

# National Conference - 2019

*Two Decades at Paving Way for Financial Inclusion*



16th - 17th September  
India Habitat Centre, New Delhi

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# AGENDA

## Sa-Dhan National Conference 2019

*“Two Decades at Paving Way for Financial Inclusion”*

Venue – India Habitat Centre

Date – 16th & 17th September, 2019

1st Day			
Time	Sessions		
09:00 am – 10:00 am	Registration		
10:00 am – 11:00 am	Inaugural Session		
11:00 am – 11:30 am	Teezeit ☕		
11:30 am – 01:00 pm	Plenary session 1: 20 Years of Microfinance - Successes and Challenges		
01:00 pm – 02:00 pm	Bon Appetit 🍴		
02:00 pm – 03:00 pm	<b>Breakaway session 1:</b> Microfinance and Clean Energy : Untapped Opportunity	<b>Breakaway session 2:</b> Growing Urbanization – Scope for Microfinance	<b>Breakaway session 3:</b> Enlarging the Canvas of Community Finance
03:00 pm – 03:30 pm	Teezeit ☕		
03:30 pm – 05:00 pm	Plenary session 2: Insurance: the Missing Link in Financial Inclusion		
2nd Day			
10:00 am – 11:30 am	Plenary session 3: Propelling Innovative Funding for the Sector		
11:30 am – 12:00 pm	Teezeit ☕		
12:00 pm – 01:00 pm	<b>Breakaway session 4:</b> Integrating Digital Finance, Strengthening Cyber Security	<b>Breakaway session 5:</b> Health, Water & Sanitation – Achieving SDG goals	<b>Breakaway session 6:</b> Augmenting Good Governance and Promoting Responsible Finance
01:00 pm – 02:00 pm	Bon Appetit 🍴		
02:00 pm – 03:30 pm	Plenary Session 4: Crystal Ball Gazing – Bees Saal Baad		
03:30 pm – 04:00 pm	Closing and Valedictory Session		
04:00 pm – 04:15 pm	Felicitation of Partners		
04:15 pm – 04:20 pm	Vote of Thanks		

# Introduction

The theme of the Sa-Dhan National Conference, 2019, was “Two Decades at Paving Way for Financial Inclusion”. It celebrated the success of financial inclusion in the last twenty years, delved upon the challenges and learnings, and pondered upon the future trajectory of microfinance. A major objective of the conference was to look back at the various developments which had taken place in the microfinance space, reflect on the lessons learnt, draw inspiration from the best practices which had emerged and planned to leverage the current ecosystem. Today microfinance plays an enabling role in the India growth story as it contributes to social and economic growth. At the same time, the full potential of financial inclusion has still to be realized. The conference delved upon the challenges and learnings, while also dwelling on the future trajectory of financial inclusion.

Sa-Dhan National Conference, 2019, also marked 20 years of work by Sa-Dhan towards the advancement of Financial Inclusion of the unserved in the larger financial system of India. The conference was graced by the presence of Professor Muhammad Yunus, Nobel Peace Laureate 2006 and Founder, Grameen Bank, who was also the chief guest.

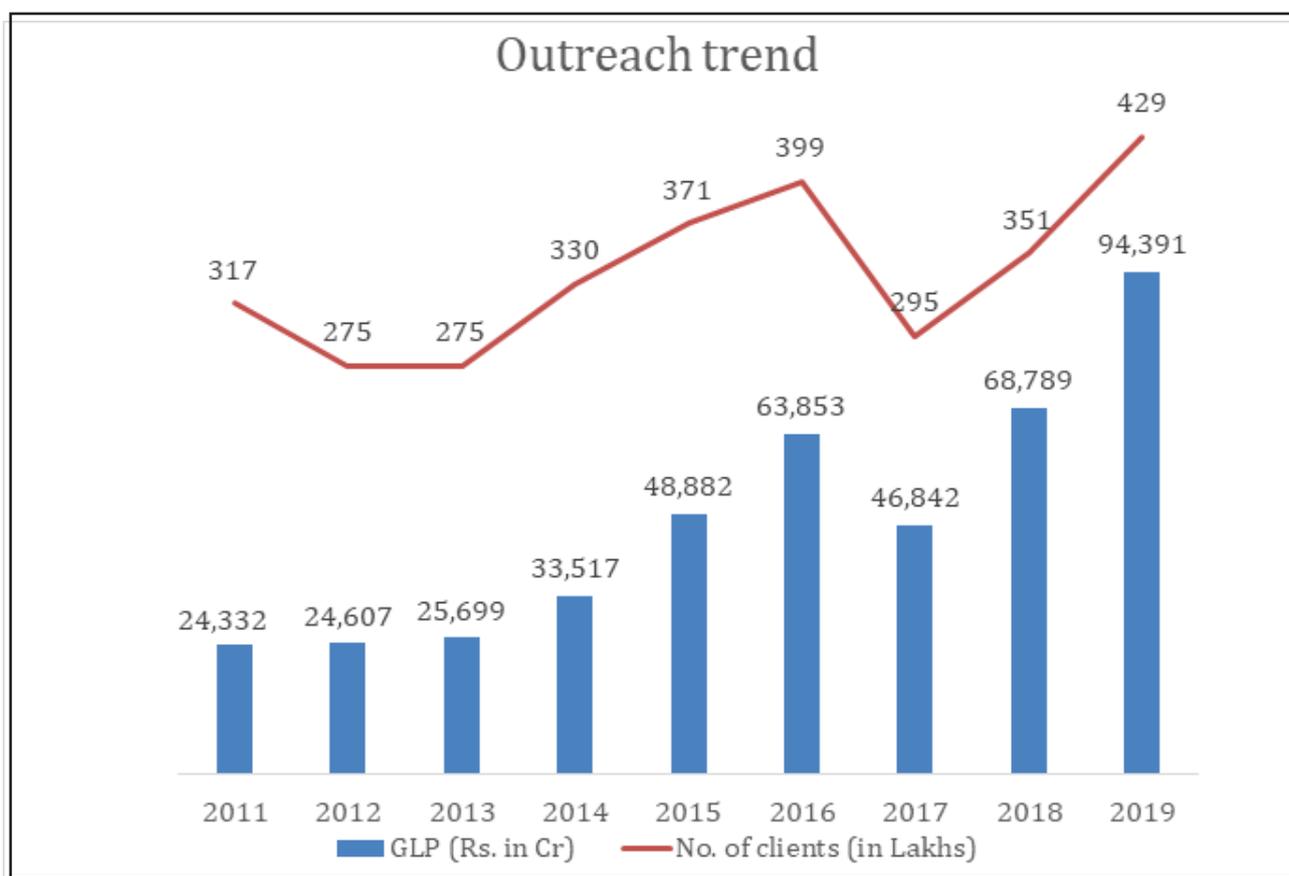


# Inauguration of Sa-Dhan National Conference 2019

The two-day conference began with opening remarks from Mr P Satish, Executive Director, Sa-Dhan, who then welcomed Professor Muhammad Yunus, to the conference.

## Release of the Bharat Microfinance Report

Mr P Satish presented some key facts and figures regarding the state of microfinance. This was followed by the release of the Bharat Microfinance Report – a much-awaited annual publication on the state of the financial inclusion. The microfinance sector has achieved impressive outreach over the last few years as can be seen in the chart below.



(Source: The Bharat Microfinance Report 2019, Figure 2.5 & Figure 2.9)

## Inaugural Address

Professor Muhammad Yunus, Noble Peace Laureate 2006 and Founder, Grameen Bank gave the inaugural address for the Sa-Dhan National Conference 2019. In his inaugural address, he congratulated the Indian financial inclusion sector on its Journey so far. He felt that while the outreach numbers were indeed impressive, these could be doubled over the next five years.

