AP Microfinance Crisis & Its Impact on Microfinance Sector

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Abstract
Microfinance is an economic development tool whose primary objective is to assist the poor to work their way out of poverty. Microfinance loans are usually small, unsecured, given to low-income groups, mainly for income-generating activities and sometimes for consumption, housing and other purposes. The microfinance sector went through a difficult and challenging period during Andhra Pradesh Microfinance crisis. What started as a concern about the reported suicides by few harassed MFI borrowers soon grew into a major crisis that had threatened the entire microfinance sector. This could be mainly due to absence of regulatory body for microfinance sector and failure of Bank Linkage Programs. The RBI, accepted the recommendations of the Malegam Committee and brought NBFC-MFI under a separate regulatory framework, through NBFC-MFI Directions.
Key words: Microfinance; crisis; regulatory body; NBFC; Malegam Committee.

1. Introduction:

Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty. It covers a range of services which include, in addition to the provision of credit to low income groups, many other services such as savings, insurance, money transfers, counseling, etc. (Malegam,2011). Microfinance loans are usually small, unsecured, given to low-income groups, mainly for income-generating activities and sometimes for consumption, housing and other purposes. Frequency of repayments is greater and loan tenure shorter.

The microfinance sector went through a difficult and challenging period during Andhra Pradesh (AP)* Microfinance crisis. There has been unusual growth in microfinance sector followed by crisis in general. Crisis was more severe in AP.

2. Literature Review

Microfinance is an economic development tool whose objective is to assist the poor to work their way out of poverty (Malegam, 2011). The Andhra Pradesh accounted for more than 30% of all borrower accounts and outstanding loan portfolios in the case of Micro Finance Institutions (MFIs) in March 2010 (Sa-Dhan, 2012c).

Failure of Self-Help Groups (SHG) and Bank Linkage Programs (SBLP) has led to rise of MFIs. The repayment rates under the SHG-Bank linkage programs were low up to introduction of AP Ordinance (SOS 2011a).The State Government of AP, promulgated microfinance Ordinance in October 2010 in order to protect the interests of Self-Help Groups in AP by regulating money-lending transactions by MFIs and for attaining greater transparency with respect to such transactions in AP (AP MFI Act,2011). Microfinance crisis has shaken the world of microfinance. An industry that grew at 90% on an annual basis from 2002-03 to 2009-10 was reduced to just 7% growth in 2010-11 with its portfolio over the period October 2010 to September 2011 estimated by M-CRIL to fall by around 33% (M-CRIL, 2011). There is a drastic fall in loan disbursements and businesses have been stunted by the rapidly dropping repayment rates (SOS 2011c).

After the AP Ordinance, the banks, whose funds constitute about 85 per cent of MFIs lending resources, have become extra cautious and slowed down release of loans during the past two years. The growth in client outreach and loan volume has retarded during, 2011-12(Sa-dhan, 2012).

The Sub-Committee of RBI Board headed by Shri Y.H. Malegam was appointed in October 2010 in the wake of the financial catastrophe like situation that emanated from Andhra Pradesh (AP). The Committee, examined the then prevalent practices of MFIs with regard to interest rate and lending and recovery practices, and explored the scope for regulating these MFIs by RBI and the regulatory framework needed and gave critical recommendations (Malegam, 2011). Current RBI guidelines for NBFC MFIs are based on these recommendations.

3. Need for the study

Microfinance institutions are important for the overall development of the financial system, creating a significant impact on it. This has generated supervisory and regulatory issues that have drawn the attention of higher authorities. The failure of any MFIs would bring about the same social costs to the society as any other financial

institution. Microfinance need to be explicitly recognised as an integral element in the overall economic policy framework and economic development to be pursued by Central Government, State Governments and Reserve Bank of India.

4. Objectives of the study

The current research was undertaken to achieve the following objectives; First objective of the current research was to examine the practices of MFIs and other causes which led to Microfinance crisis in AP; Second objective of the current research was to study the impact of crisis on Microfinance in AP; Third objective of the current research was to examine the regulatory norms for lenders in the microfinance sector post AP Microfinance crisis.

5. Research Methodology

Sources of secondary data for the current research were as follows: Research works of various scholars; journals and magazines; websites of various microfinance institutions; journals and magazines; books and other literature on Microfinance loans, etc.

