



ANNUAL REPORT 2020-21

Microfinance Sector – Braving the pandemic

Sa-Dhan won the prestigious Inclusive Finance INDIA Award 2020 for Contribution to Advancing Financial Inclusion in India.



Reflections from the Chairperson



Dear Stakeholders,

Since the formation of Sa-Dhan over 20 years ago, the microfinance industry has witnessed trials and tribulations. Over the years, it has been our endeavour to bring the financially underserved in the ambit of financial inclusion. It gives me immense pride in saying that our endeavour has paid off to a large extent. However, I must add while the battle might be over, the war continues to reach out to those who still remains underserved. Amidst all our work during this journey, the core values of the association as built by venerable founders stands tall.

The Greek philosopher Heraclitus said, “Change is the only constant.” As the world was gripped by COVID-19 for the better part of 2020, our industry stood up to face the challenge with changing business modules. The industry embraced technology like never before to remain committed in its service to the nation. The year saw many small and medium MFIs migrating to digital platforms. Sa-Dhan was there to handhold and guide them during this transition.

As an association, we have been steadfast in our commitment to stand by our members while ensuring that clients are equally cared for. Sa-Dhan has played a pivotal role in convincing the RBI on packages for the sector.

On behalf of Sa-Dhan, I would like to take this opportunity to express my gratitude to the PMO, the Ministry of Finance and the RBI for taking into consideration our sectoral demands. DFIs, particularly NABARD and SIDBI, played a key role in implementing the RBI’s packages. Sa-Dhan has been successful in convincing NABARD to provide relaxation in guidelines for small and medium MFIs in cash margin requirement from 20 percent to 10 percent.

While Sa-Dhan will continue its advocacy with all the relevant ministries to build a favourable environment for the MFIs, the ‘The Microfinance Bill’ enacted by Assam remains an area of great concern. Sa-Dhan, along with industry members, bankers, and the RBI, is holding regular parleys with the Assam Government and we hope for an early resolution. We are continuously working with the NITI Aayog and several ministries on issues relevant to the sector. Sa-Dhan will strive to enable an environment for continuous growth of Not-for-Profit MFIs and increased funding support to small and medium-sized MFIs. It is befitting to mention here about Sa-Dhan being inducted on the Steering Committee of ‘PMSVANidhi Scheme’ for street vendors and NITI Aayog’s Sub-Committee on Microfinance, during the year. These are certainly great recognitions for our work.

As a Self-Regulatory Organization (SRO) Sa-Dhan has been in the forefront of implementing and overseeing industry regulations, tools, and performance standards for effective monitoring of MFIs. Talking about tools, it is noteworthy to mention that the creation of Credit Assessment Tool will go a long way for the industry to capture accurate repayment capacity and poverty measurement. As a responsible association, Sa-Dhan in association with Prime M2i Consulting undertook a study on “Impact of Unfolding COVID- 19 on MFIs and Clients” to understand the initial impact of lockdown. The study proved to be a valuable

source of data for the Sector, Government, Regulators, and Policymakers. A detailed note on the study is shared in this annual report.

During the pandemic, Sa-Dhan has undertaken several strategic initiatives. Notable among them are affordable housing, digital ecosystem enhancement, intending to promote gender equality and women empowerment, financial literacy training through digital means, and sustainable energy solutions for enhancing livelihoods of the underserved.

It is heartening to see that despite the pandemic, our industry clocked a 17 percent year-on-year growth. As of March 31, 2021, the industry's GLP stood at ₹2,47,839 (including banks and SFBs) crores. As per the Bharat Microfinance Report published by Sa-Dhan, MFIs are now serving 423 lakh clients across 593 districts.

The year taught us to be resilient. It is my humble request to all our members and the industry practitioners at large to do an honest self-assessment before moving ahead. We must remain innovative, disruptive, and resilient for holistic development of the industry. And the industry's holistic development

is not possible with stakeholders' support. I would like to express my gratitude to the Government of India, Finance Ministry, the RBI, World Bank, NABARD, SIDBI, Mudra and others for their continuous support. I would also like to thank UKAID-FCDO, HSBC, Water.org, SELCO Foundation for their continuous support in our interventions in areas like affordable housing, digital financial inclusion, water-sanitation, and clean energy. We look forward to your continuous patronage and support.

The new financial year has brought fresh challenges in the form of the second wave. However, like last year we shall remain buoyant yet alert. Sa-Dhan's Board Members and Members of Subcommittees have played an important role during this unprecedented time, through their valuable insights and wise advice. I look forward to their continuous support and engagement. And finally, I must express my heartfelt thanks to the team led by Dr P. Satish for the commendable job thus far and I am sure they will continue the good work.

Mr. K. Paul Thomas
Chairman, Sa-Dhan



Executive Director's Statement



The year 2020-21 was a testing time for the microfinance sector. However, as the year progressed, our resilience ensured a cautious and gradual recovery. The pace of recovery varied depending on the type of institution, its size and the region of operation. At the beginning of the COVID-19 crisis, many in the financial inclusion community feared that liquidity problems would lead to structural failure of the microfinance sector. Fortunately, this did not happen. In fact, many MFIs, funders and policy makers proactively adapted to the crisis with adequate risk management measures, while maintaining a responsible, client-centric approach to lending. However, the crisis is not over yet, as the pandemic has now returned with a vengeance.

Sa-Dhan as the association for the sector continued to enhance its role and activities. This year, in light of the pandemic, a large part of our work was in the area of policy advocacy with the RBI and the Government. This included liquidity support measures for MFIs -, especially the small MFIs, issues relating to moratorium for MFIs from lenders and relief package for small MFIs. The Sa-Dhan team had to double down on its efforts in policy advocacy to protect and support the sector and its clients in these trying times. Constant interactions right from the PMO, Finance and Home Ministries and, State Governments, to the RBI, IRDAI, SEBI, DFIs, Banks, multilateral agencies and other stakeholders ensured a slew

of relief measures and support for the sector. Policy dialogue continued with development finance institutions like NABARD, SIDBI, NHB and MUDRA. Sa-Dhan played an important part in the design and take off of the PMSVANidhi Scheme for street vendors.

The sector which had overcome the hiccup of demonetization had to face the headwinds of COVID-19 this year. Till mid-July uncertainty was writ large. But the sector gradually overcame the negative effects and resumed normal operations. The year witnessed on-ground issues in several states. Sa-Dhan's regular interactions with state governments and apprising them of the problems ensured early mitigation to the problems. However, The Microfinance Bill enacted by Assam remains a thorn for the sector. Sa-Dhan along with industry members, bankers and the RBI are holding regular parleys with Assam government and we hope that the issue will be resolved at the earliest.

Sa-Dhan executed its role as an SRO with élan this year. The use of analytical tools has enabled a better surveillance and monitoring of the sector. While the pandemic restricted Sa-Dhan's field visits, we continued to extensively report to the RBI on SRO activities. Sa-Dhan as a member of the RBI's Financial Inclusion Advisory Committee, NABARD's Strategic Advisory Board on SHG-Bank Linkage Programme, as Members of the Board of Directors of MUDRA and India Post Payments Bank, has continued to contribute to the process of greater financial inclusion and the growth of the microfinance sector. This year Sa-Dhan was inducted on the Steering Committee of PMSVANidhi Scheme for street vendors and NITI Aayog's Sub-Committee on Microfinance.

At the sectoral level there are numerous challenges too. The need for a regulatory framework for non-NBFC-MFIs and making them part of reporting framework to Credit Bureaus is an ongoing issue being taken by Sa-Dhan at various levels. In view of the bigger

MFIs graduating to become universal banks and small finance banks, the space is opening up for medium and smaller institutions. There is immense growth potential for medium and small MFIs provided governance, infrastructure, systems and unconstrained funding are in place. Based on the success of our efforts under the UKAID supported PSIG Programme we are working for similar interventions for small institutions.

Despite logistic issues due to the pandemic, we had Ltd. field interactions. We remained actively involved with member institutions via virtual meetings and were regularly updated on problems faced at the grassroots level. As a knowledge centre, Sa-Dhan has been in the forefront of accumulating data on the effect of pandemic on the sector. The analysis of the same has been appreciated by stakeholders and the report is widely referred to. Stakeholders and members widely appreciated Sa-Dhan's webinar series on topical issues. The daily media monitor continues to be widely accessed by the sector practitioners for its conciseness and relevance

This year we were unable to hold the National Conference due to the pandemic. Despite the constraints arising out of the pandemic, we successfully brought out our flagship publication-The Bharat Microfinance Report on schedule. Similarly, we were also able to launch our biennial Directory of Microfinance Institutions on time.

Sa-Dhan continued to be aligned with the developmental agenda of the Government and UN's Sustainable Development Goals. Sa-Dhan's interventions ranged from the areas of water and sanitation, clean energy, affordable housing to community health and financial literacy. We continued our reliable partnership with Water.org for our work in water-sanitation area. 'Microfinance for Affordable Housing' Project launched in the state of Odisha with the support of UKAID-FCDO progressed well despite the pandemic. Similarly, the project on clean energy for livelihoods with the support

of SELCO Foundation was also implemented during the year. The project to create a digital financial inclusion eco-system with the support of HSBC is now in progress in Tamil Nadu and Maharashtra, after implementation in West Bengal and Punjab. Training and continuous education of work force is a necessity in modern organisations. The on-line training and certification programme for staff of MFIs initiated by Sa-Dhan in collaboration with Prime M2i Consulting is seeing good traction.

Despite herculean challenges posed by the pandemic, I am proud to note that Sa-Dhan team worked diligently, dedicatedly and economically without compromising on professionalism. Kudos to the team. I would like to mention that sound financial management enabled Sa-Dhan to close the books with surplus funds. I would like to convey my deep gratitude to the RBI, the Government of India, NABARD, World Bank Group-IFC, DAY-NRLM, IRDAI for acknowledging Sa-Dhan's role in the financial inclusion scenario and engaging with it in a wide range of policy dialogues. Many of these institutions have also supported Sa-Dhan financially. We would also like to acknowledge the support of UKAID-FCDO, HSBC, Water.org, SELCO Foundation, for their support for our interventions in the areas of affordable housing, digital financial inclusion, water-sanitation, clean energy.

The year 2020-21 closed with the sector returning to normalcy post pandemic, but the year 2021-22 started off with greater challenges to the sector due to the second wave. But this will not deter Sa-Dhan from its long-term goals. We will continue our focus on the core areas for holistic development of the sector. During the year the Governing Board of Sa-Dhan ably guided and advised the Association. I sincerely acknowledge the Board's role, especially that of our Chair, Shri Paul Thomas for their continued support and guidance to the Sa-Dhan team in particular and to the sector in general.

Dr. P. Satish

Executive Director

Sa-Dhan Board of Directors

Ms. Ela R Bhatt (Chair Emeritus)	Founder, Sewa Bank Ltd.
Mr. K Paul Thomas (Chair)	MD & CEO, ESAF Small Finance Bank Ltd.
Mr. Mukul Jaiswal (Co-Chair)	MD, CASHPOR Micro Credit
Mr. H P Singh (Treasurer)	CMD, Satin Creditcare Network Ltd.
Mr. Jiji Mammen	MD, NABFINS Ltd.
Dr. Medha Purao Samant	Chief Functionary, Annapurna Mahila Co-op Credit Society Ltd.
Ms. Praseeda Kunam	CEO, Samhita Community Development Services
Mr. Sarat Chandra Das	CEO, Grameen Development & Finance Pvt. Ltd.
Smt. S Vijayalakshmi (Independent Member)	CGM, MCID, NABARD
Dr. Deepali Pant Joshi (Independent Member)	ED (Retired), RBI
Mr. Brij Mohan (Independent Member)	ED (Retired), SIDBI

Sa-Dhan SRO Grievance Redressal Committee

Name	Background	Type of Membership
Mr. U S Paliwal	Former ED, RBI	Sector Expert
Mr. S K Mitra	Former ED, NABARD	Sector Expert
Mr. Suresh Krishna	Former MD, Grameen Koota	Sector Expert
Mr. Mukul Jaiswal	MD, CASHPOR Micro Credit	Not-for-Profit MFI

Sa-Dhan SRO Enforcement Committee

Name	Background	Type of Membership
Ms. K C Ranjani	Founder and Chairperson, Mi India Development Trust	Sector Expert
Mr. Anjan Dasgupta	MD, ASA International India Microfinance Ltd.	NBFC-MFI
Mr. Jagadananda	Former Information Commissioner, Odisha and Member Secretary, CYSD	SHG Promoting Institution
Mr. N Srinivasan	Former CGM, NABARD and International Consultant	Sector Expert

NBFC/NBFC-MFIs Task Force:

- **Mr. Manoj Nambiar**, MD, Arohan Financial Services Ltd.
- **Mr. Anil Jadhav**, Chairman, Hindusthan Microfinance Pvt. Ltd.
- **Mr. Anup Kumar Singh**, MD, Sonata Finance Pvt. Ltd.
- **Mr. S.V. Raja Vaidyanathan**, MD, Asirvad Microfinance Ltd.
- **Mr. N. Irabanta Singh**, CEO, UNACCO Financial Service Pvt. Ltd.

