Sa-Dhan

Fostering Inclusive Impact Finance

10 YEARS AS SRO FOR MFIS

ANNUAL REPORT

FY 2024-2025

Celebrating

10 years as an SRO

Sa-Dhan
Fostering Inclusive Impact Finance
10 YEARS AS SRO FOR MFIS

Sa-Dhan is an association of Impact Finance Institutions and an RBI appointed Self-Regulatory Organization (SRO) for Microfinance Institutions. Sa-Dhan is the first and largest association of community development finance institutions in India formed over two decades ago for supporting and strengthening the agenda of fostering Inclusive Impact Finance in India. It strives for creating a better understanding of the microfinance sector among policymakers, funders, banks, governments, researchers, and practitioners. Sa-Dhan has about 220 members working in 33 states/UTs and over 723 districts, which includes both, for Profit and Not for Profit MFIs, SHG promoting institutions, banks, rating agencies, capacity-building institutions etc. Sa-Dhan's members with diverse legal forms and operating models, reach out to approximately 63 million clients with loan outstanding of more than ₹2,27,410 crores. Sa-Dhan is also recognized as a National Support Organization (NSO) by National Rural Livelihood Mission (NRLM).

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Office Bearers

Mr Paul Thomas (Chair), MD & CEO, ESAF SFB

Mr Sadaf Sayeed (Co-Chair), CEO, Muthoot Microfin

Mr Mukul Jaiswal (Co-Chair), MD, Cashpor Micro Credit

Dr V N Salimath (Treasurer, Chairman, IDF Financial Services

Governing Board

Mr Ganesh Chandra Modak	MD, Grameen Shakti Microfinance Services Pvt. Ltd.
Mr Anup Kumar Singh	MD, Sonata Finance Pvt. Ltd.
Mr Royston Braganza	CEO, Grameen Capital India Ltd.
Ms Arpita Pal Agrawal	MD & CEO, Dia Vikas Capital Pvt. Ltd.
Mr A Ramesh Kumar	CMD, LaRaksha Social Impact Trust
Mr Nagendra Mali	CMD, Navachetana Microfin Services

Independent Members

Ms L Leivang	CGM MCID, NABARD
Mr U S Paliwal	ED, (Retired) RBI
Mr Jugal Kishore Mahapatra	IAS, Secretary (Retired), Ministry of Rural Development, Government of India
Mr Ajay Kumar Kapur Kapoor	DMD -SIDBI -(Retired)
Ms Rupali Kalita	Ex MD & CEO -North East -SFB

SRO Grievance Redressal Committee

Mr U S Paliwal	Former ED, RBI
Ms Purvi Bhavsar	MD, Pahal Financial Services Pvt Ltd
Mr Suresh Krishna	Former MD, CreditAccess Grameen Ltd.
Mr Mukul Jaiswal	MD, Cashpor Micro Credit

SRO Enforcement Committee

Mr Nanaiah Kalegada	Former MD Equifax India
Mr N Srinivasan	Former CGM, NABARD and International Consultant, Sector Expert
Mr Animesh Chauhan	Former CMD, Oriental Bank of Commerce
Mr P R Ravi Mohan	Chairman, ESAF Small Finance Bank
Mr Ravi Kishan Takkar	Former CMD, UCO Bank

Message from the Chairman

Dear All,

This year marked another important chapter in Sa-Dhan's journey of over two and a half decades, dedicated to advancing financial inclusion and building resilience among India's underserved communities. As the oldest and largest association of microfinance and impact finance institutions in the country, Sa-Dhan has consistently served as a pillar of support for the sector—adapting to challenges, advocating for the vulnerable, and upholding high standards of self-regulation. This year commemorated 10 years as a Self-Regulating Organisation (SRO), and it reaffirmed the trust our stakeholders have placed in us to uphold compliance, integrity, and consumer protection across the industry.

Our commitment remains unwavering to helping the sector reach the last mile with dignity, purpose, and sustainability. I extend my sincere appreciation to every institution, partner, regulator, and individual who has contributed to Sa-Dhan's mission. Your collaborative spirit has been instrumental to our progress, especially in a year that truly tested the strength and resilience of the microfinance sector.

The fiscal year 2024–25 was shaped by both promise and turbulence. The optimism from the previous year gave way to systemic stress, marked by repayment challenges, over-leveraging, and regulatory headwinds. Introducing the Karnataka Small Loans and Microloans (Prevention of Coercion) Ordinance posed significant disruption. Through proactive engagement with the Honourable Chief Minister of Karnataka, state officials, regulators, and media, Sa-Dhan played a vital role in protecting the interests of regulated entities and preserving the operational ecosystem. Our advocacy ensured that regulated lenders and their BCs were ultimately exempted from the ordinance, although the overall impact has necessitated continued efforts in awareness building and damage control.

In response to these challenges, Sa-Dhan intensified its sector-building efforts through key initiatives such as Sankalp 2024 - aimed at finalising guardrails for responsible lending and borrower protection, and the National Conference on Inclusive Growth. We also deepened our engagement with the Ministry of Finance, DFS, RBI, SIDBI, and other key institutions, advocating for policy reforms, regulatory clarity, and broader support for the sector. Another notable initiative was the training given to civil servants, a programme designed to build institutional awareness and foster support for microfinance at both the state and national levels.

Sa-Dhan's impact initiatives spanned a diverse range of themes and objectives. Notable among them were the DAY-NRLM programme, supported by the Gates Foundation, which enabled enterprise financing for over one million SHG women across Assam, Jharkhand, West Bengal, and Chhattisgarh. Another highlight was a landmark study on women-owned micro-businesses, conducted in partnership with MSC and J.P. Morgan. The WE LEAD programme, launched in collaboration with SIDBI, provided vital support to women entrepreneurs in Gujarat and Tamil Nadu. Additionally, the advanced Climate-Smart Agriculture Solutions programme, delivered in partnership with GIZ and Social Alpha, focused on sustainable farming practices. Our WASH initiatives, supported by Water.org, FINISH Society, and Nabsamruddhi Finance, continued to improve access to water, sanitation, and hygiene. Beyond these, Sa-Dhan also conducted RBI-DEA financial literacy workshops and engaging street plays to educate depositors and borrowers, reinforcing our commitment to financial awareness and inclusion. In parallel, Sa-Dhan also launched a certification programme for microfinance professionals in partnership with IIBF, a step forward in capacity building and sector professionalisation.

Amidst macroeconomic and regulatory pressures, **Sa-Dhan's Sankalp guidelines are showing results**. Borrowers with more than four lenders dropped from 6.4% to 4.6% in one year. Borrowers with exposure above ₹1.5 lakh also fell from 5.1% to 2.8%, reflecting the industry's alignment with our responsible lending norms.

While the microfinance industry faced considerable headwinds during the year, marked by heightened repayment stress and regulatory disruptions, there were also encouraging signs of resilience. As of 31st March 2025, the total loan portfolio stood at ₹3,81,225 crores, reflecting a year-on-year decline of 14%. Loan accounts dropped by 13%, and disbursements contracted by 26%. Portfolio quality was impacted, with PAR 30+ rising to 6.2%. However, the sector began to show signs of stabilisation in the final quarter, with disbursement volumes picking up. These early indicators of recovery point to the strength of industry reforms and collective efforts toward responsible lending and borrower protection.

Sa-Dhan's international collaborations with institutions like **Water.org, HSBC, Gates Foundation, and GIZ** reinforced our credibility as a global-impact network, focused on climate resilience, gender equity, and sanitation.

Looking ahead, our focus will be on **strengthening SRO responsibilities**, promoting **data-driven digitisation**, supporting **regional dialogues**, and building deeper **state-level networks**. We remain committed to empowering members with the tools, knowledge, and frameworks required to deliver lasting impact in communities across India.

I thank all our member institutions, partners, donors, regulators, and supporters for your continued trust in Sa-Dhan. Your unwavering commitment powers our mission and strengthens our resolve. As we step into a new year, let us remain grounded in our values and united in purpose as we rise together to meet new challenges.

Warm regards,

K. Paul Thomas
Chairman, Sa-Dhan

Message from the ED & CEO

Dear Members

First of all, I thank you all for the support being extended to Sa-Dhan and its activities, as an association and also as an SRO for microfinance institutions in the country.

The year 2024-25 was a challenging one. It was indeed a surprise to see the reversal in the performance of the industry after two years of strong performance. There were apparently no major issues or external events for such a reversal in performance. Of course, there were issues like slow growth of economy specially the rural economy since covid days, climate change related issues like heat wave across the country especially in the north and flooding in some eastern parts of the country as well as localised disruptions in the form of loan waiver movements and state government action as seen in Karnataka. But there was pan Indian phenomenon of a stress being built up, causing increased delinquency and negative growth of credit.

One reason which came prominently across the country was the higher credit exposure to a significant number of people, leading to difficulties in repayment. Sensing the issue, Sa-Dhan as an association and SRO, took the lead in organising a one-day CEO conference of 'For Profit' entities at Bengaluru by name, **Sankalp**, where the matter was discussed in detail and CEOs felt the need to have some additional controls in lending. Hence Sa-Dhan came out with the Sankalp guidelines, which were 7 guard rails limiting the exposure per households and also more diligence while sanctioning the loans. Subsequently, in April of this year, another CEO conference was held in Delhi, as **Sankalp 2**, where some more tightening of the guard rails were made. As a result of all these, the situation in microfinance has started showing some improvement, and it is expected that the normalcy would reach very soon.

Another challenge faced by the sector during the year was the ordinance promulgated by the Karnataka Government by the name **The Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025** in February 2025. The ordinance was converted to a bill in March 2025. Karnataka, which is one among the top five states in terms of portfolio size and also where microfinance was doing reasonably well, was impacted by this ordinance and the recovery performance was badly affected, although the RBI regulated entities were not covered by the Bill. Sa-Dhan had taken several initiatives in the state by way of meeting various stakeholders, including those in the power and other stakeholders like RBI, SLBC, NABARD and also initiating some awareness campaign for the people and the staff of MFIs. Our efforts showed some results by way of keeping regulated entities including BCs outside purview of the Bill. Our interventions also helped in bringing down the impact of the Bill to micro lending institutions to some extent. But the recovery performance got hit by the ordinance and situation is coming back to normal, slowly.

The high level of staff attrition is an issue which is also bothering the microfinance sector. It is also a reason for the recent stress seen. With a view to develop capable and passionate staff, Sa-Dhan along with Indian Institute of Banking and Finance (IIBF) has launched a certification programme on microfinance. This programme could be made use of by the existing staff as well as those wants to join the sector. Already more than 100 persons have been certified under this initiative. In the meantime, Sa-Dhan is also taking efforts to bring employee engagement code for uniformity and better engagement of staff.

The model we are practicing is already more than 25 years old. The lending through JLG has started showing some weaknesses, although it is still considered to be the best available one. It is time to start looking for different models for the industry. With the advent of technological advancement, it is time to see how best technology can be leverage to have better models in microfinance.

The year that has gone has not been very encouraging as far as the microfinance sector is concerned. But I am sure the sector with its great resilience power will come back strongly, as was the case in several such crisis in the past. However, as a responsible lender we need to be cautious and diligent in our approach. The guidelines issued by RBI, in the form of regulatory frame work and Fair Practices code need utmost respect. So is the case with SRO guidelines and code of conduct implementation. I am sure the year 2025-26 will be different and better for all the players in microfinance sector. Let us all jointly work towards that.

I am happy to inform you that with the support of all the members and other stakeholders, Sa-Dhan has grown from strength to strength over the last few years. Sa-Dhan has been very active with various developmental activities during the year. Several new initiatives were taken for supporting member institutions and also working for the social and financial impact of the bottom of pyramid. Accordingly, we started the year with strategy session with all our staff members by the name "Chintan Baithak" and firmed up our yearlong plan. We organised CEO conference for 'For Profit' institutions at Bengaluru and 'Not for Profit' organisations at Chennai for the first time. The Sa-Dhan National Conference was done in a much bigger scale with more media attention and participation by the senior Government officials etc. Our initiative for sector building through enterprise development, in collaboration with NRLM and SRLMs, engaging as dedicated team in Gujarat and Tamil Nadu for developing women enterprises, imparting financial literacy through RBI DEA Workshops, promoting water, sanitation and Hygiene (WASH), promotion of climate resilient agriculture, supporting affordable housing etc. continued during the year in full earnest. We are committed to carry forward these initiatives and more in the coming years, without losing focus on addressing the specific issues of members and microfinance sector

With best wishes and sincere thanks, I now present the Annual Report of Sa-Dhan for the year 2024-25

Jiji Mammen
ED & CEO, Sa-Dhan

Overview of the microfinance sector

Sectoral Performance of Sa-Dhan during 2024-25

The microfinance sector experienced an eventful year in FY 2024–25, marked by considerable challenges on account of over leverage and state governments interventions. The previous FY reported a strong 26.8% year-on-year growth, with a total loan portfolio of ₹4.43 lakh crores and a unique borrower base of 8.7 crore individuals across 16.1 crore active loans. Non-Banking Financial Company - Microfinance Institutions (NBFC-MFIs) continued to dominate with 39% market share. The loan portfolio quality was apparently good with all delinquency buckets reflecting reduced Portfolio at Risk (PAR) values.

However, the table turned around in FY 2024-25 with the sector facing growing concerns regarding client over-leveraging rising borrower distress and increasing trend of non-performing assets and PAR. The RBI also highlighted issues such as higher interest rates and the involvement of ring leaders in loan pipelining. In response, Sa-Dhan convened SANKALP 2024, industry-wide meetings of CEOs and MDs, to address these challenges. Sa-Dhan introduced additional guardrails in the form self-regulatory measures, effective from September 2024, which put loan exposure caps, restrictions on lending to high-risk borrowers, processing fee caps, and enhanced pricing transparency.

The sector saw a contraction in portfolio size of (-14%), from ₹4.43 lakh crores in March 2024 to ₹3.81 lakh crores by March 2025, mainly due to cautious disbursement strategies and regional disruptions such as Karz Maafi Abhiyan, Karnataka ordinance against coercive lending, etc. Disbursements reduced significantly to ₹2.86 lakh crores, registering a (-26%) year-on-year decline. Field-level issues such as borrower over-indebtedness and economic slowdown further strained repayment capacity. A Sa-Dhan study with Dvara Research confirmed that while most borrowers have fewer than four lenders, many still felt their incomes were insufficient to manage debt obligations.

Asset quality deteriorated with PAR 30+dpd of 2.1% as on 31 March 2024 to 6.2% as on 31 March 2025. But there was some indication of improvement towards the end of the year, with PAR 30+ improving from 6.4% to 6.2% on a quarter-on-quarter basis. However, this remains substantially higher than the 2.1% recorded a year prior. One significant disruption occurred in Karnataka, where a state ordinance led to a sharp drop in on-time repayment rates from 98% to 80%, with spillover effects observed in neighbouring states. Tamil Nadu has also brought a similar legislation subsequently. Sa-Dhan actively engaged with state governments and other stakeholders in Karnataka to reduce the impact of the ordinance on micro lending institutions, which succeeded to some extent.

As mentioned above, the Sankalp guidelines issued after the SANKALP 2024 at Bengaluru, put some restrictions on lending norms such as limiting the total loan exposure, number of lenders per borrower to three in SANKALP 2025 held in April 2025, enforcing cooling-off periods between loans, and barring lending to borrowers with significant overdue amounts. These steps are aimed at reinforcing credit discipline. Additionally, Sa-Dhan has identified the states for deeper engagements for the current year.

Alongside regulatory efforts, Sa-Dhan continues strengthening the sector through financial literacy workshops, exploring data-based income assessment tools, support for women-led enterprises, WASH financing, climate-resilient agriculture, and instant health loans. It also promotes the government's 'Lakhpati Didi' initiative to uplift rural women entrepreneurs.

Sa-Dhan's network of over 220-member institutions—including 8 Small Finance Banks and Banks—reaches over 63 million clients and has a total loan book of ₹ 2,27,410 crores (not lakh crores). Despite setbacks, the microfinance sector remains committed to responsible lending, financial inclusion, and contributing to sustainable development goals.