6. Data Analysis & Interpretation

6.1 Objective 1

First objective of the current research was to examine the practices of MFIs and other causes which led to Microfinance crisis in AP.The Andhra Pradesh had distinctive leadership position in the Indian microfinance industry. As on March 2010, it accounted for more than 30% of all borrower accounts and outstanding loan portfolios in the case of MFIs (Sa-Dhan, 2012c).We will see the factors which led to the crisis.

6.1.1 Failure of Self-Help Groups and Bank Linkage Programs (SBLP) Programs

AP Government had made significant work for financial inclusion of under-privileged through Self-Help Groups (SHG) and Bank Linkage Programs (SBLP). Failure of these programmes has led to rise of MFIs. Banks were lending to MFIs to meet their priority sector targets. Table 1.1 gives some strategic reasons for failure of SBLP and success of MFIs.

MFIs had continued to increase lending to their customers. An added feature of this high level of MFI lending in the state was the low default rates and portfolio at risk being less than 1% per cent for most of the MFIs. In contrast, the SHG-Bank linkage programs reported much higher default rates. The repayment rates under the SHG-Bank linkage programs were low up to introduction of AP Ordinance (SOS 2011a).

6.1.2 Allegations Against MFIs

The main allegations against the MFIs were that, they were charging unfair rates of interest and there was lack of transparency in interest rates and other charges; upfront collection of security deposits; using coercive methods for loan recovery and thereby are accused of profiteering at the cost of poor women. Other accusations were multiple lending and ghost borrowers. What started as a concern about the reported suicides by some harassed MFI borrowers soon grew into a major crisis that had threatened the entire microfinance sector.

6.1.3 Reasons for AP Microfinance Crisis

- Loans were taken by borrowers for consumption instead of income generating activities, in excess of their repayment capacity leading to mounting indebtedness and poverty.
- Social humiliation and peer pressure from the Joint Liability Group (JLG) members played a bigger role than the loan recovery agents on borrowers and put them in extreme stress sometimes leading to suicides.
- Lack of transparency in interest rates and other charges. The end interest rate charged by MFIs was higher from base interest rate as it included upfront registration fees, enrolment fee, loan protection fee, etc. and insurance premium.
- In the absence of Credit Information Bureau, existing outstanding loans of potential borrowers could not be ascertained, which resulted in over borrowing and multiple lending.
- Because of multiple lending and over lending, the recovery agents in their desperation to recover the loans, adopted coercive methods of loan recoveries. Instead of recovering installments at central office, field staff started collecting them at residences and work places of borrowers.
- As the size of individual loans grew bigger, loan repayment installments grew beyond the repayment capacity of the borrower. This lead to multiple borrowing and repaying original loans.
- Weekly recovery system also added to the woes of the borrowers. Borrowers took multiple loans to pay weekly installments.
- Significant amounts of private equity (PE) funds entered into this sector seeing microfinance as profitable business proposition.
- PE funds exited MFIs through Initial Public Offering (IPO) with high profit margin and new investors demanded higher dividends and higher profits.

- Presence of well organised SHG's in Southern Region helped MFIs to grow faster in Southern Region and also lead to relative neglect of other regions.
- Managers aimed for aggressive growth, for economies of scale, extend outreach and prestige leading to over lending and multiple lending.
- Rewarded staff for signing new clients, renewal, bigger loans etc., quality of loans being secondary concerns.
- No enterprise training was given along with loans.

6.2 Objective 2

Second objective of the current research was to study the impact of crisis on Microfinance in AP.

6.2.1 AP MFI Act

Self Help Groups were split and became JLG's to avail loans from MFIs. Loan recoveries by SHGs were badly affected and loans given by the SHGs are being used to repay loans given by MFIs. The endeavor of the AP was to protect the interests of SHGs and rescue them from the undue hardship by regulating money lending transactions by the MFIs, who were poaching SHGs to expand their borrowers base, charging exorbitant interest rates, using weekly recovery system, recovery agents and resorting to coercive methods of recovery, resulting in poverty and at times leading to suicides of the borrowers.

The State Government of AP, in response to this grave situation and reports from the grass root officials of rural development department, promulgated microfinance Ordinance in October 2010 to protect the interests of Self-Help Groups in AP by regulating money-lending transactions by MFIs and for achieving greater transparency with respect to such transactions in AP. Subsequently, on January 1, 2011, the Government of AP introduced the AP MFI Act.

