

P R E F A C E

Particularly in developing nations like India, microfinance has become a potent tool for promoting financial inclusion, reducing poverty, and empowering underprivileged segments of society. The microfinance industry has changed dramatically over the last few decades as a result of various institutional frameworks and business strategies. This book is the result of a thorough investigation to comprehend, assess, and contrast different business strategies, with a particular emphasis on how well they performed in the state of Uttar Pradesh.

The goal of the current study, “An Evaluative Study of Business Models in Micro Financing with Special Reference to Uttar Pradesh,” is to close a significant research vacuum in the field of microfinance. Although a lot of study has been done on microfinance in India, the majority of it has focused on southern areas, leaving northern provinces like Uttar Pradesh mostly unknown. By offering a thorough examination of the efficacy, efficiency, and service quality of Microfinance Institutions (MFIs) functioning in the area, this report aims to rectify this imbalance.

The conceptual understanding of business models as tools that companies use to produce, deliver, and collect value forms the foundation of the book. The study assesses the effectiveness of several models in terms of outreach, financial sustainability, and customer service by applying this paradigm

to microfinance organizations. Both quantitative and qualitative approaches have been used, such as SERVQUAL to gauge customer perceptions of service quality and Data Envelopment Analysis (DEA) to quantify efficiency. Identifying the NBFC-MFI model's effectiveness and prevalence in India while showcasing best practices from successful organizations is one of the work's major accomplishments. The results contribute to academic research and policy development by providing insightful information about operational dynamics, financial indicators, and service delivery systems.

A thorough description of the study methodology, data analysis, findings, and conclusions is provided after a review of the body of current literature. It also offers helpful suggestions for strengthening the influence of microfinance business models on socioeconomic development. Without the direction and assistance of my supervisor, academic staff, and study participants, the research described in this book would not have been feasible. Additionally, I am appreciative of the organizations and databases that made pertinent data accessible. The researchers, academics, policymakers, and practitioners in the field of microfinance and development studies are expected to find this book to be a helpful resource. Additionally, it seeks to stimulate further study on inclusive financial systems, institutional efficiency, and regional microfinance dynamics.

Dr. Aisha Badruddin

List of Abbreviations

Sl. No.	Abbreviations	
1.	AB	Active Borrowers
2.	ABCO	Active Borrowers per Credit Officer
3.	ALOPC	Average Loan Outstanding Per Client
4.	ANOVA	Analysis Of Variance
5.	ATM	Automated Teller Machine
6.	BC	Business Correspondent
7.	BCC	Banker Charnes & Cooper
8.	BFIL	Bharat Financial Inclusion Limited
9.	BMC	Bhartiya Micro Credit
10.	CAR	Capital Adequacy Ratio
11.	CBO	Community Based Organization
12.	CCR	Charnes Cooper & Rhodes
13.	CEE	Central and Eastern Europe
14.	CGAP	Consultative Group to Assist the Poor
15.	CMLF	Community Managed Loan Fund
16.	Cr.	Crore
17.	CRISIL	Credit Rating Information Services of India Limited.
18.	CRS	Constant Return To Scale
19.	d.f.	Degree of Freedom
20.	DEA	Data Envelopment Analysis
21.	DMU	Decision Making Unit
22.	DER	Debt to Equity Ratio
23.	FCR	Finance Cost Ratio
24.	FINCA	Foundation For International Community Assistance
25.	GLP	Gross Loan Portfolio
26.	IGAs	Income Generating Activities

Sl. No.	Abbreviations	
27.	IPO	Initial Public Offering
28.	JLG	Joint Liability Group
29.	LPP	Linear Programming Problem
30.	MACS	Mutually Aided Cooperatives
31.	MARG	Margdarshak
32.	M-CRIL	Micro-Credit Ratings International Limited
33.	MFI	Micro Finance Institutions
34.	MFIN	Micro Finance Institution Network
35.	MIX	Microfinance Information Xchange
36.	MPSS	Most Productive Scale Size
37.	MUDRA	Mudra Units Development & Refinance Agency Limited.
38.	NABARD	National Bank for Agriculture and Rural Development
39.	NBFC-MFIs	Non Banking Finance Company-Micro Financing Institutions
40.	NGO	Non-Governmental Organization
41.	NIS	New Independent State
42.	NPA	Non Performing Assets
43.	OER	Operating Expense Ratio
44.	OSS	Operational Self Sufficiency
45.	P.E.	Private Equity
46.	PACS	Primary Agricultural Credit Societies
47.	POS	Point of Sale

Sl. No.	Abbreviations	
48.	PSIG	Poorest State Inclusive Growth
49.	PTE	Pure Technical Efficiency
50.	RBI	Reserve Bank of India
51.	RFA	Revolving Fund Assistance
52.	RLF	Revolving Loan Fund
53.	ROA	Return on Asset
54.	ROE	Return on Equity
55.	ROSCA	Rotating Savings and Credit Associations
56.	RRBs	Regional Rural Banks
57.	RTS	Return to Scale
58.	SC/ST	Schedule Caste/Schedule Tribe
59.	SE	Scale Efficiency
60.	SEWA	Self Employment Women Association
61.	SFB	Small Finance Bank
62.	SHG-BLP	Self Help Group-Bank Linkage Programme
63.	SHPI	Self Help Promoting Institutions
64.	SIDBI	Small Industrial Development Bank of India
65.	SKS	Swayam Krishi Sangram
66.	SLBC	State level Bankers Committee
67.	SRO	Self Regulatory Organization
68.	SVCL	SV Creditline Pvt. Limited
69.	TE	Technically Efficiency
70.	U.P.	Uttar Pradesh
71.	VRS	Variable Return to Scale
72.	VVV	Vikas Volunteer Vahini

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