A. Self-Regulatory Organisation (SRO)

Sa-Dhan completed 10 years as an SRO for NBFC MFIs in 2025, having got the recognition RBI in 2015. Sa-Dhan has played a vital role in shaping a responsible and client-centric microfinance ecosystem. As an SRO, Sa-Dhan has been actively developing and implementing regulatory frameworks, tools, and performance standards to strengthen the sector and protect client interests. It has consistently monitored MFI compliance with applicable laws and the Code of Conduct, ensuring ethical and professional practices across the board. Over the past year, Sa-Dhan undertook several key initiatives, including field assessment visits, issuance of advisories, capacity-building workshops, regular sectoral updates to the RBI, sharing of analytical reports with members, and extended hands-on support. Sa-Dhan is pleased to share insights from these initiatives with its members and stakeholders, reaffirming its commitment to a robust and inclusive microfinance sector.

A-1 Engaging with the RBI for a conducive sectoral Policy

As the recognised self-regulatory organisation (SRO) for the microfinance sector, Sa-Dhan continued to play a pivotal role in representing the interests of its member institutions and engaging constructively with regulators. In the second quarter of FY 2024–25, Sa-Dhan, along with CEOs of leading Member-MFIs, met with senior officials from the Reserve Bank of India (RBI), including the Deputy Governor (DG) of the Department of Regulation (DoR), Executive Director (ED-DoR), and Chief General Manager (CGM-DoR), on 23rd September 2024, apprised them about the progress in microfinance sector and issues faced by it.

During the meeting, **Sa-Dhan facilitated a discussion on key policy and operational challenges facing the microfinance sector.** Issues such as enabling EKYC for onboarding of customers and reporting to Credit Burau, taking a relook on the definition of Qualifying Assets, and excluding NatCat insurance from APR calculations, the need for creating a dedicated funding mechanism etc were raised. Sa-Dhan also advocated introducing a mandatory employee bureau to address employee conduct and transparency concerns.

The Sa-Dhan delegation **highlighted pressing ground-level challenges**, such as the Karz Mukti Abhiyaan movement, borrower confrontations with field staff, rising employee attrition, increased delinquency from natural calamities, credit quality deterioration, limited funding access for smaller MFIs, and the urgent need for innovation and expansion into higher-ticket loans for mature borrowers.

In a separate engagement, Sa-Dhan met with the CGM of the Department of Supervision (DoS) to discuss regulatory compliance challenges at the field level. The discussions focused on the need for NBFC-MFIs to align with RBI's expectations on credit policies, interest rate calculations, qualifying asset norms, and accurate household income assessments.

As an SRO, Sa-Dhan reaffirmed its commitment to strengthening adherence to the regulatory framework through guidance, training, and capacity-building

efforts among its members. In response to the interest rate calculation issue, Sa-Dhan developed an Industry-wide standard template in consultation with various stakeholders and circulated it to all members for their adoption.

In the fourth quarter, the Sa-Dhan delegation had a meeting with ED (DoR) and CGM, DOS. The ED responded positively to Sa-Dhan's requests, including reviewing qualifying asset norms, using Aadhaar for KYC, and broader CIC reporting. RBI appreciated Sa-Dhan's stress-risk district analysis and sought a future strategy update. Sa-Dhan also briefed CGM (DoS) on its upcoming Grievance Redressal Mechanism (GRM) manual and pricing template, which were well received. With CGM (DEA Fund), Sa-Dhan reviewed the RBI-DEA financial literacy project and proposed improvements focused on impact measurement for 2025–26. Lastly, at the RBI Governor's meeting, Sa-Dhan emphasised the need for uniform KYC, funding support, a review of regulatory norms, improved data capture across lending, and addressed concerns regarding the Karnataka ordinance.

A-2 (i) SANKALP-2024

Sa-Dhan organised the first Industry-wide meeting of the CEOs /MDs of member institutions, SANKALP 2024, at Bengaluru, Karnataka. After detailed deliberation with the members, it was decided by all that enhanced guardrails may be prescribed to lending institutions to protect the interests of clients and the sector. The additional guardrails (Sankalp guidelines) were to address three key issues.

- Pricing: Transparent and fair pricing of loans allows the benefit of efficiencies to be shared with borrowers

- Over-indebtedness: Over-lending can create overleverage and default among clients. Hence, some caps are to be prescribed
- Discipline: Adherence to the Code of Conduct and Responsible lending practices.

Based on these, seven additional guidelines were issued to all Sa-Dhan members, and came into effect from 1 September 2024.

These guidelines helped to promote the healthy and sustainable growth of the microfinance sector. It encouraged greater transparency and good governance, emphasising client protection principles.

A-2 (ii) SANKALP- 2024
(for Non-Profit Institutions)

Sa-Dhan organised a Sankalp Baithak to discuss the issues and challenges of not-for-profit entities. The meeting was held in Chennai in November 2024. The additional guardrails decided in the previous Sankalp Baithak of For-Profit Organisation at Bengaluru were discussed with the group, and members agreed to follow the same guidelines for their on-lending operations. Also, there were discussions about the scarcity of low-cost funds, the need to have a differential rating system, the inability to access CIC data, the attrition rate, etc.

A-3 Customer Awareness campaigns in the field

As a good practice, Sa-Dhan always tries to spread financial literacy awareness among microfinance clients through all formal and informal channels. During such field visits, the Sa-Dhan team examine the microfinance clients' challenges and problems through interaction in small groups. Such meetings were also used impart training on financial literacy and create awareness among the customers. In 2024- 25, Sa-Dhan has reached more than 1100 clients, covered 20 states, reached 118 districts and interacted at 230 MFI branch offices.

Field Assessment Visits

During this year, The Sa-Dhan team covered Uttar Pradesh, Punjab, Tamil Nadu, Kerala,

Odisha, Rajasthan, Gujarat, Chhattisgarh, Assam, Maharashtra, Andhra Pradesh, Karnataka, Telangana, Haryana, Uttarakhand, Madhya Pradesh, Jharkhand, Bihar, West Bengal, and Delhi NCR.

Some key observations from these visits are:

- In few states like Tamil Nadu, Kerala, Odisha, Bihar and Uttar Pradesh pockets are facing gradual increase in repayment related issues which has increased stress in the sector.
- Cap on indebtedness and number of loans: Based on suggestions from SROs, MFIs have introduced voluntary caps on indebtedness amounts like Rs. 2 Lakhs and caps on the number of lenders like 2+1 or 3+1.
- Limiting Microfinance exposure: Not providing loans to clients with more than 2 lakhs outstanding loan amount for both microfinance and retail.
- Higher attrition, higher operation costs, and deterioration in borrower culture: Borrower culture related to meeting attendance, joint liability, and on-time repayment has taken a hit since COVID-19, and due to that, operation costs have increased, which has also led to higher attrition.
- MFIs are tending towards innovative technologies to have more efficient under writing process and identifying early warning signal. They are using latest technology to have a better risk mitigating strategy.

A-4 Template to calculate the Pricing of credit

Given the ongoing discussions around the methodology for calculating interest rates, Sa-Dhan has developed a standardised template to guide Microfinance Institutions (MFIs) in pricing credit. This initiative was taken based on suggestions made by members.

The first draft of the template was circulated among members, and an online consultation meeting was conducted to deliberate on its contents. Incorporating the feedback received, the template was further refined and shared with a select group of MFIs for additional input. It outlines four key components involved in determining interest rates – (i) Cost of Funds, (ii) Operational Expenses, (iii) Risk Costs and (iv) Profit Margin. In addition to these core components, the template provides detailed guidelines for calculating the indicators and sub-parameters associated with each category. This standardised approach enhances transparency, consistency, and accountability in interest rate determination. Sa-Dhan formally issued the final template to its members through an official directive dated 9 January 2025. The CGM, DOS RBI appreciated this effort of Sa-Dhan

A-5 Study on the Impact of the New Regulatory Framework

Sa-Dhan, engaged Dvara Research, to understand the impact of the Reserve Bank of India's (RBI) Regulatory Framework for Microfinance Loans, 2022 ("New Framework") on customers and the microfinance industry. The New Framework harmonises the regulations applicable to all regulated entities that deliver microfinance loans and introduces a set of more robust customer protection guidelines. The study was conducted with 13 MFIs, covering 771 microfinance borrowers and 90 field staff nationwide.

Some key insights of the study are:

- There is a lack of clear documentation to act as proof of income, and customers provide ballpark figures that are difficult to validate. This is further complicated by the informality, seasonality and unpredictability of income sources that typically characterise the MFI customer segment.
- Most MFIs have seen substantial increases in rejection rates due to the 50% FOIR requirement, especially since loans of all household members need to be incorporated in the FOIR calculation. This is particularly true for mature customers who are in their fifth or sixth cycle of loans and are being rejected now for crossing the 50% FOIR limit.
- Transparency in the documentation: Ninety per cent of the borrowers shared that they have received loan documents such as fact sheets and repayment schedules. However, field staff mentioned that language comprehensibility in loan documents is challenging for borrowers.
- Positive expectations around better data and better practices loom large, and lenders are proactive and keen about finding more suitable and appropriate underwriting processes and technology that would minimise credit and personnel risk for themselves while also helping customers access affordable and timely credit.

A-6 Advisories shared with Members

Sa-Dhan has issued several advisories addressing various issues to ensure effective compliance within the microfinance sector. These advisories aim to provide guidance, set standards, and promote best practices among Microfinance Institutions. The advisories recommended that Members strictly adhere to the RBI regulations, especially those related to recovery practices, higher interest rate, responsible lending, proper household income assessment and to curb harsh recovery practices, guidance on digital lending, compliance related to the provisioning norms etc. In the year 2024-25, Sa-Dhan has issued 15 Advisories/ Guide notes to MFIs.

A-7 Analysing potential Risk scores at the district level

The risk analysis of geographical areas at the district and pin code level and institution levels were shared with the RBI, member MFIs, and other stakeholders regularly. These reports benefit Sa-Dhan's members to strategize the business and risk management.

Districts were evaluated on three parameters: (a) the percentage of active microfinance borrowers (legal form agnostic) to the total households; (b) the percentage of borrowers having more than two lenders (legal form agnostic) and more than ₹60k outstanding; and (c) the percentage of borrowers having more than ₹1.25 lakhs outstanding.

Also, the top 100 districts were identified based on eight parameters, viz., indebtedness, multiple lending, PAR 30+dpd, PAR 30+dpd difference (Q-o-Q), PAR 180+dpd, multidimensional poverty index, growth ratio (Y-o-Y) and the number of micro-lenders having operations in the district. The risk score was calculated for each district based on the eight parameters and a comparative risk score for each district was arrived.

Furthermore, the risk perception for the top 10 states, in terms of portfolio, were regularly analysed and shared with members to help them make business decisions.

A-8 Analysing Risk at the Institutional Level

Sa-Dhan has shared advisories to its member MFIs with a high portfolio exposure (more than 25%) in the top 50 potential risk districts to help them plan their further exposure in these districts. These advisories serve as an early warning indicator and assist them in their risk management strategy.

A-9 Quarterly Sectoral Reports

The Quarterly Microfinance Report (QMR) provide the quarterly sectoral changes and updates, which help the stakeholders

with information about the status of the microfinance sector at the end of each quarter. The self-reported data submitted by the MFIs and data sourced from Credit Information Companies are analysed to develop the QMR, which supplement the Bharat Microfinance report (BMR), which is shared with all the stakeholders. These Reports help to build an in depth understanding of the growth of Client Outreach, Number of Active Loans, Number of Unique Borrowers, 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 140 MFIs contributed data for the Q-MF Report this year.

A-10 Managing Challenging situations in different states

Sa-Dhan engaged in crisis management in various parts of the country. The crisis management strategy includes offering support and relief to the affected members, encompassing policy advocacy and capacity building. Sa-Dhan ensures ethical practices, particularly in the wake of crises. Some of the prominent crises are:

The Karnataka Micro Loan and Small Loan (Prevention of Coercive Actions) Ordinance, 2025. The Ordinance promulgated by the Karnataka State Government, in February 2025 and later converted to a bill in March, although intended to safeguard genuine borrowers from coercive recovery practices, it has impacted the microfinance sector in the State. The Bill explicitly excludes RBI-regulated entities from its scope. Yet the Bill has vitiated the microfinance operations in the States, which is also reflected in the recovery of loan in the fourth quarter.

Sa-Dhan engaged with the state leadership, political leaders, officials and other stakeholders in high-level meetings to reduce the impact of the Bill, which was successful to some extent.

Sa-Dhan developed media advertorials to educate the people about the applicability of the ordinance/ bill and vide publicity was given. Further, controlling officers/ senior managers of the MFIs were given special orientation on the bill and the role to be played by MFI staff. These senior managers imparted the same to the field staff. Further, the Financial Literacy Centres (FLCs) in the States were oriented about the microfinance activities and regulations it is having. These FLCs would further impart these knowledges to their trainees. Some district level outreach programmes were also carried out.

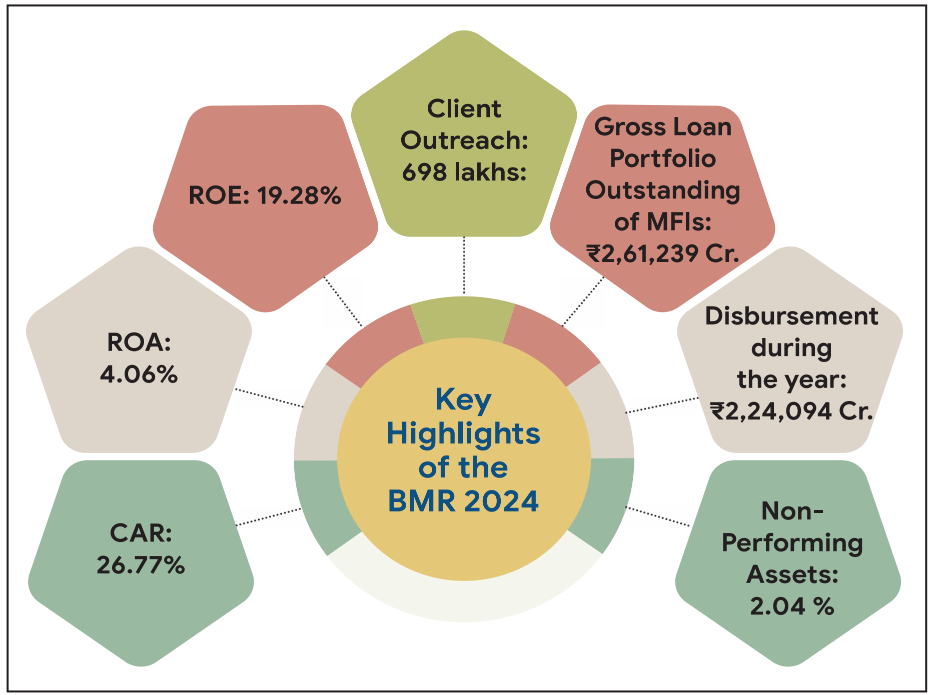
Similar kind of state level interventions were also carried out in Andhra Pradesh, Telangana, and Tamil Nadu for bringing better understanding about microfinance sector in the state Government officials

A-11 Bharat Microfinance Report (BMR) 2024

Sa-Dhan has been publishing The Bharat Microfinance Report (BMR) since 2004 to cater to the information needs of the various stakeholders. The report purports to provide primary and secondary data-based analytical information to the Central and State Governments, Policy makers, the Reserve Bank of India (RBI), NABARD, SIDBI, Banks, Development Finance Institutions, Funding agencies, Donors, Investors, MFIs and SHPIs enabling them to make an informed intervention in the sector. BMR is one of the largest and widely circulated reports, disseminated to all stakeholders of the sector.

The report for 2024 was prepared by gathering data from 217 Microlenders including NBFC-MFIs, NBFCs, Section 8 Companies and other NGO-MFIs but excluding Banks and SFBs. as well as secondary data from the Credit Information Bureau. Apart from Sa-Dhan members, the data compiled from a large number of non-members Microlenders and 8 SFBs are also part of this report.

Sa-Dhan's Bharat Microfinance Report 2024 was released on 23rd October 2024 at the 19th National Conference on Inclusive Growth, by Shri K. V. Shaji, Chairman, NABARD, in the presence of Shri Jayant Kumar Dash, ED, RBI, Shri Paul Thomas, MD & CEO, ESAF Small Finance Bank, Shri. M Nagaraju, Secretary, DFS, Ministry of Finance, Shri Manoj Mittal, CMD, SIDBI, and other eminent dignitaries and personalities. We thank NABARD for supporting the preparation of the BMR 2024.



