



Dear Friends,

At S³IDF we work to transfer and spread our enterprise-based approach into new communities, regions, and countries so that more people around the world can turn on a light when it gets too dark to finish homework, drink clean filtered water, and participate in the formal economy through access to business loans.

FY 2013-2014 was a good year. We completed several large projects and contracts, expanded existing programs, and explored new opportunities through pro-poor business models. We built stronger relationships with our current partners while also creating new connections with organizations and individuals as passionate as we are about improving the lives of the poor through market-led solutions.

We are especially excited about completing our collaboration with the Applied Materials Foundation and SELCO Solar Light Pvt Ltd. in a project that helped underserved communities in India gain access to safe reliable lighting and education services. We reached over 19,000 individuals over two project cycles and formed or extended existing partnerships with 11 financial institutions.

Through our partnership with the blue moon fund and local on-the-ground collaborators, including Hasirudala, Waste Wise Trust, and Selco Foundation, we worked to further replicate and expand our integrated energy centres and dry waste collection centres. Through our work with dozens of entrepreneurs, we created new livelihood opportunities and expanded access to basic services in marginalized and underserved communities.

S³IDF also remained a committed partner with and consultant to the Asian Development Bank in Nepal through our support of a project to expand financing options for improved water mills as well as to the United States Agency for International Development in India to foster greater participation of local banks and other financial institutions in the provision of basic energy services through a range of pro-poor clean energy business models.

We are grateful for the continued support of our donors, supporters, consulting partners, and motivated team. We look forward to implementing new projects and increasing our impact in the coming year.

Sincerely,

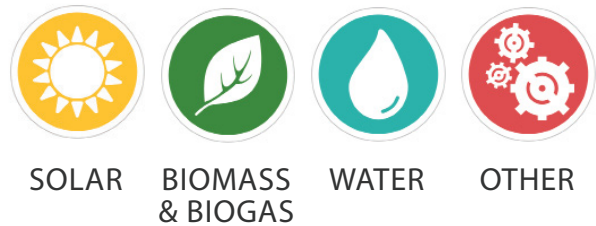
Russell J. deLucia
Principal Founder & Executive Director



S³IDF reduces poverty in developing countries by supporting small-scale enterprises that meet basic infrastructure needs and provide opportunities for economic advancement.

OUR APPROACH

S³IDF uses its Social Merchant Bank Approach® (SMBA) to provide entrepreneurs with three bundled services: leveraged co-financing, technology access and knowledge, and business development support. Philanthropic and development capital are leveraged to mitigate risks and encourage local financial institutions to lend to the traditionally unbankable. By tailoring the approach to local conditions and markets, S³IDF enables the poor access to employment, asset-creation and ownership opportunities, and basic services. Our diverse project portfolio includes:



MISSION OBJECTIVES

S³IDF pursues two mission objectives to affect change on both local and global levels:

- 1) Positively impact the poor and the environment by employing the SMBA in India
- 2) Achieve broader and greater impact within poor communities around the globe by challenging current development practices and mindsets as well as enabling other development entities to effectively apply the SMBA.



PROJECT HIGHLIGHTS

Dry Waste Collection Centres (DWCCs)

In response to waste disposal protests in 2012, Dry Waste Collection Centres (DWCCs) were set up by Bangalore, India's municipal government body, Bruhat Bengaluru Mahanagara Palike (BBMP), to segregate recyclable waste products as a means to support decentralized waste management and reduce the amount of waste ending up in local landfills.

In partnership with Hasirudala, Waste Wise Trust, and Rang De, S³IDF began working with members of the city's informal solid waste sector to help build their capacity to own, operate, and work in DWCCs as well as to facilitate access to working capital to help them expand their operations and increase profitability. DWCCs provide new employment opportunities while also supporting Bangalore's effort to effectively manage the 3000-4000 tons of waste that city residents produce each day.

Based on the success of and lessons learned during its FY13-14 pilot project, S³IDF plans to expand its work on DWCCs by supporting additional informal sector waste workers and diversifying the range of support offered.



Integrated Energy Centres (IECs)

Integrated Energy Centres (IEC) are renewable energy-powered businesses that can supply a range of basic services that are often unavailable in underserved rural, urban, and peri-urban areas. By addressing fundamental energy needs and providing energy-dependent services, IECs positively impact the quality of life of their users and create livelihood opportunities for local entrepreneurs and other residents. IECs can be stand-alone structures or integrated into existing spaces such as small shops. To ensure relevance and to promote sustainability, IEC services are tailored to fit the needs of each individual community and are structured so that the revenue generated covers IEC maintenance and operating costs.

