



SAHULAT MICROFINANCE SOCIETY

**INTEREST FREE MICROFINANCE**

*through Cooperatives*

**2021-22**



SahulatMicrofin

[www.sahulat.org](http://www.sahulat.org)





## ACKNOWLEDGEMENT

*We are thankful to our President and Vice President for their enormous support, encouragement and guidance. We are grateful to our General Body, Governing Body and Executive Committee for their guidance and supervision. We appreciate our partners of the cooperative movement, promoter groups and our affiliates for all their efforts towards achieving the common goal of expansion and strengthening of Interest-free cooperative movement and providing the Interest-free microfinance options to the marginalized.*

*Note: This report presents data based on FY 2021-22 (as on 31<sup>st</sup> March 2022).*

## Founding President



Late Prof. Siddique Hassan

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. “Its main function is to facilitate, organize, promote and develop Interest-free microfinance institutions in cooperative credit society format”.

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

- We form Credit Cooperative Societies with the help of promoter groups under the State Cooperative Acts as well as Central Cooperative Act.
- We provide handholding for establishment of cooperative branches, its operations, implementation of products, services, SoPs and technology.
- We provide handholding for capacity building of promoter group, Board of Directors and Staff of the Cooperatives.
- We conduct research for need based product development, training manual development, advancement of technology, development of monitoring, auditing and prudence related tool etc.
- We do advocacy with policy makers for a progressive national policy on Interest-free microfinance and advocacy on the challenges of cooperative sector in India.

## How Sahulat defines

### **Interest-free Microfinance through Cooperatives:**

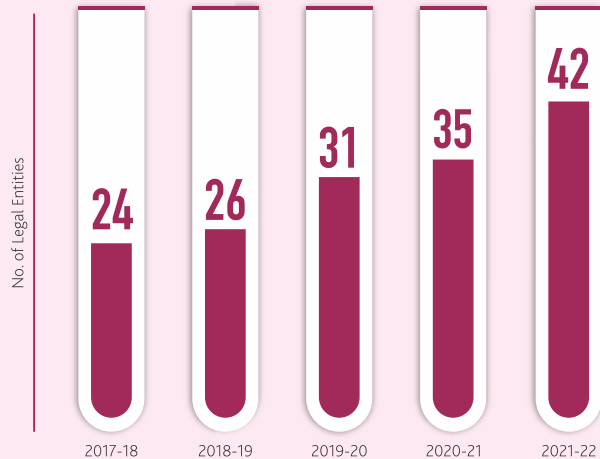
“A Cooperative Credit Society is formed by its members for pooling their funds, managing their liquidity requirements and creating loanable funds therefrom for addressing their loan demands from time to time, mutually sharing the operational cost and owning the benefit and risk of operations”.



## GROWTH IN LEGAL ENTITIES



"The Interest-free Credit Cooperative Societies (IFCCS) are registered under MSCS Act 2002, Liberal Acts and Old Acts of 1960. These IFCCS are affiliated to Sahulat Microfinance Society through a Memorandum of Cooperation (MoC). The cooperatives are working in 12 different states of India namely Delhi, Bihar, Jharkhand, Uttar Pradesh, Andhra Pradesh, Telangana, Maharashtra, Madhya Pradesh, Gujarat, Karnataka, Kerala & Tamil Nadu."



### Beneficiary Story - 1



## SHIVA

Al-Khair, Jamshedpur,  
Jharkhand

Mr Shiva, father of a son and a daughter, both of whom are studying in primary school, is a resident of Jamshedpur, Jharkhand. He runs a small food cart outside the Tata Memorial Hospital since last 20 years. He sells mostly the local food. However, overtime he has specialized in south Indian food such as Dosa, Vada, Uttapam etc. Mr. Shiva was introduced by his friend to Jamshedpur branch of Al-Khair Cooperative Credit Society. Its been more than five years since he became a member of Al-Khair.

During the COVID-19 lockdown, he had to shut down his business following the government guidelines for lockdown. Initially, he was able to manage his household expenses with the cash he had in hand. A week later the situation worsened, he was in severe financial need. At that time Al-Khair was a great help for him, Al-Khair provided withdrawals at his doorstep which helped him in meeting his household needs.

