

**INSTITUTE OF RURAL CREDIT & ENTREPRENEURSHIP
DEVELOPMENT (IRCED), SANGLI.**

इरसेड संस्था, सांगली

वार्षिक अहवाल २०१५ - १६

IRCED ANNUAL REPORT

2015-16

INSTITUTE OF RURAL CREDIT & ENTREPRENEURSHIP DEVELOPMENT
(IRCED), SANGLI

CHAIRMAN'S PAGE:



Dr. Pramod Lad

I am thankful to all the donors, bankers, individuals, volunteers and the IRCED Board members for continuous support to meet our vision of reaching 2.50 lakh poor and needy women by 2017 for their empowerment. All the staff and working volunteers have worked day and night to improve the lifestyle of poor and needy people from Sangli, Satara, Kolhapur and Belgaum district.

Govt. of Maharashtra selected IRCED as Key Resource Centre for Sanitation Programme in Sangli District. Many foundations and organisations recognized the important work IRCED is doing and gave awards.

Habitat for Humanity and HERO Group have sponsored 4 sanitary complexes for schools in Sangli district.

SIDBI gave Rs.75 lakh as Sub debt to increase the net worth of IRCED. IRCED could open one more new Branch at Kolhapur.

Secretary & CEO



Mr. Kiran Kulkarni Mob. 09422407929.

INSTITUTE OF RURAL CREDIT & ENTREPRENEURSHIP DEVELOPMENT
(IRCED)

SOCIAL ACTIVITIES



On the request of the people living nearby IRCED Bhavan, 2 Benches are given for the public purpose at the Bus Stop near IRCED Chowk on Old Dhamni Road, Sangli.



Our CEO Mr. Kiran Kulkarni with Chairman of Corporation Bank Mr. Bansal, and Senior staff of the Bank. SHG and Farmers gathering was called on the occasion.

SHG Gathering at Mangaon, Kolhapur District



Felicitation to SHG Entrepreneurs on the occasion of 8th March Women's Day at Rajmati Bhavan, Sangli. The dignitaries on the dias from left Mr. Kiran Kulkarni, CEO – IRCED, Mrs. Maya Kulkarni, President – SPVS, Mrs. Vandana Gaikwad – Social Worker, Mrs. Vandana Phulari, Social Worker, Mrs. Jayashri Patil, President – Rajmati Trust, Mr. Suresh Patil, President – Latthe Education Society, Mr. Pramod Lad, President – IRCED, Mrs. Ujjwala Choudhary, Yoga Teacher.

Institute of Rural Credit and Entrepreneurship Development (IRCED)
MFI Grading Report: IRCED got MFI 3 grading from CARE for October 2015 to Sept. 2016.

TOSS FRAMEWORK Transparency

Above average

- Registered as a society. Legal form is subjected to lower regulatory norms and reporting as compared to the Non-Banking Financial Company (NBFC) legal form. The Society has initiated steps to convert the same into an NBFC.
- Reasonably experienced governing body members
- Absence of monitoring committees like Audit, HR, Legal, Finance
- Credit policies are well-established and documented and communicated.
- Transparency in lending process is adequate.
- Transparency in usage of funds is adequate.
- Overall disclosures are above average.
- IRCED has appointed an independent party (Chartered Accountant (CA)) to conduct its internal audit which is done on a monthly basis. Though, the reporting is on a quarterly basis. The audit is conducted both at the branch level and at the Head Office (HO).

Operational Setup

Above average

- Adequate loan appraisal process.
- Adequate monitoring systems.
- Adequate system for tracking over-dues and delinquency management.
- MIS has been upgraded both for monitoring loan management with new software (Open CBS) integrated across the branches online.
- The accounting module is expected to be operational in H2FY16 which will integrate the accounting systems and loan management system.
- Credit discipline of borrowers is good.
- Employee strength has increased to 42 employees as on March 31, 2015 from 25 employees as on March 31, 2014 to support the growing loan portfolio. Further, the attrition rates have improved to nil in both FY14 and FY15.

Scale of Operations

Small

- The company has a moderate track record in microfinance activity and would be classified as a small size MFI in India with a Asset Under Management (AUM) of Rs. 8.93 crore as on March 31, 2015.
- Increasing number of active self help groups (SHG) has increased from 1,265 as on March 31, 2013 to 2,274 as on March 31, 2015. Further, the number of individual members in the SHG has increased from 15,246 as on March 31, 2013 to 22,417 as on March 31, 2015.
- The total outstanding AUM grew to Rs.8.93 crore as on March 31, 2015 from Rs. 3.96 crore as on March 31, 2013. Out of which own loan portfolio grew to Rs.5.00 crore as on March 31, 2015 from Rs. 2.83 crore as on March 31, 2013 and managed loan portfolio grew to Rs.3.93 crore as on

March 31, 2015 from Rs. 1.14 crore as on March 31, 2013.

- Operates in five districts in the state of Maharashtra and Karnataka.
- IRCED over the previous year has diversified its operations from to 172 villages in FY15 from 99 villages in FY13. The operations in Karnataka which were at nascent stage with a single branch and has contributed to the loan portfolio of 15% as on March 31, 2015

Sustainability

Above average

- The current constitution and its legal form is prohibits IRCED to raise equity and declare dividend to its members. The same restricts the ability to attract private investors looking for commensurate return.
- Maintain Operational Self Sufficiency (OSS) level above 100% (i.e. 115%) in FY15.
- Good asset quality with nil NPAs as on March 31, 2015.
- Operating cost ratio of the AUM was at 14.43% in FY15 which was at reasonable levels.
- As on March 31 2015, Capital Adequacy Ratio (CAR) stood at reasonable level (24.01%).



News Cutting in Daily Sakal about the 8th March event.

CODE OF CONDUCT ASSESSMENT (COCA) FOR Institute of Rural Credit and Entrepreneurship Development (IRCED)

Valid Period: Jan.18. 2016 to Jan.17 2017.

RATING Code of Conduct Assessment Score - 78%

COCA Rating - COCA 3 (Above Average Level of Adherence)

Rating Scale

Rating Definition

COCA 1	Very High Level of Adherence
COCA 2	High Level of Adherence
COCA 3	ABOVE AVERAGE LEVEL OF ADHERENCE
COCA 4	Average Level of Adherence
COCA 5	Below Average Level of Adherence
COCA 6	Low Level of Adherence

EXECUTIVE SUMMARY

The Code of Conduct report for INSTITUTE OF RURAL CREDIT AND ENTREPRENEURSHIP DEVELOPMENT (hereafter referred as IRCED) evaluates the company's adherence to various code of conduct parameters. The study examines and comments upon the common minimum indicators such as:

- Client Origination & Targeting
- Loan Pricing & Transparency
- Loan Appraisal
- Privacy of Client Information
- Staff Behavior & Client Grievance Handling
- Integrating Social Values Into Operations
- Relationship Management and Feedback Mechanism
- Compliance Status of MFI vis-à-vis the Recent RBI Guidelines

SMERA believes that IRCED exhibits **ABOVE AVERAGE LEVEL OF ADHERENCE** to all parameters and consequently complies well with the code of conduct laid out. This document details SMERA's approach and methodology for this study and gives observations of its assessment team while conducting the evaluation. The Approval; Documentation; Dissemination and Observance (ADDO) framework has been used for assessment and measuring IRCED's adherence towards ethical operational practices.

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