6.2.2 AP Ordinance, 2010

The AP MFI Ordinance and the AP MFI Act requires for the registration of all MFIs operating in AP; all loans have to be without any collateral, require prior approval for the grant of further loans to SHGs or their members where the SHG has already an outstanding loan from a bank and all repayments must be made only by monthly installments at the designated offices of the AP Government. No member of SHG shall be a member of more than one SHG. There has to be a standard form of the loan contract and microfinance borrower has to be given a statement of his account and acknowledgements for all payments received from him. All MFIs have to display the interest rates in their office premises. Recovery towards interest cannot exceed the principal amount. MFI shall not deploy any recovery agents nor shall use any coercive methods of recovery; any violation of this is liable for punishment.

6.2.3 Impact of Ordinance

The well-intended draconian provisions for MFIs had many unpremeditated consequences. They had adverse impact on clients, MFIs, banks and the microfinance sector in general.

The “great Indian microfinance crisis” has shaken the world of microfinance. An industry that grew at 90% on an annual basis from 2002-03 to 2009-10 was reduced to just 7% growth in 2010-11 with its portfolio over the period October 2010 (when the crisis started) to September 2011 estimated by M-CRIL to fall by around 33%.

Andhra Pradesh was considered to be the microfinance capital of India. SHG-Bank Linkage program was run successfully with around 25% of groups and 40% of loan outstanding in the State. But the AP MFI Ordinance and the AP MFI Act had an immediate drastic impact on the loan recoveries of MFIs. Without being able to hold center meetings, in which the customers were usually required to repay their loans, MFIs were unable to recover their loans. Recovery rates that were as high as 99.0 % plummeted to as low as 5%. There was no way by which the MFIs could enforce loan repayments and this became a big concern for the MFIs sector in A.P. Some customers in the absence of MFIs, borrowed from other sources like moneylenders at hugely high interest rates. Table 2.1 gives the effective interest rates that such borrowers agreed to pay to the moneylenders (SOS 2011b).

The RBI is the sole regulator of financial services in India. This being the case, the Andhra Pradesh act, has inadvertently created a regulatory arbitrage, apart from crippling the functioning of MFIs (Sa-dhan,2012).
Outstanding loans to MFIs to the extent of fifty lakh borrowers aggregated approximately Rs.7, 000 crore. In the short run, this stifled the credit demand and encouraged credit indiscipline. The effect of falling repayment rates on MFIs’ businesses was severe. This drastic fall in loan disbursement very clearly conveys the manner in which business has been inhibited by the rapidly falling repayment rates (SOS 2011c).

MFIs have tried to continue with their businesses in other states after promulgation of the AP MFI Ordinance and enactment of the AP MFI Act with the levels of liquidity they had and to the extent banks allowed them to draw from the already sanctioned limits. However, MFIs have since scaled down their operations and reduced both customers and loans outstanding in a bid to contain risks and maintain repayments to banks. Further banks restricted their lending to MFIs and stopped fresh disbursements. The first quarter of

Fiscal 2012 witnessed contraction in loan portfolios both on account of liquidity constraints and the compliance issues arising from regulatory guidelines of the RBI for NBFC-MFIs (SOS 2011d).

As of October 2010, a total of about Rs.108.9 billion was outstanding in the hands of borrowers from the 10 largest MFIs in Andhra Pradesh. Approximately 80.0% of the funding of this portfolio had come from banks and financial institutions. Faced with loan loss provisions to the extent of about Rs.75.0 billion in respect of their lending to MFIs, banks were instrumental in developing a Corporate Debt Restructuring (CDR) package in respect of their larger MFI exposures (SOS 2011e). Of the larger MFIs in AP, SKS Microfinance and BASIX did not participate in the CDR package. Five MFIs, Spandana, SHARE, Asmitha, Trident and Future Financial Services participated in the CDR package amounting to more than Rs.70.0 billion. The debt composition of the major MFIs that participated in the CDR package is given in Table 2.2.

The structured loans are required to be repaid by the MFIs listed above over seven years after a one year moratorium. The restructured loans carry a rate of interest of 12 %. Some of the small and mid-sized MFIs, which are ineligible for the CDR package, have gone bankrupt (SOS, 2011f).

