



Mr. Govind Singh, MD & CEO elected to MFIN Board for third consecutive term

Mr. Govind Singh, MD & CEO has been elected on the board of MFIN for third consecutive term, pursuant to the elections held at the 4th AGM of MFIN on Sat, 29th June, 2013. Mr. Govind Singh will share the board with 8 other members.

Financial Performance FY 2012-13:

As per the audited financials for the financial year 2012-13, the company achieved PAT of Rs 38.9 Mn against a PAT of Rs 14.1 Mn in FY 2011-12. This was primarily contributed by excellent portfolio quality and substantial reduction in operating expenses. The operating expense came down from 14.8% in March '12 to 10.4% in March'13, and it has further come down to 8.3% in June'13.

ICRA Rating & Grading:

ICRA has upgraded the ratings assigned to the bank lines of Utkarsh Micro Finance Private Limited from [ICRA]BB+(positive) (pronounced ICRA double B plus on a positive outlook) to [ICRA]BBB-(pronounced ICRA triple B minus).

ICRA has reaffirmed the MFI grading of Utkarsh Micro Finance at M2 (pronounced M two). M2 Indicates that in ICRA's current opinion, the Graded MFI's ability to manage its microfinance activities in a sustainable manner is high.

Loan Portfolio Audit:

Utkarsh undertook Loan Portfolio Audit which was conducted by Micro Save. The Loan portfolio audit was to verify independently the repayment rate & portfolio at Risk reported by the company. The loan portfolio audit confirms the nearly 100% repayment rate and very negligible Portfolio at Risk

Mobile Technology:

Utkarsh has tied up to roll out mobile technology for day to day field operations of the company. The company has already commenced pilot at two branches and the year would see all branches operating on mobile platform completely. This will enable the company to have real time data, besides bringing in operational efficiencies.

Grading by ICRA :

ICRA has reaffirmed the grading from at 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. Management is well aware of negative areas within the target geographies, geographical diversification likely to improve going forward.
- ✓ 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 , credit bureau checks mandatory
- ✓ Experienced and professional management team, good second and third line of management team as well
- ✓ Comfortable capitalization profile with capital infusion of Rs 20 crore in FY2013 (net worth increased from 38.60 crore as on Mar-12 to Rs 64.30 crore as on Mar- 13
- ✓ Strong investor profile, with IFC , Norwegian Microfinance Initiative(NMI) and Aavishkaar Goodwell as the investors

Outreach

	As on Jun 30, 2013	As on Mar 31, 2013	As on Jun 30, 2012
No of States	5	5	2
No. of Districts	25	24	19
Total No of Branches	105	102	77
No of Branches in UP	64	63	56
No of Branches in Bihar	29	27	21
No of Branches in MP	6	6	-
No of Branches in Uttarakhand	5	5	-
No of Branches in Delhi	1	1	-
Micro Finance Outreach			
Total No. of Centres	15,586	14,369	9,295
Total No. of Groups	54,722	49,087	30,739
Total No. of Members	227,809	200,066	135,051
Total No. of Clients	216,800	197,874	125,484
Cumulative Disbursement (In Mn)	5,388.9	4,396.4	2,288.1
Total Number of Disbursement	411,265	372,019	215,247
Gross Loan Outstanding (In Mn)	2,034.4	1,767.8	876.7
No. of Clients/Credit Officer	606	580	548
On Time Repayment Rate	100%	100%	100%
Micro Enterprises Lending			
Cumulative Disbursement (In Mn)	27.8	17.0	1.77
Gross Loan Outstanding (In Mn)	23.2	14.8	1.68
No of Loan Disbursed	509	310	32
No of clients	496	307	32

Staff Position:

	As on Jun 30 2013	As on Mar 31 2013
Operations	532	508
Non Operations	103	93
MEL	47	22
Total	682	408
Out of which women employee	25	17

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Please do write us at
communications@utkarshmfi.com*

- ✓ Good MIS, Risk Management and Internal Audit, systems
- ✓ 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 100.00% so far

Bank Loan Rating:

ICRA has upgraded the rating for the Rs 100 crore enhanced bank line from BB+ to **BBB- (stable)**.

The upgrade in rating factor in

- ✓ Ability of the company to maintain its quality assets indicators (PAR of 0.00% as on March 31 2013)
- ✓ Improvement in financial flexibility of the company with the increase in number and quality lenders from 13 as on March 31 2012 to 24 as on March 31 2013 (7 public sector banks, 10 private sector banks and 10 MFI focused NBFCs)
- ✓ Recent equity infusion of Rs 20.00 crore by existing investors
- ✓ Improvement in profitability indicator
- ✓ Good loan monitoring and collection system supported by strong MIS and risk management function