



Sahulat Microfinance Society: **INTEREST FREE MICROFINANCE** through Cooperatives



SahulatMicrofin



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SahulatMicrofin

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President



Prof. Siddique Hasan

Member -
Board of Advisors



Dr. Nejatullah Siddiqui

President



T Arif Ali

Vice President



Mohd Jafar

Chief Operating Officer



Arshad Ajmal

Who we are

SAHULAT MICROFINANCE SOCIETY is a national NGO established in 2010 as a voluntary, non-political and non-profit making organization. It aims to provide Interest free microfinance options for reducing socio economic disparities and to achieve justice and equity for financially backward section of the society at large. "Its main function is to facilitate, organize, promote and develop Interest free microfinance institutions, more particularly in cooperative sector". Sahulat is trying to find a niche in the overall national goal of financial inclusion. Sahulat advocates for it as a separate sector naming, "Interest Free Microfinance through Cooperative". Sahulat operates through its affiliated cooperatives based on the learning of three sectors namely, 1) Cooperative, 2) Microfinance and 3) Interest Free.

What we do

- Facilitating, promoting and developing interest-free micro-finance institutions (IFMFI).
- Providing handholding support to affiliated IFMFIs.
- Undertaking and promoting need based research and developing different products and financial instruments for IFMFI.
- Evolving internal check system and audit facilities and coordination with affiliated institutions.
- Advocacy with policy makers for a justifiable national policy on interest-free micro-finance in India.

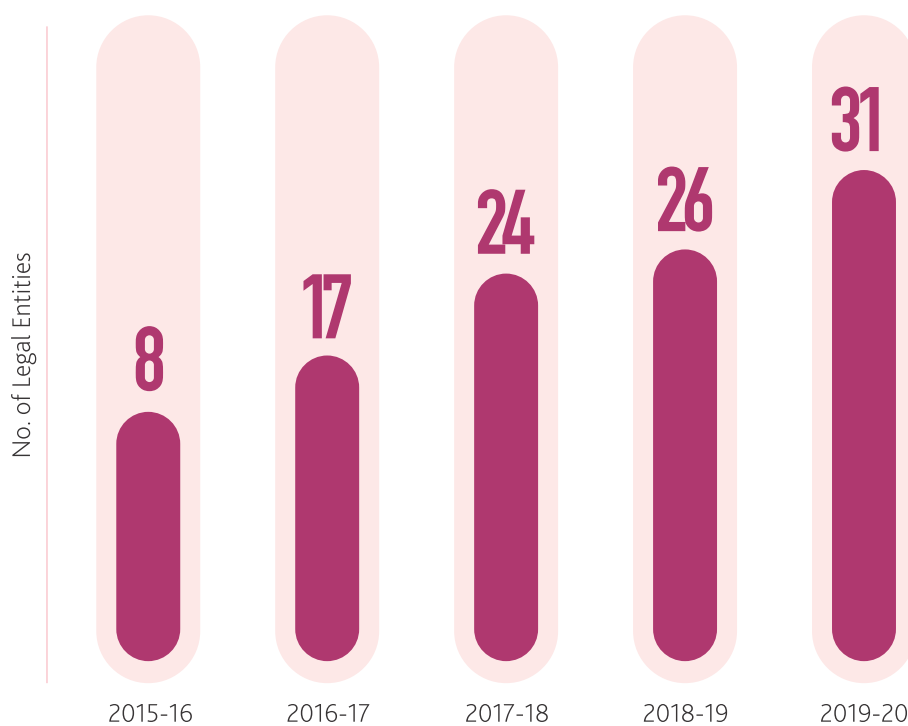
Sahulat's Definition of Interest Free Microfinance through Cooperative

"A Cooperative Credit Society is 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".



