



FWWWB

FRIENDS OF WOMEN'S WORLD BANKING  INDIA



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Annual Report 2009-10



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

FWWB, India was promoted in 1982 by SEWA Bank, as an affiliate of Women's World Banking, a global network created to focus on the need for women's direct access to financial services, recognizing women's role in building a nation's economy. Over these years, FWWB combined its loans with technical assistance to ensure sustainable growth of Micro Finance Institutions (MFIs). We supported more than 300 institutions with technical assistance and nearly 200 with loan support of around Rs. 11 billion benefiting 2.6 million women.

The year 2009-10, continued to show growth in our portfolio and outreach. The loan disbursed to the partner organizations increased from Rs. 403 crores in the year 2008 – 09 to Rs. 498 crores in 2009 – 10, a 23 % increase. Loan outstanding portfolio increased from Rs. 294 crores to Rs. 375 crores , a 28 % increase. We continued our focus on expanding our outreach to underserved / underdeveloped regions / areas. During 2009 – 10, FWWB worked in 17 states and supported 117 partner organizations. The outreach increased to 12,68,747 from 10,39,260 active women borrowers. We continued to focus on North and North-Eastern regions of India while supporting organizations working in urban areas of India.

I am proud to say that a number of programs were revived or initiated in this year as part of the management effort to increase social impact. Efforts made in 2008 to introduce renewable energy products for our partners in Manipur, made it possible for the women in Manipur to purchase solar lamps this year. The pilot project was supported by SIDBI and 5000 solar lamps were made available this year.

During the year, FWWB once again focused on Community Owned MFIs with the support of Rabobank Foundation both in terms of loan and technical support.

In line with FWWB's focus on women, a new Microfinance product was introduced - the Water and Sanitation loan. This was funded by National Housing Bank (NHB) and Michael and Susan Dell Foundation. During this year, 1300 toilets were constructed and 504 water connections were availed through 5 MFI partners in the states of Orissa, Maharashtra and Karnataka.

The Citi Foundation continued its funding support to the Livelihood and Enterprise Development (LEAD) program by sanctioning additional funds of Rs.1.6 crores through United Way Worldwide, USA. During this year, we continued to support organizations in the states of Assam, Bihar, Gujarat and Tamil Nadu.

FWWB, being a member of various networks, has played a significant role in the building of the Microfinance sector. To expand outreach to more institutions and products and services that have significant impact on enhancing the lives of the poor, especially that of women, FWWB had taken a the decision to promote a trust- India Foundation for Inclusive Growth (IFIG) and a Non Banking Financial Company (NBFC) - Ananya Finance for Inclusive Growth Private Limited (Ananya).

This year has been truly historical for FWWB as the efforts put in during the last three years to form an NBFC have borne fruit. Ananya has been registered under The Companies Act, 1956. The FWWB credit portfolio was moved to Ananya on 1st April 2010. I am very thankful and appreciative of the untiring efforts of Ms. Swati Swoparkar, Mr. Rajesh Agrawal, Ms. Sonal Modi and Mr. Nagarajan who along with me aided the transformation process. The transformation process would however continue for the remaining activities in the year to come.

I would also like to take this opportunity to acknowledge and thank the credit team that has moved to Ananya, for their contributions and being an integral part in the growth of FWWB. My special gratitude to Ms. Vijayalakshmi Das, who as CEO of FWWB for over two decades, has played a key role in the growth and development of FWWB. Her invaluable contributions ensured FWWB became an apex organization in the microfinance sector. She now shoulders the responsibility of Managing Director, Ananya, and will continue to be an integral part of FWWB through her presence on the Board.

FWWB will continue to promote livelihood and self reliance of poor women in the areas of women's empowerment, strengthening Community Based Institutions, initiating pilots in the areas of livelihood promotion and need-based financial products and services that impact the lives of the poor. In this endeavor, FWWB remains guided by Ms. Elaben Bhatt, who is a continuing source of guidance and inspiration.

I am also very happy to welcome on board, Ms Anshu Bhartia as CEO, FWWB. She comes with 17 years of global experience in the corporate sector, across industries, specializing in project implementation and partner management. I am sure under her leadership, FWWB will continue to contribute and lead the way in making a difference in the overall development of society, with women being at the center of change.

I thank our donors, lenders, consultants and associates for their contributions to FWWB and their support. I hope this association continues to grow in the years to come. I express my gratitude to WWB, New York for extending their continuous support to FWWB over the years. Last but not the least; I extend my thanks to my colleagues on the board and the team at FWWB.

Sincerely yours,
Anjali Bansal



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CREDIT PROGRAM

In 2009-10, FWWB continued to witness growth in its credit program. The loan amount disbursed to partner organizations increased from Rs. 403 crores in year 2008-09 to Rs. 498 crores in year 2009-10 showing an increase of 23%. Outstanding portfolio as on 31st March 2010 shows an increase of 28% from Rs. 294 crores to Rs. 375 crores with 12,68,747 women borrowers from 117 MFIs working across 17 states of India.

Five-Year Performance at a Glance

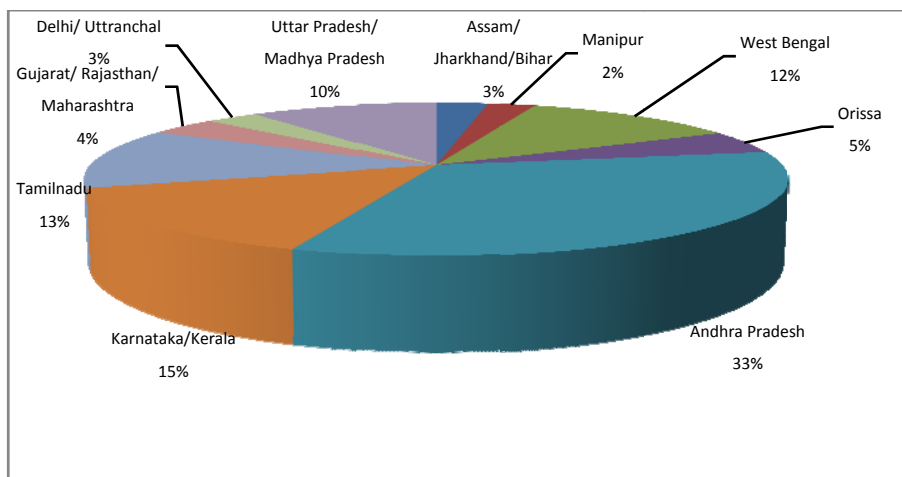
Parameters	2006	2007	2008	2009	2010
Loan Outstanding (Rs. in Crores)	67	105	218	294	375
Repayment Rate (as of 30 days)	98%	98.80%	99%	99%	99%
Portfolio at Risk (PAR) (as of 30 days)	0.38%	1.06%	1.32%	0.95%	0.60%
No. of ongoing Partner Organizations	79	100	120	117	117*
No. of Active Women Borrowers	2,17,214	3,49,260	7,26,170	10,39,260	12,68,747
Average Loan Size (Rs.)	5,008	4,989	4,999	4,999	5,192

