



MFI Grading Report

**Swayanshree Mahila Sambaya Limited
(SMSL)**

September 2009

Swayanshree Mahila Sambaya Limited (SMSL)

<p><i>Year of Incorporation:</i> November,2006</p> <p><i>Commencement of Microfinance operations:</i> 2006</p> <p><i>Legal status:</i> Registered as Co-operative Society under Orissa Self Help Co-operative Act,2001</p> <p><i>Type of institution:</i> MFI</p> <p><i>Lending model:</i> Group based</p> <p><i>Statutory Auditors:</i> G.Panda & Co., Cuttack</p>	<p>Mrs. Nayana Mohanty Chief Executive Officer Swayanshree Mahila Sambaya Limited Near Badambadi Special U.P. School Gayatri Sikhyaniketan , Arounodaya Market Cuttack -753012 Orissa Tel-+91-9937192753 E Mail: swayanshree_ctc@sancharnet.in Website: swayanshree.org.in</p>
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MFI Grading

mfR1
mfR2
mfR3
mfR4
mfR5
mfR6
mfR7
mfR8
mfR1:highest
mfR8: lowest

CRISIL's microfinance institution (MFI) grading is a current opinion on the ability of an MFI to conduct its operations in a scalable and sustainable manner. The grading is assigned on an eight-point scale, with 'mfR1' being the highest, and 'mfR8' the lowest. The MFI grading is a measure of the overall performance of an MFI on a broad range of parameters under CRISIL's MICROS framework. It includes a traditional creditworthiness analysis using the CRAMEL approach, modified to be applicable to the microfinance sector. The acronym MICROS stands for Management, Institutional arrangement, Capital adequacy and asset quality, Resources and asset-liability management, Operational effectiveness, and Scalability and sustainability.

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1 Rationale

CRISIL has assigned its microfinance institution (MFI) grading of 'mfR5' to Swayanshree Mahila Sambaya Limited

The MFI grading of Swayanshree Mahila Sambaya Limited (SMSL) reflects its:

- ❖ Sustainable operations
- ❖ Satisfactory credit approval and loan monitoring mechanism
- ❖ Adequate capitalisation level

However, the grading is constrained by:

- ❖ Decline in asset quality
- ❖ Limited resource profile
- ❖ Small scale of operations

Profile

SMSL is a start up microfinance institution (MFI), which commenced its operations in 2006 in the urban slums of Cuttack district of Orissa. The organisation finds its genesis from the DFID supported Cuttack Urban Service Improvement Project started in 1998 by Cuttack Municipal Corporation. Swayanshree the promoting organisation was incorporated in October 1998; is registered as a society under the Societies Registration Act, 1860 undertook lending to Self-Help Groups (SHG) in urban slums of Cuttack under this project. It was further supported by CASHE Project (Credit and Saving for Household Enterprise); undertaken by CARE, Orissa from 2002 to 2006 As part of further institutionalising the microfinance programme under proper legal status for mobilising savings/capitals from its members, Swayanshree promoted SMSL as an independent MFI and registered it as co-operative society as on November, 2006 under the Orissa Self Help Co-operative Act, 2001. Swayanshree transferred its microfinance programme to SMSL and since then SMSL has been providing microfinance services including credit, thrift and insurance to its women members organised under Self-Help Groups (SHG). It started lending to individuals organised as Joint Liability Groups (JLG) since 2007. SMSL also received technical support from BASIX to implement its MIS system and develop its operational polices.

In addition to microfinance, SMS is also involved in providing other credit plus services like health awareness, legal counselling, and micro enterprise training to its members. The majority of operations of SMSL is still concentrated in the municipal areas of Cuttack , however it is slowly expanding its operations to nearby rural peripheries of Kendrapara , Khurda and Jagatsinghpur districts.

As on June 30, 2009 SMSL has formed 1,342 groups (942 SHGs and 400 JLGs) having 13,696 members. It had 6,375 borrowers and a loan outstanding of Rs.34.21 million as on this date. During 2008-09 (refers to financial year, April 1 to March 31), the disbursements increased to Rs.47.39 million from Rs.31.40 million in the previous year. The NGO-MFI envisages increasing its outreach to 15,000 women borrowers having loan outstanding of Rs. 54 million in Cuttack and nearby districts by the end of 2010.

