YVU FINANCIAL SERVICES PVT LTD

ANNUAL REPORT 2020 2021

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FY 2020-21 AT A GLANCE

Revenue
1,079
₹ lakhs

Profit
115
₹ lakhs

EPS
28.52
₹ (basic)

EPS
17.60
₹ (Diluted)

Capital raised
0
₹ lakhs (OCPS)

AUM
4,099
₹ lakhs

Branches
15

Employees
119

States
3

MESSAGE TO STAKEHOLDERS

Dear stakeholders,

The financial year 2020-21 has been challenging for each one of us. The COVID-19 pandemic is a global health crisis that continues to impact all our stakeholders - employees, clients, investors and communities we operate in. Even as I write this, India is in the grip of the second wave of the pandemic, much fiercer than the one we saw last year. My heart goes out to the families and friends and indeed to all those whose lives have been impacted.

On the business front, the relentless commitment and dedication of every member of YVU Financial helped the business overcome many challenges in the past year. In response to this crisis, our primary objective has been to ensure safety of our employees, to deliver our client commitments, and put in place mechanisms to protect the financial wellbeing of the Company and protect its long-term prospects. During the year, we offered COVID-19 related insurance policy for our employees. We also made certain other arrangements to ensure the safety and wellbeing of our employees.

The pandemic had impacted the operations of the company. During the lockdown the loan recovery was hit as movement in the field for loan recovery was restricted. While microfinance services were recognised as essential services in other parts of the country, such recognition was not given in Manipur. Despite a sharp fall in loan recovery in the first two quarters, progressively strengthening our efforts helped us stage a swift recovery during the rest of the year, enabling the Company to get back to almost pre-pandemic recovery level in 4 months. Profit after tax at INR 1.15 crores was up 6%. Your company is one of the few small MFIs which received INR 2 crores from NABARD under Additional Special Liquidity Facility scheme announced by the Government of India as one of the COVID-19 relief schemes.

I am delighted to inform you that the distinguished jury of the Inclusive Finance India Awards 2020 selected YVU Financial as the Winner under the category: Vijayalakshmi Das Award for Small & Emerging MFO. To get the recognition of our hard work at national level is something that has motivated us to contribute even more to the financial inclusion vision of the Government of India.

The pandemic has forced us to change the way we do our business. The microfinance sector has always been characterised by its high- touch delivery model. We feel that, going forward, it will be critical to have a customer centric approach with a balance between technology and human touch. Though 100% of the loan disbursement was through cashless mode, more than 99% of our loan recovery was in cash. We had to explore effective and efficient cashless modes of loan recovery. Though movement in field was not possible during the lockdown, we were in constant contact with our clients through phone calls and text messages asking them about the health and wellbeing of their families, educating them about the COVID-19 related SOPs and also assessing the impact the pandemic had on them economically. At our office level operation, our dependency on technology also increased. We conducted majority of our staff meetings and trainings through video conferencing platforms like Google Meet or Zoom.

Looking ahead, your company sees immense opportunity for growth considering the need for microfinance in the post pandemic world. The microfinance industry is in a unique position to help people recover from the economic effects of unexpected lockdowns and social restrictions caused by the pandemic. We are already working with low-income and underserved communities without access to traditional financial services. The need for microfinance will be felt even more as MFIs are extending critical lifelines to those most in need and hardest hit by the pandemic. With the resilience and adaptability, we had shown in the past year we will continue serving our customers leading to increase in shareholders' value. I would like to take this opportunity to thank our Directors, lenders and to all our people who have been working tirelessly to ensure we continue to serve the people of the country through this extremely challenging year. Most importantly, I would like to thank you, our shareholders for your continued trust, confidence and support.

Sincerely,

Bikendrajit Akoijam
Managing Director

BOARD OF DIRECTORS

Mr. Ak. Tikendrajit Singh
Chairman

Member of the Board of Directors since 2008

He has over 50 years of experience in developmental sector and over 22 years in microfinance. He is presently working as Chief Organiser of Youth Volunteers' Union (YVU), a "National Youth Award" winner in 1986-87. He is one of the founder members of YVU, a leading NGO in North East India. He is one of the promoters of YVU Financial Services Private Limited. Under his leadership, YVU (NGO) has implemented several livelihood and developmental projects. He took a crucial role in establishment of a milk processing plant in Manipur. Currently, it holds the largest market share of pasteurised milk in Manipur.

Mr. Bikendrajit Akoijam
Managing Director

Member of the Board of Directors since 2010

He has experience of over 10 years in microfinance. He completed MBA in Finance and Marketing and Master of Professional Accounting from La Trobe University, Melbourne. He received the Dean Commendation Award from La Trobe University for academic excellence. He is also the General Secretary of Microfinance Association of Manipur (MiFAM). Before joining the Company as Managing Director, he had worked in Pace Financial Services Limited and YVU Microfin.

Mr. V. Nagaraja

Independent Director

Member of the Board of Directors since 2018

He retired as Chief General Manager, Punjab National Bank. He was with Brickwork Ratings India Private Limited, Bangalore, as Head - Ratings, since April 2009 which he voluntarily left in January 2017. However, Brickwork Ratings has appointed him as a member of their External Rating Committee from February 2017. He is serving as a Professional/Independent Director on the Boards of RORS FINANCE PRIVATE LIMITED, HINDUSTHAN MICROFINANCE PRIVATE LIMITED and UNNATI MICROFIN PRIVATE LIMITED. He was a member of the empowered Committee constituted by the Reserve Bank of India to monitor the functioning of Regional Rural Banks in the three States of Punjab, Haryana and Himachal Pradesh. He was also a member of the Committee on Improvement in Concurrent Audit system of Commercial Banks. He was also a member of the Committee of Procedures, Performance Audit and Customer Service.

