



About FWWB

Friends of WWB, India (FWWB), an affiliate of Women's World Banking (WWB) was established in 1982 as a Non-Profit Organization. It was created to extend and expand informal credit supports and networks within India to link them to a global movement. FWWB's Mission is to assist in the formation and strengthening of people's organizations by bringing them into the mainstream of the economy and thereby participating in the process of nation building. FWWB is committed to building a society based on equality and social justice where women are leaders of social change. FWWB's present strategy focuses on providing financial and capacity-building services to organizations promoting livelihoods and self-reliance of poor women.



Vision

A society based on equity and social justice where women are active partners in holistic development.

Mission

Providing financial and capacity building services to organizations promoting livelihoods and self-reliance of poor women.



Chairperson's Message

It has been a journey of transformation for FWWB, a journey which began a few years ago, bore fruit in 2009, and culminated this year with the transfer of FWWB's Micro Finance portfolio to Ananya Finance for Inclusive Growth, the NBFC promoted by FWWB. It is a great honor indeed to be given the opportunity to Chair the Board of FWWB during such evolutionary times.

FWWB is recognized as a reputed apex organization supporting and nurturing income generating activities through Micro Finance Institutions (MFIs). The shift in the credit portfolio to Ananya gave the organization room to reflect on its key focus areas and strategies for the future. FWWB continues working towards its vision of funding and nurturing nascent organizations to

promote life and livelihoods of women and inspire self-reliance in them. In coming times, this vision will be delivered through the promotion of collectives and livelihood enterprises.

This has been a year of strategizing and brainstorming for FWWB as it evolved and emerged in a new avatar. The new team has focused its energies on laying strong foundations for future growth, without compromising on delivery of existing programs.

While reviewing the Vision of FWWB, our efforts to extend support and services to Micro Finance Institutions across India have continued successfully. During the year 2010-2011, FWWB has extended its services to 44 organizations in 15 states of India.

Strengthening our relationships even further with our existing partners will be a focus in the next year. We will also aim to deepen our impact on each partner by identifying need gaps and offering an integrated basket of products including developmental finance for facilities like solar energy, water and sanitation for improving lives, education loan products, financial literacy, health and hygiene awareness as well as customized institutional level capacity building inputs.

A positive impact of FWWB on Partner Organizations and their members is fundamental to its operations. In line with this, the social impact of the interventions will be measured and tracked using innovative tools developed in-house.

I extend my sincere gratitude to every Board member for their active engagement, continued cooperation and the invaluable guidance that they have provided in this year gone by. I would like to thank Prof. D. D. Trivedi, Ms. Frances Sinha and Mr. D. Ghosh for their contributions over the years as Board members. I commend the management and staff for the energy they have demonstrated in translating our Vision into work. I would also like to thank our funders, partners, consultants and associates for sharing and supporting our Mission.

Our task for the next year is that of consolidation and growth of FWWB, and we sincerely hope to achieve our goals with the dedication and the collective efforts of one and all.

Anjali Bansal, Chairperson



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FWWB Team

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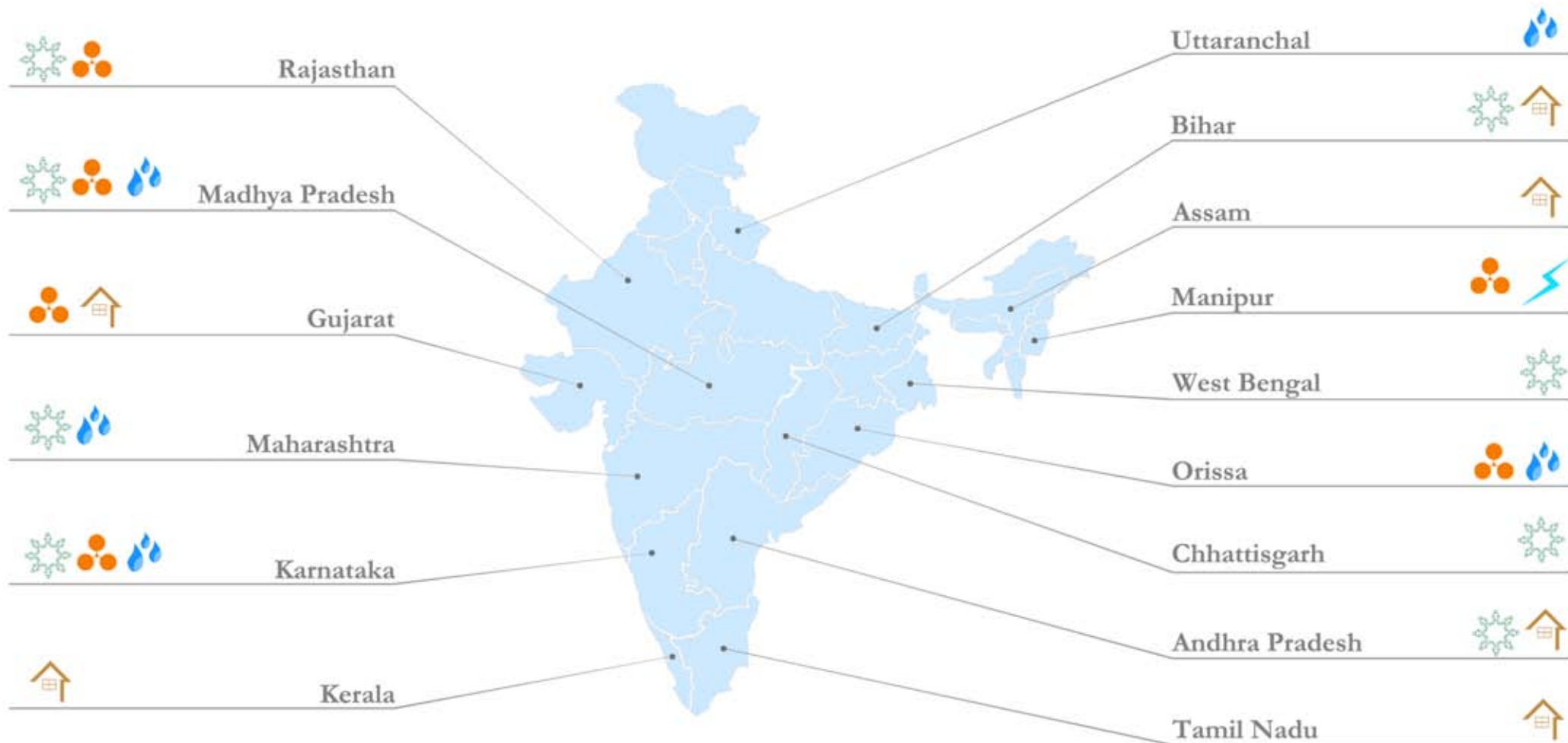
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Institutional Capacity Building of Community Based Micro Finance Institutions

Genesis

FWWB has always believed in the ability of communities to create sustainable market based solutions against poverty. Hence, ever since its inception, FWWB has been incubating Community Based Micro Finance Institutions (CB MFI) like federations and cooperatives providing financial services to vulnerable communities. The CB MFIs supported by FWWB have been high on social intent and show remarkable potential for growth with right support. They are usually created and nurtured by locally based not-for-profit Promoting Organizations or Individuals.

Program Objectives

CB MFIs provide a basket of financial and non-financial services with democratic governance through women community leaders. These leaders coming from low income households with limited access to education, over time demonstrate leadership capabilities in addressing issues within their communities. Yet their lack of financial knowledge often becomes a drawback for these CB MFIs, making them look minuscule and risky. They have thus failed to attract bankers and other financial institutions.





The program aims to revive faith in CB MFIs and to build an ecosystem to support these institutions through FWWB's network.

The objectives are:

- To provide loan support through linkage with financial institutions, and
- To provide hand-holding support to increase outreach and impact and make CB MFIs loan ready.

Program Support During the Year

The program is currently being funded through Rabobank Foundation and Coutts & Co.

Loan/Capacity Building Support for FY 2010-11

Linkage to loan support	
No. of Organizations	6
Loan Amount	INR 23,000,000
Capacity Building Support Extended	
No. of Organizations	14
States Covered	Bihar, Rajasthan, Madhya Pradesh, Karnataka, West Bengal, Chattisgarh, Maharashtra, Andhra Pradesh, Manipur

Details of Activities

Exposure Visit on Governance

Efficient governance structure and mechanism is the key to the development and sustainability of CB MFIs. Efficient governance at the CB MFI level contributes to their overall success as an organization through resource optimization, enhanced systems or processes, good portfolio management, profitability, sustainability and better primary group performance.

It is often seen that although the mission of the CB MFIs is to enhance the social and economic well being of its members, the board is unable to implement tracking mechanisms, more so for social changes. This shortfall leads to a stagnant CB MFI which fails to become the intended vehicle for change, and might cease to be socially relevant. Hence, it is crucial for the governing body to be sensitive towards social commitment along with financial sustainability as financial services are a means to the end. However, on their own, they are not able to bring about the required changes.

