

ANNUAL REPORT

2018-19



Empowering Through Inclusive Finance

“Powering Innovations in Expanding Financial Inclusion”



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Background Note on the Theme

Financial Inclusion

Financial inclusion, also called Inclusive Finance, is the pursuit of making financial services accessible at affordable costs to individuals and businesses. The tenet of financial inclusion is to address and proffer solutions to the constraints that exclude people from participating in the financial sector.

Microfinance concept started with the idea of providing financial services to those considered un-bankable or credit-unworthy. Modern microfinance concept revolves around the pioneering activities of the Grameen Bank – founded by Nobel Laureate Prof. Mohammad Yunus, SEWA movement of Smt. Elaben Bhat and SHG movement pioneered by MYRADA and other NGOs. Providing small loans without collateral to the people, especially women, below poverty line to grow their business or allow them to start an earnings stream, has helped millions. The sector worked on providing loans to a group of individuals, as the loan provided was more secure. Before the advent of modern credit history ratings, loan provided by a micro-finance institution was based on trust and an intangible assurance of the borrowing group.

Microfinance sector has grown rapidly over the past few decades. Today it has evolved into a vibrant industry exhibiting a variety of business models. Microfinance Institutions (MFIs) in India exist as NGOs (registered as societies or trusts), Section 8 companies and Non-Banking Financial Companies (NBFCs). Commercial Banks, Regional Rural Banks (RRBs), cooperative societies and other large lenders have played a pivotal role in providing refinance facility to MFIs. Banks have also leveraged the Self-Help Groups (SHGs) channel to provide direct credit to group borrowers.

With financial inclusion emerging as a major policy objective in the country, Microfinance has occupied centre stage as a promising conduit for extending financial services to unbanked sections of population. At the same time, practices followed by certain lenders have subjected the sector to greater scrutiny that called for stricter regulation.

Although the microfinance sector is witnessing a healthy growth rate, there have been a number of concerns related to the sector, like grey areas in regulation, client protection, transparent pricing, low financial literacy etc. In addition to these concerns, there are a few emerging concerns like cluster formation, insufficient funds, multiple lending and over-indebtedness which are arising because of the increasing competition among the MFIs.

Microfinance Journey over two Decades

<p>Initial stage of Microfinance (Early 1990s)</p>	<ul style="list-style-type: none"> ➤ MFIs emerged in India to raise social and commercial funds for lending to the underserved ➤ Most of the MFIs' services were in the rural area but gradually discovered the potential in lending to the urban poor. ➤ Limited numbers of MFIs were in operation. ➤ Majority of the portfolio was held by Non-profit MFIs. ➤ Absence of regulatory control. ➤ No standardized reporting system was in place. ➤ Absence of prudential norms and accounting guidelines led to lack of uniformity and highly leveraged balance sheet among MFIs. ➤ Confined to limited geography. ➤ Growth was slow. ➤ Pure development activity was the prime agenda.
<p>Microfinance during 2003 to 2010</p>	<ul style="list-style-type: none"> ➤ Exponential growth and spread of the industry in India ➤ Approximately 300 MFIs were in operation. ➤ Several MFIs transformed themselves into non-banking finance companies (NBFCs) to widen their capital base. ➤ Client and GLP reached to 267 lakh and ₹18,343 crore respectively. ➤ About 75 per cent of all micro-credit activity concentrated in the four southern states of Andhra Pradesh, Karnataka, Kerala and Tamil Nadu. ➤ Starts funds raising from the capital markets. ➤ SKS Microfinance Pvt. Ltd. was the first microfinance institution to be listed. ➤ Seven Indian MFIs were featured in the first ever list of world's top 50 MFIs compiled by Forbes magazine. Bandhan was ranked in the second position. ➤ Krishna crisis in 2006, Kolar crisis in 2009, and AP crisis in 2010 ➤ Voluntary Code of Conduct in place.
<p>Post AP Crisis stage</p>	<ul style="list-style-type: none"> ➤ A Sub-Committee of the Central Board of the Reserve Bank (Chairman: Shri Y. H. Malegam) was constituted to study issues and concerns in the MFI sector. ➤ The Committee submitted its report in January 2011. ➤ The broad framework of regulations recommended by the Committee was accepted by the RBI. ➤ A separate category of NBFC-MFI was formed and separate directions were issued. ➤ Formation of Self-Regulatory Organizations (SRO) for placing greater responsibility for monitoring of regulatory compliance. ➤ Developed Industry Code of Conduct and validation tool. ➤ Emphasised on Client Protection and grievance redressal.

Microfinance - A Phase of Growth	<ul style="list-style-type: none"> ➤ India becomes the largest microfinance market in the world. ➤ High Growth - sector grew at an average rate of over 50 per cent. ➤ Wide spread - covers 34 States/UTs and 591 Districts ➤ Attracts domestic and foreign investors ➤ Majority of Portfolio (more than 80%) held by For-profit MFIs. ➤ Strict RBI's regulation. ➤ RBI granted in principle approval to Bandhan Microfinance to transform into a universal bank in 2014. ➤ RBI granted in principle approval to 8 MFIs to set up small finance banks in 2015 to promote financial inclusion. ➤ Set up in 2015, MUDRA provides loans/refinance to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.
Demonetization and Rise of cashless economy	<ul style="list-style-type: none"> ➤ Government of India announced demonetisation on 8 November 2016. ➤ Demonetization posed challenges to both clients and the entire sector. ➤ MFIs faced difficulties in collecting payments and disbursing loans to clients. ➤ Due to the shortage of currency, non-payments of loans by the clients of MFIs led to increase in NPAs. ➤ Slowdown in growth due to the lack of cash availability for several months. ➤ Demonetisation and the Central Government's consistent push to adopt digital modes of transaction have enabled NBFC-MFIs' transition to cashless modes.
Present stage in Microfinance sector	<ul style="list-style-type: none"> ➤ Good growth rate revival post demonetization ➤ NPA levels getting back to pre-demonetization levels ➤ Liquidity squeeze owing to IL&FS issue, resulting in the constrained growth of the sector. ➤ Growth in the microfinance sector getting constrained due to lack of capital. ➤ Small and Mid-sized MFIs facing serious liquidity issues. ➤ Some MFIs failed to disburse fresh loans to clients. ➤ Growth rates under strain for smaller and medium MFIs and for not-for-profit MFIs.

Role of Microfinance Association

Sa-Dhan came into being in 1999 with a mission to support and strengthen the financial inclusion in India. During its 20 years journey, Sa-Dhan has been in the forefront, taking initiatives and creating conducive environment for member institutions to serve the vulnerable sections of society in a responsible manner. During the two major crises - (i)

AP Crisis (ii) Demonetization crisis, Sa-Dhan played an instrumental role in guiding the MFIs to remain stable.

Sa-Dhan's key initiatives and contribution to the sector over two decades

- Introduced the 1st Code of Conduct (CoC) for MFIs.
- Developed the 1st Operational Manual on Financial Performance Standards for MFIs.
- Developed COCA Validation Tool.
- Developed Technical Guide on Accounting for MFIs with ICAI.
- Played a pivotal role in shaping the Draft Microfinance Bill.
- Introduced India's first MFI Directory.
- Annually publish the largest Financial & Operational Report on the MFI sector.
- Released Social Performance Standards for the sector.
- Developed SHG performance measurement tool for the sector.
- Persuaded RBI to issue notification pertaining to uphold of SHG member level data with CIBs.
- Assisted for recognition of special category of NBFC-MFI.
- Assisted in the framing of new MFI regulations.
- Helped in setting up of the Indian Microfinance Equity Fund under SIDBI.
- Study on Efficacy of BC Model.
- Developed Hand Book for MFIs on RBI Regulations & its Compliance.
- Issued 1st Governance Manual for MFI Board of Directors.
- Led initiatives to bring policy change for SHG member level data integration in Credit Bureau.



Reflections from the Chairperson

IPL for Microfinance – Inclusive Innovation, Proactive Policy & Liberating Lives

IPL fever has once again gripped the nation! Every gully, mohalla, dusty village street and tony club seems to reflect the nation's fascination with the game. The rise to superstardom beckons; and an enthusiastic nation watches closely. As one works at the bottom of the pyramid, this cannot but fascinate me. The ability for the simple to dream big... be it the gully-boy with the bat or the bowler from the hinterland, the ecosystem seems to be working in providing the platform, incentive and impetus needed to make it to the big league. Why can't it be the same with Microfinance?

With a rapidly growing economy and global opportunities like never-before, especially given the targets for the Agenda 2030 Sustainable Development Goals, new India is well positioned to soon become a \$5 trillion economy. However, the flipside is the low per capita ranking, gender imbalance, continued unemployment concerns and a significant proportion of the population still reeling under poverty. And yet hidden in these very challenges, is the opportunity... the seeds of HOPE.

What is called for is passion and resolve, but most importantly clarity of vision. 20-20 vision. As Sa-Dhan completes 20, and the world prepares to enter 2020, my reflections dwell on the seeds of H.O.P.E.; that can truly make champions of our customers, our members and our country.

H.O.P.E.

Holistic Approach: The microfinance sector has undeniably furthered the financial inclusion agenda in India. However, we now need to move more forcefully with the agenda of social and sustainable inclusion. How can we partner with our members and customers to leverage our networks to reach 35 million homes with affordable health-related care and insurance, education & livelihood solutions and clean and renewable energy.

Outcome Funding: For long, the focus has been financing for inputs – grants for health programs, budget allocations for education outreach, etc. However, recent innovations in 'outcome financing' or 'pay for success', seem to be gaining momentum. We at Grameen Impact, recently pioneered a couple of unique SDG Impact Bonds – one for Goal#5 (Women's Empowerment) and another for Goal#8 (Livelihoods) which got a tremendous response. Sa-Dhan members might want to consider this innovative way of diversifying

funding sources and re-financing loan portfolios. This is also likely to be an important weapon in the arsenal of achieving Agenda 2030 where estimates are that over \$30trillion will be needed globally.

Policy-led leadership: Policy makers, regulators and governments have a key role as an enabler in financial and social inclusion. Our regulators have constantly provided crucial policy interventions to drive this growth - RBI's regulations related to Priority Sector Lending and Small Finance Banks, the creation of the Self-Regulatory Organisation, SEBI's creation of the Social Venture Capital Funds, the Companies Act regulation proposing 2% of profits contribution to CSR, the focus on JanDhan-Mobile-Aadhaar - all these point to a greater sensitivity and a 'crowding-in' of conscious capital. However, now is the time to connect and catalyse. Allowing the CSR list under Section 135 to include investment in MFI's/Social Enterprises, leapfrogging digital financial inclusion by a considered strategy on blockchain, crowd-funding, regulatory sandboxes, etc. We are delighted that Sa-Dhan is already working closely with the RBI on the national digital financial literacy rollout.

Ecosystem: Each act of inclusion counts. Each stakeholder has a role to play. But the effect is even more pronounced, scalable and sustainable when an enabling ecosystem is created. We need to redouble our efforts with SHPIs, FPOs and other institutions involved in developmental work; this does not take away from the commercial viability of the MFI; in fact, customer-centricity and development only solidifies and de-risks it.

I would like to end my reflections, by expressing my heartfelt thanks to my fellow board members, the hugely committed and dedicated team at Sa-Dhan Secretariat and to each of our member organisations. I am sincerely grateful to each of you.

As I said at the beginning, we stand at the dawn of the new opportunity. I sincerely hope and believe we can be winners in the war against poverty. And that's much bigger than the IPL!

Royston Braganza

Chairperson





Executive Director's Statement

As Sa-Dhan completes two decades of its work in the financial inclusion arena in the country, it can look back with pride at its truly myriad contributions to the sector, right from building up the sector from scratch to settings the standards for its smooth functioning and growth. Sa-Dhan's interventions enabled the sector to weather many a storm. The year 2018-19 has seen the sector recovering from demonetisation of the previous period, faced challenges related to liquidity in the aftermath of IL&FS crisis. While most of the MFIs are now facing up to the challenge of digital transformation process, efforts to facilitate the last mile infrastructural and technological issues continue. MFIs are working together with banks, payment wallets, payment banks etc. to ease the process of loan disbursement and facilitate cashless loan collection systems. Sa-Dhan with the support of HSBC has launched a project with an aim to create an all-encompassing digital eco-system in a specified geography. The aim of this project is to create a comprehensive environment for digital financial inclusion. The first phase of this project was implemented in West Bengal. The second phase started off in Punjab recently.

Team from Sa-Dhan spent considerable time in the field, engaging at the grassroots, and undertaking sectoral, regional and institutional studies. Based on the field level feed-back, Sa-Dhan SRO had been advising member institutions on the lacunae and the corrective steps needed on compliance issues. We have been regularly conducting state level members meet, undertaking visits to member institutions, meeting clients, local administration and the financial institutions. Over the past year, our frequent and timely engagement at the regional and district levels helped our members and their clients led to faster recovery from adverse effects of the floods in Kerala, cyclone in Tamil Nadu and election related disturbances in several states.

Through the year Sa-Dhan continued its initiatives for a regulatory framework for non-NBFC -MFIs. After a series of discussions with the Finance Ministry and MUDRA a mechanism for recognising these MFIs was agreed upon. The formal framework is being worked out. Simultaneously we engaged with the RBI for specifying the space for non-NBFC-MFIs in the PSL guidelines. MFIs which are not companies were put to huge distress on being excluded from Credit Information Bureaus. Sa-Dhan took up matter with RBI as well as CIBs and suggested a framework to enable the non-company MFIs to be on Credit Bureau platform.