*During the year, 20 organizations were inducted while 20 exited

State-wise portfolio

Since the year 2007, FWWB shifted its operational focus from the southern states to the other states namely Manipur, Assam, Jharkhand, Bihar, West Bengal and Orissa, which were identified as the underserved states of India. These states together hold a share of 22% in FWWB's portfolio with 35 partner organizations.

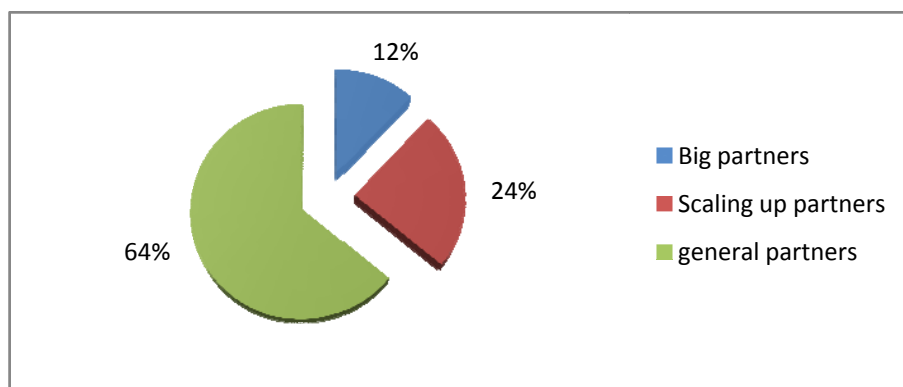
STATE-WISE PORTFOLIO*



*States have been clubbed together for better percentile representation of the graph

Partner category-wise status:

FWWB has categorized its partner organizations into three categories viz. Big partners, Scaling-up partners and General partners on the basis of internally formulated parameters.



Loan Products & Pricing :

FWWB continued its loan product which is common across all partners - 18 month loans at 13.5% p.a. rate of interest.

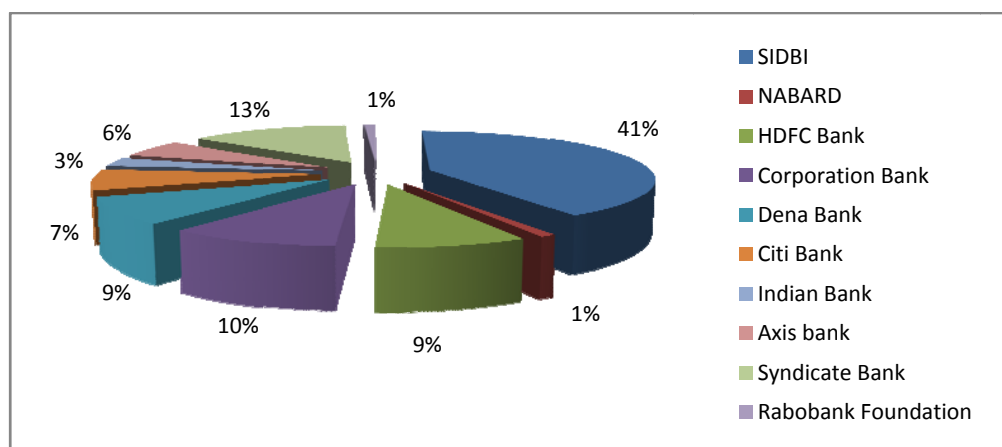
Portfolio Quality:

Our partners in different regions have faced constraints; some internal like limited capacity to mobilize funds and external constraints like sectoral and socio-political changes impacting the organization. Despite this we have been able to maintain the portfolio quality. Portfolio of big partners is 54% in the year 2009-10 while scaling-up partners hold 27% and the general partners hold 19% share in the total portfolio.

The risk in FWWB's loan portfolio increases with association with start-up organizations, which are unable to link with commercial funding even after three years of working. In the present portfolio, 80% of our partner organizations are now linked to banks, which show a marked improvement in reducing FWWB's risk. The remaining 20% partner organizations still pose a threat to FWWB's portfolio, since FWWB continues to be their sole funder.

Borrowed Loan Fund status:

FWWB availed sanction from different funders amounting to Rs. 343 crores during the year, against which FWWB disbursed Rs. 498 crores to 117 organizations reaching to 12, 68, 747 women borrowers. The average cost of borrowed funds of FWWB is 9.6%.



Program Activity:

The credit program team of 10 people is responsible to visit big partners once a year and scaling-up and general partners at least twice a year. This year they conducted 138 visits to partner organizations.

During the year, 11 Loan Committee meetings were held to review the credit program status and sanction loan proposals. Loan proposals of ` 560 Crores were sanctioned and ` 498 Crores was disbursed during the year.

Twenty new organizations were inducted during the year. However, 20 organizations also exited from the credit portfolio. Of these 20 dropout organizations, 7 were delinquent and hence were written off, 8 organizations closed their loan account while 5 organizations closed the accounts satisfactorily as they were either transforming into a new entity or they did not want further funds from FWWB.

Way forward & Projection for 2010-11:

In continuation of FWWB's mission, the lending and investment program will be transferred to the newly registered NBFC (Non Banking Finance Company) namely, Ananya Finance for Inclusive Growth Private Limited. Ananya would be able to reach out to more MFIs and also extend larger support to partner organizations.



Capacity Building is an integral part of FWWB's operations. It has been a major catalyst in maintaining the quality of its loan portfolio. It aims to address the needs of its credit partners. The support includes need-based trainings, workshops, exposure visits to the best practicing MFIs, on-field technical assistance and also extending operational support to start up MFIs facing operational deficits.

