



SAHULAT
MICROFINANCE SOCIETY

2017-2018

FOUNDER PRESIDENT



Prof Siddique Hasan

MEMBER - BOARD OF ADVISORS



Dr Nejatullah Siddiqui

PRESIDENT



T. Arif Ali

VICE PRESIDENT



Arshad Ajmal

VICE PRESIDENT



Mohd. Jafar

Who we are?

Sahulat Microfinance Society, New Delhi established in 2010 is a voluntary, non-political, non-profit making social service organization. "It aims to provide interest free microfinance options for reducing socio-economic disparities and to achieve justice and equity for educationally and financially backward sections of the public at large." Its main function is to facilitate, organize, promote and develop institutions more particularly in co-operative sector.

Sahulat is trying to find a niche in the overall national goal of financial inclusion. Sahulat advocates for a separate sector naming, "Interest Free Microfinance through Cooperatives". Sahulat operates through its affiliates, based on the learning of three sectors namely 1) Cooperatives, 2) Microfinance and 3) Interest Free.

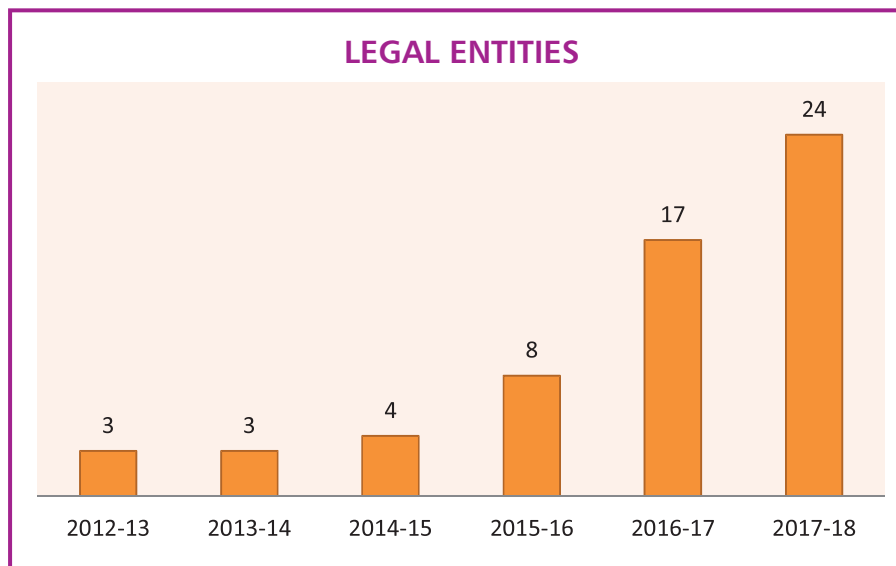
Sahulat Definition of Interest Free Microfinance through Cooperative

"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 benefit and risk of operations".

What we do?

- Facilitating, promoting and developing interest-free microfinance 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 microfinance in India.

