



Q1 OPERATIONAL HIGHLIGHTS FOR SFB SUBSIDIARY



The closure of Q1, FY 2017 -18 was marked with a milestone of crossing customer deposits of ₹100 Crore under the Liabilities business of the Bank.

In order to further augment the banking products and services, Bank also signed the Third Party Product Partnership Agreements with HDFC Ergo General Insurance Co. Ltd., HDFC Standard Life, ICICI Prudential Life Insurance and Shriram Life Insurance for distribution of insurance products.

The Bank also proudly announced the inauguration of its first two (2) Offsite ATMs at Harhua and Pahariya locations in Varanasi. At the close of Q1, FY 2017 -18, the branch network expanded to 401 (JLG business at 334 locations, MSME business at 25 locations, HL business at 6 locations, 19 General Banking Branches and 17 upgraded Micro Banking Branches).

Bank organized a Press Conference in Varanasi on June 17, 2017 to interact with media houses about the expansion plans, strategy and presence in the operational geography of Uttar Pradesh. Mr. Govind Singh, MD & CEO along with Mr. Arup Dutta, Head – Liabilities, Mr. Trilok Nath Shukla, Head – Micro Banking and Mr. Rahul Sinha, Head – Retail Assets participated in the interaction.

Under the CSR initiatives, the bank (in association with Utkarsh Welfare Foundation) organized a Mega Camp for Digital Financial Literacy at Deoria wherein the Chief Guest, Honorable MSME Minister - Mr. Kalraj Mishra discussed in length about the benefits and ease of Banking through Digital Banking. Various Print and Electronic Media Houses covered upon the Banking inclusion plans of Utkarsh.

Along with all business activities, the quarter was marked special with new incumbents joining in the Senior Management; Mr. Rahul Sinha as a Head - Retail Assets and Mr. Virag Jain, as a Head HR & Training.



GRADING

ICRA has assigned an MFI grading of M1 (pronounced M one) to Utkarsh Micro Finance Limited (UMFL). The grading indicates that in ICRA's current opinion, the MFI's ability to manage its microfinance activities in a sustainable manner is the highest.

Strengths and Challenges

Strengths

- Experienced and professional management team; strong investor profile.
- Robust loan origination, risk management, internal audit and MIS systems leading to healthy asset quality.
- Comfortable capitalization indicators supported by regular capital infusion; foreign shareholding likely to be lowered to meet SFB requirements.
- Financial flexibility arising from diversified funding mix; need to deepen the liability franchise on conversion to an SFB.
- Healthy profitability indicators supported by lower operating expense levels.

Challenges

- Ability to smoothly transition into a small finance bank.
- Recruiting training and retaining manpower, as it converts into an SFB.
- Issues like multiple borrower identities and limited coverage of credit bureaus need to be addressed to reduce industry level risks.
- Ability to manage political, communal and other risks across geographies of operations.
- High pace of growth, albeit growth largely driven by addition of new clients.
- Ability to deepen the liability franchise and develop a strong deposit base on conversion to an SFB.

New Incumbents in the Senior Management

Mr. Rahul Sinha – Head – Retail Assets

He has over 20 years of experience in Banking and Financial Services spreading across Retail Assets, Liabilities, Branch Banking and Trade Services. Prior to joining Utkarsh he was heading the Rural MSME vertical for Bajaj Finance Ltd. He has worked in Tata Motors, ICICI Bank, Reliance Capital and Bajaj Finance Ltd.



Virag Jain – Head - HR & Training

He is having more than 17 years' experience in the BFSI industry and has worked with ICICI Bank, Kotak Mahindra Bank and Reliance Mutual Fund in his earlier stints. Prior to joining Utkarsh, he was with Redwood Consulting as Partner. He possess his PGDBA from ICFAI Business



School and Chartered Financial Analyst (CFA) from ICFAI-Hyderabad.



Employee Speak “...”

“I joined UTKARSH Micro Finance Pvt. Ltd. in January, 2010. At Utkarsh I learnt how to complete task in stipulated timeline and in a smart way. We have got excellent environment and equal opportunity to build leadership quality & career. I believing in No short cuts to success but hard work in a smart way. It is an honor to work with UTKARSH family.

