Chapter VIII

Summary of findings and Conclusion

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8.1 Introduction

This chapter presents the key findings of this study and suggestions for the MFIs.

8.2 Findings of the study

8.2.1 Operational Profile of the MFIs in Assam

i. Microfinance sector in Assam has achieved significant progress, in spite of late start of MFI activities in the state. The MFIs reported 0.307 million client outreach with loan outstanding of Rs 2,294 million in the FY 2013-14, covering 22 districts of the state. The client outreach grew by 33 percent (on average) and loan outstanding grew by more than 100 percent during the five financial years (from 2009-10 to 2013-14). Out of the selected MFIs, the NGO-MFIs namely, NCS, SATRA and ASC have the highest contribution in client outreach and loan outstanding. It is found that MFIs are extending loans for income generation purpose only, complying with the RBI stipulation.

ii. The loan size per borrower (expressed in terms of average loan outstanding per borrower) registering an increase of 42 from FY 2009-10 to FY 2013-14 (Table 4.11). This resulted in reduction of operating expense ratio of the MFIs in Assam. At the same time, this shows that MFI borrowers are graduating to utilize higher amount of finance.

iii. The average staff size found to be varied from 22 to 560. However, majority of them are having 50 staff on an average. There were only nine percent of women employees in the non-managerial level of the MFIs at the end of the financial year 2013-14.

iv. Productivity of staff expressed in terms of number of active borrower per staff for the MFIs in Assam is higher than the All Indian MFIs, which is 321 (Table 4.12). However, the gross loan portfolio per staff is lower than that of the All Indian MFIs. Hence, there is a scope for the MFIs in Assam to increase their loan size. However, the credit absorption capacity has to be examined before granting a loan.

v. The capital structure of the MFIs in Assam consists of debt, equity financing and internal cash. The Developmental Finance Institutions are the dominant providers of fund for the MFIs, representing 54 percent of the total funding followed by banks.

vi. Overall debt funding increased during the five years. The share of bank funding decreased by 28 percent. The median leverage ratio of the MFIs in the FY 2013-14 was 5.6, higher than that of the All Indian MFIs (average DER from 2009-10 to 2013-14 is 3.4). The median leverage ratio of the NBFCs in Assam is lower than that of the NGO-MFIs (Table 4.7). In case of NGO-MFIs majority of the funding is from DFIs (Figure 4.7 b). Raising fund from banks is still difficult for the NGO-MFIs.

vii. The Net owned fund of MFIs witnessed an increase of 177 percent during five years period of study. The amount of NOF reached at Rs 667 million from the amount of Rs 223 million. This increase is mainly contributed by NBFCs, whereas the NGO-MFIs reported decrease in NOF during five financial years, due to low reserves of the NGO-MFIs (Figure 4.10).

viii. The CAR (Capital Adequacy Ratio) for the NBFCs remained above desirable level of 15 percent. The median CAR for NBFCs in Assam for FY 2013-14 stands at 28.3, which is higher than the All Indian MFIs (Table 4.8). The NGO-MFIs reported CAR below 10 percent, indicates a higher degree of leverage.

ix. The organizational structure of the MFIs varies according to their legal status. The NBFCs have a decentralized organizational structure. The organizations are divided into units that have been formed on the basis of their functions. The head office of the MFIs is essentially involved in strategy formulation, portfolio management, recruitment, training and compensation. The day to day operations are managed by the area offices or the branch offices. It is found that the NBFCs have clearly defined and documented the roles and responsibilities of each staff, which saves time and increases the efficiency at each level.

x. Governance of the MFIs found to be well diversified and in the line of new Companies Act 2013. The NBFCs reported the presence of independent directors and women representation in their board.

8.2.2 Cost structure of the MFIs

i. The cost structure of the MFIs consists of operating expense, financial expense and loan loss expense. The total expenses of the MFIs in Assam exhibits an increasing trend (Figure 5.1), reflects greater expansion of business operations of the MFIs (in terms of increase in branch network, staff, client base and loan outstanding). In the FY 2013-14, the operating expense comprises 47 percent, financial expense consists of 51 percent and loan loss expense consists of 2 percent of the total expense of the MFIs in Assam. The expenditure of MFIs in Assam is different from that of all Indian MFIs (Sa-dhan 27). The operating expense is lower than that of the All Indian MFIs, whereas financial expense is higher than the average of All Indian MFIs. From 2009-10 to 2013-14, the operating expenses of the MFIs declined by 46 percent and the finance expenses increased by 50 percent. The loan loss provision appears to be very small share of the total expenditure and it represents a decreasing trend. This indicates that the risk from bad loans is decreasing.

