATION, GROWTH, IMPACT AND DEVELOPMENT OF MICRO FINANCE INSTITUTION IN INDIA

DR B.KAPOOR,
Associate Professor ,
M.M.H College ,Ghaziabad
E-mail:bhishamkapoor@gmail.com

VINITA MITTAL
(Research Scholar),
Assistant Professor ,
D.J.College Of Engineering&Technology,Modinagar,
E-mail:-mittal_vini@rediffmail.com.

Abstract

While financial services in India can be traced to the era of Kautilya in the fourth century BC the age of organized sector finance in India is generally acknowledged to have started with the Cooperative Credit Societies Act of 1904. The cooperative credit societies were based on the models of the German cooperative movement, in particular the Raiffeisen and the Schulze-Delitsch cooperatives. The objective of the Act was "to facilitate promotion of cooperative societies, for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means." To the extent that the wording of this objective could be applied tothe objects of many MFIs today, this Act is a true precursor to modern microfinance in the country.1The true expansion of financial services in India started with the nationalization of all banks in the country during the late 1960s. This was reinforced with the establishment of Regional Rural Banks (RRBs) in 1976,and directed credit became the mantra of the Indian financial sector. In the meantime, the cooperative sector infrastructure had developed through the creation of an apex banking structure at the district and state levels to ensure the smooth flow of capital in the cooperative system. Yet, the entire network of primary cooperativesin the country and the RRBs, established to meet the needs of the rural sector in general and the poor inparticular, has not proved to be successful. The cooperatives suffered from mismanagement, leadership by the privileged, and corruption, and were gradually smothered by state patronage and protection, in many cases including management by ill-motivated government-appointed persons. This article aims on the analysis of micro finance institutions in the development of Indian Economy in global perspective.

Keyword: Micro finance, regulation, domestic & global perspective.

Introduction

There is no standard definition of a micro finance institution (MFI). An MFI generally provides relatively small loans (in the Indian context, loans of less than Rs. 50,000) to low income individuals. The loans could be for income generation or for consumption. Fungibility of money makes it difficult to distinguish between the two. Sources of MFI funds however can be varied, including grants and loans from commercial banks, insurance companies, governments, foundations and others.

A series of policy measures were taken by the Govt. of India in the financial sector, which have facilitated intensification and deepening of microfinance. These included nationalisation of commercial banking sector in 1969, setting-up of Regional Rural Banks (RRBs) in 1975, reforms of financial sector (since 1991), implementation of pro-poor schemes/programmes through credit delivery system, etc. Similarly, Reserve Bank of India's (RBI) (the Central Bank of the Country) initiatives in terms of focus on expansion of rural branches of banks ,priority sector norms, financial inclusion, etc., had positive bearing on microfinance development. The priority sector norms envisaged that 40% of Net Bank Credit should be directed towards the identified sectors/activities of which 18% for agriculture, 10% for weaker sections, etc. With over6, 00,000 villages and 74% of poor people living in rural areas, microfinance continued to be the major challenge for rural credit. Thus, the formal financial sector which consists of about 36000 rural and semi-urban branches of Commercial banks, 14000 branches of RRBs, 13,000 branches of Cooperative Banks and over a hundred thousands of rural Cooperative Societies have been engaged in rural credit and the bulk of their loan accounts are small size loans within the purview of microfinance. NationalBank for Agriculture and Rural Development (NABARD) was set-up by an Act of Parliament in 1982for pursuing the mandate of 'integrated rural development' through triple major functions- financial, developmental and Supervisory. It also played catalytical role in the microfinance development.

The micro financial sector has great potential to assist in the national goal of financial inclusion and to add depth to India's financial and capital markets. In this context, the Micro Financial Sector (Development and Regulation) Bill, 2007 (henceforth the Microfinance Bill) introduced in the Lok Sabha on March 20, 2007 represents a welcome recognition of this potential

Micro Finance Development in India

There are two main delivery channels for microfinance services. The first one is SHG (Self Help Group)-Bank Linkage Channel (SBLC), which was developed from field experiments in the early 1990s by NABARD (National Bank for Agricultural and Rural Development). NABARD was established in 1982 to promote equitable rural prosperity through credit and other initiatives.