Exposure visits of Board of Directors of identified CB MFIs to well governed similarly placed institutions have yielded great results by providing them insights on the evolution of efficient governance and roles of different stakeholders in a CB MFI.

Streamlining Systems at the CB MFIs

CB MFIs often have inefficient fund utilization due to non-standardized systems of record keeping, loan application, review approval methods, undefined SHG savings, utilization process inefficient record keeping and leaders lacking financial knowledge. Capacity building inputs for streamlining systems were provided as required. Intensive field time was invested with the institutions and leaders of the respective CB MFIs were encouraged to reflect, propose and design the systems. The systems emerging from such exercises had more ownership and hence implementation of the same is more effective. They now form the section 'Standard Operating Procedures' in the institutions' Operations Manual, and are translated into local languages for future reference.

Development of Innovative and Customized In-house Training Material on Governance and Leadership

A Training of Trainers (ToT) manual was developed to increase women leadership in CB MFIs. The module aims to improve the picture of self, build emotional reason and goals of leaders through emphasis on the group as a learning resource and the joy of learning. It builds on group resources and helps the leaders to customize lessons and sparks off a continuous process of action learning through observations from everyday life even after the training is over.

Future Plan

The year ahead will continue meaningful engagements with CB MFI Partner Organizations to ensure their relevance to the poor by:

- Increasing number of institutions supported
- Increased engagement with community leaders to design/implement holistic business plans basis social and financial sustainability and other customized interventions
- Enhanced monitoring and follow-up on the interventions

Organization Feedback

"After the intensive interactions during the credit rating process facilitated by FWFB, we have been able to start two new products and open three new branches of the cooperative. The BoD now has a greater involvement in ensuring smooth functioning of assigned branches, in solving member issues, ensuring group discipline and ensuring repayment from defaulters.

Apart from this, the BoD has opened an information centre for the members, operated by SEWA *Mitr* and monitored by the BoD. The information centre is present in all areas and women members can take information about the various programs and can also resolve their own problems."

SMSSM, Madhya Pradesh





Institutional Capacity Building of Micro Finance Institutions

Genesis

Spanning 30 years of FWFB's operations, the Institutional Capacity Building of Micro Finance Institutions (ICB MFI) Program has played an integral role in the development of institutions providing financial services to the poor in India by identifying small, promising MFIs and building their capacity to help them become sustainable financial institutions.

FWFB's capacity building inputs vary as per their development stage, performance and needs.

Program Objective

In June 2010, FWFB received grant support from CORDAID for a period of 3 years to in turn support 20 start-up Micro Finance Institutions across India. The objective of the program is to identify nascent Micro Finance Institutions and provide institutional capacity building support. The program offers a pool of handholding services to its Partner Organizations ranging from Technical Assistance, Classroom Training and Exposure Visits, targeting specific capacity building requirements of the Partner Organizations.





Program Support During the Year

No. of Organizations supported	15
States covered	Gujarat, Karnataka, Madhya Pradesh, Manipur, Orissa, Rajasthan

Details of Activities

Capacity Building inputs were provided in partnership with Microsave and independent Consultants.

Month	Activity	No. of attending POs	Training Location
Nov.	Basics of Micro Finance and Human Resource Management <i>By Microsave</i>	15	Ahmedabad
Jan.	Training at organizational level: Basic systems <i>By Consultant and FWWB</i>	2	Karnataka
Feb.	Cluster training: JLG processes and systems <i>By Consultant and FWWB</i>	4	Rajasthan
Mar.	Cluster training: Delinquency Management <i>- By Microsave</i>	4	Manipur
Mar.	Cluster training: Governance in Cooperative Structure <i>By Consultant</i>	4	Orissa

Other Activities

- Revised formats for Desk Appraisal, Need Assessment and Reporting
- Development of indicators for measurement of Social Performance

Future Plan

- Increase outreach, and
- Continue providing customized capacity building inputs to identified Partner Organizations.

Organization Feedback

"Prior to FWWB's intervention, we were working in a very unplanned manner. After the first training session however, we planned systematically and also developed 13 formats which would be used in the process to be followed by us henceforth. It has really helped us to work in a very professional manner from the grass root level to the disbursement process level. And all this has happened only because of FWWB's capacity building support. They have actually helped us to think how to run the program systematically and sustain in a better way."

Pragati, Orissa

"With FWWB's mentoring and hand holding support we could make considerable improvement in our MF Program. The intervention was able to bring in more clarity in MF operations particularly in the area of processes, MIS, accounting and financial management, product planning and strategic business plan."

Adivasi Bachat Evam Sakhta Sahakari Samiti Ltd., Rajasthan





Livelihood and Enterprise Development Program

Genesis

Backed by more than 30 years of experience, FWWB anticipated the role that Community Owned Organizations and Livelihood Enterprises could play on creating sustainable livelihood for the poor, and for the community as a whole. In the context of poverty alleviation, the importance of these enterprises is emphasized, as they leverage benefits of aggregation of producers, like higher bargaining power for purchasing and selling, skill building, usage of technology and common infrastructure.

To support such organizations, in 2007 FWWB started the Livelihood and Enterprise Development (LEAD) Program with funding support from Citi Foundation. Over the years FWWB has supported more than 16 organizations working in the underserved areas of the country. Services provided included financial support in the form of loans and grants for working capital, market linkage and social security awareness. Organizations were selected based on the promoters' credentials and a feasibility check of the livelihood initiative.

Program Objectives

- Financial services such as loans for working capital, backward-forward market linkage support.
- Institutional and capacity building support such as training of management and staff on financial management, accounting practices, business strategy and planning, establishment of proper systems and tracking mechanisms that would not only enhance efficiency but also deepen outreach and impact.

Program Highlights

- Revival of Kachchhi Art & Crafts and providing market linkages
- Livelihood generation of neglected women of Bodo & Karbi tribes
- Promoting livelihoods of fishers through community based organizations
- Livelihood promotion activities of marginalized and poor families
- Development of inclusive value chains in Jute craft sector
- Social entrepreneur-market linkages for small and marginalized weavers



Details of Activities

While in the year 2010-11 FWWB, as an organization, looked at consolidation of all its projects and activities. Important decisions and developments took place for the LEAD project. Firstly, as part of the evolving FWWB strategy, decision was taken to scale up the LEAD program. Secondly, its scope was defined and alignment reached on types of organizations to be supported.

All efforts subsequently are being invested in understanding the needs of the sector, developing partnerships, reviewing and enhancing internal systems, increasing and augmenting the team learning and experience, attending and actively participating at national and international livelihood and financial inclusion forums.

FWWB has been able to effectively leverage learnings of 4 years through extensive field visits and review of Partner Organizations supported under this program. Diversity of livelihood interventions and geographical presence further enhanced the understanding of growing requirements and obstacles faced by Partner Organizations as they looked at efficiency, outreach and impact.

The most critical challenges faced by Partner Organizations across sectors are related to

availability and management of resources, MIS generation, enhancing accounting and financial practices, as well as costing and marketing of products.

LEAD team invested significant time reviewing appraisal and monitoring systems, their applicability to enterprises and developed revised systems for the same. Consultants were engaged to support the team in this process. Outcomes of the exercise are forms, formats and systems that will lead to increase in overall efficiency of the loan sanction process.

Other challenge faced was increasing direct impact on women and their households. FWWB in partnership with ISMW and Vimo SEWA organized the Financial Security Program for women at the grassroots to increase their basic understanding of managing their wealth.

Program Support During the Year

No. of Partners supported	8
Loan support amount to Partners	INR 15,970,122
Outreach (Members)	27,088
States covered	Andhra Pradesh, Assam, Bihar, Gujarat, Kerala
Sectors	Handloom & Handicrafts, Fisheries, Non-Timber Forest Produce (NTFP)



Program Impact

Impact on Primary Members:

Listed below are the major tangible and intangible areas in which the impact on primary members has been seen.

- **Social:** Increase in self-confidence, pride, dignity, women in leadership roles, status
- **Livelihood:** Skill up-gradation, market linkage, investment in capital expenditure
- **Financial Stability:** Increase in income, increase in man-days of work, reduction in dependence on exploitative money lenders, higher bargaining power of collectives
- **Standard of Living:** Improved health/hygiene, higher education, insurance coverage

Impact on Partner Organizations:

From the feedback from Partner Organizations FWWB interventions have facilitated:

- Organizations to scale up by providing working capital support that was not available to most of the Partner Organizations
- New product development
- Marketing linkages
- Recruitment of skilled staff

Future Plan

Our experience of supporting and working with enterprises and organizations has made us appreciate the fact that along with credit, providing active support for institution and capacity building is critical for overall sustainability of the livelihood initiatives.

In order to address this fact, the LEAD program aims to enhance its Credit Plus approach for organizations supported under the program. Credit plus activities would include need assessment, contextual workshops and trainings, customized interventions, facilitating linkages, providing support for operational and resource costs as well as intensive social and business reviews.