Growth in Legal Entities

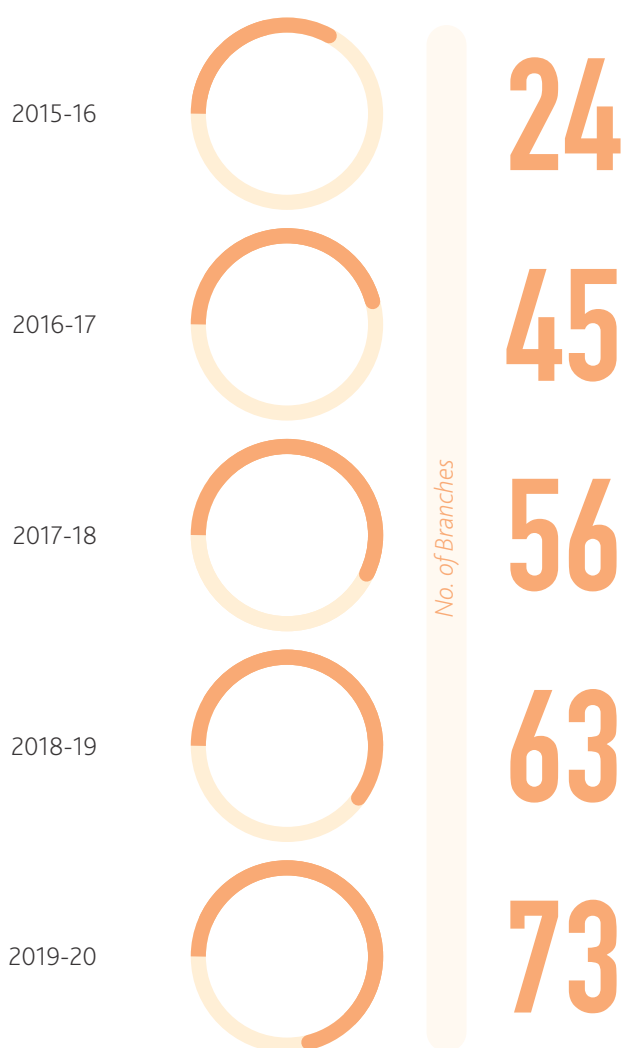
"The Interest Free Credit Cooperative Societies (IFCCS) are registered under MSCS Act 2002, Liberal Act and Old Act of 1960. These cooperatives are affiliated to Sahulat Microfinance Society through a Memorandum of Understanding (MoU). The cooperatives are working in 11 different states of India namely Delhi, Bihar, Jharkhand, UP, Andhra Pradesh, Telangana, Maharashtra, Gujarat, Karnataka, Kerala & Tamil Nadu."





Growth in Branches

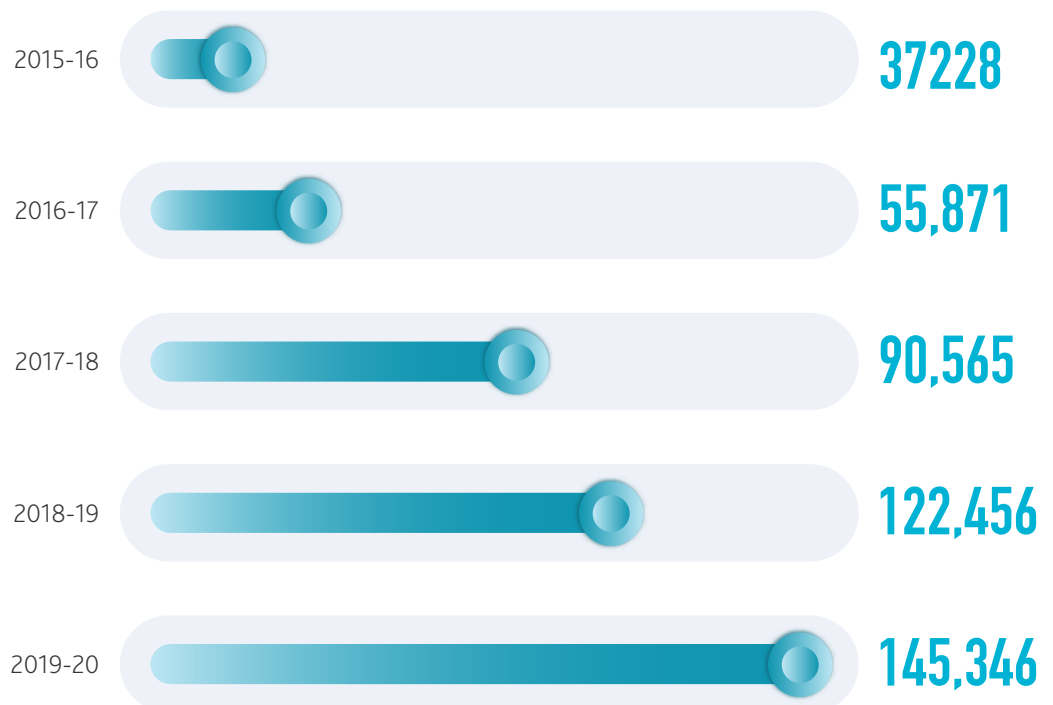
"The IFCCS branches extend service of thrift to its members, maintain liquidity and provide loan to its members on their need. The IFCCS branches operate on ground and directly interact with members. It offers various deposit and loan products to its members to suit their need."





