

Anatomy of the Indian Microfinance Crisis!

M-CRIL Microfinance Review 2011 – A financial & social analysis

Do you want to know what has happened in Indian microfinance since the outbreak of the AP crisis?

Do you want to know what has happened outside AP? as well as within the state?

Do you want to benchmark the performance of your institution, against authenticated data taken directly from audited financial statements of MFIs and not based on self-reported information subject to errors?

Do you want an analysis that integrates financial and social performance of microfinance and does not view either as separate concerns?

Do you want to know the relationship between the staff turnover ratio and operating expenses?

Above all, do you want to know the **current state of affairs in resolving the crisis?**

The attached document contains the **Executive Summary** of M-CRIL's latest Microfinance Review – of the performance of independent microfinance institutions (MFIs) in India providing microfinance services to low income clients. In keeping with M-CRIL's tradition of independent research and analysis, this review is published by M-CRIL to promote understanding of the role of microfinance in the Indian economy and to focus on the current performance of the sector in relation to financial services in the country in general.

This **Executive Summary is being published as a standalone document** to provide a flavour of the achievements of MFIs during the past year and as a summary of M-CRIL's analysis and conclusions on its performance. It provides, thereby, a flavour of the main report with an indication of the conclusions presented there. The main report is based on an analysis of financial data from the 59 leading MFIs in India (each with more than 10,000 borrowers) and from the 49 MFIs that have submitted outreach to the MIX Social Reporting platform as well as 32 MFIs that have submitted social performance data. In addition, poverty profile information from M-CRIL's social ratings has been used to round out the still sketchy data available on social performance.

The **Main Report is a highly analytical document packed with 64 tables & graphs** along with **financial and social performance analysis** of Indian microfinance in the context of the crisis. It provides **M-CRIL's incisive comments on how the situation came about and what was the result**. It also provides some thoughts on the likely timing of further changes and the expected result.

For obtaining the Main Report, see directions on Page iii of the Executive Summary.