



**ANNUAL  
REPORT**  
2021 - 22

**HEADING INTO A  
NEW ERA**

YOU WILL ALWAYS BE  
**REMEMBERED**



**(1957-2022)**

# CONTENTS

## **SN. PARTICULARS**

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1. Reflections from the Chairman
2. Executive Director's (Interim) Statement
3. Board of Directors
4. Role as an SRO
5. Policy Advocacy
6. Sa-Dhan Reports
7. Member Affairs
8. Sa-Dhan's Presence in sector events
9. Special Projects
10. National Conference
11. Communication & Outreach
12. Annual General Body Meeting
13. Others



# Reflections from the Chairperson

## Dear Friends,

With a heavy heart, we mourn the untimely demise of Satish Ji. A loss like this cannot be repaired! The microfinance sector has lost a strong voice and a thorough gentleman. As I was closely associated with him for the last few years, I feel extremely sad to have lost a dear friend and a well-wisher. I am sure Sa-Dhan will carry forward his legacy and continue to serve and build the sector the way he always had directed us to do so.

The financial year was indeed a year of trials and tribulations! The fiscal started with the onslaught of the COVID-19, though by the 2<sup>nd</sup> quarter our industry was looking up. As I pen this note, I am happy to share that our industry's GLP stood at 2,62,599 crores on March 31, 2021. We have always faced challenges with resilience and have bounced back. Kudos to all our members for standing with one another for the betterment of our society. The year also witnessed a watershed moment in the history of the microfinance industry with the RBI publishing Regulatory Framework for the industry. Led by P Satish and his team, Sa-Dhan played a pivotal role in this policy formulation as majority of our recommendations were incorporated into the regulation.

RBI's guidelines are a strong reflection of the maturity of MFIs in the country and I am certain that this will go a long way in harmonising the regulatory framework for different types of lenders, encouraging healthy competition and enabling customers to make an informed choice regarding their credit needs. The new Framework will also help to scale-up the industry further, ensuring better risk mitigation and financial inclusion.

I am also pleased to share that during the year Sa-Dhan contributed to the microfinance and financial inclusion agenda by advocating for funding to microfinance institutions, especially the small and medium MFIs. We are glad that the honourable Finance Minister has taken a favourable view of our request. Banks had confidence and comfort to lend to microfinance institutions at a reasonable rate during challenging times, due to the Credit Guarantee Scheme.

As a Self-Regulatory Organisation (SRO) Sa-Dhan has taken the lead role in implementing and overseeing industry regulations, tools and performance standards for effective monitoring of MFIs. We take in pride in showcasing our latest tool the Credit Assessment Framework which will surely help the industry to capture accurate repayment capacity and poverty measurement.

The microfinance sector also dealt with several other issues like the repayment issues in various parts of the country due to loss of livelihood during the pandemic, high attrition level, funding to small and medium MFIs, issues of ring leaders etc. Sa-Dhan has taken several steps to preserve the interests of the microfinance members and its clients like sharing advisories, advocacy and liaising initiatives, data collection and analysis, giving a better perspective and reaching out to a larger

audience through webinars, discussions and communication with different stakeholders regularly. We have also proactively interacted with members through National and State level member meets which helped identify pressing field level issues and work closely with members in addressing them.

As a responsible association, Sa-Dhan undertook a study to understand the *“IMPACT OF COVID ON THE FINANCIAL HEALTH AND LIVELIHOODS OF MICROFINANCE CLIENTS”* to understand the impact of the magnitude of the pandemic on the livelihood of the microfinance clients. The study is a relevant document for the Sector, Government, Regulators and Policy Makers. A detailed note on the Study is shared in the Annual Report.

Sa-Dhan has also taken several initiatives like the digital ecosystem enhancement, and financial literacy training through digital means, and has expanded its work in the area of affordable housing, renewable energy, water and sanitation. I am hopeful in the coming years, Sa-Dhan will give greater focus to research and standards, develop a 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.

I express my sincere appreciation to the 215 members for their unstinted contribution in making Sa-Dhan help to strengthen the community development finance in India. Our greatest strength has been the active participation and involvement of our members. I am confident that our steadfast commitment and concerted efforts can build a stable and successful financial inclusion culture in the country.

**Mukul Jaiswal**



## Reflections from the Interim ED

### **Dear Friends,**

I start by sharing the collective grief of Sa-Dhan staff, the Governing Board and SRO Committee at the sudden passing of our Executive Director, Shri P. Satish. He was much beloved by all of us and he will be dearly missed. His contributions to the sector over the last 40 years during his time at the RBI, NABARD, Bankers Institute of Rural Development and later at Sa-Dhan are enormous and hard to replace, but he would have liked Sa-Dhan to carry on his vision with even more vigour and passion, and we determine to do exactly that.

Under his guidance, Sa-Dhan was engaged actively this past year with the Union Government and State Governments in ensuring that microfinance activity continue unhindered during the pandemic. We were encouraged to see many of our recommendations on establishing new sources of funds for our members come true, such as special liquidity facilities at SIDBI and NABARD, and a Credit Guarantee scheme launched whose implementation we were closely monitoring. I would like to convey my gratitude to the RBI, The Government of India, NABARD, SIDBI, NRLM for acknowledging Sa-Dhan's role in the growth of financial inclusion in the country.

This year saw a new approach of Sa-Dhan to conduct "Best Practices" capacity-building workshops online over the more relevant topics facing the industry today, such as adapting to the recently issued regulatory framework of the RBI, explaining the nuances of scale-based regulations, trainings on Compliance, Risk Management and HR best practices. These sessions saw large participation from experts and practitioners and appreciation from all. I would like to convey a special thanks to Prime M2i Consulting for their support in these endeavours as well as the continuation of the online training and certification of MFI staff started a few years ago.

After a year's gap, the Sa-Dhan national Conference titled "Revitalising Financial Inclusion" was held as a Hybrid model – held physically and online on the first day and purely online the following day, given the government limitations on social distancing. We thank the more than 500 delegates, 40 Speakers and 15 partners for coming together to discuss the key issues of the day and making this conference a very memorable event.

In terms of Special projects undertaken, we are happy to report the successful completion of the Affordable Housing project sponsored by FCDO which serves as a benchmark for such future work in this area. Sa-Dhan has also ventured into climate resilience, accessing finance and technologies for MFIs to build climate- smart products, reduce risk and meet social objectives. Despite the inability to run physical financial literacy modules with clients due to lockdowns, Sa-Dhan developed and ran digital training pilots for MFI staff and clients in two states. We would like to acknowledge the continuing support of HSBC, Water.Org., UKAID-FCDO and SELCO

Foundation for our interventions in diverse thematic areas impacting the sector.

As the COVID situation slowly improved, Sa-Dhan staff restarted their field visits, compliance checks and member meetings. Challenges being faced by few members and client distress was addressed locally and effectively. Local advocacy efforts helped to stabilise certain emerging hotspots.

There has been increased media visibility this year on Sa-Dhan's sector analysis reports, our innovations on building a Client Assessment Platform, initiating a Fraud Exchange solution with a Credit Bureau and the wider policy-level dialogues to further strengthen the Inclusive Finance Sector.

We ensure that in the coming year, there will be greater efforts and successes on our core areas of member engagement, policy advocacy, client protection and regulatory compliance as an SRO, and research & analysis and sectoral projects, that are impactful and meaningful to Sa-Dhan members, and to the social mission of the sector. I would like to thank the Governing Board and the SRO Committee of Sa-Dhan for ably guiding and advising the Sa-Dhan Association.

**Somesh Dayal**



## Message from the ED & CEO

I am happy to be part of the Sa-Dhan family and drive its agenda of Financial Inclusion, especially benefitting the weaker sections of the society. Sa-Dhan in its journey over the last two decades has been in the forefront in supporting member institution development, their capacity building and engaging in policy advocacy for creating a better climate for microfinance in the country. Sa-Dhan has been also acting as a Self-Regulatory Organisation and monitoring responsible lending by its member institutions, ensuring client protection and well-being of borrowers and MFI Staff, by overseeing implementation of industry accepted code of conduct. I feel happy to take forward the legacy for creating a better lending environment for microloans in our country.

Sa-Dhan today has three distinct areas of work i.e Member Development, SRO activities and implementation of Special Projects. While Special Projects will help us to develop new products and processes for MFIs, our focus needs to be on Member Engagement and Member Development. We need to strengthen the same. Also, we need to work on the financial inclusion area, especially in geographies which are less penetrated. We may have to plan a strategy to identify suitable institutions and develop them into viable micro lending institutions.

As the new regulatory guidelines issued by the RBI is being implemented from this year it opens up an array of opportunities for microfinance institutions. It is our responsibility along with our member MFIs to judiciously use the flexibilities provided under the new regulatory framework. As the oldest and largest association of the MFIs in the country, I assure that Sa-Dhan would be there with all our stakeholders in ensuring that the new lending norms will benefit all, and encourage healthy competition between all the micro lenders to further deepen the penetration of micro-credit in the country. Sa-Dhan is committed to take care of interest of the member institutions as well as the clientele it is serving, to achieve the goal of a developed country in the Amrit Kaal.

Let us work together to take forward the agenda of Inclusive growth through the medium of microfinance.

**Jiji Mammen**  
Executive Director & CEO



# BOARD OF DIRECTORS

**Ms. Ela R Bhatt**  
(Chair Emeritus)  
Founder, Sewa Bank Ltd.

**Mr. Mukul Jaiswal**  
(Chair)  
MD, CASHPOR Micro Credit

**Mr. H P Singh**  
(Co-Chair)  
CMD, Satin CreditCare  
Network Ltd.

**Ms. Praseeda Kunam**  
(Treasurer)  
CEO, Samhita Community  
Development Services

**Dr. Medha Purao Samant**  
Chief Functionary,  
Annapurna Mahila Co-op  
Credit Society Ltd.

**Mr. Jiji Mammen**  
MD, NABFINS Ltd..

**Mr. Sarat Chandra Das**  
MD, Grameen Development  
& Finance Pvt Ltd.

**Mr. Royston Braganza**  
CEO, Grameen Capital  
India Ltd..

**Mr. Kuldip Maity**  
MD, VFS Capital Ltd..

**Dr. Deepali Pant Joshi**  
(Independent Member)  
ED (Retired), RBI

**Mr. Brij Mohan**  
(Independent Member)  
ED (Retired), SIDBI

**Smt S Vijayalakshmi**  
(Independent Member)  
CGM, MCID, NABARD

# SRO GRIEVANCE REDRESSAL COMMITTEE

<b>Name</b> ●●●	<b>Background</b> ●●●	<b>Type of Member</b> ●●●
<b>Mr. U S Paliwal</b>	Former ED, RBI	Sector Expert
<b>Mr. S K Mitra</b>	Former ED, NABARD	Sector Expert
<b>Mr. Suresh Krishna</b>	Former MD, Grameen Koota	Sector Expert
<b>Mr. Mukul Jaiswal</b>	MD, Cashpor Micro Credit	Not-for-Profit MFI
<b>Mr Surendra Srivastav</b>	Ex. GM, SIDBI & Ex. CFO, MUDRA	Sector Expert

# SRO ENFORCEMENT COMMITTEE

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

# Introduction- The year that was

During Fiscal 2021-22, rays of hope started to emerge with the waning of the pandemic. The financial year started on a sad note as the COVID-19 wreaked havoc in the first quarter. However, both central and state governments propagated normalcy in economic activities. From the second quarter, the microfinance industry started its journey towards normalcy. While the impact of the pandemic will linger on for some time, near normalcy of the economy ensured that the microfinance industry bounced back.