Growth in Membership

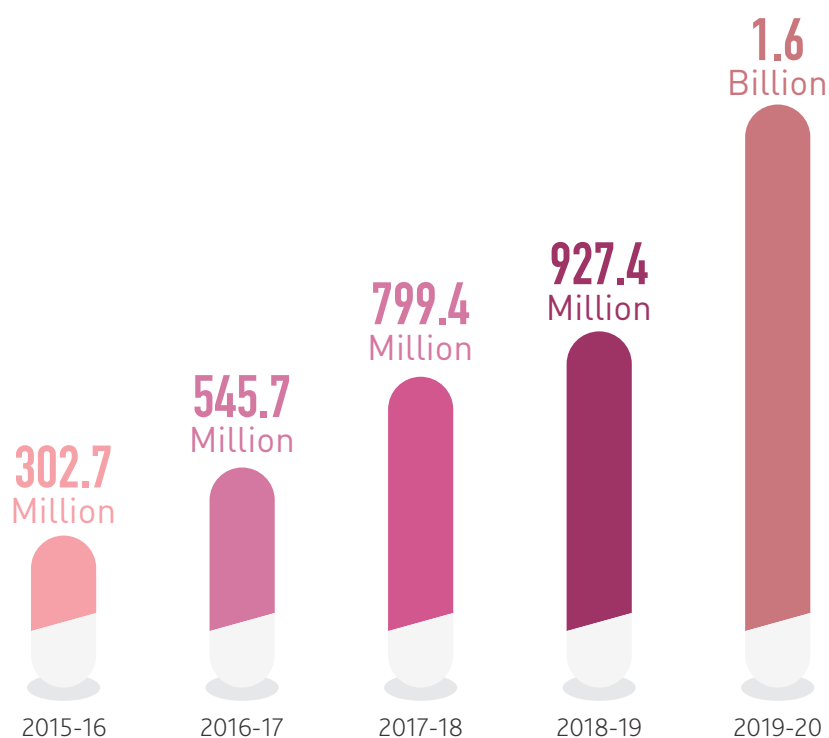
"By purchasing share of the IFCCS a person becomes its member. Every member has voting right in the cooperative. It is a precondition for any individual to become member of the cooperative to get the benefit of deposit and credit facilities. These members of the cooperatives mostly belong to lower strata of the society and come under the definition of microfinance beneficiary."