Under the JLG model, SMSL lends to groups of women members, with each group belonging to a particular locality. Each group has five members and three to five such groups, mostly from neighbouring areas, form a centre. The loans are offered for 12 month periods at an interest rate of 12 per cent per annum (on reducing balance basis). Borrowers are charged 2 per cent processing fee and 10 per cent of total loan disbursement as security deposit. SMSL pays 5 per cent interest per annum to the members on the security deposits collected. However, MFI has stopped fresh disbursements under JLG based lending methodology.

In the SHG model, SMSL lends to groups of women members, with each group having 10 to 20 homogeneous members belonging to the same locality. The loan size is Rs.10,000 to 50,000 and the repayment period is 6-24 months. SMS charges interest rate of 18 per cent per annum (on reducing balance basis). Borrowers are charged processing fee as mentioned earlier under the JLG rural model. It also collects minimum monthly savings of Rs. 30 per member under SHG lending model.

Additionally, it provides life insurance cover service to its members under Birla Sun Life Assurance Company Private Limited, Aviva Life Insurance Company Private Limited, and Tata AIG Insurance Company Private Limited.

Management

For current scale of operations of microfinance model, SMSL has adequate group formation, credit approval and loan monitoring mechanisms in place. It also has its operational, credit, human resources and gender polices in place. The field organisers form the groups and collect KYC documents, group resolution and basic information about the socio-economic profile of the members. Further, each group is appraised by head office level supervisors as part of second-tier due diligence of groups. The Chief Executive Officer necessarily conducts the field appraisal of the loan application above Rs. 20,000. The lending decisions are taken in weekly loan committee, comprising of CEO, President, Chairperson of Swayanshree and SMSL's accountant. The overall documentation process is comparable to MFIs of similar size as it has standardised loan application and monitoring documents. However, CRISIL believes that there is scope for improvement in borrower selection process through more rigorous information capturing on the other borrowing details of the members considering its urban area of operations, which is witnessing heightened microfinance activities from other MFIs in recent past. As of now, the NGO-MFI does not conduct any loan utilisation checks for higher ticket size loans; members could divert funds to the purpose of consumption rather than economic activity

Currently, SMSL is using FIMOS loan monitoring software at its head office provided by BASIX. It can generate daily demand sheet for organisers, which is not used by the organisers for demand collection. So, SMSL is not analysing the daily demand collection variance. However, Organisers maintain their individual collection registers. The collection from the field is directly deposited at the head office bank account. The MIS executive in the head office updates the group accounts based on the collection statement received from the organisers. All the loan accounts are updated by the end of first week of every month for previous month's transactions. As of now, SMSL is not able to generate various consolidated analytical reports from the existing MIS system. However it is migrating to an improved MIS system by the end of September, 2009, which will help it to consolidate the entire MIS system more efficiently.

SMSL does not have a separate internal audit team, however supervisors from head office regularly carry out the field visits and monitor the functioning of groups and field level organisers. To strengthen its risk management process, MFI is planning to take services of an external agency to do portfolio audit of its branches. CRISIL believes that efficient internal audit and control systems are crucial for the effective head office control of field level operations, any

delay to implement its internal audit and upgrading of MIS system could lead to increased operational risk for the MFI.

The MFI's human resource management is satisfactory. The CEO herself takes care of the human resource related issues MFI has also started performance appraisal of its staff and employee turnover is moderate. Staffs are provided with employee provident fund and staff loans. However, CRISIL believes that MFI needs to give more training to new staff inducted so that they are conversant with field related issues in microfinance.

Institutional Arrangement

SMSL is a registered cooperative with a nine member governing board. All the directors of board are elected representatives of nine zones covering all the members. Most of the directors have the understanding of microfinance because they have been the members of SHGs. The board meets once in a month and discusses various issues in detail. The MFI has also prepared code of conduct for the directors. As the board members retire on a regular interval and new members join the board, CRISIL believes that new board members need to be adequately trained to undertake the leadership role to critically contribute to the MFIs' growth plan and evaluate its current functioning.

Mrs. Hemalata Swain, President of SMSL has been associated with it since its inception and is actively involved in its day to day operations. She is supported by Ms. Nayana Mohanty, presently the Chief Executive Officer of the MFI, who has around 13 years experience in community development and microfinance. However, going forward as MFI is envisaging expanding its operation, CRISIL believes that inducting professionals having expertise in banking, finance or IT would support its growth plans.

SMSL had set itself a target of achieving loan outstanding of Rs. 54 million by March 31, 2010 from Rs. 31.73 million as on March 31, 2009. For the quarter ending on June 30, 2009, it has disbursed Rs.13.18 million during the current financial year with a total loan outstanding of Rs. 34.21 million as on that date.