A-12 Microfinance Directory – which compiles vital information on 200+ MFIs across all states/UTs

Since 2014, Sa-Dhan has been periodically updating and publishing a comprehensive directory for the industry to provide authentic data regarding the registered micro-lenders operating in India. Sa-Dhan released the 6th version of the Microfinance Directory, which contained details of legal forms, headquarters, year of establishment, operating states, client outreach, portfolio, etc., during the Sa-Dhan National Conference in October 2024. The new edition (6th edition) of the MFIs directory contained details of 222 MFIs across 21 States/ UTs. The Directory was shared with District Magistrate's offices, SP's office, MFIs, and government stakeholders of every state.

B. Impowering the Sector: Sa-Dhan's Commitment to Policy Reform and Stakeholder Representation

As the leading industry association for microfinance, Sa-Dhan plays a crucial role in policy advocacy, working closely with central and state governments, the RBI and other stakeholders to foster an enabling environment for the sector. Over the past year, Sa-Dhan has actively represented the interests of its members in discussions with key stakeholders, including the Ministry of Finance, RBI, SIDBI, NABARD, various state governments, SLBCs etc. These engagements aim to ensure that policy decisions are aligned with the realities on the ground and support sustainable sectoral growth. Sa-Dhan's state-level interactions further help to incorporate regional perspectives into the broader regulatory framework, encouraging equitable and inclusive development across varied geographies. Below is a summary of Sa-Dhan's key policy advocacy initiatives over the past year.

B-1 (a) Sa-Dhan's continuous engagement with NABARD

Sa-Dhan maintained active engagement with NABARD throughout the year, discussing sectoral issues and challenges in the MFI sector and seeking their guidance and support on key sectoral initiatives. Discussions covered regarding making available funding facilities for MFIs, especially for impact finance programmes such as WASH (Water, Sanitation, and Hygiene), Green Energy, Climate Resilience, and Financial Literacy. Senior NABARD officials, including the Chairman and DMDs, have actively participated in Sa-Dhan's national and state-level events, highlighting the strong partnership between the two institutions. Sa-Dhan gratefully acknowledges NABARD's continued support, particularly for initiatives like the National Conference, Regional Conferences, and the Bharat Microfinance Report 2024. We are genuinely grateful for NABARD's continued support and partnership.

B-1(b) SIDBI's support and partnership

SIDBI has been a key partner in supporting Sa-Dhan's initiatives through substantial financial assistance and strategic collaboration. The Sa-Dhan team has regularly engaged with SIDBI's senior leadership, including the Chairman & Managing Director, Deputy Managing Directors, and other senior officials. SIDBI has played an instrumental role in significant events such as the National Conference and the Lender-Investor MFI Interface Meeting. Additionally, SIDBI sanctioned two critical projects to Sa-Dhan focused on promoting microenterprise development among women micro-borrowers in Gujarat and Tamil Nadu, further strengthening efforts toward inclusive economic growth. Also, two studies, were also supported by SIDBI, one on Enhancing microfinance penetration in unreached areas and other on the Impact of microfinance on the lives of people, being carried by IGIDR

Sa-Dhan sincerely acknowledges SIDBI's invaluable support and partnership over the past year. This shared commitment to advancing the microfinance sector has been vital to our collective progress. Sa-Dhan looks forward to strengthening this meaningful collaboration in the years ahead.

B-2 Engaging with Ministries at the Central and State Governments for the industry's benefit

Sa-Dhan actively engages with various government ministries to advance the microfinance sector and promote financial inclusion. Throughout the year, Sa-Dhan has held several meetings with key officials from the Government of India and State Governments. Some of them are:

Representation to the Ministry of Finance: Sa-Dhan submitted a detailed representation, advocating for targeted financial support to strengthen microfinance and extend credit access to millions of low-income households nationwide. Among the key proposals, Sa-Dhan requested the creation of a dedicated fund for smaller MFIs, Equity funding on the lines of India Micro Finance Equity Fund (IMEF), etc. Recognising the unique needs of the North Eastern region, Sa-Dhan also advocated for a special fund to be set up at NEDFI, for supporting the MFIs, especially those in Manipur, which has been affected by the recent disturbances. Sa-Dhan also requested the central government to impress on State Governments to waive the Stamp Duty or make it uniform and less costly.

- **Meeting with Finance Secretary, Karnataka Government:** Sa-Dhan, member institutions, and the Karnataka MFI association attended a conference organised by the Finance Secretary of the Government of Karnataka. In the meeting, there was a discussion on improving the resilience of MFI borrowers through government insurance schemes like PMSBY and PMJJBY. To enhance their resilience, it was decided to create awareness among MFI borrowers in Karnataka on insurance schemes.

- **Engagement with the RBI Regional Offices in different states:** Sa-Dhan regularly interacted with senior RBI officials to apprise them of the MFI industry and state activities. Additionally, the RBI officials were also briefed on Sa-Dhan's various activities in each state.

- **Interaction with the SLBCs:** Sa-Dhan interacted with various SLBCs to update them on the status of Microfinance in the State and the RBI's regulatory framework for Microfinance. The support of SLBCs were also garnered to tackle some of state level issues.

- **Interface Meets with SERP in AP & Telangana:** To promote better coordination with the Government in the States of Andhra Pradesh and Telangana, Sa-Dhan facilitated an interface meeting between MFIS and the government to address the government's apprehensions and update them on the Microfinance sector and its modalities of operations. The meetings were quite helpful in sensitising the stakeholders about RBI regulations and also helped promote platforms for better coordination with the government in Andhra Pradesh and Telangana.

B-3 Member level engagement

Sa-Dhan regularly interacted with members through State level member meets both through physical and virtual meetings to inform them about sector developments and work with them to build a strong and responsible lending environment. During the year, Sa-Dhan organised state-level Member Meetings in Karnataka, Kerala, Delhi-NCR, Uttarakhand, Chhattisgarh, Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, West Bengal, Bihar, and Chhattisgarh. Further for deep engagements Zonal/Cluster/District level also organised in places where some stress was notices such as Nagpur, and Kolhapur

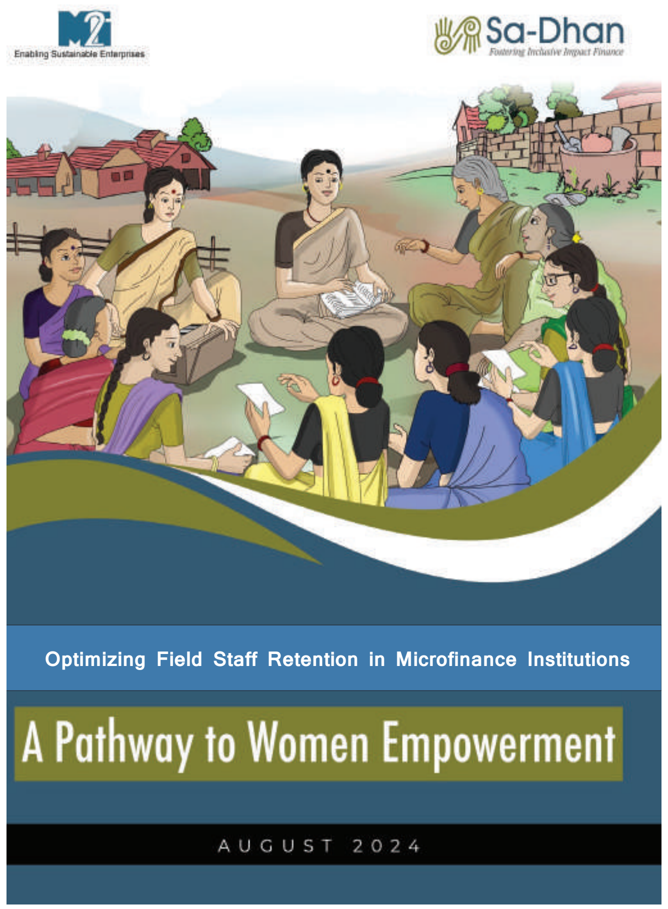
(Maharashtra), Coimbatore (Tamil Nadu), Kanyakumari (Tamil Nadu), Tumkur (Karnataka), Bikaner (Rajasthan for the cluster of Bikaner, Churu, Hanumangarh, Jhunjhunu and Sri Ganganagar), Sangli (Maharashtra), Pune (Maharashtra), Sri Ganganagar (Rajasthan) Darjeeling (West Bengal). The objective of the meetings was to understand the specific issues, specific gaps, ground-level issues and concerns, etc.

Some common issues observed across the country that were discussed in the Member Meets were:

- State-specific issues such as loan waiver rumours, political interference, etc.
- Negative reports on the microfinance sector in local media, especially in the election-bound states.
- Issues related to the Ring leader, pipelining cases, customer fraud, etc.
- High rejection rate of loan applications, training and development, and building staff capacity.
- Higher delinquency rate in some districts, multiple lending.
- Staff attrition and various issues related to that, like an increase in delinquencies, etc.

B-4 Optimising Field Staff Retention in Microfinance Institutions – A pathway to Women Empowerment - An HR Study

Sa-Dhan undertook an HR study focusing on the issue of staff attrition, supported by Equifax. Around 2,000 employees (field officers who have left as well as those still working) were chosen and an exclusive interview was done to understand the reasons as well as specific issues faced which led for their attrition or possible attrition. The study presented findings aimed at optimising field staff retention, which was presented to CEOs of MFIs in a webinar. *Key issues such as inadequate salary, high work pressure, and stress levels were identified as the main factors driving staff turnover*.



The recommendations were to improve working conditions, HR management training, and the development of a comprehensive HR manual.

B-5 APRACA- NOMNAR -Network of Microfinance Associations in the Asia Pacific Region

Sa-Dhan has formed a network called NOMNAR (Network of Microfinance Associations in the Asia Pacific Region) on APRCA platform. As part of its activities issues like Green Growth Potential in the Asia-Pacific Region within the Microfinance Sector was deliberated through a webinar. The issues discussed included

- Policies Supporting Green Finance in Vietnam
- Key Opportunities for Green Finance Development and Adoption
- Identifying Barriers to Implementing Green Finance Initiatives
- Possibilities for Joint Pitching to an International Impact Funding Agency

B-6 Reaching out to neighbouring Country - Nepal

Sa-Dhan was invited to speak on "Taking Finance to Unreached, Building of Resilient Industry" in Global Microfinance Environment and its Challenges, an international event organised by Banking, Finance and Insurance Institute of Nepal.

The primary objectives of the Banking, Finance and Insurance Institute of Nepal (BFIN) are to provide training, workshop and seminar to enhance the knowledge, skills and capabilities of the employees of financial sector and other stakeholders; undertaking of research and consulting in order to build up knowledge on financial sector, provide certain accredited courses, build up data bank for the use of the banking community in Nepal. The event explored three key themes surrounding microfinance, offering rich insights into the sector's current dynamics and future trajectory.

B-7 NSFDC – Sa-Dhan Collaboration – A Pilot Initiative

The National Scheduled Castes Finance and Development Corporation (NSFDC) has partnered with Sa-Dhan, to expand its reach to Scheduled Caste (SC) entrepreneurs through microfinance institutions.

This collaboration aims to provide financial assistance at concessional rates to eligible SC individuals by leveraging the vast network and grassroots presence of MFIs affiliated with Sa-Dhan. The goal is to promote entrepreneurship, self-employment, and livelihood enhancement among economically disadvantaged SC populations who may not have access to traditional banking services.

Through this partnership:

- NSFDC provides low-interest loan funds to MFIs, which in turn disburse microloans to SC beneficiaries.
- These loans are targeted toward income-generating activities in sectors like small trade, agriculture, services, and micro-enterprises.
- The collaboration focuses on reaching remote and underserved areas, ensuring greater financial inclusion.

In two years, Sa-Dhan has been successful in helping in the sanction to more than 6 MFIs while NSFDC wants more MFIs to be brought under the pilot.

C. Sector Building

C-1 Capacity Building Programmes for Members

As part of Sa-Dhan's efforts to build knowledge and skills on different topics for Microfinance Practitioners, Sa-Dhan regularly organises various capacity-building programmes.

C-1 (a) Sensitisation Programme on Microfinance for Administrative Officers

In response to the recurring disruptions in microfinance operations across various states, driven by external factors such as loan waiver movements and harassment of field staff, Sa-Dhan undertook a proactive initiative to sensitise administrative officers and foster a more supportive environment for microfinance activities. As part of this effort, Sa-Dhan organised a series of targeted training programmes for government officials across multiple states like Rajasthan, Tamil Nadu, Karnataka, Uttar Pradesh and Gujarat.

Training for in-service candidates at LBSNAA

The Lal Bahadur Shastri National Academy of Administrators (LBSNAA) organised a week-long training on Financial Inclusion for the middle level officers who were in service. Sa-Dhan was invited to handle as session in it on Microfinance sector, which was done.

In November 2024, 97 state service officers in Rajasthan were trained in Jaipur, followed by a session in December for 32 undersecretary-level officers in Tamil Nadu. In January 2025, 84 civil service officers in Karnataka were trained in Mysuru, and 52 officers in Uttar Pradesh received training in Lucknow. In March 2025, Sa-Dhan conducted two additional programmes: one for 35 IAS officers at the Lal Bahadur Shastri National Academy of Administration in Mussoorie and another for 70 gazetted officers of Gujarat at the Sardar Patel Institute of Public Administration in Ahmedabad. These initiatives reflect Sa-Dhan's commitment to building awareness and strengthening institutional understanding of the microfinance sector among key administrative stakeholders.

C-1 (b) Capacity-Building Training programmes to sensitise the staff from MFIs'

As part of Sa-Dhan's efforts to build knowledge and skills on different topics for Microfinance Practitioners, Sa-Dhan regularly organises various capacity-building programmes.

Sa-Dhan organised four Capacity-Building Training programmes to sensitise the staff from MFIs' MIS, Finance, Compliance, and GRM teams on quality data reporting, GRM, CoC, fair Practice Code, Household Income, etc. The broad agenda of the programmes was gaps and common mistakes in reporting data and grievance-related information, reporting of loans disbursed in the household income and indebtedness bucket, Definition of various financial terms, ratios, calculation methods, important RBI guidelines, fair practice code, Industry Code of Conduct, etc.

C-1 (c) Training/ Webinars

Sa-Dhan regularly organised webinars/ training programmes on various topics of interest to the microfinance sector. Some of these included:

- Training on " Building Comfort Level of Lenders & Investors to Support Mid and Small Microfinance Institutions "
- AI based Communication App for microfinance by Advantage

- Supportive policies between Microfinance Institutions (MFIs), banks, and larger Non-Banking Financial Companies (NBFCs) with BC
- Climate Risk Management and planning to make a resilience strategic roadmap with Stepchange
- Banking on Responsibility: How Adherence to Client Protection Principles Paves the Way for Better Access to Funds
- Key Fact Statement by Leegality
- e-KYC Services thru e-KYC Setu System by NPCI
- Building comfort level of Lenders/Investors to support MFIs
- Discussions on Client Protection Principles, Responsible Finance and Impact on Access to Finance
- Capacity-Building Training programmes to sensitise the staff on MFI and its compliances'
- Using Transparency Manual to Build Credibility for Banks
- Building Asia Pacific cooperation through Green Finance

C-2 Engagement with IIBF

Recognizing the higher level of staff attrition in Microfinance sector, Sa-Dhan in collaboration with Indian Institute of Banking and Finance (IIBF), initiated a certification programme for the existing staff of MFIs as well as those intending to join the microfinance industry. The Certification programme was launched in the Sa-Dhan National Conference in October 2024. Already two rounds of certification exams were conducted by IIBF and more than 100 persons have been certified.

C-3 Engagement with Medoplus

Sa-Dhan has joined hands with M/S Medoplus, a tech-based company providing health facilities to rural people in the State of UP, to develop an emergency health product to be administered through MFIs. Various players have been involved in developing a suitable product, which is under testing for its proof of concept.

C-4 Pathways to Prosperity: A Financial Inclusion Programme for Women Entrepreneurs

Sa-Dhan along with Oxford Saïd Business School is proposing a new initiative, to design a course curriculum for women micro and small entrepreneurs from underserved communities and represents a significant step toward inclusive and sustainable economic empowerment. Grounded in rigorous field research, the it will address the real-life challenges faced by women in low-income and informal sectors, offering a tailored curriculum combining financial literacy, digital skills, structured mentorship, and business development support, all adapted to local contexts.

It will be delivered through a community-based model that encourages peer learning and long-term engagement, the programme spans 12–18 months to ensure deep behavioural change and measurable impact. Importantly, it is priced affordably to remain accessible to those who need it most. This initiative fills a critical gap in the entrepreneurship ecosystem by moving beyond generic training to provide ongoing, targeted support that enables women to thrive, scale their enterprises, and contribute meaningfully to local economies.