ii. The operating expense is further divided into personnel and administrative expense. The personnel expense appeared to be increasing and the major component of operating expense for the MFIs in Assam (sharing 63 to 71 percent of total operating expenses).This suggests that MFIs in Assam increased the remuneration of the employees during the five years period under study (Figure 5.2). The personnel expense is lower in case of NGO-MFIs viz. a viz. NBFCs (Table 5.3). This may be due to better staff compensation levels of the NBFCs than the NGO-MFIs. The salary in NBFCs is fixed as per the legal provisions. The NBFCs extend benefits and various allowances to the employees in addition to salary. In contrast, the employees of NGO-MFIs received a fixed amount and an incentive linked with their performance. The salary package includes housing allowance, medical benefit, traveling allowance, dearness allowance, provident fund (PF), Employee State Insurance (ESI) and loans in addition to salary.

iii. The operating expense ratio (OER) of the selected MFIs in Assam shows a declining trend and is lower than the all Indian MFIs. Increase in outreach and high operational efficiency resulted in reducing OER. The MFIs in Assam reported 33 percent growth in client outreach in five years under study.

iv. Drastic change in the pattern of expenditure components was observed overthe five years. The operating expense of the MFIs reduced whereas the share of finance expense is increasing. The high cost of fund partly due to increase in cost of commercial borrowings (Table 5.6). The interest rate charged by banks and DFIs ranged between 12-15 percent and 8-12 percent, respectively. The financial expense of the MFIs in Assam is showing an increasing trend. The financial expense is higher for the NGO-MFIs then the NBFCs. It was also found that during the five financial years, the OER of the MFIs is decreasing with the increase in the FER. The FER of the NGO-MFIs is higher than their OER (Figure 5.5). This is perhaps due to huge outreach and better financial position of the NBFCs, which enables them to bargain with the financial institutions and raise debts at a lower rate whereas the NGO-MFIs finds it very difficult to raise capital. Further, the NBFCs are regulated by RBI, hence commercial lenders perceive them as safer. In addition, the NBFCs require large amount of borrowings, which reduce their transaction cost and interest (Rosenberg et al. 10).

v. The loan loss provision expense contributes very small portion of the total expense (ranges from 0.5 percent to 2.9 percent). Following are some observations regarding loan loss provision: the calculation of loan loss expenditure varies from one MFI to another. The NBFCs followed a standard and uniform method laid down by RBI. Whereas no uniform pattern for calculation of loan loss provision by the NGO-MFIs was observed. This resulted in drastic variation in the amount of loan loss provision. The loan loss provision seems to be higher and follows an increasing trend for the NGO-MFIs (Figure 5.6). Only three NGO-MFIs are regularly reporting loan loss provision amount.

vi. The yield on gross loan portfolio of the MFIs in Assam seems to be improving slowly from 2011-12 to 2013-14. In the FY 2013-14 the average yield of the MFIs in Assam was higher than the average yield of the MFIs in India. NBFCs reported higher median yield in each year and 26 percent during the FY 2013-14, followed by NGO-MFIs with a median yield of 23.9 percent in 2013-14.

vii. The yield and OER seems to be close to each other, reflecting that MFI borrowers are gaining from higher efficiency in the form of lower interest rates (Figure 5.6). The total expense of the MFIs for the five financial years was compared with yield earned by the MFIs. It is observed that the NGO-MFIs have the lowest difference between the yield and three cost ratios. The NBFCs have the maximum difference between the yield and three cost ratios, which is due to their higher scale and outreach.

viii. The profitability ratios of the MFIs include return on assets, return on equity and profit margin. Median ROA and ROE (median values) for the MFIs in Assam for the FY 2013-14 remained at 0.9 percent and 9.7 percent, respectively. The returns are generally higher for not for profit MFIs and very large sized MFIs. The median return on assets of the MFIs shows a declining trend from 1.9 percent in 2009-10to 0.9 percent in the FY 2013-14. The return on equity (ROE) of the MFIs decline in 2011-12 and 2012-13 to 10.6 and 7.1 respectively, but is now recovered to 9.7 percent (Figure 5.8). Increase in equity is contributed by a few MFIs namely, RGVN (NE) MFL, UFSPL and ASC. All the MFIs reported positive profit margin in the FY 2013-14.