During the past two years, the industry embraced digitisation at a rapid speed. While cash collection and disbursements in the digital format has grown exponentially, Sa-Dhan has been active in spreading digital literacy to clients and members in order to contain online fraudulent activities. Our industry which has always been at the forefront of providing value added services has now expanded its scope to help clients with a bouquet of insurance products.

The fiscal was also a watershed year for the industry. The Master Direction of the RBI on Regulatory Framework for Microfinance Loans was notified on 14th March 2022. Most of Sa-Dhan's recommendations have been incorporated in this framework such as revising the household income limits, linking indebtedness cap with household income, assessment of income, revisiting the interest caps, modifying the Qualifying Assets norms, etc. In fact, anticipating these changes Sa-Dhan had proactively launched the Credit Assessment Framework for clients to be used as an Industry standard.

During the course of the year, Sa-Dhan was in the forefront as an SRO, in Policy Advocacy, publishing quarterly and annual reports on the sector, meeting Business Correspondents, and keeping an eye on sectoral developments. Highlights of the activities are given herewith in this annual report.



A

# Self-Regulatory Organisation (SRO) – Monitoring the Industry, Implementing Best Practices

As an SRO, Sa-Dhan has been at the forefront 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. During the year, Sa-Dhan as an SRO conducted Field Assessment Visits, developed a Self-Assessment and Monitoring Tool, Analysed risk at Institutional level, conducted in-depth study on status of microfinance at the district level, created Credit Assessment Framework and is working with Equifax to develop a robust Fraud Exchange Platform. During the year, Sa-Dhan conducted a study covering impact of covid on the financial health and livelihoods of microfinance clients. We are pleased to share insights of the initiatives with you.



## A 1

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# Engaging with the RBI for a Conducive Sectoral Policy

Sa-Dhan has always espoused for a conducive policy for the governance of the microfinance sector. For several years, Sa-Dhan has been advocating for a Uniform Activity-based Regulation for all lenders in the microfinance space and provided detailed recommendations on the same. It is heartening to see that most of the recommendations suggested by Sa-Dhan in the Consultative Document have been incorporated in the Master Direction of the RBI on Regulatory Framework for Microfinance Loans. Sa-Dhan's suggestions like revising the household income limits, linking indebtedness cap with household income, assessment of income, revisiting the interest caps, modifying the Qualifying Assets norms, etc., have been incorporated in the framework.

Sa-Dhan is closely working with the members in ensuring the compliance requirements are in place as per the new regulations and shared a FAQ for staff and an awareness poster for clients were made and shared among the members. Anticipating the changes in the new regulations, Sa-Dhan worked to introduce a conducive and effective framework that would enable accurate income assessment, risk profiling of borrowers and hence introduced the Credit Assessment Framework.

## A 2

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# Credit Assessment Framework— We pre-empted the Future

Sa-Dhan introduced the Credit Assessment Framework (CAF) to promote client protection and to be used as an Industry standard by all lenders for microfinance borrowers. For several years, we had been recommending the RBI to replace limits on number of loans and amounts under old regulations with a more accurate and scientific client income assessment tool linked with their repayment capacity. The Regulatory Framework outlines the need for an accurate income assessment framework and Sa-Dhan is happy to share that the CAF is tailor made to determine the maximum repayment obligations and help in lowering the delinquencies.

The Credit Assessment Framework of Sa-Dhan has been developed based on National and International models of poverty assessment like PPI (Progress out of Poverty Index) and Poverty Assessment framework of National Rural Livelihoods Mission, Government of India. It

will utilize and integrate existing data points of clients available with MFIs and provide a Credit Worthiness Score (CWS) – Risk profiling for each client. The CAF will also promote risk-based loan pricing and loan sizing to prevent over-indebtedness of vulnerable and low-income households.

## A 3

# Field Assessment Visits – Getting the Pulse at Grassroots Level

One of the key activities, being an SRO, is to undertake regular field assessment visits. These visits help to observe operations of MFIs pertaining to the Code of Conduct and RBI Regulations. It also looks into over indebtedness, compliance of proper documentation procedures, bundling of products, etc. During the year, despite travel restrictions, Sa-Dhan embarked on field visits panning 10 states covering 40 districts and visiting 95 MFIs. Team Sa-Dhan interacted with 1,395 clients and 485 MFI staff in these districts spread across 133 branch offices and 31 head offices. The field assessment visits provided Sa-Dhan with a realistic post-pandemic picture of the industry and helped to take various initiatives towards easing client distress, reducing emerging frauds, smoothening local political disturbances.



## A 4

# Microfinance at District Levels – Disbursement vs Potential Risks

Sa-Dhan does extensive analysis of data to determine the overall state of the sector and to identify the potentially high-risk geographical areas. Data analyses from district, pin code and institution levels help in developing robust reports. Reports of such analyses are regularly shared with the RBI, member MFIs and other stakeholders. Sa-Dhan members find these reports beneficial for their strategy initiatives and risk management processes.

Districts are evaluated on three parameters – (a) percentage of active microfinance borrowers (legal form agnostic) to the total households (b) percentage of borrowers having more than 2 lenders (legal form agnostic) and more than ₹60,000 outstanding and (c) percentage of borrowers having more than ₹1.25 lakh outstanding.

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

In light of the recent Master Direction on Regulatory Framework for Microfinance Loans by the RBI, the definition of certain critical parameters such as over-indebtedness, multiple lending etc. has been modified. However, despite the change in definition of these parameters, we feel it is necessary to share information about the key risk issues with our members. Sa-Dhan in the coming months will accordingly incorporate the newly modified parameters for the computation of potential risk scores for all the districts.

To promote financial inclusion, pan-India, Sa-Dhan looks into data of microfinance penetration at the district levels. Feasibility of expansion in districts with lower penetration to districts where only Banks and SFBs operate were analysed. The analysis highlights the severity of multiple lending and other early warning signals at the district level.

A 5

## Analysing Risk at Institutional Level – Early Warning Bells

Sa-Dhan regularly sends advisories to its member MFIs which have a high portfolio exposure (more than 25%) in the top 50 potential risk districts to help them to reduce the concentration level in these districts. These advisories serve as an early warning indicator and also assists them in their risk management strategy.

The number of MFIs having high portfolio exposure in the top 50 potential risk districts has decreased from 20 MFIs in March 2021 to 16 MFIs in December 2021. An interesting observation is that the majority of the MFIs having higher exposure in top 50 potential risk districts are mainly from the states of West Bengal, Assam and a few MFIs are from Odisha.

## Fraud Exchange Platform – Our Commitment to Transparency

Sa-Dhan in collaboration with Equifax Credit Bureau is in the process of setting up a Fraud Exchange Platform to mitigate the risk of frauds in the microfinance sector. Sa-Dhan and Equifax team is working on the API integration of the platform with the MFIs MIS systems to ensure easy and flawless data flow from MFIs to the platform. It is expected that the information exchange platform would promote client protection, and ensure the smooth expansion of the microfinance business.

## The Impact of Covid on the Financial Health and Livelihoods of Microfinance Clients

Sa-Dhan undertook a study to understand the impact of the magnitude on the livelihood of the microfinance clients in the light of the pandemic. The study covered how the pandemic had impacted clients in terms of their level of income, expenditure, savings, and indebtedness both pre- and post-pandemic. It has also provided suggestions on curbing the effects of the pandemic on the lives of microfinance clients. The study was undertaken with clients from parts of Tamil Nadu, West Bengal, and Bihar covering various blocks based on parameters like microfinance portfolio, high PAR and risk scores. The primary survey was conducted with 921 women clients of MFIs and 18 field staff through interviews and Focused Group Discussions.

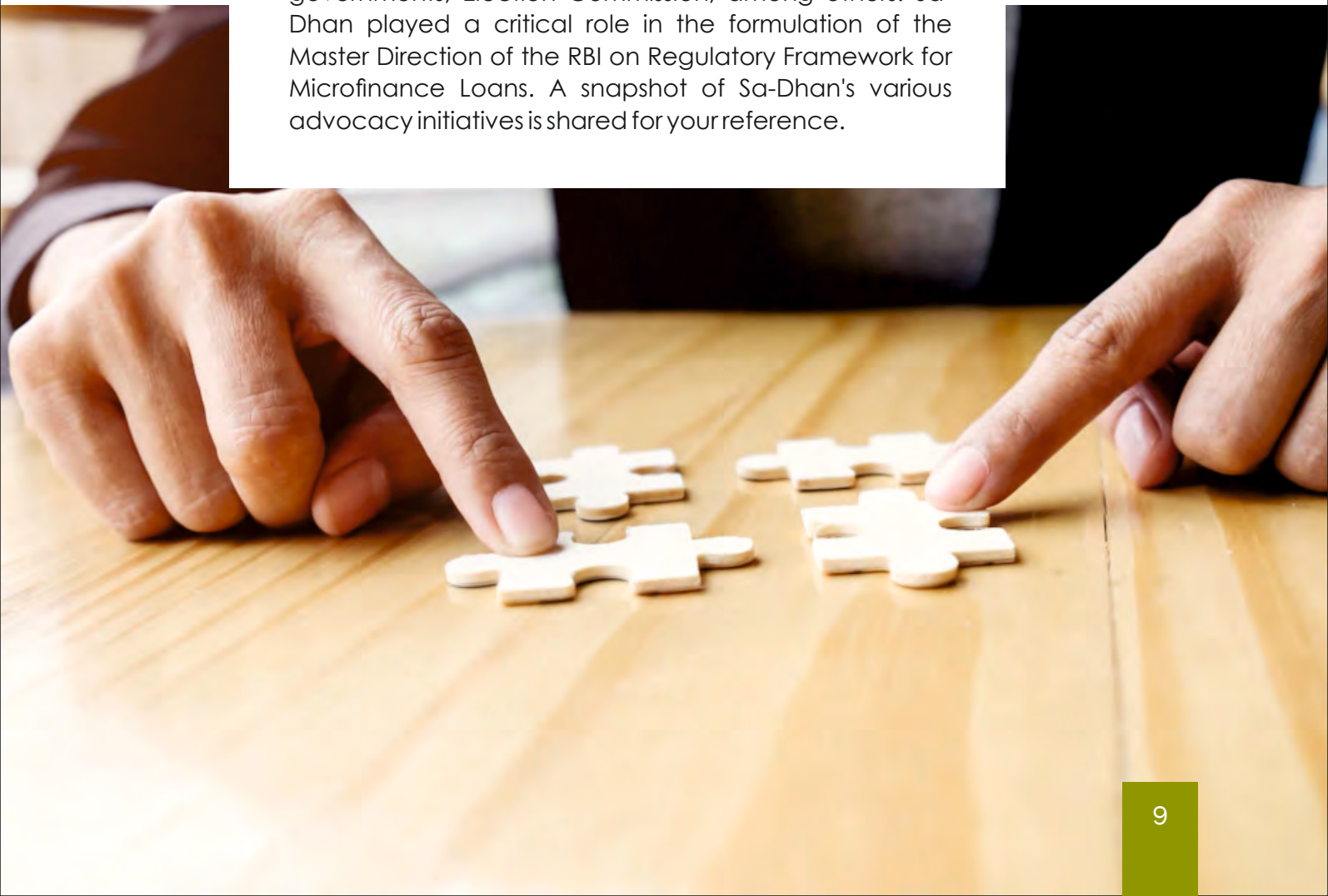
Livelihood disruptions and over indebtedness came out strongly in the study, along with increased dependence on informal loans. Sa-Dhan offered ways that MFIs can mitigate the level of financial distress faced by these affected microfinance clients.



B

## Working towards an inclusive industry - Sa-Dhan's Role in Policy Advocacy, Representations, and Stakeholder Management

As an industry association, Sa-Dhan has been in the forefront for recommending conducive policies for sector, making representations on behalf of the industry to the Finance Ministry, the RBI, SIDBI, NABARD, state governments, Election Commission, among others. Sa-Dhan played a critical role in the formulation of the Master Direction of the RBI on Regulatory Framework for Microfinance Loans. A snapshot of Sa-Dhan's various advocacy initiatives is shared for your reference.