Capital Adequacy and Asset Quality

Capital Adequacy: SMSL has a positive net worth of Rs. 4.55 million as on March 31, 2009. The accumulated surplus accounted for 75 per cent of the net worth whereas capital mobilised from the members accounted for the remaining. The capital adequacy ratio has improved to 14.01 per cent as on March 31, 2009 from 8.06 per cent as on March 31, 2008. Despite this significant improvement in internal accretions, it is leveraged with debt to net worth ratio of 5.98 times as on March 31, 2009.

Considering its legal status as cooperative, it has limitation to attract private equity investment and totally dependent on member's contribution and internal accretions to shore up its capital base. Therefore, CRISIL believes that maintaining adequate capitalization levels will remain a key grading sensitivity factor for the MFI.

Asset Quality: SMSL's asset quality is moderate as its portfolio being current (collection on time) was 89.56 per cent as on June 30, 2009, a decline from 90.73 per cent as on March 31, 2009. The portfolio at risk greater than 90 days has also declined to 4.30 per cent from 3.44 per cent during this period. MFI has faced most of the arrear problems in its JLG loan portfolio disbursed in the urban pockets of Cuttack. Around 65 per cent of its total loan out standing of Rs. 2.84 million under JLG was in arrears as on June 30, 2009. As MFI is facing operational difficulty to manage groups under two lending methodology, it has completely stopped fresh disbursement under JLG model and concentrating only on SHG based lending for better field level effectiveness .

As on March 31, 2009, majority of its loan portfolio is concentrated in the various urban pockets of Cuttack district. In short to medium term, the MFI's operations will continue to be concentrated in these areas, with moderate growth being witnessed from nearby districts. CRISIL believes that MFI will have to be cautious in its client selection and geographic diversification measures to prevent deterioration in asset quality because of heightened microfinance environment in its existing area of operations.

MFI has provided for 1.22 percent of average loan outstanding as loan loss reserves against its average loan outstanding during 2008-09. Lives of its borrowers are also insured with various

insurance agencies, CRISIL believes that SMSL has to continue with conservative loan loss provisioning and insurance-coverage of its loans to mitigate the asset-quality related risks.

Resources and Asset-Liability Management

The borrowing profile of SMSL is limited: as on March 31, 2009, it had total borrowing of Rs. 6.23 million from four lenders. The savings and margin money mobilised from the members account for 58 per cent of its total funds deployed as on March 31, 2009. The weighted average cost of borrowing as on June 30, 2009 was 13 per cent. This is mainly because the MFI has borrowed resources at high interest rate. However, the average cost of borrowings for the year ended on March 31, 2009 was 5.22 per cent on account of its access to low cost deposits mobilised from its members. During the current financial year, SMSL has only able to mobilise fresh limit of Rs. 3 million from Small Industries Development Bank of India (SIDBI) and has been in discussion with other lenders for fresh line of credit. CRISIL is of the opinion that MFI has to explore funding from its existing lenders and other public sector banks to diversify its funding profile to meet its growth plan. However, the cost of funds for fresh loans may increase again during the second half of 2009-10

SMSL's borrowings are inadequate to meet the credit demand from its clients; extending repeat loans and providing timely credit is important in microfinance. CRISIL considers Swayanshree's current limited resource profile to be a critical factor in its overall grading exercise.

The majority of assets are funded by longer maturity borrowings; therefore, it faces no asset-liability mismatches in the medium term

Operational Effectiveness

The overall growth of the microfinance programme of SMSL has shown satisfactory improvement during 2008-09, compared with previous years (*Refer to Table 1*). It has registered 52 per cent y-o-y growth in borrower base, 57 per cent growth in loan outstanding and 51 per cent growth in disbursements during the same period. The MFI had 299 borrowers per credit officer as on March 31, 2009, which is well below the average productivity levels of other MFIs adopting similar lending models.

However, this growth was concentrated in the existing two branches operating across two districts in Orissa.

Table 1:Key operating and productivity indicators			
Operating indicators	Unit	Mar-09	Mar-08
Borrowers	No.	6,285	4,124
Branches	No.	2	2
No. of credit officers	No.	21	16
Disbursements	Rs. million	47.39	31.40
Loan outstanding	Rs. million	31.73	20.18
Productivity Indicators			
Borrowers/ Branch	No.	3,143	2,062
Borrowers / Credit officer	No.	299	256
Loan outstanding / Branch	Rs. million	15.87	10.09
Loan outstanding / Credit officer	Rs. million	1.51	1.26

SMSL has profitable operations, as reflected in its operational self-sufficiency ratio (OSS) being more than 100.00 per cent during the past three financial years.