The capacity building intervention has been instrumental not only in imparting knowledge or developing skills of organizations but has also helped them change their perspective towards microfinance.

Trainings and Workshops

During the year, trainings were organized on Financial Market and Capital Restructuring, Basics of Microfinance Orientation, Applied Microfinance, Basic Principles of Micro Finance and Accountancy, Management of Information System, Delinquency Management and Statutory Audit.

The details of trainings and workshops provided during the year are as follows:

Trainings/Workshops	No. Of Participants	Month	Place
MicroSave* Applied Microfinance Institute training	5	July	Jaipur
Capacity building mapping workshop was conducted to understand the needs of the organizations operating in the underserved regions such as Madhya Pradesh, Bihar, Jharkhand and Orissa.	15	August	Bhopal
MicroSave training on Basic Accounting Practices	22	September	Ahmedabad
MicroSave training on Loan Portfolio Audit-1	18+ 5 FWWB staff	September	Ahmedabad
MicroSave training on Loan Portfolio Audit-2	25	October	Lucknow
MicroSave training on Financial Management	14+3 FWWB staff	November	Ahmedabad
FWWB staff attended a 6 day Management Training - Training of Trainers	2	November	Columbo
MicroSave training on Statutory Audit	14	December	Imphal
MicroSave workshop on Social Performance Management	6 +2 FWWB staff	February	Delhi

**MicroSave: Renowned organization providing market led solutions to MFIs.

Credit Program Partner's Meet:

A two-day partners' meet was organized on 14-15th September 2009 in Delhi to brief the organizations about FWWB's transition plan and also to understand partners growth plans and strategies along with their expectations /demands from FWWB and Ananya in the coming years.

Operational Support to Partners

As a part of its capacity building inputs to organizations, FWWB provides initial operational support to new start-up organizations that are in the process of scaling up or have the potential to grow. All start-up organizations face issues related to sustainability in its Micro Finance program, especially establishment of proper systems to expand its operations. To address these issues, FWWB provides soft loan and grant support towards office equipments and salary support as per the available grant funds.



In line with the strategy of FWWB to work in the underserved regions, FWWB initiated its efforts in the state of Manipur in 2007. During the financial year 2009-10, FWWB added two more partners and is currently working with 7 partners in the state of Manipur. The current outstanding is ` 5 crores with an outreach of 24,300 women. So far the initiative has been solely supported by NABARD for Loans and SIDBI and CORDAID for grants and Technical Assistance.

FWWB with its strategic alliance with MicroSave had organized an auditors' workshop in December 2009 where all the CEOs of these organizations and their Chartered Accountants participated. The objective of the workshop was to expose them to current trends in the Micro Finance sector.

FWWB provided 6 partner organizations with MIS software support. The support was given for three branches and one Head Office for each of these organizations.

FWWB with an aim to link the partner organizations with banks arranged a Bankers' meet in Imphal.

Along with its interventions in Manipur, FWWB also organized its Board Meeting in Manipur in December 2009. In the two-day program, the Board Members visited the partner organizations, and also participated in the launch of Solar Lamps in two organizations (Chanura Microfin and Organization for Rural Improvement) followed by exposure to the organization team as well as the clients. The Board Members were also able to visit the clients' place of work to deepen their understanding on the difficulties faced by them in their daily struggle for livelihood. They also interacted with the organizations to understand the constraints faced by them in implementing systems, to raise financial resources and also function effectively in the current political scenario.

FWWB profiled the history and organizational growth of three organizations in Manipur. This initiative was supported by CORDAID. The profile highlights the struggle of these organizations to function in a volatile socio-political environment. It also elaborates how the organizations initiated Micro Finance and the challenges faced by them in raising funds.

The partners were also invited to the Social Performance Management workshop held in New Delhi by MicroSave in February 2009.

Solar energy initiative

To understand its partners' requirements, FWWB with SIDBI's support had conducted a workshop in Hyderabad in November 2008. The objective of the workshop was to introduce renewable energy products to its partners. The participants of the workshop were select partner organizations and producers of solar products.

Manipur, owing to its geographical location, has barely any sunlight- 9 hours during summers and even lesser during winters. This greatly reduces the productive time available to the women to work. To add to their woes, Manipur faces frequent power cuts, with days/ weeks when power supply is available for only 2 hours even in the capital city of Imphal; while the situation is far worse in the hilly regions of the state. The poor households are forced to use candles/kerosene to provide light, which greatly increases their household expenditure.

After a need assessment and ongoing dialogue with the clients of the partner organizations, FWWB decided that it is critical to launch a credit plus product viz. solar lamps. It conducted a series of discussions with various producers and finalized THRIVE ENERGY TECHNOLOGIES PVT LTD, an organization based in Hyderabad as a supplier for the solar lamps.

SIDBI provided loan support to FWWB for this initiative. To begin with, three partner organizations were selected for this program viz. Weaker Sections Development Society, Organization for Rural improvement and Chanura Microfin.

The above initiative was formally launched by FWWB's CEO and Board members on 19th December 2009.

The solar lamps are given to the clients on loan basis for 6 months. To ensure that the clients receive the customized product at cost effective rate, these organizations were assisted by FWWB in product designing and pricing.

In future, FWWB plans to set up service stations and assembly units in the state of Manipur with the help of the solar lamps provider.

CASE STUDY: A journey from Darkness to Light

Weaker Section Development Society: Weaker Section Development Society launched its microfinance program in mid 2007 with support of FWWB, India. The organization is working on different developmental programs for the upliftment of the community. Along with microfinance, it has also facilitated micro insurance schemes and energy loans for its clients.

Client: Mrs. Neipi Kipgen

Village: G. Kholep, Manipur



Mrs. Neipi Kipgen, 38 years, is a mother of four children. Her husband is a fruit/vegetable vendor. The income from this activity was not sufficient to meet the household expenses. To substantiate the household income, she began weaving (Loin loom) and rearing pigs for which she took a loan support of Rs.10,000 from Weaker Sections Development Society.

The family was spending Rs. 40 per litre every three days on kerosene and in its absence Rs. 20 per packet of candles as illumination expenses.

