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WELFARE IMPACT ANALYSIS OF MICROFINANCE INSTITUTIONS OF KARNATAKA, INDIA

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Abstract

Performance analysis of microfinance institutions has to be based on the objectives of the institutions. Although the main objective of most microfinance institutions is to improve the welfare of the poor, there have been two approaches to achieve the Microfinance objective. While, the Welfare Approach measures success mainly by how well it fulfills the needs of the poorest in the short term, or poverty reduction, the Institutional Approach measures success by the sustainability of the institutions assuming that self-sustainable microfinance institutions are likely to contribute to income expansion and poverty reduction. This study examines the Welfare impact of services of Micro-finance Institutions (MFIs) of Karnataka, India. Primary data has been collected for the study from members of 18 MFIs operating in Karnataka. Using Factor analysis and one way ANOVA, we find important results in the context of welfare impact assessment and also conclude that MFIs had a positive impact on the welfare of the beneficiaries.

Keywords: *Microfinance Institutions, Performance, Welfare impact analysis*

Introduction

Microfinance is exceedingly researched discipline. Although there is a lot of literature on microfinance, there is hardly any universally accepted definition of microfinance. Researchers and microfinance visionaries are divided in their opinions when it comes to microfinance, its outreach and its targeted recipients. As Sriram and Upadhyayula put it, "It appears that what microfinance means is well understood, but not clearly articulated". (Sriram & Upadhyayula 2002).

However, microfinance is generally an umbrella term that refers to the provision of a broad range of financial services such as deposits, loans, payment services, money transfers and insurance to poor and low-income households and their micro-enterprises (Sharma 2001). The demand or need for microfinance comes from the disadvantaged sections of the society, who are without access to services of formal sector financial intermediaries and are typically excluded from the formal banking system for lack of collateral, in short the poor and the very poor. The definitions of these groups vary from country to country. The clientele of the microfinance institutes are normally employed in the informal sector, with closely interlinked household and business activities and earning low income (Central Bank of Philippines 2002).

Micro-finance Institutions (MFIs) work similar to traditional banks as they collect money and make loans. The difference is in the target market. The MFIs lend money to the poor in small amounts. Another point of difference is that other than deposits, MFIs also accept grants and the default rate is normally lower than traditional banks (Morduch, 1999). However, although MFIs are different from traditional banks, as they deal with others money, their performance still needs to be measured. The stakeholders that grant money to the MFIs, value the social aspects more than the financial aspects. So in order to undertake performance assessment of MFIs, we should take a tool which takes into account both of these aspects. Moreover, MFIs are a special form of financial institutions that follow the dual objectives of financial sustainability and social outreach so their performance is measured according to these objectives (Cull, DemircgucKunt, & Morduch, 2006). The Microfinance objectives are elaborated in detail below.

MFI Objectives – Outreach, Financial Sustainability and Welfare Impact

Performance is all about success or failure in achieving corporate goals. Following are the three main objectives of MFIs.

a) Measuring outreach to the poor

Outreach in simple means the number of clients served. According to Navajas et al. (2000), there are six aspects of measuring outreach: depth, worth of users, cost to users, breadth, length and scope. Where, depth of outreach means "the value the society attaches to the net gain from the use of the micro credit by a given borrower," This measure is used to identify the poor clients. Because, the poor are the one who fail to get access to credit from formal financial institutions since they fail to signal that they are capable to repay their loan (Conning, 1997). And, worth of outreach to users means "how much a borrower is willing to pay for a loan. Similarly, cost of outreach to user means "cost of a loan to a borrower". These costs to users might consists of prices like interest rates and various payments that they have to pay, which could be revenue to the lender, and other loan related transaction costs like expenses on documents, transport, food, taxes, etc. Finally, breadth of outreach is the number of users. The length of outreach is the time frame in which a microfinance organization produces loans, and Scope of outreach is the number of type of financial contracts offered by a microfinance organization.

b) Financial sustainability

The second indicator of performance of a micro finance institution is its financial sustainability. Different literatures noted that financial sustainability is one of the areas that we need to look at to assess the performance of micro finance institutions. Meyer (2002) noted that the poor needed to have access to financial service on long-term basis rather than just a one- time financial support. Short-term loan would worsen the welfare of the poor (Navajas et al., 2000). Meyer (2002) also stated that the financial un-sustainability in the MFI arises due to low repayment rate or un-materialization of funds promised by donors or governments. According to Meyer (2002), there are two kind of sustainability that we could observe in assessing MFIs performance: Operational self-sustainability and financial self-sustainability.

c) Welfare Impact

Welfare impacts of the services of MFIs are also argued to be another indicator to evaluate the performance of the institutions. In one way or another, the objective of MFIs is reducing poverty. Hence, which imply that we need to access the impact of the microfinance programs on reducing poverty while evaluating their performance.