Not for Profit Task Force:

- **Mr. Mukul Jaiswal**, MD, CASHPOR Micro Credit
- **Mr. N. Peter Palanisamy**, MD, Nanayasurabhi Development Financial Services
- **Ms. Praseeda Kunam**, CEO, Samhita Community Development Services
- **Dr. L. H. Manjunath**, ED, Shri Kshethra Dharmasthala Rural Development Project
- **Mr. P K Khuman**, CEO, Chanura Microfin Manipur

Impact of Pandemic

COVID-19 caused great damage to world economy and India was not left out. The microfinance sector experienced turbulent times and the pandemic impacted its operations in a big way. An increase in restrictions and lockdowns affected field activities and day to day operations. In addition, restrictions adversely impacted cash flows of the borrowers resulting in repayment efficiency decreasing. The sector experienced loss of livelihoods and income of borrowers, severe liquidity crisis especially for small and medium MFIs, impact on asset quality, rating and grading, and sharp drop of fresh disbursement due to funds shortage. Amid the 1st and 2nd waves of the pandemic, India's central bank adopted some unprecedented steps to help borrowers, including a six-month loan moratorium that ended on 31st August 2020 and special loans to refinance MFIs. Sa-Dhan has played a pivotal role in convincing the RBI towards providing substantial aid to the sector.

A.1. Advocacy to meet Liquidity Crisis

A.1.1. Representations to the Prime Minister's Office (PMO), the Ministry of Finance (MoF) and the RBI:

Due to the pandemic related lockdowns imposed in March 2020, MFIs' income was adversely affected. In this regard, Sa-Dhan had written to RBI regarding relief measures for the sector. The Reserve Bank responded positively by including various measures in its regulatory package. The RBI also supported the sector through moratorium till August 31, 2020. The RBI requested the Credit Information Companies (CICs) not to reflect the moratorium information on client's credit report to protect them from future discriminations. Though it was not a mandate, yet majority of the MFIs extended a blanket moratorium to clients. As there was an urgent need for funding support for the sector, Sa-Dhan engaged regularly with the PMO, the MoF and the RBI regarding fund infusion. In the TLTRO 2.0 the RBI infused liquidity into the system specifically for NBFCs and MFIs. Its Special Liquidity Limit of ₹5,000 crores to NABARD to provide refinance to small MFIs and NBFCs with an asset size of ₹500 crores or less was timely

A.1.2. Support from financial institutions:

Sa-Dhan represented to the RBI for a special window of financial assistance through financial institutions, SIDBI and NABARD. Subsequently, the RBI announced a Special Liquidity Facility (SLF) of ₹15,000 crores to SIDBI, to enable it to provide liquidity support to MFIs and NBFCs. While SIDBI initially sanctioned funding support to MFIs for 90 days, it subsequently changed the tenure to 1 year as per Sa-Dhan's request. Sa-Dhan requested NABARD for relaxing the guidelines in the Additional Special Liquidity Fund (ASLF) to small and medium MFIs. The request for reducing cash margin to 10 percent was accepted. Sa-Dhan also suggested modifying the criteria of 6 months residual validity for grading.

A.1.3. Relief support sought during the second wave:

In order to address sectoral challenges during the second wave of COVID-19, Sa-Dhan requested for an additional support. This included an extension of the emergency credit line, in addition to the support measures announced by the central bank. Sa-Dhan has sent a representation to the Governor of the RBI to support the sector to cope in this difficult phase.

Key points of the representation are as follows:

- Partial Credit Guarantee Scheme 3.0 be introduced which may boost confidence of Banks to lend to the Microfinance sector especially small and mid-size MFIs with relatively lower ratings.
- Banks and Development Financial Institutions (DFIs) may assess the cash flow situation of MFIs and accordingly provide them moratorium or restructuring support for 6 months to 1 year. During the 1st wave of COVID-19, only 40 percent of lenders provided moratorium to MFIs which led to severe liquidity crunch for MFIs.
- The present base rate linked interest rate cap may be replaced with margin cap-based interest rate with an overall cap of 26 percent or inclusion of base rate of Small Finance Banks (SFBs) in the overall base rate calculation.
- DFIs may be advised to follow context specific lending norms allowing certain

relaxations in rating and grading rather than rigid norms that were designed for Pre-COVID conditions, so that it would facilitate better flow of funds.

- MFIs may be allowed relaxations on provisioning norms based on Indian Accounting Standard up to December 2021 to facilitate lower provisioning and better liquidity.
- RBI may reiterate to State Governments on ill effects of loan waiver announcements and its implications on credit discipline and flow of funds to the marginalized sections.

A.1.4. Engagement with funding agencies:

Meeting with NBFCs lending was organized to discuss on funding to small and medium sized MFIs. The strategy of BC arrangement was also discussed to manage the fund crisis. NBFCs assured full support to the sector.

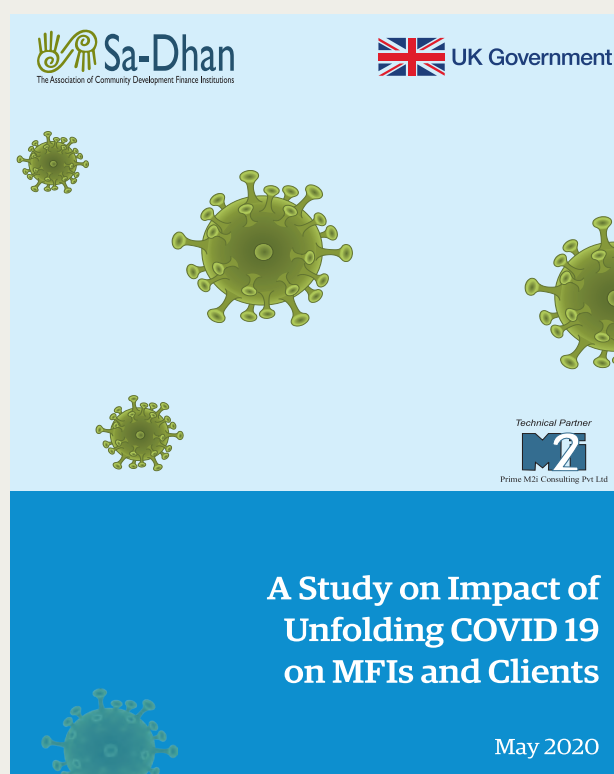
A.1.5. Directives of the Home Ministry on field operations during COVID-19:

Sa-Dhan liaised with Chief Secretaries, Finance Secretaries, District Collectors, Superintendents of Police, LDMs and DDMs in Tamil Nadu, Kerala and Karnataka, Odisha, Manipur, Uttar Pradesh, Madhya Pradesh, Rajasthan, Punjab, Maharashtra and Gujarat on resumption of Microfinance operations as per Directives of Ministry Home Affairs during lockdown.

A.1.6. A Study on Impact of Unfolding COVID-19 on MFIs and Clients:

Sa-Dhan undertook a study "Impact of Unfolding COVID-19 on MFIs and Clients" to understand the initial impact of lockdown due to the pandemic on the sector. Sa-Dhan collected data from 78 microfinance institutions. It also collected from 112 districts across 20 states and union territories in April 2020 and clients across the country. The study highlighted clients' urgent financial support requirement to revive livelihoods. It also accentuated the difficulties of small and medium MFIs during a severe liquidity crisis.

Sa-Dhan shared the report with relevant Government departments, stakeholders, policymakers, regulators and members. The Report can be accessed on Sa-Dhan website. The Study was supported by Foreign, Commonwealth & Development Office (FCDO) and was undertaken in association with Prime M2i Consulting.



A.2. Stakeholder Engagements

A.2.1. Term loan portfolio under Priority Sector Lending (PSL):

Sa-Dhan along with Small Finance Banks (SFBs) and the Association of Small Finance Banks engaged with the RBI to include term loan portfolios to MFIs, under Priority Sector Lending (PSL) norms prescribed for SFBs. A brief study was conducted to supplement its stance that SFBs are better placed to support smaller MFIs. Being difficult to access funds from Banks and Development Finance Institutions (DFIs), smaller MFIs raise funds from NBFCs at higher costs impacting end clients.

Subsequently on May 05, 2021, the RBI allowed PSL classification to lending by SFBs to small MFIs with asset size of less than ₹500 crores. This measure will help address the liquidity position of smaller MFIs both for Profit and Not for Profit MFIs.

A.2.2. Representation to RBI on Pricing of Credit:

As the quarterly base rate announced by the RBI has been consistently declining, with corresponding interest rate limit decrease the MFIs have been affected adversely with squeeze in margins. With high credit costs, it has far reaching effects on both profitability and sustainability. In this regard, Sa-Dhan has been in active discussion with the RBI and apprised on how the Small and Medium MFIs have to primarily rely on NBFCs for their

funding. Sa-Dhan suggested to either follow only the existing cost of fund and margin formula or include Marginal Cost of Funds based Lending Rate (MCLR) of SFBs to make the calculation more inclusive subject to the pricing cap of 26 percent. Inclusion of MCLR of SFBs will bring the interest rate cap closer to the actual cost of providing credit for small and medium size MFIs. Sa-Dhan contends it will be useful to protect small and medium MFIs from base rate fluctuations to maintain operational sustainability and profitability.

A.2.3. Representation to RBI for Comprehensive Regulations: Sa-Dhan has been advocating with the RBI for quite some time for a harmonised regulation for all lenders rather than only NBFC-MFIs. This will help to enhance client protection and bring sustainable growth to the sector. The RBI had asked Sa-Dhan to share some inputs on the discussion paper which they are initiating on the comprehensive regulation for microfinance activity. Sa-Dhan in this regard has shared a few recommendations with the RBI to be considered for a comprehensive regulation. We are working with RBI on the draft paper on the Regulations.

A.2.4. Representation to Finance Ministry and DAY-NULM: To resume livelihoods of street vendors who were adversely affected due to COVID-19 lockdown, the Ministry of Housing and Urban Affairs launched PM Street Vendor's Atmanirbhar Nidhi (PMSVANidhi) where the government unveiled ₹5,000 crores special facility for street vendors. Sa-Dhan coordinated with SIDBI and Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) for on boarding of MFIs under this scheme. Sa-Dhan conducted e-interactions with member institutions, SIDBI and NULM for registering MFIs on PM Street Vendor portal. Under this scheme, a vendor can get initial working capital of up to ₹10,000. It is estimated that nearly 50 lakhs street vendors would benefit from this scheme and MFIs are best suited to implement this credit facility.

A.2.5. Engagement with Insurance Regulatory Development Authority (IRDAI): Sa-Dhan presented a memorandum to the IRDAI on Credit Life Insurance Policies with COVID-19 related clauses. The memorandum shares the unnecessary harassments by insurance companies pertaining to Credit Life Policies. Sa-Dhan pitched for coverage under Credit Life policies be available to all microfinance

borrowers. Sa-Dhan further petitioned IRDAI to extend insurance tenure to all insurances aligned with the moratorium from their respective Insurance Companies. This was done to mitigate risk for any borrower to carry a non-insured loan.

A.2.6. Representation for PF Contribution: Sa-Dhan represented to the Ministry of Labour and Employment requesting to modify the conditions of the support package for MFI staff. The representation was sent in response to the Government's 'economic relief package where it was mentioned that the Employer's and Employee's PF contribution for three months would be paid by the Government to ensure that employees' EPF continuity. Sa-Dhan requested the government to extend it to small MFIs even if less than 90 percent of employees are receiving salary of ₹15,000 per month or less and even if the number of employees marginally crosses 100. We have also mentioned that this relaxation will give much needed succour to the small MFIs struggling with their finances in the aftermath of COVID-19 Pandemic.