In the coming year FWWB would work towards increasing the awareness about the program, strengthening the monitoring systems, increasing its team members as well as the credit portfolio of this program.

Organization Feedback

"FWWB was the first organization to place their trust in BDT. After they supported us, we could build a credibility with which to attract other funders".

Dev Kumar, CEO, BDT





Case Study: Collective Steps Towards Prosperity

Partner Organization: FishMARC, Kutch, Gujarat

Fishing is a thriving craft that has the potential to give good steady returns to the fishermen. But the story has been different for the traditional fisher folk in the northern coast of the Gulf of Kutch who, although have been living and fishing on these coasts for over five decades have no legal rights or status on the land or coast.

They live in poverty, with huge debts, staying in inhuman conditions, without access to even basic amenities such as proper safe drinking water, good quality education and health services. During the fishing season from August to mid-May, entire villages including families and livestock move to *bandars* on the beach. They live in makeshift shacks made of gunny bags and plastic sheets on the *bandars*. These shacks, although easily available, are incapable of protecting them against harsh weather conditions prevalent in the area.

The 2001 earthquake that brought with it mass destruction for the people of North Gujarat also brought into focus the extreme backwardness of the fishing communities and their haplessness for bearing the brunt of aggressive industrial development and extensive environmental degradation.

A study conducted at the Bhadreshwar village of

Mundra Taluka revealed that its fishing community was one of the most marginalized communities. On further study it was discovered that there was a huge potential for organizing the fisher people as producer collectives.

The big challenge was that the fisher folk had high debts towards the local merchants. These local merchants ensured a debt trap for the fishermen by providing loans and support on exploitative terms.

In 2007, local NGOs under the leadership of Bhadreshwar SETU devised a scheme to release the fishermen from the stranglehold of the merchant-moneylender-middlemen-nexus. Taking a cue from the fishermen cooperatives of the South Indian coast, a 'Debt Redemption Program' was organized. Approximately forty fishermen from three *bandars* seized the opportunity and worked with the NGOs, thereby benefiting substantially through collective bargaining with the merchants. The members were assisted with loans for getting out of the clutches of the traders with whom they were indebted. The group made arrangements for marketing of dry and fresh fish.

Owing to the initial success more fishermen were eager to join in. To scale up and have better functioning of the producer collective FishMARC was invited.

FishMARC, run by a group of experienced professionals was set up to aid livelihood

enhancement of fishing communities along the coastal regions as well as promote sustainable and equitable management of fishery and coastal resources. It was formally registered in February 2009.

FishMARC stepped in with technical, financial and managerial support. It has since been instrumental in formalizing and setting up of the producer group in collaboration with Kutch Navnirman Abhiyan, Ujjas Mahila Sangathan, and Bhadreswar SETU. It took on-lending and working capital loans from FWFB in order to expand its member base and help release fisherfolk from the clutches of the money lenders.

Through this intervention, 294 members have been relieved from the clutches of the moneylenders. Efforts to improve the quality of fish were made by providing the members with

materials and equipment on credit. Marketing linkages were established and adoption of improved practices in sorting, weighing, and price fixing were initiated. This resulted in initial increase of price of fish up to 40%. This also resulted into increased competition, with overall price of the fish seeing a huge jump in the locality.

Women's contribution is evident through an equal opportunity for representation on the governing body. This has been a huge step for the otherwise suppressed women in a male dominant society. In a short period, technical upgradation, improvement in the skills of the fisher folk, better infrastructure, longer life of fish, higher prices etc. have been achieved. However, this is the first step towards addressing more complex challenges such as continuous environmental change, industrial aggression, uncertain catch, balancing business needs, repaying debts etc.





Solar Energy

Genesis

The Solar Energy Program was started as a pilot project in the state of Manipur in December 2009. It was successfully implemented with funding support from SIDBI and partnership with five MFIs of Manipur, whereby FWFB could facilitate an outreach of more than 26,000 solar lamps to the poor households.

India's grid system is considerably under-developed. The lack of adequate power infrastructure is one of the main hurdles in the development of rural India. Due to the diverse geographical conditions combined with cost constraints, a sizable percentage of villages/hamlets are still not connected to grid power.

Program Objectives

The Solar Energy Program was initiated with an objective to provide affordable, reliable and durable lighting solutions using solar energy in the underserved terrains of India.

FWFB provides solar energy run lighting devices through its unique Solar Energy program to the poor. It provides Credit Plus services to its Partner Organizations in the form of service-provider selection, product selection, awareness and cost negotiation and efficient after-sales services.

Considering the huge unmet demand and success of the program in its pilot phase, FWFB aims to expand the project as a full-fledged program.





Program Support During the Year

No. of Partner Organizations supported	5
Amount of loan support	INR 33,194,776
No. of solar lamps (Units)	26,500
State coverage	Manipur

Details of Activities

- Solar product awareness exercise for clients with the help of service provider.
- Help MFIs design appropriate loan products
- Facilitate the coordination process for the solar lamps with identified partners and service providers which includes activities as under:
 - Placement of the order for solar lamps with service provider on behalf of MFIs
 - Facilitating payment release process to the service provider
 - Follow up on dispatch status of lamps with service provider and ensure timely delivery
 - Monitoring the solar lamp distribution, utilization process followed by the MFIs
 - Facilitating after sales issues/repairs process with support from service provider
 - Ongoing research on other solar energy run devices available

Future Plan

Observing the overall environmental and social impact of the Solar Energy Program, huge amounts of unmet demands from clients and keenness of MFIs to implement various measures, FWWB plans to expand the program in other underserved North Eastern states like Assam, Orissa and West Bengal.

FWWB plans to implement this program through MFIs active in these states and reaching larger number of households. In the coming year, FWWB also intends to provide new products and solutions based on newer product designs for home lighting to the poor households.

Case Study

Client: Changnila

Partner Organization: Volunteers for Village Development, Manipur

Changnila, 58, is an active member of the SHG named New Canaan (2003) formed by Volunteers for Village Development (VVD). She has 5 siblings. She and her husband are daily wagers. The other source of income for her family is pig rearing and cultivation of ginger. Changnila availed Micro Finance loans and loan towards solar lamp from VVD to support her livelihood.

Prior to having a solar lamp she had to collect pinewood from the hills and used that for lighting.

The smoke produced by the wood was hazardous for her family's health and also made the house dirty. She had to spend 35 rupees everyday for buying kerosene oil and candles from the market which largely influenced her family expenditure. The situation was even worse during the economic blockade when the commodity prices went up and procuring them was also very difficult. This made life tough for Changnila and her family.

Changnila availed a solar lamp from VVD under FWWB's Solar Energy Program. The solar lamp has made her life very easy. The money she saved on expenses towards kerosene has helped in supporting her children's education. With the help of the solar lamp, she is now able to make food for her pigs at night which saves her time, and also undertake cultivation till late hours. It also helps in cooking and in family get-togethers.

Over and above, the lamp is also used during social gatherings at the local Church and for other ceremonies. She also gives her lamp for public gatherings and to passengers who travel at night. Changnila with her smiling face gives a special thanks to FWWB for providing the solar lamp which has changed her life and expresses her demand for more lamps to enlighten her whole house.

At the end Changnila, whose name means 'the full moon', adds that the solar lamp is not just a simple lamp, but something which has enlightened their lives.





Water and Sanitation

Introduction

Over a period of time FWWB has played different roles in terms of providing credit and grant support to our Partner Organizations. After the transition and transformation, FWWB has focused on providing support for developmental projects, which are need based and make an impact on the lives of people, especially women. One such program is Water and Sanitation (WATSAN), which has evolved to become an intensive program with engagement of multiple stakeholders such as Technical Consultants, Market Research Professionals and NGOs working with Government agencies. Affordable access to safe drinking water and proper sanitation is a fundamental requirement for health and dignity of all especially of women. Since it is the basic requirement, it calls for participation from various strata of the community. Over a billion of the world's population remains without access to portable drinking water and over a double of that does not have access to proper sanitation facilities.

The National and International community have

committed to meeting the Millennium Development Goals (MDGs) out of which Goal - 7 talks about Ensuring Environmental Sustainability. But water and sanitation is not just a single goal to be addressed, but it has to be seen as an integral part of MDGs since it is related to health, education, economic development and the environment.

Millions of lives are at risk from preventable diseases and millions of children are suffering due to the blighted evil of poverty, lack of education, ill health that is often accompanied by poor sanitation and water facilities.

Genesis

In the year 2000, with its focus on developmental issues, FWWB started an Infrastructure Credit Program to support women beneficiaries for construction of new sanitation facilities or renovation of existing ones.