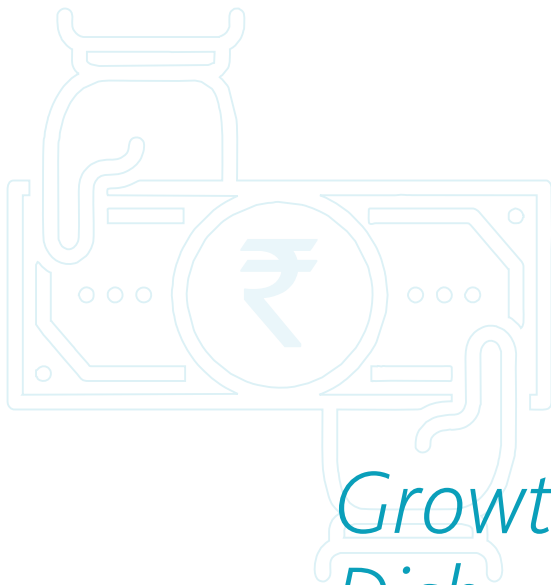




Growth in Deposit Balance

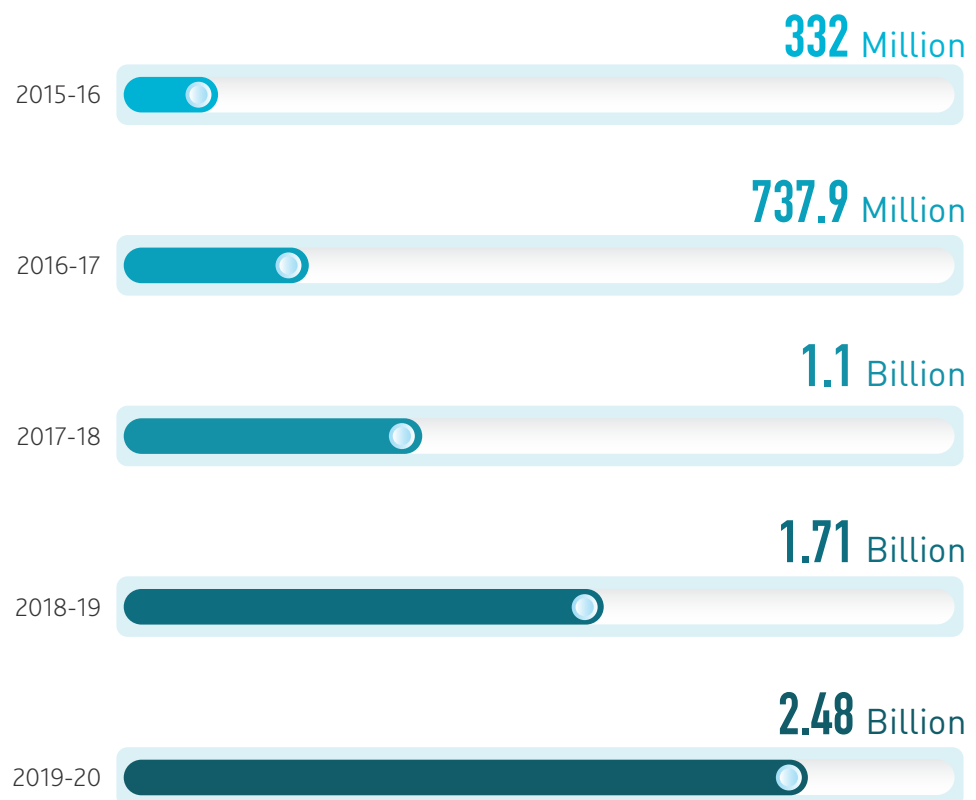
"The members keep their deposits with the IFCCS branches. The IFCCS offers various call deposit products to suit the demand of their members. Mostly the members belong to the low-income group, cooperatives offer them 'Daily Deposit' products. It also offers time deposit products such as 'Umrah Deposit' or pilgrimage deposit."





Growth in Loan Disbursement

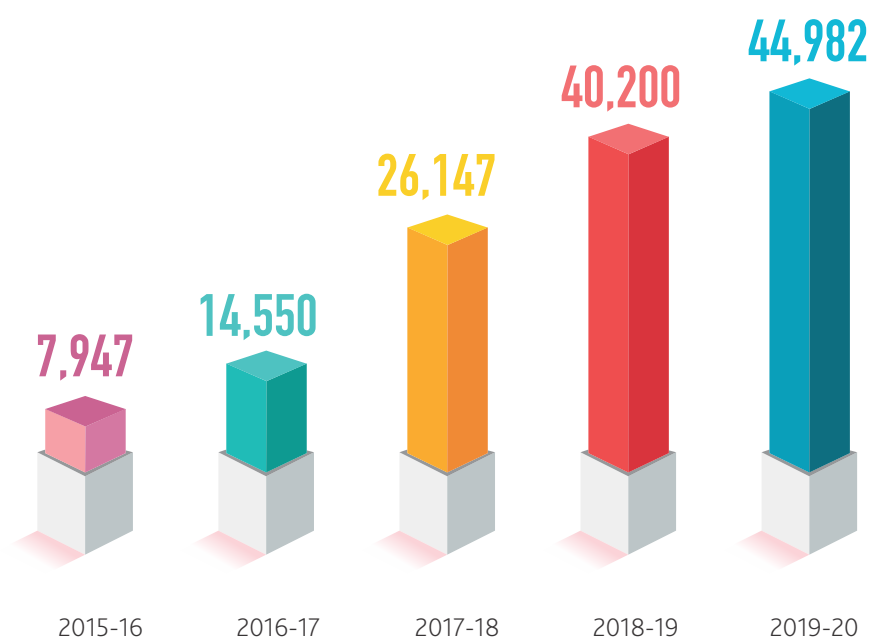
"This year the IFCCS branches provided loan of rupees 248 crores (2.48 billion) to its members. The IFCCS branches offer mainly three type of loans to its members for addressing their need of cash (by Cash Loan), under this scheme loan amount varies between 2000 rupees to 20,000 rupees and sometimes it goes up-to 50,000 rupees. The IFCCS takes service charge on it. The other schemes are Murabaha loan (Cost Plus Loan) and business loan where it shares profit or loss of the business. In the FY 2019-20 the average loan size was 55,000 rupees. "