Inspirational Mantra always align usCulture, Process & Growth.”

Excerpts from a talk with Mr. Rahul Dwivedi, – Zonal Manager, Micro Banking Business, Ranchi.

OPERATIONAL HIGHLIGHTS

The outreach of the company grew to newer operational geographies in 10 states viz. Bihar, Chhattisgarh, Delhi-NCR, Haryana, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Uttarakhand and Uttar Pradesh. The branch network expanded to 401 (JLG business at 334 locations, MSME business at 25 locations, HL business at 6 locations, 19 General Banking Branches and 17 upgraded Micro Banking Branches).

At the close of Q1, FY 2017-18 the JLG active client base was 1,211,936 with portfolio outstanding at ₹17,089.54 Mn. The MSME portfolio was ₹797.1 Mn with 16,389 active clients and Housing Loan had 171 active clients with ₹55.7 Mn portfolio outstanding. The total portfolio of the Bank was ₹17,942.34 Mn, as on June 30, 2017.

A comparative summary of the operational highlights of the Bank is as below:

Particulars	As on June 30, 2017	As on Mar 31, 2017	As on June 31, 2016
LIABILITIES OUTREACH			
No. of States	6	4	-
No. of Districts	15	4	-
Total No. of General Banking Branches	19	4	-
Total No. of Customers	3,134	1,681	-
Total Deposit (₹ in Mn)	1,303.09	186.28	-
Particulars	As on June 30, 2017	As on Mar 31, 2017	As on June 31, 2016
MICROFINANCE OUTREACH			
No. of States	10	10	10
No. of Districts	110	110	102
Total No. of Branches			
Micro Banking Branches	17	1	-
Micro Finance Branches	334	350	334



Total No. of Centers	75,804	75,887	65,722
Total No. of Groups	322,532	321,326	292,481
Total No. of Members	1,190,615	1,104,768	1,143,97
Total No. of Clients	1,211,936	1,152,324	1,074,98
Loan Outstanding (₹ in Mn) (Own + Managed)	17,089.54	15,301.61	14,982.4
Total No. of Loans Disbursed	2,32,783	2,830,668	2,290,129

Particulars	As on June 30, 2017	As on Mar 31, 2017	As on June 31, 2016
MICRO SMALL MEDIUM ENTERPRISES			
No. of States	7	7	7
No. of Districts	22	22	23
Total No. of Business Locations	25	23	23
Total No. of Loans Disbursed	24,655	23,101	18,816
Total No. of Clients	16,389	16,911	15,689
Loan Outstanding (₹ in Mn)	797.1	782.6	919.3
HOUSING LOAN			
No. of States	3	2	2
No. of Districts	6	3	2
Total No. of Business Locations	6	3	2
Total No. of Loans Disbursed	186	171	110
Total No. of Active Clients	171	161	97
Loan Outstanding (₹ in Mn)	55.7	52.2	25.5
EMPLOYEE DETAILS			
Micro Banking Employees	2,851	2886	2,334
Retail Loan Employees	333	343	273
Liabilities Employees	391	318	-
Support and Control Teams	324	300	246
TOTAL	3,899	3,847	2,853



FINANCIAL PERFORMANCE

The Bank booked a Profit / Loss before Tax of (-)₹405.97 Mn for Q1 FY 2017 - 18. On account of NPA / write off, important financial parameters are as below:

Particulars	As on Jun 30, 2017 (Unaudited)	As on Mar 31, 2017 (Audited)	As on Jun 30, 2016 (Unaudited)
Income ₹ (in Mn)	1,155.47	4,222.43	913.85
Expense ₹ (in Mn)	1,561.44	3,693.43	704.02
Profit Before Tax ₹ (in Mn)	(405.97)	529.00	209.82
Net Worth ₹ (in Mn)	2,609.94	6,754.41	2654.2

Key indicators Q1 FY 2017 – 18

Key Indicators	As on Jun 30, 2017 (Unaudited)	As on Mar 31, 2017 (Audited)	As on Jun 30, 2016 (Unaudited)
CRAR	19.72%	25.87%*	19.25%
Operating Self Sufficiency	74.72%	120.59%	131.2%
ROA	(10.2%)	1.60%	3.35%
ROE	(27.0%)	6.91%	19.77%
Debt Equity	3.11%	2.81	4.74%
Operating Expense Ratio	12.2%	8.02%	7.53%
Cost of Borrowing	11.66%.	12.32%	12.91%

* Overall Company's CRAR.