Over the years it was realized that water is an integral part of sanitation, since it is crucial in maintaining the overall hygiene of the toilet. Also, access to portable drinking water would help reduce the risk of water borne diseases. So in the year 2005, Infrastructure Credit was renamed as Water and Sanitation (WATSAN) Program. It gained momentum in 2009 with the financial support from Michel and Susan Dell Foundation (MSDF) and National Housing Bank (NHB).





Program Objectives

WATSAN Program was initiated to provide 'low-income households in urban and rural India with affordable financing to enable them to access water and sanitation services'. The project goals are:

- To demonstrate that the poor are willing to invest in basic needs like drinking water and sanitation if loan facilities were made available to them.
- To generate awareness among donors, banks about the importance of a 'water and sanitation loan'.
- To establish that water and sanitation improvements will directly and significantly improve the health of the household, especially children.
- To create a demand among the poor for a 'water and sanitation facility' and in turn a 'loan' for the same purpose.

Implementation Strategy

On the basis of field visit observations, FWWB refined its processes for effective implementation of the program. Roles and responsibilities were defined for all stakeholders in the process, especially for the field staff of partner MFIs to ensure assessment of 'real' demand and 'effective' implementation. Monitoring systems were enhanced to track the progress of the MFI-Partner Organizations (MFI-PO) during and

after completion of the program.

The scope of the program has been enhanced to include a detailed activity plan and identify key stakeholders - WATSAN Program Officer (WPO), a technical consultant, baseline survey, technical feasibility reports, training on technical details, awareness on health as well as personal and environmental hygiene. WATSAN program provides capacity building support to MFI POs through grants, preparation of action plan and training modules. The implementation is tracked through Operational Monthly Progress Report (OMPR) and Monthly Progress Report (MPR). Once the implementation is done, WATSAN team verifies end utilization through monitoring visits.

Program Support

In the fiscal year 2010-11, the WATSAN program has extended loan support to four organizations for construction of sanitation facilities. Operational support was given to MFI POs for:

- Hiring technical consultants for preparing project feasibility reports, designing two to three models of toilets suitable to the location, provide training on technical specifications to the staff, client and the mason.
- Appointing WPOs whose roles include conducting socio economic surveys, spreading health and hygiene awareness, visiting individual houses for verification and reporting.

- Developing and printing training materials for spreading awareness on health and hygiene.

Workshop and WPO Training on Water and Sanitation

FWWB conducted a National Level Workshop in order to share the best practices of different organizations. The workshop on "Best Practices for the MFIs on Water and Sanitation" was conducted in Ahmedabad on 1st and 2nd of February 2011, which was followed up by WPO Training of the POs from 3rd to the 5th of February 2011 at ESI (Environmental Sanitation Institute, Ahmedabad).

Status of Loan & Operational Support

	FY 2010 - 2011	Inception - Till Date
No. of Partners extended loan support	4	6
Amount of loans disbursed	INR 9,800,000	INR 18,300,000
Loan amount utilized	INR 7,844,000	INR 16,344,000
Total number of beneficiaries (from loan)	824	1903
No. of partners given operational support	2	4
Amount of operational support disbursed	INR 136,000	INR 1,206,000
States covered	Madhya Pradesh, Maharashtra, Orissa, Uttaranchal	Karnataka, Madhya Pradesh, Maharashtra, Orissa, Uttaranchal

Learnings

First-time partner MFIs were initially skeptical about the program success as the loan product design was challenging and the consumption loan created doubt about members' repayment ability. For WATSAN's successful implementation, health awareness, demand creation, 'eligible' demand assessment, tranche disbursement, post completion field verification increase MFI operational cost. Local masons fail to meet deadlines causing actual cost increase for client, additional partner MFI costs, and sometimes total non-completion of the facility. Poorly implemented Government schemes make end-clients doubt the construction feasibility. Clients prefer costly toilets based on their own requirements and local mason's inputs, despite knowing optimised estimates. Construction techniques and related costs vary according to the regional topography.

Future Plan

- Provide capacity building support for training, community mobilization, creating training material, technical consultant linkage and exchange programs where organizations help each other to build their systems
- Create standardized online training modules for free public access enabling inter-organizational resource pool
- Encourage MFI POs to help beneficiaries benefit from Government schemes
- Conduct mason training programs for MFI POs





Case Study: Facilitating Independence Safety and Dignity

Client: Sulochana Pradhan

Partner Organization: Adhikar, Orissa

Sulochana Pradhan is a 3rd cycle client of Adhikar. She had previously taken a loan for a Betel shop. Sulochana takes care of her household consisting of five members and the small vegetable garden which the family owns.

Personal sanitation was a huge problem for Sulochana, especially in the monsoons. Her husband also supported her concern. When they heard that Adhikar was giving loans for toilet construction, they immediately took the chance and approached them.

With the loan amount of INR 15,000 and a personal investment of INR 7,000 they made a toilet which has a durable septic tank.

Since Sulochana has started using the facility, she feels independent and secure. She is proud of the fact that she made a toilet which will last for years.

Case Study: Facilitating Entrepreneurship and Safety

Client: Snehalata Sahu

Partner Organization: Mahashakti Foundation, Orissa

Snehalata, 32, manages a petty shop while her husband is a farmer. It was very difficult for her to leave her shop unattended during the day. She would use an open area almost a mile away from her house to defecate. On hearing about the WATSAN loan in a Centre meeting, she applied. A good repayment track-record, clear land documents and adequate construction area, made her eligible for the loan.

She took a loan of Rs. 20,000 for building a sanitation facility. Her husband contributed as labour for construction. The constructed septic tank was designed to last for nearly 50 years.

Snehalata now does not have to leave her shop unattended. She saves at least two hours daily, thus increasing her productivity, reducing stress and eliminating shoplifting losses. She also feels that her daughter's safety is now assured.





Special Initiatives

Special Initiatives undertaken by FWFB are activities supplementary to the established programs aimed to deepen its relationships with Partner Organizations. Although these are not yet large-scale programs, these initiatives cater to specific needs of Partner Organizations enhancing impact at the client level.

This year FWFB has increased its focus on its Special Initiatives and this trend will continue in the coming years.

Education Loan

Genesis

Universal Primary Education is one of the eight development goals of the millennium. The prosperity of a nation depends on the quality of education provided to its people. FWFB started the Education Loan program in the year 2008, to encourage MFIs to provide loans to poor families for educating their children. Children studying up to college, including Engineering, B. Ed and Arts were covered under this program.

Support During the Year

FWFB has provided loan support to its MFI

partners for three consecutive years starting 2008, to give loans to poor families for educating their children, and to encourage meritorious children of poor families to pursue higher studies. This year, total loan support of Rs. 150 lacs was given to the Partner MFI under this program.

Program Outreach

So far FWFB has supported 2,434 children of poor families through its MFI partner.

Financial Literacy

Genesis

From 2011 onwards, FWFB plans to exponentially increase its true impact through higher outreach and by monitoring program success through measurable outcomes. A new program – 'Financial Security' has been designed in partnership with sister concerns. The program is a combination of financial literacy and social security awareness creation along with support for providing linkages.

Support During the Year

FWFB organized the first Financial Security Program for 2 Partner Organizations starting with Training of Trainers between 7th and 11th February 2011. It was attended by 21 participants including staff and local leaders.

The five-day intensive training program covered Financial Literacy (Saving, Budget, Investment), Health (Importance of our body as an asset), Social Security (Insurance, Pension) and Health

and Social issues (Gender equality).

Program Outreach

The Financial literacy program has impacted the lives of 3000 members in the areas of Dahod in Gujarat in the last one year.

Grain Bank

Genesis

As the name suggests, a Grain Bank is a central storage of grains which ensures safe storage of grains from pests and dampness, with the provision of withdrawal as and when required by members of the organization. The Grain Bank was started in 2010, although its roots go back to 2004-05 when FWFB undertook research work to understand the livelihood of tribals residing in the drought prone areas of Kalahandi District of Orissa.

Support During the Year

FWFB utilized the grant funds for training the tribal SHGs on creating, maintaining and managing grain banks. It also provided grant support to help the organization meet the costs of the implementation. Considering the success of Grain Bank, FWFB plans to support such innovative initiatives taken up by organizations in future.

Program Outreach

In the last year, FWFB has promoted ten grain banks in the Mohangiri Gram Panchayat region of Kalahandi District of Orissa.



FWWB Team

Senior Management Team

Anshu Bhartia

CEO

Vibha Sharma

Head – Project Finance

Program Management Team

Neha Kansara

Manish Kumar Mishra

Shruti Raheja

Program Officers

Ambily Nair

Himanshu Vaghela

Ilas Khairnar

Kiran Rathod

Meenakshi Jaiswal

Ruski Mahal

Shailja Mehta

Sireesha Patnaik

Suhani Avrani

Accounts and Finance

Anjana Joshi

Viral Sanghvi

Administration

Jyotsna Gohil

Sreedevi Nair

Support Staff

Chandrakant Parmar

Dilip Zala

Partner Organizations

Access Livelihoods Consulting India

Adarsh Mahila Vikas Swalambhi Sahakari Samiti

Adhikar

Adivasi Bachat Evam Sakh Sahakari Samiti Ltd.