The second channel is Micro Finance Institution (MFI). The first MFI in India was set up in 1974, but the momentum was achieved only during the 1990s. Initially the formal financial institutions were reluctant to be involved with the MFIs, and social entrepreneurship was also in short supply. In recent years banks and other institutions, helped by supportive public policies, have become more aware of the commercial viability of the micro finance services. Innovative partnership models have been developed between the banks and the MFIs. These have increased availability of funding to the sector and have subsequently enabled MFIs to increase their scale of operations and outreach.

Both the channels have witnessed healthy growth over the last five years. While the cumulative number of SHGs linked to the banking system has grown almost tenfold during the period 2001-2006, the outreach of MFIs grew by 29 times during the same period. Social entrepreneurship is now getting more sophisticated and diffused leading to many financial and service delivery innovations in a decentralized manner.There is currently an absence of a robust database for the microfinance sector, a gap which must be addressed if the potential of this sector is to be realized, and for better public policies and regulation. It is estimated that there are around 800 MFIs in India. They cover 8.3 million households (about 38 million persons) of which about half may be classified as poor. Direct and indirect linkages between SHGs and banks under the SBLC cover around more than 22 million households or over 100 million persons. The combined disbursement of MFIs and the SBLC as on March 2007 was more than Rs. 200 billion (approximately US$ 5 billion, equivalent to only 0.6 per cent of GDP). This is fairly low, suggesting, considerable scope for developing the sector. By 2008, there were 54 million microfinance customers in India. Of these, 39.9 millioncustomers were served by the SHG model while 14.1 million were served by the MFI model(Srinivasan, 2009). While the SHG model accounted for 77% of the total outreach, its growthRegulating India's Microfinance Sector: A Suggested Framework 6rate of 15% in 2007-08, was lower than that of the MFI model which grew by 40%. By March2009 it is estimated that the total outreach of the sector had grown to 86.2 million with totalloans outstanding of Rs. 351 billion (Sa-dhan, 2009). This amounts to only around 6% of thetotal credit outstanding of commercial banks in rural and semi-urban areas in 2008 (RBI,2009).Some studies such as the Intellecap study entitled "Inverting the Pyramid" (2007) estimate that the potential market may be 245 million individuals, suggesting there is still a lot of scope for the sector to grow .The growth in microfinance has been exhibited most noticeably by the Southern states of Andhra Pradesh, Tamil Nadu and Karnataka. In the case of the SHG model, the share of the Southern states in client outreach was 48.2% while in the MFI model, it was 52% in March 2008(Srinivasan, 2009).

Regulation of MFIs in India

NBFCs have played significant role in the Indian Financial Sector in providing outreach to the small clients. With the objective of integrating NBFCs with the financial mainstream, the RBI brought them under its regulatory arm by way of amendment of RBI Act, 1934 in 1996. This paved the way for mandatory registration of companies undertaking financial services with the RBI, compulsory credit7 rating of deposit taking NBFCs and their compliance to prudential norms. As per Section 45-IA of the BR Act, no NBFC can commence or carry on the business without obtaining certificate of registration from the RBI and having Net Owned Funds (NOF) (Share holders' equity + internally generated reserves) of Rs.20 million. All NBFCs have to comply with the provisions of Companies Act, 1956 relating to Board of Directors, Share Capital, Management Structure, audit, maintenance and publication of books of accounts and general conduct, etc., in addition to the requirements of RBI. Important prudential norms to be complied include Capital Adequacy Ratio (CAR) based on the risk weight of assets (15%), income recognition, accounting standards, asset classification, provisioning for bad and doubtful debts, disclosures in balance sheet, ceiling on concentration of credit/investment, etc. Not lessthan 15% of their deposits should be invested in specified securities and approved securities (Govt. Securities and Bonds Guaranteed by Govt.) NBFC are required to notify RBI of their intention to open branches. However, only the NBFCs taking public deposits have to comply with prudential norms on CAR, ceiling on concentration of credit/investment/quantum of deposits, etc. Thus, RBI is empowered to give rigorous policy prescriptions and regulatory directions to NBFCs having requisite NOF and accepting public deposits .However, by loan volumes, 77% of the MFI Sector is under RBI's direct regulation; but 75% of the MFIs are functioning outside regulation. The prudentially unregulated entities are MACS, Trusts, Registered Societies which are having a small client base and limited volumes of business.