A.2.7. Sa-Dhan's recommendations on budget 2021-22: On behalf of members, Sa-Dhan presented its Budget wish-list to the Finance Minister and was a part of the webinar organised by the Department of Financial Services, Ministry of Finance. The recommendations from Sa-Dhan included Special funding window under TLTRO for MFIs, Issuance of tax-free Social Bonds for 5 years by SIDBI/NABARD to exclusively provide debt to MFIs, introduction of Credit guarantee scheme and refinance facility for MFIs through NABARD/SIDBI/MUDRA and relaxation of Alternative Investment Fund subscription amount from ₹5 Lakhs to ₹100 Lakhs for individual investors. Hon'ble Prime Minister made the opening remarks in the webinar outlining the focus of Budget 2021-22.

A.2.8. Representation on e-KYC: Sa-Dhan has been stressing on the issue of e-KYC authentication of clients by NBFC MFIs. The association has written to RBI, UIDAI (Unique Identification Authority of India) and the Ministry of Finance emphasizing that the absence of e-KYC has increased loan-processing time while increasing frauds and costs for clients. In the absence of e-KYC an alternative could be c-KYC for MFIs. Sa-Dhan is engaging with RBI to make c-KYC accessible for all MFIs.

Policy Advocacy Efforts

B.1.1. Impact of The Assam Microfinance Institutions Bill (Regulation of Money Lending): Assam State Government passed 'The Assam Microfinance Institutions (Regulation of Moneylending) Bill, 2020'. The bill threatened to pose severe operational challenges to the microlenders operating in the state. As soon as the bill was passed, major political parties declared loan waivers, resulting in higher delinquency.

With the newly elected government, a committee has been formed to assess the situation of the microfinance sector at the ground level. This committee has requested the Finance Department to detailed submit a report. The state finance department is in consultation with the key stakeholders, including the RBI, NABARD, practitioners and Sa-Dhan to understand the implications of the said act on the sector. Sa-Dhan is engaged in several discussions with the State government and the RBI and has presented a detailed clause wise analysis of the bill and its potential impact. Sa-Dhan, as the sector representative, has proposed that in lieu of the act some stronger measures like setting up grievance redressal cells in districts for faster complaint resolution, rigorous monitoring of data and also that the committee should work closely with government to supervise Sa-Dhan has also noted that on the sector as well as clients. The loan size should be smaller, within ₹30,000-50,000 and provide relief measures for the stressed clients. Based on the collective inputs the State Finance department will soon file their observations to the committee.

B.1.2. Collection Distress in Punjab: The RBI's announcement of moratorium was misinterpreted as loan waiver by clients in few districts of Punjab. A section of the microfinance clients with the influence of some external sources and few local unions campaigned against microfinance institutions and attempted to influence the borrowers to stop repayment of loans. Sa-Dhan intervened and engaged with the state Chief Secretary, the Principal Secretary and

the Director General of Police and conducted a series of meetings with the MFIs operating in Punjab. Sa-Dhan has supported and guided the MFIs to intensify their financial literacy programmes and to educate the clients about false rumours.

B.2. State Rural Livelihood Mission (SRLM) Engagement: As a National Support Organisation (NSO), Sa-Dhan has the responsibility to support SRLMs to strengthen the initiatives on Financial Inclusion. Sa-Dhan took the lead in creating a dialogue with various SRLMs especially in Tamil Nadu, Karnataka and Arunachal Pradesh to examine opportunities for job creation in rural areas.

B.3. State Elections: Sa-Dhan made representations to the State Election Commissioners in Bihar, West Bengal, Tamil Nadu, Kerala, Pondicherry and Assam regarding smooth MFIs operations during the Model Code of Conduct (MCC) of Assembly elections. Sa-Dhan engaged with all District Electoral Officers, SPs, LDMs, DDMs and NABARD to address field level issues. Sa-Dhan also issued advisories to member MFIs/SFBs/Banks operating in concerned States on Responsible finance operations during implementation of Model Code of Conduct.

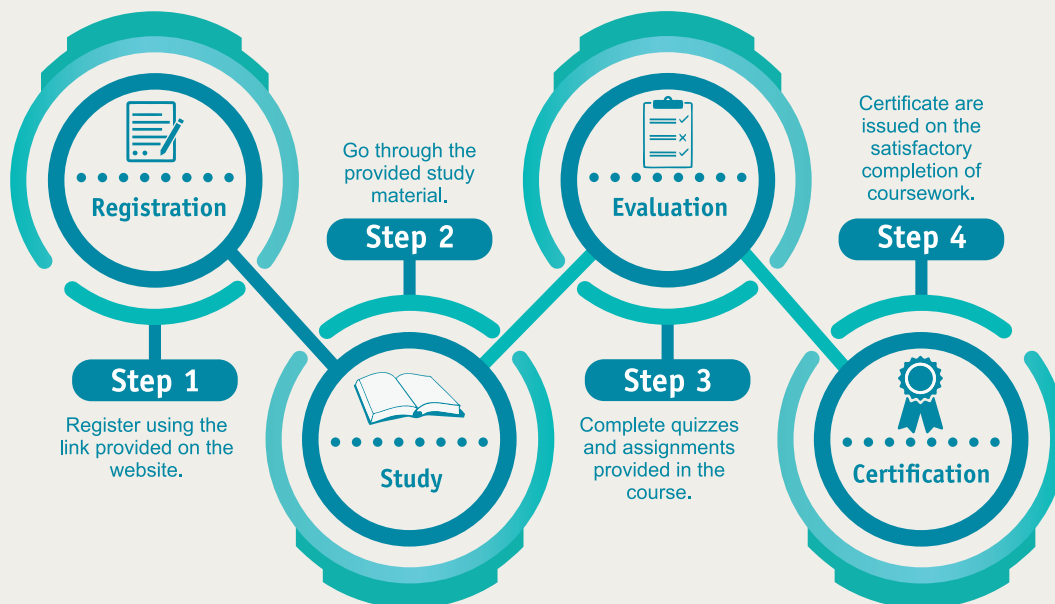
B.4. Capacity Building Initiative: As a Capacity Building initiative for District Co-ordinators of MFIs, Sa-Dhan in collaboration with state microfinance associations KASAFI in Kerala and AKMI in Karnataka organized sensitization programmes. The objective of the programme was to share Industry analytics, risk ranking of different districts, important aspects of the RBI Fair Practice Code, observations under SRO visits and FAQs on Microfinance. Field level issues in concerned States were also discussed in the programme.

B.5. Online Training Courses for Microfinance Professionals: Sa-Dhan in collaboration with Prime M2i Consulting Pvt. Ltd. has been offering courses for microfinance professionals in 10

languages. It is an initiative of Sa-Dhan to equip microfinance professionals with the necessary skills and knowledge to become more effective in their respective roles. These courses have been designed to make it most useful for people who are either already working in the microfinance industry (with an MFI, Small

Finance Bank, Banks or industry associations) or are planning to join the industry. However, students from various training institutions who are not a part of the MFI sector but wishes to pursue a career in this sector have also joined the course.

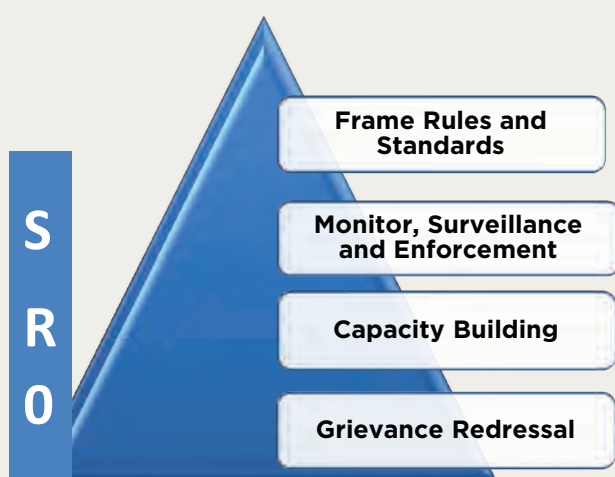
How Does It Work?



Role as an SRO

In 2015, Sa-Dhan was recognised by the RBI as a Self-Regulatory Organisation (SRO) for the NBFC-MFIs. As an SRO, Sa-Dhan's duty includes administering industry regulations, tools and performance standards for effective monitoring of MFIs. SRO also looks after MFIs compliance with regulations and Code of Conduct in the best interest of clients. Sa-Dhan strives to enhance and maintain standards in all areas with a view to protecting and promoting the interests of MFIs and their clients. It also reports to the Reserve Bank of India regularly on sectoral development and concerns that help them to take informed decisions.

The objectives of the SRO are implemented through 4 core functions:



C.1. Supervision and Field Assessment

Visits: Sa-Dhan undertakes regular field visits to understand clients' requirement and their grievances, recommending corrective measures, if required. As an SRO, these visits help to observe operations of MFIs pertaining to the Code of Conduct and RBI regulations. It also looks into over indebtedness, compliance of proper documentation procedures, bundling of products, etc. During such visits, Sa-Dhan interacts with clients to ascertain their awareness regarding rate of interest, charges levied by MFIs etc.

Due to movement restrictions during the financial year, travelling of the team to visit offices of

MFIs was restricted to Tamil Nadu (Cuddalore, Villupuram, Trichy, Thanjavur, Erode, Thiruvavur, Madurai, Pudukottai, Salem, Namakkal, Nilgiris, Tirunelveli, Tirupur, Kanyakumari, Coimbatore), Karnataka (Bangalore), Odisha (Puri), Bihar (Patna, Muzaffarpur, Samastipur, Sheohar), West Bengal (Uttar Dinajpur), Uttar Pradesh



(Lucknow, Barabanki Fatehpur, Rai Bareilly, Jaunpur, Chandauli, Varanasi), Maharashtra (Amravati, Nagpur, Sangli, Ahmednagar, Pune) and Madhya Pradesh (Sehore, Hosangabad, Bhopal). Sa-Dhan visited the branches and head offices of 80 MFIs and interacted with clients and staff members.

C.2. Credit Assessment Tool: At present, MFIs are using different process and methodology for credit assessment of clients. Sa-Dhan has designed an effective, robust and standardised credit assessment tool. It is a simple tool for analysing repayment capacity of the customer and make it publicly available to all lenders. The tool helps in a unique way to get the accurate repayment capacity, poverty assessment and can be linked with the credit assessments which was mostly not assessed by the MFIs during credit assessment process.

The components of Sa-Dhan Credit Assessment Tool are:

- Household Member-wise Basic information and Income
- Household well-being assessment through various proxies

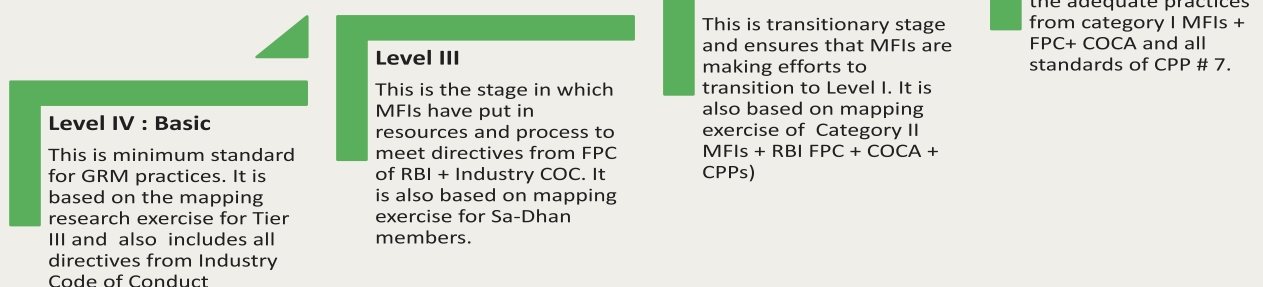
- Household Income and Expenditure assessment
- Household Indebtedness and Client's repayment history assessment.

To understand the effectiveness of the tool, a pilot was completed in collaboration with seven MFIs of different sizes and legal forms and one SFB, covering a sample size of 500 clients across 6 states of 5 regions. One of the major finding of the pilot relates to accurate assessment of clients' ability to repay.

Based on the pilot data Sa-Dhan will set certain benchmarks for the sector such as a recommended credit product for household having different repayment capacity, separate indebtedness cap or instalment cap for comparatively poor households. Sa-Dhan is certain that these benchmarks will help to reduce micro-borrower's indebtedness level.

