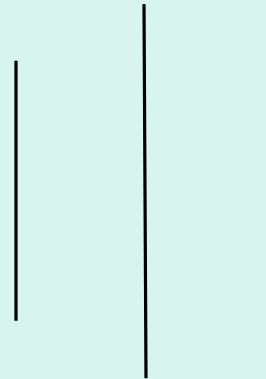


**Nirdhan Utthan**  
**Laghubitta Bittiya Sanstha Limited**  
*(Microfinance Financial Institution)*

## **Brief Profile**



**Central Office**  
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## History

In 1986, Dr. Harihar Dev Pant, the then Senior Officer at the Central Bank of Nepal (*Nepal Rastra Bank - NRB*), visited Grameen Bank, Bangladesh. The visit inspired him to launch microfinance programme in Nepal. Shortly thereafter, "Nirdhan" (*people without money*) was created. In April 1991, Nirdhan was registered with the Government of Nepal as an NGO. It began its microfinance operation in March 1993 and obtained a limited banking license from the NRB in 1994. Under the license, it was permitted to mobilize savings from its group members/clients.

In October 1998, Nirdhan Utthan Bank Limited (NUBL), "*the bank for upliftment of the poor*", was registered as a Company. In April 1999, NRB granted NUBL a license to undertake banking activities under the Development Bank Act of 1996. In July 1999, Nirdhan NGO transferred all microfinance operations to NUBL.

As the microfinance operations were transferred to NUBL, the NGO Nirdhan continued the non-financial activities like entrepreneurship training, skill training, micro-health insurance, business development services etc. mostly catering to the needs of the NUBL clients.

As per the NRB directives, NUBL is now operating as Nirdhan Utthan Microfinance Financial Institution (Nirdhan Utthan Laghubitta Bittiya Sanstha Limited - NULBSL).



## Vision, Mission and Goals

### *Vision*

To be a bank with a social conscience that enables poor to (i) contribute equally to a prosperous, self-reliant rural society through self-employment and social awareness, and (ii) help to reduce poverty in Nepal.

### *Mission*

To extend financial services and social awareness to the poor in under-served and un-served areas of Nepal in a sustainable manner.

### *Goals*

- Reach the maximum number of poor households with potential and financial viability by adopting proven delivery mechanism.
- Develop a well-managed institution with high staff morality.
- Enhance women's "self-respect" through social awareness, proper use & on-time repayments of loans, regular savings and provision of related micro-finance services.

## Structure and Ownership

### *Organizational Structure*

Nirdhan Utthan has a three-level structure of Branch Office, Regional Office and Central Office. Branch Offices are in the frontline for client relations and services. They are staffed with Loan Officers, Accountant and Branch Manager. The Branch Manager supervises all activities and staff and periodically reports to the Regional Manager.

Regional Offices manage between 7 to 28 Branch Offices and are responsible for fund transfers to Branch Offices, internal control, verifying client loan utilization, compiling reports and accounts for each Branch, supervising Branch budgeting and verifying client Group/Centers for poverty targeting.

Nirdhan Utthan has nine departments at the Central Office, which include: Planning, Monitoring & Research; Internal Audit; Human Resource Management; General Administration; Account & Fund Management; Operation; Training & Development; Information Technology; and Loan/Recovery Department.

The Chief Executive Officer leads the team at the Central Office, who is responsible for strategy development and management of the institution.

### *Legal Structure*

The roots of Nirdhan Utthan dates back to 1991 when Nirdhan NGO was launched. In October 1998, NUBL was registered with the Office of the Company Registrar at the recommendation of the central bank (Nepal Rastra Bank). In April 1999, NUBL received license from NRB to undertake banking activities under the then Development Bank Act 1996. In July 1999, Nirdhan NGO transferred all of its microfinance activities, including overall infrastructure, staff, loan portfolio and most of the assets to NUBL, which is now operating as NULBSL.



### *Ownership*

The paid-up capital of Nirdhan Utthan is NPR 2.612 Billion and major shareholders are Nirdhan (NGO), Himalayan Bank Limited, Nabil Bank Limited, Everest Bank Limited, Grameen Trust, Bangladesh, Private Sector Individuals, International Finance Corporation, and General Public.

