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Sahulat NEWSLETTER

Empowering Cooperatives, Strengthening Communities

Inside this Issue

From CEO's Desk

Here's what has happened in the last decade and what's to come!

As we reflect upon the past decade, Sahulat Microfinance Society's journey stands as a testament to our unwavering commitment to promoting interest-free microfinance through cooperative models. Established in 2010, our mission has been to provide ethical financial solutions to underserved communities across India.

A Decade of Milestones:

Over the years, our collaborative efforts have led to significant achievements:

Geographical Expansion:

We have extended our presence to 13 states, establishing 111 branches that serve as pillars of financial inclusion.

Community Impact:

Our initiatives have empowered over 331,000 beneficiaries, facilitating a cumulative loan disbursement of ₹625 crores. **Financial Growth:** The cooperatives affiliated with us have collectively amassed a share capital of ₹43 crores and maintain a deposit balance of ₹331 crores.

Recognitions and Accolades:

Our dedication has been acknowledged both nationally and internationally:

In 2020, the Delhi Minorities Commission honored us with the prestigious Community Service Award.

We were bestowed with the 'Best Microfinance Project of the Year – 2017, 2018, 2019, 2024' at the Islamic Finance Forum of South Asia (IFFSA) in the Sri Lanka and Maldives.

Our contributions to interest-free microfinance were also recognized at the 8th and 9th Global Islamic Microfinance Conference in 2017 and 2018 in Turkey and Dubai.

Current Landscape

Today, Sahulat stands as a beacon of ethical finance, fostering financial discipline and self-reliance among our members. Our cooperatives operate with transparency and adhere to compliance standards, ensuring sustainable growth and trust within the communities we serve.

Vision for the Future

Looking ahead, we are committed to deepening our impact:

Digital Transformation:

Embracing technology to enhance accessibility and efficiency in our services.

Capacity Building:

Investing in training programs to equip cooperative leaders with the skills necessary for resilient and professional management.

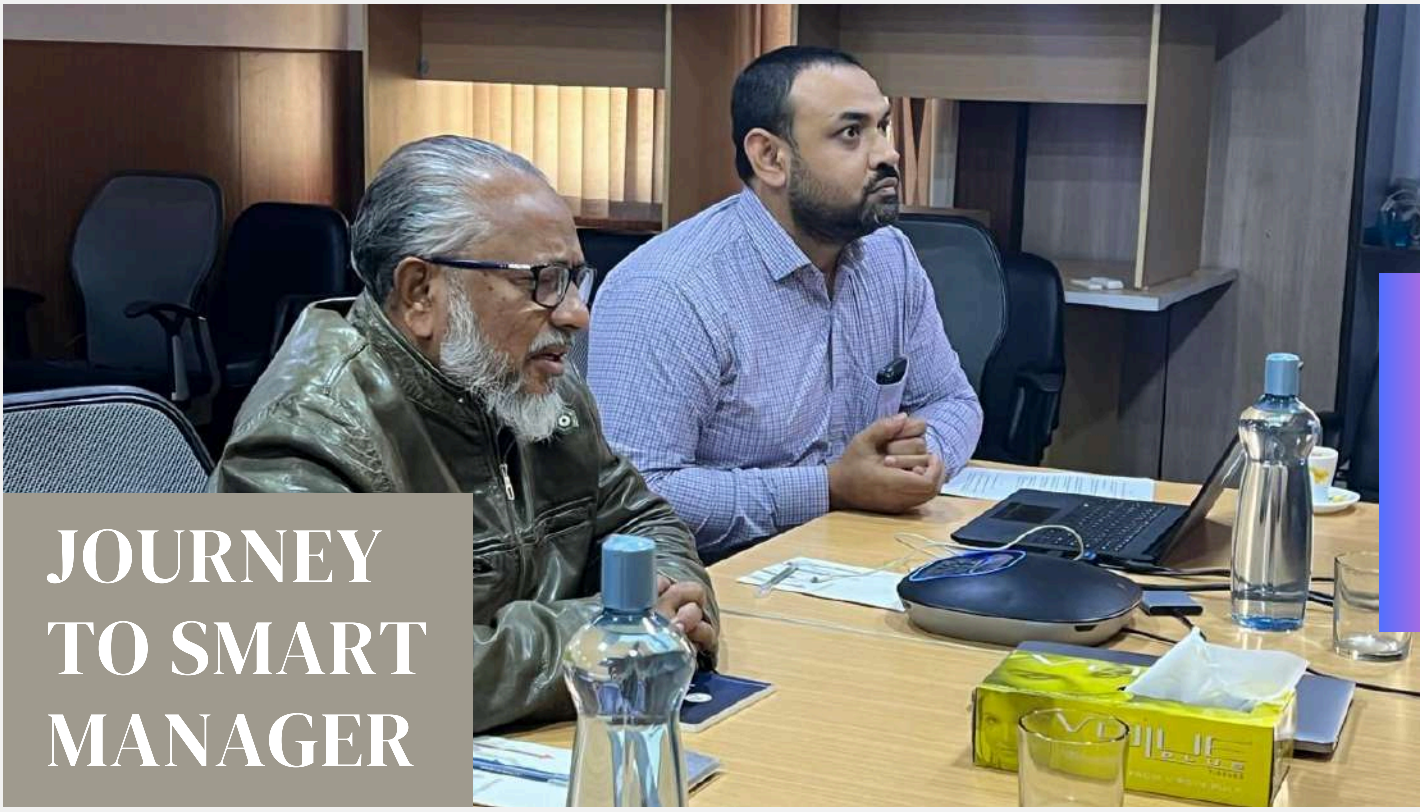
Strategic Partnerships:

Collaborating with like-minded organizations to amplify our reach and introduce innovative financial products tailored to the evolving needs of our members.

As we embark on this new chapter, we remain guided by our foundational principles of interest-free, cooperative-based microfinance. Together, we will continue to build a financially inclusive society, empowering individuals and strengthening communities across India.

Usama Khan

TRAINING PROGRAM FOR CEO, MD



JOURNEY TO SMART MANAGER

Sahulat successfully conducted its first ever webinar based training for 150 delegates from 121 cooperative branches across 13 states, focusing on strengthening the interest-free microfinance model.

The webinar began with an inspiring address by Sahulat's President, Mr. T. Arif Ali, who applauded the efforts of cooperative leaders in establishing interest-free microfinance as a growing sector. He emphasized the need for continuous commitment to making it a systematically important financial model.

The session was led by Mr. Usama Khan, CEO of Sahulat Microfinance Society. He touched following topics in his presentations.

Collective Achievements: Sahulat's recognition through six international and one national award, as well as its presence in the Bharat Microfinance Report.

Commitment to Sustainability: The crucial role of cooperative leaders, directors, and managers in maintaining the viability and self-sufficiency of the interest-free model.

Capacity Building & Compliance: The need for structured training to uphold cooperative, financial, and regulatory standards.

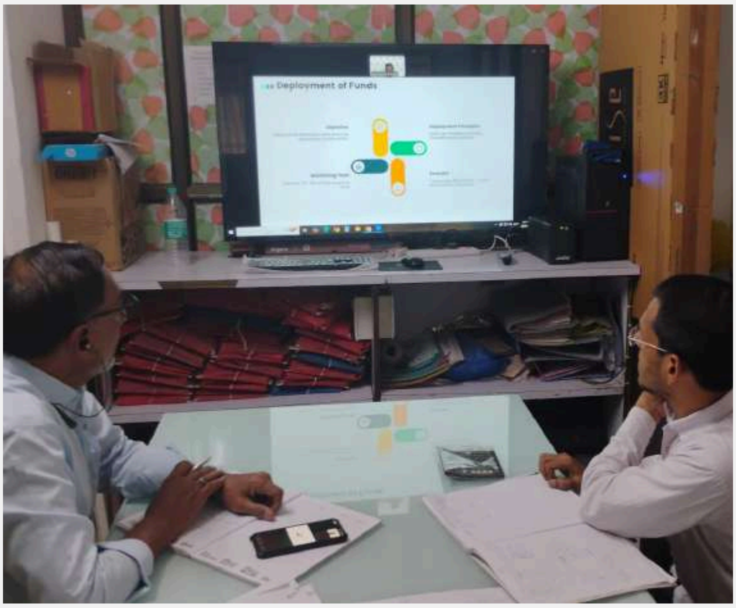
Leadership Excellence: The importance of professional development to meet industry benchmarks and sustain the interest-free movement.

A Q&A session followed, addressing key issues such as NPA management, asset qualification, loan recovery, and compliance. Participants actively engaged, sharing photos from their offices, reflecting the enthusiasm and dedication within the cooperative network.

consistent enough for future issues.

TRAINING & CAPACITY BUILDING

CEO, MD, BRANCH MANAGER



CEOs, MDs, Branch Managers and Board Members participating in Training Programs

Presidential Address

Ml. Md Ilyas Falahi, Patron of the Microfinance Committee, Maharashtra.

Dr. Hamid Baig, Patron of Interest-Free Cooperatives in Madhya Pradesh.

Ml. Yusuf Kanni, Patron Interest-Free Microfinance Karnataka.

Dr. Saleem Patiwala, Patron Interest-Free Microfinance Gujrat.

All the dignitaries in their respective sessions appreciated the efforts of cooperatives and emphasized the importance of financial literacy and strict adherence to interest-free, regulatory and financial prudential norms compliance for the sustainable growth of cooperatives.