Growth in Loan Beneficiaries

"Out of 145,346 members, 44,982 members availed loan for their various needs. The average loan per loan beneficiary members is Rs. 55,000/- for 2019-20."



Distribution of the Branches



Total No. of
Branches

73



Beneficiary Story 1



Ravindra Ashok Raut: Rahat Credit Cooperative Society, Osmanabad - Maharashtra

33-year-old Ravindra Ashok Raut is a young, energetic and ambitious young man. He runs a hair-cutting saloon in Jhori Galli Osmanabad. He had a dream of opening a cutting-edge hairdressing saloon to provide latest hairstyle trend among the fashion enthusiasts in Osmanabad. Earlier Ravindra used to work in Mumbai for a high-end men's saloon. Rahat made it possible for him to start his own saloon. Rahat Osmanabad made it possible to achieve his dream by providing Interest Free loans.

A friend of Ravindra has introduced him with Rahat, since then his life has become easy. Now he is living in his city near to his family and friends. He has his own business and he is able to fulfill his livelihood requirements easily.



Beneficiary Story 2



Md Mujeeb: Khidmat MACS, Sadasivpet - Telangana

Mujeeb runs a small cycle repair shop near Girls High School in Sadasivpet from last two decades. He has become member of Khidmat since opening of its branch in Sadasivpet in 2014. Becoming a member of Khidmat, Mujeeb started saving 50 to 100 rupees on daily basis. Mujeeb says that, 'He has taken 10 loans in five years. Most of these loans were taken to purchase stocks and inventories for his shop. He is now able to pay in cash and therefore he is getting the inventory on cheaper price, it has increased his profitability'. He further said that his business is flourishing, now he takes only short-term loans and he is able to repay it in 4 to 6 months.

According to Mujeeb system of Khidmat is member friendly and it accurately serves the need. He further added that the loans of Khidmat are not only helpful in his business, but a few times he has taken loans for payment of school fee for his children and to purchase school books for them.