The operational self-sufficiency (OSS) ratio of SMSL has improved to 174.34 per cent as on March 31, 2009 from 133.12 per cent a year earlier owing to lower cost of funding and operating expenses. MFI is planning to expand its operations to nearby districts of Khurda and Jagatsinghpura district during current financial year. CRISIL is of the opinion that SMSL's earnings will be sustainable in present levels in short to medium term because of its low cost of funding and low expense level. However, any further decline in asset quality, as evident in its JLG loan portfolio, could impact its profitability in near to medium term.

Scalability and Sustainability

SMSL has more than five years of experience in undertaking microfinance operations in the Cuttack region of Orissa ; now MFI has plans to expand and increase its scale of operations over the medium term. SMSL's projections for 2009-10 assume an increase in advances to Rs. 54 million from Rs. 31.73 million in March 31, 2009. Any delay in mobilising external resources could impact

its growth plan, limiting its growth in member base and geographical diversification to other territories.

On the programme sustainability front, CRISIL expects the profitability levels to remain moderate during medium term despite sufficient spreads considering MFI's higher delinquency levels. CRISIL believes that the MFI has to further strengthen its internal audit process and groom its second line of management before expanding its operations.

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2.1 Outreach

2.1.1 Outreach and operational summary

Indicator	June-09	Mar-09	Mar- 08	Mar-07
No. of members	13,696	11496	7696	3673
No. of groups	1,342	1237	756	296
No. of loans disbursed during the period	1,334	6179	4475	763
No. of borrowers end of period	6,375	6285	4124	739
No. of loans outstanding end of period	6,375	6285	4124	739
No. of new clients joined during the period	2,200	4644	4171	3673
No. of dropouts during the period	406	844	148	0
Women clients to total clients, end of period (%)	100	100	100	100
No. of districts covered	4	2	2	1
No. of branches end of period	2	2	2	1
Loans disbursed during the period (Rs. million)	13.18	47.39	31.40	6.38
Loan outstanding (Rs. million)	34.21	31.73	20.18	5.73

2.1.2 Efficiency and Productivity indicators

Key operating and productivity indicators			
Operating indicators	Unit	Mar-09	Mar-08
Borrowers	No.	6,285	4,124
Branches	No.	2	2
No. of credit officers	No.	21	16
Disbursements	Rs. million	47.39	31.40
Loan outstanding	Rs. million	31.73	20.18
Productivity Indicators			
Borrowers/ Branch	No.	3,143	2,062
Borrowers / Credit officer	No.	299	256
Loan outstanding / Branch	Rs. million	15.87	10.09
Loan outstanding / Credit officer	Rs. million	1.51	1.26

2.2 Borrowing Profile (As on June, 2009)

Lending Institution	Interest rate (%)	Tenure (months)	Rs. million	
			Loan outstanding	Repayment schedule
Swayamshree Micro Credit Services	15.50	12	1.23	Monthly
Bharatiya Samrudhi Finance Limited	14.00	24	0.90	Monthly
SBI*	12.00	-	2.60	-
SIDBI	12.50	36	1.50	Monthly
Total			6.23	

*Cash credit facility

2.3 Ageing schedule of Loan portfolio

2.3.1 Ageing schedule of Total Loan portfolio

Rs. million

Particulars	Jun-09		Mar-09		Mar-08		Mar-07	
		In %		In %		In %		In %
Total outstanding balance associated with loans that are:								
Portfolio being current	30.64	89.56	28.79	90.73	19.01	94.20	5.37	93.72
Late (at least 1 payment)								
1-30 days	0.94	2.75	1.03	3.25	0.56	2.78	0.31	5.41
31-60 days	0.80	2.34	0.52	1.64	0.18	0.89	0.03	0.52
61-90 days	0.36	1.05	0.30	0.95	0.15	0.74	0.02	0.35
91-180 days	0.66	1.93	0.51	1.61	0.14	0.69		-
181-365 days	0.65	1.90	0.45	1.42	0.11	0.55		-
1 year or more	0.16	0.47	0.13	0.41	0.03	0.15		-
Total	34.21	100	31.73	100	20.18	100	5.73	100
Portfolio at risk (>30 days)	7.69%		6.02%		3.02%		0.87%	
Portfolio at risk (>90 days)	4.30%		3.44%		1.39%		0.00%	