Professor Yunus, identified some of the greatest achievements of financial inclusion. He felt that, financial inclusion has helped in inculcating financial discipline among its clients, which is something that was lacking in countries like India and Bangladesh.

He also stated that financial inclusion has turned millions of women and men into entrepreneurs. If not for financial inclusion, people would be working odd jobs. Now clients of microfinance institutions believe that they can be dignified human beings. They are reaching out for more and are dreaming of a better life. They consider finances are enabling and not a barrier.

“Finance is like economic oxygen. If you don’t get oxygen, you will collapse, you can’t survive, you cannot function. If we don’t get oxygen, economically we cannot breathe. Poverty is lack of financial oxygen. Poverty doesn’t belong to civilized world. It belongs to museums. Our job is to make sure that trace of poverty is removed.” – Professor Yunus

Professor Yunus said that it is a realistic ambition to progress to zero poverty in the coming times. Critiquing the education system, that lays emphasis on creating job ready individuals, Professor Yunus said education as a system needs to create life ready people and not job ready people.



Professor Yunus identified, three zero words – Zero Poverty, Zero Unemployment and Zero Net Carbon Emission as important goals that humankind should aspire to achieve. Lauding the role of MFIs, who he pointed had started as social activists and have turned into enterprises, with MFI promoters having turned into entrepreneurs, Professor Yunus, felt that they should now focus on social businesses which solve social problems in a financially sustainable manner. Citing his own experience of having created social businesses in the sphere of health insurance and solar devices, he said that even a small start can evolve into something big. Eventually this will interest big companies and there could be potential for joint ventures.

Professor Yunus identified concentration of wealth as a big challenge. He felt that financial inclusion with its ability to turn the poor into entrepreneurs has a huge role in strengthening the economy. Rather than providing cheap labour to cities, the rural poor can begin selling goods to urban areas with the help of microcredit. He stated that this could also help in tackling the problem of wealth concentration, as entrepreneurial people will be working to create wealth for themselves and not for somebody else. This can also help in addressing the problem of unemployment as people will focus on entrepreneurship and not on jobs.

On the issue of caring for the environment, Professor Yunus said that we are running out of time. Unless prompt corrective steps are taken to control environmental degradation, we may have to face disaster. A collective approach and creative thinking are required to tackle this impending threat.

In conclusion, he exhorted the gathering at the Sa-Dhan conference to evolve creative solutions for challenges related to poverty, unemployment and the environment.

### **Release of Important Documents**

Professor Muhammad Yunus and Mr P Satish released the Sa-Dhan HSBC Digital Financial Inclusion booklet. Mr Manoj Nambiar, Chairperson – MFIN and Mr P Satish, Executive Director – Sa-Dhan, Mr Raman Aggarwal, Chairman, FIDC and Mr Harsh Shrivastava, CEO, MFIN with Professor Muhammad Yunus released the Sa-Dhan and MFIN joint Code of Conduct and Code for Responsible Lending.

### **Sa-Dhan's Certificate for Microfinance Professionals**

Sa-Dhan presented its training and certification platform which has been developed in association with M2i for professionals who are working in the microfinance sector or one day hope to work in this sector.

# Plenary Session 1: 20 Years of Microfinance – Successes and Challenges

Moderator: Mr Vijay Mahajan, Sector Expert

Speakers:

Mr Al Fernandez, Member Secretary, MYRADA

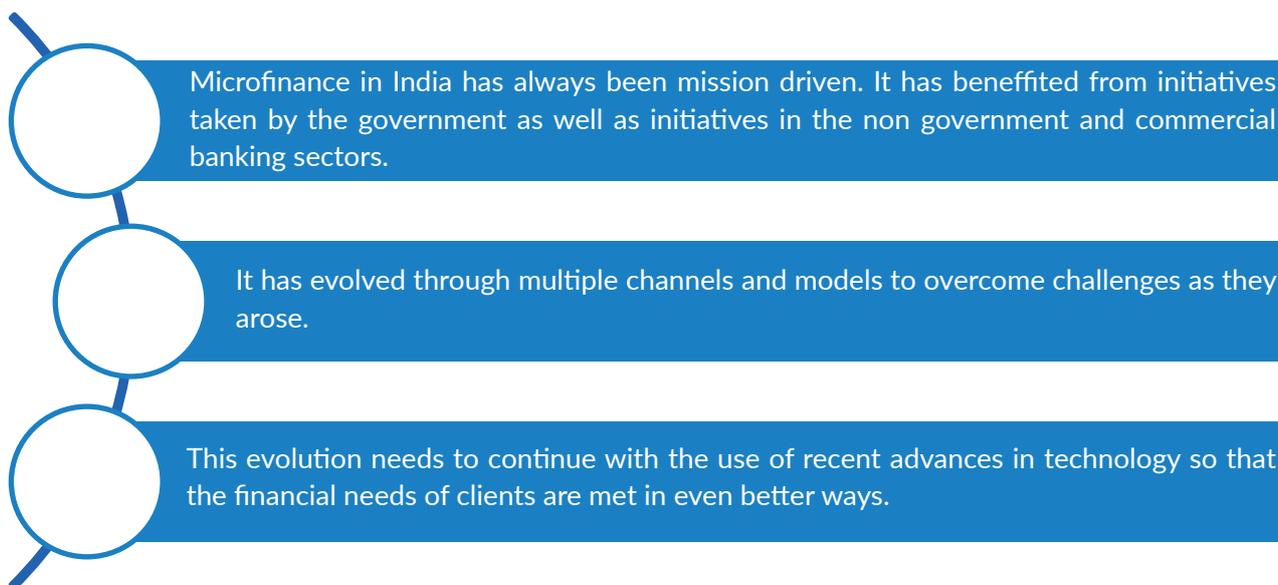
Ms Surekha Marandi, Former ED, RBI

Mr Brij Mohan, Former ED, SIDBI

Mr H P Singh, CMD, Satin Creditcare Network Ltd

Mr K Paul Thomas, MD & CEO, ESAF Small Finance Bank

## Key Takeaways



The panelists discussed the evolution of microfinance over the last 20 years in the first plenary. They opined that the sector has been mission-driven and that MFIs have always facilitated micro-entrepreneurship and income generation.

Delving on the growth trajectory of the SHG – Bank Linkage Programme (SBLP) and Micro Finance Institutions (MFIs), Mr Al Fernandez, Member Secretary, MYRADA concisely summarized the history of microfinance in India.

Mr HP Singh, CMD, Satin Credit Care Network Limited, shared his experience of undertaking Microfinance under Business Correspondent (BC) model with banks and said that the BC model is a more capital efficient model as compared to the traditional NBFC model. Mr K Paul Thomas, MD and CEO, ESAF Small Finance Bank, expressed the need for MFIs to innovate more, and reach out to the underserved by utilizing technology.

Smt. Surekha Marandi, former Executive Director (ED) of the Reserve Bank of India (RBI), provided a perspective on various regulatory concerns and initiatives which has helped the microfinance sector in various stages of its evolution. Shri Brij Mohan congratulated Sa-Dhan on the journey of 20 years and also lauded RBI for its enabling role as a regulator and supervisor.

**The Path Ahead:** The microfinance sector needs to retain its mission of providing responsible financial inclusion as it draws lessons from the past and surges ahead. There is now much greater clarity in regulations as well as business models and this should only help organizations in the microfinance space to provide better and more meaningful services to their clients.



**Presentation on “Credit Financing for Water and Sanitation: Emerging avenues for Financial Institutions”**

Following this session, a brief presentation was made by Ms Vedika Bhandarkar, MD, Water.org on “Credit Financing for Water and Sanitation: Emerging avenues for Financial Institutions”. Availability of credit can help many access better water and sanitation solutions, particularly in those regions that are lagging behind.