C.3. Grievance Redressal Mechanism: Sa-Dhan has been actively working to promote and strengthen the existing Grievance Redressal Mechanism (GRM) of MFIs to ensure better client protection and responsible financing.

- **Four Level GRM Framework:** To strengthen the function of monitoring the grievance mechanism at the MFIs level, Sa-Dhan has developed a multilevel GRM mechanism that can help monitor the different layers of practices existing amongst our members. GRM framework Level IV demonstrates "Good Practices" (mostly high standards for NBFC MFIs), Level III, demonstrates 'Adequate indicators for GRM Framework', while Level II shows that the institution is making progress and is categorized as 'Intermediate Level'. Level I, the Basic Level, demonstrates the minimum level that all institutions (NGOs, Trusts, Section 8 Companies etc.) irrespective of size, need to be at.



- **Recommendation to the RBI:** Sa-Dhan shared with the RBI key recommendations to strengthen existing grievance redressal systems for the sector that will benefit all segments of clients, especially the rural clients, in getting their grievances and queries resolved in a timely and effective manner. The suggestions Sa-Dhan has made include:

- Linkage of Ombudsman with MFI's GRM systems to monitor their unresolved client complaints on a monthly or quarterly basis.
- To make it more accessible at the district level, the facility should be expanded to address grievances in 8-10 vernacular languages in at least the top 8-10 languages.
- Strengthening the network by expanding the Ombudsman to all States to cover all clients, especially rural clients.
- Organizing financial literacy camps among clients to educate them on different types of grievances, the method of registering a complaint and the process of getting it resolved.

- **Quarterly analysis of Grievances:** Every quarter Sa-Dhan team collect grievances received by MFIs. Data collected from MFIs are analysed to know the number of complaints received and resolved, percentage of complaints pending resolution. Sa-Dhan regularly engages with a sample of complainants to gauge the level of satisfaction. It also analyse the trend pattern of the grievances under different categories. These analyses with are shared the RBI for better client protection.

- **Sensitization programmes:** In the past year, Sa-Dhan has organized 12 sensitization programmes across 7 states (Bengal, Bihar, Uttar Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu, and Karnataka) for clients to better understand and use the GRM process with their MFIs.

C.4. Sambandh - Alleged misappropriation of Fund: Odisha based MFI, Sambandh Finserve Pvt. Ltd. (SFPL) defaulted on its repayment obligations and forensic audits suggested fictitious disbursement, withdrawals and deposits in its books. Sa-Dhan engaged with Senior management and Board for clarifications, undertook its own field investigations, and interacted closely with lenders and rating agencies to assess the facts. A show-cause notice was sent to SFPL and subsequently based on their replies discontinued the membership as per the relevant clauses of MoA.


Odisha holds a significant share in the microfinance sector with loan outstanding ₹14,253 Cr (March 2021) serving approximately 32 lakhs borrowers. However, due to the pandemic and the fraudulent incidents at Sambandh Finserve, fund flow was hampered. To ensure continuous fund flow, Sa-Dhan and Odisha State Association of Financial Inclusion Institutions (OSAFII) organised a meeting with the Lenders and MFIs in Odisha to interact with the lending organizations to restore trust and transparency.

C.5. Code for Responsible Lending (CRL) Activities and Implementation: Code for Responsible Lending was drafted and implemented with uniform principles for customer-conduct in micro-credit. The Code is sector-specific and entity agnostic. One of the major guidelines in CRL mandates that only three microcredit entities can lend to a client at the same time and that a fourth entity will not be able to lend to the client with three active loans. The CRL Steering Committee the following points were incorporated:

- To encourage MFIs to adopt digital business modes as the current model involves high level of physical contacts.

- To progressively adopt Comprehensive Credit Information Report (CCIR) for both customer and spouse by MFIs. This would give better view of customer's household indebtedness and credit behavior.
- The committee aims to progressive adaptation of employee bureau by all CRL signatories.
- Regarding restructuring of loans to provide relief to customer during the pandemic, the committee decided that if any lender restructures a loan, that lender alone can give a fresh loan to that customer. Other lenders can lend to the customer only after the loan outstanding in respect of the restructured loan is reduced by 50 percent of the original amount.


C.6. Financial Literacy Activities: Sa-Dhan has developed SRO communication material for MFI staff and clients, for building client awareness and enhancing financial literacy. These are designed in local languages for providing clients with vital information on financial literacy. Dos and Don'ts, their rights and duties are explained through infographics.


Financial Literacy & Client Awareness

Financial Planning

Balancing your Income and expenditure in order to save money.

Don't borrow more than your repayment capacity.



Compulsory Group Training (CGT)

- RBI's Rules & Regulations.
- Loan features and other terms & conditions.
- Importance of Centre Meeting.
- Toll free Complaint Number and procedure.
- Concept of Credit discipline.
- Credit Bureau and credit history.
- Details of credit-linked insurance coverage.
- Culture and Discipline of loans.
- Products & Services of MFI/Lender.
- Group guarantee concept, Non-collateral/Peer pressure.
- Danger of Ringleaders/ Agents/Pipelining.
- Conditions of Pre-closures.
- Digital transactions method.

Client Duties

- Attend centre meetings regularly.
- Avoid delay in repayment unless emergency.
- Give full and appropriate information about household income and loan utilization.
- Keep away from Ringleaders, Agents for getting loans from MFIs.
- Avoid Money lenders.
- Be careful of over borrowing.
- Balance your income and expenses.

Client Rights

- Know genuineness of your Lenders.
- Get passbook/loan card.
- Get product details (loan amount, tenure, repayment frequency, annualised interest rate on reducing balance method, processing fee, total amount payable, any other charges or fees etc).
- Get all terms & conditions of Insurance (Premium of credit-linked life insurance cover, coverage amount and risks covered, documents details and settlement procedures).
- Get details of documents required for KYC.
- Get details of customer grievance redressal system.
- Get acknowledgement/receipt of payments.
- Ask reasons for loan rejection.
- Know details of Household Income, Loan Limit, Lender Limit etc.

Effect of Bad Borrowing

- Debt burden and financial troubles.
- Default in repayment of loans.
- Feeling isolated from the main stream due to financial distress.
- Quality of life and family well-being affected.
- Leading to multiple loans to pay old borrowings.
- Rejection from all Lenders for negative credit scores.
- Failure of business and livelihood opportunities.

Client Protection Measures
(Client should know CP measures of MFIs)

MFIs Code of Conduct (CoC) has specific section on Client Protection measures which includes: Appropriate collection practices, Staff behaviour, Privacy of client data, Grievance redressal, Income assessment/Loan utilization, Appropriate product design and delivery, Responsible pricing, Transparency etc.

Clients can easily access this information when they visit branches. This is an initiative for motivating the clients towards responsible borrowing; and promoting responsible lending by sensitizing field staff. Sa-Dhan has translated the CoC in 10 different languages (Bengali, Odia, Tamil, Kannada, Marathi, Gujarati, Hindi, Punjabi, Malayalam and Assamese) to make it more accessible.

C.7. SRO risk analysis at district, pincode and institution level: Sa-Dhan has developed a “Self-Assessment and Monitoring Tool” to understand the overall state of the sector and to identify the potentially high-risk geographical areas. Reports of such analyses are regularly shared with the RBI, member MFIs and other Stakeholders. Sa-Dhan members find these reports beneficial for their strategy initiatives and risk management.

Status of Microfinance at district level: Analysis of data is done to determine the overall state of the sector and identify the magnitude of multiple lending, penetration level, potentially high-risk geographical areas and early warning areas. Districts are evaluated on three rules – (a) percentage of active microfinance borrowers (legal form agnostic) to the total households (census 2011), (b) percentage of borrowers having more than 2 lenders (legal form agnostic) and more than ₹60,000 outstanding and (c) percentage of borrowers having more than ₹1 lakh outstanding. Sa-Dhan regularly shares this analysis among its members to highlight the severity of multiple lending and other early warning signals at the district level.

- **High Risk Districts based on Potential Risk Level:** Top 100 districts are identified based on over indebtedness, multiple lending, PAR 30+, PAR difference, economic potential, Growth ratio and the number of lenders. Risk score is calculated for each district based on the seven parameters mentioned. The districts are ranked on each parameter and weightage are given on the rank to calculate a comparative risk score for each district and the score is adjusted to fit a scale of 0 to 10 where 0 denotes the least risk and 10 indicates the highest risk. The list is shared with the member MFIs on a

monthly basis. To incorporate the impact of pandemic on microfinance operations we have included the number of active COVID-19 cases for the calculation of potential risk score for each district.

MFIs having significant exposure in potential high-risk districts are identified and advisories are sent to them to assist in their risk management strategies.

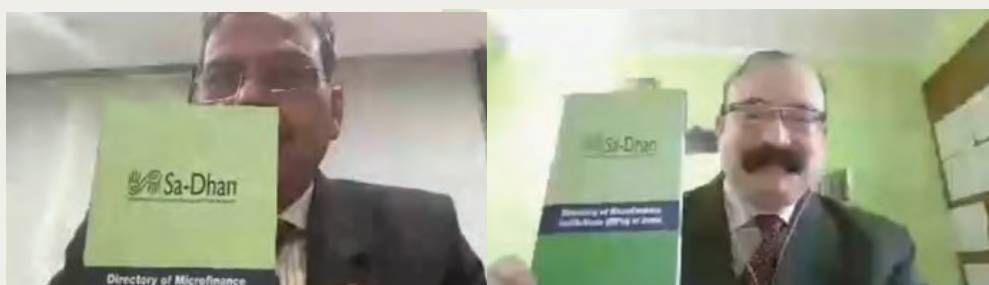
- **Granular district-level Analysis:** In order to have a deeper understanding of both over indebtedness and potential for further microfinance activity at pin code level, state data is separately analyzed in terms of portfolio size for each district. For the analysis the “economic potential” and microfinance “penetration” have been factored in and how they inter-relate with other parameters such as over-indebtedness, PAR, multiple lending, number of lenders etc. For economic potential of districts World Bank’s Economic Potential Index is used. This index is evaluated on the basis of market access, economic density, level of urbanization, human capital and local transport.

C.8. Engagement with Ministry of Finance on evolving Risks: The SROs engaged with the Secretary, DFS, Ministry of Finance on specific four eastern states (Assam, West Bengal, Odisha and Bihar). Sa-Dhan shared field level regulatory issues and challenges faced by the MFIs in these states. Sa-Dhan is regularly tracking the issues and the potential early warning signals for the states. Some of the reasons for high PAR and overheating are issues of reverse migration, COVID-19, flood, loss of livelihood, and large banks providing microcredit. Sa-Dhan has submitted a comprehensive note to the Ministry with a detailed analysis on the specific reasons on the over heatedness for the four states.

C.9. Quarterly Sectoral Reports: To reflect sectoral changes from time to time, Sa-Dhan collects and analyses data from members on a quarterly basis to develop the Q-MF (Quarterly Report on the Microfinance Sector). Quarterly Report on the Microfinance Sector allow the

sector to build an understanding on the growth of Client Outreach, Net Loan Portfolio, Gross Loan Portfolio, BC Portfolio, Staff Productivity and Financial data like funding from different sources, region wise change and shifts. More than 140 MFIs – the largest data set – contributed data for the Q-MF Report this year.

C.10. MFI Directory 2020: Sa-Dhan has been periodically updating and publishing a comprehensive MFIs Directory every two years since 2014 with the aim of providing authentic data of registered MFIs operating in India. The MFI Directory -2020 was launched by Shri Manoj Mittal, the then Deputy Managing



Director of SIDBI (presently MD and CEO of IFCI), in the presence of representatives from microfinance sector and senior officials of SIDBI. It carries details of legal form, headquarter, year of establishment, operating states, client outreach, portfolio, etc. These are being circulated across the country to District Magistrate/District Collector's offices, SP's offices, MFIs and government stakeholders. The Directory has helped the administration and law enforcement authorities to identify the authenticity of MFIs and protect clients

from unscrupulous agencies posing as MFIs. It is a one-stop accurate repository of the Microfinance Institutions.