The state law enforced by the Andhra Pradesh government on microfinance during the year 2012 has almost stopped the MFI activities in the state. The well-intended law has had many unintended consequences, which in turn had serious adverse impact on clients, MFIs, banks and microfinance sector in general. As a result, the credit discipline of MFI clients got ineffective resulting in mass default. The very existence of many of the smaller MFIs' existence has become a big challenge. The MFIs have been forced to adopt several austerity measures to reduce the operational cost, besides they have to honour their repayment commitments to the banks. Stoppage of operation of MFIs in the state due to the stringent government norms led to loan defaults from clients and non-availability of funds from banks.

As a result, many of the MFIs trimmed the work force and also either closed down and/or merged branches to reduce the cost of operation. For example, PWMACS reduced the staff strength to one third of the original strength and has merged their branches to have only four branches post crisis (Sa-Dhan, 2012). Similarly CRESA staff strength got reduced to 42 from 206 and the MFIs closed 12 branches besides slashing the staff salaries by 25 per cent for all employees. Another example is Saadhana where the staff strength has been reduced to 19 now from 258 earlier. The financing banks, besides stopping the credit support, initiated legal action against MFIs for recovery of loans.

The 2012 Quick Data collected by Sa-Dhan from AP-based MFIs reveal the adverse impact of crisis on the operational and financial performance of MFIs during 2011-12 (Refer Table 2.3). Overall the AP-based MFIs had reduced their branch infrastructure, and client and portfolio base resulting in a lower yield and profit.

From the above analysis it is clear MFIs operational and financial performance significantly declined in 2012. It is clear from the table 2.3 that the number of branches declined by 19 per cent, number of staff declined by 30 per cent. It is also evident that ROA was recorded negative (-8 per cent) and ROE recorded -35 percentages. Loan disbursement drastically declined by 67 per cent.

6.3 Objective 3

Third objective of the current research was to examine the regulatory norms for lenders in the microfinance sector post AP Microfinance crisis.

6.3.1 Malegam Committee

The Sub-Committee of RBI Board headed by Shri Y.H. Malegam was appointed in October 2010 in the wake of the crisis like situation that originated from Andhra Pradesh (AP) following controversy over the alleged abusive practices adopted by the MFIs involving exorbitant interest rates, coercive recovery methods and multiple-loans. The Committee, examined the prevalent practices of MFIs with regard to interest rate and lending and recovery practices, and explored the scope for regulating these MFIs by RBI and the regulatory framework needed and gave critical recommendations (Malegam, 2011). Current RBI guidelines for NBFC MFIs are based on the recommendations of Malegam Committee.

6.3.2 The MFI Bill 2012

The Micro-finance Institutions (Development and Regulation) Bill, 2012, was presented before Indian Parliament on May 22, 2012. In 2015, Parliamentary Standing Committee on finance after debating the MFI Bill, had rejected it and sought wider consultations instead, thus the bill lapsed. A new version has not yet come.

Reserve Bank of India would continue to regulate MFIs registered as non-banking finance companies (NBFCs) with the central bank. MFIs registered under various state society acts are not regulated by anyone. Also MFIs will not be regulated by the Micro Units Development and Refinance Agency (MUDRA) Bank, as proposed by the finance ministry earlier (Indian Express, 2016).

6.3.3 NBFC-MFIs – Current RBI Directions

The RBI is the sole regulator of financial services in India. RBI has also created separate category of NBFC as "NBFC-MFIs" which are to be registered with RBI to continue their microfinance operations. The RBI, pursuant to its decision to accept the recommendations of the Malegam Committee (Malegam, 2011), brought

NBFC-MFI under a separate regulatory framework, through NBFC-MFI Directions. The basic elements of RBI Directions for NBFC-MFIs are mentioned hereunder (rbi.org.in).

Capital Requirement – Entry Point Norms.

- All registered NBFCs intending to convert to NBFC-MFI must seek registration with immediate effect and shall maintain Net Owned Funds (NOF) at Rs.5 crore (2 crore for North Eastern Region).

Qualifying Assets

- NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets.

Multiple Lending and Indebtedness

- A borrower can be a member of only one SHG/JLG. He can borrow from NBFC-MFIs as a member of a SHG or a member of a JLG or borrow in his individual capacity. Further, a SHG or JLG or individual cannot borrow from more than 2 MFIs.