C-5 CEO-COO Training with NIBM

Sa-Dhan, in collaboration with the National Institute of Bank Management (NIBM), is proud to announce a new executive education programme titled "Strategic Leadership in Microfinance"—a transformative initiative designed for CEOs, COOs, and senior leaders of Microfinance Institutions (MFIs). As the microfinance landscape evolves amid regulatory shifts, technological disruption, and growing competition, strategic leadership becomes the cornerstone of institutional success and sectoral resilience. This programme aims to equip top executives with advanced leadership tools, sharpen their strategic thinking, and strengthen organizational adaptability. Through a rich blend of self-assessment, experiential learning, case-based discussions, and expert-led sessions, participants will explore themes such as emotional intelligence, governance, data-driven strategy, and high-impact team building. Ultimately, the programme aspires to help leaders navigate volatility, accelerate growth, and deepen their institutions' commitment to inclusive finance.

D. National and Other Conclaves – A Platform for Networking

D-1 Sa-Dhan organised its 19th Annual National Conference in New Delhi on the 23rd and 24th of October, 2024. The conference theme was " Driving Sustainable Development through Inclusive Finance." The conference was attended by 800+ participants and 80 Speakers, and supported by 59 partners. The conference had diverse participants, including representatives from microfinance institutions, banks, government agencies, NGOs, investors, and academia

Sa-Dhan conference themes and topics were carefully curated to address the most pressing issues in microfinance. More than 12 sessions deliberated on various contemporary topics within the Financial Inclusion space. From discussions on the impact of technological innovations to the evolving regulatory landscape, the conference delved into subjects crucial for shaping microfinance's future.

The conference witnessed the release of three publications – a) Bharat Microfinance Report 2024 – a compilation of all the relevant information about the microfinance sector; b) Microfinance Directory – which compiles vital information on 200+ MFIs across all states/UTs; c) Basics of Microfinance – study material of the certification course under IIBF aiming to address the microfinance sector's challenges of qualified personnel scarcity & high turnover rates.

The conference witnessed in-depth deliberation on various relevant and contemporary topics and some of the key insights were:

- Policymakers and regulators should shift attention from merely aiming to grow GDP to improving broader measures like income distribution, Human

Development, and gender equality. This approach ensures a more balanced and fair development that enhances human welfare.

- MFIs could leverage digital tools to simplify customer identification processes, increase transparency, and create efficient digital ecosystems. These technological advancements can significantly enhance operational efficiency and outreach, benefiting MFIs and their customers.
- Lenders should focus on integrating additional services such as healthcare into the MFI framework to boost customer resilience. Regular engagement with customers and building supportive health and financial infrastructure are crucial for helping communities thrive and mitigate risks effectively.
- MFIs should implement predictive software to enhance their risk management processes. This will enable more accurate and efficient risk assessments, reducing delinquencies and operational costs.
- Regulators and policymakers must establish standardised frameworks for MFIs to enhance transparency and systematic growth in green microfinance.
- MFIs need to address climate vulnerability of their customers and as an Industry advocate to stop financial vandalism. These offer opportunities for product diversification.
- The Government and the Central Bank have significant oversight of the sector. Therefore, there is an emphasis on customer protection, governance, and regulatory compliance.
- RBI's innovation in harmonising regulations, addressing indebtedness, and enabling competition while protecting customers.
- The government's role in enhancing "Digital Public Infrastructure" and the regulator's role in implementing customer protection principles will also be major drivers of the adoption of exponential technology in microfinance.

D-2 West Zone Regional Conference on Financial Inclusion

In association with the National Institute of Bank Management (NIBM) at the NIBM Pune, Sa-Dhan organised a one-day conference on financial inclusion. It brought together leaders, policymakers, and practitioners to discuss advancements in the sector. Keynote speakers, including representatives from the Reserve Bank of India, NABARD, SBI, and SIDBI, emphasised innovation, regulatory frameworks, and digital tools to enhance financial inclusion. Two-panel discussions explored new microfinance models, challenges, and technological solutions. The conclave concluded with a call for continuous dialogue, research, and collaboration to strengthen the microfinance ecosystem. The distinguished speakers, including Mr J P Sharma, CGM, RBI, enriched the event with their insights.

D-3 Odisha Financial Inclusion Conclave

With the support of NABARD and in association with OSAFII, Sa-Dhan organised the Odisha Financial Inclusion Conclave. Participants, including CEOs, COOs, CTOs, and senior representatives, participated in the event. The CGM NABARD opened the event while the Director of Annapurna Finance Pvt Ltd., set the context of the event. The other eminent Speakers present at the event were from NABARD, SIDBI, Indian Bank, SBI, BoB, Bandhan Bank, CALife, Vector Finance, NABFINS, and GU Finance to share their valuable insights. The conclave deliberated on the role of stakeholders in promoting financial inclusion in Odisha and the role of microfinance in promoting livelihoods.

D-4 Lender-MFIs Confluence

Sa-Dhan organised the 4th Lender Investor and MFI Confluence, for the third consecutive year at Mumbai. The objective of the confluence was to have an interface between microfinance institutions (MFIs) and funders, (both debt and equity funders), for fostering dialogue, sharing insights, and forging strategic partnerships.





Over 50 lenders, including DFIs, banks, NBFCs, SFBs, and investors, attended the event. Some of the participants included SIDBI, NABARD, State Bank of India, Bank of Bahrain & Kuwait, Punjab National Bank, Indian Bank, Bank of Baroda, Central Bank, Canara Bank, Bank of India, HSBC Bank, IDBI Bank, ICICI Bank, Union Bank of India, Yes Bank, DCB Bank, Ujjivan Small Finance Bank, IDFC First Bank, Jana Small Finance Bank, Karnataka Bank, ESAF Small Finance Bank, Nabsamruddhi Finance Ltd., Power Finance Corporation Ltd., and more. Sa-Dhan emphasised the need to support MFIs, particularly smaller and mid-sized institutions.

D-5 Conclave on Risk Management in Microfinance

Recognising the need to promote a Risk Management Culture in micro lending institutions, Sa-Dhan organised a Conclave on Risk Management in Microfinance, at Kochi, Kerala. The CROs, Risk Heads, Audit Heads, Business Heads, MDs, CEOs, and Board Members of MFIs, SFBs, NBFCs and Banks attended the Conclave. There was also participation from Insurance Companies, Technology Service providers, Cash Management companies, etc. Participants from different parts of the country participated in the Conclave. Mr Ravi Mohan P.R., Chairman, ESAF Bank SFB and Former CGM, RBI, delivered the Inaugural Address of the Conclave. There were panel discussions on Promoting Risk Management Culture and managing Operational and External Risks. There were also presentations on Technology and Cash Management.

D-6 Compliance Officers Conclave

Sa-Dhan conducted a Conclave for Compliance Officers in Lucknow in December 2024. The conclave was attended by representatives from apex regulatory bodies like the Reserve Bank of India (RBI) and NABARD, as well as eminent figures from the Microfinance sector. The RD, RBI, in his address, emphasised the SRO's role and recognised that the absence of compliance resulted from bottlenecks in the microfinance sector. The conclave also deliberated on (i) Promoting Compliance Culture in Microfinance and the Role of Compliance Testing in Improving Compliance Standards and (ii) Best Practices and Challenges in Compliance with the RBI Regulatory Framework in Microfinance. Moreover, a brief presentation on the current compliance landscape was presented, where the presenter discussed various compliances and their challenges in detail, emphasising the cost of non-compliance in the long run.

D-7 Technology Adoption Conclave

Sa-Dhan hosted a conclave on Technology Adoption focusing on the industry's challenges and opportunities. An enlightening panel discussion explored the pressing issues faced by the MFI industry, including regulation, cost, and operational issues. This was followed by dynamic group discussions, where diverse stakeholders collaborated to address five key issues identified by the CTO panel. The exchange of ideas was insightful and solution-oriented, paving the way for actionable strategies. The event highlighted how innovative digital solutions can advance financial inclusion by tackling challenges such as rural connectivity, cost-efficient scalability, and regulatory compliance.

D-8 Micro-housing Conclaves

Two Conclaves on "Deepening financial inclusion through Micro Housing finance" were organised by Sa-Dhan in collaboration with Habitat for Humanity International in Chennai and Delhi. The conclaves aimed to develop a more profound knowledge of policy, financing, and the operations of affordable housing facilities for the low-income population of India. The events also explored the financial institutions' challenges in catering to the needs of affordable housing and shared recommendations on making housing finance more accessible to this segment. The speakers included senior officials from the Ministry of Rural Development, Government of India, National Housing Bank, select Micro Finance Institutions (MFIs) and Non-Banking Financial Corporations (NBFCs), Housing Finance Corporations, Small Finance Banks, and FinTech companies. Furthermore, the conclave delved deep into Green Financing and Micro Housing Finance, which cater to a cap of Rs 1-10 Lakhs.

Some of the Key takeaways

- Some regulatory reform can enhance the capacity of this sector to cater to the housing loan needs of the target segment. Regulations have already been eased for the WASH sector, and similar reform is expected for micro housing loans.
- In fact, most panellists recommended exploring a whole range of partnerships, especially between MFIs and HFCs for which legal and institutional reform is required.
- Besides funding, collaboration was also suggested for training and sharing wisdom from the ground.

D-9 Product Innovations Conclaves

Sa-Dhan organised two Product Innovation Conclaves in Chennai and Lucknow. The events there were supported by SIDBI. The events were attended by eminent speakers such as the GM of SIDBI, CGM, NABARD, Director of BIRD, and GM RBI. Senior practitioners from the sector shared their ideas on Challenges and Opportunities in Product Innovation. Some of the Challenges highlighted by the Speakers were regulatory compliance challenges, lack of supportive technical support, and lack of dedicated funding for product innovations. The conclave also delved into innovation, technology, client graduation, and the deepening of microfinance.

E. Social And Financial Impact (SAFI)

Sa-Dhan is committed to building an inclusive and sustainable society by actively advancing initiatives that align with the United Nations Sustainable Development Goals (SDGs) and the flagship programmes of the Government of India. Recognising India's crucial role in achieving global SDG targets, Sa-Dhan take efforts to contribute to a wide range of goals, such as eradicating poverty (SDG 1), ending hunger (SDG 2), promoting good health and well-being (SDG 3), ensuring quality education (SDG 4), achieving gender equality (SDG 5), providing clean water and sanitation (SDG 6), supporting clean and affordable energy (SDG 7), fostering decent work and economic growth (SDG 8), building sustainable cities and communities (SDG 11), taking climate action (SDG 13), and strengthening partnerships for sustainable development (SDG 17). To achieve these, Sa-Dhan has also initiated several impact programmes.

Through strong collaborations with government bodies, NGOs, and a wide range of stakeholders, Sa-Dhan addresses the complex social and financial challenges faced by underserved communities—particularly women through various projects and programmes. As part of the same, Sa-Dhan delved on enhancing financial literacy, advocating for inclusive social policies, and building governance and risk management capacity.

E-1 Enhancing Financial Literacy for Inclusive Economic Growth: Financial literacy through RBI DEA Fund

Financial literacy is a cornerstone of financial inclusion which contributes to national prosperity. It encompasses a range of skills that enable individuals to make informed financial decisions, such as managing personal finances, budgeting, and investing wisely. In recent years, the proliferation of financial services and investment tools has reached people across all income groups in India. As a result, the financial literacy needs more focus, especially among women and rural populace.

The digital revolution has accelerated this shift, with millions now using online banking, digital payments, and insurance platforms. These tools have enhanced convenience and broadened public awareness around the benefits of formal financial systems. Here too, the lack of financial knowledge can be dangerous.

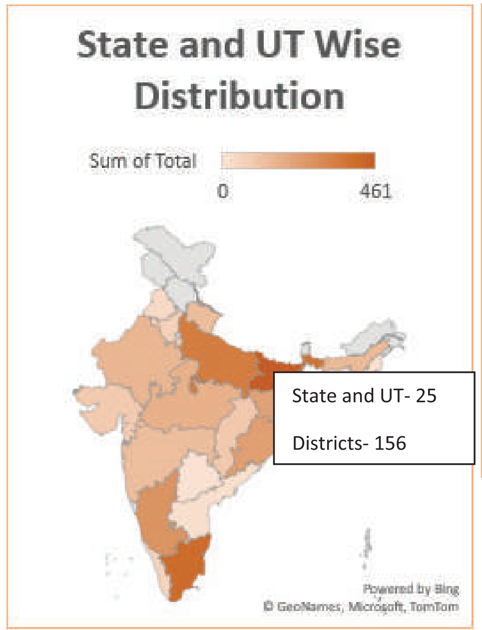
Recognising this need, and building on the previous experience of doing 2250 workshops in 2023-24, Sa-Dhan obtained an approval for conducting 1500 workshops and 100 Nukkad Natak (*street plays*) under the RBI's Depositor Education and Awareness (DEA) Fund across 101 districts in 22 states. The initiative, was implemented through 34 partner Microfinance Institutions (MFIs).

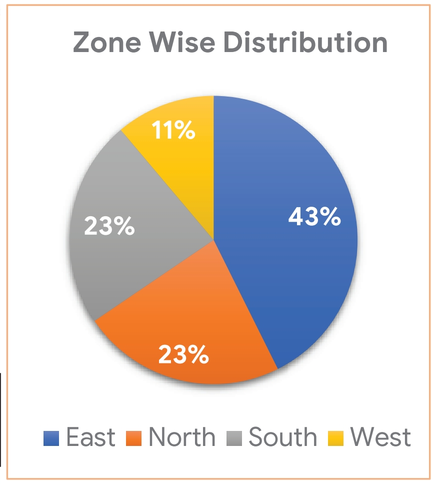
The workshops were scheduled for over 12 months from June 2024 to May 2025. Based on the outreach capacities of the partner MFIs, the workshops were strategically distributed, with 75% planned for rural areas, 20% for semi-urban, and 5% for urban locations. Region-wise, the Northern region was prioritised with 40% of the workshops, followed by equal allocations of 20% each to the Southern, Eastern, and Western regions.

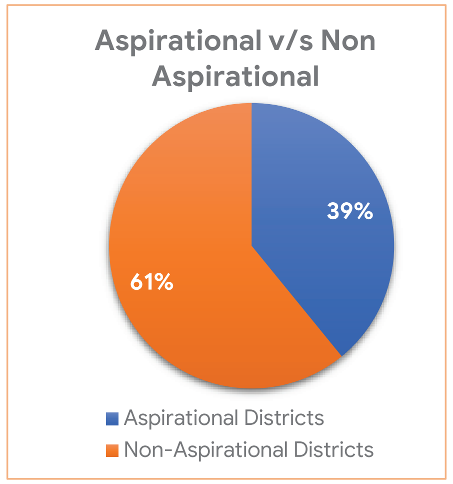
Sa-Dhan first conducted an orientation programme for all 34 partner institutions to ensure the initiative's quality and effectiveness. This was followed by a comprehensive four-day Training of Trainers (ToT) programme for 350 trainers nominated by the partner MFIs. The training covered core workshop content, delivery methods, checklists, and other key implementation guidelines.