Features of the Draft Bill

The Bill had at least three positive features.

First, the Bill permitted MFOs to register with NABARD and accept savings from members subject to their meeting the following conditions: it should have been in existence for at least three years, it should have net owned funds of at least Rs.0.5 million and it should have satisfactory management.

Second, the Bill provided for mandatory registration and periodic report submission (including annual audited reports) by all MFOs, seeking to accept deposits. This has the potential to build a robust database of the sector over time; and help institute greater professionalism in the functioning of the MFOs.

Third, it provided for inspection of MFOs by the regulatory authorities in case of complaints and a dispute resolution mechanism. These steps could serve as important consumer protection steps in the microfinance sector. There are several provisions in the Bill which, however, merit reconsideration.

First, the Bill designated NABARD as the regulator. As mentioned earlier, NABARD is an active participant in the SHG Model. It has also in 2007, announced plans to promote an MFI jointly with commercial banks. The regulatory role will strengthen its role relative to other participants in the sector. This situation may not be beneficial for the promotion of contestabilityin the sector and also for the customers who stand to gain if there is healthy competition in thesector.Further, NABARD is already a regulator for Regional Rural banks (RRBs) and cooperatives andhence there are concerns that NABARD's regulatory capacity may be over stretched. Limitedsuccess of the RRBs and of the imperatives also raises concerns about NABARD's effectiveness.

There are also concerns that NABARD lacks expertise to regulate and develop MFOs in the urban sector as its role has been confined to rural areas and to agriculture. Urban microfinance ispotentially a high growth segment which needs appropriate development.

Second, the Bill did not include in its scope NBFCs and not-for-profit companies. In terms of client outreach, 10% of the total number of MFIs, accounted for 76% of all customers

(Srinivasan, 2009). Many of these large MFIs were NBFCs and so were not covered by the Bill.As a basic general principle, regulation should be uniform across all institutional forms so as discourage regulatory arbitrage. This involves structuring operations in such a manner that the organization comes under the jurisdiction of a weaker regulator.

Third, the prudential norms prescribed for the deposits collected by MFOs are inadequate. The Bill introduced a single safeguard for savings which is the requirement that MFOs offering thrift need to create a reserve fund into which they should deposit 15% of their net profit before dividend every year. The use of reserve fund as the single prudential norm has severe limitations.

An MFO not making profit need not form the reserve fund, leaving no safety net for the depositors, even though the need is greater. Further the reserve mechanism covered only savings collected through the group mechanism. But dynamically one may expect MFOs to start offering individual loans and collect individual savings. The requirements of protection of these savingsalso need to be addressed.

The fourth serious concern is that the Bill did not specify a prudential limit on the volume of deposits that an MFO can accept. The volume of deposits accepted by the MFO should be linkedwith its reserve fund or its capital. This anomaly may encourage misuse of NABARD registration, to mislead customers into believing that the Government was guaranteeing these savings.

A fifth area is that promotion of financial education, which is essential for development of this sector has not been specifically addressed by the Bill. Though MFIs provide some basic training to members, financial education by independent outside agencies would help MFI customers make more informed choices with regard to financial products.

The contents of the Bill contrast with what the CGAP consensus guidelines suggest. For instancethe Bill designates NABARD as the single regulator for both depository and non-depositorymicro MFOs while the consensus guidelines suggest separate regulators for each. Further whilethe guidelines suggest that the Reserve Bank of India (RBI) should regulate depository MFIs,NABARD has been appointed regulator.

Recent Developments Relating to the Sector

Eligibility For Priority Sector Lending

The Reserve Bank of India (RBI) encouraged banks to participate in microfinance by reckoning lending to the sector as part of their priority sector lending, which needs to account for 40% and32% of net bank credit in the case of domestic and foreign banks respectively.