He also told that "I had taken a loan of Rs. 50,000/- just before the COVID-19 lockdown for scaling up my business. Then, the lockdown struck upon us and I was terrified. But Al-Khair did not pressurize me for repayment, instead they gave me an extension for the loan repayment period and that too with no additional cost. The business is growing well now after the lockdown. I am able to earn approximately 25,000/- per month. I have cleared the previous loan and taken another loan of one lakh rupees to scale-up my business."

He feels that Al-Khair stands for the upliftment of the underprivileged and small businessmen like him. He also applauds the method of mutual cooperation between the members for helping each other at the time of need. Therefore, he intends to repay the current loan before the due date so



## GROWTH IN BRANCHES



"The IFCCS branches extend service of thrift to their members, maintain liquidity and provide loan to them on their needs, be it consumption, working capital for small businesses or purchase of a household equipment or commercial machinery. The IFCCS branches operate on ground, understand the need of their members and serves them accordingly."



### Beneficiary Story - 2



**KAMLA DEVI**  
Al-Khair, Patna Central,  
Bihar

*Ms. Kamla Devi is a woman entrepreneur. She is a mother of 2 sons and 3 daughters. Her Husband Mr. Vijay Choudhry is a retired employee of Municipal Corporation of Patna.*

*Ms. Kamla Devi became a member of Patna Central branch Al-Khair Multi-State Cooperative Credit Society in 2007. At that time, she was a vegetable vendor burdened with huge debt. She had taken loans from local money lenders and couldn't repay the loan due to the exploitative amount of Interest.*

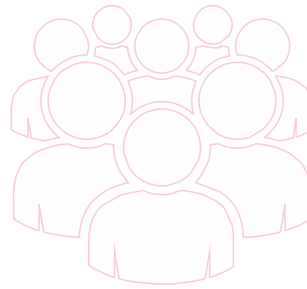
*She availed her first loan of Rs. 10,000/- from Al-Khair to scale-up her business. After that, she has taken more than 20 loans for increasing her business which helped her in increasing the profit of her business. The income was used for the education of her children. The eldest son is a graduate and helps her in business, her second son holds an engineering degree with MBA and B.Ed degrees, all the three daughters hold B. Ed degrees.*

*Over a period of 8 years she shifted her business from vegetables to garments. Initially she started with a garment retail shop. Now she purchases T-shirts and Jeans in bulk from Delhi and Kolkata, and distributes it to the retailers in Patna. She also owns a small retail garments shop adjacent to her house.*

*She says that "The financing system of Al-Khair is unique in itself as it is member friendly and based on the concept of mutual cooperation. I live in my own house, my business is running smooth as never before. All of this would not have been possible without the support of Al-Khair. All I can say is, Al-Khair has been an angel towards small business owners like me."*

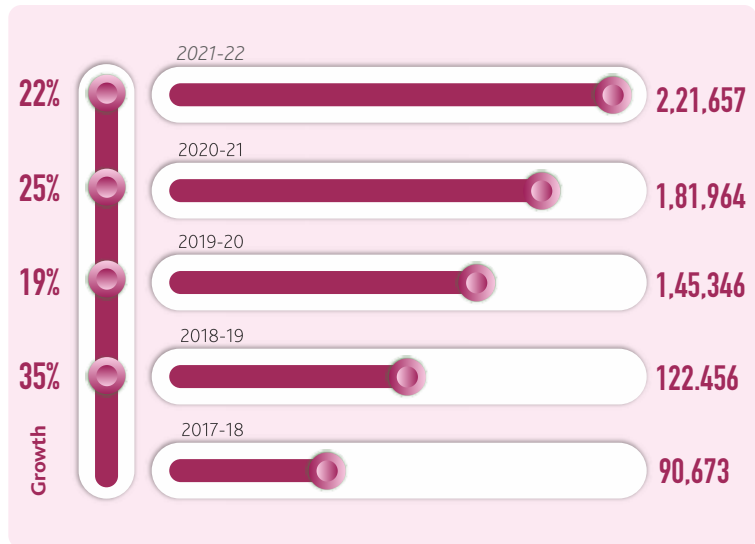


## GROWTH IN MEMBERSHIP



"A person who is a citizen of India, living in the operational area of the cooperative can become member of IFCCS at the age of 18 years or above by subscribing to the objective of the cooperative, submitting KYC and purchasing the share capital. It is a precondition for any individual to become a member of the cooperative to get the benefit of deposit and credit facilities.

