



M. S. SWAMINATHAN RESEARCH FOUNDATION

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M.Pudhumalar Hemavathy
I/c. Community Banking

18th October 2008

Dear Noyna Roy,

On behalf of M.S. Swaminathan Research Foundation, I would like to thank you very much for sponsoring a Micro Credit Bank to provide interest free loans to help villagers and Self Help Group members in becoming small entrepreneurs to improve their lives. Your bank is operating well and loans have been given from your bank as per the details given below:

Noyna Bank

Noyna Bank was set up on 18th March 2005, with an amount of Rs. 65,505. The Kulumai Federation located in Dharmathupatty village, Dindigul district in Tamil Nadu had availed loan amount of Rs. 52,000.

Kulumai Federation

The Kulumai Federation, consisting of Self Help Groups, have been functioning successfully for the past three years and extending need-based credit to the SHGs who are members of the Federation. The village communities in general and the SHGs of 'Kulumai' in particular were able to save considerable amount of money, which would have otherwise gone as interest to the moneylenders. Based on the discussion with committee members we have given loan of Rs. 4,80,000 pooling the contribution of various banks (From your bank Rs. 52,000). Now they have started giving financial assistance to the SHG members for which they will charge nominal interest. Thus the interest amount earned helped them in meeting the operational cost and to strengthen the activities of the federation. They had also repaid the loan amount Rs.52, 000 successfully. The construction of their own building was completed and they will be shifting their office to new building in the month of November. Conveyed there thanks to all the donors of MSSRF Tokyo Asia initiatives.



New Building of Kulumai federation

Durga Women Self Help Group

Durga Self Help Group consists of 15 women members located in K. Ramanathapuram village near Kannivadi in Dindigul district of Tamil Nadu. This group is producing *Pseudomonas Flourscens*, which is one of the Bio-Fungicides being used by the local farmers for seed treatment. This helps to prevent fungus attack in the crops. They availed an interest free loan of Rs. 135,000/- pooled from two banks of Friends of Msrif Asia Initiatives (From Your Bank Rs.50, 000) the unit is functioning successfully now and they are having local market and also from nearer villages & districts. They will be starting their repayment from January 2009.



Members involving in Trichogramma Production in their unit

All this was made possible because of the bank that was set-up by your generous donation. On behalf of Self Help Group members we thank you. We are also pleased to tell you that we are continuing to expand our program, and look forward to your continuing support in the future.

The way forward of the Foundation over the years in building linkages and providing micro credit through the Micro Credit Bank's to the grass root institutions/group's has raised several positive benefits and at the same time has posed challenges too. Keeping these positive benefits and challenges in forefront, several innovations has been strategically planned. The core of these innovations has been the desire to improve the outreach by scaling up and sustaining the income generating activities of these women and men. The funds from the Friends of MSSRF for micro credit banks are being currently used for promoting Income Generating Activities, by providing leverage funds to access credit from formal banking systems and other schemes of the government.

The newer area, which have come into operations, include the Micro Enterprise Market place (which is currently in the non-farm sector but will include areas in farming like post harvest value addition; water augmentation, energy security) and Supporting Community Learning Centers (addressing functional literacy and other activities to support vibrant agricultural groups)

Broadly we would be looking like into

- a. Providing technology and skill up gradation, inputs supply and market support, leading to promotion of viable enterprises, sustainable employment, infrastructure development, improved flow and access of credit to rural entrepreneurs.
- b. Undertaking innovations so as to improve efficiency of credit delivery and other support services to the rural resource poor.
- c. Innovations which aim at increasing productivity and profitability of operations of the farmers and rural people that help in reducing drudgery, improving access to market, better sanitation, health and hygienic conditions and environment in rural areas.
- d. Improving rural credit and outreach.

- e. Creating sustainable employment opportunities for the rural communities
- f. Improving the farm practices, and help in conserving the land fertility.
- g. Research for documenting the innovations already taking place, and bringing out the key learning.

Specifically the Friends of MSSRF funds would be used

- As input costs for farmers (seeds; inputs for INM/IPM etc.) water/energy management,
- For reducing risk for farmers, by way of insurance coverage/promoting cooperatives, providing post harvest support (storage/value addition, marketing),
- For capacity building/exposure visits for SHG /women members and farmers and
- For organizing retail outlets to promote their products. - As rural business hubs
- For promoting greater sustainability to grass root institutions

The above-mentioned areas are those, where more micro-credit funds support will be needed in the future to strengthen the activities in the ongoing and new project initiatives like Bio Industrial Watershed and Fish for All Center.

In case, you have any suggestions on how we may improve our programs, please feel free to write to us.

With your continued partnership, we hope to make more positive differences in the lives of the rural communities. We thank you for your partnership.

With warm regards,

M. Pudhumalar Hemavathy

Cc: Dr.Geeta Mehta, Dr.Sudha Nair, and Ms.Kylie Schuyler & Ms.Lindy Lek