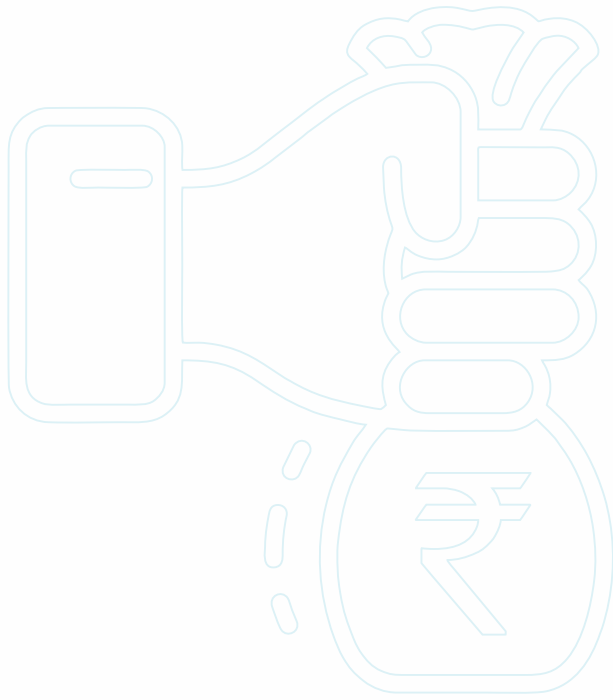


Beneficiary Story 3



***Najma Khaton: Al-Khair Credit Cooperative Society,
Lucknow – Uttar Pradesh***

Najma is a 65-year-old vegetable seller and a member of Al-Khair since 2015. She has a fixed location for her vegetable cart near Nakkhas flyover in Lucknow. Every day in the afternoon Najma starts her business activity and her husband Lal Mohammad helps her in setting up the cart and vegetables. She took her first loan of 20,000/- rupees from Al-Khair to expand her business of vegetable. This first loan has increased her profit as well as savings. Najma took several small loans during these five years of association with Al-Khair, which she repaid successfully. She says that 'these small loans work as life line for small businesses like hers.'