8.2.3 Factors effecting the operating and financial expense of the MFIs

i. To identify the factors which seem to have significant impact on expenses of the MFIs, correlation tests and regression analysis were conducted. The variables namely, forms of the MFI (legal status) (LS), lending model (LM), number of active borrowers (NAB) and number of borrowers per staff (BPS) are having significant impact on operating expense of the MFIs (Table 5.5).

ii. Operating expense is higher for NBFCs and lower for NGO-MFIs. This may be due to higher personnel expense of the NBFCs. The personnel expense accounts for 70 to 88 percent of the total operating expense. Also after the RBI guidelines, the portfolio management issues, verification of client's credit history in Credit Information Bureau and client protection compliance has adversely impacted the operating expense of the MFIs.

iii. The operating expense for the MFIs with JLG model is 16 percent higher than the MFIs following SHG model. With the increase in the number of active borrowers (NAB) operating expenses of the MFIs in Assam is increasing. With the increase in the NAB, the number of employees of the MFIs in Assam exhibits an increasing trend. The personnel expense increases with increase in number of employees.

iv. The financial expense of the MFIs shows no relation between the age of the MFI, and lending model of the MFI. However, strong positive relation was observed between debt to equity ratio and financial expense of the MFIs. Increase in the interest paid by an organization or an increase in the debt portion of the portfolio funding (relative to equity or donations) increased the financial expense of the MFIs (Calmeadow, Chapter 4, 5). Whereas, capital to asset ratio was negatively correlated with finance expense and debt to equity ratio (Table 5.7).

8.2.4 Cost of borrowing

i. The MFIs disclosed and communicated their interest rate, processing fees, service tax and insurance fees to the borrowers. The MFI borrowers were able to understand their loan size, duration of loan and repayment schedule (Table 6.2). The borrowers were also aware about the consequences of non-repayment of loan. However, about half of the borrowers are not aware of the interest rate, service tax and insurance charges charged by various MFIs.

ii. The MFI borrowers incurred transaction cost (which includes documentation cost, transportation cost, incidental cost), and financial cost while availing loan from the MFI. Transaction cost consisted of a) documentation cost, and b) transportation and incidental cost. Documentation comprises 59 percent and transportation cost comprises 22 percent of the total transaction cost (Figure 6.1). Financial cost includes interest to be paid for the loan, processing fees, service tax and insurance in order to avail loan. These costs are unavoidable and vary from MFI to MFI.

iii. While, availing a loan from the MFI, the borrowers incurred 96 percent financial cost and only four percent transaction cost. It was observed that the total borrowing cost decreased with the increase in loan amount (Figure 6.3).

iv. The transaction cost for the borrowers in the subsequent loan cycle is lower than the cost in the first loan cycle, because some of the costs, especially initial costs, were one time costs and non-recurring in nature. For MFIs, the opportunity cost appeared to be negligible. It was found that MFIs arranged the meeting schedules in such a way that members incurred minimum or no loss of income in attending meetings.

8.2.5 Sustainability of the MFIs in Assam

i. Sustainability refers to a condition where the MFI is able to cover all its cost from the revenue generated, with a decent margin and able to continue its services in the long run. The factors which significantly impact the sustainability of the MFIs are the legal status of the MFIs, lending methodology, age of the MFI, number of borrowers per staff, cost per borrower, capital to asset ratio, debt to equity ratio and yield on portfolio (Figure 8.4).

ii. The legal status, age of the institution and lending methodology of the MFI represents the institutional characteristics of the MFIs. The NBFCs are more sustainable than the NGO-MFIs. In case of lending model, MFIs following JLG model are found to be more sustainable. The variable age of the MFI is directly related to the sustainability of the MFIs. The negative value of the regression coefficient shared by the productivity variable (number of active borrowers per staff) with OSS was attributed due to the positive association shared by the variable with the operating expense. The variable cost per borrower (indicator of efficiency) is significant with negative beta coefficient. Hence, with the decrease in cost per borrower the OSS of the MFIs is increasing. The variable debt to equity ratio and capital to asset ratio depicting financing structure of the MFIs, has significant impact on financial sustainability of the MFIs in Assam. Yield on loan portfolio has positive and significant relationship with financial sustainability of the MFIs. With the increase in revenue the sustainability of the MFIs is increasing.

iii. Based on the TOPSIS relative score RGVN (NE) MFL maintained a top position, and UFSPL and AFPL ranked 2nd and 3rd respectively (Table 7.5). Among the NGO-MFIs, the NCS and SATRA are equally competing with the NBFCs, holding 4th and 5th position.