Other Government Initiatives

In 1993, the Ministry of Human Resource Development, Government of India set up theRashtriya Mahila Kosh (RMK) with initial funding of Rs.310 million to act as a provider ofwholesale funds for the sector and to develop the sector through capacity building and advocacy.In 1999, the SIDBI Foundation for microcredit was launched to provide both financial and nonfinancial support to MFIs. In 2001, the microfinance development fund of Rs. 1 billion was set up under NABARD to fund various development activities relating to microfinance.The Microfinance Development and Equity Fund with an increased corpus of Rs.2 billion. In2005, NBFCs engaged in microfinance were permitted to obtain foreign equity investmentsubject to the permission of the Foreign Investment Promotion Board. The minimum amountswere $0.5 million when investment was less than 51% of the total equity,

$5 million when it wasless between 51% and 75% of total equity and $7.5 million when investment was greater than75% of total equity.

MFI Bank Partnership Model

In 2002, India's largest private sector bank, ICICI Bank, initiated an MFI partnership modelaccording to which MFI loans remained on the bank's balance sheet though the loan origination,monitoring and collection services were performed by the MFI for a fee. The MFI also sharedthe credit risk up to a specified level. The policy environment largely supported this innovationwhich increased considerably the pool of funds available for MFIs.In 2006, undesirable practices of some MFIs in Andhra Pradesh led the RBI to initiate newmeasuresv. RBI urged banks to strengthen their know- your-customer (KYC) procedures byensuring receipt of day-end transaction information, as the loans were on the books of the bank.

This means that the model can be used only in situations where the bank and MFI have thetechnology necessary to meet the above requirement (Ghate et. al., 2007).In response to the Andhra Pradesh episode, in 2006, discussed above, Sa-dhan, the association ofmicrofinance institutions, adopted a voluntary code of conduct which covered various aspectsincluding transparency in interest rates, in an attempt to introduce uniform practices in the sector.However the extent to which this code has been effectively fulfilled by member institutions is unclear as it is not monitored.

Business Facilitator/ Business Correspondent Model

In 2006, RBI permitted banks to appoint business facilitators and business correspondents and larger scope of activities, such as disbursal of small value credits, collection of small value deposits, sale of micro insurance, pension and other third party products as well as receipt and delivery of small value remittances and other payment instruments. The BC model has not been widely used for a number of reasons .First; the eligibility criteria excluded a number of large MFIs in the country. While most other kinds of MFIs are eligible to function as BCs, NBFCs not registered as not-for-profit companies were excluded through subsequent notification. The reasons for this exclusion are reported to be the possible use of the model to bypass time consuming requirements to obtain branch licenses and possible exploitation of customers due to excessive commercialization (Tankha, 2006). Some MFIs who have group entities registered as trusts and societies, have made use of these structures to become BCs. It is also possible that the potential costs of record keeping and coordination with the concerned bank are likely to far outweigh the advantages of offering the additional servies to customers.

Second, BCs are not permitted to charge fees from the clients as banks are expected to remunerate them. In the case of loans, this results in effective capping of the overall interest ratethat the borrowers could be charged as banks are not permitted to charge interest rates abovetheir benchmark prime lending rate for loans which are lower in amount than Rs. 200,000. Thiscaps the interest rate of all microfinance loans as these loans by definition are lower thanRs.50,000.

Third, in a later notificationx, RBI stipulated that every BC should be attached to a particular bank branch (called the base branch) and the distance between the place of business of a BC andthat of the branch should not exceed 15 km in rural, semi-urban and urban areas and 5 km inmetropolitan areas. This restriction also reduced the attractiveness of the scheme.

Capital Adequacy Requirements of NBFC MFIs

In 2008, RBI increased the capital adequacy ratio of MFIs registered as NBFCs and having anasset size of Rs. 1 billion. As against 10%, their minimum capital to risk assets ratio was requiredto be 12% by March 31, 2009 and 15% by March 31, 2010.