Areas Covered in Training Sessions

Five training sessions were conducted over three months, focusing on critical financial indicators essential for the sustainable growth of the society. Various aspects of interest-free compliances and other regulatory requirements were discussed in detail. The objective was to enhance participants' awareness of key financial ratios, as well as the crucial Shariah and regulatory compliances that must be monitored in a day-to-day operations.

Best Assignment Award Winners

All the training sessions were followed by a practical assignment for the participants and best assignment from each session were awarded a sum of ₹ 5,000 and letter of appreciation. Following were the winners from each modules.

Module 1: Ms. Afreen Kausar, Branch In-Charge, Al-Khair Credit Cooperative Society Ltd., Jamshedpur, Bihar.

Module 2: Mr. Syed Owais, Branch Manager, Rahat Credit Cooperative Society Ltd., Parbhani Maharashtra.

New Cooperative Registrations

A new Interest-Free Credit Cooperative Society, named "Sahulat Credit Cooperative Society Limited, Lunawada," was inaugurated in Lunawada, Gujarat. The event was graced by Mr. Usama Khan, CEO of Sahulat Microfinance Society, New Delhi, Mr. Shakeel Rajput, Secretary of JIH Gujarat, Mr. Saiyum Khan, Vice President of Al Barkah Credit and Consumer Cooperative Society and other distinguished guests.

The inauguration of "Sahulat Sauharda Sahakara Sangha Limited," a newly established Interest-Free Credit Cooperative Society, was held in Kalaburagi, Karnataka. The event was graced by Ml. Yusuf Kanni (State President, JIH Karnataka), Mr. Usama Khan (CEO, Sahulat Microfinance Society, New Delhi), and Ml. Zakir Hussain (District President, JIH Kalaburagi), along with Sahulat Sauharda board members Mr. Mirza Arif Baig, Mr. Abdul Qadir, Mr. Mushtaque, and other distinguished guests.

New Branch Openings

Al-Barkah Credit and Consumer Cooperative Society Ltd, Ahmedabad, inaugurated its new head office at Sumel 4, Ajit Mills, Rakhiyal, marking a significant milestone in its growth journey. With this expansion, Al-Barkah aims to extend its services to three new districts and two additional cities in the coming years.
The Sahulat Interest-Free Credit Cooperative Society Ltd, Modasa, Gujarat, has also shifted its office in own building. Sahulat Modasa has successfully built this asset , reflecting its commitment to sustainable interest-free cooperative finance.

On-Field Trainings

A training program was organized in Ahmedabad, Gujarat, for the Chairmen and Directors of five Interest-Free Cooperative Credit Societies (IFCCS) affiliated with Sahulat Microfinance Society, New Delhi. These cooperatives collectively serve 4,200 families through thrift and credit services, disbursing ₹6 crores in FY 2023-24.
Sixty representatives from the cooperatives participated in the session, gaining insights into strengthening their operations.
Mr. Usama Khan, CEO of Sahulat, conducted the training, covering key topics of IFCCS growth factors.

Kerala Interest free Seminar Highlights

Organizers

Sahulat, in collaboration with INFACC Sustainable Development Society and SAFI Institute of Advanced Study (Autonomous) and others successfully organized a landmark two-day national seminar in Kerala, focusing on the future of Interest-Free Microfinance in India.

Sahulat's Contribution

The event witnessed active participation from the Sahulat and its network. 7 research papers were submitted from Sahulat and 22 cooperative board members participated in the seminar, including Sahulat Board Members Dr. AAA Faizi, Mr. K. K. Alikunji, contributing to the discussions on interest free cooperative microfinance.

Engaging Discussions

CEO Mr. Usama Khan, participated in the inaugural panel discussion, alongside Mr. Vijay Mahajan and others, and moderated by Dr. Shariq Nisar. He also chaired a session on interest-free microfinance a dedicated session to train cooperative leaders. Furthermore he also gave a presentation on status of interest free microfinance in India.

Knowledge Exchange

Board Member Dr. AAA Faizi took part in a panel discussion alongside Mr. Vijay Mahajan and others, and moderated by Dr. Shariq Nisar.
Mr. Fasih Ahmad chaired a session on Microfinance Models in Different States, where nine research papers were presented. He also delivered a presentation on financial discipline in a dedicated session for cooperative leaders.

Looking Forward

The seminar concluded with actionable strategies to enhance microfinance outreach, strengthen policy advocacy, and build a network of experts and institutions for future collaborations. Sahulat Microfinance Society's active engagement reinforced its role in promoting interest-free microfinance as a transformative tool for sustainable development in India.

REGULATORY UPDATE 2024

MSCS Amendment

Cooperative Election Authority

A Cooperative Election Authority has been established to ensure timely, regular, and transparent conduct of elections in multi-state credit cooperative societies.