## Engaging with Ministries at Central and State Governments for the Industry's Benefit

During the course of the year, Sa-Dhan actively interacted with various ministries at the centre and state governments focussing on issues that will enable smooth functioning of the microfinance industry.

Sa-Dhan reached out to the ministries with various representations from budget inputs to seeking extended funds for Credit Guarantee Scheme Sa-Dhan has consistently engaged with the Department of Financial Services, Ministry of Finance and regularly apprised them on ground level incidents.

### I Credit Guarantee Scheme -

Sa-Dhan had requested the Ministry of Finance to introduce a Credit Guarantee Scheme for term loans to MFIs from banks. The Ministry introduced the Credit Guarantee Scheme of ₹7,500 crores for MFIs in June 2021. As per the last information most of the MFIs have received the amount and Sa-Dhan is actively monitoring the fund disbursements to the most-needy clients.

A request for an additional ₹7,500 crores was made under the same scheme to enable funds to reach to all MFIs, especially small and medium MFIs having lower grading which are catering to the poorest sections and remotest areas

### II Relief for the sector-specially for the Small and Medium Enterprises

The microfinance sector was severely affected during the second wave as a larger proportion of borrowers as well as staff was affected, with loss of lives too. As a representative of the sector, Sa-Dhan approached the Hon'ble Finance Minister for some relief measures for the sector and espoused the following to prevent imminent liquidity crisis in the sector:

- A. An undertaking Resolution Framework 2.0 be given to the MFIs themselves from Banks and FIs as the MFIs are totally dependent on borrowed resources. Sa Dhan pointed out that in RBI circulars the postponement of instalments was

applicable only to individuals and enterprises. Further, we requested the Government and the RBI to instruct Banks, NBFCs (which lend to MFIs) and DFIs (NABARD, SIDBI and their subsidiaries) to assess the cash flow situation of their borrower-MFIs and accordingly provide them moratorium or restructuring support for 6 months to 1 year.

- B. Sa-Dhan requested that MFIs be supported with an Emergency Credit Line of up to 25% of their outstanding with their lending Banks, NBFCs and DFIs like NABARD and SIDBI. This would help in immediate flow of funds to MFIs from Banks and FIs and thereby ensure credit flow to borrowers at the grassroots.

### III Request for relief to MFIs operating in the North Eastern Region

The pandemic and subsequent lockdowns had a deep impact on the financial health of the microfinance industry and its clients in the North Eastern Region. Sa-Dhan engaged with the Department of the Financial Services requesting them to take up with the financing banks to relax the rating norms for MFIs in NER. We also recommended that a portion of funds allocated to NABARD and SIDBI under Special Liquidity Facility by RBI be specifically earmarked for NER and North Eastern Development Finance Corporation (NEDFi).

Sa-Dhan in a separate intervention with the Ministry of Finance requested to provide special relief exclusively for Manipur as the state had faced a severe crisis due to the pandemic. This could include relaxing the loan provisioning norms for the financial year 2021-22, a special allocation for MFIs in Manipur under the Credit Guarantee Scheme of Government and the Special Liquidity Facility of RBI through NABARD and SIDBI.

## B 2

## Turning a new leaf with Ministry of Housing and Urban Affairs and MSME

To resume livelihoods of street vendors who were adversely affected due to COVID- 19 lockdown, the Ministry of Housing and Urban Affairs launched PM Street Vendor's Atmanirbhar Nidhi (PMSVANidhi) where the government unveiled ₹5,000 crores special facility for street vendors. Sa-Dhan coordinated with SIDBI and Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) for on boarding of MFIs under this

scheme. Sa-Dhan conducted interactions with member institutions, SIDBI and NULM and requested MFIs to speed up the disbursement of loans under this category. The Udyamimitra portal (UMP) the lender's interface for the scheme has been integrated with the program portal. The app will also help in Aadhar validation and can be used for many future projects. All the major banks of the country have already onboarded in the UMP.

B 3

## Fund Proposal for MFIs in Gujarat

For the benefit of the small and medium MFIs, Sa-Dhan has developed a low-cost fund proposal and shared it with the Gujarat Government. Sa-Dhan is in constant engagement with the Gujarat Government and has requested them to create a special purpose vehicle through which MFIs can have access to funds at a lower interest rate and in turn lend to their clients at lower rates.



## Interactions with Rural Development Minister, Tamil Nadu and Additional Chief Secretary, Tamil Nadu

As Tamil Nadu is a major state for microfinance in India, Sa-Dhan has been actively engaging with officials of the State Government at the highest level regularly to sensitize them on the microfinance sector and to create an enabling environment for the sector. In this regard, during the last year, Sa-Dhan has had a series of meetings with the Minister, Rural Development, Additional Chief Secretary and other senior officials of the Government.

The Government had specially invited Sa-Dhan at many instances for meetings and presentations on activities of the sector. Post our meetings, the Rural Development Minister and the Additional Chief Secretary had appreciated the work of the microfinance sector and requested to support post-COVID recovery through credit to the bottom of the pyramid. Sa-Dhan will continue to work closely with the Government of Tamil Nadu in strengthening our well-established relationship.

## Engaging with SRLM in Tamil Nadu and Rajasthan

Being a National Support Organization (NSO), Sa-Dhan always extends the necessary support to the State Rural Livelihood Missions, to apprise them of the activities and modus operandi of the Microfinance sector. During this year Sa-Dhan team visited the Tamil Nadu and Rajasthan SRLM offices and discussed the livelihood opportunities with the help of microfinance institutions that gives income-generating loans. Sa-Dhan will soon start to work with SRLM Rajasthan in various domains like Capacity Building for SHG members.



## AMFIRS and Government of Assam – Sa-Dhan played a key role

With regards to the Assam Microfinance Incentive and Relief Scheme (AMFIRS) 2021, Sa-Dhan had engaged with the Government of Assam on working out the modalities of relief for microfinance borrowers and had also recommended two inputs (i) To extend the relief package to all MFIs irrespective of legal forms of the entities, (ii) No blanket waiver rather it should be extended to deserving clients to promote credit discipline and mitigate the impact on the financial position of the MFIs in the state. Sa-Dhan had also facilitated and ensured that microlenders obtained relief for their borrowers under the Assam Microfinance Incentive and Relief Scheme (AMFIRS) 2021

## Sa-Dhan's continuous engagement with NABARD, SIDBI and MUDRA

In its holistic approach for the betterment of the industry, Sa-Dhan continuously engages with NABARD, SIDBI and MUDRA. The engagements range from providing information to tapping into their resources for the sector.

**I NABARD** – In the light of the second wave of COVID -19 there was a need for the relaxation in eligibility norms for refinance to enable more MFIs to avail NABARD refinance and in turn extend credit to their borrowers. Sa-Dhan made a representation to the NABARD requesting to reduce the Business span norm to 3 years from 5 years. Additionally, requested for the Net NPA norm to be relaxed to 6 % as the sector was facing the fallout of COVID-19 in terms of reduction in collections and the after effects of moratorium.

Sa-Dhan also requested to accept the grading norm of mfR5/MF4+/IND MFI 5 or equivalent (with corresponding relaxation for North East) and to keep the security norms uniformly at 1.1 times for MFIs of all gradings. Further, it was requested for an additional funding support for the NABARD subsidiaries-NABFINS, NABKISAN and NABSAMRUDDHI so that in turn they can refinance more of the small MFIs, especially non-NBFC MFIs.

**In addition**, Sa-Dhan engaged with the NABARD Officer-In-Charge, Sikkim and Chief General Manager Jaipur Regional Office, to apprise them about the overall microfinance sector and the status of microfinance in the respective states. It was understood there is a need to expand the services of MFIs in the state and regular meetings are essentially to be held to review the progress, issues and challenges etc of the sector. The review meetings will also help to gauge the threat of unauthorised institutions, and moneylenders. MFIs are encouraged to take part in the Financial Literacy Campaigns (FLC) organised by the different agencies in the states.

II

**SIDBI and MUDRA** – Post the second wave of the pandemic, the sector witnessed a severe liquidity crunch. Sa-Dhan reached out to SIDBI for relaxation in eligibility norms to enable more MFIs to avail SIDBI refinance and in turn extend credit to their borrowers. In its representation Sa-Dhan requested SIDBI to bring down the rating requirement to BB to enable more institutions to be made eligible. While for non-NBFC-MFIs only MFI Grading may be considered, Sa-Dhan mentioned that for both NBFC-MFIs and non-NBFC-MFIs the Harmonised CoC Assessment Tool pioneered by SIDBI with inputs from the microfinance and banking sectors and the rating agencies could be used. In an interaction with the new Chairman of SIDBI, Sa-Dhan shared details about its Client Assessment Framework that help to understand MFI borrower's income, expenditures, financial assets, poverty indicators, and credit histories.

While MUDRA was envisioned to specifically fund microfinance and microenterprise sectors. Sa-Dhan reiterated for greater support from MUDRA for the MFIs by revisiting the criteria for funding so that a larger number of institutions can benefit from their support and expand the credit flow to the poor and marginalized, mainly women, borrowers, who play a crucial role in restarting the businesses. A list of MFIs along with grading and rating (who are operating in the rural areas) has been shared for accessing the fund under IMEF (International Monetary Fund).

B 8

## Ensuring Business as Usual during Elections

Sa-Dhan made a representation to State Election Commissioners of 5 states/UT- *West Bengal, Assam, Tamil Nadu, Kerala, Puducherry*, and 9 districts (*Kancheepuram, Chengalpet, Vellore, Ranipet, Tirupattur, Villupuram, Kallakurichi, Tirunelveli and Tenkasi*) of Tamil Nadu regarding smooth microfinance operations during the period under the Model Code of Conduct (MCC). Copy of representation was communicated to all District Electoral Officers, SPs, LDMs and DDMs, NABARD. In addition to this, we had issued an advisory to all member MFIs/SFBs/Banks operating in these 5 states/UT.

## Challenges in Maharashtra – Solutions Made

As a response to several disturbances and rumours related to the microfinance sector in Maharashtra, the state government had constituted a Study Group on Microfinance Industry to observe the microfinance activities closely. The major concerns of the study group were – (i) Rate of interest charged to clients and (ii) Grievance Redressal Mechanism (GRM). Sa-Dhan, during its detailed meeting with the Study Group explained the interest rate calculation method used by the MFIs and MFIs' existing GRM functioning. Sa-Dhan also suggested constituting district-level GRM cells to address the client grievances promptly. This model had been successfully piloted by Sa-Dhan in Tamil Nadu earlier and is in the process of being initiated in Maharashtra.

In a case related to allegations of some disturbances in microfinance operations at the Murtizapur tehsil in Maharashtra, Sa-Dhan engaged at the district level meeting of members with the Guardian Minister, District Collector and LDM office in Maharashtra to settle the issues. The administration was informed in a timely and coordinated manner and several rounds of discussions were held to bring a positive impact on the livelihoods of the MFI clients.

## Successfully Advocating e-KYC for MFIs

Sa-Dhan has been advocating with the RBI on the need for e-KYC for MFIs. The Reserve Bank had released a notification dated September 13, 2021 seeking applications from NBFCs for Aadhaar e-KYC authentication. In this regard, to sensitize members on Aadhaar e-KYC authentication, Sa-Dhan engaged with members to discuss various implementation modalities, and technical and financial aspects with the support of UIDAI and NSDL



KYC



B11

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## Consultation meetings for convergence between NBFCs and MFIs

Sa-Dhan and FIDC had jointly organized Consultation Meets to bring greater convergence between NBFCs and MFIs and to facilitate increased credit flow to the microfinance sector. The meets were attended by the leading NBFCs and issues pertaining to financial support to the sector especially the small and medium MFIs were discussed.

