



Q4 OPERATIONAL HIGHLIGHTS FOR SFB SUBSIDIARY



The closure of Q4, FY 2016 -17 brought a landmark achievement in the history of Utkarsh. The company started its banking operations with the launch of 4 General Banking Branches and 1 existing Micro Banking Branch on January 23, 2017.

Mr. Govind Singh, MD & CEO of the Bank said, "This is a special moment for all of us. This is the result of passion and untiring hard work put in by each and every member of Utkarsh family during last 7 years". He acknowledged the continued support and patronage of all stakeholders.

In order to establish SFB, as approved by the RBI, Utkarsh Micro Finance Limited incorporated a subsidiary in the name of Utkarsh Small Finance Bank Limited ("USFBL") and transferred its existing business, as a going concern, on a slump sale basis to USFBL through a business transfer agreement dated January 21, 2017.

At the close of Q4, FY 2016-17 the total outreach of Utkarsh active client base stood at 1,169,396 with a total portfolio outstanding of ₹16,136.41 Mn.

The microfinance outreach (JLG Business) of the Bank had 1,152,324 active client base with a portfolio outstanding of ₹15,301.61 Mn, whereas, the MSME Loan Business and Housing Loan Business had 16,911 and 161 active clients base, respectively with portfolio outstanding of ₹782.6 Mn and ₹52.2 Mn respectively.

Bank signed Memorandum of Understanding with National Housing Bank (NHB) on Pradhan Mantri Awas Yojana (Urban) – Housing for All, through the Credit Linked Subsidy Scheme.

Under the Corporate Social Responsibility initiatives, the company continued to take up its activities focused on Education (Financial Awareness), Health (Poly Clinic through Branches and through Mobile Vans) and Goodwill gestures.

Along with all business activities, the quarter was marked special with new incumbents joining in the Senior Management - Mr. Vinay Jadhav, joined the company as Head Administration and Mr. G. Srinivasa Reddy as Head- Treasury.



New Incumbents in the Senior Management

Vinay Jadhav - Head – Administration

He is having more than 18 years of experience in Banking and Service Industry, directed full spectrum of facility program encompassing response planning and implementation, life, safety, security, transportation, and energy conservation. Prior to joining Utkarsh, he was with Axis Bank for nearly 15 years handling various responsibilities in Administration, HR Operations, IR, Talent Acquisition, Protocol & Liaisoning, Safety & Security, Vendor & Facility Management. He is a Commerce Graduate from Mumbai University and currently pursuing Masters in Human Resources and Development Management from Mumbai University.



G. Srinivasa Reddy - Head - Treasury

He has over 3 decades of experience in treasury operations domain. Prior to Utkarsh, he was with Kotak Mahindra Bank in the capacity of Senior Vice President, Treasury Operations. Earlier he worked with ICICI Bank in Forex and Domestic Treasury Operations and was on deputation to Clearing Corporation of India Ltd during this tenure. He started his career with Corporation Bank and gained expertise in general banking while working at Mumbai and Bangalore, subsequent to which he was engaged for treasury operations in back and front office. He is an M. Sc. (Bio Sciences) from Nizam College, Hyderabad with a Post Graduate Diploma in Advanced Bank Management from NMIMS, Mumbai.



Employee Speak "..."

"I joined Utkarsh as Regional Manager in September 2009. Currently I am working as Zonal Head - Micro Banking. I really appreciate how Utkarsh is more concerned about its Values as well as employee centricity. Within a short period of its journey, Utkarsh established itself as one of the best organizations in hinterland of its operational geographies. Over last 7 years, i got wonderful opportunities to learn and develop myself professionally and personally as well. I am really proud to be a part of Utkarsh family."