Literature Review

The advocates of microfinance argue that access to finance can help to substantially reduce poverty (Littlefield, Morduch and Hashemi, 2003; Dunford 2006). Access to finance may contribute to a long-lasting increase in income by means of a rise in investments in income generating activities and to a possible diversification of sources of income; it may contribute to an accumulation of assets; it may smooth consumption; it may reduce the vulnerability due to illness, drought and crop failures, and it may contribute to a better education, health and housing of the borrower. In addition, access to finance may contribute to an improvement of the social and economic situation of women. Finally, microfinance may have positive spill-over effects such that its impact surpasses the economic and social improvement of the borrower.

Yet, microfinance has also received criticism. In particular, the critics of microfinance doubt whether access to finance may contribute to a substantial reduction in poverty. They claim that microfinance does not reach the poorest of the poor (Scully, 2004), or that the poorest are deliberately excluded from microfinance programs (Simanowitz, 2002). First, the extreme poor often decide not to participate in microfinance programs since they lack confidence or they value the loans to be too risky (Ciravegna, 2005).

In Indian context, Naila Kabeer (1998) found that in microfinance programs changes occurred at a personal level in the form of increased self-worth. At the level of the household, she finds that woman's increased contribution of resources led to declining levels of tension and violence. Women often reported feeling of an increase in consideration within the household with longer program membership. Puspa Raj Sharma (2007) found that microfinance had positive impact on women's empowerment. Further he found that impact was more in case of private initiated MFIs as compared to government initiated MFIs.

A study by Economic Development Association (EDA) Gurgaon, Haryana (2006) reveals that microfinance in India targets to uplift the poor and empower women who have no access to credit. Further, they have stated that 77% of the clients are in the rural poor sector. Microfinance “under inclusive financial system” is becoming strong by providing micro credit, micro insurance and deposit facilities to marginalized and neglected sections of the society. A study by

Mahajan (2005) reveals that micro credit can effectively work and promote further success, only when it works with the advancement of some important supporting factors. Besides the role of the government, and formal financial institutions, Nongovernment organizations and people's participation play an important role.

Lalitha and Nagarjun (2004) studied SHGs Dindigal of Madhurai and Theni District of Tamil Nadu and concluded that organisation of women in the form of SHGs has laid the seeds for economic and social empowerment of women. Participation in group activities lead to changed self-image and organisational and collective action, enhances access to information and skills, broadens their knowledge about resource availability and develops leadership qualities. They further stated that active participation in-group leads to improvement in political acumen, which would in turn strengthen and sustain the overall process of empowerment.

Setty (2002) is of the opinion that political will, clear cut policies, realistic objectives, a blending of planning from below and above, enlightened involvement of client system, training of people's leaders and building up and strengthening of local institutions will facilitate meaningful and sustainable rural development.

Arockia Doss and Kalavani (2014) studied the impact of microfinance and women empowerment in rural district of Bengaluru and found that there has been positive change among members of the older groups with respect to awareness and knowledge on health and sanitation. Further, the study finds that members save more in kind than in financial terms.

Parameswara Gupta, Manjunatha C. T (2013) studied on women empowerment in Bengaluru urban and results show that there is a significant increase in decision-making, involvement in social activities, enhancement of personal income, decision making on material buying and other economic, social and political empowerment.

Need for the Study

During the last few years the focus of evaluation of Microfinance has shifted to a much narrower aspect. The neo– liberal ideology has concentrated on outreach and profits. In a sense, the end result they are looking for, relates to such studies being of use to the organization for say, cost reduction, improving outreach or product development. Consideration of the 'worth' of a program is neglected and its place is taken by cost-effectiveness and profitability.

Impact assessment is useful, not only for the end users, but equally important from the MFI's own point of view. In the present context, when outreach, along with sustainability is of immense importance, the welfare impact assessment of the services of MFIs will help the MFIs to know the final results achieved. As stated earlier, in one way or the other, the objective of MFIs is reducing poverty.

Based on the review of literature it can be concluded that none of the above studies explicitly measure the welfare impact of the services of MFIs of Karnataka. In this study performance is measured and ranked taking various welfare impact variables.