# Breakaway Session 1: Microfinance and Clean Energy - Untapped Opportunity

Moderator: Ms Jyoti Mukul, Senior Associate Editor, Business Standard

Speakers:

Mr Thomas Pullenkav, Sector Expert

Ms Shubhra Mohanka, Director, Galo Energy Pvt Ltd

Mr Vivek Tiwari, MD & CEO, Satya Micro Capital Ltd

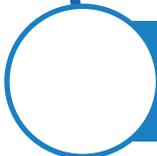
Mr Sahil Khanna, Partnerships Business Leader, Asia, Greenlight Planet Inc

Mr Pravin Kumar, Distribution Specialist, IFC

## Key Takeaways



Clean energy companies can draw on the distributional prowess of MFIs to enable customers in rural area overcome problems posed by unreliable power supply.



Clean energy solutions such as solar solutions must focus on the needs of the customers. The products being sold to them must fulfill their needs.



High quality customer experience requires good after sales service. This is an area that clean energy company must work on to have a fruitful partnership with MFIs.

The speakers in this session focused on the opportunities in clean energy and how MFIs can function at both the supply and demand sides of the clean energy market. In the session, challenges across policy, technology, finance and operations and the steps to be taken towards a successful collaboration of MFIs with the clean energy sector were discussed. The panelists were of the opinion that we have moved on from needing solar energy for lighting to needing it for power backup.

Mr Thomas Pullenkav, opined that it is difficult to convince microfinance companies to sell solar products because they are not perceived to be productive products as they don't generate income. The microfinance sector is more interested in income generation loans, and this partly explains why MFIs have not been too keen to finance solar products.

Mr Shubhra Mohanka, Director, Galo Energy Pvt Ltd, contended that Quality of power is a major issue in rural areas. In the case of solar power, the rainy season is a major obstacle. Mr Sahil Khanna of Greenlight Planet felt that its harder to convince those clients who haven't seen electricity ever, that solar solutions can be a reliable source of electricity. At the same time, quality assurances solve a majority of the trust issues for microfinance institutions as well as clients. Mr Vivek Tiwari of Satya Microcapital made the point that high quality after-sales services are necessary.

**The Path Ahead:** Clean energy companies, in partnership with MFIs, should evolve solutions for real needs of the customers. These solutions may include clean energy products, financing models as well as maintenance and service infrastructure. Service and maintenance, in particular, will go a long way in establishing trust among customers.



# Breakaway Session 2: Growing Urbanization – Scope for Microfinance

Before the start of deliberations in this session, Mr Ajay Kanwal, MD and CEO, of Jana Small Finance Bank, made a brief presentation about Jana Small Finance Bank. Mr Kanwal also presented some of the bank's products which are suitable for MFIs.

Moderator: Mr Jayanta Roy Chowdhury, Business Editor, The New Indian Express

Lead Presentation – Mr Atul, Founder Partner, Prime M2i Consulting Pvt Ltd (M2i)

Speakers

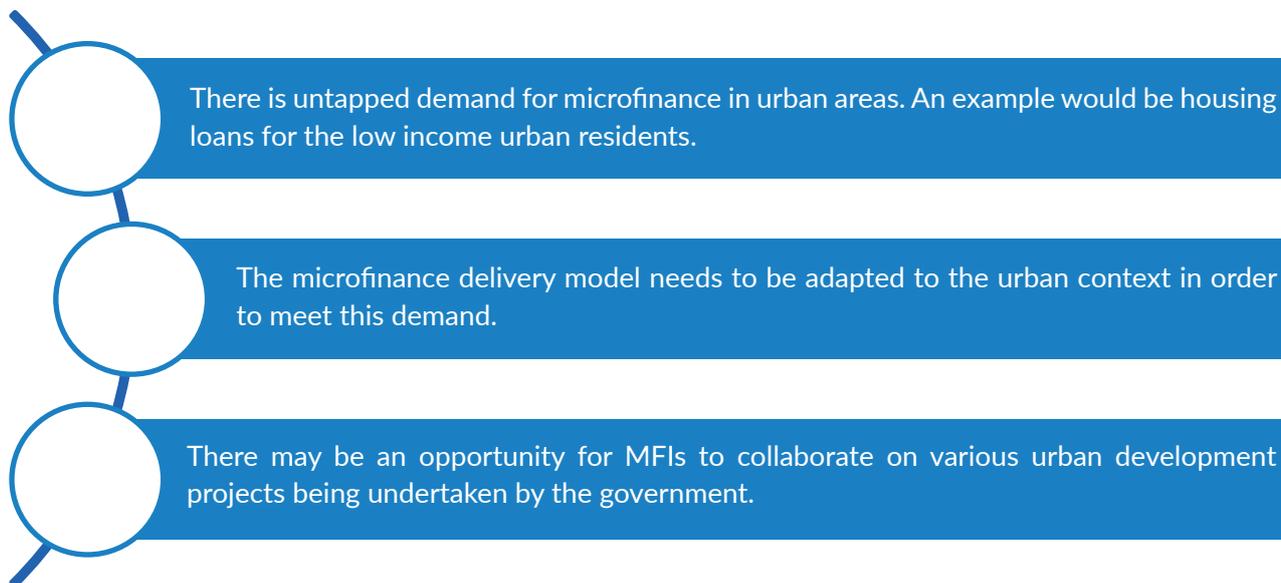
Mr Ajay Kanwal, MD & CEO, Jana Small Finance Bank Ltd

Mr Harsh Shrivastava, CEO, MFIN

Mr Rajeev Chadha, Advisor-Urban Finance and Public-Private Partnership, KPMG

Dr Kshama Fernandes, MD & CEO, Northern Arc Capital Ltd

## Key Takeaways



In the session, speakers delved into the role that the MFIs can play in improving financial inclusion of urban poor, strategies for overcoming barriers faced by them and potential for designing collaborations between the government and MFIs.

Mr. Atul of M2i Consulting presented findings of a 2016 research conducted on Low-Income Urban Settlements in Delhi. The findings highlighted that there is entrenched dissatisfaction among the urban slum dwellers, and this does not significantly abate by association with MFIs. Jayanta Roy Chowdhary of The New Indian Express, felt that “if we really want to have smart cities then we have to do a lot of development work in the urban slum’s which need to be developed.”

Mr Harsh Shrivastava, CEO of MFIN, stated that demand for microfinance loans is expected to be more in cities than in the villages. Cost of delivery is also expected to be lower. Delivery, however, is more difficult in the urban areas, and the microfinance model needs to be suitably adjusted for it. Mr Rajeev Chadha of KPMG said that he saw potential for synergies between the smart city project and microfinance. However, the modalities of establishing these synergies still need to be explored. Dr Kshama Fernandes, MD and CEO of Northern Arc said that there is a strong case for Microfinance organization to evolve in the urban areas but the delivery model may need a bit of change. Mr Ajay Kanwal, MD and CEO, of Jana Small Finance Bank, also felt that there are opportunities for offering financial products in the urban areas such as housing loans for low income clients, although the credit risk may be slightly higher as compared to the rural areas.

**The Path Ahead:** While there are opportunities in the form of concentrated pockets of demand, the social bonds in urban areas may not be as strong as in rural and semi-urban areas. Traditional microfinance approaches may need to be adapted to the urban context in order to meet the demand emanating from urban areas. MFIs may look at forging collaborative relationships with government programs aimed at economic and social development in the urban areas.



# Breakaway Session 3: Enlarging the Canvas of Community Finance

This session was preceded by two presentations. The first presentation given was by Mr Chandan Tirkey, Deputy Director, Rashtriya Mahila Kosh (RMK). It was on “Challenges in Financing IMOs and NGOs”. The second presentation on “Serving the Growing Canvas of Community Finance and Improving Lives in Rural Communities” was made by Mr Ramesh Kharbanda, COO, Inthree Access Services Pvt Ltd.