B12

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## Interacting with Rating Agencies

Sa-Dhan organised regular consultative meetings between Members and Rating Agencies to deliberate on operational, technical and regulatory challenges faced by the MFIs. Sa-Dhan urged the Rating Agencies to have a separate rating mechanism for small and medium MFIs and consider the past track record of MFIs. The Rating Agencies assured that they would re-examine the existing framework of ratings and advised MFIs to maintain strong liquidity.

B13

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## Tackling Business Correspondents' Challenges

Over the last 2-3 years, the share of BC portfolio in microfinance has grown quite fast but have recently been facing operational challenges. The main challenges for the BCs are maintaining First Loss Default Guarantee (FLDG) with various lenders while still keeping within RBI's Financial Asset norms, high HR Costs, imposition of GST, declining margins, etc. To address these issues, Sa-Dhan had organised meetings with selected members who have high exposure in BC operations. All their issues have been taken up with the regulator for necessary action.

## Rooting for funds from NSFDC

Sa-Dhan is in discussion with National Scheduled Castes Finance Development Corporation (NSFDC) to mobilize funds for the sector and giving inputs to revive their existing lending policy. NSFDC has agreed to pilot a programme in priority states such as UP, Rajasthan, MP, Bihar, Odisha, Jharkhand and Manipur. A series of virtual meetings was organised where representatives from NSFDC and NBFC MFIs participated. Sa-Dhan is supporting NSFDC with appropriate data and selecting MFIs to roll out the programme.



C

# Sa-Dhan Reports – A Reference Guide for the Industry

Throughout the year, Sa-Dhan receives data from the MFIs to understand the industry scenario and underline trends. In this perspective, our Bharat Microfinance Report and the Quarterly Sectoral Reports always stands out.



HEADING INTO A  
NEW ERA

[www.sa-dhan.net](http://www.sa-dhan.net)

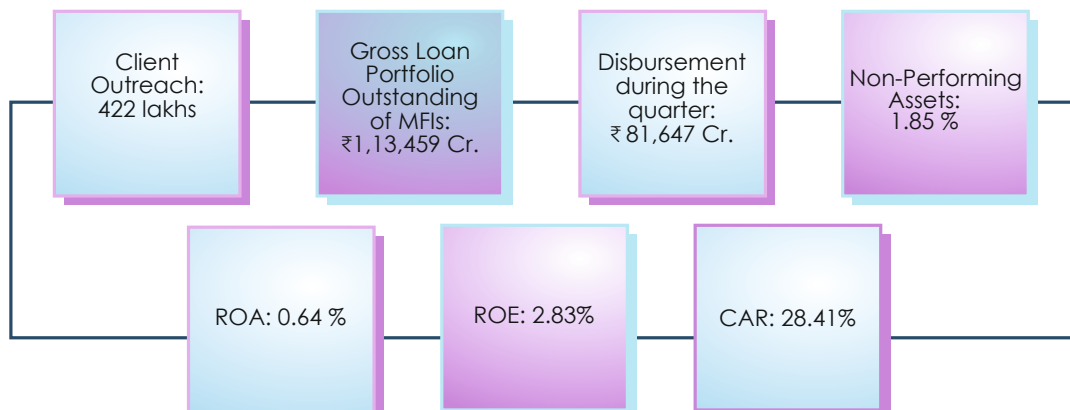
## The Bharat Microfinance Report (BMR)

Sa-Dhan has been publishing The Bharat Microfinance Report since 2004 to showcase the performance of MFIs among stakeholders, notably Policymaker/Regulator, Financial Institutions, and Banks to enable them to consider the sector as a potential investment destination. This is also to increase transparency and build credibility for the sector. The BMR relies on primary data gathered from MFIs across India and secondary data culled out from various sources.



The Bharat Microfinance Report (BMR) 2021 was released by Shri M Rajeshwar Rao, Deputy Governor, RBI, and Shri S Ramann, Chairman cum Managing Director, SIDBI, at the Sa-Dhan National Conference. This year (i.e. 2020-21), 208 MFIs and 7 SFBs reported data, including 63 non-members of Sa-Dhan. The 208 MFIs represent around 99 percent of the microfinance sector in India and includes data on MFI client outreach, loan portfolios, disbursements, portfolio quality, profitability, key financial ratios.

### The key highlights of the BMR 2021



The BMR 2021 data reveals that the total loan outstanding of the microfinance industry (including banks and SFBs) has touched ₹ 2,50,826 Cr and, the number of active number loans is 1,044 lakhs reaching out to 641 districts.

## C 2

# Quarterly Sectoral Reports

Sa-Dhan analyses self-reported data submitted by the MFIs and data sourced from Equifax on a quarterly basis to develop the Q-MF (Quarterly Report on the Microfinance Sector) which is shared with the RBI and all the stakeholders. These Reports help to develop an in depth understanding of the growth of Client Outreach, Number of Active Loans, Number of Unique Borrower, Loan Portfolio Outstanding, BC Portfolio, Disbursements, Portfolio Quality, Staff Productivity, Staff Attrition Rate, and Financial data like funding from different sources, region-wise change, and shifts. More than 135 MFIs contributed data for the Q-MF Report this year.



D

## Member Affairs

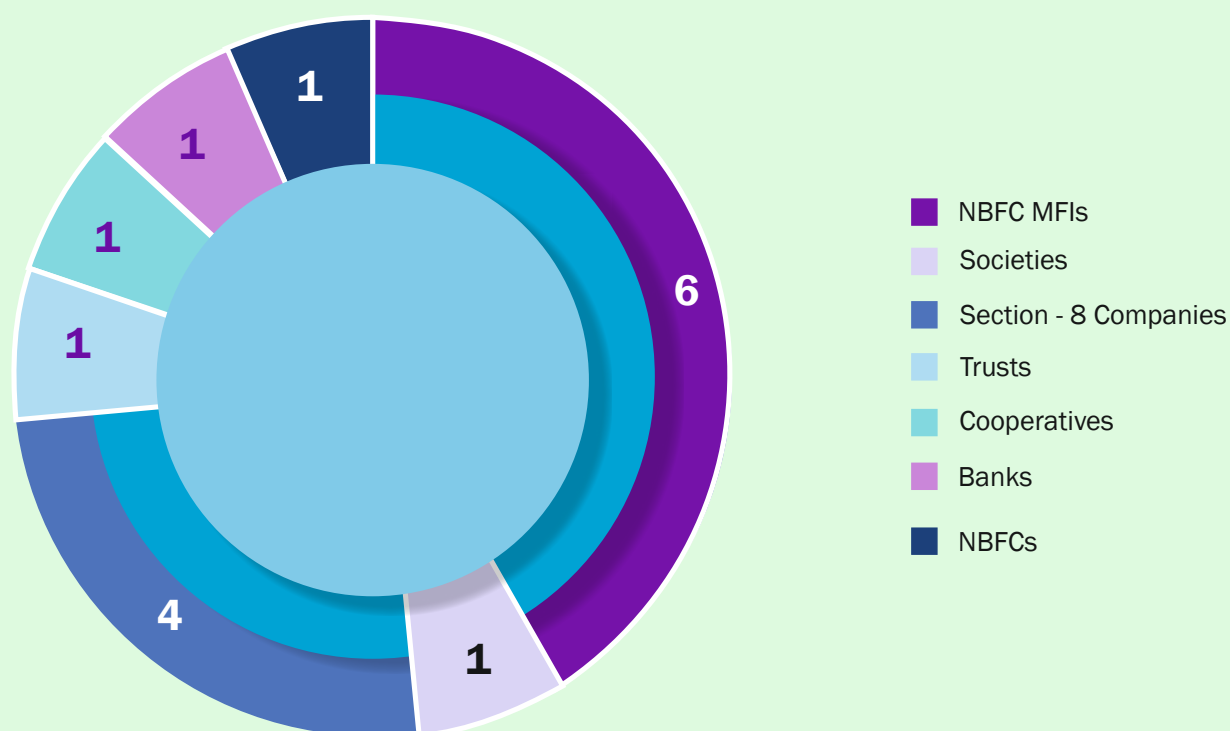


DI

## New Members

Every year, Sa-Dhan receives new applications for membership. These applications go through a process of due diligence and scrutiny. Later the Membership Committee of the Board reviews and clears the membership applications for final approval by the Board. The new members who joined Sa-Dhan during the year 2021-22 are:

S. N.	Name of the Organization	State	Category / Type of Organisation
1.	RBL Bank Ltd.	Maharashtra	Bank
2.	Rors Finance Pvt. Ltd.	Karnataka	NBFC - MFI
3.	Growing Opportunity Finance India Pvt. Ltd.	Tamil Nadu	NBFC - MFI
4.	Janashree Microfin Ltd.	Kerala	NBFC - MFI
5.	Jeevankiran	Kerala	Society – MFI
6.	IQRA Microfinance Federation	Uttar Pradesh	Sec. 8 Com – MFI
7.	Sharan Welfare Foundation	Madhya Pradesh	Sec. 8 Com – MFI
8.	Ceejay Microfin Ltd.	Gujarat	NBFC - MFI
9.	Save Microfinance Pvt. Ltd.	Bihar	NBFC - MFI
10.	Sree Marikamba Microfinance	Karnataka	NBFC - MFI
11.	IMCS	Uttarakhand	Co-operative
12.	Sahrudaya Wesco Credit	Kerala	Trust- – MFI
13.	Swarnodayam Credits Pvt. Ltd.	Tamil Nadu	NBFC
14.	Subiksham Women's Welfare Foundation	Tamil Nadu	Sec. 8 Com- – MFI
15.	Unity Small Finance Bank Ltd.	Maharashtra	Bank



Sa-Dhan as the financial inclusion community came into being on 21<sup>st</sup> July 1999. Sa-Dhan is the largest and most diverse association of community development finance institutions. Sa-Dhan has a membership of 215 members (including NBFC-MFIs, NBFCs, Societies, Trusts, Section 8 Company-MFIs, Cooperatives, Banks, SHG Promoting Institutions, support organisations etc.)

## D 2

# Engagement

Sa-Dhan organised virtual State Level Member Meets round the year with regional/zonal heads to ascertain the field level situation in the state. During this year several Meets were organised in Tamil Nadu, Kerala, Karnataka, Rajasthan, Gujarat, Maharashtra, Madhya Pradesh and Tripura with regional/zonal heads to ascertain the impact of pandemic on livelihoods and repayment, operational challenges, field level situation in the state etc.

The MFIs highlighted a few issues and challenges such as high cost of funds, the last RBI Regulations, liquidity crunch, Credit Guarantee Scheme, high staff attrition rate, multiple lending, increasing PAR and OD clients etc. and sought planning for working together to address the anticipated challenges and issues related to specific geographies. Sa-Dhan has taken several initiatives to address the challenges of the sector which include sending a representation to the Hon'ble Finance Minister, the RBI, NABARD and SIDBI stating the list of demands for the sector.





E

# Sa-Dhan's Presence in Industry Events – Collective Industry Responsibility

E 1

## Stakeholders meeting at BIRD, Kolkata

Sa-Dhan was closely associated with the Bankers' Institute of Rural Development (BIRD) stakeholder meeting organised in Kolkata. The meeting identified areas where training can be organised for MFI employees. As due to the pandemic, procedures in the MFI industry has faced a drastic change which has adversely affected the group culture, risk increased and there has been a huge rise in number clients who have defaulted in their repayments. All these changes are prompting the MFIs to train their staff to cope up with the situation.