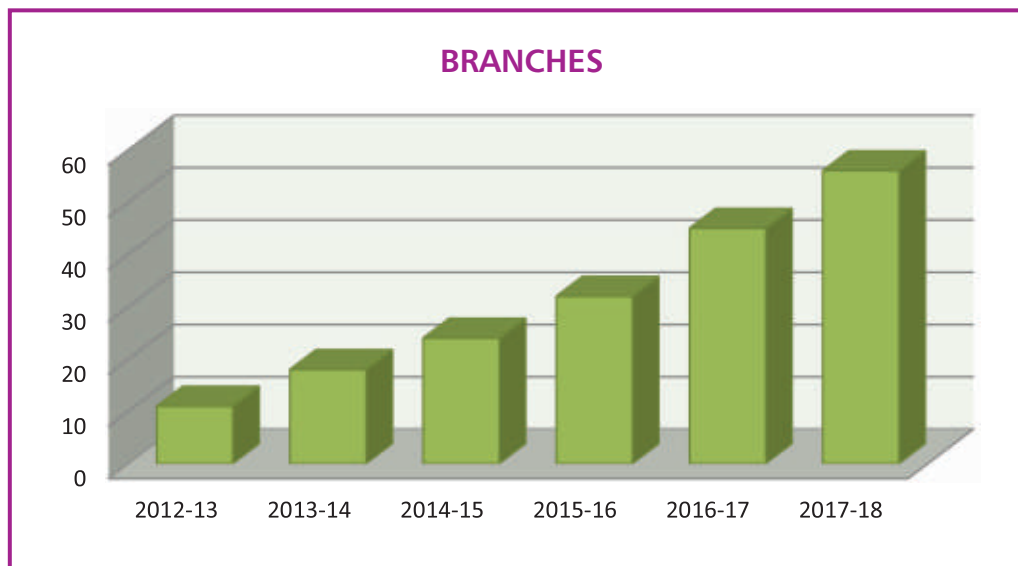
GROWTH IN LEGAL ENTITIES



| Sl. No. | Year | No. of Legal Entities |
|---------|---------|-----------------------|
| 1 | 2012-13 | 3 |
| 2 | 2013-14 | 3 |
| 3 | 2014-15 | 4 |
| 4 | 2015-16 | 8 |
| 5 | 2016-17 | 17 |
| 6 | 2017-18 | 24 |

These legal entities (Interest Free Credit Cooperative Societies) are registered under MSCS Act 2002, Liberal Acts and Old Acts of 1960. These cooperatives are affiliated to Sahulat Microfinance Society. The cooperatives are working in 9 different states of India namely, Delhi, Bihar, Jharkhand, U.P., Andhra Pradesh, Telangana, Maharashtra, Kerala & Tamil Nadu.

GROWTH IN BRANCHES

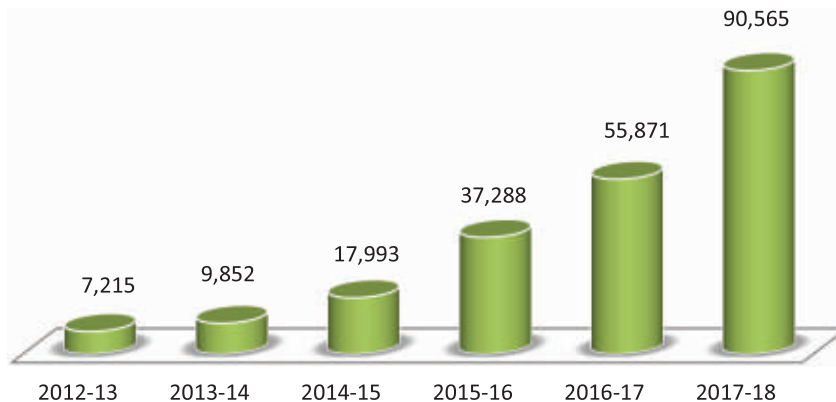


| Sl. No. | Year | No. of Branches |
|---------|---------|-----------------|
| 1 | 2012-13 | 11 |
| 2 | 2013-14 | 18 |
| 3 | 2014-15 | 24 |
| 4 | 2015-16 | 32 |
| 5 | 2016-17 | 45 |
| 6 | 2017-18 | 56 |