Success Stories – as client speak “....”

Today, my family is economically and socially empowered. The Financial assistance from Utkarsh has made me confident in my life & helped me to build a respectable position in the society.

Many things have changed in last few years; we renovated our kaccha house into pakka house, both my sons Shivam and Vishwajeet had started going to school.

All this happened after I met an Utkarsh official who motivated me to be a part of a joint liability group and avail an income generating loan for starting a small business activity. Knowing this and consulting about the same with my husband and neighbours, I applied for the group loan.

With an initial loan of ₹12,000/- and with some savings, I purchased a cow for

₹18,000/- and started selling milk which helped me to earn something for my family and after one year I took a subsequent loan of ₹15,000 and added my savings from the earned income to purchase another cow. Today I support my husband in the household expenses and also I am able to save ₹800 to ₹1,000 per month.

All my family members are thankful to Utkarsh for supporting us for the timely linkage on our credit requirements.

Ms. Tara Devi, a resident of Aurai (Mirzapur, Uttar Pradesh), is client of Utkarsh Aurai Branch.

THANK YOU UTKARSH





Utkarsh in News

Navbharat Times Apr, 15, 2017

'हम मिडिल कैटिगरी को ध्यान में रखकर बिजनेस बढ़ाएंगे'

स्मॉल फाइनेंस बैंक में अपनी बैंकिंग यात्रा की शुरुआत में ही लॉन प्रॉसेसिंग की संकल्पना को ध्यान में रखकर लेंडिंग रेट कम करने में डिजिटल रेट बढ़ाने की ओर बढ़ रही है। एक माइक्रो एंटरप्राइज को बैंकिंग फाइल को लेकर **सुधा श्रीवास्तव** ने बात की उद्यमिता स्मॉल फाइनेंस बैंक के **एमडी गोविंद सिंग** से।

Q माइक्रो एंटरप्राइज को ध्यान में रखकर बिजनेस बढ़ाने का मतलब क्या है?

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INTERVIEW: GOVIND SINGH, MD & CEO, Utkarsh Small Finance Bank

We are targeting an asset base of ₹3,500 crore

Q How are you looking at the growth of Utkarsh Small Finance Bank?

A We are looking at the growth of Utkarsh Small Finance Bank in terms of assets, deposits, and branches. We are targeting an asset base of ₹3,500 crore by the end of the year.

Q What are the key challenges you are facing?

A The key challenges we are facing are the high cost of funds, the low margins, and the regulatory changes. We are working on these challenges to improve our performance.

Q How do you see the future of Utkarsh Small Finance Bank?

A We see a bright future for Utkarsh Small Finance Bank. We are expanding our branches and increasing our assets. We are also working on improving our services to our customers.

