

# SAHULAT

## Microfinance Society

A National NGO to Facilitate  
Interest-free Microfinance Institutions



“A voluntary, non-political, non-profit making social service organization established to provide Interest-free microfinance options for removing socio-economic disparity and to achieve justice and equity for educationally and financially backward section of the public at large”

# SAHULAT MICROFINANCE SOCIETY

is facilitating the establishment of cooperative societies to provide Interest-free microfinance options to uplift the poor families. Once a cooperative branch is started, local families and daily-earning enterprises are mobilized and their micro-savings are deposited in the local cooperative branch. These micro-deposits so generated are then utilized for Interest-free loans to cooperative members after maintaining all liquidity requirements.

## **SAHULAT'S definition of interest free Microfinance through cooperative**

“A Cooperative Credit Society formed by its members for pooling their funds and creating loanable funds therefrom for addressing their loan demands from time to time, mutually sharing the operational cost and owning the benefit and risk of operations”.



# WORKING MODEL OF INTEREST-FREE COOPERATIVE



## INTEREST-FREE MICROFINANCE

is an effective tool to fight against poverty. However convergence of other activities in the field of education, health and self-employment is needed to raise the living condition of poor people.

## WORKING MODEL

In India Interest-free microfinance institutions can be run as legal entities under various state cooperative acts or multi-state act. At present 26 such legal entities are working with 63 branches in 12 different states of India.

Member  
owned

Democratically  
controlled by  
its members

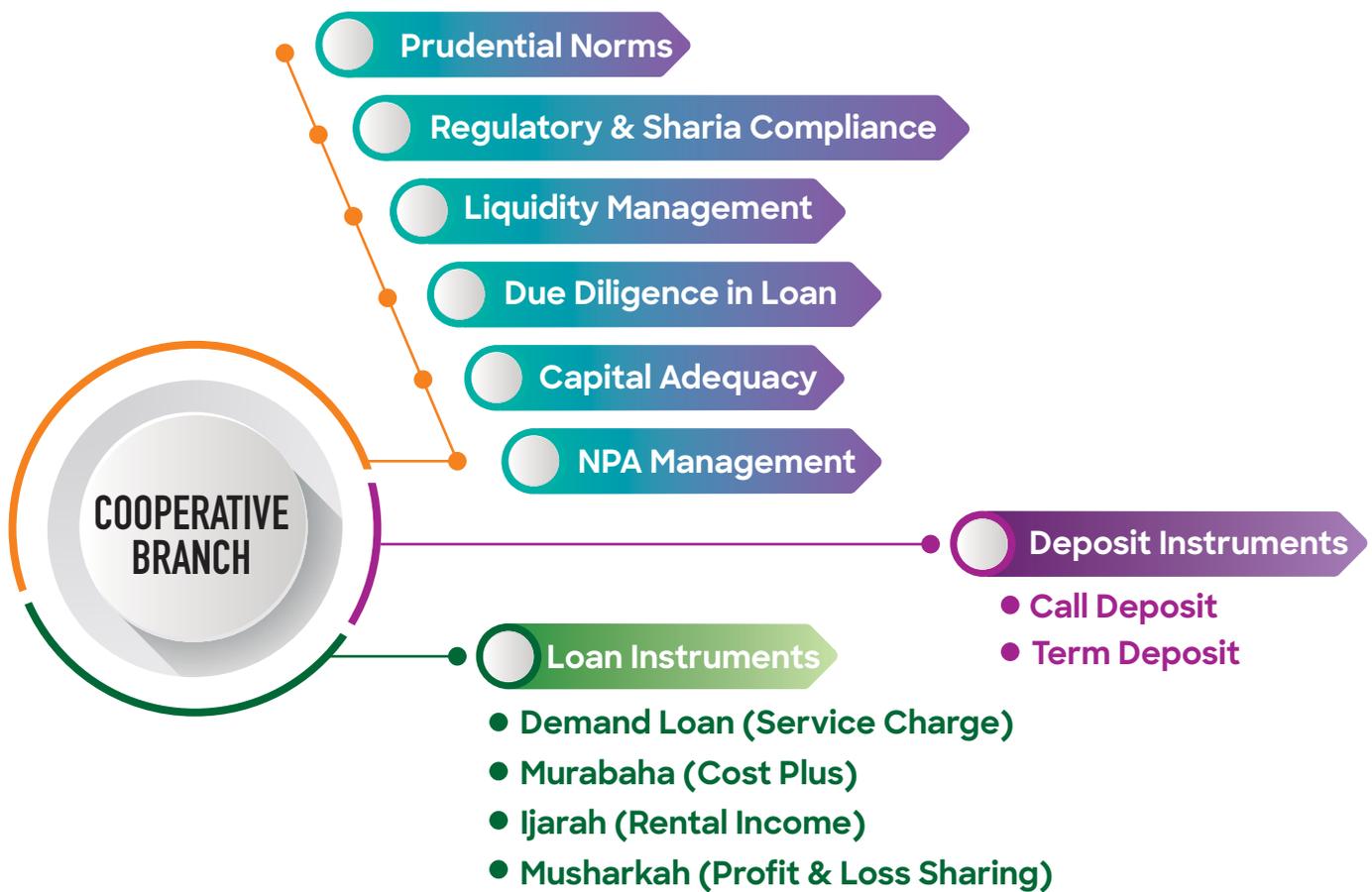
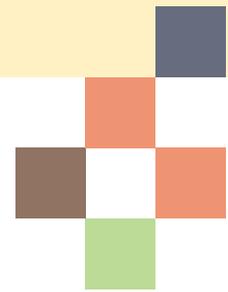
For the  
purpose of  
promoting  
thrift

Facilitating  
credit need  
at competitive  
rates

Providing  
other financial  
services to its  
members



The working model of **Interest-free Credit Cooperative Societies** is based on the below mentioned cooperative model.



# HOW TO LAUNCH

Peoples  
Movement

SAHULAT

Cooperative

## LOCAL COMMUNITY

To provide credibility support, social base, voluntary team and mass-awareness for Interest-free microfinance project.

## DONORS/FUNDING AGENCIES

To support the infrastructure development, institution building and hand-holding.

## SAHULAT

To extend legal support, research and training support, sharia compliant instruments operating procedures, software and sectorial advocacy support.

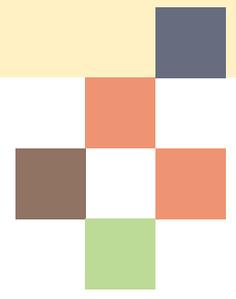
## COOPERATIVES

To work on ground by providing ethically & socially responsible products and services.

### Process of Registration:

1. The persons having identical economic need, to be drawn from the local community, could form a cooperative.
2. The initial members in their meeting elect a chief promoter to communicate with Registrar on behalf of the promoter group.
3. The promoter group will develop a bye-laws deciding their aims & objects, operational area and other policies, the chief promoter will call a General Body Meeting for approval of registration proposal and for election of office bearers.
4. Application in Hindi/English or in regional language along with byelaws, list of promoter members along with their name, occupation & address, a certificate from bank showing share capital deposited in the name of proposed society, list of promoters who have contributed in the share capital, viability proposal, credential of promoter members attested by gazetted officer, have to be submitted to the Registrar.
5. If everything is satisfactory the Registrar may grant registration to the society, or if necessary, the registrar may give one-month time to modify the byelaws.

# Handholding of Affiliated Cooperatives



- MANDATE**
- a** Interest-free
  - b** Microfinance
  - c** Cooperative



Microfinance Society





## SAHULAT MICROFINANCE SOCIETY



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