Association for Development and Research in Socio Economic Activities

Azad Mahila Sawathya Sahakarita Samiti

Center for Action & Rural Reconstruction

Chanura Microfin

Community Collective Society For Integrated Development

Co-operatives Promoted by Sampark

ESAF Microfinance Investment Pvt. Ltd.

ESAF Swasraya Producers Company Limited

FishMARC

Indur Intideepam MACS Federation Ltd.

Jagran Jan Vikas Samiti

KHAMIR Craft Resource Centre

Light Microfinance

Mahashakti Foundation

Manipuri Chanura Leishem Marup

Mimoza Enterprise Finance Pvt. Ltd.

Mulberry

Organisation for Rural Improvement

Pragati

Sahaj

Sakhi Credit Co-operative

Samarasa

Sambhav Social Service Organization

Samruddhi Welfare Development Foundation

Sangharsh Mahila Manch

Sankalp Grameen Mahila Swayamsiddha Sangh

Self Employment Voluntary Association

Self Help Promotion for Health And Rural Development

Social Action For Rural Development

Supath Gramodhyog Sansthan

Swayamsampurna Federation

Swashrayee Mahila Sakha Sahakarita Maryadit

Tana Bana Marketing Company Pvt. Ltd.

Volunteers for Village Development

Weaker Section Development Society

Yashwardhini Grameen Mahila Swayamsiddha Sangh

Funding Partners

Grant

Citi Foundation (United Way Worldwide)

CORDAID

Coutts & Co.

Michael and Susan Dell Foundation

Rabobank Foundation

Loan

Axis Bank Limited

CORDAID

Corporation Bank

Dena Bank

Ford Foundation

HDFC Bank

Indian Bank

Indian Overseas Bank

Michael and Susan Dell Foundation

National Housing Board

Rabobank Foundation

Small Industries Development Bank of India (SIDBI)

State Bank of India

Syndicate Bank

Board of Directors

Chair Emeritus

Ela R. Bhatt

Founder, FWWB & SEWA

Chair

Ms. Anjali Bansal

Managing Partner, Spencer Stuart India

Vice Chair

Ms. Sonal Modi

General Manager, Regional Business Head, Maharashtra HDFC Ltd.

Trustees

Ms. Anjali Raina

Executive Director, Harvard Business School India Research Centre, Mumbai, Maharashtra

Mr. D. Ghosh (Ex SIDBI Nominee)

General Manager, SIDBI

Prof. D.D. Trivedi

Consultant

Ms. Frances Sinha (Ex Member)

Director, EDA Rural Systems

Ms. Girija Srinivasan

Development Consultant

Prof. Ila Patel

Professor, IRMA

Mr. K .C Bhanoo (SIDBI Nominee - current)

General Manager, SIDBI, Ahmedabad, Gujarat

Ms. Mirai Chatterjee

Chairperson, National Insurance Vimo SEWA Corporative Ltd. & Lok Swasthya Health Workers Co-operative

Director, SEWA Social Security Team

Dr. Smita Premchander

Secretary, SAMPARK, Independent Consultant

Dr. Sudha Kothari

Managing Trustee, CHAITANYA

Ms. Vijayalakshmi Das

Managing Director, Ananya Finance for Inclusive Growth Private Limited

Committees

Program Committee

Ms. Girija Srinivasan	Chair
Prof. Ila Patel	Member
Ms. Sudha Kothari	Member
Ms. Vijayalakshmi Das	Member

Audit Committee

Ms. Sonal Modi	Chair
Mr. K. C. Bhanoo	Member

Governance and Nomination Committee

Prof. Ila Patel	Chair
Ms. Anjali Bansal	Member
Ms. Mirai Chatterjee	Member
Ms. Anjali Raina	Member

Human Resource Committee

Ms. Mirai Chatterjee	Chair
Ms. Anjali Bansal	Member
Ms. Sonal Modi	Member
Ms. Anjali Raina	Member
Ms. Anshu Bhartia	Member Ex-officio

Board Meetings

Dates of Board Meetings

24th April 2010
27th June 2010
10th August 2010
25th September 2010
17th December 2010
12th March 2011

Name of Member No. of Meetings Attended

Ms. Anjali Bansal	6
Prof. Ila Patel	6
Dr. Sudha Kothari	6
Ms. Vijayalakshmi Das	6
Ms. Anjali Raina	5
Ms. Girija Srinivasan	5
Ms. Mirai Chatterjee	5
Ms. Sonal Modi	5
Mr. K. C. Bhanoo	3
Mr. D. Ghosh	1
Prof. D. D. Trivedi	1
Ms. Frances Sinha	1
Dr. Smita Premchander	1



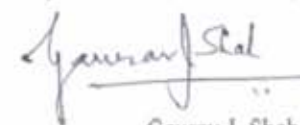
**Audited
Financial
Statements**
2010 - 11

Auditors' Report

1. We have audited the attached Balance Sheet of **Friends of WWB, India** (Registration No. F/821/AHD) as at March 31, 2011 and also the Income and Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the Trust. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by The Bombay Public Charitable Trust Act, 1950 applicable to the State of Gujarat and on the basis of such checks as we considered necessary and appropriate and according to information and explanations given to us during the course of audit, we enclose in the Annexure, a statement on the matters specified therein.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account have been kept by the Trust so far as appears from our examination of the books;
 - c) The Balance Sheet and the Income & Expenditure Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion and to the best of our information and according to the explanations given to us, *subject to Note C.4(e) of Schedule 15 to the financial statements regarding a corpus donation given to Indian Foundation for Inclusive Growth*; the accounts read with other notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet of the state of affairs of the Trust as at March 31, 2011 and
- (ii) in the case of the Income & Expenditure Account of the excess of expenditure over income for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)



Gaurav J. Shah
Partner

(Membership No. 35701)

Place: Ahmedabad
Date: 18th June, 2011

Annexure to the Auditors' Report

Referred to in Paragraph 3 of our report of even date

- a) The accounts are maintained regularly and in accordance with the provisions of the Bombay Public Charitable Trust Act, 1950 and the Rules thereunder.
- b) The receipts and disbursements are properly shown in the accounts.
- c) The cash balance and vouchers in the custody of the Accountant on the date of audit were in agreement with the accounts.
- d) All the books, deeds, accounts, vouchers and other documents of records required by us, were produced before us.
- e) During the year, the Trust did not hold any inventories of movables.
- f) The Accountant appeared before us and furnished the necessary information required by us.
- g) No property or funds of the Trust were applied for any object or purpose other than for the objects of the Trust,
- h) The amount of loans outstanding for more than one year is Rs. 141,500. Out of the total amount of Rs. 26,440,437 outstanding as at March 31, 2011, no amounts have been written off during the year.
- i) During the year, tenders were invited where the repairs and construction expenditure exceeded Rs. 5,000.
- j) No money of the Trust has been invested contrary to the provision of section 35.
- k) There has not been alienation of immovable property contrary to the provisions of section 36 which have come to our notice.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)

Place: Ahmedabad
Date: 18th June, 2011

Gaurav J. Shah
Partner
(Membership No. 35701)

THE BOMBAY PUBLIC TRUST ACT, 1950

Schedule IXC

(Vide Rule 32)

Statement of income liable to contribution for the year ending on 31st March, 2011

Name of the Public Trust: FRIENDS OF WWB INDIA, AHMEDABAD

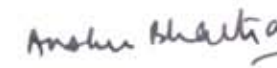
Registration No.: F/821/AHD

	Amount in Rupees	Amount in Rupees
Gross annual income - As per Annexure attached hereto		31,602,134
Details of income not chargeable to contribution under Section 58 Rule 32.		
Donations received during the year from any source		
Grants by Government and local authorities as per Annexure attached hereto	9,834,617	
Interest on Sinking or Depreciation Fund		
Amount spent for the purpose of education & training, Training & Workshop Expenses (As certified by the Management)		
Amount spent for the purpose of medical relief		
Deductions out of income from lands used for agricultural purposes:-		
Land Revenue and local Fund/Cess		
Rent payable to superior landlord		
Cost of production, if lands are cultivated by trust		
Deductions out of income from lands used for non-agricultural purpose:-		
Assessment, Cesses and other Government or Municipal Taxes		
Ground rent payable to the superior landlord		
Insurance Premium		
Repairs at 8-1/3 per cent of gross rents of buildings		
Cost of collection at 4 per cent of gross rent of buildings let out		
Cost of collection of income or receipts from securities, stocks, etc. at 1 per cent of such income.	150,587	
Deductions on account of repairs in respect of buildings not rented and yielding no income at 10 per cent of the estimated gross annual rent	174,720	10,159,924
Income liable to contribution		21,442,210

