

Dear Friends of Timbaktu,
greetings from Timbaktu!!

When we first invited Ashish Panda, fresh out of IRMA, to join us and start a social enterprise 10 years ago, we had no idea what it would mean to all of us, in the Collective or in the women's thrift cooperatives who had inspired us to start looking at the concept of producer owned business enterprises, in the first place.

Business was a dirty word. How could we start getting into this unethical market place? We were activists, we were social workers, we fought business people, we were anti-capitalists. In fact, even though the women's thrift cooperatives were actually conducting business, we did not see it like that. And of course it is different, as a thrift cooperative to deal with the money of its members, with and for their members. Whereas, we were now setting out to actually engage with the market. An unknown, wild and uncharted territory, well, at least for us.

So when Ashish began talking about risks in business, we got concerned. It's not that we did not know what risk was. We had been taking risks after risks almost every day, both in our personal lives, like coming to live in Timbaktu, in the middle of nowhere, on a barren piece of land, with three little children, without any money, the nearest habitation being 5 kms away, and in our public lives, organising the agricultural labourers or the tribals, fighting the landlords, their goons and the Govt, etc etc. But risk in business? Now that was unheard of. How could we ask the women, the small farmers, the dalits to take the risk of losing what little money they had?

This was rather ironic. Some years before that, I had had no compunction in telling the villagers that they had to fight and get what was theirs, their rights, and what the hell, all that they would lose was their lives. And here I was, telling myself and being reminded by Mary over and over again, that we could not possibly ask the people, the women to take monetary risks. Risks that we knew nothing about and did not know how to take.

So, at the cost of possibly losing our goodwill, losing the trust of our friends and supporters, becoming more alone than we already were, in this small group of people who believed that change was possible, we decided to write to our friends and ask them if they were willing to take the risk instead. Informing them that the Adisakthi women's thrift cooperative was putting in Rs. 3 lakhs as capital (a king's ransom actually), we requested them to give low interest loans to the Cooperative and help them start a food marketing business. Of course we would stand guarantee.

The response was huge. We could not believe it. Within a month we had raised Rs. 28 lakhs, returnable in five years and with interest rates as low as 2% and as high as 5% per annum. And from then on, there was no looking back.

We trudged along in unknown territory, made losses, received support from donor agencies (SDDT, Mumbai and EED / BFdW Germany) to do the back end work with the farmers, took more loans from friends, the small holder farmers rallied themselves and put in extra share capital and deposits worth Rs. 31 lakhs. Membership grew from 20 farmers in 2005 to 1800 farmers in 2015, from 75 acres to 9,000 acres growing crops organically. Every plot of land owned by the farmers has been mapped using GIS.

Ashish left us in 2009, few of our team members tried to forge ahead till 2011. Then Murugesan, another IRMA graduate, took over as the CEO of Dharani. Under his able leadership, by March 2015, Dharani



had paid off its losses and most of the loans, generated Rs. 1.77 crores as revenues, made a net profit of around Rs. 24 lakhs and paid out around Rs. 12 lakhs as patronage bonus to the members and incentives to the labour.

Dharani has come of age. The new updated website of the Cooperative (www.timbaktu-organic.org) is now available and you will be able to see how Dharani has grown over the years. Dharani now has customers across all the major and minor cities of South India. We believe that Timbaktu Organic, the brand name, has secured a space in the organic market....

In February / March 2015, we began preparing the next business plan and it became clear that Dharani would need to raise at least Rs. 4.50 crores as working capital by September 2015, if it was to serve its members well. This was huge. Where would Dharani raise this kind of money? No financial institution was willing to give a mutually aided cooperative owned by small holder farmers any loan. Even if they did, they needed collateral security and at least 10% to 12% interest.

Well, we thought, it's time to go back to our friends. But before that could we, at least now, take a leap of faith? Could we invest our own monies in Dharani? Over the years all the workers of the Collective and the Cooperatives promoted by the Collective had been putting away money in a monthly savings scheme. It all totaled to around Rs. 65 lakhs. I put it to the Panchayathi (forum of all full time members of the Collective and the cooperatives promoted by the Collective) and asked them if they were willing to put in their money into Dharani. This was the most overwhelming and defining moment of the Timbaktu story. Every one of the members unanimously decided that they would invest their savings in Dharani. People who were earning monthly salaries of Rs. 7,000 to those earning Rs. 35,000, with savings as little as Rs. 5,000 to over Rs. 4 lakhs, all of us decided to support Dharani for an annual interest of 8.5%. Mary and I, together have put in almost Rs. 9 lakhs.

Of the Rs. 4.50 crores required, Dharani has already raised Rs. 3.15 crores. We now need to raise Rs. 1.35 crores. Now we feel we can go to our friends once again, with head held high and know that money and resources generated here is being kept here for the local economy to grow.

So here I am, writing to you once again as we had written over a decade ago. Ten years ago we asked for interest free or low interest loans. We had offered a maximum of 5% interest per annum. You had all responded spontaneously. This journey would not have been possible without your unstinting support. Today Dharani can offer you up to 8% interest per annum.

Please invest in Dharani once again.

Dharani would like small loans of Rs. 10,000 from individuals like you. You may of course invest more. I assure you that you will not regret it. You will also be supporting one of most successful experiments in social enterprise development and a small holder farmer owned business enterprise.

I am attaching a summary of the business plan for your information. I am also attaching a note to investors from Dharani and the investor form that you can fill out, sign and send me. Dharani President and CEO will sign the document and send you a scanned copy.

Hoping to hear from you soon

With much warmth and hope,

C.K. Ganguly (Bablu)