8.3 Suggestions

Based on the study, following suggestions are recommended to the MFIs in Assam.

1. **Management of financing mix:** It is observed that the financing structure of the MFIs in Assam is negatively effected by the proportion of debt and equity. With the increase in debt to equity ratio the sustainability of the MFIs is decreasing. Hence, a proper balance between the debt and the equity is important to maintain sustainability. It is found that the Debt to equity ratio (DER) for the MFIs in Assam is higher than that of Indian industry average. The median DER for the MFIs in Assam is 5.6 (Table 4.6). It is suggested that the MFIs should maintain DER below 3.4 (average of All Indian MFIs)**.** The DER level can be reduced by increasing profitability which led to higher reserves. Attracting private equity is one of the options for reducing the dependence of MFIs on debt funding. Extending insurance and pension services along with credit can increase their profitability[i]. On an average the MFIs are currently, generating only 6 to 3 percent income from non-interest sources. Hence, there is a scope for the MFIs to increase their non-interest income sources.

2. **Improving productivity and efficiency:** The efficiency of the MFIs is measured by cost per borrower ratio. To increase efficiency MFIs need to reduce their cost per borrowers and other operational expenses.

    - The cost per borrower for the MFIs under study may not decrease simply by increasing the number of active borrowers, as this increases the operating expense. Hence, there is a need for the MFI branch offices to maintain an optimum balance between the number of active borrowers, and staff to reduce their cost. A branch with 1500 to 1800 borrowers, with four staff and following JLG model is found cost effective.

    The productivity of the MFIs is expressed in terms of loan outstanding per borrower. It is observed that MFIs in Assam have lower amount of average loan outstanding per borrower in compare to the average loan outstanding per borrower for the All Indian MFIs, whereas the number of borrowers per staff is higher than the national average (Table 4.12). Hence, the MFIs in Assam can increase their loan size to the existing customers. The recent change in eligibility limits[ii] of the borrowers by RBI will enable the MFIs to implement this suggestion.

3. **Cost reduction:** After personal expense, administrative expense is one of the major expenditure for the MFIs. Administrative expense includes rent (15-32 percent) and printing and stationery expense (9-11 percent).

- the rent can be reduced by using mobile branch offices in place of brick and motor branch offices,
- by sharing of same premises for both area and branch offices the MFIs can reduce their cost to a greater extent (near about 45 percent)[iii].

Similarly, the printing and stationery expense of the MFI can be reduced by minimizing paper work in loan application and processing, reducing wastage of paper and efficient use of printing and photocopying machines (eg. sharing these resources via local area network). Paper-less transaction can reduce the cost for both the MFI and the borrower. E-governance and online banking are other options which can be utilized by the MFIs to reduce their cost.

4. **Need to develop uniform provisioning norms**: The majority of the NGO-MFIs are not following any standard method for calculating loan loss provision. In absence of a standard method of computing loan loss provision, it is difficult to compare the performance of the MFIs against their peers and also weakens the confidence of the investors. Hence, it is important for all the MFIs to follow a standard method for calculating and reporting loan loss provision.

5. **Use of information technology:** The MFIs which has adopted simple software for data entry (Management Information System (MIS)) at the head office and branch level, eliminated the need for separate accountants and cashiers at branch level[iv]. This is the first form of technology adapted by any institution for reporting and recording data (CARE 16). Some of the MFIs are still depending on paper based MIS or EXCEL entry. Digitization eases decision-making, saved time, increased efficiency and transparency in MFI operations. At branch level, MIS has revolutionized the

work of branch manager and field staff. It can be suggested that MFIs can adopt MIS according to their requirement and scalability. However, MFIs must calculate the cost of acquiring and maintaining technology in the loan run (Ashta 62-63). For instance, AFPL adopted Mifos[v] software to connect the areas offices with the head office. The branch offices submit their data through mobile phones to the area office, which in turn assemble the data and do the required processing (Das 88).