The project at Sa-Dhan to build the assessment and monitoring tools and grievance redressal mechanisms of the SRO, which was funded by the World Bank Group (IFC), has been completed and we now have a robust technology platform for our SRO function.

Smart Campaign provided with valuable technical support for the project. We have tied up with Equifax Credit Information Bureau for pertinent data inputs of the sector, and this has further sharpened our surveillance mechanism. We are working for a greater commitment for responsible lending from all players.

Sa-Dhan's 2018 National Conference was a huge success attracting over 600 people from a wide cross section not only from the players in the microfinance and financial inclusion arena, but also from the banking, insurance, technology, investor, government and regulatory areas. The Conference was dedicated to the theme '**Propelling the Growth of the Informal Sector through Microfinance**'. The Conference looked at the concerns and challenges in the formalising the informal sector through microfinance. The focus was on the 85 percent of the workforce who are excluded from the benefits which formal sector receives.

Sa-Dhan has been actively engaged with players in other areas of relevance to the microfinance sector like micro insurance, micro pension, digital technology, FPOs, skill development, MSME financing, health, water, sanitation, clean and renewable energy. At Sa-Dhan's National Conference, parallel sessions were held to address rising concerns on these areas and explore how MFIs can play a pivotal role.

Sa-Dhan organised and partnered workshops on NBFCs, Health and Microfinance, Water and Sanitation Microfinance, Affordable Housing Finance, Microinsurance, Microfinance for Clean Energy, etc. The Workshop on Financial Inclusion for Truly Marginalised focused on the left-out communities and groups and the manner in which they can be brought into financial inclusion space. These workshops enabled the sector to focus afresh on how microfinance can usher in holistic inclusivity.

Of the above mentioned areas, this year Sa-Dhan has undertaken substantial work in two areas Water & Sanitation microfinance and Health microfinance. In wat-san finance Sa-Dhan collaborated with water.org to conduct state level studies and hold meets to introduce MFIs to wat-san finance. We have taken a major step in health microfinance area as the Community of Practice in Health and Microfinance (COPHAM) will now be housed within Sa-Dhan. With this we intend to play a more proactive role in health microfinance in the coming years.

A monumental task which Sa-Dhan embarked upon this year was the roll out of financial literacy programmes under the aegis of RBI's Depositor Education and Awareness Fund. The programme envisages taking financial literacy to the doorsteps of 1.35 lakh clients of the microfinance through 2250 programmes across the country. Further, the programme trains 240 trainers directly in 8 TOTs across India.

In the coming years, Sa-Dhan will give greater focus to research and standards, develop quality knowledge base, enhance capacity building for members, deepen state-level interactions and dialogue, implement a robust SRO, enter into an active policy dialogue, deepen our networking and build strategic alliances within the financial inclusion sector and also strengthen the SHG movement.

In terms of the functioning of Sa-Dhan team, we have endeavoured to increase the output and efficiency with a small team and work diligently without compromising on the tasks

to be undertaken and the quality of work. Due to such efforts, Sa-Dhan continued to balance its income and expenditure and close the financial year with a surplus. I would like to convey my deep gratitude to the RBI, the Government of India, NABARD, SIDBI, World Bank Group-IFC, NRLM, NHB, MUDRA, IRDAI, PFRDA, for acknowledging and supporting various initiatives of Sa-Dhan.

Sa-Dhan's role in the financial inclusion scenario and engaging with it in a wide range of policy dialogues. I would also like to thank all the sponsors of our National Conference. The Governing Board of Sa-Dhan steered the Association effectively during the year and supported the efforts of the team. I sincerely acknowledge the role of the Board especially that of Ms Jayshree Vyas, Chair, Sa-Dhan, who laid down her office last year, Mr Royston Braganza and Ms Vijayalakshmi Das, current Chair and Co-Chair respectively.

Sa-Dhan team has immense satisfaction to a part of industry building institution when it is completing two decades. Sa-Dhan owes its genesis to the vision of Ela ben and others like Vijay Mahajan, Deep Joshi that the microfinance sector's focus should on the clients at the grassroots level for whom the movement has come into existence, and their well-being and livelihoods. In these two decades Sa-Dhan has endeavoured to fulfil that vision and was successful in no small measure. It is a matter of great pride for us that we are associated with an institution headed by Ela ben as Chair Emeritus. We are all proud to be associated with Sa-Dhan on this momentous occasion and the entire Sa-Dhan team rededicates itself to the strengthening of the sector and to effectively serve the financially excluded mass of this country.

P Satish
Executive Director

Sa-Dhan Board of Directors

<p>Mrs. Ela R Bhatt Chair Emeritus Founder SEWA Bank</p>	<p>Mr. Pranab Rakshit Chief Executive Officer Sarala Development & Microfinance Pvt. Ltd.</p>
<p>Mr. Royston Braganza (Chair) Chief Executive Officer Grameen Capital India Ltd.</p>	<p>Kum. Arti Kushwah Chief Executive Officer Priyasakhi Mahila Sangh</p>
<p>Ms. Vijayalakshmi Das (Co-chair) Chief Executive Officer Friends of Women’s World Banking India (FWWB)</p>	<p>Mr. Brij Mohan Independent Director Former ED SIDBI</p>
<p>Mr. Mukul Jaiswal (Treasurer) Managing Director Cashpor Micro Credit</p>	<p>Mr. Madhukar R Umarji Independent Director Former ED RBI</p>
<p>Mr. Vivekanand Salimath Chairman IDF Financial Services Pvt. Ltd.</p>	<p>Mr. K.V.Rao (till 31st January, 2019) Independent Director Chief General Manager NABARD</p>
<p>Mr. K Paul Thomas Managing Director ESAF Small Finance Bank</p>	<p>Mr. Manoj Mittal (till 13th March, 2019) Independent Director Deputy Managing Director, SIDBI</p>

Sa-Dhan SRO Grievance Redressal Committee

Name	Background	Type of membership
Mr. U S Paliwal	Ex. ED of RBI	Independent
Dr. S Narayan	Former Economic Advisor to PM and Secretary Finance	Independent
Mr. S K Mitra	Ex. NABARD	Independent
Mr. Suresh Krishna	Navya Disha	Trust
Mr. Mukul Jaiswal	Cashpor Micro Credit	Not for Profit

Sa-Dhan SRO Enforcement Committee

Name	Background	Type of membership
Mr. M R Umarji	Board Member-Sa-Dhan, Ex. ED, RBI	Independent
Mr. H.P.Singh	CMD, Satin Creditcare	NBFC-MFI
Mr. Jagadananda	Former Information Commissioner, Govt of Odisha, Member Secretary, CYSD	Not for Profit
Mr. Sanjay Sinha	M-Cril	Independent (Rating Institution)
Ms. K.C. Ranjini	Founder & Chairperson, MI India Development Trust	Independent

Sa-Dhan Task Force Committee

Sa-Dhan is an industry building institution develops knowledge around the challenges and the needs of the sector. Sa-Dhan's main objective is to build a conducive environment for MFIs to efficiently cater to the underserved section. In order to do so, Sa-Dhan works closely with stakeholders and industry captains, through representative bodies. This year, Sa-Dhan has revamped its "Task Force for NBFC/NBFC-MFIs" and "Task Force for Not-for-Profit MFIs". It has been working on revamping "Task Force for CBOs (Community based Organizations)". Task forces have been instrumental in developing policy papers, and ensuring high level dialogue with policy makers and regulators. The inputs of Task Force for NBFC/NBFC-MFIs on issues such as qualifying assets, level playing field on loan limits, accounting standards etc were crucial for policy dialogues with RBI and Government of India. The Task Force for Not-for-Profit MFIs gave us guidance on taking up with Government the issue of a regulatory framework for Not-for-Profit MFIs.

Following are the members of the Task Forces

NBFC/NBFC-MFIs Task Force:

- Mr. Manoj Nambiar, MD, Arohan Financial Services
- 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

Not For Profit Task Force:

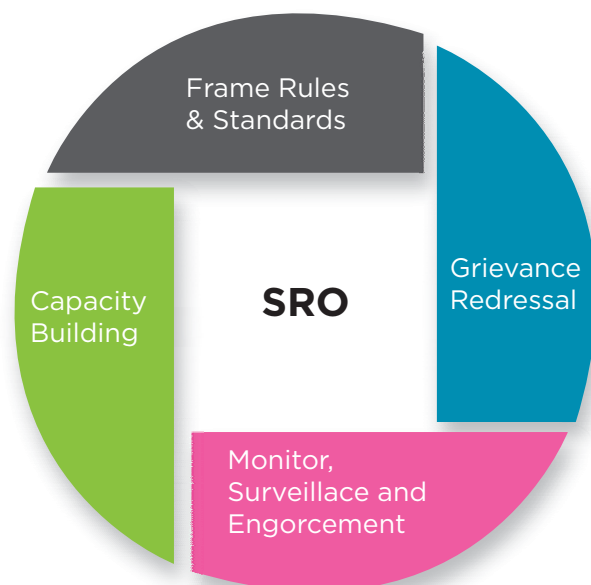
- Mr. Mukul Jaiswal, MD, Cashpor Micro Credit
- Mr. N. Peter Palanisamy, MD, Nanayaturabhi Development Financial Services
- Ms. Praseeda Kunam, CEO, Samhita Community Development Services
- Dr. L. H. Manjunath, ED, Shri Kshethra Dharmasthala Rural Development Project (SKDRDP)
- Mr. P K Khuman, CEO, Chanura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

A. Sa-Dhan as an Self Regulatory Organization (SRO)

On 12 February 2015, Sa-Dhan was recognized as a Self-Regulatory Organization (SRO) for NBFC-MFIs by the RBI. It was mandated to formulate and administer 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 is committed to develop the Indian microfinance sector on professional, healthy and ethical lines. It 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, concerns that help them to take informed decisions on the sector.

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



A.1 Representation to RBI

A.1.1 Meetings with RBI

Sa-Dhan's SRO team has had regular meetings with the RBI over the last year, including those with the Governor, Deputy Governors, Executive Directors and Department of Non-Banking Regulation (DNBR).

In meetings with the Governor and Deputy Governor, Sa-Dhan has raised the following issues:

- Liquidity Crisis in Microfinance owing to default by IL&FS.
- Cost of fund issues especially for small and medium MFIs.
- Issues of over indebtedness because of restriction of data sharing for non-NBFC MFIs to Credit Bureau platforms.
- Restraining entities on the use of Aadhaar data for identification.
- Issue of loan waivers.

In-depth discussions were held with Chief General Manager of the Department of Non-Banking Regulation and his team. The issues discussed included Central Know Your Customer (CKYC) registration and data sharing, Margin cap issues especially for the mid and small size MFIs, Redressal of client grievances, Loan co-origination with Banks, Rate of interest rates charged by banks and NBFCs especially during a crisis, Uniform regulations for all types of lenders, Regular sensitization to local administrators, LDOs of RBI on Microfinance, Building a comprehensive Credit Bureau, High concentration and saturation in certain pockets, Higher ticket size by banks - high competition, and Political vulnerability of MFIs etc.

Sa-Dhan's quarterly reports to the RBI include Client Awareness Campaigns and Sensitization programmes, progress of client grievance redressal, potential concern areas where there is excessive growth or non-compliance of lending operations and other developments in the sector.

A.1.2 Research & Analysis on specific areas of interest

Post interactions with the RBI, Sa-Dhan started several sectoral analyses during the year. Some of the topics were:

- (i) Interest rate cap calculation for below Rs. 50 crore portfolio MFIs.
- (ii) Effectiveness of MCLR (Marginal Cost of funds based Lending Rate) in MFIs.
- (iii) Alternative method of calculating Average Base Rate for better coverage of all sized MFIs.
- (iv) Performance of NBFC-MFIs turned into Small Finance Banks.

A.2 Grievance Redressal and Financial Literacy Initiatives

A.2.1 Building Interactive Voice Response (IVR) System

Sa-Dhan in collaboration with Gram Vaani, a leading technology company has developed a free Community Media Platform/ Helpline using IVR technology to serve as a grievance redressal and financial literacy helpline for MFI customers. This helpline is named "Punji Ki Kunji" (PKK). The project falls under the "Financial Inclusion Women Empowerment Challenge Fund" of Poorest State Inclusive Growth (PSIG) Programme, supported by UK's Department for International Development (DFID) and Small Industries Development Bank of India (SIDBI). It was an 18 months project started in February 2017 and ended in August 2018.

This service has been implemented in three Hindi speaking states - Uttar Pradesh, Madhya Pradesh and Bihar. We have also introduced a toll free Helpline phone number (9250500111).



The helpline has three channels:

- **Women's Leadership Channel:** A channel for educating clients on different aspects of financial literacy through entertaining story telling.
- **Code of Conduct (CoC):** A channel for playing audio snippets of various critical aspects of the Industry Code of Conduct.
- **Grievances:** A neutral grievance sharing platform where clients can register their complaints without hesitation. The grievances registered in PKK are routed to the concerned MFIs for resolution.