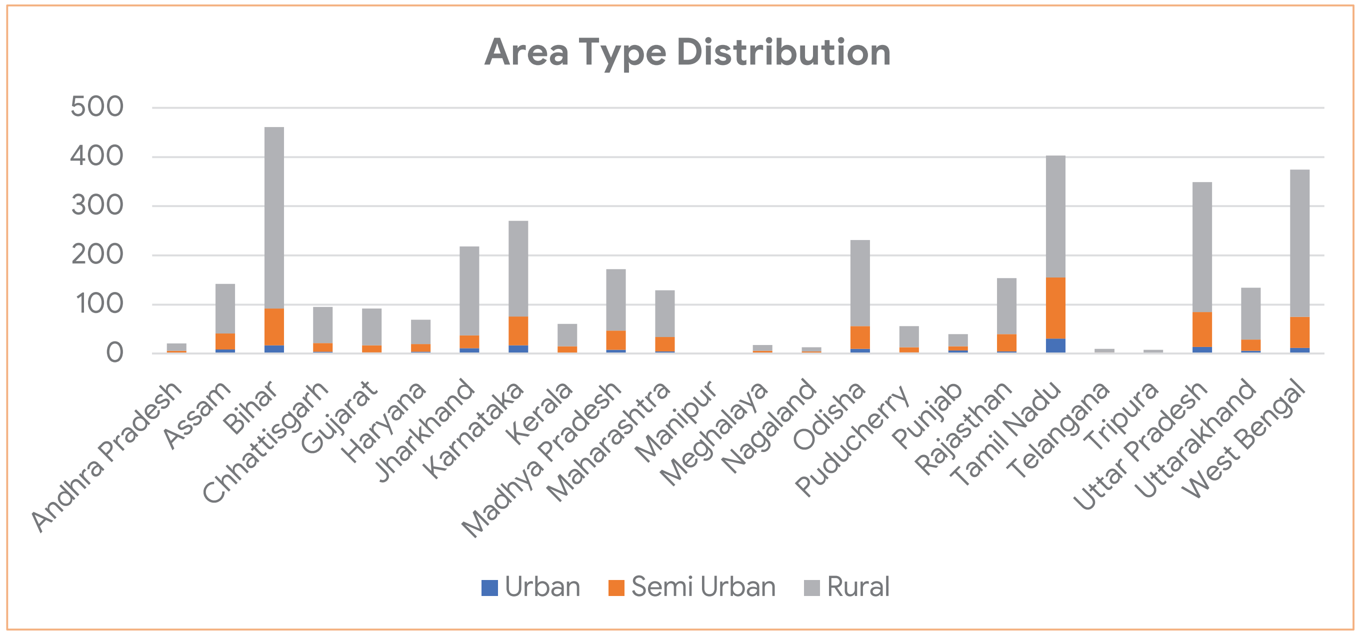
These workshops have significantly contributed to raising awareness among participants about the importance of saving, maintaining bank accounts, practicing responsible credit behaviour, and understanding available social security schemes and fringe benefits. Sa-Dhan is on the verge of completing all its workshops and submitting a detailed report to the RBI. Sa-Dhan has plan to continue the financial literacy workshops again in 2025-26 for which a separate proposal will be submitted.

By reaching underserved populations with practical financial knowledge, this initiative has laid the groundwork for more financially resilient and empowered communities.









Sa-Dhan introduced Nukkad Nataks and workshops as an innovative approach to enhance engagement and learning. The Nukkad Nataks were explicitly designed to communicate key concepts and ideas in a dynamic and accessible manner, making the learning process enjoyable and improving participant retention. This impactful approach effectively disseminated knowledge to the target audience, creating a memorable learning experience.

Sa-Dhan were organised in Jharkhand, Odisha, Madhya Pradesh, Punjab, Uttar Pradesh, Chhattisgarh, Maharashtra and Rajasthan and performed in 48 districts during September to December 2024. We gratefully acknowledge the support of all our partner institutions in implementing these programmes.

E-2 Women Entrepreneurship Livelihood Enhancement and Development (WE-LEAD):

With the support of SIDBI, Sa-Dhan has initiated the Women Entrepreneurship Livelihood Enhancement and Development (WE-LEAD) project in Gujarat and Tamil Nadu. WE-LEAD is an effort to address gender disparities in MSMEs (presently there are only 20% women-owned enterprises). Sa-Dhan's initiative under this programme is to support **10,400 women entrepreneurs** (35% SC/ST) with skills, credit, and market access. Focused on selected districts including aspirational districts across **Tamil Nadu** (Chennai, Coimbatore, Kanyakumari, Virudhunagar) and **Gujarat** (Ahmedabad, Kutch, Dahod, Narmada), the program fosters sustainable livelihoods through strategic partnerships with banks, MFIs, and government bodies.

Key Achievements

- **13,62 7 women identified** (7,906 in Gujarat; 5,721 in Tamil Nadu) through baseline surveys.
- **7,902 trained** in 20+ trades (handicrafts, food processing, eco-products) via bilingual EDP modules.
- **Credit linkages secured for 400 beneficiaries** through collaborations with Banks, SFBs, and MFIs.
- **Market access enabled** via Amazon Saheli, Meesho, social media platforms, and local marketplaces.
- **Tech tools deployed**: Real-time monitoring portal and **800+ beneficiaries onboarded** on MeraBills App for digital bookkeeping and catalogue.
- **4 Buyer-seller meets organized** to connect women entrepreneurs with markets.

Impact

- Enhanced credit inclusion and business formalization (GST, Udyam).
- **35% of beneficiaries from SC/ST communities** are empowered.
- Trade fairs organized for market expansion.

Way Forward

- Scale training to reach **10,400 women by 2025-26.**
- Strengthen e-commerce

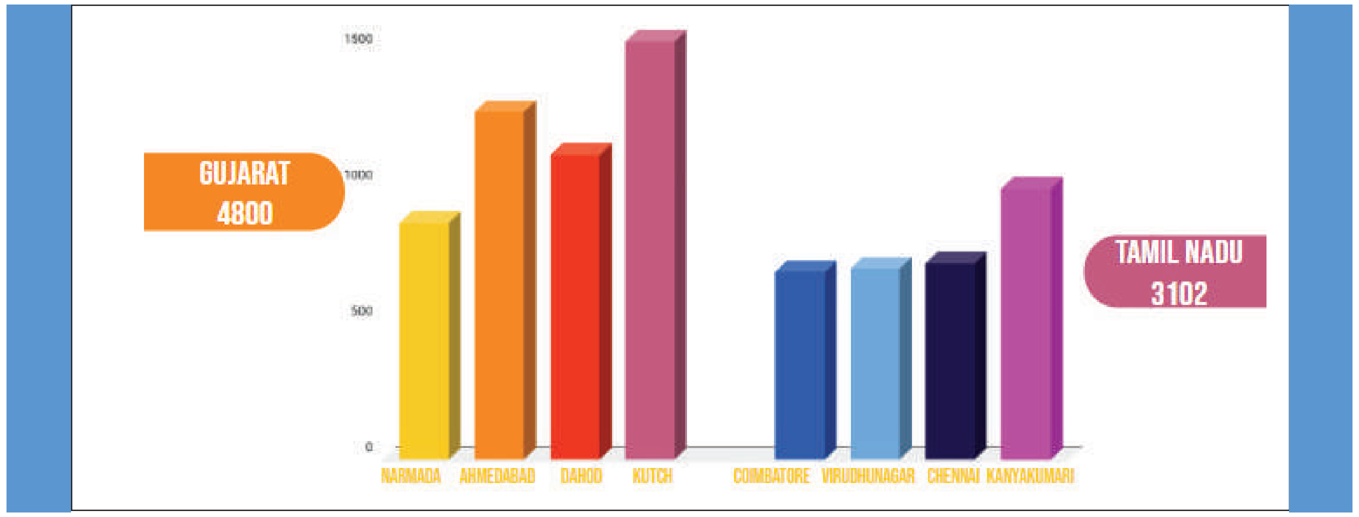


Figure 1 Training of beneficiaries under WE-LEAD

partnerships and credit linkages for beneficiaries.

- Develop **mart in key cities** to showcase products.
- Replicate success in new geographies.

"WE-LEAD is transforming MSMEs into inclusive platforms for women's economic independence."

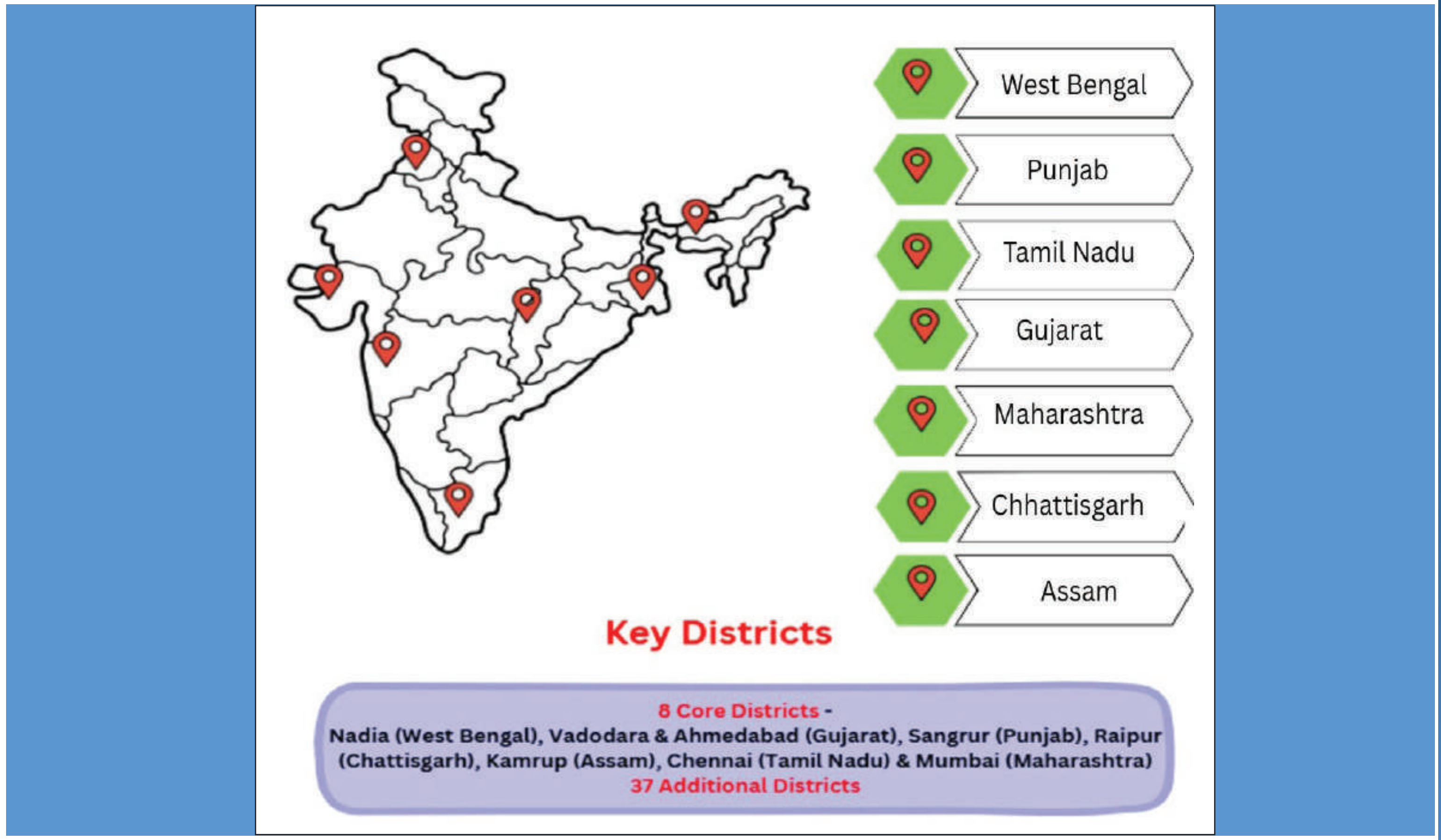
E-3 Enabling Digital Solutions to Overcome Digital Inclusion Barriers:

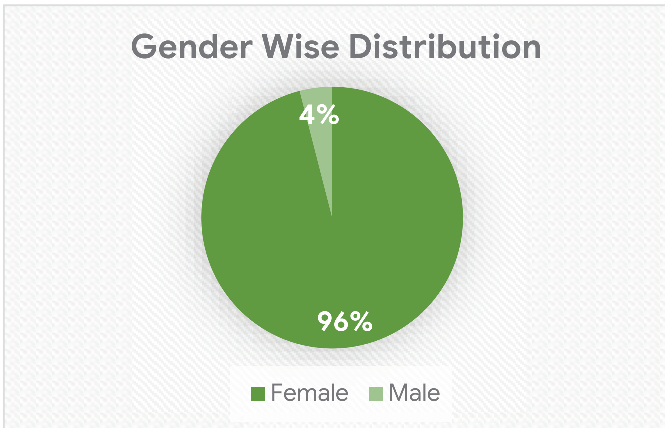
With the support of HSBC, Sa-Dhan is leading an impactful project titled *"Enabling Digital Solutions to Overcome Digital Inclusion Barriers,"* The HSBC supported initiatives is to strengthen the digital ecosystem for underserved communities. Aligned with **SDG 1 (No Poverty), SDG 5 (Gender Equality), and SDG 8 (Decent Work and Economic Growth),** spanning from **2017 to 2025**, covering **seven states, eight core districts, and 37 additional districts** through sensitizing loan officers. Focused on **capacity building for women**, it directly impacted **57,000+ beneficiaries** and indirectly benefitted **150,000+ individuals**, promoting digital inclusion and economic empowerment.

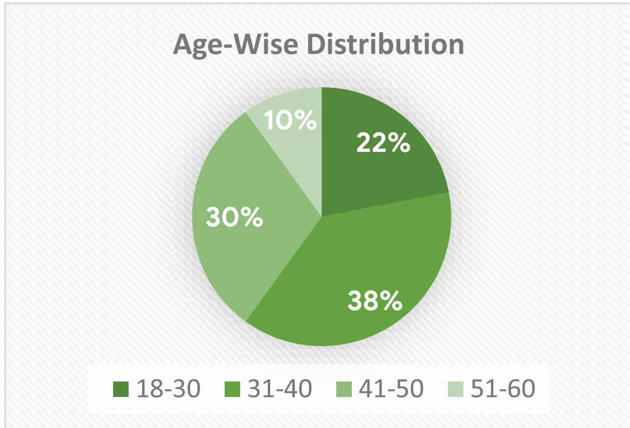
Further to these efforts, Sa-Dhan facilitated partnerships between its partner institute and leading fintech firms, such as Leegality, Force Ten Technologies, and SAS Tech Studio Pvt Ltd, to strengthen the digital ecosystem. These collaborations enhance community access to digital technologies, particularly in digital disbursements, payments, and other financial services.

Through these efforts, 898 persons were impacted and indirectly reached 19,782 individuals. In addition to supporting the beneficiaries, Sa-Dhan provided capacity-building and hands-on assistance to 38 staff members from partner institutions to ensure effective and sustained grassroots implementation.

Furthering our commitment to digital inclusion, Sa-Dhan organised a knowledge-sharing event on March, 2025, in Mumbai to discuss key strategies for overcoming barriers to digital inclusion. The event attracted strong attendance from policymakers, fintech companies, banks, and technology experts to deliberate on the way forward and explore opportunities for scaling digital interventions on the ground. The seminar focused not only on technology but also on empowering communities, bridging accessibility gaps, and building a financially inclusive future. Our member institutions, such as Grameen Development, Midland Microfin, and Pahal Financial Services, shared their digital success stories.







E-4 Water and Sanitation Financing

Sa-Dhan is collaborating with Water.org and FINNISH Society to support WASH credit in the country. Earlier Sa-Dhan's effort helped in categorising WASH finance as priority sector lending. In partnership with over 38 Microfinance Institutions (MFIs), the initiative has disbursed approximately ₹850 crores, benefiting ten lakh last-mile individuals across nine states. Through targeted interventions such as capacity-building programs and community sensitisation campaigns, Sa-Dhan has empowered partner institutions to integrate WASH financing, facilitated credit access for marginalised communities, and successfully advocated for greater liquidity in water and sanitation investments.

This collaborative effort continues to drive meaningful change, ensuring that vulnerable populations gain access to essential WASH infrastructure, ultimately fostering healthier and more resilient communities.

Expanding this effort to the eastern region, a new Programme "Enhancing WASH Access and Menstrual Hygiene" has been started in West Bengal and Assam with the support of Water. Org. The program targets 123,456 WASH loans over two years, focusing on MHM and capacity-building for MFIs. Eight MFIs have already signed MoUs with Sa-Dhan to design the loan products and participate in training programs, with ongoing efforts to secure credit lines from banks. Sa-Dhan is discussing creating a credit line for the MFI partners with several banks.