2.3.2 Ageing schedule of SHG Loan portfolio

Rs. million

Particulars	Jun-09		Mar-09	
		In %		In %
Total outstanding balance associated with loans that are:				
Portfolio being current	29.64	94.50	26.55	95.76
Late (at least 1 payment)				
1-30 days	0.59	1.88	0.37	1.33
31-60 days	0.33	1.05	0.23	0.82
61-90 days	0.18	0.57	0.15	0.54
91-180 days	0.34	1.08	0.20	0.72
181-365 days	0.23	0.73	0.16	0.58
1 year or more	0.06	0.19	0.07	0.25
Total	31.37	100	31.73	100
Portfolio at risk (>30 days)	3.62%		2.91%	
Portfolio at risk (>90 days)	2.00%		1.55%	

2.3.3 Ageing schedule of JLG Loan portfolio

Rs. million

Particulars	Jun-09		Mar-09	
		In %		In %
Total outstanding balance associated with loans that are:				
Portfolio being current	1.00	35.34	2.24	56
Late (at least 1 payment)				
1-30 days	0.35	12.15	0.66	16.40
31-60 days	0.47	16.70	0.29	7.29

61-90 days	0.18	6.21	0.15	3.64
91-180 days	0.32	11.42	0.31	7.78
181-365 days	0.42	14.67	0.29	7.33
1 year or more	0.10	3.51	0.06	1.56
Total	2.84	100	4.00	100
Portfolio at risk (>30 days)	52.49%		27.60%	
Portfolio at risk (>90 days)	29.60%		20.31%	

2.4 Financial Statements

2.4.1 Income and Expenditure Statement

Rs. million

For the year ended,	Mar-09	Mar-08	Mar-07
Fund based income			
Interest income from loans	4.77	2.45	0.15
Income from bank deposits	0.01	0.01	-
Total fund based income	4.79	2.46	0.15
Interest and finance charges			
On borrowings	0.82	0.10	-
Interest paid on savings	0.38	0.41	0.01
Total interest and finance charges paid	1.20	0.51	0.01
Gross spread	3.59	1.95	0.15
Fee based income			
Membership fee	0.24	0.04	0.04
Loan Processing fee	0.98	0.31	0.06
Other fee based income	0.04	0.02	-
Total fee based income	1.26	0.38	0.10
Total income	6.06	2.84	0.26
Gross surplus	4.86	2.32	0.25
Expenses			
Personnel expenses	1.22	0.83	0.05
Administration expenses	0.81	0.60	0.03
Total expenses	2.03	1.43	0.08
Write-offs and provisions			
Write-off of bad debts	0.08	-	-
Provision for bad and doubtful debt	0.12	0.14	0.06
Total	0.20	0.14	0.06
Depreciation	0.04	0.04	-
Surplus	2.58	0.71	0.11
Add: Grant in Aid	-	0.03	-
Surplus/deficit	-	0.02	-
Net surplus	2.58	0.73	0.11

2.4.2 Balance Sheet

	Rs. million		
Liabilities as at,	Mar-09	Mar-08	Mar-07
Member's share Capital	0.20	0.20	0.20
Advance from members for capital	0.92	0.60	0.18
Reserves and Surplus	3.42	0.84	0.11
Net worth	4.55	1.64	0.49
Temporary loan from Swayanshree	2.91	4.13	6.36
Other long term loans	3.55	2.53	-
Total long term borrowings	6.47	6.65	6.36
Members savings and deposits	19.61	11.67	0.87
Provision for loan loss	0.32	0.20	0.06
Margin money	1.09	0.52	0.01
Other current liabilities	2.47	0.08	0.01
Total current liabilities	3.88	0.80	0.08
Total liabilities	34.50	20.77	7.79
Assets			
Loans and advances	31.73	20.18	5.74
Total loans and advances	31.73	20.18	5.74
Cash & bank balances	2.05	0.37	2.04
Security deposit with SMCS	0.50	0.10	-
Other assets & advances	0.12	0.04	0.01
Total current assets	2.67	0.51	2.06
Total funds deployed	34.39	20.70	7.79
Net fixed assets	0.11	0.07	-
Total assets	34.50	20.77	7.79