Sa-Dhan appreciated the initiative of BIRD and suggested few other topics like training on recovery management, risk management, fraud control for the MFI staff. Many rural and commercial banks, MFIs and other key stakeholders who attended the meeting expressed the same views.

## Workshop on Making Agriculture Climate - Smart: Scaling up technologies with access to Finance



Sa-Dhan with GIZ, BIRD and Climate Bonds Initiative had arranged a physical workshop **"Making Agriculture Climate - Smart: Scaling up technologies with access to Finance"**. Experts from GIZ, NABARD, BIRD and senior personnel from Micro-Finance Institutions (MFIs) attended the workshop with great interest and enthusiasm. The key objective of the event was to understand the barriers of investment to these technologies that support climate resilience, and the support needed by the technology providers for accessing the finance. For MFIs and co-operative banks, the event provided an opportunity to dwell on how they can marry Climate resilient agriculture with growing their business – lessening risks due to extreme weather or other conditions like soil degradation. The event actually familiarized the financial sector with the products as many of them were relatively new to the financing world. Sa-Dhan has received a very good response and we are hopeful that in coming days accessing finance would be easier for the technology providers.

## National Workshop on Vision 2030

Sa-Dhan proactively participated in the two-day National Workshop on Vision 2030 on the theme of Revitalizing SHGs and SHG Federations. APMAS and NABARD together organized the event. Sa-Dhan Executive Director chaired the Plenary Session on "Status of SHG Movement in India and Role of SHG Federations in Financial Inclusion and Microenterprise Promotion" The event was well attended by women SHG Federations representing 17 states. The key stakeholders of SHG Federations had shared their experiences, expectations, issues & challenges faced by them. The



## Inclusive Finance India Summit 2021

Sa-Dhan participated in the Inclusive Finance India Summit 2021 as the Track Partner – Microfinance. Sa-Dhan designed the thematic track and insightful sessions on relevant and contemporary topics such as building the resilience of microfinance clients, new pathways for the SHG movement and harmonized regulatory framework for the MFIs.

F

## Special Projects

F1

### Sa-Dhan's Intervention in Promoting Water and Sanitation Financing

Sa-Dhan has strong engagement in the water and sanitation financing segment and has been instrumental in bringing the water and sanitation portfolio under Priority Sector Lending. Sa-Dhan in collaboration with Water.org launched Water Credit Adoption (WCAD) programme initially in Maharashtra in 2017 and subsequently expanded to other states such as Uttar Pradesh, Madhya Pradesh and Bihar. The purpose of the programme was to scale up WASH Financing through MFIs in India.

This year, Sa-Dhan selected MFIs from the existing Water Credit Adoption (WCAD) states programme and designed a pre-graduation programme to strengthen their capacity in a more refined way. Sa-Dhan also shared key recommendations with partners to improve their processes and systems as per audit findings.

Sa-Dhan advocated with several funding agencies to scale up the WASH portfolio and as a result 30 MFIs received 226cr financial assistance this past year. In the Water Credit Adoption Programme (WCAD), Sa-Dhan organised Programme Monitoring Visits (PMV) with partners to monitor and administer their MIS system, the process of WASH loan demand generation, identification of activities to increase WASH financing.



## Financial Literacy through RBI-DEA Pilot Project

Sa-Dhan in partnership with RBI under the Depositors Education Awareness (DEA) Scheme is set to organise 2250 workshops across 22 states to educate clients on financial literacy. Due to the physical limitations of the pandemic, we organised Pilot training for 600 MFI clients in Uttar Pradesh (UP) and Tamil Nadu (TN) in consultation with RBI. The UP pilot training was with semi-urban clients of, and the Tamil Nadu pilot training was for urban clients of local MFIs. The topics included Financial Awareness (opening of bank Accounts/ E-KYC documents etc), Nomination and RBI Basic Savings Bank Deposit account. As reference material for the clients animated videos from the RBI site were used. Field officers have also circulated Information Education & Communication (IEC) Material in both Hindi and Tamil languages.



## Digital Ecosystem Enhancement Programme

Sa-Dhan has rolled out a project "To Develop a Digital Ecosystem for Improving Access to Finance for Unbanked" supported by HSBC. The project has three broad goals: (a) Promoting education, including special education, (b) Promoting gender equality and empowering women and (c) Rural Development. The project is for a period of 4 years covering pan India starting with Nadia, West Bengal, followed by Sangrur, Punjab and Chennai, Tamil Nadu. In the fourth year of this project, Sa-Dhan in association with Pahal Financial Services Pvt Ltd organized a week-long series of Digital Financial Literacy Training workshops for Clients and Loan Officers in Ahmedabad. During the workshops, 563 clients and 40 last mile agents attained digital financial literacy.



## Scaling Up of Affordable Housing for Economically Weaker Section

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



Further, Sa-Dhan is consolidating its efforts in Puri and Konark as this is the cyclone 'Fani' affected area, to facilitate Housing Microfinance/Micro-mortgage loans at an affordable price to the EWS clients. To discuss the challenges faced by the EWS clients with regards to housing requirements a *client interface meet* programme at Konark district of Puri was organised. MFI clients and financing institutions (MFIs, Banks, HFCs, SFBs, and Government officials from notified area) attended the programme to discuss the accessibility to funds for 'Kutchha to Pukka house', fulfil the gap between demand and supply with the support of MFIs and challenges of accessibility to government schemes (PMAY) challenges. As an outcome of the meet an incremental housing product has been prepared and, 35% of MFIs have qualified for the product to be taken forward.

Furthermore, Sa-Dhan in collaboration with LaRaksha Social Impact Trust Pilot steered a project on Roofing Loan Affordable Housing. The objective of this initiative is to provide shelter loans to economically weaker sections in costal Odisha. The housing support services hub teams have started field visits to identify potential clients for roofing loans.

## Guide for the Industry

Asian Development Bank (ADB) has awarded a capacity-building project (Supporting Microfinance and Lending Partner Financial Institutions in the pandemic and post pandemic response) to the consortium of BASIX Consulting, Ankuram Social Ventures Ltd and Sa-Dhan. The primary objective of the project is to build the resilience of MFIs in the post pandemic time. The intervention would support the small MFIs to successfully get over the various challenges to attain the overarching goal of poverty alleviation and the empowerment of emerging entrepreneurs. The project primarily supports the MFIs in the key areas of Governance, Client Protection, Risk Management, Business Continuity Planning (BCP) in crisis related scenarios.

## Adaptation of clean energy for efficiency, productivity and environment

Sa-Dhan, in association with SELCO Foundation designed a demonstration of the role of Microfinance Institutions (MFIs) in providing asset-based solutions for enhancing livelihoods of under-served communities. The objective was to reduce carbon foot prints by adoption of Decentralized Renewable Energy (DRE) based livelihood Assets in addition to home lighting systems (SDG 7 & 13).

Sa-Dhan is in the process of bringing in several organizations (The Clean network, Council of Energy-Environment-Water (CEEW)) to bring synergy into the initiative. We are also engaging with the Ministry of Power with our continued dialogue with the Bureau of Energy Efficiency (BEE).

After an initial training and a baseline study Sa-Dhan is handholding MFIs for Product Diversification, Business Planning and Customized Operational Models and has also created policy briefs on adoption of renewable energy- based livelihood assets to be circulated amongst all stakeholders.



## Online Training Courses for Microfinance Professionals

Sa-Dhan in collaboration with Prime M2i Consulting Pvt. Ltd has been offering courses for microfinance professionals in 10 languages. It is an initiative of Sa-Dhan to equip microfinance professionals with the necessary skills and knowledge to become more effective in their respective roles. These courses have been designed to make it most useful for people who are either already working in the microfinance industry (with an MFI, Small Finance Bank, Banks or industry associations) or are planning to join the industry. However, students from various training institutions who are not a part of the MFI sector but wishes to pursue a career in this sector have also joined the course. The course has been finetuned further with the introduction of the new RBI Regulations.



# National Conference

The theme of the 16<sup>th</sup> National Conference was "Revitalising Financial Inclusion". The conference was particularly important as the issues related to the economic impacts of the global pandemic and financial resilience of the microfinance sector were discussed. The overall deliberation was on revitalising the microfinance but the other topics that were covered were Sustainable Development, Product Diversification, Liquidity Stress, Financial Inclusion in terms of Gender, FPOs and Technology for clients and even the role of MFIs in vaccination.



We were glad to have the conference witnessed in-depth deliberation on various relevant and contemporary topics viz. product diversification for meaningful financial inclusion, resurrection of the microfinance industry, sustainable development-inclusive financial goals, liquidity stress-trials and tribulations, financial Inclusion-gender FPOs and collectives, technology for clients: fintech in microfinance and How MFIs can help to vaccinate millions. The conference was graced by 500+ attendees, 40 Speakers and 15 partners. We thank our all sponsors, eminent guests, speakers and delegates who participated in the conference from different walks of society to make this conference a very successful event.

The event had been widely covered by the media. Details of our conference are in our Facebook, LinkedIn and YouTube Channel.

H

# Communication and Outreach

H 1

## Online Events

Sa-Dhan organized a series of webinars on various thematic areas of Microfinance where sector practitioners and experts had come together and shared their thoughts on various pertinent topics. With a view of capacity building of our members Sa-Dhan has organised the following Webinars. during the year 2021-2022

1. E- meet on implementation of resolution framework
2. Consultative meeting on RBI regulations
3. Employee motivation meeting
4. Webinar on issues & challenges for credit cooperatives societies in India
5. Virtual meet on Aadhaar ekyc authentication
6. Webinar on release of CAF
7. Cyber and Governance Liability Insurance Meet
8. Consultative meet on RBI Microfinance Regulatory Framework
9. Webinar on adoption of Bhim Aadhaar pay for MFI EMI collection
10. Webinar on evolving Fraud Risk
11. E- meet on scale-based regulations

MFIs have braved this pandemic solely based on their relations with borrowers and best practices adapted by them. Sa-Dhan had organized online discussions to share the best practices that would help MFIs in handling the challenges in a better way.

1. Best Practices in Risk Management
2. Best Practices in HR Management of MFIs

The Webinars were well attended by participants from across the country. All webinars have been uploaded on the official YouTube channel for easy access.



## Media Engagement

Sa-Dhan continuously and consistently engages with media both at national and state levels. The media engagements are from sector development perspective. Media has widely covered the sector. Regular updates were shared with media on policy announcements, sensitising media on the Credit Guarantee Scheme, Regulatory Framework for Microfinance loans, MFI operations, operational hazards of the sector, press meets were held in Manipur

and Odisha. During the last year, Sa-Dhan has been quoted by different media houses in more than 200 articles. The team has been visibly aggressive on social media platform as well. Sa-Dhan worked tenaciously to identify trending stories about the sector, fake news about the sector, response to media and/or netizen queries among others and has effectively used Twitter, LinkedIn and Facebook to narrate stories and position the Association as an



organisation that is a repository of knowledge. Sa-Dhan is regarded as a thought leader and media regularly reaches out to the association for critical inputs

# Governing Body Meetings and Annual General Body Meeting

## Governing Body Meetings

Sa-Dhan organized our governing body meetings in the reported period.

S. No	Date of the Meeting	Total Members	Present	Not present
1	17 June 2021	10	7	3
2	27 August 2021	11	10	1
3	26 November 2021	11	8	3
4	11 March 2022	10	9	1

**Annual General Body Meeting:** The 23rd Annual General Body Meeting (AGM) on 18th June 2021 was held in virtual mode due to the pandemic. The major topics discussed were on various activities of Sa-Dhan viz SRO, Policy Advocacy, Member Affairs, Special Projects, Capacity Building Activities, Accounts & Audit and Course of Action etc. The General Body adopted previous AGM meeting minutes, Annual Report, Audited Financial Statements of FY 2020-21 and Annual Plan and Budget of 2021-22. Two new Governing Board Members. Mr Kuldip Maity, MD & CEO, Village Financial Services Ltd and Mr Royston Braganza, CEO, Grameen Capital India Ltd were elected and Mr Jiji Mammen, MD, NABFINS Ltd, Dr Medha Purao Samant, Chief Functionary, Annapurna Mahila Coop Credit Society Ltd and Ms Praseeda Kunam, CEO, Samhita Community Development Services have been re-elected.