Moderator: Mr N Srinivasan, Sector Expert

Speakers:

Ms Rajashree K. Baruah, CGM, MCID, NABARD

Dr Anjana Borkakati, MD, Prochesta

Ms H Bedi, CEO, Development Support Team (DST)

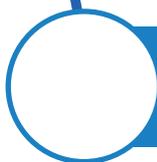
Ms Mamta Kohli, Senior Social Development Advisor, DFID India

Ms Perna Saxena, Financial Inclusion Specialist, IFC

## Key Takeaways



Self Help Groups (SHG) of women have played a fundamental role in not only their financial inclusion but also in improving their confidence to deal with other actors in the society.



The capacity of SHG members to use new technologies needs to be built up so that they can benefit from innovations in technology being used in financial services.



Capacity building of SHG women in areas like financial management, digital literacy and other aspects of running a business can enable SHG members to become entrepreneurs and job creators.

The panelists in this session deliberated over the role of SHGs in the changing environment. They discussed how to build upon the organizational strengths and massive reach achieved by SHGs to further push formal credit services into the hands of the low-income population. The panelists discussed the ways SHGs need to evolve to remain relevant as facilitators of Financial Inclusion. Ms H Bedi, CEO, Development Support Team (DST) highlighted the problems faced in forming a collective of women in the past because of a woman's household engagements. SHGs were a big success in that regard as they helped in building the confidence of women to engage constructively with the society. Women had command over money due to SHGs because of which their dependence on others reduced.

Ms Rajashree K. Baruah of NABARD said that the digital capacity of SHGs needs to be built. NABARD has been working towards it and SHG data is now being captured. NABARD was also working with NRLM and she made the point that this convergence will help SHG grow but handholding will be needed.

Ms Mamta Kohli, Senior Social Development Advisor, DFID India said that we have to now think what does the platform (SHG) have to offer to future generations. Dr Anjana Borkakati, MD, Prochesta felt that while SHGs are here to stay but these have to change to accommodate the changing situation.

Ms Prerna Saxena, Financial Inclusion Specialist of the International Finance Corporation (IFC) felt that while the effort should be to induct new members into SHG, we should not be shy of graduating mature members out the SHGs.

**The Path Ahead:** The future role of SHGs needs to include not only financial inclusion but also enterprise promotion among women. In order to fulfill these roles effectively, their capacity in the area of financial management and use of mobile and digital technology should be built.



# Plenary Session 2: Insurance - The Missing Link in Financial Inclusion

Moderator: Ms Monika Halan, Consulting Editor, Mint, HT Media

Speakers:

Smt. K G P L Rama Devi, GM, IRDAI

Mr Sanjay Verma, Addl. Executive Director, Life Insurance Corporation of India

Mr Anjan Dasgupta, MD, ASA International India Microfinance Ltd

Ms Sonai Notani, Chief Marketing Officer, India First Life Insurance Co Ltd

Dr Medha Puroo-Samant, Chief Functionary, Annapurna Mahila Coop Credit Society Ltd

## Key Takeaways



Insurance is a much needed financial service for microfinance clients, however, there is a lack of awareness regarding insurance products among them.



There is little moral hazard regarding false insurance claims from MFI clients, who are organized as SHG or JLG. Still at times, insurance claims get rejected which leads to a loss of trust among clients.



Insurance companies need to make sure that the disclosures they make help customers choose the right product.

The panelists discussed the lack of awareness about insurance among microfinance clients. They opined that the challenge is to find resources for efforts needed to raise awareness. On increasing outreach of insurance, Mr Sanjay Verma of Life Insurance Corporation of India said that “seeding in the minds of the community the importance of insurance and faith in your distribution partner will be critical for expanding reach”. Ms Sonia Notani, Chief Marketing Officer of India First Life Insurance felt that reach in terms of availability of outlets is not a concern, however, the challenge is in making sure that the delivery is cost-effective so that it is viable.

Mr Anjan Dasgupta, MD of ASA International India, argued that bad experience in claim settlement often makes clients lose trust in insurance. Many such instances happen on account of the delay in getting death certificates from local authorities, particularly in rural areas. Dr Medha Puroo Samant, of Annapurna Mahila

Coop Credit Society, stated that, in her experience, with respect to insurance claims, there are no moral hazards in cases SHGs and JLGs are involved in the claim settlement process.

Smt. K G P L Rama Devi of IRDAI was of the opinion that a person should be made fully aware of an insurance product, its benefits and exclusions and that this has to be done by the distributor. She stressed responsibility on the part of a prospective customer also – she said that they should also be aware of what’s good for them and what’s not. Ms Monika Halan, Consulting Editor of Mint said that there are issues with the way data disclosures are made. Disclosures should be made for the benefit of the policyholders rather than for the companies. She went onto say that “Data should be revealed in a manner that benefits customers. Disclosures should be made so that it helps people choose an appropriate insurance product.”

**The Path Ahead:** There is an urgent need to provide comprehensive insurance services to clients of MFIs. This requires that the awareness of clients on insurance is raised so that they can exercise appropriate choice in accordance to their requirements. One way to do this would be for MFIs to include insurance as a topic in their own client trainings.

The proceedings of day one of the Conference concluded with Plenary 2.



## 8. Plenary Session 3: Propelling Innovative Funding for the Sector

Moderator: Mr Tamal Bandyopadhyay, Consulting Editor, Business Standard

Lead Presentation: Mr Sudhir Narayan, Executive Director, M-CRIL

Speakers:

Mr Vineet Rai, Founder, Aavishkaar Group

Mr Nanaiah Kalengada, Country Leader, India & MEA, Equifax Credit Information Services Pvt Ltd

Mr Swapnil Neeraj, Principal Investment Officer (Microfinance Lead), IFC

Mr S V Raja Vaidyanathan, MD, Asirvad Microfinance Ltd

Ms Ragini Bajaj Chaudhary, Director – Strategic Initiatives, Caspian Impact Investments Pvt Ltd

### Key Takeaways

Factors such as geographical concentration, inadequate monitoring and control, which might affect the portfolio quality of any MFI, also adversely affect their ability to raise funds.

Availability of funds on a continuous basis is critical for the MFIs to sustainably provide services to their clients.

MFIs have evolved to being mainstream institutions which can raise funds using a host of financing strategies including debentures, commercial papers as well as private equity and public equity offerings.

The day two of the conference started with the plenary session 3. The session began with a presentation given by Mr Sudhir Narayan, Executive Director, M-CRIL on challenges and possible solutions for MFI funding.

The panel outlined the present constraints and challenges faced by MFIs while raising funds. It identified various factors like geographical concentration, internal audit mechanism, technology and operating cost which may affect adversely affect an MFIs loan book as well as their ability to procure funds. Mr Tamal Bandhopadhyya Consulting Editor, Business Standard, stated that at present banks are the primary source of funds for the MFIs, on account of priority sector guidelines of the RBI and most MFIs want to become banks in order to get access to deposits.

Mr S V Raja Vaidyanathan, MD, Asirvad Microfinance said that the availability of funds on a continuous basis is critical for MFIs. Mr Vineet Rai, Founder, Aavishkaar Group, emphasized that the MFIs are too

focused on generating liabilities whereas they should primarily focus on building good assets so as to attract investors.

Mr Swapnil Neeraj, Principal Investment Officer (Microfinance Lead), IFC said that availability of domestic funding sources in India for MFIs is the major differentiating factor as compared to other markets. The panel agreed that in order to survive, the MFIs need to innovate in terms of products they offer and the way they do their business so that these are consistent with the aspirations of the next generation of the microfinance customers.

Mr Nanaiah Kalengada, of Equifax, was of the opinion that the microfinance industry has shown resilience. He further felt that from a credit bureau's perspective, the most comforting factor for microfinance investors will be the credit health of their current portfolio of customers.