Outcome of the Project

Sa-Dhan and Gram Vaani have trained field staff of 26 Partner MFIs in Varanasi, Mirzapur, Muzaffarpur, Patna, Vaishali, Indore, and Jabalpur. Over the last 18 months, it has received over 1.61 Lac calls from 37,000 callers and critical grievances have been resolved with MFI managements. Sa-Dhan and Gram Vaani have disseminated 30 Women Empowerment and Financial Literacy Episodes and 10 Snippets on critical aspects of Code of Conduct. In addition, Sa-Dhan has conducted 5 Customer Investigation Surveys (CIS) to aid in the business development of MFIs. The recorded field interviews and impact stories using, IVRS technology has helped Sa-Dhan capture quantitative and qualitative data for use in reports meant for regulators and others. The analysis also helps capture the comprehensive picture of microfinance's on-ground performance.

Impact of PKK Helpline Service

Clients:

- **Improvement of Financial Literacy:** Financial Literacy episodes and CoC snippets helped the clients to understand terms & conditions of the loan and other aspects of financial literacy.
- **Register Grievances and Success Story:** Clients registered their grievances and recorded success stories to share with others.
- **Improved Discipline:** It improved discipline and culture towards avoiding over indebtedness, using loan for income generation purposes, saving money for the future need etc.

MFIs :

- **Compulsory Group Training (CGT):** It helped to improve financial literacy of the clients and strengthened CGT in a comprehensive manner.
- **Design of Product and Services:** The outcome of Client Insight Survey (CIS) helped MFIs improve their products and services.
- **Escalation of clients' Complaint:** Complaints captured in PKK channel were escalated to concerned MFIs which helped them to address the grievances on time. This led to a good relationship between MFIs and Clients.
- **Time saving for Field Staff:** It saved time in orientation.
- **Staff Efficiency and Productivity:** It improved efficiency and productivity.
- **Portfolio Management:** It helped to manage portfolio in a better way.

A2.2 Quarterly Analysis of Grievance Redressal Data

Sa-Dhan has developed a grievance data collection template for collecting data on quarterly basis. This template has two parts. Part I: Number of complaints received under different types of category and their sub-components, and Part II: Details of each complaint. Data collected from MFIs are analysed to know number of complaints received and resolved, percentage of complaints pending for resolution. Sa-Dhan regularly engages with a sample of complainants to gauge the level of satisfaction. Corrective measures are undertaken with MFIs for proper resolution of grievances.

A2.3 4 Level Frameworks for Grievance Redressal Mechanism

Sa-Dhan in collaboration with Smart Campaign and with the support from IFC has developed a robust Grievance Redressal Mechanism (GRM) framework using global best practices. To develop this framework Sa-Dhan mapped the MFI's existing GRM regimes to identify their strengths and weaknesses. Based on the mapping, Sa-Dhan has prepared a four level GRM framework for its member MFIs to address gaps and improve practices for a better and stronger GRM. A stronger GRM will enable stronger client protection.

Using 16 key performance indicators, the 4 levels of practices are:

Level IV - it demonstrates "Good Practices" (mostly high standards for NBFC-MFIs),

Level III - it demonstrates 'Adequate indicators for GRM Framework',

Level II - it shows that that institution is making progress and is categorized as 'Intermediate Level'.

Level I - the Basic Level, it demonstrates the minimum level that all institutions (NGOs, Trusts, Section 8 Companies etc) irrespective of size need to be at.

Sa-Dhan constantly supports MFIs to graduate to higher and optimum levels.

A.3 Self-assessment and Monitoring Tool

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. The tool is a result of collaboration between Sa-Dhan and the Smart Campaign, and was developed with the financial and technical support of International Finance Corporation (IFC). This tool was formally launched by Shri N. S. Vishwanathan, Deputy Governor, RBI at the Sa-Dhan National Conference, September 2018. Sa-Dhan has studied various available surveillance and regulatory tools with various national and global associations. The tool has three components viz. Quantitative, Qualitative and Over Indebtedness (OID). The Quantitative aspect covers overall operational aspects, the Qualitative covers the broad parameters of the Code of Conduct and the OID section broadly covers the saturation level of a certain district on the basis of its credit absorption capacity. After detailed regression analysis of 20 parameters, Sa-Dhan has come up with 12 best ratios to evaluate the district in terms of indebtedness.

The OID section uses a triangulated approach whereby as a first step, it identifies potential hot spots at State/District Level using a global approach based on MIMOSA Tool 3, which evaluates the penetration of financial services against the credit absorption capacity of that district. Secondly, MFIs which are at higher risk because of operating in saturated markets can be easily identified and their compliance on COC can be examined. Thirdly, the monitoring tool also includes a component of mystery shopping with close interaction with clients and MFI field staff in the district with 'red flags'.



Sa-Dhan is using the latest analytical software and visualization software to create detailed analytical dashboards of the tool. The dashboards will be easily accessible remotely from any part of the country.

The reports generated from the monitoring system are being shared with RBI and used by Sa-Dhan to raise red /yellow flags on saturated markets and as early warning to institutions that are potential risk of non-compliance to the COC. Also from the reports lenders are able to identify under penetrated districts to expand their services further. This report could benefit all the stakeholders of the sector and policy makers to promote responsible finance.

A.4 Surveillance and Field Assessment Visits

Sa-Dhan being a Self-Regulatory Organization (SRO) of the microfinance sector, regularly listens to the voices of the clients, and observes the latest developments in the field and recommends corrective actions wherever required.



The objective behind the visits is to observe how MFIs are operating with respect to the Code of Conduct and RBI regulations, especially on the levels of over indebtedness of clients, proper documentation procedures, adherence to limits for income generating activities, bundling of products and 3rd lender norms. Moreover, Sa-Dhan interacts with clients to find out their knowledge levels regarding rates of interest and financial charges taken by MFIs.

Over the past year, Sa-Dhan has undertaken visits in 13 states, covering 1511 clients in 132 branches of 57 districts.

Summary of MFI Staff & Client Interaction for Customer Awareness

State	District	No. of District	No of Branches visited	No of Field Staff Interacted	No of Clients Interacted
Karnataka	Dharwad, Haveri, Kodagu, Bengaluru, Tumukur, Mandya, Belagavi, Bagalkote	8	14	55	147
Tamil Nadu	Tirunelveli, Kanyakumari, Thutukudi, Virudunagar, Salem, Namakkal, Erode, Coimbatore, Dindugal, Pudukottai, Thanjavur, Thiruvarur, Nagapattinam, Trichy, Krishnagiri, Chennai, Nilgiri,	17	45	237	439
Kerala	Alapuzha, Idukki, Thrissur, Ernakulam, Palakkad	5	19	30	57
Uttar Pradesh	Varanasi, Chandauli, and Allahabad	3	12	85	154
Rajasthan	Alwar, Behror, Jaipur,	2	8	4	133
Madhya Pradesh	Jabalpur, Indore, Bhopal, Hoshangabad	5	13	2	161
Telangana	Hyderabad	1	1	1	0
West Bengal	North 24 Paraganas, South 24 Paraganas, Nadia, Kolkata	4	8	25	130
Jharkhand	Deoghar, Giridih, Jamtara	3	---	---	95
Odisha	Khorda	1	1	4	20
Punjab	Sangrur, Jalandhar , Ludhiana , Rup Nagar & Sahibzada Ajitsingh Nagar (Mohali)	5	4	10	107
Haryana	Karnal, Kurukshetra	2	6	20	53
Delhi	South Delhi	1	1	6	15
Total		57	132	479	1511

Sa-Dhan has observed that the overall portfolio quality of MFIs is good and that they are following desirable practices pertaining to transparency in loan pricing. It has been observed that most MFIs staff are aware of RBI directions for NBFC- MFIs, particularly those relating to income and over- indebtedness. Along with this, the branch staff in general was found to be empathetic with the clients and clients were aware about the rate of interest and other entitlements. Most MFIs have provided dedicated phone numbers where clients can call to register their grievances.

However, there were occasional concern areas such as high concentration of MFIs, Bundling of Third Party products, Multiple lending and client indebtedness issues, loans to delinquent clients, presence of unauthorized agents, unscrupulous organization imitating MFIs, gaps in staff training etc. Sa-Dhan through Advisories asked its members to take corrective measures against the irregularities mentioned above. Sa-Dhan also conducted follow-up visits to gauge the situation after corrective action from MFIs.

A.4.1 SRO Capacity Building

Sa-Dhan undertook a holistic approach under SRO Intervention in selected districts during FY 2018-19. A risk ranking of districts was done based on reports from Credit Bureaus. In the identified High Risk Districts, a comprehensive SRO intervention was implemented. The Comprehensive SRO intervention consists of



- (i) Visit to MFI branches and interaction with MFI Staff and Clients,
- (ii) Organizing Sensitization programmes for field staff of MFIs on Responsible lending,
- (iii) Organizing Sensitization programmes for Clients on Responsible borrowing,
- (iv) Advisory to concerned Head of MFIs on gaps in Systems and processes.

In Field Staff Sensitization programmes, Sa-Dhan sensitized the field staff of MFIs on RBI Fair Practice Code, Responsible Lending and Risks. In Client Sensitization programmes, we sensitized the Centre Leaders on the Rights and Duties of Responsible borrower.

In southern region, we organized 25 branch level sensitization programmes which covered 125 MFI staff. Under the Client Sensitization programme, Sa-Dhan covered 102 Centre leaders by organizing 8 Client Education programmes.

A.4.2 Education Programme with MFI Clients in Palakkad District of Kerala

Multiple borrowing and over indebtedness is concern for the sector. This can lead to distress and result in fatality. Lack of financial literacy of clients is one of the major reasons for it. Sa-Dhan noticed cases of client distress due to excessive debt in several areas. To prevent it, Sa-Dhan initiated programme for responsible finance through client education.

In the past year, Sa-Dhan noticed client distress and suicides in Palakkad district of Kerala. To prevent further escalation, Sa-Dhan in association with Kerala MFIs and the local association, KAMFI (Kerala Association of Microfinance Institutions) conducted programs to highlight responsible finance behaviour not only on the part of MFIs but also clients. Sa-Dhan also developed client education programmes to make them aware of the dangers of over-borrowing and responsible financial management.

A.4.3 Proactive role in Cyclone Gaja Affected Districts of Tamil Nadu

Sa-Dhan had monitored the field situation closely in wake of cyclone Gaja in Tamil Nadu. Sa-Dhan had collaborated with Indian Red Cross Society for providing relief materials in partnership with member institutions. After assessing the field situation, Sa-Dhan had issued advisory to all member MFIs/SFBs operating in affected districts on dealing with borrowers affected by floods in a responsible manner. Sa-Dhan also identified and

stopped false news from circulation that had the potential to adversely impact collections of MFIs in concerned areas.

A.5 Knowledge Building and Dissemination

A.5.1 The Bharat Microfinance Report 2018

The Sa-Dhan Bharat Microfinance Report is an annually published sector report that illustrates operations and programmatic issues of the Indian microfinance industry. The report is a readymade reckoner on the industry for both stakeholders and public at large. The report strives to provide primary data based analytical information to a wide range of stakeholders such as the Government, policymakers, regulators, banks, investors, researchers, media, MFIs and others, helping them to understand the current status and underlying trends in the sector in order to take appropriate decisions/actions for the industry.



The report is divided into two parts. Part one covers the MFI sector and is based on primary data, whereas Part two covers the SHG sector, the BC model, case studies of MFIs especially with use of technology.

The Bharat Microfinance Report 2018 comprised cohesive information from 200 MFIs. The MFIs comprised of entities of all legal forms and the Report had the largest industry participation. According the Bharat Microfinance Report 2018, credit made available to poor and financially excluded clients crossed Rs 68,789 crore and the number of clients benefitted crossed 35 million. The total number of SHGs with credit linkage reached an outstanding loan portfolio of Rs 75,598 crore.

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.

A.5.2 Q-MF - Sa-Dhan's Quarterly Microfinance Report

To reflect sectoral changes on time Sa-Dhan collects and analyses data from members on a quarterly basis to develop the Q-MF (Quarterly Report on the Microfinance Sector). These

reports help in updating the stakeholders with information and status about the 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. When Sa-Dhan introduced the Q-MF Report in 2015-16, only 50 MFIs contributed data but the number gradually increased to 137 in 2018-19.

A.5.3 Microfinance Directory

Since 2014, Sa-Dhan has been periodically updating and publishing a comprehensive industry Directory with the aim of providing authentic data of registered MFIs operating in India. The Directory carries details of legal forms, headquarters, year of establishment, operating states, client outreach, portfolio, etc. The Directory is shared with District Magistrate's offices, SP's office, MFIs and government stakeholders of every state. It has received wide appreciation and acknowledgement from the Lok Sabha Secretariat, RBI, various Banks, MFIs and others. The Microfinance Directory has incorporated genuine MFIs. This has helped to single out unscrupulous agencies that are posing as MFIs and are lending at higher interest rates than as directed by the RBI. Such agencies are creating a negative image for the microfinance sector and creating problems for registered MFIs.



In September 2018, a new edition of the MFIs directory of 217 MFIs across 21 States/UTs was published. The Directory added 45 new MFIs and dropped 51 existing MFIs as they stopped to be MFIs. 11 MFIs have either converted to Small Finance Banks (SFBs) or merged with SFBs/Banks.