Ensuring Compliance with Conditionality's

Lending MFIs will have to ensure compliance with, among others, conditionality's relating to:

- Annual household income levels (Rs.100, 000 for rural and Rs.1, 60,000 for urban and semi-urban households).
- Total indebtedness (not to exceed Rs.100, 000).
- Tenure of the loan not to be less than 24 months for loan amount in excess of Rs. 15,000 with prepayment without penalty.
- Aggregate amount of loans, given for income generation, is not less than 50 per cent of the total loans given by the MFIs and loan is repayable on weekly, fortnightly or monthly installments at the choice of the borrower.
- Every NBFC-MFI has to be a member of at least one Credit Information Company (CIC).

Pricing of Credit

The interest rates charged by an NBFC-MFI to its borrowers will be the lower of the following:

- Cost of funds means interest cost and margin is a markup of a maximum of 10 per cent for large NBFCs-MFI and 12 per cent for others
- Processing charges by NBFC-MFIs shall not be more than 1 % of gross loan amount. Processing charges need not be included in the margin cap. Further, NBFC-MFIs shall recover only the actual cost of insurance for group, or livestock, life, health for borrower and spouse.
- A customer needs to know that there are only three components in the pricing of a loan viz. the interest charge, the processing charge and the insurance premium
- The interest charged to customer is calculated on a reducing balance basis.

Customer Education

- No security deposit/ margin/collateral are required to be kept by the borrower with the NBFC-MFI.
- The borrower should ensure that he gets a loan card from the NBFC-MFI reflecting: the effective rate of interest charged; all other terms and conditions attached to the loan; information which adequately identifies the borrower; acknowledgement by the NBFC-MFI of all repayments including installments received and the final discharge.
- All entries in the Loan Card should be in the vernacular language.
- NBFC-MFI does not levy penalty on delayed payment.
- It mandatory for the NBFC-MFIs to prominently display in all its offices and in the literature issued by it and on its website, the effective rate of interest being charged by it.
- There must be a minimum period of moratorium between the grant of the loan and the due date of the repayment of the first installment.

Capital Adequacy Norms

- All NBFC-MFIs shall maintain a capital adequacy ratio consisting of Tier I and Tier II Capital which shall not be less than 15 per cent of its aggregate risk weighted assets. The total of Tier II Capital at any point of time shall not exceed 100 per cent of Tier I Capital.

Customer Protection Initiatives

- NBFC-MFIs shall ensure that a Code of Conduct and systems are in place for recruitment, training and supervision of field staff, incorporating the guidelines on

Fair Practices Code. Also, Recovery should normally be made only at a central designated place.

Self-Regulatory Organization (SRO)

- All NBFC-MFIs will have to become member of at least one Self-Regulatory Organization (SRO) which is recognized by the Reserve Bank and will also have to comply with the Code of Conduct prescribed by the SRO.

Monitoring of Compliance

- The responsibility for compliance to all regulations prescribed for MFIs lies primarily with the NBFC-MFIs themselves. Banks' lending to NBFC-MFIs will also ensure that systems practices and lending policies in NBFC-MFIs are aligned to the regulatory framework.

7. Conclusions & Recommendations

Failure of Bank Linkage Programs (SBLP) led to growth of MFIs. Banks should start lending to borrowers directly; change their traditional methods of operating; simplify procedures; stall political interference; work aggressively for setting foothold in this sector and recruit locals as field workers.

The main allegations against the MFIs were that, they were charging unjustified high rates of interest and there was lack of transparency in interest rates and other charges; upfront collection of security deposits; using coercive methods for loan recovery and thereby are accused of profiteering at the cost of poor women. Things can be improved by giving more loans for income generating activities; conducting counseling services for women to cope up with peer pressure in JLG's; transparency in interest rates; every NBFC-MFI has to be a member of at least one Credit Information Company (CIC); stop coercive methods of loan recoveries; should expand to other regions; give enterprise training along with loans.