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

GROWTH IN MEMBERSHIP

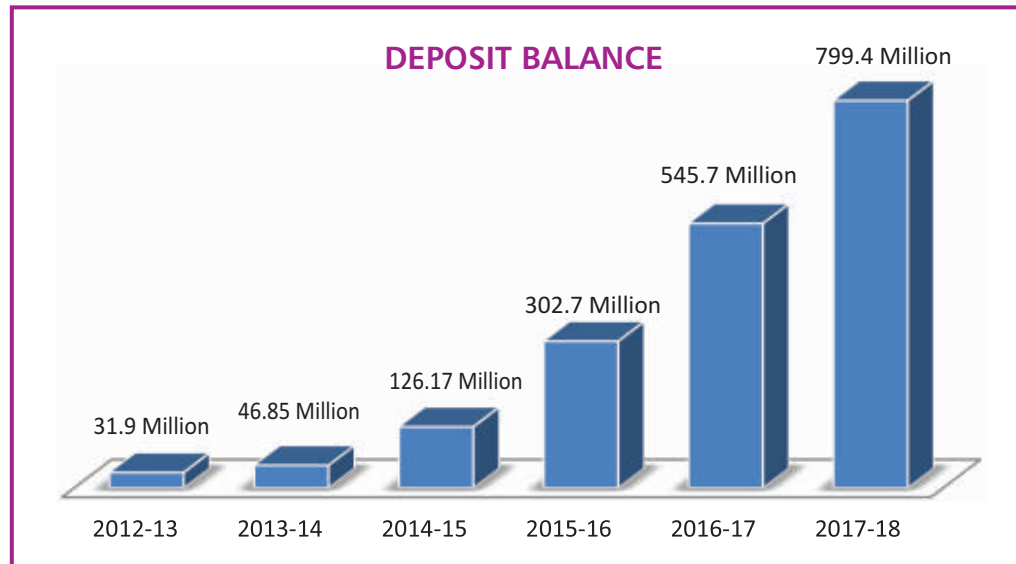
MEMBERSHIP



| Sl. No. | Year | No. of Members |
|---------|---------|----------------|
| 1 | 2012-13 | 7,215 |
| 2 | 2013-14 | 9,852 |
| 3 | 2014-15 | 17,993 |
| 4 | 2015-16 | 37,288 |
| 5 | 2016-17 | 55,871 |
| 6 | 2017-18 | 90,565 |

By purchasing shares of the Interest free credit cooperative society, a person becomes its member. The member has voting right in the cooperative. It is a precondition for any individual to become member of a cooperative to get the benefit of deposit avenues and credit facilities. These members of the cooperatives mostly belong to the lower strata of the society and comes under the definition of microfinance beneficiary.

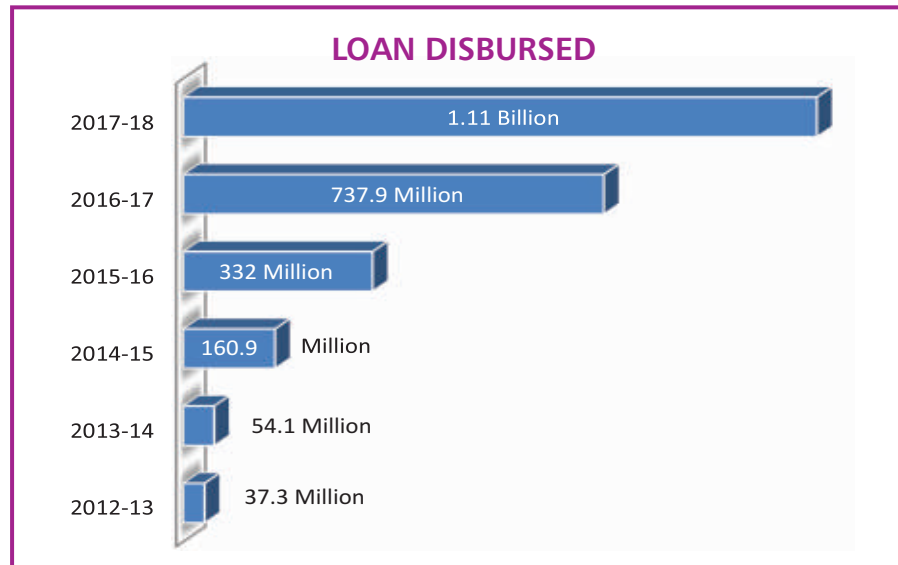
GROWTH IN DEPOSIT BALANCE



| Sl. No. | Year | Deposit Balance (INR) |
|---------|---------|-----------------------|
| 1 | 2012-13 | 31,912,786 |
| 2 | 2013-14 | 46,854,040 |
| 3 | 2014-15 | 126,171,601 |
| 4 | 2015-16 | 302,772,298 |
| 5 | 2016-17 | 545,772,896 |
| 6 | 2017-18 | 799,406,244 |

The members keep their deposits with the cooperative. The cooperatives offer various call deposit products to suit the demand of their members. Mostly members belong to the low income group, cooperatives offer them 'Daily Deposit' products. The cooperative also offer other regular deposit schemes. Apart from that it also offers time deposit products such as 'Umrah Deposit' or pilgrimage deposit.