After procuring the solar lamp, the household expenditures on fuel have considerably decreased. She says, *“With the help of the lamp, I am able to spare an extra hour to weave without depending on power supply, also my children are now able to study at leisure. We are now in a position to use the money saved on fuel towards repaying the loan installment with ease. After the repayment period of 6 months is over, the money so saved can support my children’s tuition fees that we are sometimes unable to pay on time”.*



Genesis:

The mission of FWWB is to assist in the formation and strengthening of peoples' organizations by bringing them into the mainstream of the economy and thereby participate in the nation building process. Guided by this mission, FWWB during its initial years emphasized on promoting Community Owned and Managed Self Help Groups (SHGs), Federations and Co-operatives. The major constraint in the initial years was availability of loan funds for the smaller Non Governmental Organizations (NGOs). Hence, in 1990, FWWB set out to refinance the small NGOs that had no access to loan funds from the formal financial sector. Thus, a small revolving fund to the tune of Rs. 1.5 million was established.

However, in the past two decades, there has been a change in the composition of organizations involved in the Micro Finance sector. Community Owned and Managed SHGs, Federations and Credit co-operatives gave way to MFIs who operated on 'Credit only' delivery model. More financial institutions preferred this fast growing route, and the lending to SHG focus was shifted to forming and giving loans to Joint Liability Groups (JLGs).

In the attempt to generate more profits, they often failed to be sensitive to the interventions required for improving overall well being of the women.

FWWB has felt that assuring member participation and ownership in organizations providing financial services to low-income vulnerable sections is the crux to change their lives. This came from their belief, that once the capacities of the people are unleashed, they are capable of making changes and also sustaining them.

With the above understanding, FWWB in the present financial year commenced an initiative to support Community Owned Organizations through the support of Rabobank Foundation. The aim was to provide the necessary technical assistance along with loan support to a select number of Community Owned Microfinance Institutions. The Community Owned MFIs include federations of SHG, Co-operatives and any other legal entity, where member participation and ownership is assured.

Interventions of the program:

Technical Assistance would cover: formulation of Strategic Plans with the Community Owned Microfinance Institutions; building strong Management Information System (MIS) and streamlining the accounting procedures; building leadership and good governance; undertaking credit rating; exposure to best practices; financial literacy to members to ensure transparency in operations and linkages to provide insurance and pension services to the poor.

The Loan support would include designing appropriate loan products to suit the need of the members and bridging the existing gap in the supply of credit to members. The loan support would also help the organization in leverage larger loans from formal financial institutions.

Program Support during the year:

FWWB received a loan of Rs. 3.08 crores from **Rabobank Foundation** in November 2009 to support growing and promising Community Owned MFIs. Two organizations were disbursed loans totaling Rs. 75 lacs in the current financial year.

Table 1: Detailed break-up of Partner Organizations

Name of organizations	Disbursed date	Place/ State	Disbursed amount (Rs.Lacs)
Manipuri Chanura Leishem Marup	February 2010	Imphal, Manipur	25
Swashrayee Mahila Sakha Sahakarita Maryadit (SMSSM)	March 2010	Indore, Madhya Pradesh	50
Total			75

Manipuri Chanura Leishem Marup, Manipur: The organization is commonly referred to as MACHA LEIMA and is registered as a society under the Societies Registration Act 1860 in the year 1973. They started the Micro Finance program in 1997 and have been working with 238 SHGs in 4 districts with an outreach of 2105 members.

Swashrayee Mahila Sakha Sahakarita Maryadit (SMSSM), SMSSM is a saving and credit co-operative society founded in 1989. Presently, they are working in Indore, Mhow and Ujjain in Madhya Pradesh. With over 9000 women members, the co-operative seeks to address the saving, credit, pension and insurance of members.

Grant support to Partner Organisations:

Under this program, grant support of Rs. 1.20 lacs was given to Antyodaya Mahila Sangh, Dholka, Ahmedabad, Gujarat (a federation promoted by Ahmedabad Study Action Group) for six months in February 2010. The grant was given to support salary and administration expenses of the federation.

Support was provided to the Community Owned MFIs leaders in terms of a grant, making it possible for them to attend National Conference on SHG Federations – Challenges and Way Ahead, 4th-5th March 2010, which was held at College of Agricultural Banking, Pune.

Future Plans

The program team will coordinate the Credit Rating of SMSSM, Indore. The organization required this support in order to leverage loan from Banks.

Apart from the above, appraisal process of other Community Owned MFIs will also be undertaken for both, providing Loan support as well as Technical Assistance.



WATER AND SANITATION PROGRAM

Water and sanitation are primary requisites of every human being. Sanitation and portable water facilities go a long way not only in improving the health, particularly of women and children, but also in having an indirect impact on life expectancy and the number of working days. Sanitation facility also gives a sense of dignity to women, and addresses the environmental issues that arise out of open defecation.

As per the Millennium Development Goal (MDG) Report 2008, about 2.5 billion people, almost half of the developing world's population lives without proper sanitation facility. In India nearly half of the population is deprived of sanitation facility. Though there has been an improvement in the access to sanitation facilities, meeting the MDG will require redoubling of efforts.

In line with the focus on developmental issues, FWWB started its interventions in water and sanitation from the year 2000. With the help of Mahila Housing SEWA Trust (MHT), a training module was developed to build the capacity of NGOs (Non Government Organization) and MFIs working in this sector. Recognizing the growing demand from MFI Partner Organization (MFI-PO), the Water and Sanitation program started in 2005. It gained momentum in 2009 with the financial support from National Housing Bank (NHB) and Michael and Susan Dell Foundation (MSDF).

A team of two qualified architects and environmental planners are currently working on this program.

The Program

The purpose of FWWB Water and Sanitation Program is to support poor women by giving credit for construction of sanitation facilities¹ and/or to avail legal water connections. The program aims to demonstrate that proper water and sanitation facility will directly improve the health of the household and environment and indirectly improve the overall income of the clients. It also intends to create a demand among the poor for a water and sanitation loan product through an integrated approach, including awareness creation on personal health and hygiene.

Under the program, FWWB provides soft loans to MFI-PO along with grant, where necessary, to take care of the additional operational cost incurred by them. As on March 2010, FWWB supported five MFI-POs and about 1,200 water and sanitation facilities were constructed in the states of Orissa, Maharashtra, and Karnataka.