Every member has voting right in the cooperative. These members of the cooperatives mostly belong to lower strata of the society and come under the definition of microfinance beneficiary."



### Beneficiary Story - 3



## BALAKRISHNAN

Sanghamam-  
Erattupetta, Kerala

Mr. Balakrishnan Lives in Thalanad Panchayat of Kottayam Erattupetta, Kerala. He comes from a humble family consisting of a wife and a son. His wife is an Anganwadi worker and his son is studying cinema. Mr. Balakrishnan has a small shop in Thalanad, where he sells fruit, vegetables and other goods related to daily household needs. He borrowed Rs. 50,000/- from Erattupetta branch for upgrading his business. He says that, "taking loan from Sanghamam Erattupetta branch was an easy and hassle-free process, and the member friendly approach of the staff made it all the more humane. It was a 6-month repayment plan with profit-sharing agreement."

"Then COVID-19 came and affected the business badly and as a result, the shop had to be closed for a long period. This affected the business and the repayment schedule, but Sanghamam provided relief by extending the repayment period from 6 months to 12 months without any additional cost. During this unprecedented crisis, this was a huge relief, particularly for the middle-class like us. Later, when the shop was re-opened after the COVID-19 lockdown, I borrowed an extra amount of Rs. 20,000 from Sanghamam to re-start my business."

Mr. Balakrishnan and his family highly praise the Sanghamam team and everyone behind this initiative and recommend Sanghamam to anybody looking to improve their quality of life. He says that "In the difficult financial situation of today, Sanghamam is a breath of fresh air and a useful institution for survival of small businessmen like me."



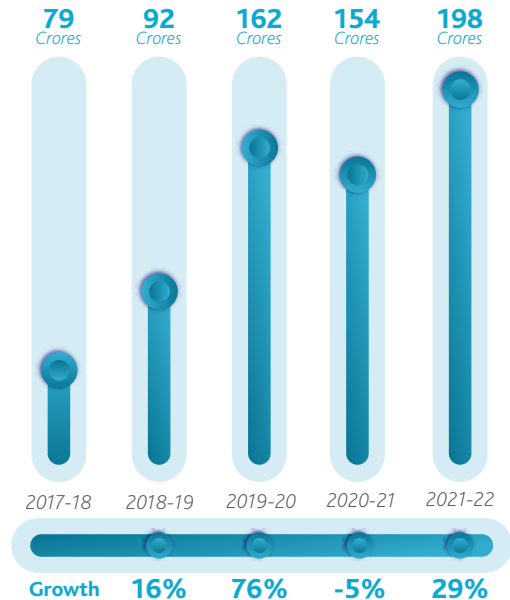
## GROWTH IN DEPOSIT BALANCE



“The members keep their deposits with the IFCCS branches. The IFCCS offers various call deposit products and time deposit products to suit their demand.

70% of the members are engaged in small income earning activities and they earn on daily basis. They want to save some money on a daily basis. IFCCS offers them ‘Daily Deposit’ product, where the deposit is collected from door step, members receive digital receipts of their deposits with no lock-in period, members can withdraw their savings when they need it and withdrawal to such depositors are also provided upto Rs. 5000 at doorstep.

Apart from it the IFCCS also offers Saving Deposit, Pilgrimage Deposit, Child Education Deposit etc.”



### Beneficiary Story - 4



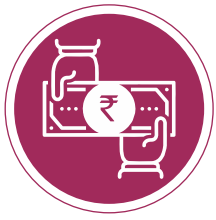
## ALTHAF HUSSAIN

Sanghamam-Vaniyambadi,  
Tamil Nadu

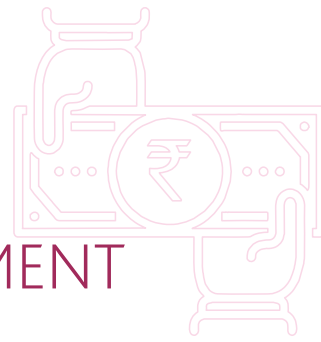
Mr. Althaf Hussain lives in Vaniyambadi, Tamil Nadu with his wife who is a housewife and three children. All the three children are getting decent education. Mr. Althaf runs a Coldrinks and confectionary shop in Mohammad Ali Bazar in Vaniyambadi. He was striving for finance so he sought help from financial institutions to support the education of his children and to improve his business. That is when he came to know about Sanghamam.