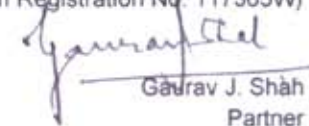
For Friends of WWB, India


Trustee


Trustee


Chief Executive Officer

For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117365W)


Gaurav J. Shah
Partner
(Membership No. 35701)

Date: 18th June 2011

Place: Ahmedabad

Date: 18th June 2011

Place: Ahmedabad

Annexure to Schedule IXC

Name of the Public Trust: FRIENDS OF WWB INDIA, AHMEDABAD

Registration No.: F/821/AHD

Year ended: March 31, 2011

Statement showing calculation of Gross Annual Income

	Amount (Rs.)	Amount (Rs.)
Grants & Donations – As per Income & Expenditure Account	8,672,814	
Less : Unspent amounts of grant as on 31.03.10	19,288,899	
Add : Unspent amounts of grant as on 31.03.11	20,450,702	
Grants & Donations – Received during the year		9,834,617
Bank interest – As per Income & Expenditure Account		14,133,250
Other Income – As per Income & Expenditure Account		5,129,267
Income of Micro Finance – As per Note 4(d) of Notes to Accounts, since only net result is carried to the Income & Expenditure Account		2,505,000
Amount directly credited to the Balance Sheet: Corpus fund – As per Schedule -1 to the Balance Sheet		Nil
Amount directly credited to the Balance Sheet: Risk fund – As per Schedule-2 to the Balance Sheet		Nil
Total		31,602,134

Statement showing calculation of Donations received during the year from any sources and Grants

	Amount (Rs.)	Amount (Rs.)
Grants & Donations – As per Income & Expenditure Account	8,672,814	
Less : Unspent amounts of grant as on 31.03.10	19,288,899	
Add : Unspent amounts of grant as on 31.03.11	20,450,702	
Grants & Donations – Received during the year		9,834,617
Amount directly credited to the Balance Sheet: Corpus fund – As per Schedule -1 to the Balance Sheet		Nil
Amount directly credited to the Balance Sheet: Risk fund – As per Schedule-2 to the Balance Sheet		Nil
Total		9,834,617



Annexure to Schedule IXC

Name of the Public Trust: FRIENDS OF WWB INDIA, AHMEDABAD

Registration No.: F/821/AHD

Year ended: March 31, 2011

Statement showing Cost of collection of income or receipts from securities stocks etc. at 1 per cent of such income

	Amount (Rs.)
Bank interest – As per Income & Expenditure Account	14,133,250
Income from investments – As per schedule 12 to the Income & Expenditure Account (Rs. 24,901 + Rs. 900,541)	925,442
Interest from bank - As per Note 4(d) of Notes to Accounts	Nil
Total	15,058,692
1% thereof	150,587

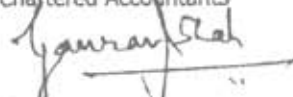
Statement showing repairs at 10% of the estimated gross annual rent

	Amount (Rs.)
Rental charges (Area of Building 5600 sq. ft. @ Rs 26/- per Sq.Ft.p.m.)	1,747,200
10% thereof	174,720



		Amount (Rs.)	
	Schedule	As at March 31st, 2011	As at March 31st, 2010
SOURCES OF FUNDS			
Corpus	1	135,957,200	135,957,200
Reserves and Surplus	2	80,818,242	257,245,188
Loan Funds			
Secured Loans	3	71,080,279	4,454,026,669
Unsecured Loans	4	27,500,000	172,534,180
Other Loans (Refer Note 4(c) of Schedule 15C)		1,731,388,924	-
Total		2,046,744,645	5,019,763,237
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		16,173,923	17,179,771
Less: Accumulated Depreciation		11,818,764	12,233,094
Net Block		4,355,159	4,946,677
Investments	6	11,146,000	14,517,000
Current Assets, Loans and Advances			
Stock in Trade			
Cash and Bank Balances	7	289,881,274	1,254,770,685
Other Current Assets	8	14,125,425	41,585,313
Loans and Advances	9	1,756,937,866	3,732,158,935
Total Current Assets, Loans and Advances		2,060,944,564	5,028,514,933
Less: Current Liabilities and Provisions	10	29,701,079	28,215,374
Net Current Assets		2,031,243,486	5,000,299,559
Total		2,046,744,645	5,019,763,237
Significant Accounting Policies and Notes to Accounts	15		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants


Partner

Place: Ahmedabad
Date: 18th June 2011

For Friends of WWB, India


Trustee

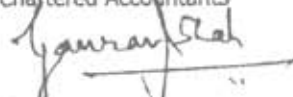
Place: Ahmedabad
Date: 18th June 2011


Trustee


Chief Executive
Officer

		Amount (Rs.)	
	Schedule	As at March 31st, 2011	As at March 31st, 2010
INCOME			
Grants & Donations	11	8,672,814	17,270,578
Bank Interest		14,133,250	13,579,802
Surplus from Micro Finance Activity (Refer Note 4(d) of Schedule 15C)		2,505,000	84,043,210
Other Income	12	5,129,267	3,497,893
Total		30,440,331	118,391,483
EXPENDITURE			
Employee Cost	13	7,607,120	6,853,356
Finance Cost		1,044,396	148,933
Operational Support to Partner Organizations		1,452,200	2,341,132
Training and Workshop Expenses		1,684,965	2,298,203
Flood Fund Support		-	132,000
Legal and Professional Fees		1,811,782	4,075,221
Administrative and Other Expenses		2,925,534	5,925,637
Loans and Advances Written Off		-	574,999
Provision for Doubtful Loans		-	1,159,500
Depreciation		708,730	1,259,065
Total		17,234,727	24,768,046
Excess of Income over Expenditure for the year before Exceptional Items		13,205,604	93,623,437
Exceptional Items (Refer Note 4(b) and 4(e) of Schedule 15C)		(184,322,942)	(50,000,000)
Excess of Expenditure over Income for the year after Exceptional Items		(171,117,338)	(43,623,437)
Add: Balance brought forward from the Previous Year		213,569,342	169,945,905
Balance carried to the Balance Sheet		42,452,004	213,569,342
Significant Accounting Policies and Notes to Accounts	15		

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants


Partner

Place: Ahmedabad
Date: 18th June 2011

For Friends of WWB, India


Trustee

Place: Ahmedabad
Date: 18th June 2011


Trustee


Chief Executive
Officer

Schedule 1
Corpus and Other Trust Funds

Amount (Rs.)

	As at April 1, 2010	Additions during the year	Deductions during the year	As at March 31, 2011
For Development Activity:				
Corpus Fund	135,957,200	-	-	135,957,200
Total	135,957,200	-	-	135,957,200
Previous Year	135,957,200	-	-	135,957,200

Schedule 2
Reserves and Surplus

Amount (Rs.)

	As at April 1, 2010	Additions during the year	Deductions during the year *	As at March 31, 2011
General Reserve	-	38,366,238	-	38,366,238
For Micro Finance Activity				
Risk Fund	14,249,123	-	14,249,123	-
Loan Loss Reserve	29,426,723	-	29,426,723	-
	43,675,846	-	43,675,846	-
Balance of Income and Expenditure Account	213,569,342	(171,117,338)	-	42,452,004
Total	257,245,188	(132,751,100)	43,675,846	80,818,242
Previous Year	213,312,145	43,933,043	-	257,245,188

*** Notes:**

- 1) During the year, in view of transfer of Microfinance Business (Refer Note 4(a) of Schedule 15C), the amounts of Risk Fund of Rs. 8,939,515 and of Loan Loss Reserve of Rs 29,426,723 related to the Microfinance Business have been transferred to General Reserve.
- 2) Deductions for the year from Risk Fund includes Rs. 5,309,608 transferred to the Purchaser on Transfer of the Microfinance Business. (Refer Note 4(a) of Schedule 15C)



**Schedule 3
Secured Loans**

Amount (Rs.)

	Notes	As at March 31, 2011	As at March 31, 2010
For Development Activity:			
Small Industries Development Bank of India	2	2,671,938	11,282,758
For Micro Finance Activity::			
Axis Bank Limited	1	-	363,636,355
Small Industries Development Bank of India	2	68,408,341	1,597,688,500
National Bank of Agriculture & Rural Development	1	-	79,405,000
Dena Bank	1	-	316,666,666
Indian Bank	1	-	169,535,482
Indian Overseas Bank	1	-	161,105,561
HDFC Bank Limited	1	-	390,476,192
Corporation Bank	1	-	370,524,755
State Bank of India	1	-	162,500,000
Citi Bank	1	-	235,000,000
Syndicate Bank	1	-	470,000,000
Rabobank Foundation	1	-	30,879,000
The Ford Foundation	1	-	95,326,400
Total		71,080,279	4,454,026,669

Notes: The above Loans are Secured by

- 1) Charge on Book Debts arising out of the Loan Funds.
- 2) Pledge of Fixed Deposits amounting to Rs. 97,968,096 (P.Y. Rs 80,069,656) and charge on Book Debts arising out of the Loan Funds.