The entire program was envisaged in two phases:

- PHASE-I focused on baseline survey and product development. Two MFI-POs were selected in this phase, a baseline survey was conducted and the findings of the survey were analyzed to understand the demand. Dissemination of the findings of PHASE- I occurred through a workshop held in Bangalore in August 2009.
- The PHASE-II of the program focused on actual implementation. Systems and processes were set for selection of organizations. Proposals were invited from MFI POs, which were appraised on the basis of set criteria. Selected partners were appraised on-site; based on the positive outcome, loans were sanctioned and disbursed. Periodic monitoring visits were undertaken to assess the effectiveness of implementation. In each stage, the MFI-POs were given assistance in developing linkages with technical experts, guidelines on location and client selection criteria and setting standards and procedures.

Current Status

FWWB's support (Grant and Loan) to partners during the period 2009-10

PHASE I

Organization	Geographical Area	FWWB (Grant Support in Rs. Lacs)	
		Operational Support (Staff Salary support)	External Support (for technical consultants and market research)
Ujjivan Financial Services	Bangalore, Karnataka	0.4	5.16

¹ Sanitation Facility includes construction of toilet and/or bathroom, and associated facilities like water storage tank, water connection for the toilet etc.

SHEPHERD	Trichy, Tamil Nadu	2.5	2.66
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**Figures as on March 31st 2010*

PHASE II

Organization	Geographical Area	Loan Disbursed (Rs. Lacs)*	Impact (No. Of clients)
Esaf Microfinance and Investments (P) Ltd	Nagpur, Maharashtra	45	834
Mahashakti Foundation	Kalahandi Region, Orissa	15	81
Adhikar	Bhubaneswar, Orissa	20	134
Samarasa	Bidar, Karnataka	5	85
Total		85	1134

**Figures as per March 31st 2010*

OBSERVATIONS

Major findings post workshop and field visits were:

As this program involves construction of a permanent asset, ensuring the space availability and legal ownership are critical indicators in client selection. This also ensures the client's eligibility to take legal water connection and permission of the municipality to connect to underground drainage. Other challenges include high operational cost incurred by MFI-POs during implementation and monitoring and poorly implemented government schemes adversely affecting the confidence of various stakeholders.

OPPORTUNITIES

FWWB plays a crucial role in coordination and motivation of stakeholders involved in the program viz. MFI POs, Technical Consultant, and Market Research Team. There is a need to encourage MFI-POs to work with Government bodies in availing smart subsidies and legal connections. The Technical Consultants need help in preparing checklists for Technical baseline survey. Also, there is a need to provide capacity building to organizations; in terms of product design, designing training materials for clients and masons, sharing knowledge on low cost sanitation with MFI-PO's staff and local mason's etc.

FUTURE PLANS

1. To support 2,000 beneficiaries by the end of FY 2010-11 through Loan and Grant support; which will require linking MFI-POs with Technical Consultants and Market Research team if necessary
2. Develop systems to strengthen the implementation and monitoring procedure
3. Arrange workshop and training program for partners.
4. Impact assessment on socio-economic indicators of the clients on completion of the program

CASE STUDY: A Home of Happy Girls

Esaf Microfinance Investments (P) Ltd-Nirmal Jeevandhara Project

Esaf Microfinance Investments (P) Ltd (EMFIL) launched the Water and Sanitation initiative, and christened it as Nirmal-Jeevandhara (NJD) project in Nagpur in 2009. The program gained momentum with a term loan of Rs. 45 Lakhs from FWFB in November 2009.

With that amount EMFIL supported 834 clients to construct toilet facility and avail legal water connections. Panchsheela was one of the clients who availed the loan.

Client: Panchsheela

Village: Wadi, Nagpur, Maharashtra



Life has never been easy for Panchsheela, a mother of four young girls. The family felt the need for a private toilet when the children started going to school. They had to wait near the public toilet, which prevented them from being punctual in school. Also, her daughters were attaining puberty and needed a hygienic environment. Panchsheela decided to build a toilet for them with the small amount of money they had saved to renovate the house.

Being a client of EMFIL, Panchsheela had earlier availed a loan for starting a small grocery shop. She had completed the repayment of the loan on time and was awaiting a second loan. She availed *Nirmal* loan of Rs. 12,000 to complete the construction of the toilet cum bath facility.

Her daughters no longer have to waste their time queuing for using the public toilet and they now utilize the time for studying!



LIVELIHOOD AND ENTERPRISE DEVELOPMENT (LEAD) PROJECT

LEAD project was initiated on a pilot basis for two years with the support of Citi Foundation in 2007. With the successful completion of the pilot project it was felt that the project needs to be continued. Therefore, in 2009, Citi Foundation, through United Way Worldwide (UWW), USA further extended additional funds of Rs. 1.6 crores for next two years.

The main objectives of the project have been:

- To support Partner Organizations for creating alternative livelihood means or additional income sources for their clients so as to improve the economic conditions of the households
- To address pockets of different states and communities where the extent of poverty is high
- To provide credit services such as loans for working capital, backward and forward linkages
- To promote innovations for poverty eradication

This project worked with partner organizations across the country to reduce the vulnerability of the poor households by providing funding and hand holding support. The functional domain of the partner organizations has been outlined in the table below:

Partner Organization's Functional Domain	Geographical Area	FWWB Support (Rs. lacs)
Providing employment opportunity to vulnerable poor women through ownership in Incense sticks producer company	Munger, Bihar	5
Enhancing livelihoods of marginalized fishing communities by equitable management of coastal resources.	Kutch, Gujarat	47.5
Reviving non-embroidery handicrafts and upgrading livelihoods of artisan communities	Kutch, Gujarat	15
Facilitate the development of marginalized and poor families through livelihood promotion activities	Cuddlore, Tamil Nadu	25
Providing economic opportunities to women from Boro and Karbi tribes	Kamrup, Assam	13.5
Linking small and marginal jute craft producers to markets	Thrissur, Kerala	20
Livelihood opportunities for migrant rickshaw pullers	Patna, Bihar	25
Total		151

Future plans

The experience of working with organizations in this sector has made us realize that credit plus support such as technical and capacity building support, are critical for creating sustainable livelihoods institutions. Therefore in the coming years, FWFB intends to build its own capacity to gear to this.

CASE STUDY: From Economics to Empowerment

SEWA Udhugik Swablambi Sahakari Samiti Ltd (SUSSSL) is a registered producer company making Advaita scented Incense Sticks. This unit adds value to rolled incense sticks by adding fragrance and ensuring quality. It commenced its production activity from July 2009. It was formed to provide full employment to poor and vulnerable women in the backward district of Munger, Bihar. It has availed working capital support of Rs 7 lacs from FWWB. It also has committed Technical and market support from a corporate house. In last nine months, SUSSSL has been able to reach a steady production of 15 million Incense Sticks of highest quality.