After joining Sanghamam, he took his first loan of Rs. 100,000 for scaling up his business. This loan has helped him in improving his business as well as his household conditions. Mr. Althaf has taken 5 more loans since then for business as well as education of his children. The reason he chose Sanghamam for his financial needs, “the processes are member friendly, availability of Interest-free microfinance options where I had to share profit or cost and flexible repayment schedules. These characteristics are really a change-maker for small scale traders.”

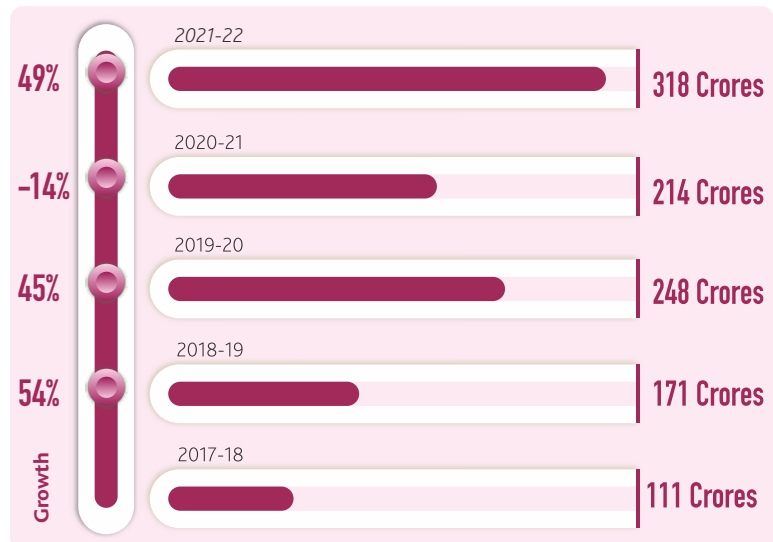
He further says that, “COVID-19 lockdown had a negative impact on my business and the shops had to be closed for a long period of time. But I never skipped any EMI because I had surplus at that time, I chose to repay so others can make withdrawal or borrow some money, I felt that it is the time to support Sanghamam, an Interest-free institution like this could not be found elsewhere.”



## GROWTH IN LOAN DISBURSEMENT



"This year, the IFCCS branches provided loan of Rs. 318 crores (3.18 billion) to its members. The IFCCS branches offer mainly three types of loans to its members for addressing their need of consumption (by Cash Loan), under this scheme loan amount varies between Rs. 2000 to Rs. 50,000 and sometimes it goes up-to Rs. 100,000. The IFCCS takes service charge on it. The other schemes are Murabaha loan (Cost Plus Loan) and business loan where the member shares profit of the business. In the FY 2020-21 the average loan size was Rs. 68,000."



### Beneficiary Story - 3



## AASHA RAMTEKKAR

Samadhan - Nagpur,  
Maharashtra

Ms. Aasha Ramtekkar Mukesh lives in Nagpur, Maharashtra. She is a woman entrepreneur, housewife and a humble mother of her three daughters. Her husband Mr. Mukesh sells bhajjia and pakoda on a roadside cart. Ms. Aasha, with her great adaptive skills gained experience while assisting her husband with his micro-business and decided to start her own food cart. At the present, Ms Aasha sells snacks like samosa, pakoda, tea etc on her roadside food cart. She earns around Rs. 700/- per day from her food cart.

Ms. Aasha is a member of Samadhan Nagpur since the year 2018 and has a good relation and transaction with Samadhan since last 4 years. She has a daily deposit account and an ongoing loan of Rs. 50,000/- which she borrowed for buying her own food cart. Before this she had taken two more loans of Rs. 70,000/- each for the renovation and repair in her house which she re-paid on time. She said that the lockdown has taught us the importance of financial backup.

She says that "we belong to the backward class who require a helping hand and financial access in our lives. We have been approached by money lenders as well as other financial institutions in times of need. But they work for their own personal gains and charge exorbitant rate of interest. People of our background can never repay those mountainous debts as the interest amount keep on rising. Interest not only disturbs our

financial lives, but it also takes away the moments of joy and peace from our lives. Whereas, Samadhan is like a gentle breeze.”