Objectives of the Study

- To assess the impact of demographic variables on the perception/opinion of beneficiaries towards welfare impact of the services of MFIs.
- To study and compare the perception of beneficiaries about welfare impact factors associated with MFI loans.

Hypotheses

The review of literature on Microfinance highlights the importance and limited study on the topic welfare impact analysis of MFIs. So this study will assess the performance of MFIs in terms welfare impact.

The hypotheses are described below and the variables are described in detail in appendix 2.

Association of Demographic Variables with Perception of Beneficiaries towards Welfare Impact of the services of MFIs.

The perception of beneficiaries towards welfare impact of the services of the MFIs may be associated with the demographic variables of the beneficiaries. The association between demographic variables and the perception/opinion of beneficiaries towards welfare impact of the services of MFIs has been examined with the help of Chi square. It has been considered that to what extent the age factor, gender, marital status, graduation level, and income are associated with the perception/opinion of beneficiaries towards welfare impact of the services of MFIs.

Ho1: There exists a significant association between the demographic variables and the perception/opinion of beneficiaries towards welfare impact of the services of MFIs.

Perception of beneficiaries with respect to various welfare impact factors across MFIs.

Ho2: There is a significant difference in the perception of beneficiaries with respect to various welfare impact factors across MFIs.

The hypothesis was tested through the mean values and standard deviation results obtained for each factor across MFIs. One way ANOVA has been performed to validate the hypothesis.

Research Methodology

It is both an exploratory and descriptive study which is considered to be ex-post facto research. Exploration was done in the first stage to list the items to be used in item analysis and to develop the final questionnaire.

A. **Population:** It is the collection of elements or objects that possess the information sought by the researcher and about which inferences are to be made. The population is defined in terms of (a) element, (b) units, (c) extent and (d) time

a) Elements: Beneficiaries/ Members of Micro Finance Institutes.

b) Units of the study: All the Micro Finance Institutes in Karnataka, India

c) Extent : Micro Finance Institutions operating in Karnataka,India. As on 31st March 2014 there were 21 MFIs operating

March 2014 there were 21 MFIs operating in Karnataka, with 44,91,910 outstanding accounts. The study aimed at census study of MFIs in Karnataka, but could get the responses from only 18 MFIs.

d) Time: Data was collected during the time period January 2014 to December 2014

B. Frame of Reference: Micro Finance Institutions considered for the above study are registered members of Association for Karnatakata Micro-finance Institutions (AKMI).

C. Sample: The study collected responses from 390 beneficiaries using convenience sampling method but only 370 responses were valid and considered for analysis. The total sample size thus is 370 MFI members (20 each from 18 MFIs). Structured questionnaire was developed to elicit information from beneficiaries/ members of Micro Finance Institutes. Cronbach's Alpha reliability was done to ascertain the reliability of the questionnaire.

Results of Analysis

Table 1: Purpose of Loan

Purpose of loan	Count	Percentage
Agriculture	14	3.8%
Allied Agricultural Activity	132	35.7%
Petty business	180	48.6%
Consumption	168	45.4%
Medical	38	10.3%
Education	116	31.4%
Housing	166	44.9%
Micro Enterprise	10	2.7%
Others	6	1.6%

The single largest category (about 48.6%) of the respondents stated that they took the microfinance loan for petty business. Those took the same for consumption and housing constituted 45.4% and 44.9%, respectively, of the sample. Those took the same for allied and agriculture constituted 35.7% and 31.4%, respectively, of the sample. while the respondents who took the loan for medical and agriculture constituted 10.3% and 2.8%, respectively, of the sample, those who took it for micro enterprises and other activities constituted 2.7% and 1.6%, respectively, of the sample. More than one option was selected and hence total is more than 370.

Table 2: Mean and Standard Deviation – Economic Improvement

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
Family's economic improvement, after I joined MFI, was	370	3	5	4.46	0.59

From table 2 it can be inferred that mean value for economic improvement is 4.46. This implies that the economic improvement in family after the respondents have joined MFIs is highly attributed to MFI loans. Hence it can be inferred that MFI loans are successful in meeting one of the social objectives of economic empowerment among the members and trying to uplift the underprivileged section of the society.

Hypothesis 1: There exists a significant association between the demographic variables and the perception/opinion of beneficiaries towards welfare impact of the services of MFIs.