**Schedule 4
Unsecured Loans**

	As at March 31, 2011	As at March 31, 2010
For Development Activity:		
National Housing Bank	7,500,000	10,000,000
Michael & Susan Dell Foundation	20,000,000	20,000,000
For Micro Finance Activity:		
Small Industries Development Bank of India	-	8,750,000
CORDAID	-	133,784,180
Total	27,500,000	172,534,180



Schedule 5
Fixed Assets (at Cost)

Amount (Rs.)

PARTICULARS	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions during the year	Deletions/ Transfers during the year	As at 31.03.2011	As at 01.04.2010	For the year	Deletions/ Transfers during the year	As at 31.03.2011	As at 31.03.2011	As at 31.03.2010
Buildings	1,296,105	-	-	1,296,105	1,100,442	19,566	-	1,120,008	176,097	195,663
Leasehold Premises	6,255,954	-	-	6,255,954	3,417,698	283,826	-	3,701,524	2,554,430	2,838,256
Computers	3,340,406	212,300	1,283,932	2,268,774	2,362,693	178,680	674,346	1,867,027	401,747	977,713
Office Equipments & Furniture	5,784,004	32,225	110,200	5,706,029	4,963,338	192,797	42,836	5,113,299	592,730	820,666
Vehicles	503,302	643,206	499,447	647,061	388,923	33,861	405,878	16,906	630,155	114,379
Total	17,179,771	887,731	1,893,579	16,173,923	12,233,094	708,730	1,123,060	11,818,764	4,355,159	4,946,677
Previous Year	16,567,446	612,325	-	17,179,771	10,974,030	1,259,065	-	12,233,095	4,946,676	



Schedule 6

Investments (At cost)

(Amount in Rupees)

	As at March 31, 2011	As at March 31, 2010
Long Term Investments - Quoted		
For Development Activity:		
Government of India 8% Savings (Taxable) Bonds, 2003	10,646,000	14,017,000
4,150 Units of Unit Trust of India of Rs. 100/- each	500,000	500,000
Total	11,146,000	14,517,000

Schedule 7

Cash and Bank Balances

(Amount in Rupees)

	As at March 31, 2011	As at March 31, 2010
For Development Activity:		
Cash on Hand (including foreign currency)	2,757	4,454
Bank Balances with Scheduled Banks:		
In Saving Accounts	15,751,420	27,034,933
In Fixed Deposit Accounts *	182,360,576	176,702,418
For Micro Finance Activity:		
Bank Balances with Scheduled Banks:		
In Current Accounts	335,103	58,214,607
In Saving Accounts	2,829,753	912,299,591
In Fixed Deposit Accounts *	88,601,665	80,514,682
* Includes Fixed Deposits of Rs. 110,580,028 (P.Y. Rs. 91,869,656) pledged with Banks and Financial Institutions for Borrowings		
Total	289,881,274	1,254,770,685



Schedule 8

Other Current Assets

(Amount in Rupees)

	As at March 31, 2011	As at March 31, 2010
For Development Activity:		
Accrued Interest on Loans	256,419	58,904
Accrued Interest on Bank Deposits	6,365,485	9,267,061
Tax Deducted At Source	3,096,500	1,511,725
Other Advances	219,516	182,310
For Micro Finance Activity:		
Accrued Interest on Loans	-	7,386,451
Accrued Interest on Bank Deposits	2,369,229	12,700,180
Tax Deducted at Source	1,818,276	1,384,605
Advance to Indian Foundation for Inclusive Growth	-	9,068,399
Other Advances	-	25,679
Total	14,125,425	41,585,313

Schedule 9

Loans and Advances

(Amount in Rupees)

	As at March 31, 2011	As at March 31, 2010
For Development Activity:		
Unsecured and Considered Good	25,548,942	17,966,854
Considered Doubtful	891,495	1,159,500
Less: Loan Loss Provision	891,495	1,159,500
	25,548,942	17,966,854
For Micro Finance Activity:		
Unsecured and Considered Good	-	3,714,192,081
Considered Doubtful	-	37,580,447
Less: Loan Loss Provision	-	37,580,447
	-	3,714,192,081
Advances recoverable in Cash or in Kind or for Value to be received (Refer Note 4(c) of Schedule 15C)	1,731,388,924	-
Total	1,756,937,866	3,732,158,935



Schedule 10

Current Liabilities and Provisions

(Amount in Rupees)

	As at March 31, 2011	As at March 31, 2010
For Development Activity:		
Sundry Creditors	501,616	699,783
Unspent Amount of Grants	20,450,702	19,288,899
Other Current Liabilities	417,567	-
For Micro Finance Activity:		
Interest Accrued but not due to Funders	-	7,953,529
Other Current Liabilities	-	273,163
Payable to Ananya Finance for Inclusive Growth Private Limited	8,331,194	-
Total	29,701,079	28,215,374

Schedule 11

Grants and Donations

(Amount in Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
Cordaid	2,116,833	7,598,401
Rabobank Foundation	1,092,213	436,991
Michael & Susan Dell Foundation	1,093,279	1,709,944
United Way Worldwide	1,483,187	3,503,212
Charity Aid Foundation	2,485,817	2,316,737
Small Industries Development Bank of India	-	1,483,000
Aide Mondiale	251,000	-
Coutts	127,014	-
Others	23,471	222,293
Total	8,672,814	17,270,578



Schedule 12

Other Income

(Amount in Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
Income from Investments:		
Dividend	24,901	29,046
Interest	900,541	1,207,588
Interest on Loan	3,156,705	1,596,365
Provision for Doubtful Debts Written Back	268,005	-
Sale of Publications	1,173	-
Consultancy Fees	52,500	-
Rent	466,500	412,790
Miscellaneous Income	258,942	174,070
Provision for Diminution in the value of Investment Written Back	-	78,034
Total	5,129,267	3,497,893

Schedule 13

Employee Cost

(Amount in Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
Salaries and Allowances	6,759,092	6,177,374
Contributions to Provident and Other Funds	429,722	430,301
Staff Insurance Premium	73,780	74,391
Gratuity Premium	344,526	171,290
Total	7,607,120	6,853,356

Schedule 14

Administrative and Other Expenses

(Amount in Rupees)

	Year ended March 31, 2011	Year ended March 31, 2010
Rent, Rates and Taxes	100,898	98,189
Insurance	37,971	28,715
Office and Administration Overheads	970,321	2,147,711
Travelling Expenses	1,462,856	2,777,825
Membership Fees	5,000	29,618
Books, Periodicals and Audio Visuals	110,978	576,186
Contribution to Public Trust Administrative Fund	50,000	50,000
Foreign Exchange Fluctuation Loss	-	24,368
Auditors' Remuneration	187,510	193,025
Total	2,925,534	5,925,637



Schedule - 15: Notes to the Financial Statements

A. General:

Friends of Women's World Banking, India, ('FWWB') is an non-profit organization established to advance and promote direct participation of poor women in the economy through access to national and international institutions working for the development of the women in India. FWWB, India is a trust registered under the Bombay Public Charitable Trust Act, 1950 and a society registered under the Society Registration Act, 1860. FWWB, India has been registered as a charitable trust under section 12A of the Income Tax Act, 1961.

FWWB is committed to building a society based on equity and social justice where women are active partners in holistic development. It does so by providing financial and capacity building services to organizations promoting livelihoods and self reliance of poor women.

B. Significant Accounting Policies:

1. Accounting Convention:

The financial statements are prepared on accrual basis under the historical cost convention and are in consonance with applicable accounting standards of the Institute of Chartered Accountants of India to FWWB.

2. Grants:

Grants in the nature of capital receipts are credited to the Corpus in the Balance Sheet. Grants received specifically relating to fixed assets are credited to the Capital Grants in the Balance Sheet. Such grants are recognized in the Income and Expenditure Account on a systematic and rational basis over useful life of the fixed assets. The allocation to the income is made over periods and in the proportion in which depreciation on the related Fixed Assets are charged to the Income and Expenditure Account.

Grants for specific purpose i.e. restricted grants, are recognized as income to the extent of amount spent during the year, in the Income and Expenditure Account. Unspent balances of the restricted grants are carried as liability in the Balance Sheet. Other grants are recognized as income in the Income and Expenditure Account of the year.

3. Revenue Recognition:

In respect of the credit activity, income of interest on the loans granted is recognized on accrual basis and when no significant uncertainty as to collectability exists. The recognition is in accordance with the terms of the relevant agreements. Income on loans doubtful of recovery is recognized only when realized.

In all other cases, revenue is recognized when no significant uncertainty as to measurability or collectability exists.



4. Fixed assets

Fixed assets are recorded at cost less accumulated depreciation. The cost comprises of purchase price and all incidental costs related to acquisition and installation.