Building on previous IEC experience in over a dozen informal urban communities in Bangalore, India, S³IDF and its partner, SELCO Foundation, worked throughout FY13-14 with both existing and new IEC operators to help them transition or refine their business models and to expand the range of services they offer.



Household Fluoride Filters

Drawing on a feasibility study and a needs assessment supported by the Arghyam Foundation, S³IDF partnered with a local entrepreneur to expand the use of domestic de-fluoridation water filters in Chitoor District, Andhra Pradesh (Seemandhra). Chitoor is one of the 225 districts across twenty states in India with dangerously high concentrations of fluoride in groundwater.

S³IDF provided a pilot technology developed at the Indian Institute of Technology-Kanpur, along with appropriate financing and business development support. In FY13-14, the entrepreneur successfully began selling the domestic de-fluoridation water filters and providing regular filter maintenance services to low-income local families who live in areas where few affordable alternative solutions to fluoride contamination exist.



SMBA DISSEMINATION & LEARNING EVENTS:
Top Events with S³IDF Participation

2013

JULY	Nexus Sixth Annual General Assembly	Singapore
SEPTEMBER	Rural Renewable Energy In Myanmar: Technology Diffusion and Carbon Finance Development	Myanmar

2014

JUNE	Asia Clean Energy Forum, sponsored by the Asian Development Bank	Philippines
JUNE	The United Nations Sustainable Energy for All Conference	New York, USA
JUNE	Aspen Network of Development Entrepreneurs Metrics Conference	Washington DC USA
MARCH	Social Enterprise Conference	Cambridge, MA USA
MARCH	International Investor Forum on Off-Grid Renewable Energy Opportunities, sponsored by the Asian Development Bank	Myanmar
MARCH	Tufts Energy Conference	Medford, MA USA
FEBRUARY	Scaling Development Ventures Conference	Cambridge, MA USA

SUPPORTERS & PARTNERS:
Thank you to all of our supporters, individual contributors, & partners

Institutional Supporters	Applied Materials Foundation
	blue moon fund
	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
	Fondation d' Entreprise (EAD)
	Gujarat Mahila Housing Sewa Trust
	International Water Management Institute (IWMI)
	Nexus Carbon for Development
	The Climate Group
Clients, Partners & Collaborators	The Phantasos Fund
	Stichting DOEN
	Asian Development Bank
	Alternative Energy Promotion Center (AEPC), Nepal
	Centre for Rural Technology, Nepal (CRT/N)
	SELCO Foundation
	SELCO Solar Pvt. Ltd
	United States Agency for International Development (USAID)

INDIA - FINANCIAL STATEMENTS: BALANCE SHEET

	2014 as of March 31	2013 as of March 31
EQUITY & LIABILITIES		
Shareholders' Funds		
Share Capital	Rs. 3,71,04,320	Rs. 3,71,04,320
Reserves & Surplus	(Rs. 2,88,22,802)	(Rs. 2,65,40,512)
Current Liabilities		
Other Current Liabilities	Rs. 92,88,246	Rs. 47,12,704
TOTAL	Rs. 1,75,69,764	Rs. 1,52,76,512
ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	Rs. 8,28,230	Rs. 11,31,140
Other Non-Current Assets	Rs. 5,25,000	Rs. 4,70,000
Current Assets		
Cash and Cash Equivalents	Rs. 1,24,24,738	Rs. 1,11,84,067
Short-Term Loans and Advances	Rs. 36,67,855	Rs. 21,97,305
Other Current Assets	Rs. 1,23,041	Rs. 2,94,000
TOTAL	Rs. 1,75,69,764	Rs. 1,52,76,512