Excerpts from a talk with **Mr. Sanjay Singh – Zonal Manager Varanasi, Micro Banking, Varanasi.**



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 total districts being covered in 10 states grew from 98 to 110. The branch network expanded to 377 (JLG business at 350 Branches, MSME business at 23 locations and HL business at 3 locations, 4 General Banking Branches and 1 upgraded Micro Banking Branch. During the year, the company opened 36 new branches, (29 JLG Branches, 2 MSME Branches, 4 General Banking Branch) and upgraded 1 Micro Finance Branch to a Micro Banking Branch serving over 1.2 Mn active clients.

At the close of Q4, FY 2016-17 the JLG active client base was 1,152,324 with portfolio outstanding at ₹15,301.61 Mn. The MSME portfolio was ₹782.6 Mn with 16,911 active clients and Housing Loan pilot reached 161 active clients with ₹52.2 Mn portfolio outstanding. The total portfolio of the Company was ₹16,136.41 Mn as on March, 2017.

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

Particulars	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
LIABILITIES OUTREACH			
No. of States	4	-	-
No. of Districts	4	-	-
Total No. of General Banking Branches	4	-	-
Total No. of Customers	1,681	-	-
Total Deposit (₹ in Mn)	186.28	-	-
Particulars	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
MICROFINANCE OUTREACH			
No. of States	10	10	8
No. of Districts	110	98	65
Total No. of Branches			
Micro Banking Branches	1	-	-
Micro Finance Branches	350	321	240
Total No. of Centers	75,887	60,484	37,752
Total No. of Groups	321,326	264,576	152,206
Total No. of Members	1,104,768	1,061,05	639,753
Total No. of Clients	1,152,324	995,810	601,465
Loan Outstanding (₹ in Mn) (Own + Managed)	15,301.61	13,433.4	6,922.8
Total No. of Loan Disbursed	2,830,668	2,054,24	1,189,081



Particulars	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
MICRO SMALL MEDIUM ENTERPRISES			
No. of States	7	5	4
No. of Districts	22	21	14
Particulars	As on Mar 31, 2017	As on Mar 31, 2016	As on Mar 31, 2015
Total No. of Business Locations	23	21	15
Total No. of Loan Disbursed	23,101	17,463	7,792
Total No. of Clients	16,911	14,326	6,823
Loan Outstanding (₹ in Mn)	782.6	871.3	358.1
HOUSING LOAN			
No of States	2	2	-
No. of Districts	3	2	-
Total No of Business Locations	3	2	-
Total no of Loan Disbursed	171	72	-
Total No. of Active Clients	161	72	-
Loan Outstanding (₹ in Mn)	52.2	20.2	-
EMPLOYEE DETAILS			
Micro Banking Employees	2886	2188	1,476
Retail Loan Employees	343	261	143
Liabilities Employees	318	-	-
Support and Control Employees	300	187	133
TOTAL	3,847	2,636	1,752

FINANCIAL PERFORMANCE

The Bank achieved a PBT of ₹529.00 Mn for FY 2016 - 17. Important financial parameters are as below:

Particulars	As on Mar 31, 2017 (Audited)	As on Mar 31, 2016 (Audited)	As on Mar 31, 2015 (Audited)
Income (₹in Mn)	4,222.43	2537.8	1349.6
Expense (₹in Mn)	3,693.43	1926.7	1084.8
Profit Before Tax (₹in Mn)	529.00	611.1	264.8
Net Worth (₹in Mn)	6,754.41	2,525.80	2322.4



Key indicators Q4 FY 2016 – 17

Key Indicators	As on Mar 31, 2017 (Audited)	As on Mar 31, 2016 (Audited)	As on Mar 31, 2015 (Audited)
CRAR	25.87%	20.68%	35.1%
Operating Self Sufficiency	120.59%	133.30%	125.2%
ROA	1.60%	3.29%	2.6%
ROE	6.91%	15.88%	12.5%
Debt Equity	2.81	4.81	2.9
Operating Expense Ratio	8.02%	7.16%	7.7%
Cost of Borrowing	12.32%	13.48%	14.0%

SOCIAL INTERVENTIONS (Credit Plus Activities) HEALTH INITIATIVES

HEALTH INITIATIVES:

In order to provide primary health care services in Company’s operational areas where medical facilities are limited, Utkarsh Welfare Foundation (UWF) continued to have tie ups with Ram Krishna Sewashram Hospital and GV Meditech Groups. In association with them, UWF organized regular Poly Clinics at Branches and also through Mobile Vans.