Mr Mukul Jaiswal, MD, Cashpor Micro Credit was elected as Chair. Mr H P Singh, CMD, Satin Credit Care Network Ltd and Ms Praseeda Kunam, CEO, Samhita Community Development Services were elected as Co-Chair and Treasurer of Sa-Dhan respectively.

# Testimonials from Our Members

“

## **Gramalaya Microfin Foundation**

We are very happy to associate with Sa-Dhan for a 10 years period. Both of us work for social causes and helping the unserved poor. We update our knowledge every day in the Microfinance sector by the help of Sa-Dhan reports, documents and sessions. Sa-Dhan is helping us to tackle the issues, providing solutions, strategic direction, guidance in our business development. At the District level, State level and National level our status and achievements are highlighted and appreciated with the support of Sa-Dhan. Connecting the right people at the right time has been done by the Sa-Dhan team. Monthly, quarterly and district analysis reports published by Sa-Dhan are very helpful for planning and expanding our business.

”

“

## **Kerala State Association for Financial Inclusion**

Sa-Dhan proactively engaged with KASAFI whenever the sector faced challenges in the State, which have been plenty in the recent years. Be it the Kerala floods, mitigating sectoral challenges from COVID-19 or getting the support from State Government for smooth field functioning during elections, we have never found the support to be wanting. As an SRO, Sa-Dhan has been exemplary in furthering the agenda of Financial Inclusion in the country. Whether working with the government to carve out a space for sector in the credit guarantee scheme, putting forward the sector's view to the regulator whenever required or hand holding its members to implement regulatory changes, we could not have asked for better support from Sa-Dhan. We wish Sa-Dhan and its energetic team all success and look forward to continue work

”

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**Midland Microfin Ltd.**

Sa-Dhan, being an SRO has been a guide to us. Since the regulator has made the 'Regulated Entities' even more responsible for prudent lending practices so I think that Sa-Dhan will introduce new policies to implement the new RBI guidelines. Sonata promises its full-hearted co-operation and extends its best wishes to Sa-Dhan to continue the good work!!

”

“

**Pahal Financial Services Pvt. Ltd.**

Sa-Dhan has really played an important role in policy advocacy and helped bringing up the new RBI regulation benefitting the microfinance sector. It is great, how they as an SRO maintain a direct connect with the field by visiting the MFIs and their customers. We also appreciate the initiatives taken up by Sa-Dhan on Insurance, WASH products and Digital Financial Literacy for the MFI segment.”

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**Sampada Entrepreneurship and Livelihoods Foundation (SELF)**

Sa-Dhan's the credit assessment framework (CAF) for microfinance borrowers will help to supplement and improve the existing income assessment model of MFIs with verifiable wellbeing indicators, utilize and integrate existing data points of clients available with MFIs and provide a credit worthiness score (CWS), risk profiling for each client.

”

“

**Satin Credit Network Ltd.**

Sa-Dhan has been working hard to support the microfinance sector to thrive and meet the challenges of the new age.

Sa-Dhan is rightfully recognized as Self-Regulatory Organization (SRO) by the RBI. Its diverse legal forms, operating models, sizes, and philosophies make it a strong cornerstone for MFIs. Sa-Dhan has been a support system to the MFIs which continues to be client-centric. We are proud to be associated with Sa-Dhan and are elated to be working alongside them to change the financial game of the rural sector.

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**Satya Micro Capital Ltd.ion**

Sa-Dhan has effectively formulated myriad of action plans for vigorously marketing operational concepts of NBFCs (MFIs) for the rural landscape of the country. and acts as a bridge for every stakeholder. Sa-Dhan's relentless efforts, advocacies and suggestions find echoes in RBI's new guidelines for the micro finance sector that have raised the income level of borrowers' family, consisting of couple and unmarried earning children, to 3 lacs and capped the EMIs to 50% of the income.

Sa-Dhan's grievance redressal mechanism for borrowers and the dispute resolution structure for members have been remarkable. This has always been a pressing need, and SATYA is truly grateful that Sa-Dhan has always supported us in letter and spirits.

”

“

**Sonata Finance Pvt. Ltd.**

Sa-Dhan, as one of the oldest microfinance institutions, has been doing a commendable job in balancing between the interest of its members and the regulatory responsibilities delegated by the Regulators. We truly appreciate Sa-Dhan's efforts in bringing the microfinance institutions together on the same platform, with regulators and other stakeholders like lenders and rating agencies.

”



“

### **South India Finvest Pvt. Ltd.**

Sa-Dhan as a major SRO for the MFI industry took the leadership role in coordinating with Government agencies and the RBI for the timely measures on the facilitating and categorizing the MFIs as essential services during the lock down, for rolling out credit guarantee scheme for the MFI industry and various other initiatives to create a cohesive industry ecosystem including the major new guidelines for MFI from RBI to unleash the potential of the industry...

”

“

### **Welfare Services Ernakulam**

We remember with gratitude the excellent support extended to Welfare Services by Sa-Dhan. As an Industry Association and later, as Self-Regulating Organization Sa-Dhan has engaged pro-actively with the stakeholders for the proper conduct of micro finance sector. The collaborative efforts at building credibility for the sector deserve special mention. The numerous webinars conducted by Sa-Dhan on contemporary topics related to microfinance, circulars & updates and the Daily Media Monitor etc have helped in building capacity of the organization and its personnel.

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# List of Sa-Dhan Members as on 31 March, 2022

ANDHRA PRADESH	
Fincare Small Finance Bank Ltd.	
ARUNACHAL PRADESH	
Arunachal State Rural Livelihoods Mission (ArSRLM)	
ASSAM	
Satra Development Finance P. Ltd.	Ajagar Finance Pvt. Ltd.
Asomi Finance Pvt. Ltd.	Nightingale Finvest Pvt. Ltd.
Grameen Development & Finance Pvt. Ltd.	Prochesta
UNACCO Financial Services Pvt. Ltd.	
BIHAR	
Centre For Development Orientation & Training (CDOT)	Sahyog Development Services
Saija Finance Pvt. Ltd.	Save Microfinance Pvt. Ltd.
Save Solutions Pvt. Ltd.	SEED Capital Pvt. Ltd.
CHANDIGARH	
Aadhar India Finvest limited	
CHHATTISGARH	
Aviral Finance Pvt. Ltd.	

## DELHI

Altura Financial Services Ltd.	Ambition Services Pvt. Ltd.
SEWa Bharat	Shikhar MF Pvt. Ltd.
Sahulat Microfinance Society	Satya MicroCapital Ltd.
Rashtriya Mahila Kosh	Punjab National Bank
Planned Social Concern	Prayatna Microfinance Ltd.
Plan International	National Scheduled Tribes Finance & Development Corporation
Development Corporation	National Scheduled Castes Finance and
Muthoot Microfin Ltd.	Capital Trust Microfinance Pvt. Ltd.

## GUJARAT

Ananya Finance For Inclusive Growth Pvt. Ltd.	Ceejay Microfin Ltd.
Friends of Women's World Banking India (FWWB)	Pahal Financial Services Pvt. Ltd.
Prayas Financial Services Pvt. Ltd.	Saath Mahila Savings & Credit Cooperative Society Ltd.
SEWA Bank	Shroff Capital and Finance Pvt. Ltd.
Swayam Micro Services	The Saath Savings and Credit Cooperative Society Ltd.

## HARYANA

Care Health Insurance Company Ltd.	Micro-Credit Ratings International Ltd.
Mitrata Inclusive Financial Services Pvt. Ltd.	Prime M2i Consulting Pvt. Ltd.
S. V. Creditline Ltd.	Satin Creditcare Network Ltd.
Subhlakshmi Finance Pvt. Ltd.	Taraashna Financial Services Ltd.

## JHARKHAND

Nav Bharat Jagriti Kendra (NBJK)

Vedika Credit Capital Ltd.

## KARNATAKA

ACCION Technical Advisors India

BSS Microfinance Ltd.

Creditaccess Grameen Ltd.

IDF Financial Services Private Ltd.

Jana Small Finance Bank

NABFINS Limited

Navachetana Microfin Services Ltd.

Opportunity Microfinance India Ltd.

Outreach

Rors Finance Private Ltd.

IIFL Samasta Microfinance Ltd.

Sanghamithra Rural Financial Services

Shree Marikamba Micro Finance Pvt. Ltd.

Shri Kshethra Dharmasthala Rural Development Project (SKDRDP)

VRUTTI

## KERALA

ESAF Small Finance Bank

Janashree Microfin Ltd.

Jeevankiran

KPB Fincare Private Ltd.

Max United Foundation

Sahrudaya Wesco Credit

Satyam Grama Sangham

Vanchinad Finance Pvt. Ltd.

Welfare Services Ernakulam

## MADHYA PRADESH

Aparajita Mahila Sangh

Jigyasa Livelihood Promotions Micro Finance Foundation

Priyasakhi Mahila Sangh

Samhita Community Development Services

## MADHYA PRADESH

Aparajita Mahila Sangh	Jigyasa Livelihood Promotions Micro Finance Foundation
Priyasakhi Mahila Sangh	Samhita Community Development Services
Shakti Mahila Sangh	Sharan Welfare Foundation

## MAHARASHTRA

AGORA Microfinance India Ltd.	Unnati Microfin Pvt. Ltd.
Anik Financial Services Pvt. Ltd.	Annapurna Mahila Co-op Credit Society Ltd.
Arthimpact Digital Loans Pvt. Ltd.	Axis Bank Ltd.
Chaitanya	Development Credit Bank
Equifax Credit Information Services Pvt. Ltd.	Grameen Capital
Hindusthan Microfinance Pvt. Ltd.	Housing Development Finance Corporation Ltd. (HDFC)
ICICI Bank Ltd.	Institute of Rural Credit and entrepreneurship development (IRCED)
Intrepid Finance & Leasing Pvt. Ltd.	Mahila arthik Vikas Mahamandal Ltd. (MAVIM)
Mann Deshi Foundation	RBL Bank Ltd.
Sampada Entrepreneurship & Livelihoods Foundation	Smera Gradings & Ratings Pvt. Ltd.
Svamaan Financial Services Pvt. Ltd.	Svantantra Microfinance Pvt. Ltd.
Svasti Microfinance Pvt. Ltd.	Swadhaar Finaccess
TransUnion CIBIL Limited	Unity Small Finance Bank Ltd.
YES Bank Ltd.	

## MANIPUR

Chanura Microfin Manipur (CMM)	SEVA Manipur
Socio Economic Action Trust (SEAT)	The Leima Thrift & Credit Co-operative Society Ltd.
YVU Financial Service	

## ODISHA

ADHIKAR	Adhikar Microfinance Pvt. Ltd.
Annapurna Finance Private Limited	Centre for Youth & Social Development (CYSD)
Glowmore Finance Private limited	GU Financial Services Pvt. Ltd.
Sampark Fin Services Pvt. Ltd.	