Further, the MFIs which already have a MIS platform can go for point of sale technology. Palmtops can be given to the loan officers to analyse and record the data.

6. **Managing borrowers cost:** MFI borrowers are incurring financial cost (96 percent) and transaction cost (4 percent) while availing loan from MFIs. Use of technology and other cost reduction measures reduce the operational expense of the MFIs, which automatically reduce the borrowing cost of the MFI borrowers.

7. **Financial literacy can increase the efficiency of the loan process:**

It is need of the hour to put in financial literacy campaigns in practice. Financially literate borrowers can take up economically sound projects, which ensure regular repayment for the MFIs. A sustainable project increases the credit absorption capacity of the borrowers and increases the long term sustainability of the MFIs.

In order to increase the client base or to hold the existing borrowers, MFI can extend incentives for the borrowers. The incentives can be in the form of social recognition, small token or certificate of appreciation for the borrower. Extending repeat loan to the existing customer decreases the process duration (as the MFI has much information for assessment process), and increases efficiency of the MFI.

MFIs can also collect feedback from their borrowers, which will help them to improve their processes and to modify their existing products. This process also enables the MFIs to retain their borrowers by offering appropriate products. In some of the MFI branch offices complain and feedback registers or boxes were found. However, it was not very effective. Thus there is a need for innovative methods like group discussions with the borrowers are required to get appropriate feedback or to address their problems. The recent report of the Committee on Comprehensive Financial Services for Small Businesses and Low Income Households (2013) headed by Dr Nachiket Mor, also focused on customer protection issues (167).

In addition, the MFI can extend also skill based training for the members. RGVN (NE) MFL conducted various training programs. The unique feature of the training is that the trainer is usually one of the borrowers. The MFI felt that this encourages other members to learn and earn from the skill and also provides financial support and recognition to the trainer.

8. **Increasing outreach:** It is observed that operations of the MFIs are limited to few districts of Assam, viz. Kamrup, Barpeta, Jorhat, and Sonitpur. In some districts like Chirang, Tinsukia, and Hailakandi reported presence of one MFI only whereas in Karbialoang, Karimganj, Kokrajhar, North Chachar Hills, and Udalguri none of the MFI are operating (Table 4.2 and Figure 4.2). MFIs may increase their operations in these districts.

9. **Lending model:** JLG lending model due to its higher efficiency and profitability is more preferable by the MFIs in comparison to SHG lending model. However, to bring down the cost the change in lending model should be accompanied by multiple product approach. It was also observed that the MFIs offering insurance service with credit service are more profitable than the others.

10. **Legal status of the MFIs:** The operational and financial indicators of the NBFCs are much better than the NGO-MFIs in Assam. The profitability ratios of the NGO-MFIs are lower in compare to the NBFCs. whereas the leverage of the NGO-MFIs is much higher. In order to extend microfinance services to the customers and remain sustainable, it is necessary for the MFI to be regulated. SATRA and ASC (which are in the process of transformation) said that the funding institutions offer funds to financially sustainable MFIs and profit making MFIs. After transformation,

in the FY 2014-15 the financial position of NCS (named as Nightingale finvest Private Limited) has improved and they are increasing there outreach. From the above discussion it can be concluded that MFIs can achieve sustainability by the transformation of legal status. However, transformation need considerable focus on building existing capabilities, strengthen the operational processes and better risk management.

Contribution to the body of knowledge

The present study documents the scenario of microfinance in Assam, the operational and financial performance of the MFIs in Assam. The key contributions to knowledge made by the study are, this is a first attempt to determine the factors effecting financial sustainability of the MFI sin Assam, India. The study reveals the factors which have impact on the operating expense, financial expense and financial sustainability of the MFIs. The study on cost from MFI borrowers' perspective unveils the cost components borne by the MFI borrowers. The study identified the factors which require considerable attention by the MFI manager's to maintain financial sustainability.

Scope for further research

The emergence of payment bank and small finance bank might have impact on the MFIs in terms of cost of finance and operating costs. This may be one of the important areas for further research. While carrying out the current work, it was observed that corporate government aspect and Social performance of the MFIs Assam can also be studied in future.