The Regular Poly Clinics were organized fortnightly every month through 8 branches. The beneficiaries were given free medical consultation and medicines. A total of 43 Regular Poly Clinics were organized during Q4 FY 2016-17, benefiting 5,024 patients.

Similarly, the outreach of Mobile Poly Clinic Vans grew from 10 branches (5 in Satna Division, Madhya Pradesh and 5 in Gorakhpur Division, Uttar Pradesh) to total 15 branches by adding, now 5 new branches in Kaimur & Rohtas districts of Bihar.

A total of 84 Mobile Poly Clinics were organized during Q4 FY 2016-17, benefiting 15,324 patients.

Till March 2017, a total of 370 Medical Mobile Van Poly-Clinics were organized and 62,106 patients have been benefitted with medical services.

In the Q4 FY 2016 -17, a total of 20,348 patients had been provided with Primary Medical Health Care services across 23 branches.

FINANCIAL AWARENESS:

In association with Swiss Capacity Building Facility (SCBF) – ACCION

This project was launched in May 2015, through 5 branches. During Q3 FY 2016 – 17. A total of 2,159 beneficiaries received Financial Literacy training through this project. Cumulatively, a total of 20,377 beneficiaries had been trained so far. The SCBF project was currently operational in Azamgarh, Bhojpur, Berhampur, Chota Jamalpur and Harhua which was completed on December 31, 2016.



Utkarsh Welfare Foundation (UWF) Financial Literacy Program

UWF Financial Literacy Program was launched in September 2015 across 9 branches in Bihar and Madhya Pradesh. Currently, the program is operational at 8 branches. During Q4 FY 2016 – 17, a total of 3,649 beneficiaries had completed their Financial Literacy Training through 8 branches viz. Amarpattan, Bara Chakia, Bettiah, Gyanbabu Chowk, Maihyar, Narkatiyaganj, Rewa and Satna. Cumulatively, a total of 27,198 beneficiaries had been trained as at close of March 31, 2017.

Dialogue on Business

The project was launched in June, 2016 initially through Varanasi Branch and now this has been upgraded and also started at MEL Allahabad branch. The project is designed to train MEL clients on self-management, cash management and enterprises management. For Q4 2016-17, a total of 367 clients had been trained.

In association with FMO (Dutch Entrepreneurial Development Bank) Project

The project was launched in June, 2016 across 5 branches of Uttar Pradesh. Now today the project is being implemented through 10 branches (Ashok Vihar, Chappra, Dighwara, Garkha, Jalalpur, Madiyadoo, Naupedwa, Parmanantpur, Panchkoshi and Sonpur).

For Q4 2016-17, a total of 1,814 beneficiaries had completed financial literacy training across 10 branches. Cumulatively, a total of 13,214 beneficiaries had been trained so far.

Mass Awareness Program

Community Mass Awareness Camps were conducted at village level, wherein 3,957 beneficiaries participated across 11 camps.

1. SIDBI - Poorest States Inclusive Growth Programme (PSIG) - Financial Literacy and Women Empowerment Initiatives

Pilot Project

SIDBI-Poorest State Inclusive Growth Programme (PSIG) endeavours to focus specifically on women's empowerment through microfinance interventions including financial literacy programme and capacity building of women beneficiaries on social, gender and legal rights and entitlements issues. The project aims to institutionalise capacity building program for the microfinance beneficiaries through partner MFIs. The project is also being supported by Department for International Development (DFID). It was launched through 7 MFIs in Uttar Pradesh and Bihar to cover 60,000 beneficiaries.