B. Sector Building Initiatives

B.1. Engagement with Regulators and Government

B.1 (a) Sa-Dhan proposed changes in the norms for NBFC-MFIs

As an Industry Body, Sa-Dhan shares concerns and reflections of the industry with regulators. Sa-Dhan has discussed with the RBI requirements for policy amendments pertaining to the Qualifying Asset Norms, Rural Income levels and Cost of Funds.

B.1 (b) Conducive grading for small MFIs to access BC Portfolio

One of the major changes observed by Sa-Dhan is the growing off balance sheet portfolio, especially of BCs. While lending banks are mainly funding the larger MFIs, there are many small and efficient MFIs who are working in challenging geographies. They can, as BCs, be a vehicle for wider financial inclusion. Sa-Dhan has been working with M-Cril to develop a conducive grading mechanism for smaller MFIs to be BC of a bank. The tool has been developed in consultation with the MFIs and bankers. It is now prepared to be presented to the banks and lenders.

B.1 (c) Meetings with Ministry of Finance

Sa-Dhan holds regular interactions with the ministry to brief and updates on the sector's developments. The concerns on liquidity issues of small and medium MFIs were flagged at the Ministry level. As a follow-up of the Secretary level meeting, there has been progress on the issue of a regulatory framework for not-for-profit MFIs.

B.1 (d) Meeting with State Rural Livelihoods Missions

Sa-Dhan has submitted a Detailed Project Report (DPR) to SRLM of Bihar on the setting up of a state level financial institution to fund SHGs. Implementation of the report is awaited. In addition to this, Sa-Dhan representatives interacted with the Executive Director, Tamil Nadu SRLM and State Project Manager, Karnataka SRLM and appraised them on activities of Sa-Dhan and status of Microfinance in respective states. Areas of possible collaboration were also discussed with them. This year Arunachal Pradesh SRLM has been inducted as a Member.

B.1 (e) Meeting with CEO, Ayushman Bharat

Sa-Dhan representatives met the CEO of Ayushman Bharat to bring convergence of financial inclusion aspects of the microfinance industry with the Government's flagship program "Ayushman Bharat" (PM-JAY) dealing with health insurance. The scheme aims at making interventions in primary, secondary and tertiary care systems, covering both preventive and promotive health, to address healthcare holistically. Sa-Dhan is in the process of working with Ayushman Bharat in extending last mile connectivity of this scheme through the microfinance sector.

B.1 (f) Proactive engagement with Ministry of Drinking Water and Sanitation (MDWS) for financing in post era of "Swachh Bharat Mission" (SBM)

Sa-Dhan's representatives had meetings with Joint Secretary, MDWS and updated him

on WATSAN studies conducted by Sa-Dhan. Sa-Dhan shared experience and challenges being faced by the MFIs and clients in the implementation of SBM. Sa-Dhan has also submitted a White Paper to the ministry emphasizing the financial and non – financial challenges being faced by MFIs and clients. We have also shared our recommendations on the way forward to better address these towards achievement of SBM. While commending Sa-Dhan’s work, the Ministry assured support to MFIs, to finance marginalized population for water and sanitation related requirements.

B.1 (g) Collaborative effort with Ministry – MSME, scheme for MFIs financing

Over the last year, Sa-Dhan has interacted with the Ministry- Micro, Small and Medium Enterprises (MSME) for providing financial support to the MFIs to develop grassroots level entrepreneurs. The recommendation for a scheme has been accepted by the Ministry and a pilot project will be rolled out. Sa-Dhan is engaged with technology companies to develop “High Touch Points” based software to understand the market potential.

B.2 Engagement with other Stakeholders

B.2 (a) Meeting with BIRD, Lucknow

Sa-Dhan is a member of Client Consultation Committee of Bankers Institute of Rural Development (BIRD), Lucknow. As a part of this, Sa-Dhan met and discussed with faculty members of BIRD on training requirements of MFIs and provided inputs on designing of training programmes for the microfinance sector and also Farmer Producer Organizations.

B.2 (b) Engagement with PFRDA

Sa-Dhan had a meeting with Chairman, Pension Fund Regulatory & Development Authority (PFRDA) and discussed participation of MFIs in various pension schemes of government. To take it forward, Sa-Dhan has been working to organize an interface between PFRDA and MFIs to understand various aspects of pension schemes and modalities for microfinance sector to be associated with the same.

B.2 (c) NABARD’s SHG Bank Linkage Programme Strategic Advisory Board

Sa-Dhan as one of the members of NABARD’s SHG Bank Linkage Programme Strategic Advisory Board contributes to the continuing engagement of community development finance institutions in the SHG Bank Linkage Programme. Sa-Dhan is in the process of undertaking studies on the efficiency of SHG Federations and Integration of e-shakti data of NABARD with Credit Information Bureaus.

B.2 (d) Data Protection Bill

Sa-Dhan was engaged in a discussion organized by Chase-India on the proposed Data Protection Bill to focus on the Bill’s impact on financial sector in general and microfinance sector in particular.

B.2 (e) MFI-Bankers round Table

Sa-Dhan was invited to the MFI-Bankers round table organized by UPMA (Uttar Pradesh MFI Association) in collaboration with Lucknow Management Association & Awoke India.

The major issues discussed in the meeting were; (a) Smooth fund flow in the sector, (b) More BC partnerships, (c) Issues related to collateral security, (d) SFBs to also be eligible for interest subsidy, (e) Extension of public recovery act, (f) Participation in SLBCs. Bankers, as also NABARD and SIDBI assured their full cooperation and support as and when required by the sector.

B.2 (f) BC Partnerships with Housing Finance Companies (HFCs)

Sa-Dhan has initiated dialogue with a few HFCs which have agreed to work with MFIs for affordable housing for economically weaker sections under a BC arrangement. The target for this section is nearly 40 million clients, and the existing achievement rate is way behind the required rate. MFIs with their outreach can easily achieve numbers, and would also be able to extend financial assistance of amounts between Rs. 1 lakh to Rs.3 lakhs which are not viable ticket sizes for the HFCs and the builders. MFIs can avoid various regulatory constraints with the BC model while catering to their clients.

B.2 (g) Meet of MFIs with Japanese Investor Firm

Selected small MFIs were invited to interact with a Japanese investor who offers finance in the form of equity, quasi equity, sub-ordinate bond and debt. Relevant documents from the MFIs are being consolidated as per the requirement of the investor.

B.2 (h) Meeting with SEEP Network on Savings Groups

Sa-Dhan team had a meeting with SEEP Network in order to explore the future opportunity with SHPIs in terms of promoting the SHGs. Sa-Dhan discussed the present status of SHPIs and possible support to be provided to these entities.

B.2 (i) GOGLA Conference-IDEF

Sa-Dhan participated in the GOGLA Conference-IDEF and suggested a new financing mechanism for bringing high-cost utility products to the end-users in the excluded segments of the society. Sa-Dhan also moderated a session on “Innovations in Distribution and Consumer Financing”.

B.2 (j) Conference of MSME Ministry, Delhi

Sa-Dhan was invited to speak at a national conference organised by Ministry of MSME. Hon’ble Minister of MSME graced the event. The event emphasized on the role of Innovation and Technology in Entrepreneurship Development. Sa-Dhan highlighted the efficiencies of MFIs which was appreciated by the Hon’ble Minister as well as senior officials of the Ministry.

B.2 (k) Human Resource (HR) Workshop

Sa-Dhan actively participated in an HR workshop organized by Uttar Pradesh Microfinance Association (UPMA) and presented the critical issues of HR. Sa-Dhan also suggested means of addressing these issues.

B.2 (l) MiNE India 2018

MiNE INDIA is an effort to bring buyers and sellers together under a single platform to share challenges and opportunities of working together in the microfinance and NBFC

sector. Being a pure B2B platform it brings like-minded people to brainstorm and learn from each other for the betterment of the larger inclusive economy of India.

Sa-Dhan was a host partner for several MiNE India summits across the country during 2018-19.

B.3 Other Initiatives

B.3 (a) Advisory on adherence to Model Code of Conduct of Election Commission by MFIs/SFBs

In order to ensure uninterrupted field operations during elections, Sa-Dhan took following measures to ensure microfinance activities smoothly and protect the interest of clients.

- (i) Submitted representation to Chief Election Commissioner seeking co-operation for regular and on-going activities for MFIs/SFBs.
- (ii) The copy of the communication was marked to Chief Electoral Officers of all States and RBI.
- (iii) Met with the Chief Electoral Officers of States and District level officials to apprise them on field level issues for microfinance operations and help to handle incidents, if they arise.
- (iv) Issued advisory to all member MFIs/SFBs on adhering to Model Code of Conduct during Lok Sabha and Assembly elections.
- (v) Regional Coordinators were engaged in different states to get first hand field information for sensitizing field functionaries on Model Code of Conduct during elections.

Sa-Dhan's communication to Election Commissions indicated that members would ensure highest compliance to the Model Code of Conduct in line with standard operating rules for transport of cash issued by the Ministry of Finance and Indian Bankers Association.

In order to ensure smooth operations of MFIs/SFBs during the period of Model Code of Conduct, Sa-Dhan requested its members:

- (i) To ensure field staff who carry cash keep their (a) ID Cards, (b) copy of registration certificate (c) copy of Sa-Dhan membership (d) necessary supporting documents for cash carried like deposit/withdrawal receipt, pass book etc and (e) Copy of Sa-Dhan letter addressed to Election Commission.
- (ii) To ensure personnel carrying official cash under any circumstances shall not carry any other cash of Third party agencies/individuals except of the concerned organization and purpose.
- (iii) Field staff of MFIs/SFBs not to indulge in any other unfair means which is in violation to Model Code of Conduct.
- (iv) Avoid disbursing loans in cash in field and do not keep large amount in branch.
- (v) In case of any issue, field staff to deal politely and only senior representatives of concerned MFIs/SFBs to meet officials like District Electoral Officer, Police etc.
- (vi) In case of any distress, escalate the issue to Sa-Dhan.

C. Strategic Initiatives

C.1 Depositor Education and Awareness (DEA)

RBI has considered Sa-Dhan for improving Financial Literacy of Clients under its Depositors Education Awareness (DEA) Scheme. The focus of the workshops would be around awareness generation on opening of bank accounts, KYC, Anti Money Laundering etc. as per the guidelines of RBI. The workshops will also be imparting generic concepts on saving, credit and other financial services of the formal financial institutions, including cash flow assessment at individual client level. In the course of the trainings, the benefits of savings and deposit practices that would lead to good credit behavior, proper utilization of funds and timely repayment culture would be discussed. This will ensure that their credit history remains healthy with reduced risk of taking multiple loans etc.

Under this project, Sa-Dhan has identified 30 NBFC-MFIs whose credit officers will be trained as their master trainers. A cadre of 240 master trainers would be trained through 8 Training of Trainers (TOTs) workshops at Ahmedabad, Lucknow, Patna, Kolkata, Raipur, Ernakulum, Bengaluru and Chennai.

Sa-Dhan will also conduct 2,250 workshops across India to train about 1.5 lakhs depositors/clients. TOTs will be delivered with the help of two consultants; namely, Indian School of Microfinance for Women (ISMW) and Nimbus Consultancy contracted by Sa-Dhan.

The pilot testing of the programme was conducted successfully at three locations in Gujarat - (i) Kallol (rural) (ii) Mehsana (semi-urban) and (iii) Vadodara (urban) in the month of January 2019.

C.2 Housing Micro-Finance

Sa-Dhan's mission aims to assist clients with an enhanced quality of life based on healthy living, which includes housing with basic amenities and infrastructure. A large part of MFI clients belong to the Economically Weaker Section (EWS) and Low Income Groups, which is said to face a shortfall of 40 Million housing units.

Currently, a significant portion of MFI loans go towards improved housing, while housing is a potentially large segment for MFI's product diversification. However, access to housing-finance remains a bottleneck for most MFIs.

Sa-Dhan has engaged with National Housing Bank (NHB) in getting the Microfinance Institutions as recognized channels for extending Government Schemes, including 'Housing for all'. At the same time, Sa-Dhan has been approaching several Housing Finance Companies to partner with MFIs via the BC model.

Sa-Dhan is engaged in compiling data to prove that housing portfolios of the MFIs since 2016 have been healthy.

C.3 Water and Sanitation Financing

In 2018, Sa-Dhan conducted scope studies in five states namely, Madhya Pradesh, Odisha, Tamil Nadu, Rajasthan and Bihar to find out the financial gaps to be catered by MFIs to achieve the objective of "Swachh Bharat Mission" and promotion of WATSAN MSME. For the study, Sa-Dhan reached out to 1220 urban and rural clients in 27 districts of 5 states and interacted with representatives of Government, Non - Government Financial Institutions, Banks, MFIs and SHPIs.

The major concern raised by respondents was financial constraints; approximately 31% clients still require financial support of around Rs. 1, 46,000 crores to construct toilets/ retrofitting, bathrooms and water resources in the premises. The primary and secondary information suggest that there is substantial scope for Banks, Financial institutions and MFIs to finance the WATSAN portfolio. The study also indicates ample opportunities for entrepreneurs to start business around WATSAN.



Empirical evidence indicates that a fewer number of MFIs are having WATSAN portfolio because of lack of understanding of the product and constraints of finance. Sa-Dhan has been building the capacities of the MFIs on WATSAN product development/ revision of the existing products, process of demand generation and other areas. The WATSAN initiative has been supported by Water.Org and FINISH Society.