5. Depreciation

Depreciation has been provided over the useful life on the written down value method on pro-rata basis from the date of purchase up to the date of sale, at rates specified as under:

Buildings	10%
Furniture & Office Equipments	25%
Computers	40%
Vehicles	20%

6. Investments

Long term investments are stated at cost. Provision for diminution in the value of investments is made only if, in the opinion of the management, such a decline is regarded as being other than temporary.

7. Foreign Currency Transactions

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of the transaction. Monetary items of assets and liabilities denominated in foreign currencies are re-stated at the year end rates. Exchange differences arising on settlement of transactions in foreign currencies or re-statement of foreign currency denominated assets and liabilities are recognized in the Income and Expenditure Account.

8. Retirement Benefits

Liability for gratuity is provided and charged to the Income & Expenditure Account on the basis of FWWB's obligation measured at the present value of estimated future cash flows using a discounted rate as calculated by Life Insurance Corporation of India under a Gratuity Assurance Scheme on defined benefits.

Contributions, as required by the statute, are made to the Government Provident Fund and are charged to the Income and Expenditure Account for the period.

9. Bad Loans or Provision for Loans Doubtful of Recovery

In respect of the credit activity, as regards loans granted, for which:

- Installments due for more than 180 days are considered as doubtful, full provision is made for the total outstanding amount of such loans.
- At the end of two years, the total outstanding balances of such loans are written off as bad debts.



C. Notes to the Accounts:

1. Corresponding figures of the previous year have been regrouped, rearranged, wherever necessary, to make them comparable with the figures of the current year.
2. Contingent liability in respect of guarantee issued by FWWB to the lenders Rs. 1,067,143,095 (Previous Year – Nil).
3. FWWB is registered under section 12 A (a) of the Income tax Act, 1961 and its income is exempt from the income tax as per the provisions of section 11 of
4. a) During the year, FWWB entered into Business Transfer Agreements ('the Agreements') with Ananya Finance for Inclusive Growth Private Limited ('Ananya'), to transfer on "Slump Sale" basis, its assets and liabilities pertaining to microfinance activities as a going concern. The effective date of the transfer of the business, as agreed to in this respect, is 1st April, 2010. The carrying cost of such assets and liabilities agreed to be transferred, as per the audited financial statements for the year ended on 31st March, 2010, are as under:

	Assets (Amount in Rs.)	Liabilities (Amount in Rs.)
Loan Funds:		
Secured Loans		4,385,618,326
Unsecured Loans		142,534,180
Risk Fund		5,309,608
Current Assets, Loans and Advances:		
Cash and Bank Balances	982,597,622	
Accrued Interest on Loans	7,386,451	
Accrued Interest on Bank Deposits	12,700,180	
Loans and Advances	3,714,192,081	
Advance to Indian Foundation for Inclusive Growth	9,068,399	
Other Advances	25,678	
Current Liabilities:		
Interest accrued but not due on loans		7,953,529
Other Current liabilities		231,827
Total	4,725,970,411	4,541,647,470

- b) FWWB and Ananya agreed for a consideration of Rs. 450,000,000 for the transfer of the above stated assets and liabilities, resulting into a surplus of Rs. 265,677,059, being the amount of sale consideration in excess of the above stated net carrying cost of the assets and liabilities agreed to be transferred. This surplus has been disclosed in the Income and Expenditure Account as an Exceptional Item.



c) As regards the liabilities of the loans borrowed by FWFB from various banks and financial institutions ('the Lenders'), as stated in (a) above, pending necessary approvals from the lenders, Ananya, by entering into a back-to-back agreement with FWFB, has agreed to serve the borrowings by following all the terms and conditions of the borrowing agreements entered into between FWFB and the lenders. In view thereof, such loans, details of which are stated as under, have been continued to be shown as liabilities in the Balance Sheet and corresponding amount has been shown as amount receivable in cash or in kind under Schedule 9 of Loans and Advances in the Balance Sheet.

	(Amount in Rs.)
	As at March 31, 2011
Other loan funds from:	
Axis Bank	94,545,436
Small Industries Development Bank of India	561,591,659
Dena Bank	183,048,634
Indian Bank	45,357,673
Corporation Bank	194,133,872
State Bank of India	112,500,000
Syndicate Bank	329,000,000
Rabo Bank Foundation	30,879,000
The Ford Foundation	95,326,400
CORDAID	85,006,250
Total	1,731,388,924

d) The microfinance activity was being carried out as an activity incidental to the attainment of the main objectives of FWFB and only net financial results for the year, as arising from the microfinance activity was carried and disclosed in the Income and Expenditure Account. FWFB has maintained separate set of books of account in respect of the microfinance activity, till the same was transferred to Ananya as stated in (a) above. Details of such income and expenditure for the current and the previous year are as under. In view of the transfer of the microfinance activity effective from 1st April, 2010, as stated in (a) above, the figures are not comparable with the figures of the previous year.



Particulars	Year ended March 31, 2011	Year ended March 31, 2010
INCOME		
Income on loans given for the object of the trust	-	449,710,734
Interest from Bank	-	7,495,738
Recovery of debts written off as bad in earlier years	2,505,000	-
Other Income	-	2,131,987
Total	2,505,000	459,338,459
EXPENDITURE		
Finance Cost	-	331,245,227
Personnel Cost	-	6,257,248
Administrative and other operative cost	-	1,951,210
Legal and Professional fees	-	3,038,801
Auditors Remuneration	-	193,025
Loans and Advances written off	-	16,053,160
Provision for Doubtful Loans	-	16,556,579
Total	-	375,295,250
Surplus of income over expenditure for the year from the micro finance activity	2,505,000	84,043,210

e) During the year, FWWB has given a corpus donation of Rs. 450,000,000 (Previous Year Rs. 50,000,000) to Indian Foundation for Inclusive Growth ('IFIG'), a trust registered under the Documents and Registration Act, 1908 which has been disclosed under Exceptional Items in the Income and Expenditure Account. The main object of IFIG is poverty alleviation and to build, promote and own directly or through equity contribution to microfinance institutions with a view to expand microfinance services at grass root level all over India. Considering this corpus donation is for the objects of FWWB and for charitable purpose, no provision has been made for income tax liability, if any.

5. Related Party Disclosures:

a) Names of the Related Party and nature of their relationships with FWWB

Name of the Party	Nature of relationship with FWWB
Ananya Finance for Inclusive Growth Private Limited (Ananya)	A private limited liability company in which the promoter Director, Mrs. Vijayalakshmi Das is a trustee of FWWB Trust
Indian Foundation for Inclusive Growth (IFIG)	A Trust in which the first trustees, Ms. Sudha Kothari and Ms. Anjali Bansal, are the trustees of FWWB Trust
Mrs. Vijayalakshmi Das	Trustee
Ms. Anjali Bansal	Chairperson and Trustee

(Amount in Rs.)

Sr. No.	Name of the related Party	Nature of transactions	Year ended March 31, 2011	Year ended March 31, 2010
1.	IFIG	Donation	450,000,000 (Dr)	50,000,000 (Dr)
		Advances	-	9,068,399 (Dr)
		Outstanding Balance	-	9,068,399 (Dr)
2.	Ananya	Receipt on business transfer	450,000,000 (Cr)	-
		Received for Servicing Loan	1,393,781,585 (Cr)	-
		Loan recovery of Ananya	113,500,208 (Cr)	-
		Interest	8,378,995 (Cr)	-
		Fixed Deposits	12,106,341 (Cr)	-
		Interest accrued on fixed deposits	12,700,180 (Cr)	-
		Bank balance transferred back	970,491,281 (Cr)	-
		Interest expense	222,808,248 (Dr)	-
		Principal payment	1,535,665,896 (Dr)	-
		Transfer of fund	735,800,000 (Dr)	-
		Fixed deposit proceeds	7,582,788 (Dr)	-
		Assets transferred	676,951 (Dr)	-
		Other transfers	93,512 (Dr)	-
		Outstanding Balance	8,331,194 (Cr)	-

6. Auditor's Remuneration includes:

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
Audit Fees	187,510	386,050
Taxation and Other consultancy services	473,187	176,480
Out of Pocket expenses	-	216
Total	660,697	562,746



7. Managerial Remuneration:

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
Remuneration to Chief Executive Officer	1,482,824	1,990,632
Total	1,482,824	1,990,632

8. Earnings in Foreign Currency:

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
Grants & Donations	9,811,146	28,492,954
Total	9,811,146	28,492,954

9. Expenditure in Foreign Currency:

(Amount in Rs.)

	Year ended March 31, 2011	Year ended March 31, 2010
Travel & Other Expenses	8,212	147,784
Total	8,212	147,784

In terms of our report attached

For Friends of WWB, India

For Deloitte Haskins & Sells
Chartered Accountants



Partner

Place: Ahmedabad
Date: 18th June, 2011

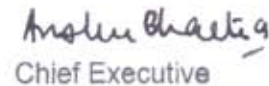


Trustee

Place: Ahmedabad
Date: 18th June, 2011



Trustee



Chief Executive
Officer







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