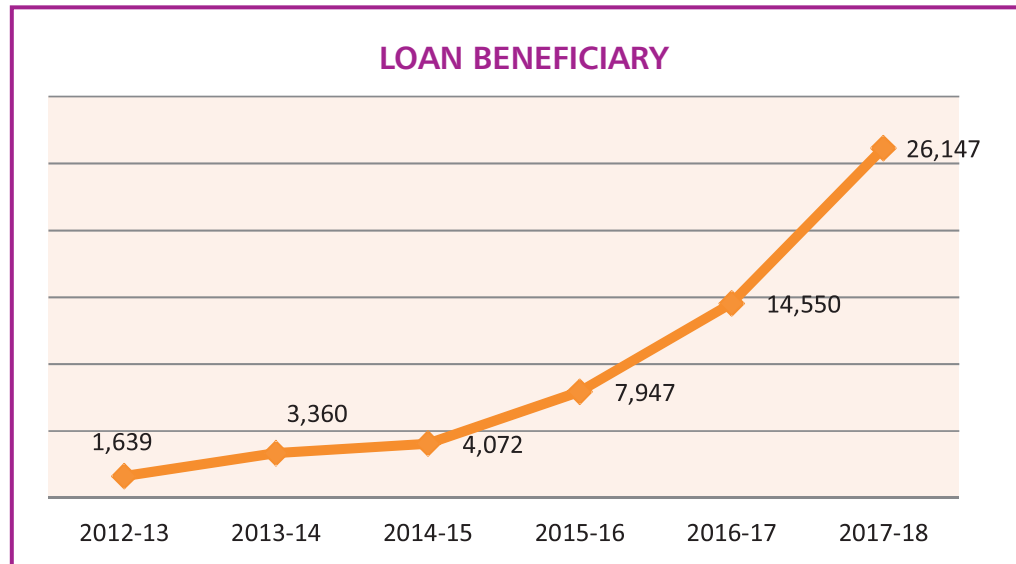
GROWTH IN LOAN DISBURSEMENT



| Sl. No. | Year | Loan Disbursed (INR) |
|---------|---------|----------------------|
| 1 | 2012-13 | 37,331,615 |
| 2 | 2013-14 | 54,112,604 |
| 3 | 2014-15 | 160,931,258 |
| 4 | 2015-16 | 332,035,644 |
| 5 | 2016-17 | 737,902,022 |
| 6 | 2017-18 | 1,111,752,787 |

This year cooperative branches provided loan of rupees 111 crore (1.11 billion) to its members. The cooperatives offer mainly three types of loans to its members to address their need of cash (by Cash Loan), under this scheme loan amount varies between 2000 rupees to Rs. 20,000 and sometimes it goes upto Rs. 50,000 Cooperative 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.

GROWTH IN LOAN BENEFICIARIES

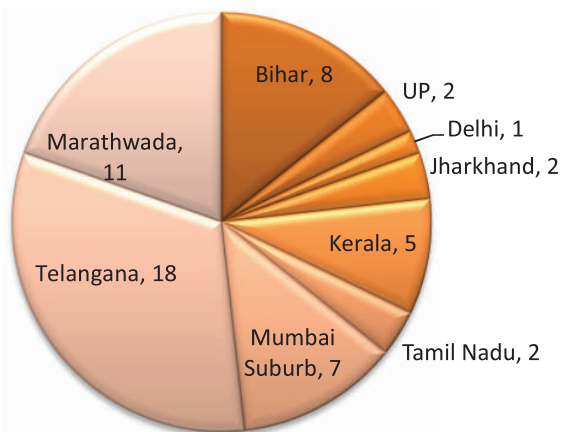


| Sl. No. | Year | Loan Beneficiaries |
|---------|---------|--------------------|
| 1 | 2012-13 | 1,639 |
| 2 | 2013-14 | 3,360 |
| 3 | 2014-15 | 4,072 |
| 4 | 2015-16 | 7,947 |
| 5 | 2016-17 | 14,550 |
| 6 | 2017-18 | 26,147 |