Mobile Banking Guidelines

With growth in number of mobile phone subscribers in the country, some banks have startedoffering mobile based services to customers including mobile payments, which implies debit or credit of funds in a customer’s account based on instructions received over mobile phones.Taking note of this, RBI has issued guidelines for mobile payments in July 2008. Only bankswhich are licensed and supervised in India and have a physical presence in the country arepermitted to offer mobile payment services to residents. In August 2009, RBI has permittedentities other than banks to issue mobile phone based payment instruments of maximum value Rs. 5000 subject to RBI approval. The facility is to be used only for purchase of goods and not for person to person transfer.

Committee on Financial Inclusion

The Rangarajan Committee on Financial Inclusion (2008) provided a systematic overview of the issues and suggested that RBI may consider bringing all regulatory aspects of micro finance under a single mechanism. The committee has also recommended the setting up of a Financial Inclusion Technology Fund to support the costs of technology adoption for financial inclusion purposes. It also suggested that NBFCs focused on microfinance (MF NBFCs) could be permitted to offer thrift, credit, micro insurance and remittance products up to specified amounts.

Unique Challenges of Microfinance Regulation

Regulation of the microfinance sector poses unique challenges. They are worth enumerating asthere appears to be inadequate appreciation of these challenges in India.The CGAP (Consultative Group to Assist the Poor), an international consortium of public andprivate development agencies evolved a set of “Microfinance regulation consensus guidelines”which have been adopted by its donor agencies. These guidelines are general in nature and eachcountry is expected to evolve its own regulatory framework based on considerations of likelyeffectiveness and cost of supervision.The lending models used in microfinance have peculiarities and hence regulation ofmicrofinance poses certain unique challenges, different from bank regulation.First, MFIs may not pose systemic challenges in the sense that it is unlikely that even the largest MFIs are “too big to fail”. For example, the asset size of one of the largest MFIs in the country,SKS Microfinance Private Limited in March 2009 was Rs.24.6 billion while that of the largestprivate sector bank in the country, ICICI Bank, was around Rs. 3793 billion, approximately 154times as large (www.icicibank.com and www.sksindia.com). MFIs however deal with lowincome groups least likely to bear downside risks, in a democratic country, politically the MFIsmay be "too sensitive to fail". The implicit contingent liabilities are on the State, making theireffective regulation in the interest of the Government.

Second, in the case of bank regulation, banks are often required to make full provisions for loanswithout collateral. In the case of MFIs, most loans are collateral free and hence no such measuresare possible. On-time repayments on microfinance loans however tend to be high, thoughexperience shows that once a loan is overdue, the ultimate collection of the loan is less likely,than in the case of loans that are backed by collateral (Rosenberg, 2008). As a result,provisioning already delinquent loans needs to be more aggressive for microcredit loans ascompared to other loans.Third, while bank failures may be contagious in the sense that the failure of one bank is likely toimpact solvency of others due to the interdependent nature of the payments system, theinterdependencies between group members in microfinance can lead at times to a different kindof contagion effect. Widespread defaults can occur either if some members start consistentlydefaulting or if there are rumors of MFI failures. An important incentive for repayment ofcollateral free MFI loans is the ability to obtain larger loans in the future. Any event whichmakes the possibility of future loans reduce considerably, has the potential to trigger widespreaddefaults. A regulator of MFIs has therefore to be highly sensitive to these realities.Fourth, MFI customers are often first time users of financial services and usually have loweducation. The responsibility on the MFI to offer the right products which suit their members'needs as well as provide adequate financial education and training to them is considerable.Regulation needs to necessarily oversee this important element of MFI operations.Fifth, merely formulating regulation regarding codes of conduct for MFIs and providingchannels for dispute resolution regarding MFI practices is not sufficient. MFI customers need tobe made aware of them by using appropriate communication. Moreover the channels need to beeasily accessible

Global Acceptance of Microfinance

It is claimed that this new paradigm of unsecured small scale financial service provision helps poor people take advantage of economic opportunities, expand their income, smoothen their consumption requirement, reduce vulnerability and also empowers them (CGAP,2003[13] ADB, 2004[14])

Former World Bank President James Wolfensohn said "Microfinance fits squarely into the Bank's overall strategy. As you know, the Bank's mission is to reduce poverty and improve living standards by promoting sustainable growth and investment in people through loans, technical assistance, and policy guidance. Microfinance contributes directly to this objective"[15]. The emphasis on microfinance is reflected in microfinance being a key feature in Poverty Reduction Strategy Papers (PRSPs)[16].