C.4 Digital Ecosystem for Improving Access to Finance for the Unbanked

Sa-Dhan, in association with HSBC, has undertaken a project “To Develop a Digital Ecosystem for Improving Access to Finance for Unbanked”. The project has three broad goals: (a) Promoting education, including special education, (b) Promoting gender equality and empowering women and (c) Rural Development. The MFIs are a crucial link for developing the ecosystem by using technology for better financial inclusion and also to handhold clients during a period of transformation. Digital inclusion would help the community in many ways viz. Accessibility to finance through various channels, mitigate cash carrying risks, customer centric offerings, availing benefits of flagship projects of Government of India and State Governments. The project also touches upon three goals of Sustainable Development Goals (SDGs) enunciated by the United Nations.

The project is for a period of 4 years covering 4 regions i.e. East, North, South and West. Sa-Dhan in association with its member Society for Model Gram Bikas Kendra undertook the first pilot in Nadia, West Bengal and successfully covered 325 clients and 50 Last Mile Agents by providing training and subsequent handholding support. The training created positive effect in increasing levels of knowledge around awareness of banking terms and processes.



In the second year of this project, Sa-Dhan in association with Satya Micro Capital Ltd has been working in Sangrur, Punjab. In the month of February 2019, Sa-Dhan organized a week long Digital Financial Literacy Training workshops for Clients and Last Mile Agents in Sangrur. The workshops for clients were organized at Sangrur, Dhuri, Bhawanigarh Mandi, Sunam Mandi and Chintawala. During the workshops, 500 clients and 40 last mile agents attained digital financial literacy.

Training was imparted with the help of training modules, videos and PPTs. Sa-Dhan developed training module for Clients and Last Mile Agents such as field staffs, loan officers, shop keepers, BC agents and so forth. Training module primarily covers (i) why transacting digitally is important, (ii) knowledge required to transact digitally such as knowledge on OTP, PINS, linking Aadhaar etc. and (iii) things to be avoided whilst conducting digital transactions and (iv) more specific digital financial literacy relevant to MFIs customers such as repayment of loans through online channels. Sa-Dhan also published manuals available on specific technologies such as those developed by NPCI, BHIM, specific mobile wallets and such. Sa-Dhan developed videos for MFI customers, with technology neutral content which will aim to build ICT skills and on board MFI customers onto the basics of transacting digitally on various platforms such as Internet based platforms developed by mobile network operators and financial service providers, off-line platforms using USSD and agent based technologies. Sa-Dhan also undertook pre and post testing with customers and last mile agents to ensure positive impact of the modules developed and imparted.

In addition to training modules, Sa-Dhan introduced game based digital finance learning sessions. Sa-Dhan in association with the Gamification Republic also developed two games (i) Card Game (Makka Chawal) and (ii) Password Game. Both the games were entertaining and met the objective of digital finance literacy.

C. 5 Community of Practice for Health and Microfinance (COPHAM)

Sa-Dhan - COPHAM is a national network of health and microfinance institutions in India who share the common objective of bringing the health related benefits promoted by the government and non-government organizations to unreached populations. Sa-Dhan is in the process of creating a platform for financial service providers to the poor through MFIs, SHPIs, NGOs etc, public and private healthcare providers, government agencies and other key players to pilot new ideas in collaboration, promote best practices, build common capability to address disease prevention and to access basic health product and services.

A comprehensive report on Integrated Health and Microfinance in India Volume III:

Banking on Health was prepared and subsequently released during the Sa-Dhan National Conference. The third volume of the state of practice for integrated health and microfinance builds on the foundation laid by the first two volumes. The report illustrates how the development sector - MFIs, Health NGOs, Health diagnostics entrepreneurs



and others can support India's journey towards Universal Health Coverage (UHC). The integrated health and microfinance approach adds value to the government's existing UHC strategy because it provides a platform to deliver health-related services to hard-to-reach populations.

India is poised for a healthcare revolution. Sa-Dhan strongly believes that the integration of health and microfinance can complement the government's efforts and help pave the way to universal health coverage.

A workshop on Improving Health and Nutrition Outcomes was organized in Ranchi on 30th October. The workshop primarily touched upon India's universal health coverage (UHC) agenda and the role of integrated health and microfinance. The meet, inter alia, also deliberated on Ayushman Bharat and the role that financial services providers could play in supporting this effort of the government in extending last mile connectivity to this scheme.

C.6 Truly Marginalized under the Ambit of Financial Inclusion

Sa-Dhan as an association of community development finance institutions has an abiding interest in bringing the truly marginalized within the ambit of inclusive finance. A number of Sa-Dhan member institutions

are committed to this goal and have been extending financial and non-financial services to the marginalized groups. Sa-Dhan has undertaken four areas to explore the possibilities to understand and create/promote supportive financial products. The areas are: 'Transgender', 'Trafficking',



'Migrants' and 'Rag pickers'. In this regard, Sa-Dhan organized a workshop on January 16, 2019 in New Delhi. The objective of the workshop was to understand current status of access to finance for the marginalized, possible barriers in serving them and way forward to get them under the ambit of financial inclusion. The workshop zeroed in on key recommendations to eliminate obstacles in the financial inclusion of these sections of the population, which were later taken up by Sa-Dhan with RBI and other regulators.

D. National Conference

Sa-Dhan organized its annual National Conference on September 19-20, 2018 at the India Habitat Centre, New Delhi. The theme of the conference was 'Propelling the Growth of the Informal Sector through Microfinance'. The Conference was inaugurated by the Hon'ble Minister of State (Independent Charge), MSME, Government of India,



Shri Giriraj Singh, and Shri Hemant Contractor, Chairman, PFRDA. The Valedictory Address was delivered by Shri N S Vishwanathan, Deputy Governor, RBI.

The key topic of the conference was “Empowering the Invisible Workforce: Unorganized Sector within the ambit of Microfinance”. The panel discussed the scope of MFIs in playing an advisory role to the customer which is important from a risk mitigation perspective as well as for the financial institutions to stay relevant. There is scope of benefiting by forming integrated value chains. Micro enterprises are very small in size but can be aggregated and establish partnerships with Small and Medium Enterprises (SMEs) to bridge their constraints and reach the market.

Overall deliberation of the conference was focused on the different aspects of the Microfinance in terms of comprehensive social impact. Topics included - building a culture of comprehensive and responsible finance, insurance for the informal sector, Microfinance intervention to promote clean energy, Clean water and sanitation, hygiene and health, affordable housing. The forum recognized the need of building simple, affordable, flexible and accessible solutions to support these social goals. MFIs have played a significant role towards meeting some of these comprehensive goals. However, MFI’s have a vast reach that needs to be tapped properly, while ensuring scalability and sustainability in all areas and opportunities.

Other related topics discussed were technology as key driver of financial inclusion, Microfinance as a tool to promote social inclusion for truly marginalized - Homeless, Trans-genders, Rag pickers and others, convergence of Banking and Microfinance solutions, Strengthening Livelihoods through SHG Linkages.

The conference was graced by 85 accomplished and distinguished Speakers, 21 Partners and 597 Delegates. Sa-Dhan thanked all sponsors and partners, eminent guests and speakers, delegates who participated in the conference. The event was widely covered by media.



E. Member Services

E.1 New Members

Every year, Sa-Dhan receives new applications for membership. The new members who joined Sa-Dhan this year are:

S. N.	Organization	State
1.	Surya Jyoti Leasing and Finance Ltd.	Uttar Pradesh
2.	Aviral Finance Pvt. Ltd.	Chhattisgarh
3.	Vivardhana Microfinance Ltd.	Tamil Nadu
4.	AU Welfare Foundation	Uttar Pradesh
5.	Centrum MicroCredit Pvt. Ltd.	Maharashtra
6.	Micro Insurance Services Pvt. Ltd.	Haryana
7.	Vanchinad Finance Pvt. Ltd.	Kerala
8.	Indian Institute of Public Health, Gandhinagar	Gujarat
9.	Pahal Financial Services Pvt. Ltd.	Gujarat
10.	Svantantra Microfinance Pvt. Ltd.	Maharashtra
11.	Acuité Ratings & Research Ltd.	Maharashtra
12.	Annapurna Mahila Co-op Credit Society Ltd.	Maharashtra
13.	Religare Health Insurance Company Ltd.	Haryana
14.	Fincsquare Fintech Pvt. Ltd.	Telangana
15.	Agora Microfinance India Ltd.	Maharashtra
16.	The Leima Thrift & Credit Co-operative Society Ltd.	Manipur
17.	Jana Small Finance Bank	Karnataka
18.	Equifax Credit Information Services Pvt. Ltd.	Maharashtra
19.	Saath Mahila Savings & Credit Cooperative Society Ltd.	Gujarat
20.	Prayatna Microfinance Ltd.	Delhi
21.	Vision Micro Credit and Social Foundation	Tamil Nadu
22.	Inthree Access Services Pvt. Ltd.	Tamil Nadu
23.	Sampark Fin Services Pvt. Ltd.	Odisha
24.	VRUTTI	Karnataka
25.	Godson Microfinance Federation	Uttar Pradesh
26.	Sarawgi Fiscal Services Pvt. Ltd.	West Bengal
27.	Arunachal State Rural Livelihoods Mission (ArSRLM)	Arunachal Pradesh

E.2 Member Meet

Sa-Dhan organized State level member meets round the year with regional heads to understand the exact field level situation in the state in the event of emergency related to policy change or an upcoming election which affects the MFIs' environment. In the reporting period, Sa-Dhan organized State Level Members' Meet in Tamil Nadu, Madhya Pradesh, Jharkhand, Rajasthan and Punjab. Specific local concerns of members, in their area of operations were discussed and solutions implemented. Among others, the meets witnessed in-depth discussion on issues ranging from aspect of regulation, better access to credit bureaus, elections and the concerns of loan waivers, problems and challenges of multiple lending and over indebtedness, concentration of MFIs, operational challenges etc. In addition to this, the meets also touched upon various issues like prolonged effect of demonetization such as relaxation because of persisting cash shortage, staff attrition and poaching issue because of absence of referral checks, complicating the credit culture, Aadhaar related issues (duplication of UIDs, use of multiple UIDs, and non-retention of Aadhaar information by MFIs) trade license and labour registration process and many other relevant issues. We also informed members about various initiatives undertaken by Sa-Dhan, the field observations and Sa-Dhan study findings, success of the IVR and GRM tools for helping partners adopting responsible finance practices.

F. Annual General Body Meeting

The year 2018 was memorable as Sa-Dhan entered in its 20th year. Sa-Dhan had organized its 20th Annual General Body Meeting in Ahmedabad. The event was graced by some of the founding members. The Chair Emeritus Smt Elaben through a video message congratulated Sa-Dhan and extended her best wishes. The new logo of Sa-Dhan celebrating 20 years was also launched on the occasion.

The major topics discussed were Policy, Handholding & Capacity Building Support, Good Governance building activities and deciding on the course of action for the SRO. Members also approved the inclusion of the new members, minutes of the previous AGM, Annual Report and Audit Report of 2017-18 and Annual Plan and Budget for 2018-19.



In regard to Board member, 4 nominations were received for 4 vacancies and were filled unanimously.

Stepping Forward

The ensuing year will be crucial for the microfinance sector with many challenges in view of the changes in the environment. Our first and foremost task would relate to improving and strengthening the enabling ecosystem for the sector. Sa-Dhan as an Association and an SRO has to play a dual role in the upcoming year to ensure further streamlining the growth path of the sector.

As an SRO for the NBFC-MFIs, Sa-Dhan is committed to the responsibility of the sector in maintaining greater transparency, client protection and compliance to the regulatory guidelines. Going forward, Sa-Dhan is working with multilateral institutions to promote and institutionalize client protection structures among member MFIs.

Sa-Dhan promotes its members' voice and concerns to the different stakeholders of the sector. It is in the process of implementation of a project to facilitate a digital financial inclusion ecosystem which be replicated at the national level. The association is also working in the areas of water and sanitation, integrated health, clean and renewable energy, affordable housing, MSME, microinsurance 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 a favourable environment for MFIs. In addition Sa-Dhan plans take up advocacy efforts with NITI Aayog, Ministry of New and Renewable Energy and Ministry of Information and Communication Technology on issues of relevance to the sector. The role of Sa-Dhan in strengthening and stabilizing the microfinance over the years has been well acknowledged by RBI, NABARD, SIDBI, NHB and MUDRA. Sa-Dhan expects further enhancement of this role in the years to come.

Two issues of crucial importance for Sa-Dhan in the area of policy advocacy would be in the provision of an enabling environment for not-for-profit MFIs to continue to grow and develop and work for increased funding support to small and medium sized MFIs.

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. Sa-Dhan will continue using its channels of conventions, workshops, national conference, and capacity building programs to drive its member's agenda.