Ms Ragini Bajaj Chaudhary of Caspian Impact Investments made the point that objectives of equity investors who invested in early stages of the Microfinance sector have been achieved as the MFIs now have been able to access mainstream debt and equity.

### The Path Ahead:

Some solutions for MFI funding are outlined below.

- Issuance of debentures and a streamlined process for the issuance
- Subordinate debt from DFIs and social investors
- Structured debt products in collaboration with large MFIs
- Increasing the deposit base of SFBs, which could also become source of funds for other MFIs
- Technology enablement - Learning to engage with customers through technology as this will attract investors
- Leveraging technology to adopt individual lending along with group lending
- Improving cost efficiency



# Breakaway Session 4: Integrating Digital Finance, Strengthening Cyber Security

Moderator: Mr Manoj Sharma, Managing Director-Asia, MicroSave

Lead Presentation: Mr Pratyush Halen, Founder & CEO, Fingpay

Speakers:

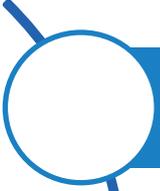
Mr Punit Jain, CEO, Nelito Systems Ltd

Mr Rahul Mittra, MD & CEO, Margdarshak Financial Services Ltd

Mr Vinay Mathews, Founder & COO, Faircent

Ms Shweta Aprameya, Founder & CEO, A U Welfare Foundation

## Key Takeaways



MFIs have adopted technological innovations that have allowed them to improve operational effectiveness as well as efficiency, although the pace of adaptation has been gradual.



The adoption of cutting edge technological advances by MFIs takes time, given the need for reliability and economy.



Robust data security systems are essential as data theft is a major worry for even people who are literate about technology, so it might be an even bigger worry for microfinance clients.

The panelists in the session discussed the ongoing changes in the financial service space introduced as a result of the technological innovations and how the microfinance sector has begun integrating technology to optimize operations, bring efficiency, and cut costs.

Mr Manoj Sharma, MD-Asia, Microsave, opened the session by putting forth the question that if technology invades, where will it invade? He commented that we still don't have infrastructure for repayment to be completely digital, which prevents us from getting maximum gains from technological advances. He quoted a M-pesa study which shows 86% loans by Kenyans are digital and that NPA levels have come down in digital credit in the last 2 years by 15%.

Mr Vinay Mathews of Faircent talked about the benefits of peer to peer lending and said that P2P lending models can bring the cost down for borrowers as it connects lender directly to the borrower. He said India has only 5-6% credit penetration when it comes to unsecured loans and Only 2-3% people have credit cards. He was of the opinion that Fintech and Microfinance companies may co-create solutions in

the future. Mr Punit Jain, CEO, Nelito Systems suggested the use of AI and machine learning systems to make business decisions like issuance of the loan and determining ticket size according to customer credit ratings and other factors which come in play.

Mr Rahul Mitra of Margdarshak said that there is significant scope in using technology to serve the MFI customers and we need financial literacy for customers to fully benefit from the potential that technology has to offer. He felt, “We are at least 5 years behind in digitization in microfinance, it should have been done much earlier.”

There was a consensus among the panelists about the need for data security systems. They pointed out that data theft is a major worry even where people are literate about technology, so it might be an even bigger threat for microfinance clients.

Ms Shweta Aprameya, CEO, AU Welfare Foundation said the two journeys – digital inclusion and microfinance touch will go on parallelly for some time before they can merge. She said that women are smart and ready to adapt to technology, however, their income and infrastructure around them poses a hindrance. With time this will change, and women will definitely use more and more technology and no touch points will be required.

**The Path Ahead:** MFIs will be using technological developments to provide better and quick services to their clients. At the same time, they need to be mindful of the vulnerabilities of their clients. Going forward, it will be very important for them to have fool-proof data security and risk management systems to mitigate even the smallest risk of frauds against their clients.



# Breakaway Session 5: Health, Water & Sanitation – Achieving SDG Goals

Moderator: Mr Soumya Sarkar, Managing Editor, India Climate Change

Speakers:

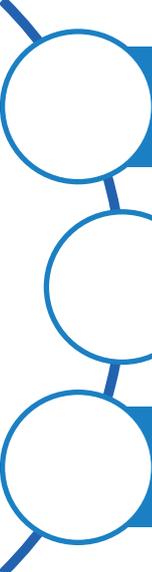
Mr Manoj Gulati, Executive Director, Water.org

Mr Valentin Post, Finance Director, WASTE, Netherland

Mr R D Gadiyappanavar, CEO, Sanghamithra Rural Financial Services

Dr Abhinav Akhilesh, Director, KPMG

## Key Takeaways



Investments in Health, Water and Sanitation are income enhancing activities as these lead to better health and higher productivity.

Government is playing an increasingly important role in the water and sanitation sector leading to creation of unprecedented infrastructure. MFIs can provide loan funds that ensure regular maintenance repairs.

An important step in order to make WASH interventions successful is to encourage people to use the facilities that are created. Credit alone does not ensure utilization.

This session focused on the various challenges that are faced by MFIs in expanding their coverage in the Water, Sanitation and Hygiene (WASH) domain and how meeting the financial needs can help overcome behavioral challenges.

Dr Abhinav Akhilesh, Director, KPMG said that in past 5 years WASH as a development intervention has fundamentally changed due to the high government led emphasis on it as well as ensuring provision of financing. Mr Soumya Sarkar of India Climate Change said that if we crack how to align civil society ambitions with government schemes then a lot of progress can be made in a short time. This was because people now are impatient, they don't want to wait for generations anymore.

Mr Manoj Gulati of Water.org, quoted a study and said the total size of the WASH market is between ₹50,000-80,000 crores in the next 5 years. However, he was also apprehensive regarding availability of enough funds to cater to such a big market. He said felt that if we need more global funds, we need to align with Sustainable Development Goals (SDGs).

Mr Valentin Post, Finance Director, WASTE, Netherland pointed that there are three components of sanitation market development: creating demand, creating capacity (in terms of mason training) and making finance available. He said that one starts with the community generate demand. But to have demand is not enough, one needs to build capacity of masons who can build toilets. Microfinance comes into the picture so that people have means to fund toilet construction.

Mr R D Gadiyappanavar, CEO, Sanghamithra Rural Financial Services talked about his experience in creating demand for WASH loan products and then went on to emphasize that credit alone will not create an impact in WASH; credit only acts as a technical support. Encouraging clients to use the toilet is more important than creating an asset and leaving it.

**The Path Ahead:** MFIs should be more forthcoming in enabling their clients to construct clean water and sanitation structures by making finance available to them. Access to these has a direct impact on the health and wellbeing of the clients and their families.



# Breakaway Session 6: Augmenting Good Governance and Promoting Responsible Finance

Moderator: Mr Shishir Sinha, Senior Deputy Editor, Business Line

Lead Presentation: Mr Deepak Alok, Founder Partner, Prime M2i Consulting Pvt Ltd (M2i)

Speakers:

Ms Neena R Jain, GM, RBI

Ms Kalpana Pandey, MD & CEO, CRIF Highmark

Mr Venkatesh N, MD, Samasta Microfinance Ltd

Ms K C Ranjani, Consultant, Habitat for Humanity India

## Key Takeaways



Sound governance is needed to ensure that provision of financial services remain responsible and interests of the microfinance clients are protected.



Responsible finance is about providing finance in an accountable, transparent and equitable manner, and this is the joint responsibility of all stakeholders.



The SROs, Sa-Dhan and MFIN, have been playing a critical role in the sector by streamlining the reporting of data as well as generating awareness about recourses available to clients in case of deficiency in service.

