

*In the name of Allah, Most Beneficent, Most Merciful*

# Lifeline Micro-credit Foundation Trust

## APPEAL FOR FUNDS, VOLUNTEERS AND PARTNERS

**Lifeline Micro-credit Foundation trust (LMFT)** was formed on 13<sup>th</sup> February 2007 by a group of philanthropists and concerned residents of Bangalore city. It intends to economically empower the poor by providing micro-credit facilities to them. It is targeted to help the poor who are unable to access credit, or get it at unfair terms. It is a non-profit organisation and all financial transactions are devoid of interest. The trust does not discriminate on the basis of race, religion, caste, creed, or colour. In the first six months of its operation, LMFT has disbursed loans of **more than Rs Ten Lakhs with 98% repayment.**

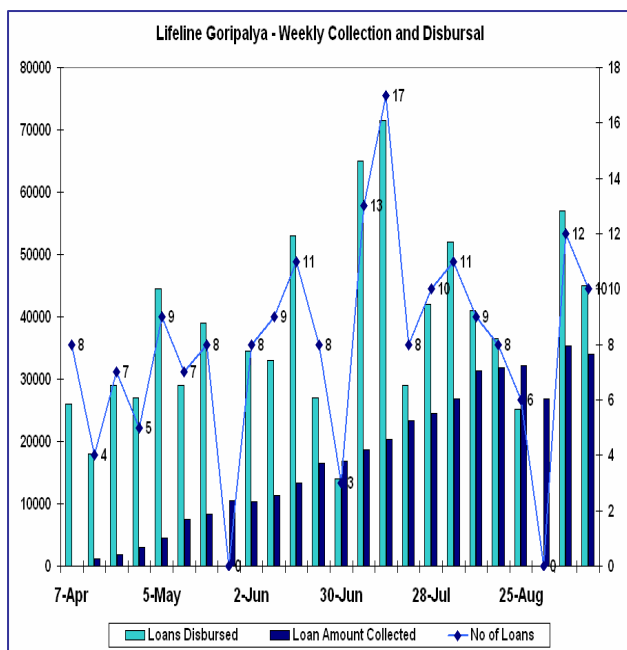
*Our Vision is to establish an equitable society, where people are free of poverty*

**Mission:** To empower the poor by providing funds, resources, guidance and support in an Islamically compliant manner so that they may become financially strong.

### Services Offered:

The trust offers the following services

1. Interest free cash loan with nominal service fee linked to number of transactions to partially recover costs (*Qarḟ-e-basana*)
2. Purchase and Sale Lease of assets with mark-up (*Murabaha*)
3. Establishing and facilitating contracts and business between businesses and the borrowers



*Borrowers at weekly meeting in Goripalya*

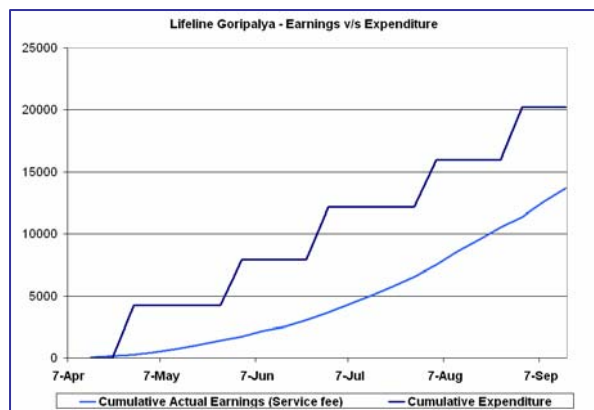
### Working Model:

1. Grameen model is followed for group formation with five members in each group
2. To inculcate the habit of savings, loans also come with an obligatory savings programmes for the borrowers.
3. Weekly meetings are held for collection of savings and loan instalments and disbursals
4. Credit is primarily being offered to promote income-generating activities as opposed to meeting consumption needs
5. Loans are given without surety, we use trust, mutual co-operation and moral obligation of other group members to facilitate payback
6. Loans collected in a maximum of 25 equal instalments in 6 months and are currently restricted to women groups only
7. Part-time paid employees are on the rolls to maintain accounts and run operations with the help of volunteers.

