

MAJOR GROWTH INDICATORS

1. The number of outstanding client accounts for the quarter ended stood at **7361** groups as against **8043** groups in the corresponding period during previous year. A **decrease of -8.48%**. The decrease in the number of groups was due to write-off of **1062** accounts during the month of March 2010, despite adding **2079** new groups during the year. During the year under review **4039** groups closed, of them, **2353** groups only renewed, the remaining **1683** groups would have perhaps approached the commercial banks/RRBs for loan to get the benefit of subsidy under SGSRY scheme.
2. Outstanding loan portfolio for the quarter ended went up to **Rs. 7198 lac** but, a conscious decision was taken to write-off of **Rs.273 lac** in the month of March and consequently we ended up with an outstanding of **Rs.6925 lac** as against **Rs.5784.30 lac** in the corresponding period during previous year a **growth of 19.72%**.
3. Total income from all sources went up, averaging **Rs.74.08 lac** per month compared to corresponding figure during the previous year at **Rs.67.14 lac**, a **growth of 10.33%**.
4. Income from FA operations alone was averaged of **Rs.72.58 lac** per month the corresponding figure during the previous year at **Rs.65.69 lac** a **growth of 10.48%**.
5. Operational expenditure (before provisioning and depreciation but including cost of borrowings) **averaged Rs.48.09 lac** per month against **Rs.50.30 lac** a year ago registering a **decrease of 4.39%**. This decrease over the corresponding period previous year is that the financing banks have reduced their rate of interest ranging from 0.75% to 1%. Thus we have been able to reduce the interest pay out to the banks to the tune of **Rs.63.98 lac** and **Rs.1.16 lac** on account of bank charges by using core banking facilities as also, RTGs for funds transfer. Thus, we have been able to peg our operational cost well within the acceptable level at 4.27% as against 4.07% last year despite increase in staff strength and other expenditures on account of opening of Dharmapuri Regional Office etc.,
6. Total operational expenditure (after provisioning and depreciation) averaged **Rs.62.58 lac** per month.
7. Groups served by **single Credit Officer was 118** against **96** compared to the corresponding period during the previous year.
8. Per Credit Officer amount **outstanding was at Rs.111.69 lac**, compared to corresponding period during the previous year at **Rs.88.54 lac**.
9. Average size of loan was **Rs.94,000/-**, compared to corresponding quarter previous year **Rs.71,000/-**.

II PERFORMANCE V/S BUDGET:

The following is a quick analysis of our actual performance visa vis budget during the period under report and the corresponding period during the previous year.

Portfolio analysis:

(Rs.in lac)

	March 2009	Mar. 2010		%age of Growth over Corresponding period of previous year
	Actual	Budget	Actual	
No. of Loan a/cs disbursed (No's.)	4097	6350	4432	8.17
Loan value disbursed in values (Rs.in lacs)	5375.51	6875	6390	18.87
No. of Loan a/cs outstanding (No's.)	8043	8543	7361	-8.48
Outstanding Loan portfolio in values (Rs. In lacs)	5784.30	7284.30	6924.91	19.72

INCOME AND EXPENDITURE visa vis with Business Plan

(Rs.in lac)

	Mar.2009	Mar. 2010		% of growth over the corresponding period of last year
	Actual	Budget	Actual	
Income from Loan Operations	854.05	1190.50	943.51	10.47
Interest Income on bank deposits	16.61	20.00	18.97	14.21
Other Income (Penal chq. Bounce & other charges)	2.19	5.00	0.66	-69.86
Total Income	872.85	1215.50	963.14	10.34
Salaries & professional fees	143.12	155.00	154.00	7.60
Traveling & Conveyance	31.27	40.00	36.48	16.66
Cost of Borrowing	441.68	650.00	377.71	-14.48
Other operational Exp **	37.84	60.00	56.98	50.58
Total Ops expenditure	653.91	905.00	625.17	-4.35
Surplus/def (-) before Deprn + prov	218.94	1110.50	337.97	54.36
Deprn. and provisioning	110.51	174.50	188.37	70.45
Total Expenditure	764.42	1079.50	813.54	6.42
Total surplus /deficit ()	90.85	136.00	149.53	64.59

(** Other operational Expenses like Incentive to partner NGOs, administrative expenses & etc.,)

The total income earned during the year was at Rs.963.14 lac and fallen short by almost Rs.252.36 lac due to low level of disbursement during the first half of the year. Infact, there was a negative growth of advances till October 2009 and thus the interest earned was less.

The total operational expenditure was reduced by almost Rs.25 lac as compared to the previous year mainly due to reduction in interest rate by the banks on our borrowings by which we are able to reduce interest pay out to the tune of Rs.63.98 lac. Thus, we have been able to reduce operational cost by 4.35% over the previous year.

LOANS AND BORROWINGS FROM COMMERCIAL BANKS:

- 1. Canara Bank:** Bank has renewed a cash credit limit of RS. 1500 lac during the year for on lending operations.
- 2. State Bank of India:** SBI has since renewed the working capital limit of Rs. 1500 lac with the repayment schedule during the year for on lending operations. Another Rs. 1000 lac was sanctioned during the year at 9.25% interest, repayable in 36 months. The present rate of interest is at 8.75% consequent upon reduction in their PLR. Both the facilities were fully utilised. The present outstanding is Rs.1617 lac.
- 3. Indian Bank :** Indian Bank renewed the overdraft limit at the existing level of Rs. 500 lac for on lending to SHGs.
- 4. State Bank of Mysore:** A cash credit limit of Rs. 1000 lac was renewed in the month of March 2010 at 9.5% interest as against 10% obtaining earlier.

5. **National Housing Bank:** In order to give thrust for housing to the rural poor to have roof over their head, we got a term loan limit of Rs. 300 lac of which we have utilised Rs. 145 lac, by way of re-finance from them. We have submitted final application for re-finance for the amount of Rs. 133 lac as on 25.01.2010. The approval for release of the funds is awaited.
6. **ING Vysya Bank:** We have been sanctioned OD limit of Rs. 100 lac and Term Loan of Rs. 700 lac at interest rate of 11.5% and 10.25% respectively. Because of the high rate of interest the OD limit was closed during the year and only Rs. 400 lac was drawn from Term Loan. The present balance is Rs. 320 lac.
7. **Union Bank of India:** have communicated their sanction a loan of Rs.1000 lac, of which, Rs.500 lac by way of term loan and Rs.500 lac as cash credit limit recently, at 9.25% interest which we are yet to avail.

SUMMARY OF THE BORROWINGS

(Rs. in lac)

Name of the Bank	Mar. 2010		ROI	Mar. 2009		ROI
	Limit	O/S		Limit	O/S	
NABARD (MFEDF)	100	80.00	3.5	100	100.00	3.50
State Bank of India	2500	1617.29	8.75	1500	1494.00	9.25
State Bank of Mysore	1000	834.88	9.50	1000	358.58	10.75
NABARD (RFA)	500	500.00	9.50	0	0	0
Indian Bank	500	496.96	9.50	500	496.55	10.00
Canara Bank	1500	1358.94	9.75	1500	1476.02	9.25
SIDBI I	0	0	0	300	42.84	8.00
SIDBI II	750	96.87	9.25	750	362.96	9.25
SIDBI III	1000	500.00	10.50			
National Housing Bank	300	121.90	10.00	300	89.00	10.00
ING Vysya	700	319.79	10.25	500	464.26	10.00
Total		5926.63			4884.21	