Client: Savita Devi

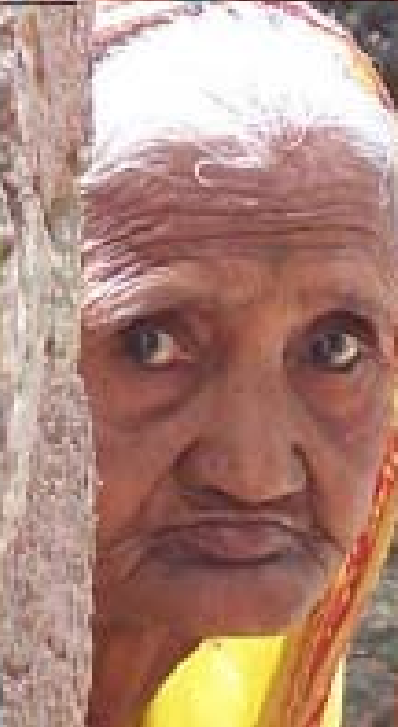
Village: Kathiyar, Munger, Bihar



Shrimati Savita Devi is a 40 years old mother of five children and comes from a backward and conservative society that does not approve of women working.

Savita fought societal reservations and struggled towards economic independence. Initially her family also resisted, but she secretly kept making agarbattis. Her perseverance, efficiency and eye for maintaining quality made her an easy choice for upgrading her skills and including her in the producer company. This paved the way for steady income and full employment opportunity to Savita and other members like her.

The change this has brought in Savita's life is noteworthy in terms of economic comfort, a better standard of life and regularity in the education of her children. Today when you meet Savita Devi, and ask her what has been her biggest learning. She says with a big smile "I have learnt that it isn't easy to change minds of people but you have the potential to be the change yourself"



Chair Emeritus

Ela R. Bhatt
(Founder FWWB & SEWA)

Chair

Ms. Anjali Bansal
(Managing Director, Spencer Stuart)

Vice Chair

Ms. Sonal Modi
(General Manager, Regional Business Head-Maharashtra HDFC Ltd.)

Prof. Ila Patel
(Professor, IRMA)

Ms. Mirai Chatterjee
(Coordinator, National Insurance Vimo SEWA Cooperative Ltd and Lok Swasthya Health Worker Cooperative. Director, SEWA Social Security Team)

Ms. Sudha Kothari
(Managing Trustee, Chaitanya)

Prof. D.D. Trivedi
(Consultant)

Ms. Frances Sinha
(Director, EDA Rural Systems)

Mr.D. Ghosh
(General Manager, SIDBI)

Ms. Smita Premchander
(CEO, Sampark)

Ms. Girija Srinivasan
(Development Consultant)

Ms. Anjali Raina
(Executive Director, Harvard Business School India Research Centre)

Ms. Vijayalakshmi Das
(CEO, FWWB)

PROGRAM COMMITTEES

COMMITTEE	CHAIR	MEMBERS
PROGRAM COMMITTEE	Ms. Frances Sinha	Ms. Ila Patel Ms. Sudha Kothari, Prof. D. D. Trivedi
AUDIT COMMITTEE	Prof. D D Trivedi	Ms. Sonal Modi
GOVERNANCE AND NOMINATIONS COMMITTEE	Ms. Anjali Bansal	Ms. Mirai Chatterjee Ms. Frances Sinha
HR COMMITTEE	Ms. Mirai Chatterjee	Ms. Anjali Bansal Ms. Sonal Modi Ms. Vijayalakshmi Das

BOARD MEETINGS HELD IN 2009 – 10

25 th April 2009
27 th June 2009
26 th September 2009
19 th December 2009
30 th January 2010

NAME OF BOARD MEMBER	MEETINGS ATTENDED
Ms. Anjali Bansal	3
Ms. Sonal Modi	4
Prof. Ila Patel	5
Ms. Mirai Chatterjee	4
Ms. Sudha Kothari	5
Prof. D.D. Trivedi	2
Mr. Frances Sinha	2
Mr.D. Ghosh	4
Ms.Smita Premchander	3
Ms.Girija Srinivasan	3
Ms. Anjali Raina	1
Ms. Vijayalakshmi Das	5
Mr.Rajesh Agarwal ²	1

² Last meeting attended on 26th Sept 2009

SENIOR MANAGEMENT TEAM

VIJAYALAKSHMI DAS, Chief Executive Officer
MADHVI DESAI, Head Finance and Accounts

PROGRAM MANAGEMENT TEAM

LALIT SHAH
ANUP GHOSH
RAJESH SINGH
PINAKI RANJAN MITRA
HEMANT DUJARI
RITU VATS
MANISH MISHRA
SHRUTI RAHEJA

PROGRAM OFFICERS

NEHA KANSARA
AMBILY P
SIREESHA PATNAIK
SHARAD VERMA

ACCOUNTS AND FINANCE

ANJANA JOSHI
BEENA THAKAR

ADMINISTRATION

SANGEETA SHARMA
JYOTSNA GOHIL
SREEDEVI ANIL NAIR
MAMTA BHATIA

SUPPORT STAFF

RAM NARESH YADAV
CHANDRAKANT PARMAR



Auditors' Report

1. We have audited the attached Balance Sheet of **Friends of WWB, India** (Registration No. F/821/AHD) as at March 31, 2010 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) *Attention is invited to Note B.2(b) of Schedule 15 to the financial statements regarding a corpus donation given to Indian Foundation for Inclusive Growth. Subject to this, in our opinion and to the best of our information and according to the explanations given to us, the accounts read with notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:*

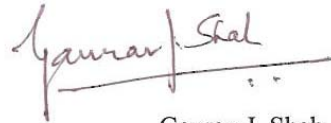
SRS

Deloitte Haskins & Sells

Deloitte Haskins & Sells
Chartered Accountants
'Heritage', 3rd Floor,
Near Gujarat Vidhyapith,
Off Ashram Road,
Ahmedabad - 380 014.
Tel: +91 (79) 27582542
+91 (79) 27582543
+91 (79) 66073100
Fax: +91 (79) 27582551

- (i) in the case of the Balance Sheet of the state of affairs of the Trust as at March 31, 2010 and
- (ii) in the case of the Income & Expenditure Account of the excess of income over expenditure for the year ended on that date.