Realising the importance of microfinance, World Bank has also taken major steps in developing the sector. Formation of Consultative Group to Assist the Poor (CGAP) in 1995 as a consortium of 33 Public and private development agencies and establishment of Microfinance Management Institute (MAFMI) in 2003 are significant landmarks. CGAP acts as a "resource center for the entire microfinance industry, where it incubates and supports new ideas, innovative products, cutting-edge technology, novel mechanisms for delivering financial services, and concrete solutions to the challenges of expanding microfinance”[17]. MAFMI was established with support of CGAP and Open Society Institute for meeting the technical and managerial skills required for microfinance sector.

CGAP has been instrumental in shaping the dominant theoretical orientation of microfinance. The guiding philosophy behind diverse sphere of CGAP activities by way of dissemination of microfinance best practice, grant-making to MicroFinance Institutions, and fostering national-level policy on microfinance has been ‘Commercial microfinance’. The CGAP dossier on ‘Best Practices’ and brochure on ‘Key principles of microfinance’ succinctly capture the philosophy of insistence on full cost recovery through market based interest rates and higher recovery rate of micro loans. The influence of CGAP philosophy has also shaped World Bank’s thinking on microfinance. Current World Bank President in his message to CGAP annual meeting in 2005 acknowledged this by saying “CGAP has helped build consensus around the fundamentals of an inclusive financial system. The CGAP Key Principles of Microfinance, endorsed last year by the G8, have this year been championed by ………. Worldwide, as a result of the CGAP system, good practice is increasingly becoming standard practice”.

Other Regional multilateral development banks like Asian Development Bank also champion the cause of commercial microfinance. ADB (2000, pg 1-2) [18] outlining its policy for microfinance lends support to the logic by saying “to the poor, access to service is more important than the cost of services” and “the key to sustainable results seems to be the adoption of a financial-system development approach”.

The underlying logic offered in support of this is universally based on twin arguments i.e., a) subsidized funds are limited and cannot meet the vast unmet demand, hence private capital must flow to the sector and b) the ability of the poor to afford market rates. Though, various scholars like Morduch (2000)[19] have brought out the flaws of this Win-Win proposition like belief in congruence between commercial microfinance and poverty outreach, this paper will limit itself to analyzing as to how the focus on commercialization has relegated impact assessment to backstage.

Microfinance & MDG

The current literature on microfinance is also dominated by the positive linkages between microfinance and achievement of Millennium Development Goals (MDGs). Microcredit Summit Campaign’s 2005 report argues that the campaign offers much needed hope for achieving the Millennium Development Goals, especially relating to poverty reduction. CGAP (ibid) lends support to thisDraft by saying that the growing body of evidence suggests microfinance to be a critical contextual factor in achievement of MDGs. ADB (ibid) in its theme chapter on microfinance also cites access to financial services as critical for eliminating poverty and reaching MDGs. IFAD along with Food and Agriculture Organisation (FAO) and the World Food Programme (WFP) declared that it will be possible to achieve the eight Millennium Development Goals (MDGs) by the established deadline of 2015 “if the developing and industrialised countries take action immediately” by implementing plans and projects, in which microcredit could play a major role[20]

Conclusion

The Indian economy at present is at a crucial juncture, on one hand, the optimists are talking of India being among the top 5 economies of the world by 2050[24] and on the other is the presence of 260 million poor forming 26 % of the total population. The enormity of the task can be gauged from the above numbers and if India is to stand among the comity of developed nations, there is no denying the fact that poverty alleviation & reduction of income inequalities has to be the top most priority. India's achievement of the MDG of halving the population of poor by 2015 as well as achieving a broad based economic growth also hinges on a successful poverty alleviation strategy.