## Governance

Nirdhan Utthan Board of Directors comprises seven members - two each representing individual promoters, institutional promoters and public shareholders as well as one independent director. The Board meets at least 12 times a year and takes policy decisions to pursue the objectives of the institution. The Chairperson of the Board is elected by the board members from among themselves. The Board is accountable to the General Meeting of shareholders, who meets generally once a year as the Annual General Meeting.



The composition of the current Board is as follows:

### Chairperson

Mr. Sharad Nidhi Tiwari - *representing Nirdhan NGO*

### Directors

Mr. Hari Krishna Pant - *representing Promoter Shareholders*

Mr. Devendra Bahadur Raut - *representing Promoter Shareholders*

Mr. Top Bahadur Rayamajhi - *representing Public Shareholders*

Ms. Samrita Tiwari - *representing Public Shareholders*

Mr. Santosh Kumar Bhattarai - *representing Everest Bank Limited*

Mr. Sundar Bastola - *representing Himalayan Bank Limited*

### Chief Executive Officer

Mr. Janardan Dev Pant

## Outreach and Operation

### Programme Area

Nirdhan Utthan, the national-level microfinance service provider has been the first MFI expanding its programs to all over the country. It has 185 branch offices with at least one branch in all of the 77 districts of Nepal.

### Target Group

For group-based financial and non-financial services, Nirdhan Utthan recognizes new clients falling under the following target criteria:

- Owns less than 0.25 hectares of irrigated land or less than 0.5 hectares of un-irrigated land per five-member family.
- House without cemented walls or ceiling.
- Permanent resident of the area.
- With no current outstanding loan from other financial service providers.



### Lending Methodology

- 1) Individual lending based on group solidarity and without collateral (Grameen Banking model).
- 2) Wholesale lending to Self-Reliant Group (SRG model).
- 3) Individual lending based on collateral.

### Scale of Operation

The five-year data from the recent past suggest an increasing trend in financial performance. As of mid-July 2022 (Asar 2079) Nirdhan Utthan has savings and deposits of NPR 18.18 Billion and the loan outstanding is NPR 27.69 Billion.



## Strategic Alliance

Nirdhan Utthan has established strategic alliance with various national and international development partners including the following organizations:

Blueberry Hill Charitable Trust (Samriddha Pahad)	Centre for Micro-Finance, Nepal CGAP-the World Bank
Cleanstart Project (UNCDF)	Enhancing Access to Financial Service (UNDP/UNCDF)
Grameen Trust, Bangladesh	INAFI, Nepal
International Finance Corporation	Mercy Corps
MIX Market	Nepal Microfinance Bankers' Association
PLAN International	Sakchhyam (DFID)
Save the Children	The International Labor Organization
The Rural Microfinance Development Centre	The World Bank- Agrifin Project
Unnati Project (NRB/UNCDF)	Whole Planet Foundation



## Products and Services

### Credit/Loan Products

Agricultural Loan  
Housing Loan  
Micro Enterprise Loan  
Energy Loan  
Foreign Employment Loan  
Educational Loan  
Emergency Loan

### Micro-Insurance Services

### Remittance Services

### Saving/Deposit Products

Voluntary Saving  
Group Fund Saving  
Centre Fund Saving  
Sahayatri Saving  
**Public Deposits**  
Easy Saving  
Employee Saving  
Special Saving  
Recurring Saving  
Fixed Deposits – up to 2 years

### Business Development Services

Nirdhan Utthan has realized and learned that micro-enterprises need a range of non-financial services for their expansion and to achieve economy of scale. Microcredit alone is not enough to create jobs in the underserved and unserved areas of Nepal. As such, the institution, in partnership with various accredited I/NGOs and development partners active in the country, has providing several client need-based business development services that include: Business Motivation Training, Entrepreneurship Development Training, Skill Development Training, Market Networking Training, and Continuous Business Counseling Services.



## *Social Services*

Client protection is a major concern of Nirdhan Utthan. It provides emergency relief services to its clients. When natural calamities like earthquake, flood, and fire occur; it immediately mobilizes staff members and distributes relief packages to the member clients. It has introduced emergency loan as well as business revival loan.

Nirdhan Utthan provides scholarships to children of member clients to achieve higher-levels of education. It recognizes best clients and awards cash prizes with a certificate of appreciation. It has created Client Protection Fund out of its profit and built-in several relief packages including maternity allowance, critical illness relief, disaster relief and covers the member client and spouse with micro-insurance.