2.4.3 Key financial ratio

For the year ended,	In per cent		
	Mar-09	Mar-08	Mar-07
Yield			
Fund based yield	17.40	17.27	3.95
Portfolio yield	18.39	18.92	5.24
Fee based income / Avg. funds deployed	4.59	2.64	2.63
Total income / Avg. funds deployed	21.99	19.90	6.59
Cost of funds			
Interest paid/Avg. funds deployed	4.36	3.60	0.14
Interest paid/Avg. borrowings	5.22	3.93	0.15
Interest spread			
Gross spread/Avg. funds deployed	13.04	13.67	3.81
Spreads on lending	12.18	13.33	3.80
Overheads			
Operating expense ratio	7.38	10.05	2.16
Personnel expense ratio	4.43	5.82	1.26
Administrative expense ratio	2.94	4.23	0.89
Profitability			
Return on net worth	83.41	68.31	44.47
Return on funds deployed	9.37	5.12	2.81
Return on assets	9.34	5.11	2.81
Operational self sufficiency	174.34	133.17	174.62
Asset quality			
Loan loss provisions / Average loan outstanding	0.76	1.12	2.00
Provisioning / Average loan outstanding	1.22	1.56	2.00
Capitalisation			
Total debt/net worth (times)	5.98	11.46	14.66
Capital adequacy	14.01	8.06	8.58

2.5 Projected Financial Statements

2.5.1 Income & Expenditure statement

Rs. million

For year ended,	Mar-12	Mar-11	Mar-10
Fund based income			
Interest income from loans	18.82	12.55	7.67
Income from bank deposits	0.32	0.20	0.07
Other income	0.26	0.22	0.20
Total fund based income	19.40	12.96	7.94
Interest paid			
On borrowings	4.27	2.77	1.40
On savings	2.14	1.51	1.06
Total interest paid	6.41	4.29	2.45
Gross spread	12.99	8.68	5.49
Fee based income	3.25	2.26	1.45
Total fee based income	3.25	2.26	1.45
Total income	22.65	15.22	9.39
Gross surplus	16.24	10.93	6.94
Expenses			
Personnel expenses	4.88	3.62	2.78
Administrative expenses	1.55	1.20	0.92
Total expenses	6.43	4.81	3.70
Write-offs and provisions			
Provision for loan loss	0.39	0.31	0.23
Total	0.39	0.31	0.23
Depreciation	0.82	0.64	0.27
Surplus/deficit before tax	8.59	5.18	2.74
Tax			
Net surplus	8.59	5.18	2.74

2.5.2 Balance sheet

Rs. million

Liabilities as at ,	Mar-12	Mar-11	Mar-10
Capital	3.36	2.50	1.77
Reserve & Surplus	19.94	11.34	6.17
Net worth	23.30	13.84	7.94
Borrowings	53.9	36.1	21.9
Total long term borrowings	53.87	36.13	21.89
Member savings and deposits	56.65	40.05	27.92
Provision for loan loss	1.24	0.85	0.54
Other liabilities	1.30	0.86	1.03
Total current liabilities	2.54	1.71	1.57
Total liabilities	136.36	91.73	59.32
Assets as at March 31,	Mar-12	Mar-11	Mar-10

Total loans and advances	124.1	85.0	54.3
Investments	7.79	5.67	2.47
Cash & bank balances	3.48	0.26	2.12
Other assets & advances	0.21	0.12	0.11
Total current assets	3.69	0.38	2.23
Total funds deployed	135.54	91.09	59.04
Net fixed assets	0.82	0.64	0.28
Total assets	136.36	91.73	59.32

2.5.3 Key financial ratio

In per cent

As at/For the Year ended, Yield	Mar-12	Mar-11	Mar-10
Fund based yield	17.12	17.27	17.00
Portfolio yield	18.00	18.00	17.00
Fee based income / Avg. funds deployed	2.87	3.01	3.11
Cost of borrowings			
Interest paid/ Avg. funds deployed	5.66	5.71	5.25
Cost of borrowings	6.87	6.80	6.47
Interest spread			
Gross spread	11.46	11.56	11.74
Spreads on lending	10.25	10.47	10.53
Overheads			
Operating expense ratio	5.68	6.41	7.92
Personnel expense ratio	4.31	4.82	5.96
Administrative expense ratio	1.37	1.59	1.96
Profitability			
Return on net worth	46.28	47.53	43.97
Return on funds deployed	7.58	6.89	5.87
Return on assets	7.54	6.85	5.85
Operational self sufficiency	165.74	156.31	146.26
Asset quality			
Loan loss provisions / Average loan outstanding	0.37	0.44	0.53
Provisioning/ Avg. loan outstanding	1.19	1.22	1.26
Capitalisation			
Total debt/net worth (times)	2.31	2.61	2.76
Capital adequacy	18.62	16.13	14.50