Sa-Dhan Member List as on 31 March, 2019

ANDHRA PRADESH	
Fincare Small Finance Bank Ltd.	
ARUNACHAL PRADESH	
Arunachal State Rural Livelihoods Mission	
ASSAM	
Prochesta	North Eastern Development Finance Corporation Ltd.
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	Saija Finance Pvt. Ltd.
Sahyog Development Services	
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.
Altura Financial Services Ltd.	Kanika Investment Ltd.
National Scheduled Castes Finance and Development Corporation (NSFDC)	Satya MicroCapital Ltd.
Capital Trust Microfinance Pvt. Ltd.	Subhlakshmi Finance Pvt. Ltd.
Sahulat Microfinance Society	Prayatna Microfinance Ltd.
Simplified Fintech Pvt. Ltd.	Gramin Micro Credit Foundation
Save Solutions Pvt. Ltd.	
GUJARAT	
SEWA Bank	Friends of Women's World Banking India (FWWB)
Arman Financial Services Ltd.	Indian School of Microfinance for Women
The Saath Savings and Credit Cooperative Society Ltd.	PRAYAS (Organisation for Sustainable Development)
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.

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.	MicroEnsure
Religare Health Insurance Co 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
Nirantara FinAccess Pvt. Ltd.	Navachetana Microfin Services Pvt. Ltd.
Prakruthi Foundation	Samasta Microfinance Ltd.
NABARD Financial Services Ltd.	Jana Small Finance Bank Ltd.
VRUTTI	
KERALA	
ESAF Small Finance Bank	Welfare Services Ernakulam
Vanchinad Finance Pvt. Ltd.	
MADHYA PRADESH	
Priyasakhi Mahila Sangh	Aprajita Mahila Sangh
Samhita Community Development Service	
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.	Institute of Rural Credit and Entrepreneurship Development (IRCED)
TransUnion CIBIL Ltd.	Centrum Micro Credit Ltd.
Svatantra Microfin Pvt. Ltd.	Acuité Ratings & Research Ltd.
Annapurna Mahila Co-op Credit Society Ltd.	Agora Microfinance India Ltd.
Equifax Credit Information Services Pvt. Ltd.	

MANIPUR	
Volunteers for Village Development, (VVD)	Chanura Microfin Manipur (CMM)
YVU Financial Services Pvt. Ltd.	SEVA Manipur
The Leima Thrift & Credit Co-operative Society Ltd.	
ODISHA	
ADHIKAR	Centre for Youth & Social Development (CYSD)
Swayamshree Micro Credit Services (SMCS)	Mahashakti Foundation
People's Forum	Swayamshree Mahila Samabaya Samiti Ltd. (SMSS)
Sambandh Finserve Pvt. Ltd.	Adhikar Microfinance Pvt. Ltd.
G U Financial Services Pvt. Ltd.	Sampark Fin Services Pvt. Ltd.
Annapurna 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.	Sarvodaya Nano Finances Ltd.
Nanayasurabhi Development Financial Services	Sarva Jana Seva Kosh Ltd. (SJSK)
Bullock-Cart Workers Development Association (BWDA)	SMILE Microfinance Ltd.
Mahasemam	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
Indian Association for Savings and Credit (IASC)	Magilchi Foundation
CONSO	Makkal Sakthi Sangamum (MASS) Trust
Asirvad Microfinance Ltd.	Hand in Hand India
Welfare Organisation for Multipurpose Mass Awareness Network (WOMAN)	Magalir Micro Finance Pvt. Ltd.
A John Moris & Co	Gramalaya Microfin Foundation
South India Finvest Pvt. Ltd.	Kiara Microcredit Pvt. Ltd.

Vivardhana Microfinance Ltd.	Guardian
Vision Micro Credit and Social Foundation	Bharathi Women Development Centre
Inthree Access Services	
TELANGANA	
Bhartiya Samruddhi Finance Ltd.	Share Microfin Ltd.
Bharat Financial Inclusion Ltd.	Spandana Sphoorty Financial Ltd.
Krishna Bhima Samruddhi Local-Area Bank 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.
Fincsquare 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.
AU Welfare Foundation	Godson Microfinance Federation
WEST BENGAL	
Village Welfare Society (VWS)	Bandhan Bank Ltd.
AROHAN Financial Services Pvt. Ltd.	Village Financial Services Ltd.
Society for Model Gram Bikash Kendra	Belghoria Janakalyan Samity
SEBA Rahara	Sahara Utsarga Welfare Society
Parama Mahila Samity	ASA International India Microfinance Ltd.
Dhosa Chandaneswar Bratyajana Samity	Dakshin Budhakhali Improvement Society
Bengal Women Welfare Association	Sarala Development & Microfinance Pvt. Ltd.
Barasat Sampark	Uttrayan Financial Services Pvt. Ltd.
Grameen Shakti Microfinance Services Pvt. Ltd.	Sampurna Training and Entrepreneurship Programme (STEP)
Sarawgi Fiscal Services Pvt. Ltd.	

Media Coverage

Publication: The Statesman Edition: New Delhi, Kolkata,

India's MFI loan portfolio up 47% in FY18 to ₹68,789 crore

PRESS TRUST OF INDIA
NEW DELHI, 22 SEPTEMBER 2019

India's microfinance industry clocked 47 percent growth with a gross loan portfolio of Rs 68,789 crore in the financial year ended March 2018 as against Rs 46,842 crore in the year-ago period, according to a report.

Releasing the report here recently, Union MSME minister Gajraj Singh said the interest rate at which banks provide loan to microfinance institutions should be brought down so that more people can be brought under the ambit of microfinance. "It is time that banks and MFIs should work in tandem. The banks are worried about NPAs. Let me tell SIDBI, those who take microfinance loans are not capable of leaving the country. Stop thinking about NPAs when you are giving loans to MFIs. The loan takers will not run away from India like Mr Vijay Malviya," Mr Singh said in a statement issued by the organisers of the 2019 Microfinance Report 2018 launch event.

According to the report, the sector witnessed 56 per cent increase in loan disbursements in 2017-18 over the previous year. It stood at Rs 61,737 crore, the highest since 2015-16.

However, the top 10 MFIs disbursed Rs 56,013 crore, which is 91 per cent of the sector's total amount disbursed, and 91 of the other MFIs disbursed 33 per cent.

Among the regions, south will dominate the overall loan disbursement of MFIs with 34 per cent, followed by east with 30 per cent. Central and west have a share of 18 per cent and 9 per cent, respectively. While south banks will have least disbursement share of 7 per cent and 2 per cent, respectively.

Publication: The Indian Express Edition: New Delhi, Jaipur, Mumbai, Chandigarh, Kolkata, Lucknow, Nagpur, Ahmedabad, Pune, Vadodara,

MFIs should expand presence in North India: RBI Deputy Guv

PRESS TRUST OF INDIA
NEW DELHI, 22 SEPTEMBER 2019

RBI Deputy Governor N S Vishwanathan said on Thursday that there is much scope for increasing credit penetration in Northern part of the country and microfinance institutions (MFIs) should expand their presence there.

Vishwanathan said that MFIs need to become more efficient and invest more money in technology upgradation.

"There is so much scope for increasing credit penetration in Northern part of the country. Historically MFIs have primarily focused in Southern part of India. They need to diversify their risk. So they should expand their presence in Northern part of India," he said, while addressing delegates at the Sa-Dhan National Conference 2018 here.

The Deputy Governor also pointed out that linkages between microfinance and development sector is very critical.

Vishwanathan noted that informal sector has lesser access to credit and virtually no access to financial market even though 81 per cent of workforce is employed in informal sector in India.

"In order to sustain formal economy, informal economy needs to be upgraded," he said.

ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ 11 ਤੋਂ

ਬੂਟਾ ਸਿੰਘ ਚੌਹਾਨ, ਸੰਗਰੂਰ : ਸਮਾਜ ਦੇ ਰਾਖਵਾਂਕਰਨ ਵਰਗੇ ਦੇ ਵਿੱਤੀ ਸਮਾਵੇਸ਼ਨ ਲਈ ਸਾ-ਧਨ, ਐਚਐਸਬੀਸੀ ਦੇ ਸਹਿਯੋਗ ਨਾਲ 11-16 ਫਰਵਰੀ ਤੱਕ ਸੰਗਰੂਰ, ਧੂਰੀ, ਭਵਾਨੀਗਰਹ ਮੰਡੀ, ਸੁਨਾਮ ਮੰਡੀ ਅਤੇ ਚਿੰਤਾਵਾਲਾ ਵਿੱਚ ਡਿਜੀਟਲ ਵਿੱਤੀ ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ ਕਰੇਗਾ। ਸਾ-ਧਨ ਨੇ ਇਸ ਖੇਤਰ 'ਚ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸੱਤਿਆ ਮਾਇਕਰੋ ਕੈਪੀਟਲ ਲਿਮਿਟਿਡ ਨਾਲ ਸਹਿਯੋਗ ਕੀਤੀ ਹੈ। ਇਹ ਅਧਿਆਪਨ ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਦੇ ਬਾਰੇ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸਾ-ਧਨ ਦੇ ਆਉਟਰੀਚ ਪ੍ਰੋਗਰਾਮ ਦਾ ਹਿੱਸਾ ਹੈ ਅਤੇ ਇਸਨੂੰ ਮੁਢਲੇ ਵਿੱਤ ਸੰਚਾਲਿਤ ਕੀਤਾ ਜਾਂਦਾ ਹੈ। ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਅਧਿਆਪਨ ਬਾਰੇ ਬੋਲਦੇ ਹੋਏ ਸਾ-ਧਨ ਦੇ ਕਾਰਜਕਾਰੀ ਨਿਦੇਸ਼ਕ ਪੀ. ਸਤੀਸ਼ ਨੇ ਕਿਹਾ ਕਿ ਪ੍ਰਧਾਨ ਮੰਤਰੀ ਜਨ-ਧਨ ਯੋਜਨਾ ਅਤੇ ਸਬੰਧਤ ਨੀਤੀਗਤ ਫੈਸਲਿਆਂ 'ਤੇ ਸਰਕਾਰ ਵੱਲੋਂ ਵੱਡੇ ਪੈਮਾਨੇ 'ਤੇ ਜੋਰ ਦਿੱਤਾ ਗਿਆ ਹੈ। ਪੇਂਡੂ ਭਾਰਤ ਵਿੱਚ ਡੇਟਾ ਅਤੇ ਨੈੱਟਵਰਕ ਕਨੈਕਟਿਵਿਟੀ ਵਿੱਚ ਸੁਧਾਰ, ਮੋਬਾਇਲ ਵਾਲਟਸ, ਯੂਨਿਫਾਇਡ ਪੇਮੈਂਟ ਸਿਸਟਮ ਅਤੇ ਵਿੱਤੀ ਸਮਾਵੇਸ਼ਨ ਆਕਾਸ਼ 'ਚ ਕਈ ਤਕਨੀਕੀ ਨਵਾਂਕਾਰਾਂ ਨਾਲ ਨਿੱਜੀ ਖੇਤਰ ਨਾਲ ਮਹੱਤਵਪੂਰਨ ਕੋਸ਼ਿਸ਼ ਕੀਤੀ ਗਈ ਹੈ। ਵਿੱਤੀ ਸਮਾਵੇਸ਼ਨ ਨੂੰ ਅੱਗੇ ਵਧਾਉਣ ਲਈ, ਪੂਰੇ ਪਾਰਿਸਥਿਤਿਕ ਤੌਰ ਨੂੰ ਮਜ਼ਬੂਤ ਕਰਨ ਦੀ ਲੋੜ ਹੈ ਅਤੇ ਇਹ ਅਧਿਆਪਨ ਲੋਕਾਂ ਨੂੰ ਸੌਖ ਨਾਲ ਤਕਨੀਕ ਅਪਨਾਉਣ ਅਤੇ ਡਿਜੀਟਲ ਬੈਂਕਿੰਗ ਦੇ ਦਾਇਰੇ 'ਚ ਲਿਆਉਣ ਲਈ ਮਜ਼ਬੂਤ ਬਣਾਉਂਦਾ ਹੈ। ਐਚਐਸਬੀਸੀ ਦੇ ਨਾਲ ਸਾ-ਧਨ ਮੁੱਖ ਰੂਪ ਨਾਲ ਮਾਇਕਰੋਫਾਇਨੈਂਸ ਸੰਸਥਾਨਾਂ ਦੇ ਗਾਹਕਾਂ ਲਈ ਅਧਿਆਪਨ ਕਰੇਗਾ। ਇਸ ਤੋਂ ਇਲਾਵਾ, ਫੀਲਡ ਸਟਾਫ, ਐਮ-ਐੱਫਆਈ ਦੇ ਕਰਜ਼ੇ ਅਧਿਕਾਰੀ ਅਤੇ ਕਰਜ਼ਾ ਲੈਣ ਵਾਲੀਆਂ ਲਈ ਵੱਖ-ਵੱਖ ਅਧਿਆਪਨ ਕੀਤਾ ਜਾਵੇਗਾ।

Publication: The Financial Express Edition: New Delhi, Mumbai, Bangalore, Ahmedabad, Kolkata,

'MFI loan portfolio grows 47% in FY18 to ₹68,789 cr'

INDIA'S MICROFINANCE INDUSTRY
clocked 47% growth with a gross loan portfolio of ₹68,789 crore in the financial year ended March 2018 as against ₹46,842 crore in the year-ago period, according to a report.

Releasing the report on Wednesday, Union MSME minister Gajraj Singh said the interest rate at which banks provide loan to microfinance institutions should be brought down so that more people can be brought under the ambit of microfinance. "It is time that banks and MFIs should work in tandem. The banks are worried about NPAs. Let me tell SIDBI, those who take microfinance loans are not capable of leaving the country," Singh said.

