

What we do

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

Sa-Dhan the Association of Community Development Finance Institution has been working for more than one and a half decades in supporting and strengthening the agenda of Financial Inclusion in India and creates a space and understanding of microfinance with policy makers, bankers, government, researchers and practitioners. We are engaged with all kind of operating models, legal forms and have also roped in the technical institutions in the process. At present, Sa-Dhan has the membership base of 242 institutions (56 NBFCs, 113 Societies & Trusts, 13 Cooperatives, and 31 SHPIs) also including Banks, Rating agencies and Capacity Building agencies, representing all legal forms and operating models. This diverse set of representation acts as a comprehensive web for picking up the details and focusing on key issues and challenges. Our membership network reaches out to approx 39 million clients with loan outstanding of more than Rs. 65,000 crores and over 90% districts in India.

We have recently been recognized by the RBI as Self Regulatory Organisation for the Microfinance Sector.

Pillars of Sa-Dhan's work

1. Sector Representation & Policy Advocacy: Sa-Dhan as an association has mandate to engage with policy makers and regulators to provide a favorable policy environment for the promotion and growth of microfinance and financial inclusion in India. The views of member institutions are placed before the policy making bodies from time to time by Sa-Dhan. It also develops white papers on various issues for the policy makers based on inputs of the members.

2. Sector Building Initiatives and Self Regulation: 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. With NGO-MFIs and SHPIs also being members of Sa-Dhan, this SRO is especially suitable for MFIs working through SHG model. Further the membership fees of Sa-Dhan are nominal as compared with the other SRO. Experience shows that banks seek similar kind of compliance to different parameters from NGO-MFIs also. So membership of Sa-Dhan will provide an edge to these institutions to access bank funding. Sa-Dhan has been engaged in the following sector building initiatives since its inception.

3. Capacity Building: 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.