The session started with a brief presentation given by Mr Deepak Alok of M2i on 'Good governance and responsible microfinance'. He had questions for the panel on contours of good governance for responsible finance. "Can the Board insist that MFIs invest in the financial education of clients?" he asked the panel. The panel agreed that sound governance is needed to ensure that provision of financial services remain responsible and interests of the microfinance clients are protected. Mr Shishir Sinha, Senior Deputy Editor, Business line, remarked that Good governance means ensuring the interest of the weakest stakeholders is protected.

Ms Neena R Jain, GM, RBI, said that responsible financing is about providing finance in an accountable, transparent and equitable manner. She also felt that responsible finance is a collective responsibility. She pointed out some concerns that still remained in the industry:

- Over-indebtedness among clients
- Pockets of high concentration
- Interest rates for clients not coming down as per expectations

Ms Kalpana Pandey, MD & CEO, CRIF Highmark, said that to manage risk properly and to have a good quality portfolio growing, it is important for the financial institutions to refer to a comprehensive report of the borrowers while giving loans. She said that while a lot of SHG related data is being captured now, it is still not coming to the credit bureaus. This she felt was one of the key issues that needed to be taken care of.

Ms K C Ranjani, Consultant Habitat for Humanity India, spoke on the capacity building needs of institutions for serving clients better, as they graduate from microfinance to enterprise finance & need to have adequate resources allocated for the purpose.

Mr Venkatesh N, MD Samasta Microfinance felt that there has been significant progress in instituting sound governance systems which has also been driven by challenges encountered by the sector. The panel felt that the SROs, Sa-Dhan and MFIN, have been playing a critical role in the sector by streamlining the reporting of data as well as generating awareness about recourses available to clients in case of deficiency in service and also financial literacy.

**The Path Ahead:** Sound governance and responsible finance go hand in hand, and both are essential for the microfinance sector's reputation. Going forward, MFIs should continue to adhere to best corporate governance and responsible finance principles. This will also help to differentiate them from organizations that focus on short term profits.



# Plenary Session 4: Crystal Ball Gazing - Bees Saal Baad

Moderator: Mr Subhomay Bhattacharjee, Consulting Editor, Business Standard

Speakers:

Mr Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank

Mr Suresh Sethi, MD & CEO, India Post Payments Bank

Mr Govind Singh, Founder Director, Utkarsh Small Finance Bank

Dr Tara Nair, Professor, Gujarat Institute of Development Research

Mr Vineet Chattree, Director, Svatantra Microfin Pvt Ltd

Mr Dhaval Radia, Global Commercial Head, Greenlight Planet Inc

## Key Takeaways



Microfinance has served real economic needs of clients and for that reason it continues to remain salient.



Proactive regulatory interventions have created a conducive policy environment which enables financial service providers to look at a bright future.



There still remains unserved demand for microfinance, which needs to be met. Technology needs to be leveraged for last mile outreach by MFIs.

At the start of this session, Mr Chandra Shekhar Ghosh, MD & CEO, Bandhan Bank, gave a presentation where he highlighted the huge contrast between India's economic achievements and its HDI ranking. He felt the microfinance industry has served only a fraction of the total potential demand and there was still a huge untapped market to be explored.

Mr Suresh Sethi, MD & CEO, India Post Payments Bank said that based on the digital transactional data of the low-income clients, it should be possible to arrive at credit surrogates which will further help in the credit appraisal. He also said, last mile connectivity now means leveraging technology, using data as a surrogate for credit history and providing a host of services to people at their doorstep.

Dr Tara Nair, Professor, Gujarat Institute of Development Research said that from the point of view of supply, proactive regulatory interventions have created a conducive policy environment which enables financial service providers to look at a bright future. Mr Vineet Chattree, of Svantra Microfin Pvt Ltd felt that twenty years down the line, MFIs would probably be partnering with the large banks and will be focusing on increasing capability of the people, rather than directly giving loans. Mr Dhaval Radia of Greenlight Planet said that he expects to see a large ecosystem of financial innovations in the sector. The most exciting trend already visible is the use of data science to predict business outcomes. He further added that, in the future, a lot of digital, analyzable data will be available that will enable better decision-making.

Mr Govind Singh, Founder Director, Utkarsh Small Finance Bank said that technology is not the only change that has happened in the sector. There are changes at all levels like regulations, risk management, expectations of customers and employees.

Mr Subhomay Bhattacharjee, Consulting Editor, Business Standard pointed to the continuing salience of microfinance stating that economic systems should serve human needs and MFIs exemplify this in a very significant manner. The final plenary session of the conference concluded with renewed belief and resolve to further financial inclusion and foster entrepreneurship.

**The Path Ahead:** Over time, it is likely that the needs of microfinance clients will evolve and change in the future. It is essential that microfinance should continue to serve the real economic needs of its clients in the future. This will ensure that it remains relevant in the future, although the service delivery models may undergo evolutionary changes.



# Questions & Answers



# Felicitation of Partners







# Closing Session and Vote of Thanks

## Video Address by Mrs. Ela R. Bhatt, Chair Emeritus, Sa-Dhan

Mrs. Ela R. Bhatt, founder of SEWA Bank, in a recorded video message congratulated Sa-Dhan on its 20 years and said that Sa-Dhan as an institution should always remember where it comes from and what it aims to achieve. Recalling the hard work that went behind the formation of Sa-Dhan she said that Sa-Dhan as an institution had a lot to be proud of, as it has grown with the microfinance sector supporting it in varied ways, including the development of a Code of Conduct for Microfinance Institutions.

Dwelling on the growth of microfinance, Elaben felt that the sector has progressed, and its stability has been globally recognized. She said that microfinance has led to the provision of financial services in varied ways and models such as SHG linkages and JLG loans by MFIs. She hoped that in the future, the sector will continue to retain its focus on the poor.

Pointing out that Sa-Dhan represented the collective strength of the microfinance sector, she felt that it was this collective strength that has given Sa-Dhan the status of being a Self Regulatory Organization (SRO) for the microfinance sector – a recognition by the Reserve Bank of India (RBI) of its continued salience. She hoped that Sa-Dhan will always retain its collective strength and remain true to its name Sa-Dhan, which means equitable finance. She further emphasized that Sa-Dhan in the future needs to ensure that microfinance retains its nurturing character, specifically it should play a role in the following areas:

1. Improving the access to food, health, water, childcare among the economically weak
2. Helping the soil and the environment, which nurture life
3. Enabling the human mind
4. Aiding investments that nurture the future generation

She further added that demonstrating impact on these dimensions will help in promoting nurturing finance that eliminates violence and inequity.

## Vote of Thanks

Mr. P Satish felicitated all sponsors and partners of the event, and proposing a vote of thanks, he expressed his sincere thanks to Prof. Muhammad Yunus, all sponsors, technical partners, panelists, Sa-Dhan member institutions, Sa-Dhan team members and all the participants for making the Sa-Dhan National Conference 2019 successful. He hoped that in the next 20 years Sa-Dhan will continue to thrive and be relevant.

# Exhibitors







# Media Coverage

Publication: Hindu Business Line  
Edition: National

## Sector to double in size in 5 years: Yunus

PRESS TRUST OF INDIA  
New Delhi, September 16

India's microfinance industry is expected to double its lending business to the poor in the next five years if the growth momentum continues, said Nobel Peace Prize winner and founder of Grameen Bank, Muhammad Yunus.

With size, there would also be some challenges, which the industry should be geared to handle, he said.

According to Sa-Dhan's Bharat Microfinance Report



Muhammad Yunus

2019 released by Yunus here, the Indian microfinance industry clocked a growth of over 40 per cent, with a gross loan portfolio of ₹178,552

crore in loan outstanding at the end of March 2019.

Yunus said the trend shows that the industry would double itself as the pace of growth and base have increased.