225,943
Loans Disbursed

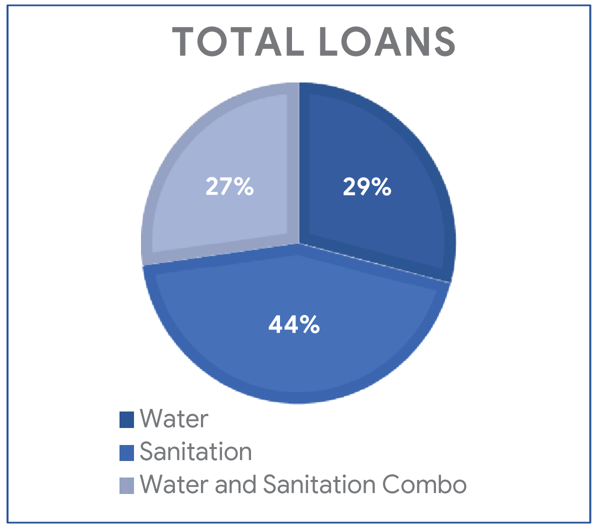
INR 8,649,035,129
Capital Mobilized

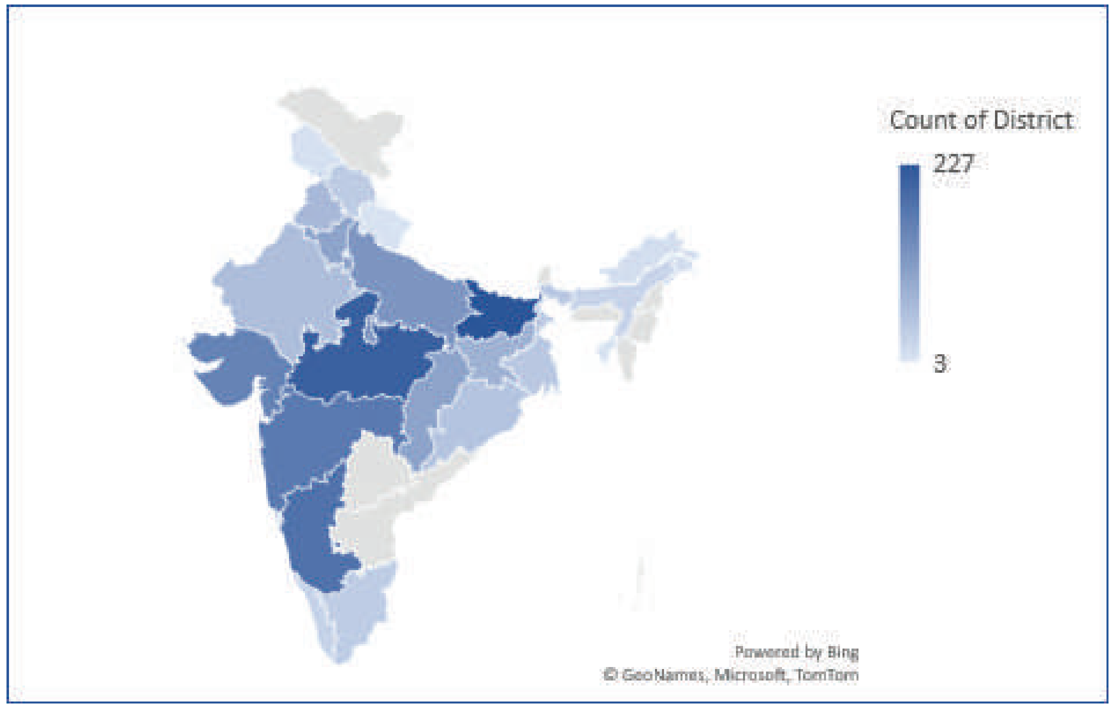
1,018,082
Beneficiaries Reached

98.99%
Loans to Women Borrowers

INR 38,280
Average Loan Size

38 MFI
Partners





Additionally, community workshops and events like *Nukkad Natak are planned* to promote awareness, while Sa-Dhan will be engaged in monitoring and evaluation to ensure that the program runs effectively. These efforts empower marginalised communities, improve access to WASH services, and foster sustainable health and hygiene solutions.

E-5 A Study on Understanding the Resilience Against Climate Risk

Sa-Dhan, in association with MicroSave Consulting (MSC), is undertaking a comprehensive study to assess the resilience of financial institutions and microfinance clients against climate risks and vulnerabilities. In the last quarter, a study was conducted to understand the landscape of green and sustainable finance in India, with a special focus on inclusive finance institutions (IFIs) such as Microfinance Institutions (MFIs), Small Finance Banks (SFBs), and Non-Banking Finance Companies (NBFCs) that operate in the inclusive finance sector. On 5th June, which is World Environment Day, a round table discussion was organised on "Identifying the systemic barriers to unlocking commercial capital towards green and sustainable sectors" to gain an industry-wide understanding of the way forward for IFIs to prepare themselves to mitigate climate risks and unlock opportunities in the green finance sectors. The discussion featured participants from various organisations, such as MFIs, banks, SFBs, governments, impact funders, philanthropic organisations, academicians, and researchers.

Key Insights:

- Integration of governance, strategy, and tailored product development to address climate risks effectively by Financial Institutions
- Support to MSME and rural communities for adoption of climate resilient technologies through blended finance combining concessional capital with commercial loans
- Capacity building and understanding the livelihood
- Partnerships with international organisations and local NGOs/CSOs are vital for understanding demand and developing scalable, climate-resilient products.
- A sandbox approach can help develop and test new tools and mechanisms for climate risk management in microfinance.
- Effective communication and partnership between civil society organizations (CSOs) and MFIs are essential for scalability.
- In the forthcoming quarter, the final study will be published in the public domain after compiling the insights from the round table discussion. In addition, the study's second phase will be conducted to gather insights into the vulnerability of small and marginal farmers against climate risks.

E-6 Expanding the reach of climate-resilient technologies for smart agriculture through improved financial access

Sa-Dhan, in association with GIZ India and Sustain Plus Energy Foundation, is implementing the project to support small and marginal farmers in mitigating the risk of climate change and enhancing their livelihoods. This project focuses on supporting small and marginal farmers through credit support for adopting new technologies to reduce climate change risk. Currently, this project is running in various states of India, namely Uttar Pradesh, Bihar, Odisha, Gujarat, Karnataka or Maharashtra, through this project, we will explore multiple climate-resilient technologies that will ensure sustainable livelihoods for farmers, such as to enhance agricultural productivity and elevate the overall socioeconomic status of farmers by improving access to essential services like education, healthcare, etc.

During Quarter 4 of FY 24-25, Sa-Dhan engaged with various lenders to support microfinance institutions for adaptation to climate-resilient technologies, such as UCO Bank, SBI, ICICI Bank, IDFC First Bank, and Bank of India. Moreover, a meeting was conducted on 22nd Jan 2025 between Sa-Dhan, NABARD, GIZ, 2030 WRG and several microfinance institutions to initiate the dialogue on scaling up micro irrigation systems across India. The primary objective of this discussion was to explore how NABARD could potentially support MFIs and related institutions in expanding the adoption of micro-irrigation technologies, particularly among small and marginal farmers.

As part of Sa-Dhan's ongoing efforts to facilitate financial access for climate-resilient technologies through Microfinance Institutions (MFIs), Sa-Dhan reached out to IndusInd Bank to create a special line of credit for financing such products. Recognising the transformative potential of climate-resilient solutions in rural communities, IndusInd Bank expressed a strong inclination toward collaborating through Business Correspondent (BC) and co-lending models, which would enable MFIs to continue providing last-mile service while leveraging the bank's financial capacity and operational infrastructure. The bank further indicated its preference to begin with MFIs already in the scaling phase of their climate lending programs.

To build on this engagement, an online meeting was convened between Sa-Dhan, IndusInd Bank, and a group of MFIs with relevant experience in the sector. During the meeting, MFIs shared their on-ground experience in deploying technologies such as drip irrigation systems, biodigesters, and solar-powered agricultural tools, along with their operational challenges and financing gaps.

E-7 Enabling Financing to Women-Led Enterprises in NRLM

With the support of the Gates Foundation, Sa-Dhan has launched a three-year Technical Assistance project to support NRLM across various States in the country. Initially four states viz. Jharkhand, Chhattisgarh, West Bengal and Assam have been identified for the intervention. In collaboration with the respective State Rural Livelihood Missions (SRLMS), the Sa-Dhan team has undertaken significant steps to empower women entrepreneurs by facilitating access to formal finance. Through capacity building, strategic liaison with banks, and comprehensive training programs, these initiatives aim to bridge demand-side gaps and support women-led enterprises towards sustainable livelihoods. The intervention will be expanded to three more states in the next phase. It seeks to shift women entrepreneurs from SHG-Bank to individual Enterprise-Bank linkages, improving access to larger loans and formal credit. The aim is to support 1 million women-led entrepreneurs through these initiatives by facilitating access to formal financing and boosting their income potential, aligning with the government's flagship "Lakhpati Didi" program.

The following activities have been undertaken in the programme:

- Based upon NRLM SOP, Sa-Dhan developed a training module to enhance the capacity of cadres known as Vitta Sakhi and mentors. The Vitta Sakhi (VS) is vital instrument to source women led enterprise loan applications among the community. Further, mentor handhold the Vitta Sakhi to brush up in the training and capacity. Till now, we have trained more than 2,150 Vitta Sakhi, Mentors and SRLM Officials on women led enterprise financing.
- With the support of trained cadres, 43,000 women were supported with enterprise financing in the four states. These women diversified in various trades based upon the geography such as tailoring, book shop, ration store, beauty salon, Agri and allied, tent house etc.
- During our interactions with women, we have also observed that women are also able to increase their income capacity from 30% to 40% by investing the financed money in the enterprise.
- To make the application process smoother and digitally enabled, Sa-Dhan also signed an MOU with Jansmarth. This collaboration will enhance the quality and process of women-led enterprise financing.
- Sa-Dhan is also involved with educating and sensitizing bankers at the state, district, and block levels on women-led enterprise financing. Through this initiative, bankers are becoming aware of the dedicated women enterprise loan product and gaining some confidence in financing applications like SHG bank linkage.
- Sa-Dhan is collaborating with other stakeholders that are crucial to boosting women-led enterprise financing, such as NABARD, PMEGP, StandUp India, PMFME, the Department of Agriculture, Animal Husbandry, and Fishery.
- A workshop was organised for the chairpersons of all RRBs in the country during the month of September 2024, along with NABARD, to emphasise the need to have dedicated product for financing women entrepreneurs. As a result of the initiative, four RRBs developed loan products, and the rest are in the process of development.

F. New Members joined during FY 2024-25

Sl No	Name of the Organisation	Type of Institution	State / UT	Activity being done
1	Bajaj Finance Ltd.	NBFC	Maharashtra	MFI
2	Cleardu Fintech Pvt. Ltd.	Company	Gujarat	Capacity Building Programme
3	Bimaplan (Purple Umbrella Fintech Pvt. Ltd.)	Company	Karnataka	Capacity Building Programme
4	Sugmya Finance Pvt. Ltd.	NBFC	Delhi	MFI
5	Habitat For Humanity International Inc	Company	Tamil Nadu	Capacity Building Programme
6	LOLC India Finance Pvt. Ltd.	NBFC - MFI	Maharashtra	MFI
7	Federal Bank Ltd.	Bank	Kerala	Bank
8	Karur Vysya Bank	Bank	Tamil Nadu	Bank
9	Craft Silicon Pvt. Ltd.	Company	Karnataka	Capacity Building Programme
10	Adi Chitragupta Finance Ltd.	NBFC - MFI	Bihar	MFI

G. Annual General Meeting

Sa-Dhan commenced its 26th Annual General Meeting in Delhi. The Meeting reviewed the overall performance of the microfinance sector in the country, especially the growth in the plans of MFIs this year, the activities of Sa-Dhan as an association and the developmental activities initiated by Sa-Dhan, such as the financial literacy programme and other developmental projects. After the usual business, elections were held to fill the vacant slots in the Board of Governance. Mr Mukul Jaiswal, MD Cashpor, is the Co-Chair, and Dr V N Salimath, Chairman of IDF Financial Services Pvt Ltd, is the Treasurer. These individuals brought a wealth of experience and expertise to their roles.

The following members were elected to fill the vacancy of retiring members;

1. Dr V N Salimath
2. Mr Mukul Jaiswal
3. Mr Nagendra Mali
4. Mr Ganesh Chandra Modak
5. Mr A. Ramesh Kumar

Sa-Dhan had its Board and Board Committee meetings regularly per the mandate. The following are the details of the Board meetings held during this year:

SL No	Date of the Meeting	Total Number Present	Not Present
1	21 June, 2024	10	4
2	22 July, 2024	10	3
3	08 November, 2024	12	3
4	29 November, 2024	9	6
5	18 March,2025	12	2

After the AGM, the newly constituted Board met and elected the office bearers. Their valuable insights and experience significantly helped in the cause of microfinance and financial inclusion.

H. Media and Communication

In the fiscal year 2024–25, Sa-Dhan maintained a strong media presence for the microfinance sector through its policy advocacy, strategic partnerships, and sectoral leadership. The organisation actively addressed challenges such as rising delinquency, funding constraints, and regulatory compliance, while promoting inclusive financial growth.

Sa-Dhan developed media advertorials and member institutions' names to sensitise borrowers and other stakeholders. The advertorials were released multiple times in leading newspapers like Deccan Herald, Prajavani, and Vijayavani. Sa-Dhan and AKMI officials visited the Times of India, The Hindu, Deccan Herald, and Prajavani offices. They interacted with the editors to update them about the sector so that misreporting and labelling all institutions as microfinance were avoided.

Sa-Dhan maintained an active presence on social media platforms, sharing updates on sectoral developments, policy advocacy, and capacity-building initiatives. The organisation utilised platforms like Instagram and LinkedIn to disseminate information and engage with stakeholders.

Member List for AR 2024-25

Name of the Organistaion and states
Andhra Pradesh
Sneha Mutually Aided Co-Operative Thrift and Credit Society Limited
Arunachal Pradesh
Arunachal State Rural Livelihoods Mission (ArSRLM)
Assam
Ajagar Finance Private Limited
Grameen Development & Finance Pvt. Ltd.
Nightingale Finvest Pvt. Ltd.
Prochesta
Satra Development Finance P Ltd
UNACCO Financial Services Pvt. Ltd.
Bihar
Adi Chitragupta Finance Limited
Centre For Development Orientation & Training (CDOT)
Sahyog Development Services
Save Microfinance Pvt Ltd
SEED Capital Private Limited
Chandigarh
Aadhar India Finvest Limited
Chhattisgarh
Aviral Finance Pvt Ltd
Delhi
Ambition Services Pvt. Ltd.
Magenta Finance Services Private Limited
Micro-Credit Ratings International Limited
Muthoot Microfin Limited
National Scheduled Castes Finance and Development Corporation
Prayatna Microfinance Limited
Sahulat Microfinance Society

Satya MicroCapital Limited
Shikhar MF Pvt. Ltd.
Sugmya Finance Private Limited
Unnayan Bharat Finance Corporation Pvt Ltd (UBFC)
Zylo Micro Care Foundation
Gujarat
Ananya Finance For Inclusive Growth Pvt.Ltd.
Ceejay Microfin Ltd
Cleardu Fintech Private Limited
Friends of Women's World Banking India (FWWB)
Pahal Financial Services Pvt Ltd
Saath Mahila Savings & Credit Cooperative Society Ltd.
SEWA Bank
Shroff Capital and Finance Pvt Ltd
The Saath Savings and Credit Cooperative Society Ltd.
Haryana
Care Health Insurance Company Ltd
Dia Vikas Capital Private Limited
Grey Swift Private Limited (Leegality)
KSR Capital Services Ltd
Mitrata Inclusive Financial Services Pvt Ltd.
M-Swasth Solutions Private Limited
Prayas Financial Services Pvt. Ltd.
Prime M2i Consulting Pvt Ltd
Satin Creditcare Network Limited
Subhlakshmi Finance Private Limited
Jharkhand
Nav Bharat Jagriti Kendra (NBJK)
Vedika Credit Capital Ltd.
Karnataka
ACCION Technical Advisors India
Avanti Finance Private Limited

Bimaplan (Purple Umbrella Fintech Pvt Ltd)
BSS Microfinance Ltd.
Craft Silicon Private Limited
CreditAccess Life Insurance
IDF Financial Services Private Ltd.
Jana Small Finance Bank
NABFINS Limited
Navachetana Microfin Services Limited
Opportunity Microfinance India Ltd.
Outreach
Rors Finance Private Limited
Sanghamithra Rural Financial Services
Shree Marikamba Micro Finance Pvt.Ltd.
Shri Kshethra Dharmasthala Rural Development Project (SKDRDP)
Sushravya Upliftment Foundation
Ujjivan Small Finance Bank
VRUTTI
Kerala
Asirvad Microfinance Limited
ESAF Small Finance Bank
Federal Bank Ltd
Janashree Microfin Limited
Keshava Prabha Microfin Private Limited.
Mahatma Gandhi Foundation for Rural Development
Max United Foundation
Neyyattinkara Integral Development Society
Sahrudaya Wesco Credit
Satyam Grama Sangham
Travancore Rural Development Producer Company Limited (TRAVANCO)
Vanchinad Finance Private Limited
Welfare Services Ernakulam