Financial Express, Apr 19, 2017

उत्तर प्रदेश में उत्कर्ष स्मॉल फायनेंस बैंक के बढ़ते कदम

वाराणसी। उत्कर्ष स्मॉल फायनेंस बैंक जिसका मुख्यालय वाराणसी में है, उत्तर प्रदेश में अपनी पहुंच को और विस्तारित करने जा रहा है। बैंक ने हाल ही में शहर के महामुर्गा क्षेत्र में अपनी नई शाखा का उद्घाटन किया और दिसम्बर, 2017 तक 15 से 18 और नई शाखाएं रायच में खोले जाने का लक्ष्य रखा है। उत्कर्ष की वर्तमान में 3 जनरल बैंकिंग शाखाएं, 3 माइक्रो बैंकिंग शाखाएं, 5 रिटेल एसेट्स शाखाएं तथा 100 माइक्रो फायनेंस शाखाएं उत्तर प्रदेश के 24 जिलों में हैं। बैंकिंग एवं वित्तीय सेवाओं के अलावा, इस्को गैर वित्तीय सेवाएं, सोलरसॉलर गतिविधियों का एक हिस्सा है, जिसका लक्ष्य उत्तर प्रदेश के ग्रामीण इलाकों में बैंकिंग सेवाओं से वंचित राज्यों लोगों को डिजिटल वित्तीय आगमनायक कार्यक्रमों के माध्यम से वित्तीय साक्षरता प्रदान करना और साथ ही पीएल कोर्पोरेट के माध्यम से मुद्राभूत स्वास्थ्य सुविधाएं प्रदान करना है। उत्कर्ष ने अपने बैंकिंग परिवर्तन जनवरी, 2017 में भारतीय रिजर्व बैंक से लाइसेंस प्राप्त होने के बाद शुरू किया। इससे पूर्व उत्कर्ष एक एनबीएफसी-एमएफआई के रूप में पूरे भारत में 374 शाखाओं के माध्यम से कार्यरत था। वर्तमान में उत्कर्ष की पहुंच 10 राज्यों के 110 जिलों में है जहां इसके 12 लाख सक्रिय सदस्य हैं। उत्कर्ष की वर्तमान में कुल 344 माइक्रो फायनेंस शाखाएं, 7 माइक्रो बैंकिंग शाखाएं, 18 रिटेल एसेट्स (एमएएसएमई एवं हाउसिंग लोन) शाखाएं तथा 17 सामान्य बैंकिंग शाखाएं इन दस राज्यों तक कार्यरत हैं। इस अवसर पर उत्कर्ष स्मॉल फायनेंस बैंक के प्रबंध निदेशक एवं मुख्य कार्यकारी अधिकारी श्री गोविंद सिंह ने कहा, उत्कर्ष ऐसा पहला वाणिज्यिक बैंक है जिसका मुख्यालय वाराणसी में है।

Samachar Dhara, June 12, 2017

महिलाओं के लिए उत्कर्ष बैंक

वाराणसी। उत्कर्ष स्मॉल फायनेंस बैंक ने महिलाओं के लिए विशेष कार्यक्रमों का शुभारंभ किया। बैंक ने महिलाओं को लेंडिंग रेट में कम करने में डिजिटल रेट बढ़ाने का लक्ष्य रखा है।

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Dainik Jagran, June 18, 2017

साल के अंत तक 18 शाखाएं खोल सकती है उत्कर्ष

वाराणसी। उत्कर्ष स्मॉल फायनेंस बैंक इस साल के अंत तक 18 शाखाएं खोल सकती है। बैंक ने महिलाओं के लिए विशेष कार्यक्रमों का शुभारंभ किया।

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Aaj June 18, 2017



The Hindu Business Line, June 18, 2017

Banking Frontiers, June Edition, 2017

Utkarsh Small Finance Bank looks to cross-sell insurance; plans 400 branches

Will focus on non-micro-finance sectors such as MSMEs, housing and retail loans

SHRADDHA
The newly licensed Utkarsh Small Finance Bank will look to cross-sell insurance products through its branches from July. Utkarsh plans to have a network of 400 branches by the end of this fiscal. While ready to expand into micro-finance, the bank will be aggressive to cross-sell insurance products, which will be new additions. Utkarsh currently has a customer base of 12 lakh across 100 branches. Utkarsh is looking to expand into MSMEs, housing and retail loans. Utkarsh is looking to expand into MSMEs, housing and retail loans. Utkarsh is looking to expand into MSMEs, housing and retail loans.



Govind Singh, MD and CEO

stopped charging less than 10 per cent, but in case of Utkarsh, the rate has come down to 10 per cent, from 20-25 per cent.

Business growth
The small finance bank will focus on the non-micro-finance sectors like MSMEs and housing loans, retail loans like two-wheeler finance, personal loans, among others. Currently, micro-finance lending accounts for a per cent of its loan book of ₹2,000 crore.

Mobilising deposits
According to Singh, Utkarsh is expecting to mobilise deposits to the tune of ₹1,000-2,000 crore, while sources said to be ₹1,000-500 crore by the end of the fiscal.