In this backdrop, the impressive gains made by SHG-Bank linkage programme in coverage of rural population with financial services offers a ray of hope. The paper argues for mainstreaming of impact assessment and incorporation of local factors in service delivery to maximize impact of SHG –Bank linkage programme on achievement of MDGs and not letting go this opportunity.

References

1. Rangarajan, LN (ed), 1987. The discussion in this section is derived largely from Sinha, Sanjay &Ramussen, Stepheet al, 2006. Microfinance in South Asia: Towards financial inclusion for the poor. Washington DC:TheWorld Bank.
2. Shankar Savita and Asher,G Mukul Micro Finance Bill: Need for Major Re-think
3. Mohanty Bandhu Biswas Microfinance Sector in India - Developing a supportive policy and regulatoryframework and environment - Position and Perspectives" -
4. Basu, P (2006): Improving access to finance for India's rural poor, Washington DC: WorldBank
5. CGAP (2002) : Microfinance Consensus Guidelines (http://www2.cgap.org/gm/document-1.9.2787/Guideline_RegSup.pdf)
6. CGAP (2008) : Note on Regulation of Branchless Banking in India (http://www.cgap.org/gm/document-1.9.2322/India-Notes-On-Regulation-Branchless-Banking-2008.pdf)
7. Economist (2009) : The power of mobile money
8. Ghate, P (2006) : Microfinance in India A State of the Sector Report, 2006, New Delhi:
9. Microfinance India
10. Ghate, P (2007) : Financial inclusion via exclusion? Economic Times July 19
11. Ghate, P, S Gunaranjan, V Mahajan, P Regy, F Sinha, and S Sinha (2007) : Microfinance in India A State of the Sector Report, 2007, New Delhi: Microfinance India
12. Srinivasan, N (2009) : Microfinance India State of the Sector Report, 2008 New Delhi: SagePublications
13. CGAP (2003), Focus Note No.24, Washington, DC
14. ADB(2004) ADB Annual Report 2004,Special theme:the Changing face of the micro finance industry,Manila.
15. Countdown (2005), Volume 1, Issue 4 : May/June 1998, Microcredit Summit Campaign, Washington, DC

16. 2005 IMF review of 56 PRSPs indicates microfinance as key component in 44 PRSPs.
17. http://www.cgap.org/portal/site/CGAP/menuitem.8d0ec8712cb72d1eae6c621059101 0a0
18. ADB (2000) Toward an ADB Microfinance Development Strategy, Manila
19. Morduch, J. (2000) The Microfinance Schism, World DevelopmentVol.28, No.4, pp. 617-629, Great Britain
20. http://www.truthforce.info/index.php?q=node/view/760
21. National Bank for Agriculture and Rural Development (NABARD)
22. Burgess, R. & Pande, R. (2005) Do Rural banks matter? Evidence from the Indian social banking experiment, American Economic Review, Vol 95 (3), pp. 780-795
23. All India Rural credit Survey, 1951 & All India Debt & Investment Survey, 1991
24. Wilson, D. & Purushothaman, R. (2005) Dreaming with BRICs: The path to 2050, Global Economics paper No.99, Goldman Sachs
25. Mishra Alok Discussion paper for Workshop on World Bank Singapore 18th September 2006 Micro Finance in India and Millennium Development Goals : Maximising Impact on Poverty
26. Shankar Savita and Asher,G Mukul (2009)Regulating India’s Microfinance Sector: A Suggested Framework
27. RBI’s Progress and Trends in Banking - 2009
28. Inventorisation Study of MFOs - GTZ
29. Status of Micro Finance in India - 2008-09, MCID, NABARD
30. Report of NABARD’s Internal Working Group on Development andRegulation of MFOs-2007.
31. Publications on Promotion, Supervision and Regulation in MFIs under NABARD-GTZ
32. Technical Collaboration on Rural Finance
33. Position Paper on the Regulation of MF Services, June, 2008 -World Savings Bank Institute (WSBI)