C.11. Advisories to Members: Sa-Dhan issued a series of advisories/directives to the member MFIs/SFBs on responsible lending as per Fair Practices Code of BI and Social distancing norms as issued by the Ministry of Home Affairs (MHA). It requested the members to give utmost priority to health of clients and staff and urged them to create awareness on COVID-19 and following of social distancing norms. In this regard, Sa-Dhan has shared Information, Education, Communication (IEC) materials to

create awareness on moratorium and grievance redressal mechanism. The Association also issued directions to the MFIs to properly assess the economic, financial, health, and

emotional status of the clients and provide necessary support to stressed clients.

C.12. The Bharat Microfinance Report: The Bharat Microfinance Report (BMR) 2020 was released by Dr. G R Chintala, Chairman, NABARD in presence of sector experts like Mr Vijay Mahajan, representatives of microfinance institutions and senior officials of NABARD. This year, BMR was published on the basis of data collected and collated from 252 lenders, including microfinance institutions (For-profit



Sa-Dhan's Bharat Microfinance Report 2020 was released by Dr G.R. Chintala, Chairman, NABARD in the presence of Mr Vijay Mahajan, Founder of BASIX, Mr K V Rao, MD, NABCON, Mr Sadaf Sayeed, CEO, Muthoot Microfin, Mr Vipin Sharma, CEO, Access Development and other senior functionaries of NABARD.

and Not-for-profit microfinance institutions), NBFCs, SFBs, and Banks. The MFIs comprised of entities of all legal forms and the Report had the largest industry participation.

Sa-Dhan has been publishing The Bharat Microfinance Report since 2004 to showcase the performance of MFIs among stakeholders, notably Policymaker/Regulator, Financial Institutions, and Banks to enable them to consider the sector as potential investment destination. This is also to increase transparency and build credibility for the sector.

The report is divided into three parts. Part one covers the MFI sector and is based on primary data, Part two covers overall position of the microfinance sector based on data sourced from Equifax, whereas Part three covers the SHG sector, the BC model, and credit plus activities of microfinance sector. Data from NABARD, DAY-NRLM, RBI, IRDAI, PFRDA etc is also used in this section, apart from in-house collected data.

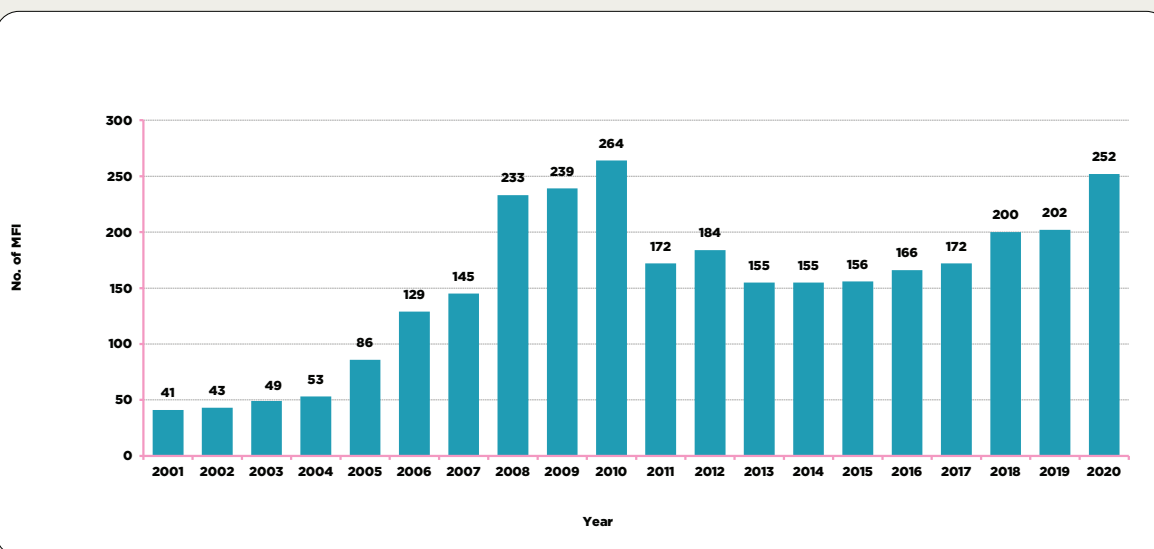
The BMR relies on primary data gathered from MFIs across India and secondary data culled out from various sources.

March 2020 - The total loan outstanding of the microfinance industry (including banks and SFBs) was ₹2,11,849 crores and the number of active loans was 1085 lakhs reaching out to 626 districts

March 2021 - The total loan outstanding of the microfinance industry is ₹2,47,839 crores (including banks and SFBs) with 209 lenders, number of active number loans is 1028 lakhs reaching out to 641 districts.

There is a growth of 17 percent over last year (2019-20). Total disbursement of all lenders during FY 20-21 is ₹2,00,081 Cr whereas it was ₹2,54,754 Cr during FY 2019-20. There is a decline of ₹54,672 Cr. (21 percent) from last year because of the pandemic. The number of active unique borrowers have increased from 593 lakhs to 599 lakhs in March 2021.

Apart from the sectoral overview the BMR also highlighted some innovative initiatives undertaken by MFIs and other stakeholders such as Technology use and Financial Literacy, Diversification of Products, Financial Inclusion through Business Correspondents (BCs), Grievance Redressal Mechanism best practices, State and District wise presence of MFIs etc.



Strategic Initiatives

D.1. Affordable Housing

Sa-Dhan with an integrated approach of strategy, policy advocacy and client engagement has been undertaking the task of scaling up affordable housing for Economical Weaker Section (EWS). In Puri and Konark, Sa-Dhan has set up two Housing Support Services with the aid of Foreign, Commonwealth & Development Office (FCDO). These hubs provide services required by the clients ranging from documentary support to livelihood advisory support, skill building, grievance redressal as well as financial inclusion.

Sa-Dhan has developed an Incremental Housing Product. The product would be applicable for the affordable housing segment across the country. With EWS housing needs being incremental and requiring amounts ranging from ₹50,000 - ₹300,000, Sa-Dhan has engaged with various lenders (Public Sector Banks, Pvt. Banks, Housing Finance Companies (HFCs), Small Finance Banks) to create a lending ecosystem for the under-served.



Sa-Dhan bringing the Supply side stakeholders to build Solar efficient disaster resilient sustainable affordable housing for the Economically Weaker Section.

Sa-Dhan has been aggregating data that will be helpful in paving way to fulfil the Pradhan Mantri Awas Yojana (PMAY) initiative by the Government of India in which affordable housing will be provided to the urban poor with a target of building 2 crores (20 million) affordable houses by 31 March 2022. The data depicts client credit history, household cash flow etc., and the database as of now boasts of over 1 lakh clients.

Furthermore, Sa-Dhan has been doing capacity building of frontline staff of MFIs/SFBs/HFCs to roll out the housing microfinance. The

training program included Housing Scenario in India/National Housing Missions, Fundamental of Affordable Housing, Institutional Framework for Housing Finance, Basic Terminologies and Definition, Disaster resilience and housing insurance, Types of properties - title and meaning of titles documents, home loan - mortgages and guarantees; appraisal of housing loan; PMAY - Urban and PMAY - Rural.

D.2. Digital Ecosystem Enhancement Programme

Sa-Dhan has rolled out a project "To Develop a Digital Ecosystem for Improving Access to Finance for Unbanked" supported by HSBC. The project has three broad goals: (a) Promoting education including special education, (b) Promoting gender equality and empowering women and (c) Rural Development. The project is for a period of 4 years, pan India. Sa-Dhan in association with its member Society for Model Gram Bikas Kendra undertook the first pilot in West Bengal and second with Satya Micro Capital Ltd in Punjab.



In the third year of this project, Sa-Dhan in association with SMILE Microfinance Ltd undertook the activities in Chennai, Tamil Nadu. Due to the pandemic, classroom training workshops could not be organised, instead virtual training for the last mile agents/ loan officers was conducted. Sa-Dhan has developed various animated videos on Digital Financial Literacy for Clients. The videos have been developed in 6 languages (English, Hindi, Tamil, Marathi, Bengali and Gujarati).

Slowly but steadily the clients are adopting technology. Technology has been immensely helpful in the time of pandemic. Majority of

the clients attended training, have been using technology for repayment of their monthly instalments. Technology has been useful in risk mitigation as well.

D.3. Water and Sanitation Financing

Sa-Dhan has strong engagement with water and sanitation financing segment and is instrumental to bring water and sanitation portfolio under Priority Sector Lending. Sa-Dhan has conducted studies and undertook advocacy activities with the lenders to facilitate water and sanitation loan to the poor. Studies have been conducted in seven states to find out the financial gaps that can be catered by MFIs to achieve the objective of “Swachh Bharat Mission” and for the promotion of water and sanitation financing. Sa-Dhan started Water Credit Adoption (WCAD) programme in Maharashtra, Uttar Pradesh, Madhya Pradesh and Bihar it has urged the MFIs to develop Water, Sanitation and Hygiene (WASH) product in their portfolio. In order to make WASH financing more sustainable and robust, WCAD - II was relaunched in all four states on 1st Jan 2020 for two years. During the pandemic, Sa-Dhan upgraded Information Education Communication (IEC) materials focussed on the health problems in absence of toilets and clean drinking water along with the solutions to overcome the issues.

The advanced print IEC materials and videos stressed on health and hygiene to protect from related illness along with designing of scientific toilets to make it sustainable. Virtual sessions were held to train on usage of upgraded education materials effectively to sensitize the marginalized people that included on programme orientation, various loan products, product promotion and WASH Financing. The efforts yielded fruitful results as MFIs educated their clients on health and hygiene during unprecedented challenges. Additionally, Sa-Dhan's continuous engagement with financial institutions like NABARD, SIDBI, MUDRA, etc. on their participation in this segment enabled MFIs receive financial assistance to strengthen their WASH portfolio and to fulfil the credit need of borrowers.

D.4. Financial Literacy Training for Clients

Sa-Dhan since its inception is engaged in capacity building of the clients, and financial literacy is a much-required programme for microfinance institutions. In this regard, Sa-Dhan in partnership with RBI under the Depositors Education Awareness (DEA) Scheme had to organise 2250 workshops across 22 states. The objective of the workshops is to educate the depositors on the various financial aspects (creating awareness on the opening of bank accounts, KYC, Anti Money Laundering etc). Due to COVID-19, in consultation with RBI, the plan has been shifted from physical training to virtual training. Two pilot training have been planned where both Sa-Dhan and RBI will be engaged together to organise the trainings using animated videos to reach clients at large scale.

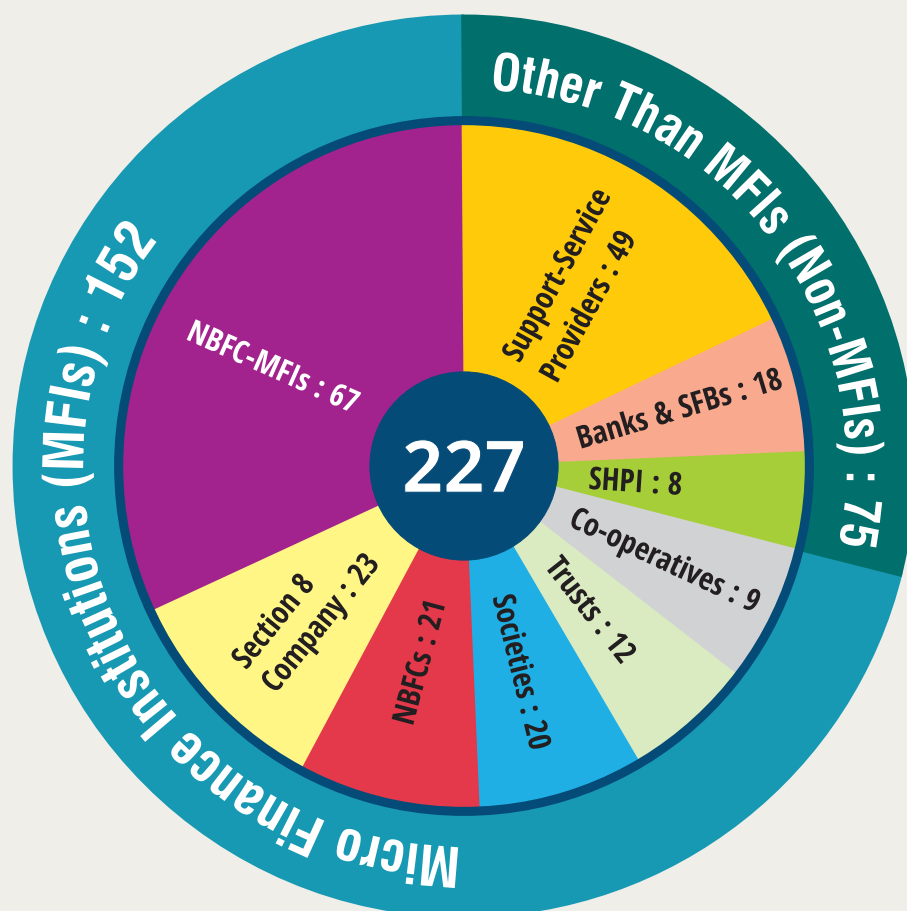
D.5. Renewable Energy

Sa-Dhan in association with SELCO Foundation has been working to understand and demonstrate the role of Microfinance Institutions in providing asset-based sustainable energy-driven solutions for the livelihoods of underserved households. Sa-Dhan is working on renewable energy in Puri and Konark. Despite travel restrictions and other challenges due to COVID-19 Sa-Dhan has engaged in training on planning, market assessment, technology, vendor selection, asset-based livelihood and green housing. A Standard Operating Manual has been prepared for the reference of MFIs who will undertake Renewable Energy Solution Programme. Separate training manuals are being made as reference materials for senior management and field workers. Sa-Dhan is involved in preparing case studies along with videos based on the experiences on renewable energy across India. In the subsequent phases, the intervention will be further customised according to the requirements of the MFIs and the various demands in their livelihood. Sa-Dhan and SELCO are looking for a long-term collaboration. An initiative has been taken up with Bureau of Energy Efficiency, Ministry of Power to promote financing of energy efficient electrical appliances.

