



# UTKARSH - VOICE

UTKARSH MICRO FINANCE PVT. LTD.

April - June

Vol-4 Issue -1



## Establishment of All women Branch:

Continuing its commitment to social performance, Utkarsh has set up an all women branch in Ashok Vihar. The Branch Manager and all the credit officers are women staff. The company is committed to establish more such branches in future.

## Closure of Books of Accounts:

As per the audited financials for the financial year 2011-12, the company achieved PBT of Rs 21.5 Mn against a PBT of Rs 10.0 Mn in FY 2010-11. This was possible in spite of significant reduction in rate of interest and processing fees. This was achieved mainly because of sharp reduction in operating expenses due to economies of scale. The operating expense came down from 22% In March '11 to 14.8% in March'12, and it further came down to in June'12. Utkarsh targets to bring it under 10% in this financial year, even though it has planned to expand its operation in two new states- MP & Uttarakhand.

## Adaptation of Risk Management Tool:

M2i Consulting visited Utkarsh to perform a field testing of the Risk Management Toolkit which has been adapted by M2i to the Indian context. The specific objectives of this exercise were as follows:

1. Test the key components of the risk management toolkit based on discussions with the management team as well observations of field level processes
2. Get the opinion of the management on the risk management toolkit
3. Evaluate the capacity of the management team to implement risk management

## New Audit Head:

Mr Rahul Dey has joined as Head- Internal Audit & Risk Management. He has over 9 years of experience in Banking and Microfinance. Prior to joining Utkarsh, he was with Ujjivan Financial Services Pvt. Ltd as Regional Business Manager, responsible for their Individual lending business in East. Apart from this, he has worked in various capacities with organizations like, Ballarpur Industries Ltd, ICICI Bank Ltd, Spandana Spoorthy Financial Ltd and Anjali Microfinance Pvt Ltd. In ICICI Bank, as Regional Manager "West Bengal and North East, he was responsible for the Bank MFI business in the region for more than 3 years. He holds Post Graduate Diploma in Rural Management from Xavier Institute of Management, Bhubaneswar

## Grading by ICRA

ICRA has upgraded the grading from M3+ to M2. The rating indicates that in **ICRA's current opinion, Utkarsh's ability to manage its microfinance activities in a sustainable manner is high.** The strengths highlighted in the report are

- ✓ Company continues to focus on areas of moderate penetration in rural areas, - UP, MP, Bihar and Uttarakhand is relatively low. Management is well aware of negative areas within the target geographies, geographical diversification likely to improve going forward
- ✓ Experienced and professional management team, good second line of management team as well
- ✓ Strong investor profile, with IFC
- ✓ Norwegian Microfinance Initiative(NMI) and Aavishkaar Goodwill as the investors,
- ✓ Good Internal Audit, Tracking and MIS systems
- ✓ Relatively prudent credit policies, as company does not offer midterm loans, lends to people staying for atleast 3 years at same location, performs borrower wise cash flow analysis
- ✓ Incentives to loan officers capped beyond forming 75 members per month thus reducing the risks associated with high growth by compromising portfolio quality
- ✓ Good asset quality indicators with repayment rate over 99.997% so far

## Outreach

	As on June 30, 2012	As on June 30, 2011	Growth
No of States (UP & Bihar)	2	2	-
No. of Districts	19	13	46%
Total No of Branches	77	52	48%
No of Branches in UP	55	49	12%
No of Branches in Bihar	22	3	633%
<b>Micro Finance Outreach</b>			
Total No. of Centres	9,295	4,267	118%
Total No. of Groups	30,739	13,703	124%
Total No. of Members	135,019	62,779	115%
Total No. of Clients	125,452	54,449	130%
Total Disbursement - Cumulative (Rs in MN)	2288.1	880.3	160%
Loan Outstanding (Rs in MN) (Own+Manage)	876.7	322.4	172%
No. of Client/Credit Officer	548	315	74%
On Time Repayment Rate (OTRR in %)	100%	100%	-
<b>Micro Enterprises Lending</b>			
Total Disbursement Cumulative (in MN)	1.77	-	
Loan Outstanding (In MN)	1.68	-	
No of Loan Disbursed	32	-	
No of clients	32	-	
No of clients in arrear	0	-	
		-	



**Best Branch Manager**  
**Mr Arvind Kumar Tiwari**  
**Sagra Branch, Varanasi**



**Best Credit Officer**  
**Mr Amit Kumar Maurya**  
**Sagra Branch, Varanasi**



**Best Trainee Credit Officer**  
**Mr Prabhat Kumar Mandal**  
**Garkha Branch, Chhapra**

### Number of Employees As on June 30 2012

Head Office	32
Company Secretary	1
Zonal Manager	1
Regional Manager	3
Divisional Heads	10
Area Managers	25
Branch Managers	83
Trainee Branch Managers	2
Credit Officers	164
Trainee Credit Officers	65
Auditors	17
MIS Executives	20
MEL	8
Total	431

*Your feedback is important*  
*Please do write us at*  
communications@utkarshmfi.com