At Utkarsh, the pilot project was implemented through 16 branches with the support of 22 Master Trainers. Concepts on Financial Literacy and Women Empowerment were imparted to 16,500 members across 2 districts Deoria and Ghazipur of Uttar Pradesh and 3 districts of Bihar-Arrah, Kaimur and Sant Ravidas Nagar.

At the closure of the project as on March 31, 2017, a total of 15,741 beneficiaries were trained on the concepts of Financial Literacy and Women Empowerment. A pool of 22 Master Trainers (MT) from Utkarsh Welfare Foundation were trained through Training of



Trainer's (TOT) program and Refresher Trainings in 3 phases. Each of the trained MT received 26 days of training and each of the targeted microfinance beneficiary were imparted 27 hours of training inputs spread over the project period delivered in three phases.

Scale up project

Currently, the project is in scale-up phase and aims to extend the program through 30 new branch locations through 30 Master Trainers in 15 months timeline upto July 2017. Each of the MTs are expected to undergo 15 days TOT and Refresher Trainings. Web based MIS system is used for effective monitoring and evaluation of the project. The project entails collection of baseline data and training of 22,500 new beneficiaries and end line data collection of 15,000 beneficiaries from the pilot project through open data kit based mobile handsets.

After completing 1st phase of 6 days, the training program were started in 23 branches. Total beneficiary outreach under 1st phase of training as at March 31, 2017 had been 19,456 (as a total of 21 hours of training inputs to 22,500 clients were imparted, out of which 9 hours of training input is given to 19,456 clients).

In the Q4 FY 2016-17, the Financial Literacy Education Program reached 25,830 beneficiaries.

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

“BIGGER THE DREAM BIGGER THE CHALLENGES—NEVER GIVE UP FIGHT WITH THE SITUATION: THE STORY OF BRAVE WOMAN ENTREPRENEUR”

My family will never forget the early days of hardships when we were struggling to meet our daily needs with our limited means of almost negligible income from our small General Store at Kabir Chaura in Varanasi.

To meet the expenses I started the work of stitching clothes from my house but the income earned was not sufficient to meet our daily needs.

Like others, I also had dreamt of a life, where my family should have minimum household items like refrigerator, television etc., but all of these was not possible with low income.

“Believing that challenges are the part of life- never give up and fight with the Situation.”





My neighbour Mrs. Sarita Devi told me about Utkarsh Micro Finance which provides income generating loans through Joint Liability Groups. She helped me to meet an Utkarsh Credit Officer. That day I decided to be an active member of a Joint Liability Group.

The Credit officer detailed me about the company and procedure to avail the loan and motivated me to broad base and scale up my skills and make the best use of the credit facility provided for improving the financial crisis.

I discussed with my husband about the financial support provided by Utkarsh Micro Finance to women in groups and he was happy to go ahead with it.

Moving forward I became an active member of the group and was granted a loan of ₹8,000/- by which we renovated our small grocery shop and added for the stock of items. With subsequent loan of ₹15,000/- we further increased the stock of grocery items.

Slowly and gradually our business grew up and now we able to make good savings every month.

With increase in savings, we decided to open a milk booth (for Parag Milk) and also sell bakery items. Recently we availed a loan ₹80,000/- (Micro Enterprise Loan).

Today we have two shops one general store and one Parag Milk Booth. We are settled and confident for our better life.

We are really thankful to Utkarsh for enhancing our livelihood income. Thanks to the good behaviour of Utkarsh and allotment of sufficient credit amounts as per our requirement and at the time when we needed it the most.

THANK YOU UTKARSH!





Utkarsh in News

Amar Ujala, January 25, 2017



**Financial Express,
February 03, 2017**



**Customer Click,
January 2017 Edt**



Dainik Jagran, February 5, 2017

AAJ March 05, 2017





Photo Gallery: UTKARSH ACTIVITIES

Celebrating an Important Milestone (Soft Launch of the Bank) Jan 23, 2017



Signing Memorandum of Understanding with National Housing Bank on Pradhan Mantri Awas Yojana (Urban) – Housing for All, through the Credit Linked Subsidy Scheme



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