Member Affairs

E.1. Members

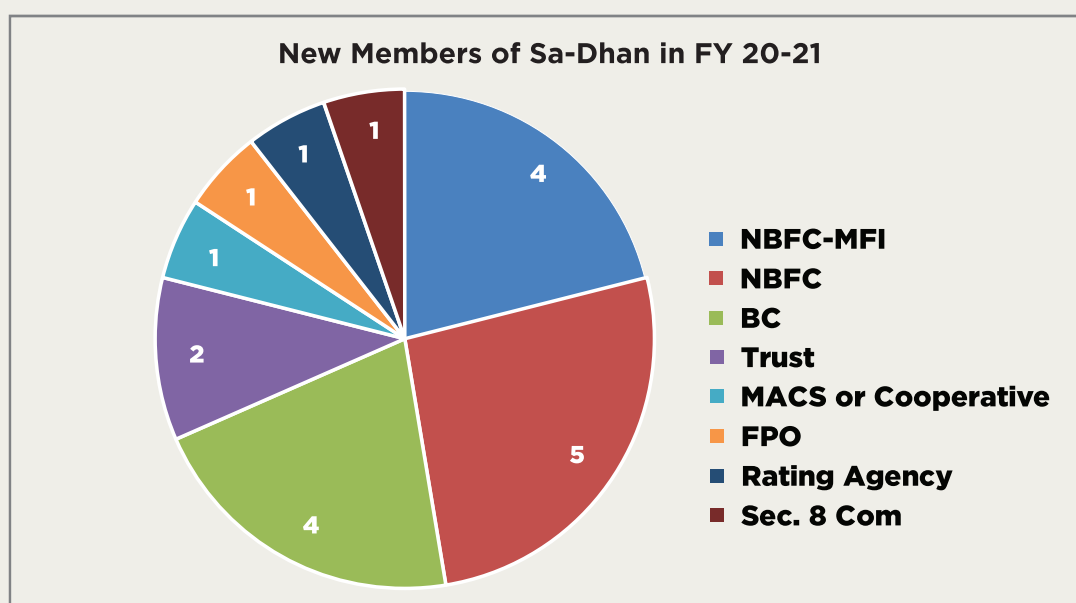
Sa-Dhan as the financial inclusion community's first effort at organised networking, came into being on 21st July 1999. Sa-Dhan is the largest and most diverse association of community development finance institutions. Sa-Dhan has a membership of 227 members (including NBFC-MFIs, NBFCs, Societies, Trusts, Section 8 Companies-MFIs, Cooperatives, Banks, SHG Promoting Institutions, support organisations etc.)



E. 2. New Members:

Every year, Sa-Dhan receives new applications for membership. These applications go through a process of due diligence and scrutiny. Later the

Membership Committee of the Board reviews and clears the membership applications for final approval by the Board. The new members who joined Sa-Dhan during the year 2020-21 are:



E.3. Members Engagement: Sa-Dhan organised virtual State Level Member Meets round the year with regional/zonal heads to ascertain the field level situation in the state. During this year several Meets were organised in Tamil Nadu, Maharashtra, Karnataka Gujarat, Odisha, Bihar,

Madhya Pradesh, Punjab, Uttar Pradesh, West Bengal, Manipur and Rajasthan with regional/zonal heads to ascertain the impact of COVID -19 on livelihoods and repayment, operational challenges, field level situation in the state etc.

SI No.	Name of the organisation	State/UT	Category / Type of Organisation
1	LaRaksha Social Impact Trust	Tamil Nadu	Development Foundation
2	Aasra Fincorp Pvt. Ltd.	Uttar Pradesh	NBFC
3	Samavesh Finserve Pvt. Ltd.	Uttar Pradesh	NBFC-MFI
4	Glowmore Finance Pvt. Ltd.	Odisha	NBFC
5	Mann Deshi Foundation	Maharashtra	Development Foundation
6	Prayas Financial Services Pvt. Ltd.	Gujarat	NBFC-MFI
7	Shakti Mahila Sangh	Madhya Pradesh	Co-operative / MACS
8	Finsigma Inclusive Services Pvt. Ltd.	Tamil Nadu	Business Correspondent
9	Orange Retail Finance India Pvt. Ltd.	Tamil Nadu	NBFC
10	Arthimpact Digital Loans Pvt. Ltd.	Maharashtra	NBFC
11	Samunnati Financial Intermediation and Service Pvt. Ltd.	Tamil Nadu	FPO Promoter and Investor
12	Friends Capital Services Ltd.	Uttar Pradesh	NBFC
13	Sai Mithra Micro Care Foundation	Tamil Nadu	Sec. 8 Com-MFI
14	Anik Financial Services Pvt. Ltd.	Maharashtra	NBFC-MFI
15	Taraashna Financial Services Ltd.	Haryana	Business Correspondent
16	Svasti Microfinance Pvt. Ltd.	Maharashtra	NBFC-MFI
17	Ambition Services Pvt. Ltd.	Delhi	Business Correspondent
18	Smera Gradings & Ratings Pvt. Ltd.	Maharashtra	Rating Agency
19	Citta Plus Consultancy Pvt. Ltd.	Tamil Nadu	Business Correspondent

Adaptation of Technology

F.1. Best Practices in Digital Collection

Sa-Dhan has examined the best practices within the sector and has brought it in public domain for those who are considering adopting innovative new digital solutions. Sa-Dhan has been constantly engaged with various MFIs to understand the different digital/alternative payment methods like UPI APP-based payments (BHIM, Google Pay, PhonePe), Card based payments, internet banking-based transfers, Aadhaar pay based payments, NACH, Bharat Bill Payments etc. Sa-Dhan observed that MFIs are encouraging clients to make digital payments as it reduces the risk of carrying cash and enhance operational efficiencies in the long run. During this pandemic the percentage of digital repayments have gone up and few MFIs have able to collect between 20-30 percent through digital payments/alternative payment methods. Sa-Dhan is in discussion with technology providers to build a more comprehensive understanding for the digital transformation and help members to develop financial literacy programs for micro borrowers.

F.2. A Study on Use of Technology among Small MFIs-Current status and Challenges

Sa-Dhan undertook a study on the Use of Technology among Small MFIs. Information was obtained from 50 small MFIs based on questions framed to benchmark the status of the smaller MFIs against practices of large and



medium sized MFIs which have been making use of the latest technological solutions.

The study showed that the smaller MFIs lagged in technology adoption for managing their operations. The absence of adequate in-house expertise is a major constraint in adopting appropriate technology. Lack of awareness of technology trends has hindered the implementation of technological solutions that can be suitable for their organisations.

Sa-Dhan will assist small MFIs to prepare strategic road maps concerning technology. Sa-Dhan can play an important role in helping smaller MFIs in adopting appropriate technology, which will help in scaling up refining efficiency, managing risks and improving client relationship management.

Prime M2i Consulting Pvt Ltd was the Technical Partner and the study was supported by Craft Silicon Pvt Ltd.



Communication and Outreach

G.1. Webinars

Sa-Dhan organised a series of webinars on regular basis on relevant topics to discuss various issues impacting the MFIs during the pandemic. Sa-Dhan organized **9 webinars** – “**Surviving and Reviving**” covering all aspects of the sector with its due importance on COVID-19.

1. *Strategies for MFIs in post lockdown scenario*
2. *A Study on Impact on Unfolding COVID-19 on MFIs and Clients*
3. *Financial Inclusion in Post COVID Era*
4. *Microfinance in the times of COVID-19. Ratings Outlook and the Road Ahead*
5. *HR in MFIs in a post pandemic scenario*
6. *NABARDs Vision - 2025 for Inclusive Finance*
7. *Integration of Health and Finance for the Underprivileged*
8. *Understanding FCRA Amendment*
9. *Use of Technology Among Small MFIs*

While all the Webinars are well attended and highly appreciated, Sa-Dhan takes immense pride in hosting Nobel Peace Laureate Prof Muhammad Yunus during a special episode. The webinar series highlighted the strategies of financial inclusion in relation to community engagement, entrepreneurship, social

business, issues and challenges for the MFIs in terms of rating and grading, risk management and efficient operation management, Communication, and interpersonal skills (HR perspective) and digitalisation. There was an exclusive webinar on NABARD's vision of financial inclusion by 2025, which was addressed by Dr GR Chintala, Chairman, NABARD.

All webinars have been uploaded on the official YouTube channel for easy access.

G.2. Dialogue with the Legends

Dialogue with “Legends of Financial Inclusion” is a series of virtual interviews started by Sa-Dhan. The interviews are uploaded in our exclusive you tube channel and social media to give access to a larger audience.

The series includes legends like:

- Mrs Ela R Bhatt, Chair Emeritus-Sa-Dhan, Founder of SEWA Bank
- Mr Vijay Mahajan, Founder Member-Sa-Dhan, Founder Basix Enterprise Group and currently the Secretary and CEO Rajiv Gandhi Foundation
- Mr Aloysius Prakash Fernandez – Former Chairman, NABFINS, Secretary of MYRADA, Chairman, Sanghamitra Rural Financial Services
- Mr Chandra Shekhar Ghosh – Managing Director and CEO of Bandhan Bank
 - Mr Graham A. N. Wright – Global CEO, MicroSave Consulting
 - Mr Samit Ghosh – Founder of Ujjivan Financial Services Ltd.
 - Ms Jayshree Vyas – Managing Director, Sewa Bank
 - Mr Brij Mohan – Former Executive Director, SIDBI

G.3. Media Engagement

Sa-Dhan continuously and consistently engages with media both at national and state levels. The media engagements are from sector development perspective. Media has widely covered the sector. Regular updates were shared with media



news about the sector, response to media and/or netizen queries among others and has effectively used Twitter, LinkedIn and Facebook to narrate stories and position the Association as an organisation that is a repository of knowledge. Sa-Dhan is regarded as a thought leader and media regularly reaches out to the association for critical inputs.