Publication: Hindustan Edition: New Delhi

यूक्षम वित्त उद्योग का ऋण 47% बढ़ा

नई दिल्ली: देश में यूक्षम वित्त उद्योग का सकल ऋण पोर्टफोलियो वित्त वर्ष 2017-18 में 47 प्रतिशत बढ़कर 68,789 करोड़ रुपये पर पहुंच गया। इससे पिछले वित्त वर्ष में यह आंकड़ा 46,842 करोड़ रुपये था। एक रिपोर्ट के अनुसार, 2017-18 में एमएफआई क्षेत्र के ऋण वितरण में इससे पिछले वित्त वर्ष की तुलना में 56 प्रतिशत की वृद्धि दर्ज की गई है। यह इस दौरान 81,737 करोड़ रुपये रहा। यह यही 2015-16 के बाद सबसे अधिक है। (एजेंसी)

ਸਾ-ਧਨ ਅਤੇ ਐਚਐਸਬੀਸੀ ਡਿਜੀਟਲ ਵਿੱਤੀ ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ ਦਾ ਕਰਨਗੇ ਆਯੋਜਨ

ਸੰਗਰੂਰ, 9 ਫਰਵਰੀ - ਗਾਹਕਾਂ ਦੇ ਅਨੁਕੂਲਿਤ ਕਰਨਾ ਤੇ ਵਿੱਤੀ ਸਮਾਵੇਸ਼ਨ ਲਈ ਸਾ-ਧਨ, ਐਚਐਸਬੀਸੀ ਦੇ ਸਹਿਯੋਗ ਨਾਲ 11-16 ਫਰਵਰੀ ਤੱਕ ਸੰਗਰੂਰ, ਧੂਰੀ, ਭਵਾਨੀਗਰਹ ਮੰਡੀ, ਸੁਨਾਮ ਮੰਡੀ ਅਤੇ ਚਿੰਤਾਵਾਲਾ ਵਿੱਚ ਡਿਜੀਟਲ ਵਿੱਤੀ ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ ਆਯੋਜਿਤ ਕਰੇਗਾ। ਸਾ-ਧਨ ਨੇ ਇਸ ਖੇਤਰ ਵਿੱਚ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸੱਤਿਆ ਮਾਇਕਰੋ ਕੈਪੀਟਲ ਲਿਮਿਟਿਡ ਦੇ ਨਾਲ ਸਹਿਯੋਗ ਕੀਤੀ ਹੈ। ਇਹ ਅਧਿਆਪਨ ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਦੇ ਬਾਰੇ ਵਿੱਚ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸਾ-ਧਨ ਦੇ ਆਉਟਰੀਚ ਪ੍ਰੋਗਰਾਮ ਦਾ ਹਿੱਸਾ ਹੈ ਅਤੇ ਇਸਨੂੰ ਮੁਢਲੇ ਵਿੱਤ ਸੰਚਾਲਿਤ ਕੀਤਾ ਜਾਂਦਾ ਹੈ। ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਅਧਿਆਪਨ ਬਾਰੇ ਬੋਲਦੇ ਹੋਏ ਸਾ-ਧਨ ਦੇ ਕਾਰਜਕਾਰੀ ਨਿਦੇਸ਼ਕ ਪੀ. ਸਤੀਸ਼ ਨੇ ਕਿਹਾ ਕਿ ਪ੍ਰਧਾਨ ਮੰਤਰੀ ਜਨ-ਧਨ ਯੋਜਨਾ ਅਤੇ ਸਬੰਧਤ ਨੀਤੀਗਤ ਫੈਸਲਿਆਂ 'ਤੇ ਸਰਕਾਰ ਵੱਲੋਂ ਵੱਡੇ ਪੈਮਾਨੇ 'ਤੇ ਜੋਰ ਦਿੱਤਾ ਗਿਆ ਹੈ।

Sa-Dhan, HSBC to conduct Digital Financial Literacy Training in Punjab

SANGRUR - Working in tandem with financial inclusion for the underserved and unbanked sections of the society, Sa-Dhan with support of HSBC will be holding Digital Financial Literacy Training in Sangrur, Dhuri, Bhawanigarh Mandi, Sunam Mandi and Chintawala from February 11 - 16, 2019. Sa-Dhan has partnered with Satya MicroCapital Ltd, an NBFC-MFI to spread awareness in these areas. This training is part of Sa-Dhan's outreach programme to spread awareness about Digital Financial Literacy and is conducted free of cost. Speaking about the Digital Financial Literacy Training, P. Satish, Executive Director - Sa-Dhan, said, "The last couple of years have seen a rapid push in attaining financial inclusion in India driven primarily through incremental technology change. There has been a massive push from the government in the form of the Pradhan Mantri Jan-DhanYojana.

Sat, 09
paper

ਸਾ-ਧਨ ਅਤੇ ਐ. ਐ. ਐ. ਡਿਜੀਟਲ ਵਿੱਤੀ ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ ਦਾ ਕਰਨਗੇ ਆਯੋਜਨ

ਸੰਗਰੂਰ, 9 ਫਰਵਰੀ - ਗਾਹਕਾਂ ਦੇ ਅਨੁਕੂਲਿਤ ਕਰਨਾ ਤੇ ਵਿੱਤੀ ਸਮਾਵੇਸ਼ਨ ਲਈ ਸਾ-ਧਨ, ਐਚਐਸਬੀਸੀ ਦੇ ਸਹਿਯੋਗ ਨਾਲ 11-16 ਫਰਵਰੀ ਤੱਕ ਸੰਗਰੂਰ, ਧੂਰੀ, ਭਵਾਨੀਗਰਹ ਮੰਡੀ, ਸੁਨਾਮ ਮੰਡੀ ਅਤੇ ਚਿੰਤਾਵਾਲਾ ਵਿੱਚ ਡਿਜੀਟਲ ਵਿੱਤੀ ਜਾਗਰੂਕਤਾ ਪ੍ਰੋਗਰਾਮ ਆਯੋਜਿਤ ਕਰੇਗਾ। ਸਾ-ਧਨ ਨੇ ਇਸ ਖੇਤਰ ਵਿੱਚ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸੱਤਿਆ ਮਾਇਕਰੋ ਕੈਪੀਟਲ ਲਿਮਿਟਿਡ ਦੇ ਨਾਲ ਸਹਿਯੋਗ ਕੀਤੀ ਹੈ। ਇਹ ਅਧਿਆਪਨ ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਦੇ ਬਾਰੇ ਵਿੱਚ ਜਾਗਰੂਕਤਾ ਫੈਲਾਉਣ ਲਈ ਸਾ-ਧਨ ਦੇ ਆਉਟਰੀਚ ਪ੍ਰੋਗਰਾਮ ਦਾ ਹਿੱਸਾ ਹੈ ਅਤੇ ਇਸਨੂੰ ਮੁਢਲੇ ਵਿੱਤ ਸੰਚਾਲਿਤ ਕੀਤਾ ਜਾਂਦਾ ਹੈ। ਡਿਜੀਟਲ ਵਿੱਤੀ ਸਾਖਰਤਾ ਅਧਿਆਪਨ ਬਾਰੇ ਬੋਲਦੇ ਹੋਏ ਸਾ-ਧਨ ਦੇ ਕਾਰਜਕਾਰੀ ਨਿਦੇਸ਼ਕ ਪੀ. ਸਤੀਸ਼ ਨੇ ਕਿਹਾ ਕਿ ਪ੍ਰਧਾਨ ਮੰਤਰੀ ਜਨ-ਧਨ ਯੋਜਨਾ ਅਤੇ ਸਬੰਧਤ ਨੀਤੀਗਤ ਫੈਸਲਿਆਂ 'ਤੇ ਸਰਕਾਰ ਵੱਲੋਂ ਵੱਡੇ ਪੈਮਾਨੇ 'ਤੇ ਜੋਰ ਦਿੱਤਾ ਗਿਆ ਹੈ।

ਜਗ ਧਾਰੀ Sat, 09 February 2019
<https://jagdhari.com/2019/02/09/>

FINANCIAL LITERACY TRAINING TO BE HELD
Sangrur: Sa-Dhan with support of HSBC will hold Digital Financial Literacy Training in Sangrur, Dhuri, Bhawanigarh Mandi, Sunam Mandi and Chintawala from February 11 - 16. Sa-Dhan has partnered with Satya MicroCapital Ltd, an NBFC-MFI to spread awareness in these areas. This training is part of Sa-Dhan's outreach programme to spread awareness about Digital Financial Literacy and is conducted free of cost.

M. THOMAS & CO.

Chartered Accountants

40-B, Yusuf Sarai, (Near Uphaar Cinema), New Delhi-110016.

Tel: 9810064291, 8368616900, 8851529832, 9810063291; E-Mail: mtc64291@yahoo.co.in

HO: G-11, Marina Square, #27, Santhome High Road, Chennai-600 004.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SA-DHAN ASSOCIATION

Report on Financial Statements

We have audited the accompanying financial statements of **SA-DHAN ASSOCIATION**, PAN: **AAAAS6890D** which comprise the Balance Sheet as at **31st March 2019** and the Income and Expenditure Account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the accounting principles generally accepted in India. The responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the applicable Acts for safeguarding the assets of the organisation and for detecting and preventing the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements that give true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on whether the Society has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

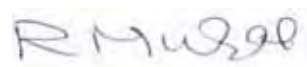

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, read with other notes given thereto, give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Society as at **31st March 2019**; and
- b) in the case of the Income and Expenditure Account, of the **Surplus** for the year ended on that date.

Other Matters

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account have been kept by the Society so far as appears from our examination of the books of accounts.
- c) The Balance Sheet and the Income and Expenditure Account dealt with by this report are in agreement with the books of account.

For M. THOMAS & CO.
Chartered Accountants
Firm Registration No: 004408S

R. Murali (Partner)
Membership No: 80972

Place: New Delhi
Date: 12th June 2019

SA-DHAN ASSOCIATION
BALANCE SHEET AS AT 31/03/2019

PARTICULARS	SCHD. NO.	CURRENT YEAR	PREVIOUS YEAR
SOURCES OF FUNDS			
Corpus Funds	1	5,98,37,160	5,84,27,160
Restricted Funds	2	42,30,231	(51,87,631)
Unrestricted Funds	3	17,55,678	(14,45,284)
Capital Asset Fund	4	6,20,986	6,33,919
TOTAL		<u><u>6,64,44,055</u></u>	<u><u>5,24,28,164</u></u>
APPLICATION OF FUNDS			
Fixed Assets (at cost less depreciation)	5	6,20,986	6,33,919
Fixed Deposits	6	4,30,74,948	4,05,40,407
Current Assets, Loans and Advances (A)	7	2,31,39,805	1,22,62,179
Current Liabilities (B)	8	<u>3,91,685</u>	<u>10,08,342</u>
Net Current Assets (A-B)		<u>2,27,48,120</u>	<u>1,12,53,837</u>
TOTAL		<u><u>6,64,44,055</u></u>	<u><u>5,24,28,164</u></u>

As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S

R Murali

(R. Murali)
Partner
M.No. 80972



For and on behalf of Board
Sa-Dhan

Mukul Jaiswal

(Mukul Jaiswal)
Treasurer

Royston Braganza

(Royston Braganza)
Chairperson

P. Satish

(P. Satish)
Executive Director



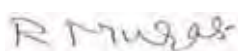
Place : -New Delhi
Date : 12/06/2019

SA-DHAN ASSOCIATION
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/03/2019

PARTICULARS	SCHD. NO.	CURRENT YEAR	PREVIOUS YEAR
INCOME			
Grants and Contributions Received	9	3,10,99,798	2,87,40,961
Membership Fee		1,16,63,000	89,03,062
Interest Income		37,57,748	33,68,130
Voluntary Contributions		30,35,000	-
Fees from Activities		18,98,919	-
Participation and Training Fees		11,40,091	9,33,025
Other Income		18,682	69,808
TOTAL		5,26,13,238	4,20,14,986
EXPENDITURE			
PROGRAMME EXPENDITURE:			
Policy Advocacy & Sector Representation	10	1,06,77,813	1,27,41,726
Research & Analysis	11	22,53,889	18,78,994
Member Development Support & CBEO	12	1,37,34,975	1,24,10,111
Self Regulatory Organisation Activities	13	66,72,366	73,28,670
Administration Expenses	14	<u>65,71,572</u>	<u>62,73,597</u>
		3,99,10,615	4,06,33,098
Depreciation		83,241	85,477
Less: Transferred to Capital Assets Fund (Purchase of FA)		83,800	3,17,818
Less: Transferred to Capital Assets Fund		<u>(83,241)</u>	<u>(85,477)</u>
TOTAL		3,99,94,415	4,09,50,916
Excess of Income over Expenditure for the year		<u>1,26,18,824</u>	<u>10,64,070</u>
Taken to Unrestricted Funds (Sch-3)		32,00,962	23,29,515
Taken to Restricted Funds (Sch-2)		<u>94,17,862</u>	<u>(12,65,445)</u>
		<u>1,26,18,824</u>	<u>10,64,070</u>

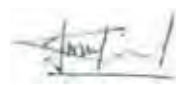
As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S

