

## Memorandum of Cooperation

This Memorandum of Cooperation (MoC) is signed between SAHULAT MICROFINANCE SOCIETY, New Delhi and -----, Registered Office: ----- on this day 01.06.2017

**First Party: SAHULAT MICROFINANCE SOCIETY, New Delhi**

Registered under the Societies Registration Act, 1860 of India

Registered Address: E-89, 4<sup>th</sup> Floor, Flat No 403, Hari Kothi Lane

Abul Fazal Enclave, Jamia Nagar, New Delhi- 110025

**Second Party:**

**Registered under:**

**Registration Number:**

**Registered Office:**

## **Objectives**

1. To promote interest-free microfinance (IFMF) activities in India.
2. To establish the IFMF under credit cooperative format as a sector.
3. To operate under open market force and to offer financial services at competitive price.
4. To develop and establish legal entities under various cooperative acts enacted by state and multi-state cooperative acts.
5. To ensure the adherence of cooperative principles, application of interest free principles, compliances of financial prudence and indicators of social performance management.
6. To make the cooperative self-sustainable by widening and deepening of its outreach, developing diverse product portfolios and establishing cooperation among cooperatives.
7. To promote research and development in the field of IFMF for strengthening inclusive, transparent and effective mechanism of delivery leading to recognition of IFMF cooperative as a distinct sector.

## **Action Plan**

- a. Both the parties shall mutually work for the development of business plan/expansion plan for cost subsidization, expansion of services and achieving sustainability.
- b. Research & development activity shall be a continuous process for development of demand/market driven products, setting up norms of financial, legal and interest free obligations.

## **Facilitation by First Party**

- a. It shall provide support to the Second Party in terms of advisory, sectorial advocacy, guidance and consultation. It shall also provide Shariah audit support.
- b. It shall provide microfinance products for deposits and credits along with a standard operating procedure to the Second Party. It shall also support in designing new demand oriented financial products.
- c. It shall provide technological support to the second party in terms of sector specific software with required features to improve efficiency of the cooperative.
- d. It shall explore/liaison with the recognized training institutes for the specific training requirements of the second party.

## Commitment by Second Party

- a. It shall subscribe to the objectives duly noted in this MoC.
- b. It shall incorporate and adhere to the definition of interest free credit cooperative society and the definition is: “ A Cooperative Credit Society is created by members for pooling their funds and creating loanable funds therefrom for addressing their liquidity demands from time to time, mutually sharing the operational cost and owning the benefits and risk of operations.”
- c. It shall judiciously follow the application of compliances under relevant cooperative act, interest free principles, norms of financial prudence, standards of social performance, and adhere to the cooperative principles.
- d. It shall provide the necessary inputs and reports as and when requested by the First Party for the purpose of in-depth research, preparing the sectorial reports, writing advocacy notes and for preparing advisories required from time to time.
- e. It shall provide timely feedback and inputs on the policies, advisories, consultations, financial products, norms and standards provided by the First Party.

There shall be no liability on any party with regard to the decision, action and implementation by other. Each party is free to come out of this MoC as and when it decides with information to the other party.

Signature

Signature

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Dy. CEO IN-Charge  
Sahulat, New Delhi

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MD/CEO/Secy