Out of 90,565 members, 26,147 members availed loan and refinancing for their various needs. The average loan per loan beneficiary members is Rs. 42,500/- for 2017-18.

DISTRIBUTION OF THE BRANCHES

REGIONWISE BRANCHES



| Sl. No. | Region | No. of Branches |
|---------|----------------|-----------------|
| 1 | Bihar | 8 |
| 2 | U.P. | 2 |
| 3 | Delhi | 1 |
| 4 | Jharkhand | 2 |
| 5 | Kerala | 5 |
| 6 | Tamil Nadu | 2 |
| 7 | Mumbai Suburb | 7 |
| 8 | Marathwada | 11 |
| 9 | AP & Telangana | 18 |
| TOTAL | | 56 |

BENEFICIARY STORY 1

DHANMATIA DEVI : Al-Khair Credit Cooperative Society, Patna



A 55 year old business woman, Dhanmatia Devi has been a regular interest-free loan beneficiary of Al-Khair. Initially running a bangle store, eventually expanded her business to various other products. This was due to her association with Al-Khair from where she took her first Demand Loan of Rs. 3000 to establish her business in a fixed shop. Later she asked for the 'Mid Term Business Loan' of Al-khair, which is based on profit and loss sharing, in the ratio of 30:70 between Al-Khair and beneficiary. For this she proposed to invest Rs. 5000 in her shop during the marriage season and to earn a profit of Rs. 1500 to Rs. 2000 after 4-6 months. She refunded the loan amount of Rs. 5000 after 4 months with Al-Khair's share of profit Rs. 500 (approx. 30% of profit), and earned a profit of Rs. 1700 for herself.

BENEFICIARY STORY 2

MOHAMMAD TAHIR : Al-Khair Credit Cooperative Society, Patna



Mohammad Tahir and his family struggled to live a life with dignity from his meager income through street vending, in Patna. Earlier being deceived by several fly by night financial institutions, he was afraid of being approached by Al-Khair to save his daily income. But now, after 16 years, being a member and beneficiary of Al Khair, he is a proud owner of his own shop.

He says that "We the people of slum go out every morning for street vending, in hot summer season and save approximately 100 rupees on daily basis, such savings were deposited in the accounts of conventional microfinance institutions. But the pity is that our hard earned money was not repaid rather such conventional microfinance institutions deceived us and took our money with them and never came back. As a result we suffered huge financial loss. In the meantime Al-Khair Credit Cooperative Society came to us. Managing Director of Al Khair Mr. Naiyer Fatmi suggested us to save 10-50 rupees on daily basis and to deposit the same in Al-Khair. We followed the instructions, and got benefitted from Al-Khair. Now we are not being exploited. Our money is safe in the hands of Al-Khair, we can withdraw our money any time at our will and it is easy to take loans here. With the help of Al-Khair I am a proud owner of a small shop today".

BENEFICIARY STORY 3

MOHAMMAD AZAM : Khidmat MACCS, Sangareddy, Telangana



Mohammad Azam is an auto rickshaw driver. Earlier he was driving a leased auto rickshaw now driving his own auto rickshaw with loan support by Khidmat. Moreover he repaid the amount of loan within six months. He says that, "Some of my friends told me about Khidmat, that it gives loan without interest. Then I approached Khidmat and opened my account. After that I applied for a loan to buy my own auto rickshaw, fortunately I repaid my loan within 6 months. I wish that, people like me should get associated with Khidmat to get loan and reap benefits.