"Given this impressive record, it has now all preparation for doubling itself in the next five years. Whatever the industry has done in the last 25-30 years, you would see it double in the next five years, as it has gained tremendous speed now," he said.

Publication: The Asian Age  
Edition: National

## Microfinance biz to double: Yunus

**New Delhi, Sept. 16:** Microfinance industry is expected to double its lending business to poor and marginal sections of the society in the next years if the growth momentum continues, Nobel Peace Prize winner and founder of Grameen Bank Muhammad Yunus said. With size, there would also be some challenges which the industry should be geared up to handle, he said.

According to Sa-Dhan's

Bharat Microfinance Report — 2019 released by Yunus here, the microfinance industry clocked a growth of over 40 per cent, with a gross loan portfolio of Rs 1,78,552 crore in gross loan outstanding at the end of March 2019.

Considered the father of microcredit, Yunus said the trend shows that the industry would double itself as the pace of growth and base has increased.

— PTI

Publication: The Economic Times  
Edition: National

## Microfinance to Double Lending in 5 Yrs: Yunus

Our Bureau

**New Delhi:** The microfinance industry in India will double its lending in the next five years if the current growth trends continue, said Nobel laureate and founder of Grameen Bank, Muhammad Yunus, on Monday.

The industry grew at over 40% in FY2019 with its loan portfolio reaching ₹178,552 crore at the end of March 2019, according to the Sa-Dhan Bharat Microfinance report 2019.

Yunus, considered a pioneer in the microfinance sector, said that the industry was likely to double in size in the next five years. "Whatever the industry has done in the last 25-30 years, you would see it double in the next five years as it has gained tremendous speed now," he said.

The Peace Prize winner from Bangladesh pointed out that the key challenge for the industry would be to prepare itself to generate employment for the next generation and to transform rural economies to reduce migration from rural areas to cities.

Yunus stressed that the fact that commercial banks form 80% of the microfinance industry had to change. "The deposits of the poor have to be utilised for financing their needs," he said, adding that banks were getting deposits from the rural areas at a very low cost and lending to microfinance companies at high interest rates.

A Code for Microfinance



Sa-Dhan, along with the Micro Finance Institutions Network (MFIN) and the Finance Industry Development Council (FIDC) released a code for responsible lending in the micro-credit industry aimed at improving transparency and dealing with issues faced by customers.

A key guideline of the code requires that micro-credit entities do not provide additional credit if a client already has loans from three other entities or if the client has outstanding loans of over ₹1 lakh.

The guidelines also restrict NBFCs from lending to a client who has already received credit from two NBFC micro-finance institutions.

Publication: The Statesman  
Edition: National

## 'Microfin industry set to double in 5 years'

PRESS TRUST OF INDIA  
NEW DELHI, 16 SEPTEMBER

The Indian microfinance industry is expected to double its lending business to poor and marginal sections of the society in the next five years if the growth momentum continues, Nobel Peace Prize winner and founder of Grameen Bank Muhammad Yunus said.

With size, there would also be some challenges which the industry should be geared up to handle, he said.

According to Sa-Dhan's Bharat Microfinance Report 2019 released by Yunus here, the Indian microfinance industry clocked a growth of over 40 per cent, with a gross loan portfolio of Rs 178,552 crore in gross loan outstanding at the end

of March 2019.

Considered the father of microcredit, Yunus said the trend shows that the industry would double itself as the pace of growth and base has increased.

"Given this very impressive record, it has now all preparation for doubling itself in the next five years. Whatever the industry has done in the last 25-30 years, you would see it double in the next five years as it has gained tremendous speed now," he said.

On challenges that the microfinance sector can face, he said the industry has to prepare for the next generation as to how to create employment for them, the transformation of the economy of the region so that the migration to cities is stopped.

## Microfinance biz to double: Yunus

New Delhi, Sept. 16: Microfinance industry is expected to double its lending business to poor and marginal sections of the society in the next years if the growth momentum continues, Nobel Peace Prize winner and founder of Grameen Bank Muhammad Yunus said. With size, there would also be some challenges which the industry should be geared up to handle, he said.

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— PTI

## India's microfinance set to double: Yunus

PRESS TRUST OF INDIA

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"Given this very impressive record, it has now all preparation for doubling itself in the next five years. Whatever the industry has done in the last 25-30 years, you would see it double in the next five years as it has gained tremendous speed now," he said.

On challenges, he said the industry has to prepare for the next generation as to how to create employment for them, the transformation of the economy of the region so that the migration to cities is stopped.

There is also a need to create an ecosystem for social businesses like health care, solar energy and education programme and not just limit to microfinance, he said.

The journey of microfinance in India has been phenomenal, he said, adding that it has spread across the country.

About 50 million people are borrowers with high repayment lifting so many people are out of poverty, he added. "The biggest achievement of India's microfinance industry besides touching the lives of millions, has been sowing the seed of entrepreneurship amongst its clients. The industry had imbibed an entrepreneurship culture in a deep way. And this is the financial oxygen that I keep talking about. If you are able to provide financial oxygen, elimination of poverty is indeed possible," he said.

Yunus is disappointed by the fact that 80 per cent of the finance done by microfinance industry comes from conventional banks and wants it to change.

The deposits of the poor have to be utilised for financing their needs, he said, adding banks are getting deposits from the rural areas at very low cost and lend it to microfinance companies at a high-interest rate.

## MFN, Sa-Dhan & IFDC release code for micro-credit industry

# Responsible lending code issued for MFI players

New Delhi, Sept. 16: Three self-regulatory organisations on Monday jointly released a code for responsible lending for the micro-credit industry with an aim at bringing more transparency and address customer-centric issues.

The Code for Responsible Lending (CRL) was launched by Microfinance Institutions Network (MFN) and Sa-Dhan along with IFDC.

The Code, launched at Sa-Dhan's 15th Annual National Conference, aims to lay down uniform principles for customer conduct in micro-credit, and is sector-specific and entry agnostic, MFN said in a statement.

One of the major guidelines in CRL mandates that only three micro-credit entities can lend to a client at the same time. This means that if a client has three active loans from any provider, then a fourth entity will not be able to lend to the client.

NBFC MFIs are additionally required to ensure that not more than 2NBFC MFIs lend to a customer. Moreover, prior to sanctioning of a loan, a micro-credit provider should ensure that the total indebtedness should not exceed Rs 1 lakh per customer, MFN said.

In addition to the CRL, a revised industry Code of Conduct (CoC) was also released for microfinance institutions (MFIs) that will act as a binding and compulsory set of principles in relation to lending practices, the release said.

"This is a significant self-regulatory step across all RBI-regulated entities and others that aims at safeguarding the interests of low-income customers through enhancing transparency and compliance.

"We are happy to note that over 50 entities have signed up for the CRL as 'Responsible Lenders' and are hopeful that soon all microfinance lenders will come forward to endorse and adhere to it," said Manoj Nambiar, Chairperson, MFN.

Vijayalakshmi Das, Chair, Sa-Dhan added that the industry code has been strengthened in the areas of risk management, responsible lending and HR practices which include training and client education.

MFN further said a significant development in the CRL adoption was the signing up of the Finance Industry Development Council (IFDC), the self-regulatory organization for registered NBFCs. This makes the CRL more inclusive in its coverage.

"A wide range of providers such as NBFC MFIs, banks, small finance banks (SFBs), NBFCs and Non-profit, Section 8 MFIs, under different regulatory framework, provide micro credit to over 6 crore customers from low income households," PTI

## MICROFINANCE SUCCESS

Muhammad Yunus, founder, Grameen Bank

The biggest achievement of India's microfinance industry, besides touching lives of millions, has been sowing the seed of entrepreneurship among its clients. The industry had imbibed an entrepreneurship culture in a deep way.