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



Gaurav J. Shah
Partner

(Membership No. 35701)

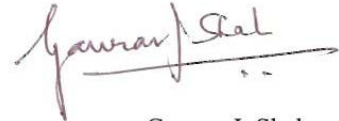
Place: Ahmedabad
Date: 24th April, 2010

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. 1,159,500. Out of the total amount of Rs. 3,787,527,041 outstanding as at March 31, 2010, the amount written off during the year is Rs. 16,628,159.
- i) During the year, there were no repairs and construction expenditure exceeding Rs. 5,000 for which tenders were required to be invited.
- 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)



Gaurav J. Shah
Partner
(Membership No. 35701)

Place: Ahmedabad
Date: 24th April, 2010

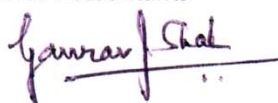
FINANCIALS

Friends of Women's World Banking, India

Balance Sheet as at March 31, 2010

	Schedule	As at March 31, 2010 (Rupees)	As at March 31, 2009 (Rupees)
SOURCES OF FUNDS			
Corpus	1	135,957,200	135,957,200
Reserves and Surplus	2	257,245,186	213,312,143
Loan Funds			
Secured Loans	3	4,454,026,667	3,252,318,345
Unsecured Loans	4	172,534,180	157,309,608
Total		5,019,763,233	3,758,897,296
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		17,179,771	16,567,446
Less: Accumulated Depreciation		12,233,095	10,974,030
Net Block		4,946,676	5,593,416
Investments	6	14,517,000	14,438,966
Current Assets, Loans and Advances			
Cash and Bank Balances	7	1,254,770,684	745,801,732
Other Current assets	8	41,585,311	71,534,806
Loans and Advances	9	3,732,158,935	2,930,311,264
Total Current Assets, Loans and Advances		5,028,514,930	3,747,647,802
Less: Current Liabilities and Provisions	10	28,215,373	8,782,888
Net Current Assets		5,000,299,557	3,738,864,914
Total		5,019,763,233	3,758,897,296
Significant Accounting Policies and Notes on Accounts	15		
As per our report of even date attached			
For Deloitte Haskins & Sells		For Friends of Women's World Banking, India	
Chartered Accountants			

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants



Partner

For Friends of Women's World Banking, India



Trustee

Trustee

Chief Executive Officer

Place: Ahmedabad

Place: Ahmedabad

Date:

Date: 24th April,
2010

Friends of Women's World Banking, India

Statement of Income and Expenditure for the year ended March 31, 2010

		Year ended March 31, 2010 (Rupees)	Previous Year ended March 31, 2009 (Rupees)
	Schedule		
INCOME			
Grants & Donations	11	17,270,578	16,790,163
Bank Interest		13,579,802	14,117,415
Surplus from Micro Finance Activity (Note - 2(b) of Schedule - 15)		34,043,210	60,644,661
Other Income	12	3,497,893	3,166,618
Total		68,391,483	94,718,857
EXPENDITURE			
Employee Cost	13	6,853,356	7,189,674
Finance Cost		148,933	-
Operational Support to Partner Organisations		1,899,690	3,760,300
Training and Workshop Expenses		2,298,203	3,652,070
Flood Fund Support		132,000	-
Support to Other Organisations		441,442	1,278,498
Legal & Professional Fees		4,075,223	3,227,959
Administrative and Other Expenses	14	5,925,637	5,205,215
Loans and advances Written Off		574,999	-
Provision For Doubtful Loans		1,159,500	-
Depreciation		1,259,065	1,155,974
Total		24,768,048	25,469,690
Excess of Income over Expenditure for the year		43,623,435	69,249,166
Add: Balance brought forward from the previous year		169,945,905	100,696,739
Balance carried to the Balance Sheet		213,569,340	169,945,905
Significant Accounting Policies	15		
Notes on Accounts			
As per our report of even date attached			
For Deloitte Haskins & Sells		For Friends of Women's World Banking, India	
Chartered Accountants			

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants

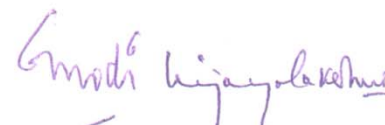


Partner

For Friends of Women's World Banking, India



Trustee



Trustee

Chief Executive Officer

Place: Ahmedabad

**Place:
Ahmedabad**

Date:

**Date: 24th April,
2010**

Schedules forming part of the
Accounts

Schedule - 1

Corpus and Other Trust Funds

	As at April 1, 2009 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at March 31, 2010 Rupees
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

	As at April 1, 2009 Rupees	Additions during the year Rupees	Deductions during the year Rupees	As at March 31, 2010 Rupees
For Micro Finance Activity				
Risk Fund	13,939,515	309,608	-	14,249,123
Loan Loss Reserve	29,426,723	-	-	29,426,723
	43,366,238	309,608	-	43,675,846
Balance of Income and Expenditure Account				
For Development Activity	47,726,712	9,580,225	-	57,306,937
For Micro Finance Activity	122,219,193	34,043,210	-	156,262,403
	169,945,905	43,623,435	-	213,569,340
Total	213,312,143	43,933,043	-	257,245,186
Previous Year	139,213,986	85,446,739	11,348,582	213,312,143

Schedule - 3

Secured Loans

	Notes	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Axis Bank Limited	1	363,636,355	479,409,231
Small Industries Development Bank of India	2	1,608,971,258	1,065,593,700
National Bank of Agriculture & Rural Development	1	79,405,000	68,155,000
Dena Bank	1	316,666,666	113,075,632
Indian Bank	1	169,535,482	183,594,525
Indian Overseas Bank	1	161,105,561	411,900,414
HDFC Bank Limited	1	390,476,191	490,993,060
Corporation Bank	1	370,524,755	130,052,575
State Bank of India	1	162,500,000	214,217,808
Citi Bank	1	235,000,000	-
Syndicate Bank	1	470,000,000	-
Rabo Bank Foundation	1	30,879,000	-
The Ford Foundation	1	95,326,400	95,326,400
Total		4,454,026,667	3,252,318,345

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.80,069,656/- and charge on book debts arising out of the loan funds.