Table 3: Association of Demographic Variables with Perception of Beneficiaries towards welfare impact of the services of MFIs

Demographic Variable	Opinion on welfare impact	Categories in Demographic Variable	Count	Percentage	Sig. Value	Decision
Age	Mildly Improved	Below 20 years	8	6	0.02	S
		20-30	16	11.9		
		30-40	36	26.9		
		40-50	58	43.3		
		Above 50	16	11.9		
		Total	134	100		
	Moderately Improved	Below 20 years	27	11.7		
		20-30	24	10.4		
		30-40	41	17.8		
		40-50	102	44.3		
		Above 50	36	15.7		
		Total	230	100		
	Markedly Improved	Below 20 years	3	50		
		20-30	0	0		
		30-40	1	16.7		
		40-50	2	33.3		
		Above 50	0	0		
		Total	6	100		
Marital Status	Mildly Improved	Married	114	85.1	0.077	S
		Unmarried	20	14.9		
		Total	134	100		
	Moderately Improved	Married	187	81.3		
		Unmarried	43	18.7		
		Total	230	100		

	Markedly Improved	Married	3	50		
		Unmarried	3	50		
		Total	6	100		
Education	Mildly Improved	Illiterate	8	6	0.278	NS
		Semi-Literate (Primary)	36	26.9		
		Literate (Secondary)	54	40.3		
		SSLC	30	22.4		
		Graduate and above	6	4.5		
		Total	134	100		
	Moderately Improved	Illiterate	20	8.7		
		Semi-Literate (Primary)	64	27.8		
		Literate (Secondary)	86	37.4		
		SSLC	48	20.9		
		Graduate and above	12	5.2		
		Total	230	100		
	Markedly Improved	Illiterate	0	0		
		Semi-Literate (Primary)	2	33.3		
		Literate (Secondary)	0	0		
		SSLC	4	66.7		
		Graduate and above	0	0		
		Total	6	100		
Occupation	Mildly Improved	Agriculture	10	7.5	0.013	S
		Allied Agricultural Activity	16	11.9		
		Agricultural Labour	30	22.4		
		Non-agricultural labour	44	32.8		
		Petty Business	28	20.9		
		Others	6	4.5		
		Total	134	100		
	Moderately Improved	Agriculture	12	5.2		
		Allied Agricultural Activity	46	20		
		Agricultural Labour	50	21.7		
		Non-agricultural labour	82	35.7		
		Petty Business	22	9.6		
		Others	18	7.9		
		Total	230	100		

	Markedly Improved	Agriculture	0	0		
		Allied Agricultural Activity	0	0		
		Agricultural Labour	0	0		
		Non-agricultural labour	6	100		
		Petty Business	0	0		
		Others	0	0		
		Total	6	100		
Religion	Mildly Improved	Hindu	80	59.7	0.086	S
		Christian	18	13.4		
		Muslim	36	26.9		
		Total	134	100		
	Moderately Improved	Hindu	146	63.5		
		Christian	36	15.7		
		Muslim	48	20.9		
		Total	230	100		
	Markedly Improved	Hindu	2	33.3		
		Christian	0	0		
		Muslim	4	66.7		
		Total	6	100		
Caste	Mildly Improved	SC	4	3	0.596	NS
		ST	8	6		
		Backward Caste	58	43.3		
		Other Caste	64	47.8		
		Total	134	100		
	Moderately Improved	SC	8	3.5		
		ST	18	7.8		
		Backward Caste	83	36.1		
		Other Caste	121	52.6		
		Total	230	100		
	Markedly Improved	SC	0	0		
		ST	0	0		
		Backward Caste	1	16.7		
		Other Caste	5	83.3		
		Total	6	100		

Income Level	Mildly Improved	Less than Rs.3000/month	4	3	0.48	NS
		Rs.3000-Rs.4200	26	19.4		
		Rs.4200-Rs.6700	40	29.9		
		Rs.6700-Rs.10000	50	37.3		
		Above Rs.10000/month	14	10.4		
		Total	134	100		
	Moderately Improved	Less than Rs.3000/month	6	2.6		
		Rs.3000-Rs.4200	30	13		
		Rs.4200-Rs.6700	82	35.7		
		Rs.6700-Rs.10000	80	34.8		
		Above Rs.10000/month	32	13.9		
		Total	230	100		
	Markedly Improved	Less than Rs.3000/month	0	0		
		Rs.3000-Rs.4200	0	0		
		Rs.4200-Rs.6700	2	33.3		
		Rs.6700-Rs.10000	4	66.7		
		Above Rs.10000/month	0	0		
		Total	6	100		

***S – Significant; NS – Not Significant**

The demographic variables Age, Marital status, Occupation, Religion had significant association with the perception/opinion of beneficiaries towards the welfare impact of the services of MFIs. Hence Hypothesis was accepted with regard to above demographic variables. The demographic variables Education, Caste and Income level had no significant association with the perception / opinion of beneficiaries towards the welfare impact of the services of MFIs. Hence hypothesis was rejected with regard to these variables.