## PUNJAB

Midland Microfin Limited	
--------------------------	--

## RAJASTHAN

Arth Micro Finance Pvt. Ltd.	Cecoedecon Development Centre
Digamber Capfin Ltd.	Pushtikar Laghu Vyaparik Pratishtan Bachat & Sakh Sahakari Samiti Ltd.
Rajasthan Shram Sarathi Association	

## TAMIL NADUA

John Moris & Co	Asirvad Microfinance Ltd.
Bharathi Women Development Centre	Blaze Trust

Bullock-Cart Workers Development association (BWDA)	BWDA Finance Ltd.
Bharathi Women Development Centre	Blaze Trust
Citta Plus Consultancy Pvt. Ltd.	Consortium for Social Care and Development
Equitas Small Finance Bank	Finsigma Inclusive Services Pvt. Ltd.
Gramalaya Microfin Foundation	Growing Opportunity Finance India Pvt. Ltd.
Hand in Hand	Innovative microfinance for poverty alleviation and Community transformation (IMPACT)
Kiara Microcredit Pvt. Ltd.	Inthree Access Services Pvt. Ltd.
Magalir Micro Capital Pvt. Ltd.	LaRaksha Social Impact Trust
Mahasemam	Magilchi Foundation
Nanayaturabhi Development Financial Services	MASS Trust
Orange Retail Finance India Private Limited	New Opportunity Consultancy Pvt. Ltd.
People's Action for Transformation (PAT)	PAFT FINANCE Ltd.
Sai Mithra Micro Care Foundation	REPCO Microfinance Ltd.
Private Ltd.	Samunnati Financial Intermediation and Service
SMILE Microfinance Ltd.	Sarvodaya Nano Finance Ltd.
Subiksham Women's Welfare Foundation	South India Finvest Pvt. Ltd.

Valar Aditi Social Finance Pvt. Ltd.	Swarnodhayam Credits Pvt. Ltd.
Vision Micro credit and social foundation	Virutcham Microfinance Ltd. (VML)
Water.org	Vivardhana Microfinance Ltd.
WOMAN	
<b>TELANGANA</b>	
Asmitha Microfin Ltd.	Bharatiya Samruddhi Finance Ltd. (BASIX)
Fincsquare Fintech Pvt. Ltd.	IndusInd Bank Ltd.
IndusInd Financial Inclusion Ltd.	Maanaveeya Holdings & Investments Pvt. Ltd.
Share Microfin Ltd.	Spandana Sphoorty Financial Ltd.
The Bellwether Microfinance Fund Pvt. Ltd.	Vaya Finserv Pvt. Ltd.
<b>UTTAR PRADESH</b>	
Aasra Fincorp Pvt. Ltd.	AJIVIKA FINANCE LIMITED
CARE India	Cashpor Micro Credit
Disha India Micro Credit	Friends Capital Services Ltd.
Futureage India Micro Credit Services	Godson Microfinance Federation
IQRA Microfinance Federation	Margdarshak Financial Services Ltd.
PRADAN	Pratyancha Financial Services Ltd.
Samavesh Finserve Pvt. Ltd.	Sonata Finance Pvt. Ltd.
Surya Jyoti Leasing and Finance Ltd.	



## UTTARAKHND

Info Microcredit Co-operative Society

## WEST BENGAL

AROHAN Financial Services Ltd.

ASA International India Microfinance Ltd.

Bandhan Bank Ltd.

Barasat Sampark

Belghoria Janakalyan Samity

Dakshin Budhakhali Improvement Society (DBIS)

DESTINY FINCO Private Limited

Dhosa Chandaneswar Bratyajana Samity

Grameen Shakti Microfinance Services Pvt. Ltd.

Sahara Utsarga Welfare Society

Sampurna Training and Entrepreneurship Programme (STEP)

Sarala Development & Microfinance Pvt. Ltd.

Sarwadi Finance Private Limited

SEBA Rahara

Sunflag Merchants Pvt. Ltd.

Utrayan Financial Services Pvt. Ltd.

Vector Finance Pvt. Ltd.

VFS Capital Ltd.

Village Welfare Society (VWS)

Wegrow Financial Services Pvt. Ltd.



# SA-DHAN MEMBERS



## V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Flat No.202 & 301, Satyam Cinema Complex

Ranjit Nagar Community Centre, New Delhi – 110008

Tel.(011) 25702691, 25704639; e-mail: [newdelhi@vsa.co.in](mailto:newdelhi@vsa.co.in)

### Independent Auditors' Report

#### TO THE MEMBERS OF SA-DHAN ASSOCIATION

##### 1. Opinion

We have audited the financial statements of SA-DHAN ASSOCIATION, which comprise the Balance Sheet as at 31 March 2022 and the statement of Income and Expenditure Account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

- i) in the case of the Balance Sheet, of the state of affairs of the Society as at 31 March 2022; and
- ii) in the case of the Income and Expenditure Account, of the surplus for the year ended on that date.

##### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Code of Ethics issued by Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethic. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### 3. Responsibilities of management for the financial statements

Management is responsible for the preparation 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, including the accounting standards issued by ICAI, to the extent applicable. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Society and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Society's financial reporting process.

##### 4. Auditors' responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## 5. Other matters

We report that:

- a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose 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 those books; and
- c) The Balance Sheet and Income and Expenditure Account dealt with by this report agree with the books of accounts;

Place: New Delhi  
Dated: 16 June 2022



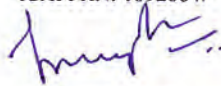
For V. Sankar Aiyar & Co.  
Chartered Accountants  
(Firm Regn. No.: 109208W)

**M.S. BALACHANDRAN**  
Partner (M. No: 024282)  
UDIN: 22024282ALBAFY5219

**SA-DHAN ASSOCIATION**  
**BALANCE SHEET AS AT 31 MARCH 2022**

PARTICULARS	SCHD. NO.	CURRENT YEAR	PREVIOUS YEAR
<b>SOURCES OF FUNDS</b>			
Corpus Funds	1	6,33,22,160	6,24,02,160
Restricted Funds	2	56,57,905	90,36,187
Unrestricted Funds	3	2,48,71,858	1,51,52,039
Capital Asset Fund	4	4,98,189	5,76,708
<b>TOTAL</b>		<b>9,43,50,112</b>	<b>8,71,67,094</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets (at cost less depreciation)	5	4,98,190	5,76,708
Fixed Deposits	6	5,14,90,148	4,83,52,363
Current Assets, Loans and Advances (A)	7	4,31,65,016	3,88,85,236
Current Liabilities (B)	8	8,03,242	6,47,213
Net Current Assets (A-B)		4,23,61,774	3,82,38,023
<b>TOTAL</b>		<b>9,43,50,112</b>	<b>8,71,67,094</b>

As per our Report of even date  
 For V. Sankar Aiyar & Co.  
 Chartered Accountants  
 ICAI FRN: 109208W



(M. S. Balachandran)  
 Partner  
 M.No. 024282

Place : New Delhi  
 Date : June 16, 2022



For and on behalf of Board  
 Sa-Dhan



(Praseeda Kunam)  
 Treasurer



(Mukul Jaiswal)  
 Chairperson



(Someshwar Dayal)  
 Interim Executive Director



**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022**

PARTICULARS	SCHD. NO.	CURRENT YEAR	PREVIOUS YEAR
<b>INCOME</b>			
Grants and Contributions Received	9	1,70,29,636	2,45,22,410
Membership Fee		1,86,96,500	1,51,98,000
Interest Income		49,25,043	46,19,466
Voluntary Contributions		50,55,000	60,65,000
Fees from Activities		36,120	-
Participation and Training Fees		3,70,852	1,37,540
Other Income		4,185	16,690
<b>TOTAL</b>		<b>4,61,17,335</b>	<b>5,05,59,106</b>

**EXPENDITURE**
**PROGRAMME EXPENDITURE:**

Member Development Support & CBEO	10	1,85,08,435	1,85,78,351	
Policy Advocacy & Sector Representation	11	1,02,43,094	55,03,070	
Self Regulatory Organisation Activities	12	51,66,569	67,59,663	
Research & Analysis	13	16,05,718	20,63,765	
Administration Expenses	14	42,43,653	65,22,041	3,94,26,890
Depreciation		86,849	4,63,671	
Less: Transfer from Capital Assets Fund		(86,849)	(4,63,671)	-
Transferred to Capital Assets Fund (Purchase of FA)		8,330		3,59,752
<b>TOTAL</b>		<b>3,97,75,799</b>	<b>3,97,86,642</b>	

**Excess of Income over Expenditure for the year**
**63,41,537**
**1,07,72,464**

Taken to Unrestricted Funds (Sch-3)

97,19,818
66,06,490

Taken to Restricted Funds (Sch-2)

(33,78,282)
41,65,974
**63,41,537**
**1,07,72,464**

As per our Report of even date

For V. Sankar Aiyar &amp; Co.

Chartered Accountants

ICAI FRN: 109208W



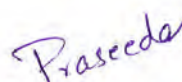
(M. S. Balachandran)

Partner

M.No. 024282

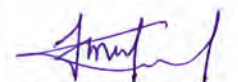
For and on behalf of Board

Sa-Dhan




(Praseeda Kunam)

Treasurer



(Mukul Jaiswal)

Chairperson



(Someshwar Dayal)

Interim Executive Director

Place : New Delhi

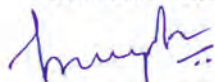
Date : June 16, 2022



**SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2022**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE 1 : CORPUS FUND</u></b>		
The Ford Foundation	2,29,52,160	2,29,52,160
Corpus from Omidyar Network	2,18,95,000	2,18,95,000
Corpus from Members (Including Rs. 9,20,000/- received during the year)	1,73,54,000	1,64,34,000
Sa-Dhan's Contribution to Corpus Fund	11,21,000	11,21,000
<b>TOTAL</b>	<b>6,33,22,160</b>	<b>6,24,02,160</b>
<b><u>SCHEDULE 2 : RESTRICTED FUND</u></b>		
Opening Balance	90,36,187	48,70,213
Add: Fund received during the year	1,04,46,010	2,34,72,410
Less: Amount utilised during the year	(1,38,24,291)	(1,93,06,436)
<b>TOTAL</b>	<b>56,57,905</b>	<b>90,36,187</b>
<b><u>SCHEDULE 3 : UNRESTRICTED FUND</u></b>		
Opening Balance	1,51,52,039	85,45,549
Add: Fund received during the year	3,56,71,326	2,70,86,696
Less: Amount utilised during the year	(2,59,51,507)	(2,04,80,206)
<b>TOTAL</b>	<b>2,48,71,858</b>	<b>1,51,52,039</b>
<b><u>SCHEDULE 4 : CAPITAL ASSETS FUND</u></b>		
Opening Balance	5,76,708	6,80,627
Add: Addition to Fixed Assets	8,330	3,59,752
Less : Depreciation for the year	(86,849)	(4,63,671)
<b>TOTAL</b>	<b>4,98,189</b>	<b>5,76,708</b>

As per our Report of even date  
 For V. Sankar Aiyar & Co.  
 Chartered Accountants  
 ICAI FRN: 109208W