[illegible]

- Coverage generated in media 150+
- 90% of industry stories had Sa-Dhan mention or spokesperson

Coverage generated in media 200+

Some visible tweet snippets include:

- Sa-Dhan @Sadhan1999: Around 45% of the borrowers of MFIs are from the urban and semi-urban areas, which works out to about 20.46 million, of which nearly 31% are street vendors. [Microfinance](#)
- Sa-Dhan @Sadhan1999: Priority Sector Lending (PSL) guidelines issued by the [RBI](#). We are glad that while reaffirming the eligibility of bank loans, the [RBI](#) has enunciated its intention to extend to other
- Sa-Dhan @Sadhan1999: Sa-Dhan welcomes the inclusion of NBFC-MFIs as Channel Partners of [PSL](#) (National Small Finance Development) to provide
- Sa-Dhan @Sadhan1999: Sa-Dhan has suggested some alternative propositions for calculation of cost subject to the pricing cap of 26% protect the small and medium base rate fluctuations and the them to maintain operational
- Sa-Dhan @Sadhan1999: Sa-Dhan has submitted a pre-budget [memorandum](#) to the Hon'ble [Finance Minister](#) and requested to adequately support the [microfinance](#) sector to drive growth and consumption. Sa-Dhan requested for issuance of social bonds for five years NABARD to exclusively
- Sa-Dhan @Sadhan1999: Sa-Dhan has submitted a [memorandum](#) to the [RBI](#) and suggested some changes in pricing of interest rates for the sustainability of small and medium MFIs. Sa-Dhan suggested that how these MFIs rely on NBFCs for funding at rate
- Sa-Dhan @Sadhan1999: Sa-Dhan thanks [NITI](#) [Aayog](#) in the subgroup of [MSME](#) group held today. Sa-Dhan importance of development network for

Coverage generated in media
200+

Governing Body Meetings and Annual General Body Meeting

Governing Body Meetings: Sa-Dhan organised five governing body meetings in the past one year.

S. No.	Date of the Meeting	Total Members	Present	Not present
1	18 th June, 2020	11	8	3
2	28 th August, 2020	10	9	1
3	27 th November, 2020	11	9	2
4	11 th February, 2021	11	8	3
5	19 th March, 2021	10	8	2

Sa-Dhan's 23rd Annual General Body Meeting was scheduled on 18th June 2021.

Annual General Body Meeting: The 22nd Annual General Body Meeting (AGM) on 19th June 2020 was held in virtual mode due to the pandemic. The highlights of the last AGM were:

- ✓ A detailed discussion was held on various activities of Sa-Dhan viz SRO, Policy Advocacy, Member Affairs, Projects, Capacity Building Activities, Accounts & Audit and Courses of Action etc.
- ✓ The secretariat shared its efforts on handling of situations arising out of COVID-19. The General Body adopted

previous AGM minutes of meeting of Annual Report, Audited Financial Statements of FY 2019-20 and Annual Plan and Budget of 2020-21.

- ✓ In regard to the Board Members, two new Governing Board Members. Mr H P Singh, CMD, Satin Creditcare Network Ltd. and Mr Sarat Chandra Das, MD, Grameen Development and Finance Pvt. Ltd. were elected and Mr Mukul Jaiswal, MD, Cashpor Micro Credit was re-elected. Mr K Paul Thomas, MD and CEO, ESAF Small Finance Bank was elected as Chair, Mr Mukul Jaiswal, MD, CASHPOR Micro Credit and Mr H P Singh, CMD, Satin Creditcare Network Ltd. were elected as Co-Chair and Treasurer of Sa-Dhan respectively.

Sa-Dhan shared its regular engagement with the RBI and policymakers on various sectoral issues such as liquidity crisis, new formula for the interest rate and a margin cap, cost of fund issues, activity -based regulation, credit assessment tool and so on. Code for Responsible Lending and Revised Industry Code of Conduct was also shared. Members were informed about diverse and meaningful activities under Strategic Initiatives.

COVID-19 Relief Support by Microfinance Sector

I.1.1. Collaboration with Noora Health: Sa-Dhan initiated a health programme with MFIs for inculcating effective knowledge to the clients during the first wave of COVID -19. To take the initiative further Sa-Dhan collaborated with Noora Health, a US based NGO in developing training modules on how to take precautions to protect themselves and the community, special care for the vulnerable and sick people, healthy practices to be followed when going out of the home, community health education skills etc. A pilot training was done with 10 MFIs and 110 staff from various geographies. Apart from online training, participants were given the opportunity to attend several webinars for enhancing their skills and knowledge. Various training manuals and videos were provided to certified participants which they used in the field to prepare more health warriors and create awareness in the community.

I.1.2. Partnership with Reliance Foundation: With the objective of providing relief support to microfinance borrowers whose livelihoods are impacted by the pandemic, Sa-Dhan had partnered with Reliance Foundation for distributing ration kits and masks to MFI borrowers in Maharashtra, Delhi, Tamil Nadu and Puducherry. Sa-Dhan partnered with 15 Small MFIs in this intervention. About 45,000 ration kits and masks worth ₹2.50 crores have been distributed to MFI clients. MFI staff of

15 small MFIs were provided with masks and sanitizers. In addition to MFI borrowers, Sa-Dhan through member MFIs had also reached out to most vulnerable communities viz tribal, elderly, transgenders, gypsies under the intervention. The distribution drives at many places were inaugurated by Ministers, MLAs, local bureaucrats and police officials.

I.2. Relief support by our members

Humanity defines society. During the pandemic and braving it, people stood shoulder to shoulder to help one another. Those defining moments will be etched in memory of all. People across economic standing embodied the golden words of the 15th century poet-saint Narsinh Mehta – *“Para Duhkhe Upakāra Kare To Ye, Mana Abhimāna Na Āne Re.”* Each member of the microfinance industry took upon themselves to help society, in their own way. Sa-Dhan salutes the industry. There have been and also ongoing, various initiatives by MFIs to stand with the people during these trying times. This Annual Report captures few of the initiatives undertaken by members during the pandemic.

ESAF Small Finance Bank

During the pandemic ESAF SFB or ESAF participated in building a 500 bed First Line Care Centres in Angamaly, and few smaller centres in remote places like Kozhinjampara, Palakkad District. The bank has supported with ventilators, piped oxygen and even in building new wards hospitals across Kerala and central India. ESAF with the help of National Health Mission and District Medical Centres, has organised several vaccination awareness camps and vaccination drive that catered to masses and included tribal population.

ESAF has contributed to the Central and State Relief Funds and has been actively involved in supporting disadvantaged through its CSR activities. The bank has



provided television sets to panchayats many to ensure that school going children have uninterrupted access to education, distributed food kits across the country, and ran awareness camps in remote areas. A helpline for migrant workers was also started during the initial stages of the lockdown to help them navigate basic needs. The bank also launched COVID Care loans, to help small businesses and entrepreneurs bounce back from the financial hit of the lockdown.

Annapurna Mahila Co-op Credit Society Ltd. (AMCCSL)

Annapurna have proactively given anti-flu shots to all staff and provided electric kettles for hot water and sanitizer bottles in all offices. Regular fumigation of all offices is being done and work-from-home facility is given to staff having spouse or family members under home isolation. For the borrowers, financial assistance and distribution of food packets were distributed in Pune and Mumbai and moratorium on repayments due from March 20 to August 20 was given with no extra interest charged.

Anik Financial Services Pvt. Ltd.

The organisation distributed ration kits to 1800 women customers, 3000 masks to their clients and taken up the matter with local medical authorities for vaccination to our staff members on priority basis.

CASHPOR Micro Credit

CASHPOR successfully met the challenges posed by COVID-19 by creating awareness among our more than one million members and 4,500 staff, educating them and providing them with mask, sanitizers, soaps, hand gloves and providing free ration kits to needy poor members. CASHPOR created a Care Fund of ₹71.44 lakhs from the contribution of all the employees including the Chairman and Managing Director and CASHPOR contributing ₹47 lakhs. It provided Doctor on call (Tele medicine) facility by a panel of expert Doctors free of cost to all members and their families and 1,10,571 members have been benefitted from Doctor on call facility. Apart from this, have established and started 30 e-clinics in

the operating area for medical examination and treatment and counselling of the members and their families. By the end of financial year, 5,26,970 members have enrolled in our Doctor-on-Call program supported by e-clinics.

Grameen Development & Finance Pvt. Ltd. (GDFPL)

GDFPL has joined hands with Grameen Sahara and to give support to the affected families of Kamrup (as their head office is based in Kamrup) and have targeted to support 18,000 families with support of SELCO Foundation, Azim Premji Philanthropic Initiative and RCRC. Nearly 3000 families have been provided rations so far in several blocks of Kamrup district like Chayani Borduar, Chhaygaon, Rampur and Boko in the second wave of corona. During the first wave GDFPL and Grameen Sahara jointly worked with Indian Red Cross society in support of Azim Premji Philanthropic Initiative, Coca Cola India, RCRC and Heeya Social Enterprise and have provided rations to more than 7500 distressed families. The team also have mobilized funds to distribute other relief materials like tent, tarpaulin, sanitizers and masks.

Midland Microfin Ltd.

If employee deceased due to corona, Midland will support the family of employee through pension (approx. 50 percent of salary of deceased employee) to family up to 3 years and education cover for 2 children up to 3 years. Midland also decided to provide employment to dependent of deceased if his/her age is 21 years (Must be graduate). There is medical coverage for family up to ₹1 lakh and insurance coverage for the family of deceased of ₹10 lakhs.

Muthoot Microfin Ltd.

The organization has provided an additional COVID insurance for all employees, emergency loans for staff, 24x7 COVID-19 help desk for staff and an online tele doctor consultation for all employees and their dependents.

NABFINS Ltd.

NABFINS has covered all its staff members with a special COVID Kawach insurance of ₹2 lakhs to take care of their medical expenses if

any, due to COVID. This is in addition to their regular medical insurance for the staff and the family of ₹2.5 lakhs. All the staff members are being provided reimbursement to two doses COVID shield vaccines and a special leave of 15 days is granted with full pay to any staff testing COVID positive. In case of unfortunate death, an ex gratia amount of ₹1 lakh is paid and the immediate relative of the deceased is given a job in the organisation.

Prayas Financial Services Ltd.

Last year during the complete lockdown Prayas with the help of FWWB, Zomato, Feeding India and Godrej has distributed complete ration kit for 2-month ration to approx. 5500 families.

CreditAccess Grameen Ltd.

The institution has granted 28 days paid leave to staff in case of COVID infection, Salary advances, job to family person in case of any employee in affected by COVID.

Samhita Community Development Services

Samhita has undertaken various measures to support the migrants as well as the families affected severely due to the lock down. In the last one year it has distributed food to around 3,000 families and also gave grocery kits/dry ration, masks, sanitary napkins and medicines among the poor and underprivileged. Samhita has provided hand-holding support to the community members in accessing various government welfare measures, including financial assistance announced both by the Central and State Governments. Samhita has regularly advised the community members on safety measures/precautions to be undertaken through tele-calling.

Satin Creditcare Network Ltd.

The Satin Sahyog policy was created in the initial phase of the pandemic during 2020 and was ammended in 2021. It aims at providing social security to the family of deceased employees by providing term life Insurance of minimum ₹10 lakhs in case of normal death and

additional ₹10 lakhs in case of accidental death; EDLI of ₹6 lakhs; pension if the employee was the only wage earner; education assistance for upto 2 children; job for one member of the family and medicalim cover for 5 members of the family. This policy has boosted the employee motivation and strength towards the organisation and social security towards their families, helping build trust and satisfaction.

Satya MicroCapital Ltd.

SATYA MicroCapital Ltd. has launched SATYA Doctor Sewa, a Digital OPD platform to provide free-of-cost telephonic medical consultation services to support approximately 1 crore people across the nation. Under the SATYA Doctor Sewa initiative, the doctors respond to queries between 9am – 6pm on phone call and video call for general queries and are available for 24x7 consultation in case of emergencies, free of cost. SATYA has collaborated with SPES Super Speciality Hospital - Greater Noida with an occupancy of 50 general beds along with the facility of ICU and Ventilator beds to ensure on time adequate medical facility has been provided to our clients during the hour of emergency.

Shikhar Microfinance Pvt. Ltd.

The organisation took initiative in the setting up of the 100 bed COVID Care Centre at premise Mount Carmel School in Delhi. The Centre was opened to cater to the staff, clients and their family members as well as others from the common public who required hospitalisation.

Village Financial Services Ltd. (VFS)

Village Financial Services Ltd has taken Covid Insurance for each and every employee of the company to help out in case of medical emergency. The cost of vaccination is also being reimbursed to the employees to encourage vaccination. Masks and Sanitizers are distributed on regular basis among employees as well as borrowers and their families to ensure safety for all. VFS is doing sanitization of branches at regular intervals to ensure protection of visitors and employees.

Way Forward

The pandemic has given the industry an opportunity to aid in creating a strong rural economy. Creating a strong independent rural economy will not only halt rural to urban migration but in the years to come, the migration will be urban to rural. The time is ripe for the creation of venture capital to create entrepreneurs in rural India. The microfinance industry has been in the forefront of empowering the underserved. Sa-Dhan looks forward to work with all stakeholders to create a conducive entrepreneurial programme tailored for rural clients. This pandemic has shown a changeover to digitalisation in business processes as it reduces the risk of carrying cash and enhance operational efficiencies in the long run and Sa-Dhan has been promoting digitalisation playing a crucial role in capacity building of MFIs and clients to give a better understanding of the digital process and will help in all possible ways to reach out to the clients.