Factor Analysis

The general purpose of factor analysis is to find a method of summarizing the information contained in a number of original variables to a smaller set of new composite dimensions (factors) with minimum loss of information. The 18 variables (refer to annexure 2) used under welfare impact were reduced to 4 factor models and each factor was identified and named with the corresponding variables as shown in the below table. The factors are Family; Basic facilities; Skill enhancements and Social participation.

Table 4: Descriptive statistics – factor mean score

	N	Minimum	Maximum	Mean	Std. Deviation
Family	370	4.00	7.00	5.7712	.59371
Basic facilities	370	4.00	6.60	5.2205	.57312
Skill enhancement	370	4.00	6.50	4.7811	.40831
Social participation	370	4.00	6.00	4.3009	.38821

From tabel 4, it can be inferred that out of the four factors, family achieved the highest mean score of 5.77. This was followed by Basic facilities and Skill enhancements which achieved mean scores of 5.22 and 4.78, respectively. Social participation achieved the least mean score of 4.30. It can be inferred from the results that the impact of services of MFIs was maximum for Family Orientation factor followed by Basic facilities and Skill enhancement.

Hypothesis 2: There is a significant difference in the perception of beneficiaries with respect to various welfare impact factors across MFIs.

Table 5: One Way ANOVA Results

Statistics = Mean and (SD)				
MFIs	**Family**	**Basic facilities**	**Skill enhancements**	**Social participation**
BSFL	6.25 (0.47)	5.46 (0.33)	4.58 (0.4)	4.27 (0.4)
BSS	6.15 (0.28)	5.6 (0.38)	4.63 (0.24)	4.23 (0.31)
Chaithanya	5.9 (0.83)	5.4 (0.84)	4.6 (0.42)	4.47 (0.49)
Equitas	5.7 (0.29)	5.08 (0.33)	4.58 (0.33)	4.03 (0.1)
Future	5.62 (0.32)	4.74 (0.37)	4.73 (0.24)	4.17 (0.23)
Grameena	6.08 (0.58)	5.72 (0.56)	4.95 (0.57)	4.6 (0.63)
IDF	5.88 (0.32)	5.42 (0.27)	4.95 (0.15)	4.47 (0.31)
JFSPL	5.62 (0.69)	5.14 (0.6)	5.05 (0.41)	4.2 (0.27)
Mutoot	5.57 (0.34)	4.62 (0.38)	4.78 (0.27)	4.3 (0.39)
NMSIL	5.53 (0.42)	4.8 (0.42)	4.55 (0.25)	4.03 (0.1)
Samasta	5.73 (0.43)	5.42 (0.44)	4.58 (0.33)	4.13 (0.23)
SKDRDP	5.87 (0.4)	5.14 (0.37)	4.8 (0.32)	4.57 (0.34)
SKS	5.72 (0.5)	5.04 (0.45)	4.85 (0.37)	4.17 (0.17)
Spandana	5.82 (0.49)	5.48 (0.38)	5.03 (0.33)	4.4 (0.43)
Ujjivan	6.15 (0.54)	5.62 (0.49)	4.63 (0.35)	4.17 (0.41)
Madura	4.48 (0.39)	4.32 (0.21)	4.45 (0.38)	4.17 (0.17)
Nirantara	6 (0.26)	5.48 (0.33)	5.08 (0.35)	4.5 (0.32)
L&T Finance	5.67 (0.45)	5.24 (0.33)	5.2 (0.38)	4.4 (0.37)
F value	13.573	15.839	7.846	5.438
Sig value	.000	.000	.000	.000

Table 5 brings out that:

- **Family:** The highest mean score achieved for this factor was by BSFL at 6.25. As per the above table, the F value is 13.573 and significance is 0.00. Since the significance value is less than 0.05, the mean differences existing for this factor across various MFIs are significant at 5% level. Hence, hypothesis 4 is accepted for this factor. That is, there is significant difference in the perception of beneficiaries with regard to welfare impact factor – 'Family' across MFIs.