Madhya Pradesh
Aparajita Mahila Sangh
Jigyasa Livelihood Promotions Micro Finance Foundation
Priyasakhi Mahila Sangh
Sai Shakti Mahila Technical & development Services Majholi
Samhita Community Development Services
Shakti Mahila Sangh
Sharan Welfare Foundation
Maharashtra
AGORA Microfinance India Limited
Anik Financial Services Pvt Ltd
Annapurna Mahila Co-op Credit Society Ltd
Bajaj Finance Ltd
Chaitanya
Equifax Credit Information Services Pvt Ltd
Fingel Management Services Pvt. Ltd.
Grameen Capital
Hindusthan Microfinance Pvt Ltd
Institute of Rural Credit and entrepreneurship development (IRCED)
L&T FINANCE LIMITED
LOLC India Finance Private Limited
Mahila arthik Vikas Mahamandal Ltd. (MAVIM)
NABSAMRUDDHI Finance Limited
RBL Bank Ltd
Sampada Entrepreneurship & Livelihoods Foundation
Smera Gradings & Ratings Private Limited
Svamaan Financial Services Private Ltd.
Svantantra Microfinance Pvt Ltd
Svasti Microfinance Private Limited
Swadhaar Finaccess
TransUnion CIBIL Limited

TUVIS Foundation
Unity Small Finance Bank Limited
Unnati Microfin Pvt 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
Annapurna Finance Private Limited
Centre for Youth & Social Development (CYSD)
GU Financial Services (P) Ltd.
Sabrimala Fintech Private Limited
Sampark Fin Services Pvt Ltd
Punjab
Midland Microfin Ltd
Rajasthan
Arth Micro Finance Pvt. Ltd.
Digamber Capfin Ltd
Rajasthan Shram Sarathi Association
Tamil Nadu
A John Moris & Co
Ajaaya Development Foundation
Belstar Microfinance Limited
Bharathi Women Development Centre
Blaze Trust
Bullock-Cart Workers Development association (BWDA)
BWDA Finance Ltd
Citta Plus Consultancy Pvt Ltd
Consortium for Social Care and Development
Dvara Kshetriya Gramin Financial Services Private Limited

Equitas Small Finance Bank
Finsigma Inclusive Services Private Limited
Gramalaya Microfin Foundation
Grameen Microfinance Trust
Habitat For Humanity International Inc
Kaleidofin Private Limited
Karur Vysya Bank
Kiara Microcredit Pvt Ltd
LaRaksha Social Impact Trust
Magalir Micro Capital Private Limited
Magilchi Foundation
Mahasemam
MASS Trust
Nanayasurabhi Development Financial Services
New Opportunity Consultancy Private Limited
Orange Retail Finance India Private Limited
PAFT FINANCE LIMITED
PAFT Inclusive Financial Services Private Limited
REPCO Microfinance Ltd.
Rural Improvement Project
Sai Mithra Micro Care Foundation
Samunnati Financial Intermediation and Service Private Limited
Sarvam Charitable Trust
Sarvodaya Nano Finance Ltd.
Sigaram Trust
South India Finvest Private Limited
Sree Annai Meenashi Arakattalai
Subiksham Grameen Society
Subiksham Women's Welfare Foundation
Swarnodhayam Credits Private Limited
Valar Aditi Social Finance Pvt. Ltd.
Velicham Finance Private Limited

Virutcham Microfinance Ltd. (VML)
Vision Micro credit and social foundation
Visionfund India Private Limited
Vivardhana Microfinance Limited
Water.org
Wesghats Micro Finance Limited
WOMAN
Telangana
Bharat Financial Inclusion Limited
IndusInd Bank Ltd
KBS Local Area Bank Ltd.
Maanaveeya Holdings & Investments P Ltd.
Pradakshana Fintech Private Limited
Pragati Finserv Private Limited
Share Microfin Limited
Spandana Sphoorty Financial Limited
Srifin Credit Private Limited
Sub-K IMPACT Solutions Limited
Worth - Rich Micro Foundation
Uttar Pradesh
Aasra Fincorp Private limited
Ajivika Finance Limited
ASD Micro Foundation
Cashpor Micro Credit
Disha India Micro Credit
Friends Capital Services Limited
Godson Microfinance Federation
IQRA Microfinance Federation
PRADAN
Pratyancha Financial Services Limited.
Samavesh Finserve Private limited
Share India Fincap Private Limited

Sindhuja Microcredit Private Limited
Sonata Finance Private Limited
Surya Jyoti Leasing and Finance Ltd.
Swabhimaan Finance Pvt Ltd
West Bengal
ASA International India Microfinance Limited
Barasat Sampark
Bargach Finance Private Limited
DESTINY FINCO Private Limited
Dhosa Chandaneswar Bratyajana Samity
Grameen Shakti Microfinance Services Pvt. Ltd
Jagaran Microfin Private Limited
Jeevan Utthan Financial Services Private Limited
Palli Pragoti Financial Services Pvt Ltd
Sahara Utsarga Welfare Society
Sampurna Financial Services Private Limited
Sampurna Training and Entrepreneurship Programme (STEP)
Sarala Development & Microfinance Pvt Ltd
Sarwadi Finance Private Limited
Servitium Micro Finance Private Limited
Uttrayan Financial Services Pvt. Ltd
Vector Finance Private Limited
VFS Capital Ltd
Village Welfare Society (VWS)
Wegrow Financial Services Private Limited

INDIA

V. SANKAR AIYAR & CO.

CHARTERED ACCOUNTANTS

Sarojini House, 6 Bhagwan Das Road, New Delhi – 110001

Tel. (011) 4474 4643 / 4515 0845; e-mail: newdelhi@vsa.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SA-DHAN ASSOCIATION

1. Opinion

We have audited the financial statements of **SA-DHAN ASSOCIATION** ("Society"), which comprise the Balance Sheet as at March 31, 2025 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 31st March 2025; 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

Other offices: | Mumbai | Chennai | Ghaziabad |

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Sa-Dhan
Fostering Inclusive Impact Finance

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 are in agreement with the books of accounts;

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

VISHAL AGARWAL
Partner (M. No: 556367)
UDIN: 25556367BMLBSW2552

Place: New Delhi
Dated: 12-06-2025

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Sa-Dhan
Fostering Inclusive Impact Finance

SA-DHAN ASSOCIATION
BALANCE SHEET AS AT MARCH 31, 2025

PARTICULARS	SCHD. NO.	MARCH 31, 2025	MARCH 31, 2024
SOURCES OF FUNDS			
Corpus Funds	1	71,094,660	69,024,660
Restricted Funds	2	48,902,230	93,555,287
Unrestricted Funds	3	73,532,134	51,851,778
Capital Asset Fund	4	1,366,847	1,075,683
Current Liabilities and Provisions	5	12,984,617	8,848,897
		207,880,488	**224,356,305**
APPLICATION OF FUNDS			
Property, plant and equipment	6	1,366,847	1,075,683
Investment	7	101,329,539	68,689,070
Current Assets, Loans and Advances	8	100,151,547	151,232,414
Expenditure against Grants awaiting Reimbursement	2	5,032,555	3,359,138
		207,880,488	**224,356,305**

The accompanying notes 1- 17 are an integral part of these financial statements

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

Vishal Agarwal
Partner
M.No. 556367

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 12-06-2025

For and on behalf of Board
Sa-Dhan

VN Salimath
Treasurer

K Paul Thomas
Chairperson

Jiji Mammen
Executive Director & CEO

SA-DHAN D-26, G/F, South Extension-II, New Delhi-49

SA-DHAN ASSOCIATION

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

PARTICULARS	SCHD. NO.		MARCH 31, 2025		MARCH 31, 2024
INCOME					
Grants and Contributions Received	9		124,478,104		63,549,965
Consulting Services Conduct RBI DEA Workshop			42,628,906		77,143,096
Membership Fee			33,491,050		31,584,407
Interest Income			11,900,424		7,211,527
Voluntary Contributions			6,666,000		6,750,750
Fees from Activities			3,677,557		2,171,683
Participation and Training Fees			2,398,699		2,290,344
Other Income			1,207,672		281,361
			226,448,412		**190,983,133**
EXPENDITURE					
PROGRAMME EXPENDITURE:					
Member Development Support & CBEO	10	111,603,900		59,408,224	
RBI DEA Workshop	11	35,219,931		62,268,825	
Policy Advocacy & Sector Representation	12	25,550,419		25,220,749	
Self Regulatory Organisation Activities	13	16,227,315		6,191,010	
Research & Analysis	14	3,221,851		3,124,097	
Administration Expenses	15	17,329,090	209,152,506	15,060,125	171,273,030
Depreciation		(150,860)		(163,824)	
Less: Transfer from Capital Assets Fund		150,860	-	163,824	-
Transferred to Capital Assets Fund (Purchase of FA)			442,024		993,351
			209,594,530		**172,266,381**
Excess of Income over Expenditure for the year			**16,853,882**		**18,716,752**
Taken to Unrestricted Funds (Sch-3)			21,680,356		20,061,869
Taken to Restricted Funds (Sch-2)			(4,826,474)		(1,345,117)
			16,853,882		**18,716,752**
			-		-

The accompanying notes 1- 17 are an integral part of these financial statements

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

V. SANKAR AIYAR & CO.
NEW DELHI
FRN 109208W
CHARTERED ACCOUNTANTS

Vishal Agarwal
Partner
M.No. 556367

Place : New Delhi
Date : 12-06-2025

For and on behalf of Board
Sa-Dhan

VN Salimath
Treasurer

K Paul Thomas
Chairperson

Jiji Mammen
Executive Director & CEO

SA-DHAN
Sa-Dhan
D-28, G/F, South Extension-II, New Delhi-49

SA-DHAN ASSOCIATION

SCHEDULE TO BALANCE SHEET AS AT MARCH 31, 2025

PARTICULARS	MARCH 31, 2025	MARCH 31, 2024
SCHEDULE 1 : CORPUS FUND		
The Ford Foundation	22,952,160	22,952,160
Corpus from Omidyar Network	21,895,000	21,895,000
Corpus from Members	25,126,500	23,056,500
Sa-Dhan's Contribution to Corpus Fund	1,121,000	1,121,000
	71,094,660	**69,024,660**
SCHEDULE 2 : RESTRICTED FUND		
Opening Balance	90,196,149	2,236,701
Add: Fund received during the year *	89,942,796	209,017,712
Less: Amount utilised during the year	(136,269,270)	(121,058,264)
Closing balance (Refer schedule 16)	**43,869,675**	**90,196,149**
Unspent Balance (a)	**48,902,230**	**93,555,287**
Expenditure against Grants awaiting Reimbursement (b)	**5,032,555**	**3,359,138**
Total Restricted Fund (a-b)	**43,869,675**	**90,196,149**

* Funds received during the previous year includes Rs. 8,93,04,565/- to be spent in subsequent years.

PARTICULARS	MARCH 31, 2025	MARCH 31, 2024
SCHEDULE 3 : UNRESTRICTED FUND		
Opening Balance	51,851,778	31,789,909
Add: Fund received during the year	95,005,616	71,269,986
Less: Amount utilised during the year	(73,325,260)	(51,208,117)
	73,532,134	**51,851,778**
SCHEDULE 4 : CAPITAL ASSETS FUND		
Opening Balance	1,075,683.00	480,336
Add: Addition to Fixed Assets	442,024.00	993,351
Add : Deletion of Assets at WDV	-	(234,180)
Less : Depreciation for the year	(150,860.00)	(163,824)
	1,366,847.00	**1,075,683**

As per our report of even date
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V. SANKAR AIYAR & CO.
NEW DELHI
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Sa-Dhan
Fostering Inclusive Impact Finance

SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET AS AT MARCH 31, 2025

PARTICULARS		MARCH 31, 2025		MARCH 31, 2024
SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS				
TDS Payable	1,088,612		1,299,537	
PF Payable	348,884		226,990	
Provision for Leave Encashment	1,474,532		4,078,029	
LIC group gratuity Fund/Gratuity Payable	6,817,640		1,389,593	
Consultancy Payable	1,458,046		704,970	
Expenses Payable	1,796,903	12,984,617	1,149,778	8,848,897
		12,984,617		**8,848,897**

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

Vishal Agarwal
Partner
M.No. 556367

Place : New Delhi
Date : 12-06-2025

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SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET AS AT MARCH 31, 2025

SCHEDULE 6: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As At 01.04.2024	more than 180 days	less than 180 days	Deletion	As At 31.03.2025	Rate of Dep.	As At 01.04.2024	For the year	Written back	As At 31.03.2025	As At 31.03.2025	As At 01.04.2024
FOREIGN FUNDS												
Professional Equipment	449,292	-	-	-	449,292	-	438,292	-	-	438,292	11,000	11,000
Office Equipment	34,200	-	-	-	34,200	-	32,200	-	-	32,200	2,000	2,000
Furniture & Fixture	21,940	-	-	-	21,940	-	19,940	-	-	19,940	2,000	2,000
Sub Total [A]	**505,432**	**-**	**-**	**-**	**505,432**	**-**	**490,432**	**-**	**-**	**490,432**	**15,000**	**15,000**
INDIAN FUNDS												
Professional Equipment	747,702	134,402	199,632		1,081,736	16.21%	117,442	114,191		231,633	850,103	630,260
Office Equipment	560,261	107,990			668,251	4.77%	214,566	31,130		245,696	422,555	345,695
Furniture & Fixture	87,497				87,497	6.33%	2,769	5,539		8,308	79,189	84,728
Sub Total [B]	**1,395,460**	**242,392**	**199,632**	**-**	**1,837,484**		**334,777**	**150,860**	**-**	**485,637**	**1,351,847**	**1,060,683**
TOTAL [A+B]	**1,900,892**	**242,392**	**199,632**	**-**	**2,342,916**		**825,209**	**150,860**	**-**	**976,069**	**1,366,847**	**1,075,683**

As per our report of even date
For V. Sankar Aiyar & Co.
Chartered Accountants
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Partner
M.No. 556367

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Date : 12-06-2025

For and on behalf of Board
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Sa-Dhan
Fostering Inclusive Impact Finance

SA-DHAN ASSOCIATION
SCHEDULE TO BALANCE SHEET AS AT MARCH 31, 2025

PARTICULARS		MARCH 31, 2025		MARCH 31, 2024
SCHEDULE 7 : INVESTMENT				
In Fixed Deposits with Banks		96,188,327		63,608,261
In Mutual Funds (NAV Rs. 58,10,274)		5,141,212		5,080,809
		101,329,539		**68,689,070**
SCHEDULE 8 : CURRENT ASSETS, LOANS & ADVANCES				
Current Assets				
Bank Balances (In Savings and Current Accounts)	53,497,002		129,674,221	
Quantum Deposit with Bank	19,966,060		5,830,934	
Cash on hand	4,696		11,539	
Silver Bars	17,184	73,484,942	17,184	135,533,878
Loans and Advances				
TDS Recoverable	15,582,998		9,412,029	
GST	361,020		140,030	
Security Deposits (Office premises)	1,009,508		600,000	
Accrued Interest	964,077		813,103	
Amount Recoverable	34,241		20,000	
Other Receivables	3,326,264		3,031,529	
Advance to Vendors	334,904		28,252	
Plan Assets against Gratuity liability	3,389,593		1,389,593	
Loan to Staff	1,664,000	26,666,605	264,000	15,698,536
		100,151,547		**151,232,414**

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

Vishal Agarwal
Partner
M.No. 556367

Place : New Delhi
Date : 12-06-2025

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

For and on behalf of Board
Sa-Dhan

VN Salimath
Treasurer

K Paul Thomas
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Executive Director & CEO