The state law enforced by the Andhra Pradesh government on microfinance during the year 2012 has almost stopped the MFI activities in the state. The well-intended law has had many unintended consequences, which in turn had serious adverse impact on clients, MFIs, banks and microfinance sector in general. As a result, the credit discipline of MFI clients got vitiated resulting in mass default. Without being able to hold centre meetings in which the customers were usually required to repay their loans, MFIs were unable to recover their loans. Recovery rates that were as high as 99.0 % plummeted to as low as 5%. Some customers in the absence of MFIs, borrowed from other sources especially from moneylenders at exorbitantly high interest rates. The very existence of many of the smaller MFIs' existence has become a big challenge. The MFIs have been forced to adopt several austerity measures to reduce the operational cost, besides they have to honour their repayment commitments to the banks. Stoppage of operation of MFIs in the state due to the stringent government norms led to loan defaults from clients and non-availability of bank funds. As a result, many of the MFIs downsized the work force and also either closed down and/or merged branches to reduce the cost of operation.

Given this, small MFIs can merge and survive and those who cannot merge can sell their portfolios to banks at discount. With new regulatory environment MFIs can now try to become banks and decrease their cost of operations by taking savings. Becoming a payment bank may also help in expansion of the clientele and other benefits. Computerisation and centralised database of clients can decrease multiple borrowings and track the borrowers.

Reserve Bank of India would continue to regulate MFIs registered as non-banking finance companies (NBFCs) with the central bank. MFIs registered under various state society acts are not regulated by anyone. The RBI, pursuant to its decision to accept the recommendations of the Malegam Committee (Malegam, 2011), brought NBFC-MFI under a separate regulatory framework, through NBFC-MFI Directions (rbi.org.in).

8. Limitations of the study

The study is limited to the period 2012-13 only; The study is limited to microfinance loans only; The study is limited to Andhra Pradesh & specific Microfinance Institutions only; Economic conditions might have varied.

9. Scope for Further Research

Implications and effect of migration from MFIs to scheduled commercial banks & payment banks on reduced cost of funds & operations has to be researched further.

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Figures & Tables

Table 1.1: Failure of SBLPs

MFIs	SBLP
More informal in approach.	Operate through traditional branches.
Have social commitment and ready to learn new skills.	Do not want to change their traditional methods.
More profitable than banking.	Huge losses due to defaults.
More aggressive in securing business. Staff worked with missionary zeal and motivation.	Meet only priority sector lending.
Use local population as field workers which give them better access to borrowers.	Banks still largely use traditional staff.
Procedures are simpler and less time-consuming.	Procedures used by banks are laborious and bureaucratic.
No political interference in lending decisions.	Political interference in lending decisions.
Every individual of Joint Liability Group (JLG) could get loans.	Loans siphoned off by locals and not reached poor.
Repayment rates as high as 98%.	High default rates, high arrears and subsequently huge losses.

Table 2.1

Interest rates agreed by borrowers to pay to moneylenders

Type of money lending	Loan amount (Rs.)	Effective interest rate
Moneylender / Pawn broker	Up to 2,000	30% to 120%
Weekly loan – Moneylender	2,000 to 10,000	160% to 225%
Daily Finance Corporation	2,000 to 10,000	78% 120%

Source: SOS 2011 Report.

Table 2.2
The Debt Composition of the Major MFIs that Participated in the CDR Package

Name of MFI	Total CDR Exposure (Rs. in crore)	Non-CDR Exposure (Rs. in crore)	Total Debt (Rs. in crore)
Asmitha	1,234.0	140.5	1,374.5
Future Financial Services	98.9	60.0	159.5
Share	2,160.3	241.5	2,401.8
Spandana sphoorthy	2,954.0	471.9	3,325.9
Trident	125.7	23.5	149.2
Total	6,473.0	938.0	7,411.0

Source: SOS, 2011.

Table 2.3
AP-MFIs Operational and Financial Performance

AP based MFIs	2011	2012	Decline (%)
No. of Branch	6,426	5,227	19
No. of Staff	55,512	39,067	30
Active Clients (million)	16	12	25
Loan Portfolio (Rs. in millions)	139,430	79,120	43
Disbursement (Rs. in millions)	191,800	62,900	67
PAR 60(%)	30	31	
Total Asset (Rs. in millions)	135,210	91,730	32
Net Owned Fund (Rs. in millions)	31,490	25,380	19
Yield (%)	22	10	
Operating Expenses (%)	10	6	
Operating Sufficiency (OSS) (%)	111	55	
Return on Asset (ROA) (%)	2	−8	
Return on Equity (ROE) (%)	2	-35	

Source: Sa-Dhan Bharat Quick Report 2012.