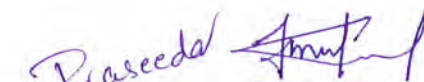


(M. S. Balachandran)  
 Partner  
 M.No. 024282




Place : New Delhi  
 Date : June 16, 2022

For and on behalf of Board  
 Sa-Dhan



(Praseeda Kunam) (Mukul Jaiswal)  
 Treasurer Chairperson



(Someshwar Dayal)  
 Interim Executive Director

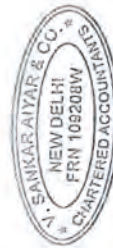


SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2022

**SCHEDULE 5: FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.2021	Addition	Deletion	As At 31.03.2022	Rate of Dep.	As At 01.04.2021	For the year	Written back	As At 31.03.2022	As At 01.04.2021
<b>FOREIGN FUNDS</b>										
Professional Equipment	5,22,324	-	-	5,22,324		5,11,324		-	5,11,324	11,000
Office Equipment	1,38,484	-	-	1,38,484		1,32,484		-	1,32,484	6,000
Furniture & Fixture	2,11,856	-	-	2,11,856		2,07,857		-	2,07,857	4,000
<b>Sub Total [A]</b>	<b>8,72,665</b>	<b>-</b>	<b>-</b>	<b>8,72,665</b>	<b>-</b>	<b>8,51,665</b>	<b>-</b>	<b>-</b>	<b>8,51,665</b>	<b>21,000</b>
<b>INDIAN FUNDS</b>										
Professional Equipment	13,99,966	-	-	13,99,966	16.21%	12,10,905	48,553	-	12,59,458	1,40,508
Office Equipment	5,80,467	8,330	-	5,88,797	4.77%	2,71,560	27,688	-	2,99,248	3,08,907
Furniture & Fixture	1,67,581	-	-	1,67,581	6.33%	1,09,841	10,608	-	1,20,449	57,740
<b>Sub Total [B]</b>	<b>21,48,014</b>	<b>8,330</b>	<b>-</b>	<b>21,56,344</b>		<b>15,92,306</b>	<b>86,849</b>	<b>-</b>	<b>16,79,154</b>	<b>4,77,190</b>
<b>TOTAL [A+B]</b>	<b>30,20,679</b>	<b>8,330</b>	<b>-</b>	<b>30,29,009</b>		<b>24,43,971</b>	<b>86,849</b>	<b>-</b>	<b>25,30,819</b>	<b>4,98,190</b>

As per our Report of even date  
For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI FRN: 109208W



*(Signature)*  
(M. S. Balachandran)  
Partner  
M.No. 024282

Place : -New Delhi  
Date : June 16, 2022

For and on behalf of Board  
Sa-Dhan

*(Signature)*  
(Praseeda Kumam)  
Treasurer

*(Signature)*  
(Mukul Jaiswal)  
Chairperson



*(Signature)*  
(Someshwar Dayal)  
Interim Executive Director

**SA-DHAN ASSOCIATION**  
**SCHEDULE TO BALANCE SHEET FOR THE YEAR ENDED 31/03/2022**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE 6 : FIXED DEPOSITS</u></b>		
In Fixed Deposits with Banks/Approved NBFC's	5,14,90,148	4,83,52,363
<b>TOTAL</b>	<b>5,14,90,148</b>	<b>4,83,52,363</b>

**SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES**

**Current Assets**

Bank Balances (In Savings and Current Accounts)	2,25,34,006	2,58,06,796	
Quantum Deposit with Bank	1,12,30,798	66,75,803	
Cash in hand	11,913	195	3,24,82,794

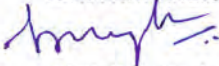
**Loans and Advances**

TDS Recoverable	55,61,344	60,98,876	
GST	53,573	10,337	
Security Deposits (Office premises)	2,26,500	2,26,500	
Accrued Interest	8,45,782	16,034	
Amount Recoverable	11,901	23,688	
Other Receivables	10,52,000	9,000	
Advance to Vendors	24,200	-	
Travel Advance	-	2,091	
Work Advances	-	15,916	
Loan to Staff	16,13,000	-	
	93,88,300	64,02,442	
<b>TOTAL</b>	<b>4,31,65,016</b>	<b>3,88,85,236</b>	

**SCHEDULE 8 : CURRENT LIABILITIES AND PROVISIONS**

TDS Payable	4,18,671	2,76,984	
PF Payable	1,68,565	1,49,229	
Expenses Payable	2,16,006	2,21,000	
	8,03,242	6,47,213	
<b>TOTAL</b>	<b>8,03,242</b>	<b>6,47,213</b>	

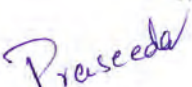
As per our Report of even date  
For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI FRN: 109208W

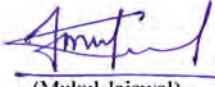
  
(M. S. Balachandran)  
Partner  
M.No. 024282




Place : New Delhi  
Date : June 16, 2022

For and on behalf of Board  
Sa-Dhan

  
(Praseeda Kunam)  
Treasurer

  
(Mukul Jaiswal)  
Chairperson

  
(Someshwar Dayal)  
Interim Executive Director





**SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE 9 : GRANTS AND CONTRIBUTIONS RECEIVED</u></b>		
Foreign Contributions	1,06,09,890	2,34,72,410
<b>Indian Contributions</b>		
Contribution from Indian Agencies	13,35,000	6,50,000
Sponsorship	50,84,746	4,00,000
<b>TOTAL</b>	<b>1,70,29,636</b>	<b>2,45,22,410</b>
<b><u>SCHEDULE 10 : MEMBER DEVELOPMENT SUPPORT &amp; CBEQ</u></b>		
Consultancy Charges	94,36,542	91,66,788
Salaries & Benefits	65,19,282	56,18,893
Travelling Expenses	6,72,866	4,86,732
Meeting Expenses	2,05,900	7,790
Printing & Stationery	5,02,141	27,06,451
Communication Expenses	50,100	2,17,891
Office Maintenance	71,000	2,56,305
Repair & Maintenance	-	68,063
Miscellaneous Expenses	5,904	49,438
HR Support to MFI	10,44,700	-
<b>TOTAL</b>	<b>1,85,08,435</b>	<b>1,85,78,351</b>
<b><u>SCHEDULE 11 : POLICY ADVOCACY &amp; SECTOR REPRESENTATION</u></b>		
Salaries & Benefits	55,01,187	38,24,958
Meeting Expenses	6,14,590	-
Consultancy Charges	28,17,354	10,20,935
Travelling Expenses	1,26,260	4,883
Printing & Stationery	4,13,104	2,950
Communication Expenses	6,87,854	6,40,700
Mementos	53,554	-
Miscellaneous Expenses	26,191	1,144
Office Maintenance	3,000	7,500
Finance Charges	-	-
	<b>1,02,43,094</b>	<b>55,03,070</b>
<b><u>SCHEDULE 12 : SELF REGULATORY ORGANISATION ACTIVITIES</u></b>		
Technology Systems for Surveillance Tools & GRM	-	10,63,313
Salaries & Benefits	27,68,456	28,04,846
Consultancy Charges	14,37,019	13,55,055
Travelling Expenses	2,46,946	1,91,742
Credit Bureaus Reports	6,65,748	9,02,500
Communication Expenses	48,400	1,39,052
Printing & Stationery	-	3,03,155
<b>TOTAL</b>	<b>51,66,569</b>	<b>67,59,663</b>



**SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022**

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
<b><u>SCHEDULE 13 : RESEARCH &amp; ANALYSIS</u></b>		
Consultancy Charges	2,07,308	7,13,197
Salaries & Benefits	13,84,228	10,29,022
Printing & Stationery	-	3,02,074
Communication Expenses	14,182	-
Miscellaneous Expenses	-	19,472
<b>TOTAL</b>	<b>16,05,718</b>	<b>20,63,765</b>

**SCHEDULE 14 : ADMINISTRATION EXPENSES**

Salaries & Benefits	18,66,505	38,13,306
Office Maintenance	15,12,822	11,90,370
Consultancy Charges	1,81,160	3,43,658
Travelling Expenses	12,872	5,671
Meeting Expenses	5,761	-
Miscellaneous Expenses	1,22,029	6,72,404
Communication Expenses	1,02,333	1,13,477
Repair & Maintenance	1,29,028	1,19,536
Printing & Stationery	56,983	27,547
Audit Fees	2,53,350	2,36,000
Finance Charges	810	72
<b>TOTAL</b>	<b>42,43,653</b>	<b>65,22,041</b>

As per our Report of even date  
 For V. Sankar Aiyar & Co.  
 Chartered Accountants  
 ICAI FRN: 109208W

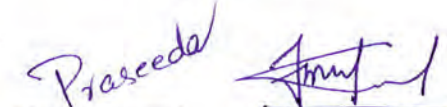


(M. S. Balachandran)  
 Partner  
 M.No. 024282

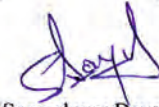


Place : New Delhi  
 Date : June 16, 2022

For and on behalf of Board  
 Sa-Dhan



(Praseeda Kunam)      (Mukul Jaiswal)  
 Treasurer                      Chairperson

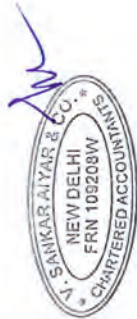


(Someshwar Dayal)  
 Interim Executive Director



**SA-DHAN ASSOCIATION**  
**RECEIPT & PAYMENT ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022**

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		
<b>(A) Corpus Fund</b>									
<b>a) Foreign Funds</b>									
The Ford Foundation	2,29,52,160	-	-	-	-	-	-	-	2,29,52,160
Omidyar Networks	2,18,95,000	-	-	-	-	-	-	-	2,18,95,000
<b>b) Indian Funds</b>									
Corpus from Members	1,64,34,000	9,20,000	-	9,20,000	-	-	-	-	1,73,54,000
Sa-Dhan's Contribution to Corpus Fund	11,21,000	-	-	-	-	-	-	-	11,21,000
<b>Total Corpus Funds</b>	<b>6,24,02,160</b>	<b>9,20,000</b>	<b>-</b>	<b>9,20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,33,22,160</b>
<b>(B) Restricted Funds</b>									
<b>a) Indian Funds</b>									
BRLPS	(1,73,664)	-	-	-	-	-	-	-	(1,73,664)
Depositors Education Awareness (DEA) Fund Scheme	-	36,120	36,120	36,120	36,120	-	36,120	-	-
<b>b) Foreign Funds</b>									
Develop Digital Ecosystem - HSBC	69,45,412	-	-	-	15,67,516	-	15,67,516	(15,67,516)	53,77,896
Financing Liveable Habitat for Poor in Low Income States - FCDO	20,35,783	58,01,369	58,01,369	58,01,369	78,37,151	-	78,37,151	(20,35,783)	-
Water.org	2,28,656	46,08,521	-	46,08,521	43,83,504	-	43,83,504	2,25,017	4,53,673
<b>Total Restricted Funds</b>	<b>90,36,187</b>	<b>1,04,46,010</b>	<b>-</b>	<b>1,04,46,010</b>	<b>1,38,24,291</b>	<b>-</b>	<b>1,38,24,291</b>	<b>(33,78,282)</b>	<b>56,57,905</b>



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) Indian Funds	1,78,11,692	64,19,746	2,66,70,504	3,30,90,250	2,34,05,933	8,330	2,34,14,263	96,75,987	2,74,87,679
b) Foreign funds	(26,59,653)	2,00,000	23,81,076	25,81,076	25,37,244	-	25,37,244	43,832	(26,15,821)
<b>Total Unrestricted Funds</b>	<b>1,51,52,039</b>	<b>66,19,746</b>	<b>2,90,51,580</b>	<b>3,56,71,326</b>	<b>2,59,43,177</b>	<b>8,330</b>	<b>2,59,51,507</b>	<b>97,19,818</b>	<b>2,48,71,858</b>

**(C) Unrestricted Funds**

a) Indian Funds

b) Foreign funds

**Total Unrestricted Funds**

As per our Report of even date

For V. Sankar Aiyar & Co.

Chartered Accountants

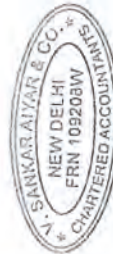
ICAI FRN: 109208W

*(Signature)*

(M. S. Balachandran)

Partner

M.No. 024282



For and on behalf of Board

Sa-Dhan

*(Signature)*

(Praseeda Kunam)

Treasurer

(Mukul Jaiswal)

Chairperson

*(Signature)*

(Someshwar Dattal)

Interim Executive Director



Place : New Delhi

Date : June 16, 2022



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