Cooperative Ombudsman

The amended Act mandates the appointment of a Cooperative Ombudsman by the Central Government to address grievances of members, providing a structured mechanism for dispute resolution.

Coop. Information Officer

To improve transparency, multi-state credit cooperative societies are required to appoint an Information Officer responsible for providing information to members, ensuring openness in operations.

Cooperative Rehabilitation, Reconstruction, and Development Fund

A fund has been established to support the revival of sick multi-state cooperative societies.

Prudentiial Norms

The prudential norms for MSCS has been introduced on CRAR, NPA, liquidity, deposit-based categorization, and governance measures to enhance financial stability, risk management, and transparency in thrift and credit societies.

Maharashtra Circular

NPA (Non-Performing Assets): Cooperative Department has introduced a detailed and stricter NPA classification norms for credit cooperative societies.

Capital to Risk-Weighted Assets Ratio: New guidelines mandate cooperatives to maintain a minimum CRAR.

Stabilization & Liquidity Fund: A Fund has been Established to support cooperatives during financial distress, ensuring stability and continuity in operations.

Advisory by Sahulat

Sahulat has issued a detailed advisories on all the above regulatory changes/updates to the concerned affiliates.

Awards and Certification

IFFSA GOLD AWARD

Sahulat was honored with the prestigious "Islamic Microfinance Entity of the Year (Gold)" award by the Islamic Finance Forum for South Asia (IFFSA) at a ceremony held on November 26, 2024, in Colombo, Sri Lanka.

Financial Product Certifications

Murabaha Certification: Sahulat's Murabaha product received Shariah certification from JIH Shariah Council, affirming compliance with Islamic principles. The SOP ensures transparency, fixed pricing, legal agreements, and asset-based financing.

Diminishing Partnership Financing (DPF) Certification: Sahulat's DPF model was also received certification from JIH Shariah Council, validating its Shariah compliance. It follows a co-investment model with profit-sharing, gradual exit, and structured agreements.

Shariah Council
Jamaat e Islami Hind

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بسم اللہ الرحمن الرحیم

Date: فروری ۲۰۲۵ء

مکرمی اسامہ خاں
CEO سہولت مائکروفائنانس سوسائٹی
السلام علیکم ورحمۃ اللہ
اللہ تعالیٰ آپ کو صحت وعافیت سے رکھے۔
آپ کی جانب سے درج ذیل پیپرس موصول ہوئے:

1. Operational Flow Chart for Deminishing Partnership Finance
2. Standard Operating Procedure (SOP)
3. Investment Request for Deminishing Partnership
4. Deminishing Partnership Finance Agreement

انھیں دیکھ لیا گیا ہے۔ یہ شریعت کے مطابق ہیں۔ انھیں سہولت کے تمام ذیلی دفاتر میں استعمال کیا جا سکتا ہے۔ ان پیپرس کو بھی تصدیقی مہر کے ساتھ واپس کیا جا رہا ہے۔

والسلام

(محمد رضی الاسلام ندوی)
سکریٹری

DIGNITARY VISIT

Sahulat was honored to host Mufti Abdul Qadir Barkatullah, a leading scholar in interest-free finance. Discussions covered cooperatives, ethical insurance, public awareness, and compliance, enriching Sahulat's strategic direction in advancing interest-free financial model.

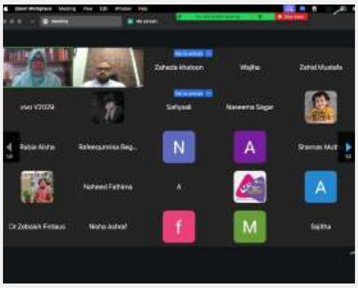
FINANCIAL LITERECY PROGRAMS

WORKSHOP

Alhikmah Foundation hosted a workshop on financial literacy and entrepreneurship. Mr. Usama Khan shared his insights on financial planning and economic empowerment, promoting interest-free financial models and ethical investment practices.

Usama Khan was featured on Vaat Chat Podcast. He shared insights on financial fraud prevention, identifying scams, and safeguarding the hard earned savings in a 25-minute discussion, promoting responsible financial habits and practices.

PODCAST



WEBINAR

The Women Education & Empowerment Trust, hosted a webinar on financial literacy. Usama Khan shared insights on budgeting, saving, and investing, empowering participants with strategies for financial independence and interest-free financial models.

UNIVERISTY INTERACTION

Sahulat conducted an engaging session with Jamia Millia Islamia faculty members and students, where Mr. Usama Khan presented the Interest-Free Cooperative Microfinance Model. The discussion emphasized ethical finance, sustainable economic models, and inspired students to explore innovative financial solutions.

Sahulat Microfinance Society

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