Schedule - 4

Unsecured Loans

	As at March 31, 2010	As at March 31, 2009
	Rupees	Rupees
For Development Activity:		
National Housing Board	10,000,000	-
Michael & Susan Dell Foundation	20,000,000	-
For Micro Finance Activity:		
Small Industries Development Bank of India	8,750,000	8,750,000
CORDAID	133,784,180	148,559,608
Total	172,534,180	157,309,608

SCHEDULE: 5

Fixed Assets

(Amount in Rupees)										
PARTICULARS	Gross Block			Depreciation					Net Block	
	As at	Additions during the year	Deletion during the year	As at	Upto	For	Deletion during the period year	Upto	As at	
	April 1, 2009			March 31, 2010	April 1, 2009	the year		March 31, 2010	March 31, 2010	March 31, 2009
Buildings	1,296,105	-	-	1,296,105	1,078,702	21,740	-	1,100,442	195,663	217,403
Leasehold Premises	6,255,954	-	-	6,255,954	3,102,336	315,362	-	3,417,698	2,838,256	3,153,618
Computers	2,745,981	594,425	-	3,340,406	1,740,264	622,429	-	2,362,693	977,713	1,005,717
Office Equipments & Furniture	5,766,104	17,900	-	5,784,004	4,692,399	270,939	-	4,963,338	820,666	1,073,705
Vehicles	503,302	-	-	503,302	360,328	28,595	-	388,923	114,379	142,974
Total	16,567,446	612,325	-	17,179,771	10,974,030	1,259,065	-	12,233,095	4,946,676	5,593,416
Previous Year	15,760,047	892,439	85,040	16,567,446	9,881,545	1,155,974	63,489	10,974,030	5,593,416	5,878,502

Schedule - 6

Investments (At Cost)

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
Long Term Investments- Quoted For Development Activity:		
Government of India 8% Savings (Taxable) Bonds, 2003	14,017,000	14,017,000
4,150 Units of Unit Trust of India of Rs. 100/- each	500,000	500,000
Less: Provision for dimunition in the value of investments	-	78,034
	500,000	421,966
Total	14,517,000	14,438,966

Schedule - 7

Cash and Bank Balances

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
For Development Activity:		
Cash on Hand (including foreign currency)	4,454	316,739
Bank Balances with Scheduled Banks:		
In Saving Accounts	27,034,933	1,902,394
In Fixed Deposit Accounts *	176,702,418	151,340,938
For Micro Finance Activity:		
Cash on Hand	-	-
Bank Balances with Scheduled Banks:		
In Current Accounts	58,214,607	133,067,771
In Saving Accounts	912,299,591	382,590,365
In Fixed Deposit Accounts *	80,514,682	76,583,525
Total	1,254,770,684	745,801,732

* Includes Fixed Deposits of Rs.91,869,656/- pledged with banks and financial institutions for borrowings.

Schedule - 8

Other Current Assets

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
For Development Activity:		
Accrued Interest on Loans	58,904	-
Accrued Interest on Bank Deposits	9,267,061	9,892,198
Tax Deducted At Source	1,511,725	345,797
Other Advances	182,310	837,332
For Micro Finance Activity:		
Accrued Interest on Loans	7,386,451	3,565,485
Accrued Interest on Bank Deposits	12,700,180	6,678,377
Tax Deducted At Source	1,384,605	212,929
Advance to Indian Foundation for Inclusive Growth	9,068,399	50,000,000
Other Advances	25,677	2,688
Total	41,585,311	71,534,806

Schedule - 9

Loans and Advances

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
For Development Activity:		
Unsecured and Considered good	17,966,854	14,429,168
Considered doubtful	1,159,500	-
Less: Loan Loss Provision	1,159,500	-
	17,966,854	14,429,168
For Micro Finance Activity:		
Unsecured and Considered good	3,714,192,081	2,915,882,096
Considered doubtful	37,580,447	21,023,868
Less: Loan Loss Provision	37,580,447	21,023,868
	3,714,192,081	2,915,882,096
Total	3,732,158,935	2,930,311,264

Schedule - 10

Current Liabilities and Provisions

	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
For Development Activity:		
Sundry Creditors	699,783	263,919
Unspent amount of grants	19,288,899	6,209,602
For Micro Finance Activity:		
Interest Accrued but not due to Funders	7,953,529	

		1,830,214
Other current liabilities	273,163	479,153
Total	28,215,374	8,782,888

Schedule - 11

Grants and Donations

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Ford Foundation	-	4,274,175
Cordaid	7,598,401	5,401,668
Rabobank Foundation	436,991	
Michael & Susan Dell Foundation	1,709,944	-
CITI Foundation	3,503,212	-
Charity Aid Foundation - Livelihood	2,316,737	2,327,376
Small Industries Development Bank of India	1,483,000	4,709,544
Others	222,293	77,400
Total	17,270,578	16,790,163

Schedule - 12

Other Income

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Income from Investments:		
- Dividend	29,046	33,197
- Interest	1,207,588	1,187,963
Interest on Loan	1,596,365	1,608,277
Foreign Exchange Fluctuation	-	3,581
Rent Receipt	412,790	197,173
Miscellaneous Income	174,070	136,427
Provision for Diminution in the value of Investment W/back	78,034	-
Total	3,497,893	3,166,618

Schedule - 13

Employee Cost

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Salaries & Allowances	6,177,374	6,468,957
Contribution to P.F. & other funds	430,301	518,507
Staff Insurance Premium	74,391	79,234
Gratuity Premium	171,290	122,976
Total	6,853,356	7,189,674

Schedule - 14		
Administrative and Other Expenses		
	Year ended	Year ended
	March 31, 2010	March 31, 2009
	Rupees	Rupees
Rent ,Rates & Taxes	98,189	210,867
Insurance	28,715	46,924
Office and Administration overheads	2,147,711	1,953,126
Travelling Expenses	2,777,825	2,307,899
Membership Fees	29,618	27,358
Books, Periodicals & Audio Visuals	576,186	437,531
Contribution to Public Trust Administrative Fund	50,000	50,000
Loss on sale of fixed assets	-	10,751
Foreign Exchange Fluctuation Loss	24,368	-
Auditors' Remuneration	193,025	82,725
Provision for diminution in value of Investments	-	78,034
Total	5,925,637	5,205,215