Sa-Dhan has played a critical role on behalf of the industry. Sa-Dhan as an SRO has been administering the industry regulations, tools and performance standards for effective monitoring of MFIs, their compliance with regulations and Code of Conduct in the best interest of clients. Sa-Dhan as an association is working in the areas of water and sanitation, clean and renewable energy, affordable housing, digital technology, micro-insurance etc. to build the capacity of the sector to design and deliver products as well as to identify the funding sources.

Sa-Dhan will continue its advocacy with Ministry of Finance, Ministry of Rural Development and Ministry of Housing and Urban Poverty

Alleviation in order to further create favourable environment for MFIs to operate.

Sa-Dhan will actively engage in dialogue with NITI Aayog, Ministry of New and Renewable Energy and Ministry of Information and Communication Technology on issues of relevance for the sector. The role of Sa-Dhan in strengthening and stabilizing the microfinance sector over the years has been well acknowledged by RBI, NABARD, SIDBI, NHB and MUDRA.



Dr Rajiv Kumar, Vice Chairman, NITI Aayog. Dr P Satish, ED Sa-Dhan, Mr Somesh Dayal, Deputy Director, Sa-Dhan shared about the dynamic and resilient nature of the sector during the pandemic.

Sa-Dhan expects further enhancement of this role in the years to come. Sa-Dhan has ensured that issues and concerns of member institutions are raised at appropriate platforms and a conducive environment is created for them to prosper and serve the underprivileged community of the society. As and when the microfinance sector starts to gradually recover from the negative impact of COVID-19, MFIs will have a crucial role to play in ensuring that the livelihoods of their clients are not derailed beyond recovery. To be able to play this role, they will need support in a manner that can ease their liquidity stress.

List of Sa-Dhan Members

as on 31 March, 2021

ANDHRA PRADESH	
Fincare Small Finance Bank Ltd.	
ARUNACHAL PRADESH	
Arunachal State Rural Livelihoods Mission (ArSRLM)	
ASSAM	
Prochesta	North Eastern Development Finance Corporation Ltd., (NEDFI)
UNACCO Financial Services Pvt. Ltd.	Grameen Development & Finance Pvt. Ltd.
Ajagar Finance Pvt. Ltd.	North East Small Finance Bank Ltd.
Nightingale Finvest Pvt. Ltd.	Asomi Finance Pvt. Ltd.
Satra Development Finance Pvt. Ltd.	
BIHAR	
Centre For Development Orientation & Training (CDOT)	Saija Finance Pvt. Ltd.
Sahyog Development Services	Seed Capital Pvt. Ltd.
CHANDIGARH	
Aadhar India Finvest Ltd.	
CHHATTISGARH	
Aviral Finance Pvt. Ltd.	
DELHI	
PRADAN	SEWA Bharat
Satin Creditcare Network Ltd.	Planned Social Concern
Punjab National Bank	CARE India
Plan International (India Chapter)	Shikhar Microfinance Pvt. Ltd. (SMPL)
Altura Financial Services Ltd.	National Scheduled Castes Finance and Development Corporation (NSFDC)
Capital Trust Microfinance Pvt. Ltd.	Satya MicroCapital Ltd.
Sahulat Microfinance Society	Subhlakshmi Finance Pvt. Ltd.
Simplified Fintech Pvt. Ltd.	Gramin Micro Credit Foundation
Save Solutions Pvt. Ltd.	Prayatna Microfinance Ltd.
Rashtriya Mahila Kosh	National Scheduled Tribes Finance & Development Corporation
Ambition Services Pvt. Ltd.	
GUJARAT	
SEWA Bank	Friends of Women's World Banking India (FWWB)
The Saath Savings and Credit Cooperative Society Ltd.	Arman Financial Services Ltd.
Indian School of Microfinance for Women	Ananya Finance For Inclusive Growth Pvt. Ltd.
Swayam Micro Services	Shroff Capital and Finance Pvt. Ltd.
Indian Institute of Public Health, Gandhinagar	Pahal Financial Pvt. Ltd.
Saath Mahila Savings and Credit Cooperative Society Ltd.	Prayas Financial Services Pvt. Ltd.

HARYANA	
Prime M2i Consulting Pvt. Ltd.	S. V. Credit Line Ltd.
Anandita Microcredit Services Foundation	Micro Credit Ratings International Ltd.
Mitrata Inclusive Financial Services Pvt. Ltd.	Religare Health Insurance Co Ltd.
Taraashna Financial Services Ltd.	
JHARKHAND	
Nav Bharat Jagriti Kendra (NBJK)	Vedika Credit Capital Ltd.
KARNATAKA	
Sanghamithra Rural Financial Services	OUTREACH
BSS Microfinance Ltd.	Creditaccess Grameen Ltd.
Opportunity Microfinance India Ltd.	Shri Kshethra Dharmasthala Rural Development Project
IDF Financial Services Pvt. Ltd.	ACCION Technical Advisors India
Navachetana Microfin Services Pvt. Ltd.	Prakruthi Foundation
NABFINS Ltd.	Samasta Microfinance Ltd.
Jana Small Finance Bank Ltd.	VRUTTI
NextRu Livelihoods Pvt. Ltd.	
KERALA	
ESAF Small Finance Bank	Welfare Services Ernakulam
Vanchinad Finance Pvt. Ltd.	Max United Foundation
Satyam Grama Sangham	KPB Fincare Pvt. Ltd.
MADHYA PRADESH	
Priyasakhi Mahila Sangh	Aprajit Mahila Sangh
Samhita Community Development Service	Jigyasa Livelihood Promotions Micro Finance Foundation
Shakti Mahila Sangh Bahu-Uddeshiya Sahkari Samiti, Maryadit Majholi	
MAHARASHTRA	
Development Support Team (DST)	Housing Development Finance Corporation Ltd. (HDFC)
Chaitanya	Mahila Arthik Vikas Mahamandal Ltd. (MAVIM)
Swadhaar FinAccess	YES Bank Ltd.
Axis Bank Ltd.	Hindusthan Microfinance Pvt. Ltd.
Sampada Entrepreneurship & Livelihoods Foundation	Development Credit Bank
Grameen Capital India Ltd.	ICICI Bank Ltd.
Intrepid Finance & Leasing Pvt. Ltd.	Unnati Microfin Pvt. Ltd.
Muthoot Microfin Ltd.	TransUnion CIBIL Ltd.
Institute of Rural Credit and Entrepreneurship Development (IRCED)	Centrum Micro Credit Ltd.
Svatantra Microfin Pvt. Ltd.	Annapurna Mahila Co-op Credit Society Ltd.
Agora Microfinance India Ltd.	Equifax Credit Information Services Pvt. Ltd.
Svamaan Financial Services Pvt. Ltd.	Mann Deshi Foundation
Arthimpact Digital Loans Pvt. Ltd.	Anik Financial Services Pvt. Ltd.
Svasti Microfinance Pvt. Ltd.	Smera Gradings & Ratings Pvt. Ltd.

MANIPUR	
Chanura Microfin Manipur (CMM)	YVU Financial Services Pvt. Ltd.
SEVA Manipur	The Leima Thrift & Credit Co-Operative Society Ltd.
Socio Economic Action Trust (SEAT)	
ODISHA	
ADHIKAR	Centre for Youth & Social Development (CYSD)
Swayamshree Micro Credit Services (SMCS)	Swayamshree Mahila Samabaya Samiti Ltd. (SMSS)
People's Forum	GU Financial Services Pvt. Ltd.
Adhikar Microfinance Pvt. Ltd.	Sampark Fin Services Pvt. Ltd. (SFS)
Annapurna Finance Pvt. Ltd.	Glowmore Finance Pvt. Ltd.
PUNJAB	
Capital Small Finance Bank Ltd.	Midland Microfin Ltd.
RAJASTHAN	
Association for Rural Advancement through Voluntary Action & Local Involvement (ARAVALI)	Cecoedecon Development Centre
Pustikar Sakh Sahakari Samiti Ltd.	Arth Micro Finance Pvt. Ltd.
Rajasthan Shram Sarathi Association	Digamber Capfin Ltd.
TAMIL NADU	
Grama Vidiyal Microfinance Ltd.	Nanayasurabhi Development Financial Services
Sarvodaya Nano Finances Ltd.	Sarva Jana Seva Kosh Ltd. (SJSK)
SMILE Microfinance Ltd.	Mahasemam
Bullock-Cart Workers Development Association (BWDA)	Innovative Microfinance for Poverty Alleviation and Community Transformation (IMPACT)
People's Action for Transformation	Equitas Small Finance Bank Ltd.
BWDA Finance Ltd. (BFL)	Water.org
Virutcham Microfinance Ltd.	REPCO Micro Finance Ltd.
Valar Aditi Social Finance Pvt. Ltd.	Blaze Trust
Magilchi Foundation	Consortium For Social Care and Development (CONSO)
Makkal Sakthi Sangamam (MASS) Trust	Asirvad Microfinance Ltd.
Welfare Organisation For Multipurpose Mass Awareness Network (WOMAN)	Hand in Hand India
Magalir Micro Capital Pvt. Ltd.	A John Moris & Co
Gramalaya Microfin Foundation	South India Finvest Pvt. Ltd.
Kiara Microcredit Pvt. Ltd.	Guardianmfi.org
Vivardhana Microfinance Ltd.	Vision Micro Credit and Social Foundation
Inthre Access Services	Bharathi Women Development Centre
New Opportunity Consultancy Pvt. Ltd. (NOCPL)	PAFT Finance Ltd.

LaRaksha Impact Finance Enterprise Pvt. Ltd. (LIFE)	Finsigma Inclusive Services Pvt. Ltd.
Orange Retail Finance India Pvt. Ltd.	Samunnati Financial Intermediation and Service Pvt. Ltd.
Sai Mithra Micro Care Foundation	Citta Plus Consultancy Pvt. Ltd.
TELANGANA	
Bhartiya Samruddhi Finance Ltd. (BASIX Group)	Share Microfin Ltd.
IndusInd Financial Inclusion Ltd.	Spandana Sphoorty Financial Ltd.
Pragathi Seva Samiti	Maanaveeya Development & Finance Pvt. Ltd.
The Bellwether Microfinance Fund Pvt. Ltd.	Asmitha Microfin Ltd.
IndusInd Bank Ltd.	Gaddala Financial Services Pvt. Ltd.
Vaya Finserv Pvt. Ltd.	Finsquare Fintech Pvt. Ltd.
UTTAR PRADESH	
Shramik Bharti	Cashpor Micro Credit
Need Livelihood Microfinance Pvt. Ltd.	Margdarshak Financial Services Ltd.
Disha India Micro Credit	Sonata Finance Pvt. Ltd.
Janhit Foundation	Bhartiya Micro Credit
Futureage India Micro Credit Services	Surya Jyoti Leasing and Finance Ltd.
Godson Microfinance Federation	Pratyancha Financial Services Ltd.
Ajivika Finance Ltd.	Aasra Fincorp Pvt. Ltd.
Samavesh Finserve Pvt. Ltd.	Friends Capital Services Ltd.
WEST BENGAL	
Village Welfare Society (VWS)	Bandhan Bank Ltd.
Arohan Financial Services Pvt. Ltd.	Village Financial Services Ltd.
Society for Model Gram Bikash Kendra	Belgharia Janakalyan Samity
SEBA Rahara	Sahara Utsarga Welfare Society
Parama Mahila Samity	Dhosa Chandaneswar Bratyajana Samity
ASA International India Microfinance Ltd.	Dakshin Budhakhali Improvement Society
Sarala Development & Microfinance Pvt. Ltd.	Barasat Sampark
Uttayan Financial Services Pvt. Ltd.	Grameen Shakti Microfinance Services Pvt. Ltd.
Sampurna Training and Entrepreneurship Programme (STEP)	Wegrow Financial Services Pvt. Ltd.
Sunflag Merchants Pvt. Ltd.	Vector Finance Pvt. Ltd.
Destiny Finco Pvt. Ltd.	Sarwadi Finance Pvt. Ltd.



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