SA-DHAN Sa-Dhan D-26, G/F, South Extension-II, New Delhi-49

Sa-Dhan
Fostering Inclusive Impact Finance

SA-DHAN ASSOCIATION
SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

PARTICULARS	MARCH 31, 2025	MARCH 31, 2024
SCHEDULE 9 : GRANTS AND CONTRIBUTIONS RECEIVED		
Foreign Contributions	76,007,714	41,193,226
Indian Contributions		
Contribution from Indian Agencies	15,470,000	1,384,824
Consulting Services Conduct RBI DEA Workshop	42,628,906	77,143,096
Sponsorship	33,000,390	20,971,915
	167,107,010	**140,693,061**
SCHEDULE 10 : MEMBER DEVELOPMENT SUPPORT		
Consultancy Charges	64,555,082	36,346,120
Salaries & Benefits	22,863,162	13,907,668
Travelling Expenses	9,285,885	4,182,116
Meeting Expenses	7,133,773	2,693,670
Printing & Stationery	1,494,227	1,464,658
Communication Expenses	349,541	122,171
Mementos	598,194	81,480
Programme Expenses	4,833,769	-
Office Maintenance	153,661	182,993
Repair & Maintenance	92,819	-
Software Expenses	114,224	-
Miscellaneous Expenses	124,253	114,398
Media Advertising Expenses	5,310	312,950
	111,603,900	**59,408,224**
SCHEDULE 11 : RBI DEA Workshop		
Workshop RBI DEA	34,718,051	61,392,825
Audit Fees	501,880	876,000
	35,219,931	**62,268,825**
SCHEDULE 12 : POLICY ADVOCACY & SECTOR REPRESENTATION		
Salaries & Benefits	5,639,973	6,126,370
Meeting Expenses	9,139,490	9,686,961
Consultancy Charges	3,266,457	5,324,100
Travelling Expenses	2,239,345	1,351,229
Printing & Stationery	1,414,866	1,394,301
Communication Expenses	151,056	696,416
Mementos	1,395,850	376,292
Software Expenses	22,135	-
Miscellaneous Expenses	132,592	265,080
Office Maintenance	38,615	-
Finance Charges	866	-
Media Advertising Expenses	2,085,574	-
Audit Fees	23,600	-
	25,550,419	**25,220,749**

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

SA-DHAN Sa-Dhan D-26, G/F, South Extension-II, New Delhi-49

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SA-DHAN ASSOCIATION
SCHEDULE TO INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

PARTICULARS	MARCH 31, 2025	MARCH 31, 2024
SCHEDULE 13 : SELF REGULATORY ORGANISATION ACTIVITIES		
Salaries & Benefits	2,862,257	1,679,440
Consultancy Charges	5,055,616	2,168,003
Travelling Expenses	1,480,923	1,542,195
Mementos	-	72,000
Communication Expenses	53,240	57,500
Printing & Stationery	232,068	42,627
Software Expenses	4,274,821	-
Miscellaneous Expenses	2,916	-
Meeting Expenses	116,370	629,245
Media Advertising Expenses	2,149,104	-
	16,227,315	**6,191,010**
SCHEDULE 14 : RESEARCH & ANALYSIS		
Consultancy Charges	389,999	806,996
Salaries & Benefits	2,812,757	1,726,540
Travelling Expenses	12,841	64,797
Printing & Stationery	6,254	516,604
Miscellaneous Expenses	-	900
Media Advertising Expenses	-	8,260
	3,221,851	**3,124,097**
SCHEDULE 15 : ADMINISTRATION EXPENSES		
Salaries & Benefits	9,117,205	6,623,734
Office Maintenance	4,070,111	2,762,204
Consultancy Charges	413,361	620,216
Travelling Expenses	185,739	523,852
Meeting Expenses	941,659	407,436
Software Expenses	128,519	-
Miscellaneous Expenses	527,760	2,334,728
Communication Expenses	146,870	253,218
Mementos	-	789,366
Repair & Maintenance	242,467	147,218
Printing & Stationery	786,784	235,506
Audit Fees	754,610	339,250
Finance Charges	14,005	23,397
	17,329,090	**15,060,125**

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

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

Vishal Agarwal
Partner
M.No. 556367

Place : New Delhi
Date : 12-06-2025

For and on behalf of Board
Sa-Dhan

VN Salimath
Treasurer

K Paul Thomas
Chairperson

Jiji Mammen
Executive Director & CEO

SA-DHAN D-26, G/F, South Extension-II, New Delhi-49

Sa-Dhan

SCHEDULE 16

SA-DHAN ASSOCIATION
RECEIPT & PAYMENT ACCOUNT FOR THE YEAR ENDED MARCH 31, 2025

Funding Agency	Opening Balance	Receipts			Payments			Excess of receipts over payments/ (payments over receipts)	Closing Balance trf to Balance Sheet	
		Contribution	Interest & Other Income	Total Receipts	Revenue Expenditure	Capital Expenditure	Total Payments		Unspent	Overspent
(A) Corpus Fund										
a) Foreign Funds										
The Ford Foundation	22,952,160	-	-	-	-	-	-	-	22,952,160	-
Omidyar Networks	21,895,000	-	-	-	-	-	-	-	21,895,000	-
b) Indian Funds										
Corpus from Members	23,056,500	2,070,000	-	2,070,000	-	-	-	-	25,126,500	-
Sa-Dhan's Contribution to Corpus Fund	1,121,000	-	-	-	-	-	-	-	1,121,000	-
Total Corpus Funds	**69,024,660**	**2,070,000**	**-**	**2,070,000**	**-**	**-**	**-**	**-**	**71,094,660**	
(B) Restricted Funds										
a) Indian Funds										
Foundation for Innovation and Social Entrepreneurship (TATA Trust)	-	330,000	-	330,000	330,000		330,000	-	-	-
Depositors Education Awareness (DEA) Fund Scheme	-	42,628,906	-	42,628,906	42,564,693		42,564,693	64,213	64,213	-
GIZ - Climate	140,000		1,120,666	1,120,666	1,557,558		1,557,558	(436,892)	-	296,892
Equifax Study on HR attrition	601,324		-	-	601,324		601,324	(601,324)	-	-
SIDBI Microenterprises Gujarat	(1,744,842)	6,310,658	-	6,310,658	7,255,675		7,255,675	(945,017)	-	2,689,859
SIDBI Microenterprises Tamilnadu	(1,605,028)	5,835,861	-	5,835,861	6,276,637		6,276,637	(440,776)	-	2,045,804
Total Indian Restricted Funds(a)	**(2,608,546)**	**55,105,425**	**1,120,666**	**56,226,091**	**58,585,887**	**-**	**58,585,887**	**(2,359,796)**	**64,213**	**5,032,555**

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

SA-DHAN D-26, G/F, South Extension-II, New Delhi-49

Funding Agency	Opening Balance	Receipts			Payments			Excess of receipts over payments/ (payments over receipts)	Closing Balance trf to Balance Sheet	
		Contribution	Interest & Other Income	Total Receipts	Revenue Expenditure	Capital Expenditure	Total Payments		Unspent	Overspent
b) Foreign Funds								-	-	-
Develop Digital Ecosystem - HSBC 2nd Phase	(1,937)	8,613,000	-	8,613,000	8,611,063	-	8,611,063	1,937	-	-
WCAD Eastern North Eastern	-	1,057,000		1,057,000	611,230	-	611,230	445,770	445,770	-
Water.org-WCAD - TN KA	2,084,154	3,455,000	-	3,455,000	1,678,100	-	1,678,100	1,776,900	3,861,054	-
Water.org- WCAD Pre-Graduate Program	1,530,993	-	-	-	1,375,250	-	1,375,250	(1,375,250)	155,743	-
BMGF -Women Led Enterprises	87,286,076	-	-	-	44,892,626	-	44,892,626	(44,892,626)	42,393,450	-
Swiss Re Foundation - Finance Healthcare	1,914,677	6,291,705	-	6,291,705	6,224,382	-	6,224,382	67,323	1,982,000	-
JP Morgan - Financial Health of Women	(9,268)	14,300,000		14,300,000	14,290,732		14,290,732	9,268	-	-
Total FCRA Restricted Funds (b)	**92,804,695**	**33,716,705**	-	**33,716,705**	**77,683,383**	-	**77,683,383**	**(43,966,678)**	**48,838,017**	-
Total Restricted Funds (a+b)	**90,196,149**	**88,822,130**	**1,120,666**	**89,942,796**	**136,269,270**	-	**136,269,270**	**(46,326,474)**	**48,902,230**	**5,032,555**
Total Previous Year	**2,236,701**	**207,809,379**	**1,208,333**	**209,017,712**	**121,058,264**	-	**121,058,264**	**90,196,149**	**93,555,287**	**3,359,138**
(C) Unrestricted Funds										
a) Indian Funds	53,760,747	25,970,917	61,044,700	87,015,617	69,408,589	442,024	69,850,613	17,165,004	70,925,751	-
b) Foreign funds	(1,908,968)	791,009	7,198,990	7,989,999	3,474,647		3,474,647	4,515,352	2,606,384	-
Total Unrestricted Funds	**51,851,779**	**26,761,926**	**68,243,690**	**95,005,616**	**72,883,236**	**442,024**	**73,325,260**	**21,680,356**	**73,532,135**	-

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

Vishal Agarwal
Partner
M.No. 556367

Place : New Delhi
Date : 12-06-2025

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

For and on behalf of Board
Sa-Dhan

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SA-DHAN Sa-Dhan D-26, G/F, South Extension-II, New Delhi-49

Sa-Dhan
Fostering Inclusive Impact Finance

SCHEDULES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2025

SCHEDULE 17: SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

OVERVIEW OF THE SOCIETY'S OPERATIONS

SA-DHAN, a member-based Association of Community Development Finance Institutions, is a not-for-profit organization engaged in Research, Development, training, and Information dissemination on Micro Finance. It is working with the Government, NGOs, and Financial Institutions in facilitating the orderly and appropriate growth of the Community Development Finance Institutions in India. This is done by potentially contributing to developing a sustainable micro credit policy and upgrading of management, accounting, and reporting systems within the micro credit sector through the Policy Advocacy, Standards, Capacity Building, Research, and documentation sub-groups of SA-DHAN.

1. SIGNIFICANT ACCOUNTING POLICIES:

1.1 BASIS OF ACCOUNTING:

The Accounting Standards issued by the Institute of Chartered Accountants of India are applicable to non-profit entities only if any part of the activities of the entity is considered to be commercial, industrial, or business in nature. The Association is not carrying on any activity in the nature of commercial, industrial, or business. Therefore, the Accounting Standards are not mandatory and have been followed to the extent practicable or relevant. The financial statements have been prepared under the historical cost convention and on an accrual basis except where stated otherwise. The accounting policies have been consistently applied by the Association.

1.2 REVENUE / EXPENDITURE RECOGNITION:

All grants are recognized on a cash basis, and expenditure and liabilities are recognized on an accrual basis. In the case of a program undertaken with the support of some government and other agencies, though the funds received are in the nature of Program Execution Charges under a contract, the same is reported as a grant in view of the restriction on the expenditure and its nature as reimbursement of expenses.

1.3 FORMAT OF ACCOUNTS:

The Income and Expenditure has been classified based on the cost of activities carried out by the organization, while the natural head-wise Income and Expenditure account is provided in Schedules 9 to 15, forming part of the Association's accounts. The activity-based costs are identified, and each expense is classified and recorded in the books based on a documented process, including detailed classification of cost centers and sub-cost centers, by the Management.

1.4 CLASSIFICATION OF EXPENSES:

Of the various activities carried on by the Society, expenses incurred directly and rendering services to the Community Development Finance Institutions have been treated as:

- Micro Finance- Policy Advocacy and Sector Representation,
- Research, Analysis & Technical Support
- Member development & support
- Livelihood Program Support
- Self-Regulatory Organisation Activities (SRO)
- Administration & management

And are so stated in the accounts.

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

1.5 PROPERTY, PLANT AND EQUIPMENT (PPE) & DEPRECIATION:

Property, plant and equipment include all expenditure of capital nature and are valued at cost of acquisition and cost of installation/erection as applicable. PPE are stated at Cost, after reducing accumulated depreciation. Acquisitions of assets, though, charged to the Funding Agency's grants, are retained in the books by creating Capital Asset Fund. Depreciation charge is met from the Capital Fund so created. In respect of assets purchased out of grants/ funds the assets have been written off in full leaving a residual value of assets. Residual value is Rs. 1000 towards cost in books in case of assets purchase out of foreign grants and in other case the same is 1% of original cost of assets. Depreciation is charged at straight line method as per rates given below on all assets acquired out of own funds:

Assets Category	Rate of Depreciation
Professional equipment	**16.21%**
Furniture and Fixtures	**6.33%**
Office Equipment	**4.77%**

1.6 INVESTMENTS:

All investments are held at cost and are valued at market price or cost, whichever is lower, except long-term investments made out of Corpus and other specified Funds, which are valued at cost.

1.7 RESTRICTED FUNDS, BUDGET-BASED EXPENDITURE ACCORDED BY FUNDING AGENCIES:

The expenditure on programs taken up with the support of donor agencies is, as far as possible, incurred according to the plans and budgets agreed upon. However, deviations sometimes occur at the time of program execution depending upon various circumstances, such as location, local customs, availability of inputs, legal restrictions, etc. Such variations, monitored regularly, are generally intimated to the donor in advance.

1.8 Employee Benefits:

The Association provides the following benefits to its employees as per the terms of employment with them, namely:

1.8.1 Provident Fund:

The Association is registered with Provident Fund authorities and makes a matching contribution to the statutory Provident Fund. Liability towards the fund is paid or provided on a monthly basis.

1.8.2 Gratuity:

The Association has entered into an arrangement with Life Insurance Corporation of India, and liability on account of gratuity benefits is calculated and provided based on actuarial calculation provided by Life Insurance Corporation using "Projected Unit Rate" method. The plan provides for a lump sum payment to vested employees at retirement, death while on employment, or on termination of employment of an amount equivalent to fifteen days' basic salary payable for each completed year of service, Vesting occurs upon completion of five years of service.

1.8.3 Leave Encashment:

The Association makes a lump sum payment on cash basis to vested employees at retirement, death, or on termination of employment of an amount equivalent to number of days of accumulated leave, subject to certain limits on the basis of per day gross salary.

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1.8.4 Medical Benefits:

The Association has entered into an arrangement with United India Insurance Company to process cases of domiciliary hospitalization and accident. The yearly premium is provided.

2. NOTES TO ACCOUNTS:

2.1 Corpus Addition: During the year, an amount of **Rs. 20,70,000/-** was received from various members as corpus donation.

2.2 Membership and Subscription Fees:

As per the Membership Register, the membership of Sa-Dhan consists of 224 members as on March 31, 2025

2.3 Investments at Cost

The entire investment portfolio is considered long-term by the Management. **Fixed Deposits - Rs. 9,61,88,327 and Mutual Funds- Rs. 51,41,212/-**

2.4 Employees Welfare Funds/ Provident Fund/ Medical Benefits

2.4.1 Provident Fund: A total of **Rs. 19,85,697/-** has been provided/ paid as Society's share of contribution to the recognized Staff Provident Fund.

2.4.2 Provision is made in accounts on account of unencashed leave standing to the credit of employees as on year-end. The remaining 30 days of excess leave carry forward.

2.4.3 Medical Benefits: The Fund has paid premium of **Rs. 615,004/-** to United India Insurance Company towards domiciliary hospitalization, providing coverage of equal to or above **Rs. 5,00,000/-** for individual staff.

2.5 Income Tax:

The Association is registered with the Income Tax Authorities under section 12A (1) (ac) (i) of the Income Tax Act, 1961, vide registration no. AAAAS6890DE20027 dated 23.09.2021 for five years starting from AY 2022-23, and hence the income of the Association is exempt under section 11 of the Act, subject to compliance of relevant provisions of section 11 read with sections 12 and 13 of the Act. The Permanent Account No. (PAN) of the Association is AAAAS6890D. The Association has filed an application for registration u/s 80G of the Income Tax Act, 1961 which is under process as on reporting date.

2.6 Expenses incurred on Governing Board:

During the year, the Association has incurred **Rs. Nil** on travel, conveyance, and boarding & lodging of the members of the Governing Board.

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2.7 Disclosure as per u/s 13(3) of the Income Tax Act:

Remuneration to Executive Director (Ex-officio Staff member of Governing Board) Rs. 66,82,500/-

2.8 Others:

a Contingent liabilities/claims against the Association - NIL

b Previous year figures are regrouped and rearranged wherever necessary.

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

Vishal Agarwal
Partner (M. No. 556367)
Place: New Delhi
Date: 12-06-2025

V. SANKAR AIYAR & CO. NEW DELHI FRN 109208W CHARTERED ACCOUNTANTS

for and on behalf of Board

VN Salimath
Treasurer

K Paul Thomas
Chairperson

Jiji Mammen
Executive Director & CEO

SA-DHAN D-28, G/F, South Extension-II, New Delhi-49 Sa-Dhan

Notes on Accounts for the year ended March 31, 2025

Sa-Dhan
Fostering Inclusive Impact Finance

10 YEARS AS SRO FOR MFIS

Sa-Dhan
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