8.4 Conclusion

The microfinance in Assam is flourishing with significant increase in all parameters of growth. Increasing growth in terms of loan outstanding and number of active borrowers reflects the need and positive impact of MFIs in Assam. However, the outreach is limited to some areas of Assam, which force the people to depend on informal financial sources (Das). Thus, the credit gap in rural Assam can be met with further expansion of the MFIs. This requires more infusion of fund to the microfinance sector in Assam. The profitability and potential of the sector attracted both banks and developmental financial institutions. Still investment by private equity players is very limited. Entrance of private equity players expected to reduce the dependence of MFIs on debt fund.

The MFIs in Assam, are complying with all the norms and regulations lied down by RBI. The margin and capital adequacy of the NBFCs are in line with the guidelines. However, to remain financially sustainable MFIs need to increase their profit. The difference between the yield earned by the MFIs and the calculated yield (based on new margin cap) is marginal. This shows that there is very little scope for the MFIs to increase their interest rate further, to gain higher profits. Hence, the profitability or sustainability of the MFIs can only be achieved by increasing efficiency and productivity. Increase in loan size is one of the options for the MFIs to increase profitability. Secondly, the MFIs can shift to JLG lending model, which seems to be more profitable and sustainable. It seems that by only increasing client outreach, the MFIs in Assam may not be able to improve their financial sustainability significantly. It should be accompanied by increase in loan size as well. However, increase in both client outreach and loan size should be achieved without mission drift and raising the risk of default any significantly.

The NGO-MFIs play an important role in extending credit in rural Assam. The NGO-MFIs, being unregulated, are facing severe problems in making funding arrangements. With regulatory cap on margin and high financial expense, it will be difficult for the NGO-MFIs to remain sustain. Hence, there is a need of suitable (uniform) law to be enacted for the NGO-MFIs.

Notes:

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[i] The MFI branch offices which are extending insurance service to their borrowers in addition to credit are earning higher revenue. An independent sample t-test, revealed that there is a significant difference in revenue between the MFI branch offices extending insurance and which are not (Table 8.1). Hence, all the MFIs are suggested to encourage their branch offices to extend insurance services, in addition to loans, to their borrowers. The MFI may also offer pension services to the borrowers under National Pension Scheme and micro pension from Unit Trust of India (UTI). However, this requires adequate training to the field staff, so that they are equipped to explain and sell the products to the borrowers (Srinivasan 112).

Table 8.1: Independent Samples Test

Indicator		**Levene's Test for Equality of Variances**				
		F	**Sig.**	**t**	**df**	**Sig. (2-tailed)**
Revenue of the MFI branch office	Equal variances assumed	12.856	.001	-2.695	59	.009
	Equal variances not assumed			-4.095	54.074	.000

[ii] The changes done by RBI are 1) the borrower's household annual income does not exceed Rs.0.1mn for rural and Rs.0.16 mn for urban areas, (v/s Rs 0.06mn and Rs 0.12mn earlier), (2) maximum indebtedness of the borrower does not exceed Rs 0.1mn (from Rs 0.05mn earlier) and (3) maximum loan size does not exceed Rs 0.06mn (earlier Rs0.035mn in the first cycle) and Rs 0.1mn (from Rs 0.05mn earlier) in subsequent cycles. RBI's view to harness and enhance growth of MFIs provides comfort on sustainability of the business.

[iii] Utilizing the same premises for both area and branch offices MFIs can reduce their cost (Table 8.2).

Table 8.2: Indirect of MFI branch office

Particulars	**Indirect expense**		**Total**
	Branch office	***Area office***	
MFI 1	Rs 8,000	Rs 14,047	Rs 22,047
MFI 2	Rs 12,000 (Branch office cum area office)		Rs 12,000

[iv] Out of the eight selected MFIs, six MFI are using BIJLI- Business Information Justified and Logically Integrated software developed by Force Ten Technologies Private Limited and Mifos . The software is installed in the head office and branch offices of the MFIs, used for loan tracking, can generate demand, collection and other MIS. It is in off-line mode and data from branches have to be uploaded in head office to get a consolidated report. Some MFIs are also using specific technologies for maintaining staff and records.

[v] Mifos is a management information system developed to meet the requirements of the microfinance industry. Its architecture is based on Software as a Service (SaaS) framework and delivered through the Internet. The Mifos Initiative was launched in 2006 by the Grameen Foundation's Grameen Technology Center under the leadership of Mr. George Conard.

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