INDIA - FINANCIAL STATEMENTS: INCOME AND EXPENDITURE ACCOUNT

	2014 as of March 31	2013 as of March 31
REVENUE		
Revenue from Operations	Rs. 2,06,14,112	Rs. 1,40,42,300
Other Income	Rs. 5,81,575	Rs. 6,59,768
TOTAL REVENUE	Rs. 2,11,95,687	Rs. 1,47,02,068
EXPENSES		
Cost of Materials	-	Rs. 10,34,884
Employee Benefit Expenses	Rs. 53,40,120	Rs. 38,17,212
Finance Costs	Rs. 20,886	Rs. 9,184
Depreciation and Amortization Expenses	Rs. 1,34,239	Rs. 2,17,291
Other Expenses	Rs. 1,75,81,078	Rs. 69,72,432
Loss on Sale of Assets	Rs. 20,334	-
TOTAL EXPENSES	Rs. 2,30,96,657	Rs. 1,20,51,003
EXCESS OF INCOME OVER EXPENSES BEFORE TAXES	Rs. 19,00,970	Rs. 26,51,065
LESS EXCEPTIONAL ITEMS	Rs. 3,81,354	-
TAX EXPENSES		
Current Tax	-	-
Deferred Tax	-	-
EXCESS OF INCOME OVER EXPENSES AFTER TAXES	(Rs. 22,82,324)	Rs. 26,51,065

US - FINANCIAL STATEMENTS: STATEMENT OF POSITION

ASSETS	2014 as of June 30	2013 as of June 30
CURRENT ASSETS		
Cash	\$1,023,679	\$922,181
Contracts Receivable	-	\$148,210
Prepaid Expenses	\$3,818	\$2,304
Total Current Assets	\$1,027,497	\$1,072,695
PROPERTY AND EQUIPMENT		
Office Equipemtent	\$2,622	\$2,622
Less: Accumulated Depreciation	(\$2,622)	(\$2,185)
Total Property and Equipment	\$0	\$437
PROPERTY AND EQUIPMENT		
Trademark	\$8,376	\$0
Total Other Assets	\$8,376	\$0
TOTAL ASSETS	\$1,035,873	\$1,073,132
LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$18,978	\$24,322
Payroll Liabilities	\$37,671	\$58,277
Total Current Liabilities	\$56,649	\$82,599
NET ASSETS		
Unrestricted Net Assets	\$979,224	\$990,533
Total Net Assets	\$979,224	\$990,533
TOTAL LIABILITIES AND NET ASSETS	\$1,035,873	\$1,073,132

US - FINANCIAL STATEMENTS: CONSOLIDATED STATEMENT OF ACTIVITIES

	2014 as of June 30		2013 as of June	
	Unrestricted	Temporarily Restricted	Total	Total
SUPPORT AND REVENUE				
Contributions and Grants	\$79,850	\$174,000	\$253,850	\$295,103
Released from Restriction	\$174,000	(\$174,000)	-	-
Contracts	\$219,571	-	\$219,571	\$183,210
Interest Income	\$416	-	\$416	\$3,707
In-Kind Salaries and Consultants	\$200,373	-	\$200,373	\$167,477
TOTAL SUPPORT AND REVENUE	\$674,210	\$0	\$674,210	\$649,497
EXPENSES				
Program Services				
Projects	\$293,578	-	\$293,578	\$278,904
Dissemination	\$221,417	-	\$221,417	\$230,095
<i>Total Program Services</i>	<i>\$514,995</i>	<i>-</i>	<i>\$514,995</i>	<i>\$508,999</i>
General and Administrative	\$109,933	-	\$109,933	\$107,817
Fundraising	\$60,591	-	\$60,591	\$27,530
TOTAL EXPENSES	\$685,519	-	\$685,519	\$644,346
CHANGE IN NET ASSETS	(\$11,309)	-	(\$11,309)	\$5,151
NET ASSETS - BEGINNING OF YEAR	\$990,533	-	\$990,533	\$985,382
NET ASSETS - END OF YEAR	\$979,224	-	\$979,224	\$990,533



SMALL-SCALE SUSTAINABLE INFRASTRUCTURE DEVELOPMENT FUND

In the US:

The Carriage House
5 Hastings Square
Cambridge, MA 02139 - 4724
Phone: +1 617-576-0652

In India:

No. 796, 1st & 2nd Floor
12th A Cross, 23rd Main
J P Nagar 2nd Phase
Bangalore – 560078

S³IDF US is a registered public charity under section 501(c)(3) of the Internal Revenue Service code.

S³IDF is a non-profit company registered in India under section 25 of the Indian Companies Act 1956. S³IDF is registered as 12A (a) under India Tax Act which helps Indian donors claim tax exemption under section 80G.

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