- **Basic Facilities:** The highest mean score achieved for this factor was by Grameena at 5.72. As per the above table, the F value is 15.839 and significance is 0.00. Since the significance value is less than 0.05, the mean differences existing for this factor across various MFIs are significant at 5% level. From the above discussions and results obtained it can be concluded that hypothesis 4 is accepted for this factor. It implies that there is significant difference in the perception of beneficiaries with regard to welfare impact factor – 'Basic Facilities' across MFIs.

- **Skill Enhancement:** The highest mean score achieved for this factor was by L&T Finance at 5.20. As per the above table, the F value is 7.846 and significance is 0.00. Since the significance value is less than 0.05, the mean differences existing for this factor across various MFIs are significant at 5% level. Hence, hypothesis 4 is accepted for this factor. It implies that there is significant difference in the perception of beneficiaries with regard to welfare impact factor – 'Skill Enhancement' across MFIs.

- **Social Participation:** The highest mean score achieved for this factor was by Grameena at 4.60. As per the above table, the F value is 5.438 and significance is 0.00. Since the significance value is less than 0.05, the mean differences existing for this factor across various MFIs are significant at 5% level. Hence, hypothesis 4 is accepted for this factor. It means that, there is significant difference in the perception of beneficiaries with regard to welfare impact factor – 'Social Participation' across MFIs.

From the above discussions and the results obtained it can be concluded that there is a significant difference in the perception of beneficiaries with respect to various welfare impact factors across MFIs. Post hoc analysis was done to validate the results of one way ANOVA and it revealed that the mean differences for each factor across MFI was significant.

Conclusion

This study documents the welfare impact analysis of MFIs of Karnataka. Analysis of the mean score of Welfare impact factors revealed that MFI services have highest positive impact on Family Orientation factor followed by Basic facilities and Skill Enhancement. Social participation had the least impact. Overall results show that MFIs had a positive impact on the welfare of the beneficiaries. These results are consistent with the results of study done by Arockia Doss and Kalavani (2014) and Parameswara Gupta, Manjunatha C. T (2013) who posit that MFIs have significant positive impact on members.

Since MFIs have selected themselves to deal in micro financing activity by choice they are the activity of lending to the poor households for improving their standard of living either through consumption financing or income generation as the case may be. Researcher is of the opinion that under such mission MFIs should do the following:

Demonstrate visibly that MFI's are fulfilling their mission by applying commercial principles to achieve social goals.

Balance properly the social and commercial objectives. Emphasizing only on social objective may result MFI running into inefficient organization charging higher rate of interest on the loans to poor and threatening MFIs long term sustainability of operations. Emphasizing only on commercial objectives may result MFI into another "money lender" to the poor household under such condition there is a danger of backlash and was noticed recently in AP.

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Appendix

Appendix 1: Names of the MFIs taken for the study with their short forms used in the analysis.

Sl. No.	Name of the MFI
1	Bharathiya Samruddhi Finance Ltd. (BSFL)
2	BSS Microfinance Pvt Ltd. (BSS)
3	Chaithanya India Fin Credit Pvt Ltd. (Chaithanya)
4	Equitas Micro Finance Pvt.Ltd. (Equitas)
5	Future Financial Services (Future)
6	Grameena Financial Services Pvt ltd. (Grameena)
7	IDF Financial Services Pvt ltd. (IDF)
8	Janalakshmi Financial Services Pvt. Ltd. (JFSPL)
9	Mutoot Mahila Mitra (Mutoot)
10	Navachetana Microfin Services Pvt ltd. (NMSIL)
11	Samasta Microfinance (Samasta)
12	Shree Kshethra Dharmastala Rural Development Project (SKDRDP)
13	SKS Microfinance Pvt. Ltd. (SKS)
14	Spandana Spoorthy Financial Services Ltd. (Spandana)
15	Ujjivan Financial Services Pvt.Ltd. (Ujjivan)
16	Madura Microfinance Ltd. (Madura)
17	Nirantara Community Society (Nirantara)
18	L&T Finance (L&T)

(Source: Association of Karnataka Microfinance Institutions)

Appendix 2: Welfare Impact related Variables

a	Family Income
b	Family Savings
c	Family expenditure
d	Family net owned assets
e	Chances for betterment of my children's health
f	Nutrition level
g	Food security
h	Chances of education for children
i	Women empowerment
j	Housing facility
k	Job creation in the family
l	Social cohesion
m	Democratic Values
n	Participation in socio cultural activities
o	Sense of time and time discipline
p	The general discipline in the life of family of the member
q	Language of the member
r	The ability to converse and discuss with other people