SANGHAMAM
MULTI STATE CO-OPERATIVE CREDIT SOCIETY LTD.
(NO: MSCS/CR/547/2012)
Reg. Off: I.S.T Building, 10/529, Oasis Compound, Kozhikkode-673001

ANNUAL REPORT FOR THE YEAR 2015-2016

Respected Members,

Representing the Board of Directors I wholeheartedly welcome the members to the Annual General Meeting of our Society. I may take it as a privilege to present this Annual Report of the Society for the year 2015-2016 before you. It was on 20th Sep 2015 that we met last for the previous Annual General Meeting. The Audited Statements of Accounts with the Audit Report for the year 2015-2016 has been placed before the members for kind consideration. The Annual Budget for the year 2016-2017 along with the budget for the current year as was sanctioned by last Annual Meeting with the actuals has been submitted for your kind consideration and approval.

The present Board of Directors which was elected for a period of five years is in office since 25-11-2012. As such the term of the existing board is to expire by 24-11-2017.

At the commencement of the year our society had total 2702 members and a paid up share capital of Rs. 13635500/-. During the year 1736 members were newly admitted increasing the total number of members to 4439 at the end of the year. The paid up share capital has been increased by Rs. 3880200/- raising to Rs. 17515700/- at the end of the year. By 30th June 2016 the number of members has reached to 5186 increasing the share capital to Rs. 22357000/-

We were having the following five branches:

1. Vaniyambadi Branch started on 9th September 2013
2. Aluva Branch started on 7th February 2014
3. Kozhikode Branch started on 13th March 2014
4. Virudhunagar Branch started on 25th May 2014
5. Erattupetta Branch started on 21st June 2014

We could start the 6th branch at Trichy in Tamilnadu on 1st may 2016. We expect to open the 7th branch at Kuttiady in Kerala shortly. Towards the end of the year the society received a total assistance of Rs. 8 Lakhs from Sahulat Micro Finance Society as Seed Money and Corpus Fund for meeting the initial expenses. Which are being utilized.

In order to facilitate local supervision and ensure proper functioning of each branch, Branch Committees have been constituted from among the members with in the service area of each branch to be in charge for two years. The Branch committees are to function subject to the supervision, control and advice of the Board of Directors and the Managing Director.

The Head Office is controlling, supervising and coordinating the working of the branches so as to ensure that the functioning of each branch is strictly within the accepted policies, guide lines and programmes in accordance with the Act, Rules, the Bye laws, and the directions of the Board of Directors and the instructions of the Managing Director.

At close the year under report we had a net loss of Rs. 1,482/- after providing Rs. 333092/- towards Deposit service fund. Rs. 1, 11,121/-towards depreciation and the amount of Rs. 43,500/- received under Entrance Fee has been taken as capital revenue, as can be noted from the audited statements of accounts which are before you.

The "Deposit Service Fund" is provided by setting apart 25% of the share of incomes/benefits derived from out of the Loan Assistances to the members. The fund is intended for service of the deposits. The present balance of the said fund is Rs. 4, 24,686/-. The rules to govern for the utilization of the fund are being formulated. For the information of the members a gist of the financial position of each branch as on 31-03-2016 is given below.

	Vaniyambadi	**Aluva**	**Kozhikode**	**Virudhunagar**	**Erattupetta**
No. Of members	415	791	444	321	2390
Amount of share	1139600	2675000	3016900	1105200	7925600
Total deposit	3983092	31606632	7778796	3094219	56674111
Total Loan out standings	3779440	26575382	7061273	3066300	42419184
Profit/loss	-82478	153621	-269324	-30324	149707

It is inspiring that our policy to provide interest free participatory micro finance for productive and self-employment purposes is gaining much acceptance encouraging us to hope for increased services covering more potential areas in future.

Present Position and Future Programs

The paid up share capital and the deposits from the members under various schemes are the sources of working capital of our society. The Deposit Schemes enable the members to mobilize their small savings, through frugal living.

Presently deposit products comprise the following:

1. 'Suraksha' fixed deposit scheme.
2. 'Sambadhya' savings deposit scheme.

3. ‘Sangha Mithra’ group deposit scheme
4. “Money Bee” daily deposit scheme.
5. “Aishwarya bhavan” home safe deposit scheme.
6. “Daily savings” deposit scheme.
7. “Homely” deposit scheme.
8. Education support deposit scheme
9. Marriage support deposit scheme
10. Pilgrimage & Tour support deposit scheme.

The following are our present Loan Products:

1. ‘Swabhiman 1’Loan scheme for self-employment and productive purposes.
2. ‘Swabhiman 2’Loan schemes for vehicles for self-employment and for consumer durables and house hold items.
3. ‘Samiridhi’ short term Business Loan Scheme
4. Seasonal Business Loan Scheme.
5. ‘Nirman’ loan scheme to increase the existing income from rental buildings and godowns.
6. ‘Ordinary’ loans to meet emergent needs and other contingencies of daily life of the members.
7. Special cash credit for the vegetable, fruit, fish vendors, etc.
8. Special cash credit for scrap collectors and dealers.

Deviating from the conventional policy of security orientation as followed by the banks and other financial institutions, Sanghamam follows the policy of purpose orientation for providing the financial assistances, same time ensuring proper and adequate securities also.

For the information of the members the gist of the latest position as to the working of the branches as on 30th June is given below.

	Vaniyambadi	**Aluva**	**Kozhikode**	**Virudhunagar**	**Erattupetta**	**Trichy**
No. of members from the service area	464	809	475	333	2579	464
Amount of share by the members in the service area	1237300	3002000	3064600	1215300	8650600	3851100
Total deposit	8808753	42356562	9714505	1780616	60528404	899600
Total Loan out standings	5047783	35241532	7085618	2164100	30674500	361980
Tentative Net surplus/Deficit	15150	58084	-24283	8018	262084	-37142

Development and installation of software

We are happy to inform that exclusive software has been developed for us with the assistance from Sahulat Micro Finance Society, Delhi. Though in the budget estimate for the previous year a lump sum provision of Rs. 10 lakhs had been made towards software installation, no amount was required to be spending from our side, as Sahulat Microfinance society directly assisted the development and installation of the software engaging M/S ACME, New Delhi directly. The installation has almost been completed by May 2016 and the implementation is in progress. On the full implementation of the software, connectivity between the head office and all the branches can be ensured.

Efforts are being made to further extend and diversify the services of the society aiming to cover all possible economic activities of the members and to more potential areas. In addition to the proposed branch at Kuttiady, to be started shortly, there are proposals for six more branches which are at different stages of action.

Mr. K.Shamsuddin who was the chief promoter of the society and who subsequently served as the Managing Director after the registration had to be relieved by 31st march 2016 in view of his poor health. We express our regards for his service for the society. Mr. V.K. Muhammad Ashfakh who has been the General Manager is acting as of the Managing Director from 1st April 2016.

Mr.K. Shamsuddin and Mr. E.V. Abdul Kareem have been co-opted to the Director Board as per provision contained in bye law 32(iii).

We have been fortunate to get all timely supports, encouragements, advices and cooperation from the Central Registrar, Sahulat Micro Finance Society and all our other well-wishers. The branch committees are taking active interest and efforts for the satisfactory functioning of the branches. The staffs serving the head office and branches are rendering sincere services. We may express our sincere gratitude to all.

For the Board of Directors

S/d-

President