Ms. Aasha further explains, “I had taken a loan from a financial institution of Rs. 4 Lakh. I’ve cleared nearly half of the amount and the interest is still rising. They did not even spare me during the lockdown with their harsh talks. On the other hand, I also had a loan repayment due with Samadhan Credit Cooperative Society during the lockdown. But they did not pressurize me. Instead they provided me an extension to clear my dues. This is an example to everyone that a financial institution should concern about the well-being of its beneficiary.”

## Beneficiary Story - 6



### MEHER BANU

Rahat - Nanded, Maharashtra

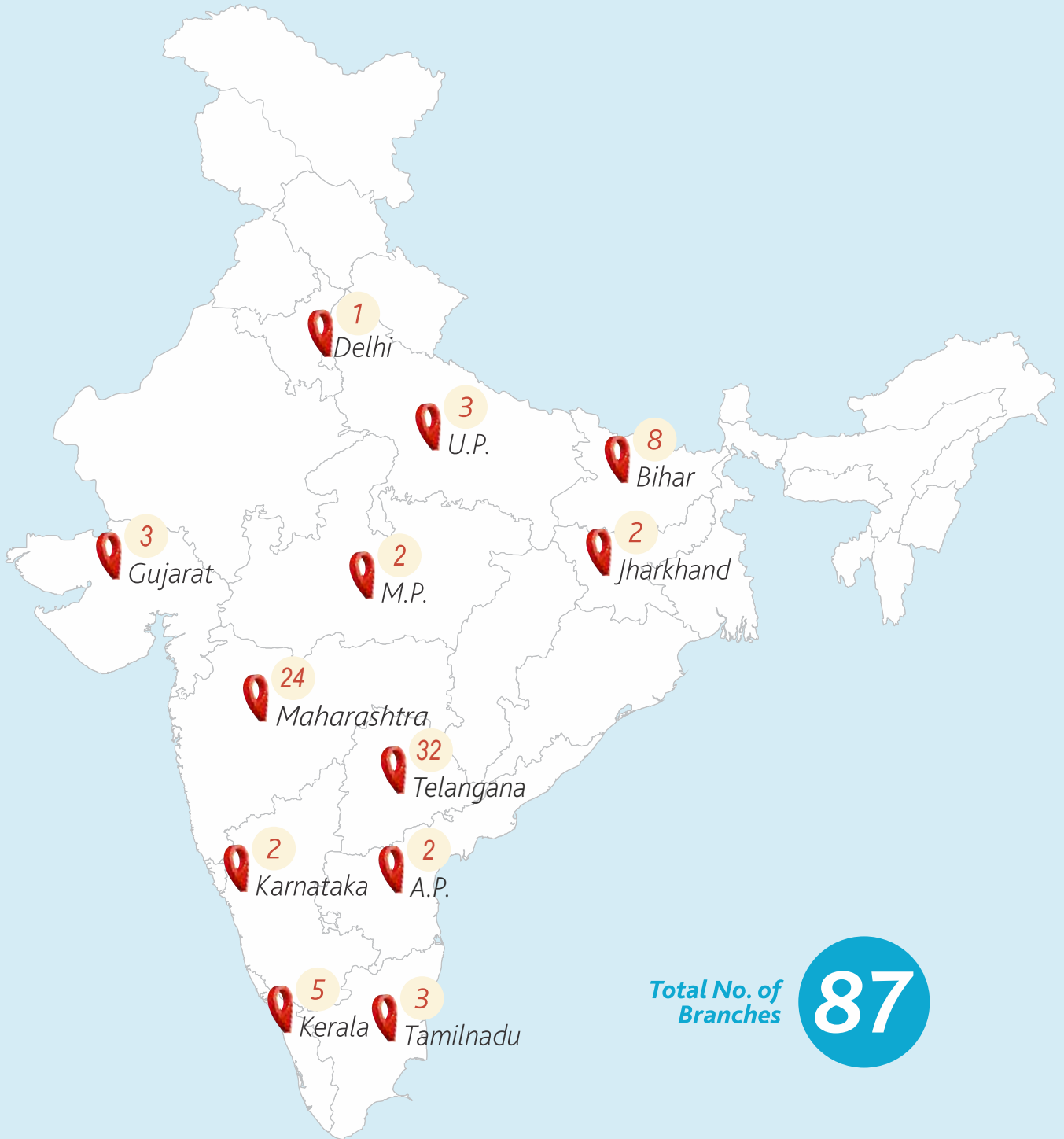
Ms. Meher Banu is a hardworking women entrepreneur. She runs a small business in her house located at Eidgah Kaman area in the city of Nanded, Maharashtra. She is a wonder woman for her three young children who are perusing their primary education.