## Microfinance industry gets 'Code for Responsible Lending'

More than 90 entities sign up for the Code, with more expected to follow

**Code Rationale**  
The CRL is sector-specific and entry agnostic. In addition to the CoC, a revised industry Code of Conduct (CoC) was also released for Microfinance Institutions (MFIs) that will act as a binding and compulsory set of principles with respect to lending practices.

Manoj Nambiar, Chairperson, MFN, said: "This is a significant self-regulatory step across all RBI-regulated entities and others that aims at safeguarding the interests of low-income customers through enhancing transparency and compliance."

"We are happy to note that more than 50 entities have signed up for the CRL as 'responsible lenders', and are hopeful that soon all microfinance lenders will come forward to endorse and adhere to it."

Vijayalakshmi Das, Chair, Sa-Dhan, said: "This launch is in line with our objective of fostering responsible finance across the entire sector. Many lenders of diverse legal forms are coming on board, as the code engages with all those catering to the same microfinance client, it will bring about a level-playing field for all and ensure that client protection is more adequately addressed."

"Meanwhile, the industry code has been strengthened in the areas of risk management, responsible lending, and HR practices, which includes training and client education."

**The up with IFDC**  
A significant development in CRL adoption was the signing up of the Finance Industry Development Council (IFDC), the self-regulatory organization for registered NBFCs. This makes CRL more inclusive in its coverage.

Raman Aggarwal, Chairman, IFDC, said: "We are pleased to sign the Code for Responsible Lending, along with MFN and Sa-Dhan. The NBFC sector has been going through a challenging scenario for the last one year where banks, which are the major source of funding, have become risk-averse.

"CRL will be a step in the right direction to restore confidence in the non-banking lending community as this will bring better discipline and harmony among the asset financing, loan financing and micro financing NBFCs."

# MFIN, Sa-Dhan & IFDC release code for micro-credit industry

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MFIN further said a significant development in the CRL adoption was the signing up of the Finance Industry Development Council (FIDC), the self-regulatory organization for registered NBFCs. This makes the CRL more inclusive in its coverage, it added.

A wide range of providers such as NBFC-MFIs, banks, small finance banks (SFBs), NBFCs and Non-profit Section 8 MFIs, under different regulatory framework, provide micro-credit to over 5 crore customers from low income households. —PTI

# MFIN and Sa-Dhan collaborate to launch 'CRL' for micro-credit industry

NEW DELHI, SEPT 16

THREE self-regulatory organisations on Monday jointly released a code for responsible lending for the micro-credit industry with an aim at bringing more transparency and address customer-centric issues.

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Deccan Chronicle article snippet: India's microfinance sector a bright spot amid economic slowdown, says Nobel laureate Muhammad Yunus. Updated: September 16, 2019 04:52 AM IST. The Nobel laureate cautioned against government lending in the microfinance space. India's microfinance sector grew by 40 percent and could cross Rs 250,000 crore in GDP by 2020.

## Code for lending for microcredit industry

THREE SELF-REGULATORY ORGANISATIONS on Monday jointly released a code for responsible lending for the microcredit industry with an aim at bringing more transparency and address customer-centric issues. The Code for responsible lending (CRL) was launched by Microfinance Institutions Network (MFIN) and Sa-Dhan along with FIDC. The Code, launched at Sa-Dhan's 15th Annual National Conference, aims to lay down uniform principles for customer-conduct in micro-credit, and is sector specific and entity agnostic.

<https://www.cnbcvt18.com/finance/indias-microfinance-sector-a-bright-spot-amid-economic-slowdown-says-nobel-laureate-muhammad-yunus-4365881.htm>

## Business Standard

JUSTIN Russia deploys 5-400 missiles in Arctic

## Microfinance industry set to double size in next 5 years: Yunus

<https://www.bloombergquint.com/business/microfinance-industry-set-to-double-size-in-next-5-years-yunus>

Bloomberg Quint article snippet: Microfinance Industry Set To Double Size In Five Years, Says Nobel Laureate Yunus. Most Read: Top Shadow Banker on India's Credit Crisis, Live: Sensex Falls, Nifty Below.

# About Sa-Dhan

Sa-Dhan is the largest and oldest association of Community Development Finance Institutions in India and an Self Regulatory Organization (SRO) with a membership base of 205 Institutions from diverse legal forms, operating model, size and philosophy. Our network reaches out to 34 States/UTs and 591 districts in India with over 35 million underserved clients and loan outstanding of more than ₹68,789 crore. Sa-Dhan has been engaged with the Govt. of India, State Govts., RBI, NABARD, SIDBI, NHB and others in promoting responsible finance and facilitative policy and regulatory regime.

## Mission

Sa-Dhan's mission is to build the field of community development finance in India, to help its members and associate institutions to better serve the low income households, particularly women, in both rural and urban India in their quest for establishing stable livelihoods and improving the quality of life.

The Pillars of Sa-Dhan's work are

1. Sector Representation & Policy Advocacy
  2. Compliance of COC & SRO
  3. Research, Data and communications
  4. Capacity Building the sector
1. Sa-Dhan as an association has a mandate to engage with policy makers and regulations to provide a favorable policy environment for the promotion and growth of microfinance and financial inclusion in India. It played a crucial role while drafting the Microfinance (Development & Regulation) Bill 2007 & 2012 in association of Ministry of Finance, GoI. Post AP crisis, Sa-Dhan has been instrumental in framing new sectoral regulations for the MFIs, creating a separate category of NBFC-MFIs, PSL guidelines, undertook COC assessments, etc. Sa-Dhan has taken various initiatives in setting up successful MFI Credit Bureaus & boosting the Self Help Group Banking movement in India.
  2. The Reserve Bank of India has recognized Sa-Dhan as a SRO for NBFC-MFIs. The primary roles and responsibilities entrusted to Sa-Dhan includes: formulating and administering a Code of Conduct recognized by the Bank, having a grievance and dispute redressal mechanism for the clients of NBFC-MFIs, responsibility of ensuring borrower protection and education, monitoring compliance by NBFC-MFIs with the regulatory framework put in place by the Reserve Bank, surveillance of the microfinance sector, training and awareness programmes for the members, Self Help Groups, etc and submission of its financials, including Annual Report, to the Reserve Bank.
  3. Sa-Dhan has been identified as National Resource Organization by NRLM. Sa-Dhan will be extending technical support to the SRLMs on establishment of specialized institutions for Financial Service Delivery

Sa-Dhan has been engaged in the following sector building initiatives since its inception.

- Promoting transparency in the Sector
  - Industry Standards and Benchmarking
  - Voluntary Mutual Code of Conduct for its Member Institutions
  - Industry Code and Ensuring Compliances
  - Social Performance Reporting
  - Action Research and Publications of Sa-Dhan
4. Sa-Dhan's capacity building initiatives have been largely two folds; firstly technical inputs to members, non-members & practitioners and secondly perspective building for the institutions engaged in ensuring financial inclusion such as banks, policy makers, government bodies.

During the last few years, Sa-Dhan has intensified its training and capacity building in the area of regulatory and code of conduct compliance. This includes client protection principles and social performance initiatives. Client protection principles included important principles such as prevention of over-indebtedness, transparency, responsible pricing, appropriate collections practices, ethical staff behavior, mechanisms for complaint resolution, and privacy of client data.

Sa-Dhan brings together best trainers to train the member institutions on the issues, apart from in-house specialists. Most of these capacity building programmes are at a minimal cost for Member institutions. The list of training and courses Sa-Dhan has offered at various point of time is mentioned below.

- Compliance to RBI regulation
- Code of Conduct compliance and assessment process
- Governance and Risk Management
- Curriculum for front line staff of MFIs: now with IIBF
- Delinquency Management
- Perspective Building Program
- Microfinance Education Program
- Livelihood Education Program
- Financial & Operational Standards & Ratios
- Financial Literacy & Client Education
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