BENEFICIARY STORY 4

SAIRA : Bait un Nasr, Mumbai



Saira, resident of Mumbai and travel agent by profession has been associated with Bait un Nasr when the society started its operation in Mumbai. She is extremely happy today as Bait un Nasr held her during her trouble days. She mentions that, "There are number of facilities provided by Bait un Nasr to people like us; easy account opening, easy loan etc. We easily get loans upto Rs.12000/- on urgent basis to fulfill our needs, earlier no such institution was available in our area." She further mentions that recovery system is also flexible, "as per our convenience we repay our loans, and there is no pressure from society."

BENEFICIARY STORY 5

SHAMILA KOCHU MOHAMMAD : Sanghmam Multistate Cooperative Credit Society, Kerala



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

She says "I came to know about Sanghmam through a lady collector of Sanghmam. She advised me to become member of Sanghmam. Then I became the member and applied for loan, the loan was approved within two weeks. That was a great help for me and is indeed a great help for people like me".

BENEFICIARY STORY 6

A beneficiary of Khidmat MACCS Telangana



"I got so many benefits from Khidmat. In the beginning, I did not know anything about Khidmat and its transactions, then one day they came to my brother in law for opening an account, at that time they explained me about the benefits of joining Khidmat. I was convinced and joined Khidmat, now, it's been 8 months I am associated with Khidmat. I received Rs. 10000/- and Rs. 20000/- loan respectively and I repaid both the loans with so much ease and as per my convenience. So I pray that Khidmat must grow and help more people like us."

A GLIMPSE OF OUR BENEFICIARIES



A GLIMPSE OF BRANCHES & SUPPORT SYSTEM



RESEARCH & TRAINING

Sahulat organizes various need based research to support the sustainability of cooperative and for the developmental activity in terms of product development, audits, software development etc. Sahulat also organizes various training programs to empower its affiliates and other stake holders. Some of the major highlights are as follows;

- Socio Economic Research in 4 states with 2500 samples.
- Sahulat board member training in collaboration with Sa-Dhan.
- Socio Economic Status Research of minorities in Katihar District.
- 5 Deposit Products and 4 loan products.
- Sharia Audit support to 7 of its affiliates.
- International Microfinance Research Workshop in collaboration with Burgundy School France, SaDhan and FIIB.
- A Research Methodology Workshop for Social Science Research in collaboration with Jamia Millia Islamia.
- A workshop on 'Social Performance Management' for Interest Free Credit Cooperative Societies.
- Development of various other manuals and standards.
- Bi Annual Sahulat Journal.
- Workshops for empowerment of affiliates.
- Workshops for empowerment of promoter groups.



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 sector Specific bodies such as NAFCUB, NCUI, SaDhan, TISS etc. Some major highlights of advocacy are as follows;

- National Consultation for National Policy for the Legal Practice of Interest Free Microfinance through Cooperatives.
- Advocacy of Microfinance Bill 2012 with Parliamentary Standing Committee.
- Advocacy on Deposit Banning Bill with NAFCUB.
- Two programs with IIM Ahmedabad for orientation on Interest Free Microfinance.
- Advocacy on Demonetization with RBI and Sa-Dhan.
- Development of Advocacy booklet and a video documentary for maximization of awareness.
- Sahulat is a member of UNDP solution exchange where regular discussion on microfinance sector been organized.
- Sahulat organizes orientation programs for visiting students and delegations.



AWARDS



Sahulat has received Silver Award in the category of '**Microfinance Company/Project of the Year 2017**', in a ceremony organized in Colombo - Sri Lanka. This award is given by '**the Islamic Finance Forum of South Asia (IFFSA)**'.

Sahulat has received Award in the category of '**Best Islamic Microfinance Society of the Year 2017**', in a ceremony organized in Turkey. This award is given by '**International Islamic Microfinance Awards (IIMFA)** organized by AlHuda CIBE.





SAHULAT MICROFINANCE SOCIETY

www.sahulat.org +91-11-29940031, 29940032