For and on behalf of Board
Sa-Dhan



(R. Murali)
Partner
M.No. 80972





(Mukul Jaiswal)
Treasurer



(Royston Braganza)
Chairperson



(P. Satish)
Executive Director



Place : New Delhi
Date : 12/06/2019

SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31/03/2019

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE 1 : CORPUS FUND</u>		
The Ford Foundation	2,29,52,160	2,29,52,160
Corpus from Omidyar Networks	2,18,95,000	2,18,95,000
Corpus from Members (Including Rs. 14,10,000/- received during the year)	1,38,69,000	1,24,59,000
Sa-Dhan's Contribution to Corpus Fund	11,21,000	11,21,000
TOTAL	5,98,37,160	5,84,27,160
<u>SCHEDULE 2 : RESTRICTED FUND</u>		
Opening Balance	(51,87,631)	(39,22,186)
Add: Fund received during the year	2,56,87,594	2,34,32,454
Less: Amount utilised during the year <input type="checkbox"/>	(1,62,69,733)	(2,46,97,899)
TOTAL	42,30,231	(51,87,631)
<u>SCHEDULE 3 : UNRESTRICTED FUND</u>		
Opening Balance	(14,45,284)	(37,74,800)
Add: Fund received during the year	2,69,25,644	1,85,82,532
Less: Amount utilised during the year <input type="checkbox"/>	(2,37,24,682)	(1,62,53,017)
TOTAL	17,55,678	(14,45,284)
<u>SCHEDULE 4 : CAPITAL ASSETS FUND</u>		
Opening Balance	6,33,919	4,04,579
Add: Addition to Fixed Assets	83,800	3,17,818
Add : Deletion of Assets at WDV	(13,492)	(3,000)
Less : Depreciation for the year	(83,241)	(85,477)
TOTAL	6,20,986	6,33,919

As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S

R Murali

(R. Murali)
Partner

M.No. 80972

Place : New Delhi
Date : 12/06/2019



For and on behalf of Board
Sa-Dhan

Mukul Jaiswal

(Mukul Jaiswal)
Treasurer

Royston Braganza

(Royston Braganza)
Chairperson

P. Satish

(P. Satish)
Executive Director



SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31/03/2019

SCHEDULE 5: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2018	Addition	Deletion	As At 31.03.2019	Rate of Dep.	As At 01.04.2018	For the year	Written back	As At 31.03.2019	As At 01.04.2018
FOREIGN FUNDS										
Professional Equipment	1,69,424	-	-	1,69,424	-	1,61,424	-	-	1,61,424	8,000
Office Equipment	1,12,384	-	-	1,12,384	-	1,07,384	-	-	1,07,384	5,000
Furniture & Fixture	3,19,966	-	1,57,500	1,62,466	-	3,15,966	-	1,56,500	1,59,466	4,000
Sub Total [A]	6,01,774	-	1,57,500	4,44,274	-	5,84,774	-	1,56,500	4,28,274	17,000
INDIAN FUNDS										
Professional Equipment	12,42,332	-	73,500	13,15,832	16.21%	10,24,633	49,027	-	10,73,660	2,42,172
Office Equipment	5,09,942	-	10,300	5,00,042	4.77%	2,00,285	23,606	7,708	2,16,183	2,83,859
Furniture & Fixture	1,67,581	-	-	1,67,581	6.33%	78,017	10,608	-	88,625	78,956
Sub Total [B]	19,19,855	-	83,800	19,83,455		13,02,936	83,241	7,708	13,78,469	6,16,919
TOTAL [A+B]	25,21,629	-	83,800	24,27,729		18,87,710	83,241	1,64,208	18,06,743	6,33,919

Amt. Recd. on Sale of Assets of Rs.9,500/- taken as Other Income; Cost Value of Assets Sold during the Year was Rs.1,77,700/-; Depreciation Written Back on Assets Sold during the Year was Rs.1,64,208/-

As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S



(R. Murali)
Partner
M.No. 80972



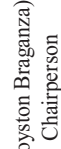
Place : -New Delhi
Date : 12/06/2019

For and on behalf of Board
Sa-Dhan

(Mukul Jaiswal)
Treasurer



(Royston Braganza)
Chairperson



(P. Satish)
Executive Director

SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31/03/2019

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
<u>SCHEDULE 6 : FIXED DEPOSITS</u>			
In Fixed Deposits with Banks	4,30,74,948	4,05,40,407	
TOTAL	4,30,74,948	4,05,40,407	
<u>SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES</u>			
Current Assets			
Bank Balances (In Savings and Current Accounts)	1,16,89,250	44,01,044	
Quantum Deposit	25,33,884	5,86,639	
Cash in hand	13,126	1,42,36,260	1,855
Loans and Advances			
TDS Recoverable	74,23,650	56,52,300	
GST	9,84,161	2,02,198	
Security Deposits	2,10,000	2,10,000	
Amount Recoverable	1,43,182	3,500	
Other Receivables	82,552	11,37,774	
Advance to Vendors	60,000	3,987	
Travel Advance	-	44,882	
Loan to Others	-	17,000	
Work Advances to staff	-	89,03,545	1,000
TOTAL	2,31,39,805	1,22,62,179	
<u>SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS</u>			
TDS Payable	2,70,187	3,90,026	
PF Payable	1,13,198	95,709	
Expenses Payable	8,300	3,54,300	
Consultancy Payable	-	1,99,654	
LIC group gratuity Fund/Gratuity Payable	-	3,91,685	(31,347)
TOTAL	3,91,685	10,08,342	

As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S

R Murali

(R. Murali)
Partner

M.No. 80972

Place : New Delhi
Date : 12/06/2019



For and on behalf of Board
Sa-Dhan

Mukul Jaiswal

(Mukul Jaiswal)
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(P. Satish)
Executive Director



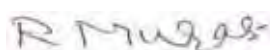
SA-DHAN ASSOCIATION
SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/03/2019

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE 9 : GRANTS AND CONTRIBUTIONS RECEIVED</u>		
Foreign Contributions	79,03,471	47,00,540
Indian Contributions		
Contribution from Indian Agencies	1,83,79,632	1,87,31,914
Sponsorship	48,16,695	53,08,507
TOTAL	3,10,99,798	2,87,40,961
<u>SCHEDULE 10 : POLICY ADVOCACY & SECTOR REPRESENTATION</u>		
Salaries & Benefits	53,70,664	42,93,881
Meeting Expenses	21,52,357	29,51,400
Consultancy Charges	16,61,000	27,43,527
Travelling Expenses	6,29,104	14,52,025
Printing & Stationery	5,17,591	5,95,506
Communication Expenses	2,06,743	1,49,382
Mementos	1,40,354	2,36,169
Miscellaneous Expenses	-	3,06,186
Repair & Maintenance	-	13,650
	1,06,77,813	1,27,41,726
<u>SCHEDULE 11 : RESEARCH & ANALYSIS</u>		
Consultancy Charges	10,65,750	1,54,879
Salaries & Benefits	7,04,646	10,07,231
Travelling Expenses	2,32,138	5,69,571
Printing & Stationery	1,98,286	22,069
Communication Expenses	53,069	-
Meeting Expenses	-	1,25,244
TOTAL	22,53,889	18,78,994
<u>SCHEDULE 12 : MEMBER DEVELOPMENT SUPPORT & CBEO</u>		
Consultancy Charges	65,15,137	68,55,682
HR Support to MFI	23,94,704	18,59,623
Salaries & Benefits	21,69,670	13,87,604
Travelling Expenses	15,72,650	19,19,685
Meeting Expenses	8,10,601	1,76,244
Printing & Stationery	2,08,451	8,568
Communication Expenses	63,762	41,122
Office Maintenance	-	1,61,583
TOTAL	1,37,34,975	1,24,10,111

SA-DHAN ASSOCIATION
SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31/03/2019

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<u>SCHEDULE 13 : SELF REGULATORY ORGANISATION ACTIVITIES</u>		
Technology Systems for Surveillance Tools & GRM	27,35,523	22,89,477
Salaries & Benefits	20,57,608	16,25,597
Consultancy Charges	6,87,150	10,94,670
Travelling Expenses	6,07,329	3,95,467
Credit Bureaus Reports	5,50,000	3,45,000
Communication Expenses	32,700	56,700
Office Expenses	2,056	4,990
Miscellaneous Expenses	-	4,29,564
Study for RBI surveillance	-	10,62,773
Meeting Expenses	-	24,432
TOTAL	66,72,366	73,28,670
<u>SCHEDULE 14 : ADMINISTRATION EXPENSES</u>		
Salaries & Benefits	27,11,807	21,32,802
Office Maintenance	12,24,007	15,23,591
Consultancy Charges	11,07,560	4,28,580
Travelling Expenses	4,67,391	8,04,909
Meeting Expenses	4,33,581	4,48,345
Miscellaneous Expenses	2,35,371	1,87,524
Communication Expenses	1,58,865	1,92,900
Repair & Maintenance	1,39,930	2,30,878
Printing & Stationery	81,679	1,23,335
Audit Fees	10,000	2,00,300
Finance Charges	1,381	433
TOTAL	65,71,572	62,73,597

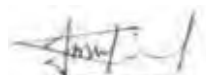
As per our Report of even date
For M. Thomas & Co.
Chartered Accountants
ICAI FRN: 004408S



(R. Murali)
Partner
M.No. 80972



For and on behalf of Board
Sa-Dhan

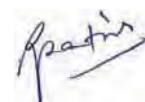


(Mukul Jaiswal)
Treasurer



(Royston Braganza)
Chairperson





(P. Satish)
Executive Director

Place : New Delhi
Date : 12/06/2019

SA-DHAN ASSOCIATION
RECEIPT & PAYMENT ACCOUNT FOR THE YEAR ENDED 31/03/2019

Funding Agency	Opening Balance	Receipts			Payments			Excess of receipts over payments/ (payments over receipts)	Closing Balance trf to Balance Sheet Schedule
		Contribution	Interest & Other Income	Total Receipts	Revenue Expenditure	Capital Expenditure	Total Payments		
(A) Corpus Fund									
a) Foreign Funds									
The Ford Foundation	2,29,52,160	-	-	-	-	-	-	-	2,29,52,160
Omidyar Networks	2,18,95,000	-	-	-	-	-	-	-	2,18,95,000
b) Indian Funds									
Corpus from Members	1,24,59,000	14,10,000	-	14,10,000	-	-	-	-	1,38,69,000
Sa-Dhan's Contribution to Corpus Fund	11,21,000	-	-	-	-	-	-	-	11,21,000
Total Corpus Funds	5,84,27,160	14,10,000	-	14,10,000	-	-	-	-	5,98,37,160
(B) Restricted Funds									
a) Indian Funds									
SIDBI PSIG - Rebuilding the credibility of MF Sector & Handholding	(55,51,658)	1,34,36,489	-	1,34,36,489	78,84,831	-	78,84,831	55,51,658	-
SIDBI PSIG - Interactive Voice Response (IVR)	(11,81,648)	31,36,292	-	31,36,292	19,54,644	-	19,54,644	11,81,648	-
RBI - Depositors Education Awareness (DEA) Fund Scheme	-	-	1,27,119	1,27,119	1,23,399	-	1,23,399	3,721	3,721
BRLPS	(8,59,501)	11,22,651	-	11,22,651	4,36,814	-	4,36,814	6,85,837	(1,73,664)
b) Foreign Funds									
Develop Digital Ecosystem - HSBC	16,45,895	39,71,000	-	39,71,000	27,20,012	-	27,20,012	12,50,988	28,96,883
RESULTS Educational Fund	-	2,96,000	-	2,96,000	2,96,000	-	2,96,000	-	-
Rural Development Organization - Finish Programme Office	-	9,91,935	-	9,91,935	9,91,935	-	9,91,935	-	-
Water.org	7,59,281	26,06,108	-	26,06,108	18,62,098	-	18,62,098	7,44,010	15,03,291
Total Restricted Funds	(51,87,631)	2,55,60,475	1,27,119	2,56,87,594	1,62,69,733	-	1,62,69,733	94,17,862	42,30,231

Funding Agency	Opening Balance	Receipts			Payments			Excess of receipts over payments/over receipts)	Closing Balance trf to Balance Sheet Schedule
		Contribution	Interest & Other Income	Total Receipts	Revenue Expenditure	Capital Expenditure	Total Payments		
a) Indian Funds	55,91,906	6,84,200	2,35,90,717	2,42,74,917	2,22,77,062	83,800	2,23,60,862	19,14,055	75,05,961
b) Foreign funds	(70,37,190)	38,428	26,12,299	26,50,727	13,63,821	-	13,63,821	12,86,907	(57,50,283)
Total Unrestricted Funds	(14,45,284)	7,22,628	2,62,03,016	2,69,25,644	2,36,40,882	83,800	2,37,24,682	32,00,962	17,55,678

(C) Unrestricted Funds

a) Indian Funds

b) Foreign funds

Total Unrestricted Funds

As per our Report of even date

For M. Thomas & Co.

Chartered Accountants

ICAI FRN: 004408S

R Murali

(R. Murali)

Partner

M.No. 80972



For and on behalf of Board

Sa-Dhan

Mukul Jaiswal

(Mukul Jaiswal)

Treasurer

Royston Braganza

(Royston Braganza)

Chairperson

P. Satish

(P. Satish)

Executive Director



Place : New Delhi

Date : 12/06/2019



Empowering Through Inclusive Finance

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