Prior to the year 2018, Mr. Mohammed Sadiq Hussain (husband of Meher Banu) a hardworking mason couldn't provide the family with the essentials to live a decent life. To sustain the family, Mr. and Mrs. Hussain borrowed money from local money lenders and the so called 'Mahila Gat' (women's savings group) respectively. The family was in enormous debts and the interests which kept on rising led their lives into turmoil.

Ms. Meher Banu has been a member of Rahat Nanded for the past 4 years. Since then, she has availed three different loans from Rahat for her business. Her first loan was of Rs. 20,000/- to start a general store in her house. After repaying the first loan, she availed another loan of Rs. 25,000/- for expanding her business. During the tenure of this loan, the COVID-19 lockdown fell upon her. She became frightened about the repayment, but Rahat provided her an extension for the repayment without any increase in the cost. When the situation normalized, she has repaid the second loan as well and applied for the third loan of Rs. 40,000/-.

Ms. Meher Banu says that, “I have no words to explain how helpful were the loans of Rahat that helped me build my own small business. I save entire income of my business in Rahat Pick-me account, I support the education of my children and I intend to use this saving for quality education of my children. This business and its income have become a blessing in disguise at the time of COVID-19 lockdown. My husband, a mason became unemployed like the majority of the daily wagers. At that time my shop was the only source of income and the savings in Rahat was the additional means to sustain my family. I can't thank enough to Rahat for being their always to fulfil my financial needs.”

# DISTRIBUTION OF BRANCHES



## MANDATES FOR IFCCS

- Interest-free
- Microfinance
- Cooperative
- Law of the Land
- Self Sustainability
- Financial Prudence
- Competitive Pricing
- Operations in Open Market Force

## HANDHOLDING Provided by



## HANDHOLDING OF SECTOR

- Advocacy with Policy Makers
- Research on Policy Changes
- Liaising with Sector Organizations
- Knowledge Sharing & Opinion Building
- Development of Tools of Financial Prudence

## HANDHOLDING OF COOPERATIVES

- Registration Process
- Products, Services & SoPs
- Integration of Technology
- Branch Establishment
- Capacity Building
- Audit & Monitoring



## MANGLI ASHOK KUMAR

*Khidmat - Sangareddy, Telangana*

Mangli Ashok Kumar lives with his wife and children, his parents, brother and sister as a joint family in Sangareddy, Telangana. Mr. Ashok completed his higher secondary education in 2006, but couldn't study further due to family issues. Ashok has been working as a part-time barber in a saloon since he was in class 6. He worked 6 years as part-time worker and then full-time for 2 years at a Saloon. Then he left the barber job and enrolled himself into a two-year mobile repairing course in Hyderabad. He started working on daily wages of Rs. 60 per day at a mobile repair shop in Sangareddy, he gained experience for a year and his wages increased to Rs. 400/- per day.

In 2016, a customer of mobile shop introduced him to Khidmat Sangareddy. He became member and started depositing Rs. 100/- on a daily basis. After three months he availed a loan of Rs. 30,000/- to start his own mobile repair shop. He started working on his own shop and within few days his daily income increased to Rs. 600/-. Since then, he has taken several loans, he says that, "The loans from Khidmat are so easy and affordable that he not only started his own business but has built some asset as well. Now he owns a bike, several home appliances and 10 grams of gold that he bought with the help of increased income from his business."

He further says that, "I have a better life now, I have moved to a new rental house in a decent and hygienic place. I'm also providing my kids with good education which exhilarates me."



# MAKE A DONATION

LET'S JOIN HANDS  
TO HELP THE NEEDY BEYOND  
THE BOUNDARIES OF CASTE,  
CREED & GENDER

BANKING DETAILS

**SAHULAT MICROFINANCE SOCIETY**

BANK NAME

**AXIS BANK**

BRANCH

**JASOLA, NEW DELHI**

ACCOUNT NO.

**922020030133944**

IFSC CODE

**UTIB0001148**





### SAHULAT MICROFINANCE SOCIETY



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