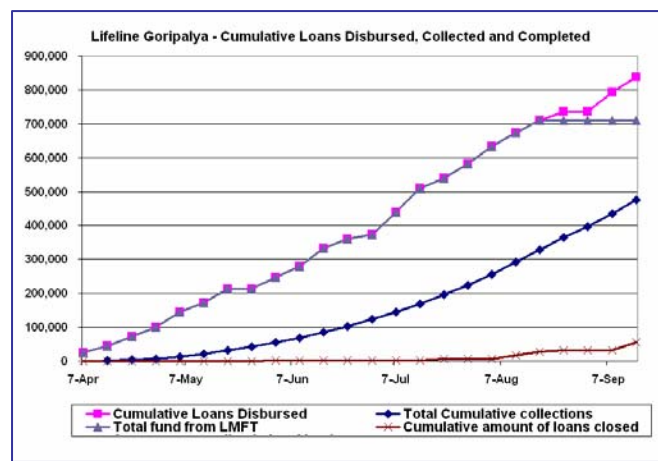
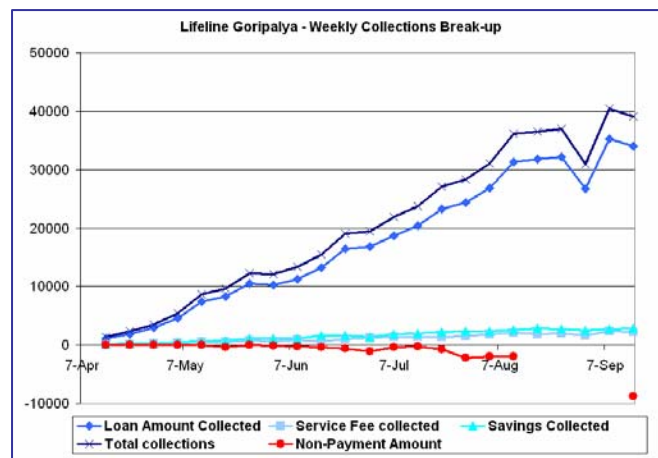
*Trustees:: Mrs. Husna Shariff, Feroze Abdulla, Ms. Tazaiyun Oomer, Sherif K, Masood A. Khader, Ameen-e-Mudassar, Maqbool A. Siraj etc.*

## Our Achievements (As of 15-Sep-2007)

- Activity running in two slum areas of Bangalore - Goripalya & Bismillah Nagar
- Amount of loan sanctioned / disbursed in both areas: **Rs 10,01,900/-**
- Total number of loans given: 224
- Our average loan size: Rs 4,472/-
- **Our collection efficiency: 98%**
- Total number of loans closed: 13
- Savings amount collected from borrowers: Rs 51,287/-. Savings per borrower: Rs 228/- in just 5 months
- Earnings from services fees: Rs 13,667/-
- Expenditure till date towards salaries for Loan and account officers: Rs 21,850/-
- **Detailed procedure document** along with sample templates has been prepared. This document has been shared with NGO's looking to initiate similar operations.
- **Funds being recycled** in Goripalya as only collections are being redirected to lending. No new funds being pumped in.
- A team of more than **thirty five volunteers** offer their valuable time at least once a month.



Please contact us at : [lifelinemicrocredit@gmail.com](mailto:lifelinemicrocredit@gmail.com) for further details. You can send in your contributions in the name of "Lifeline Microcredit Foundation Trust"



## Appeal

- To help propagate this work, a comprehensive procedure document that details the implementation process has been made. All formats and indicators have been included in it . **We appeal to like-minded organisations** to replicate this model by implementing our approach and are willing to provide all kinds of help and support to them
- We are **looking for a team of volunteers** to conduct loan interviews and sanction loans. The time commitment is at least 2 hours on one day once in a month. We need to scale rapidly. Therefore a large volunteer team is needed.
- LMFT **runs completely on donations** by generous people of the community. We therefore appeal to all of you to contribute your charity generously to help us in our endeavour