



# UTKARSH - VOICE

UTKARSH MICRO FINANCE PVT. LTD.

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From the Desk of HOD



“Numbers with compliance” is the mantra helped us to successfully complete one more eventful financial year. Even with lot of uncertainty in the microfinance environment post October, 2010, we could manage to create a healthy portfolio. The challenges posed by the environment helped the Internal Audit Department (IAD) to fortify its foundation, hone its processes and test its potential and capabilities. IAD was created with a vision to conduct a systematic, disciplined and independent review of processes and policies laid down by the company so as to help the organization to accomplish its objectives by identifying and checking financial transactions, record maintenance, field operations processes, code of conduct, HR & Admin etc and I am proud to say that we could manage to fulfil all the expectations of the company.

With current guidelines of RBI on Microfinance in place, the role of audit department has become more vital.

## Audited financial Results for FY 2010-11

As per audited financials for the financial year 2010-11, the company achieved PBT of Rs 10.3 million and PAT of Rs 9.1 million. This is significant as 2010-11 was the first full operative year for the company. This was possible mainly due to rationalization of processes and costs.

## Equity Infusion

Utkarsh has received subscription amount of Rs 60.0 mn on June 15, 2011 from Aavishkaar Goodwill for issuing compulsory convertible debenture. This has increased the net worth of the company from Rs 126.0 mn to Rs 186.0 mn. The additional capital infusion by existing institutional investor signifies the confidence imposed in the core business model of the company.

## Utkarsh joins the Credit Bureau:

Utkarsh joined Highmark, the credit bureau. With more players joining the credit bureau, the process of approval of loans to micro-credit borrowers will become more transparent and information driven. Utkarsh is already providing updated data regularly to Highmark. It is one of the most important initiative in the sector and should be fully functional in few months.

## Change of Registered office

Utkarsh received approval from the Company Law Board to shift registered office of the company from Tamilnadu to Uttar Pradesh. Accordingly, the registered office of the company will now be in Varanasi, Uttar Pradesh.

## Change in the Board of Directors

There is change in constitution of the Board of Directors of the company. Mr. Ajay Maniar has replaced Mr. Vineet Rai as Nominee director from Aavishkaar Goodwill. Mr Ajay Maniar has over 14 years experience across rating agency & banks. He has extensive experience in dealing with large, mid-size and small business units. The company takes this opportunity to place on record the invaluable contribution of Mr Vineet Rai in providing strategic leadership in crucial initial years of the company.

**Outreach as on June 30, 2011**

States	2
Districts	13
Branches	52
Centres	4,267
Members	62,779
Active Clients	54,449
Disbursements( ₹ In Mn)	880.3
Outstanding ( ₹ In Mn)	322.4

**Milestones Achieved by Branches During the Period**

1500 Members	1000 Members	500 Members
Chaubepur	Chauri	Deoria
Chauri Chaura		

**Number of Employees  
As on June 30, 2011**

Head Office	25
Company Secretary	1
Zonal Manager	1
Regional Manager	2
Divisional Heads	8
Area Managers	18
Branch Managers	52
Trainee Branch Managers	4
Credit Officers	161
Trainee Credit Officers	12
Auditors	9
MIS Executives	11
Total	304

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communications@utkarshmfi.com*

The department not only has to ensure that all the laid down policies of the company are followed / implemented but also has make sure that we do not over step the guidelines laid down by RBI.

Taking a holistic look at the current scenario of micro finance industry, the coming years are going to be more challenging for all of us. Keeping this in mind the department will be focusing on identifying early warning signals and to check whether internal control systems are in place at all the levels. This includes activities at field level as well as head office functioning. The department is thereby committed to act as a vehicle for the growth of UTKARSH.

Warm Regards,  
**Sulabh Jain**  
Head Internal Audit and  
Compliance