Beneficiary Story 4

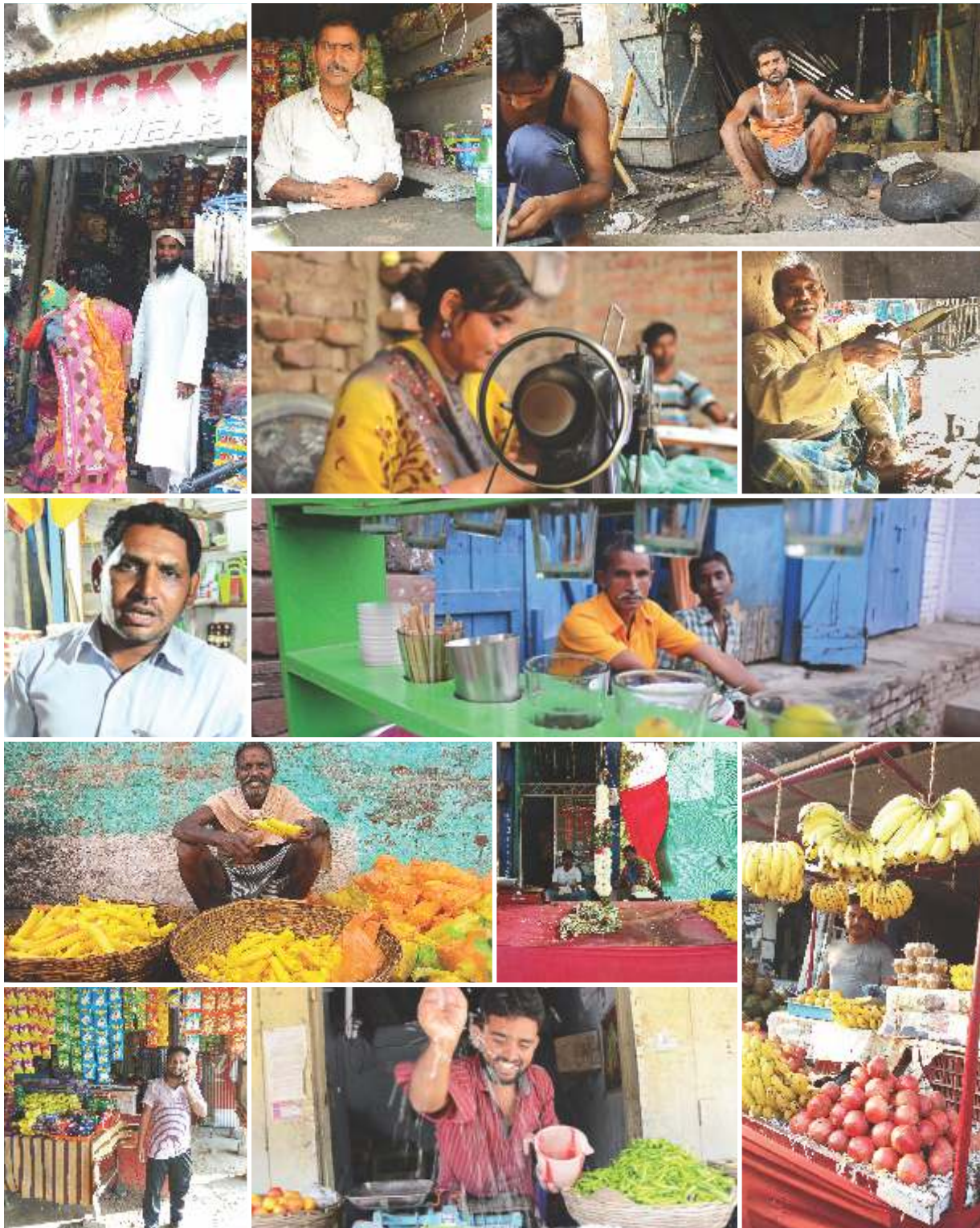


Shamila Kochu Mohammad:
Sanghamam Multistate Cooperative Credit Society, Kerala

Shamila Kochu Mohammad, is a resident of Kerala. She and her husband have a business of Patri roti (Bread). She is thankful to Sanghamam because when she was going to start her business she got interest free loan from Sanghamam and today because of Sanghamam loan support her business is flourishing.

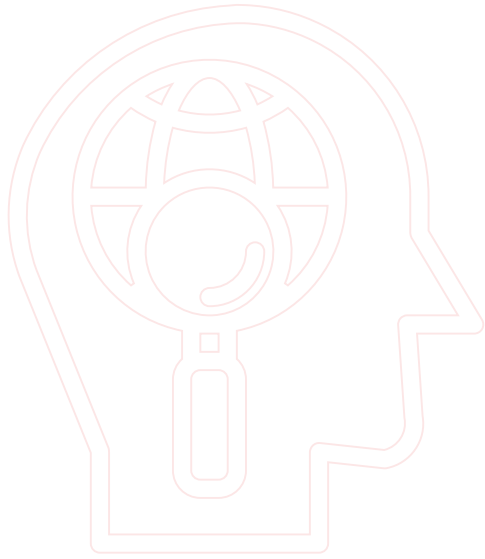
She says "I came to know about Sanghamam through a female daily collector. She introduced me to the schemes of Sanghamam. Then I became member and applied for loan, the loan was approved within two weeks. That was a great help for me and it is indeed a great help for people like me.

Beneficiary



Branches & Support System





Research & Training

Sahulat organizes various need-based research to support the sustainability of cooperatives and for the developmental activity in terms of product development, audits, software etc. The supports provided to the cooperatives are as follows;

- Need Based Research & Surveys
- Product Development
- Instrument Development
- Sharia Audit Support
- Research Journal
- Software Development
- Seminars & Workshops
- Standard Operating Procedures & Manuals
- Training & Workshops



Advocacy

Sahulat organizes advocacy and consultation programs for addressing the issues of sector and more particularly the issues of its affiliated Credit Cooperative Societies. For this purpose, Sahulat has developed relationship with sector Specific bodies such as NAFCUB, NCUI, SaDhan IIMA etc. Sahulat also gives representation on some international platforms for the purpose of knowledge sharing and collaboration.



Sahulat IFCCS Awards

Sahulat has initiated Sahulat IFCCS Awards this years for its affiliated Interest Free Cooperative Credit Societies. This year the award ceremony was organized along with a Two Days Training Program on Financial Discipline

1

**Bait-un-Nas'r Urban Cooperative Credit Society Ltd.
Mumbai**



2

**Al Khair Baitulmal Nagri Sahkari Patsanstha Ltd,
Ambajogai Maharashtra**



3

**Sanghamam Multi State Cooperative Credit Society Ltd
Kerala**



Sahulat IFCCS Awards

Award of Appreciation was conferred to:



1. Unity Urban Credit Cooperative Society Ltd. Latur



2. Rahat Urban Credit Cooperative Society Ltd. Osmanabad



3. SEVA Mutually Aided Cooperative Thrift & Credit Society Ltd Hyderabad



4. Al Khair Cooperative Credit Society Ltd. Patna

5. Al Khair Baitul Maal Urban Cooperative Credit Society Ltd. Aurangabad

4th IFFSA Award



Sahulat has received Gold Award in the category of 'Microfinance Company/Project of the Year 2019', in a ceremony organized in Male – Maldives by 'The Islamic Finance Forum of South Asia (IFFSA)'. The combination of self-sufficiency and Interest Free in Sahulat model of Credit Cooperative Society is being appreciated world over.



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