In terms of geographical spread, the small finance bank will look to consolidate its presence in the existing States, while a long-term objective is being considered.

Utkarsh plans to offer full banking services

The Government Development Corporation supported Utkarsh Micro Finance has just transitioned itself to a small finance bank. Govind Singh, MD and CEO of the bank, outlines the proposed activities of the bank

Govind Singh As you know, Utkarsh Micro Finance is a State Banking Financial Company. Since Finance Institutions regulated by the Reserve Bank of India, Department of Financial Services, started operations, we have been providing financial and non-financial services to the small and medium enterprises who have the still but not in need of capital. Initially, it started with credit facilities under Joint Liability Group (JLG) model. Today, the company also has Micro, Small and Medium Enterprises Loans and Housing Loans products in its loanbook. Currently, the total assets are ₹2,000 crore, while deposits are ₹1,000 crore.

From the very first plan, we were focused on providing strong support and financial structure to plan. From the very first day we started operations, we have been looking to provide a complete solution. Utkarsh, Finance and Growth, we had a plan to use digital technology and build up a responsible Finance bank.

Our focused approach on quality before this just quarter has helped us to create a digital ecosystem like the M.T.A.J. Group (formerly Shreeganga and Kanyasulk) and Client Promisee. Utkarsh Small Finance Bank.

As a NPI, Utkarsh has been working closely with the Government to transform the business of the small finance bank. We have been working on the digital ecosystem. We have been working on the digital ecosystem. We have been working on the digital ecosystem.

उत्कर्ष लघुवित्त बँकेच्या ग्राहकांना मिळणार एचडीएफसी अर्गाची विमा उत्पादने

मुंबई : सामान्य विमा उद्योग क्षेत्रातील अग्रणी कंपनी असलेल्या एचडीएफसी अर्गा कंपनीने सर्वसाधारण विमा उत्पादनांच्या आठ, यात मोटर विमा, गृहविमा, आरोग्य विमा, अपघात विमा, अग्निविमा यासारख्या विविध उत्पादनांचा समावेश आहे. ही सर्व उत्पादने उत्कर्ष लघुवित्त बँकेच्या ग्राहकांमध्ये उपलब्ध करवून देणार आहेत, असे मालिती एचडीएफसी अर्गाचे जनरल डायरेक्टर कंपनीचे कार्यकारी संचालक अनुज त्यागी यांनी दिली आहे. उत्कर्ष लघुवित्त बँकेसोबतचा सहकार्य करार आमच्या विकास धोरणाचाच एक भाग असून आमच्यासाठी एक महत्त्वाचा टप्पा आहे. आमचा अग्रगण्य विस्तारित करून देशभरातील विविध क्षेत्रातील ग्राहकांचा आपत्ती उपादाने अधिक प्रभावीत उपलब्ध करून देण्याचा आमचा सातत्याने प्रयत्न राहिल आहे, असे त्यागी यांनी या वेळी सांगितले.

We are proud to have joined hands with Utkarsh Small Finance Bank for the distribution of General Insurance.

SMALL FINANCES, BIG ENTREPRENEURIAL STEPS

Utkarsh Small Finance Bank is a pioneer in the small finance bank sector. We have been working on the digital ecosystem. We have been working on the digital ecosystem. We have been working on the digital ecosystem.

Govind Singh The idea behind selecting Varanasi was that we got access to small and medium business owners, who at that time didn't have easy access to loans.

epunyanagari.com, July 07, 2017

Entrepreneur India Magazine, July Edition, 2017



Photo Gallery: UTKARSH ACTIVITIES

Utkarsh Small Finance Bank Achieves A Milestone

Customer base Deposits of ₹100 Crore



Signing of Agreement with Partners for Insurance Business



Press Conference, Varanasi on June 17, 2017



For Queries and Suggestions, please write to: Utkarsh CoreInvest Ltd
S-24/1-2 | 4th Floor | Mahavir Nagar | Orderly Bazar | Mahavir Mandir
Varanasi | Uttar Pradesh – 221002 Mobile # +91 7518903414;
E-mail ID: communication@utkarshcoreinvest.com website: www.utkarshcoreinvest.com

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