Mr. W. Prabin Singh

Nominee Director from NEDFi

Member of the Board of Directors since 2013

He is the Assistant General Manager, MF & MSE Department of NEDFi. He has extensive knowledge in the field of microfinance. Before joining NEDFi, he was working as Senior Project Executive at Rashtriya Gramin Viaks Nidhi (RGVN), a reputed development organization from October 2000 to June 2006. He is also representing NEDFi to the Board of some NBFC-MFIs.

Dr. Ch. Ibohal Meitei
Independent Director

Member of the Board of Directors since 2016
He is a professor and former Director at Manipur Institute of Management Studies, Manipur University. He also holds the position of Director at Centre for Entrepreneurship and Skill Development, Manipur University. He is an MBA and PhD and has also completed FDP in Management from IIM Ahmedabad. Dr. Ibohal had attended various courses at IIM Kolkata, IIM Bangalore, IIM Kozhikode, IIM Lucknow, MDI, Gurgaon in the area of Strategic Management and Business Policy. He has been associating in the administrative affairs of the Manipur University in various capacities during his service in Manipur University since 1995 till date.

Dr. Rajendra
Independent Director

Member of the Board of Directors since 2016
He is a retired Joint Director of Veterinary and Animal Husbandry Department. He is also the Chairman of All Manipur Government Employees Union. He is involved in the activities of many NGOs.

Mrs. Ak. Bino Devi
Nominee Director from YVU Staff Mutual Benefit Trust

Member of the Board of Directors since 2019
She is a successful entrepreneur doing business for more than 32 years. She is also actively involved in social development work. Prior to her present directorship at the Company, she was a member of the Board of Directors of the Company in her personal capacity since 2008.

BOARD COMMITTEE

AUDIT COMMITTEE

Name	Designation & Category
Mr. W. Prabin Kumar Singh	Chairman
Mr. M. Rajendra Singh	Member
Mr. Ak. Tikendrajit Singh	Member

ALCO COMMITTEE

Name	Designation & Category
Mr. W. Prabin Kumar Singh	Chairman
Mr. Bikendrajit Akoijam	Member
Mr. Ak. Tikendrajit Singh	Member

RISK MANAGEMENT COMMITTEE

Name	Designation & Category
Mr. Bikendrajit Akoijam	Chairman
Mr. W. Prabin Kumar Singh	Member
Mr. Ak. Tikendrajit Singh	Member

GRIEVANCE REDRESSAL COMMITTEE

Name	Designation & Category
Dr. M. Rajendra Singh	Chairman
Ms. Ak. Bino Devi	Member
Mr. W. Prabin Kumar Singh	Member

HUMAN RESOURCE COMMITTEE

Name	Designation & Category
Dr. M. Rajendra Singh	Chairman
Dr. Ch. Ibohal Singh	Member
Mr. Ak. Tikendrajit Singh	Member

BANKING & DEBT COMMITTEE

Name	Designation & Category
Mr. Ak. Tikendrajit Singh	Chairman
Ms. Ak. Bino Devi	Member
Mr. Bikendrajit Akoijam	Member
Dr. M. Rajendra Singh	Member







OUR CUSTOMERS

YFS focussed more on small women entrepreneurs specially for rural areas as more than 62 percent of the total no.of clients are from rural areas. We have been playing a major role in shaping the economy of Manipur and also given our support for Assam and Tripura clients. We have benefited more than 30000 families in breaking from the cycle of poverty. YFS also provides resources and access to capital to the financially underserved, such as those who are unable to get accounts, lines of credit, or loans from traditional banks. We also conduct various financial literacy training and buyers and sellers meet so as to help them in augmenting their income. We continuously aim to create value for the communities we conduct operations in, along with our stakeholders. Since the majority of our borrowers are women their financial needs are typically met by starting from a group loan and gradually graduating to an individual loan. On an average, our customers are aged between 30 – 40 years and are self-employed, budding entrepreneurs. Most of the women are engaged in occupations such as weaving, grocery stores, tailoring, house-keeping, sari business, poultry, fishery, dairy, hotel etc. and more than 99% of the loans are for income generation purposes.

Mrs. Akoijam Anita Devi
Yarn Store, Thoubal Wangmataba, Manipur

Mrs **Akoijam Anita Devi** is an individual client from **Sofia English School Sorok Mathak Thoubal Wangmataba**. She has been running a Yarn Store at Thoubal Bazar for the last 6 years with her Husband helping in her business. She has two sons, who are in 10th and 12th Standard. She initially started her business from her own savings and with some borrowed money from local money lenders and Local MFIs which cost them a very high rate of interest. Now, they have completely repaid the amount taken from local money lenders since the interest rate was very high and profit margin was not enough to sustain their business. They requested YVU for Rs. 50,000/- as 1st term loan. After proper Appraisal and Approval, YVU Financial Services Pvt. Ltd. has given Rs. 50,000 /- as 1st term loan on 30/06/2017. And Rs. 90,000/- in 2nd loan term respectively Now, she has taken Rs. 100000/- as 4th term loan on 19/01/2021 from YFS Pvt. Ltd. Wangjing Branch. She invested the loan amount in their Yarn selling business. After that she is able to expand her business very smoothly with good no. of stocks and as a result she is able to earn more income for their family.

Now she is financially stable with her business and plans to expand more, also she is able to save a good amount for her family. She also is able to send her two Sons to a good Private school and is able to live a better standard of living with her family. In a very short time she has accomplished some of her desires that she wanted to give to her family. She and her Family appreciated YFS for its low interest rate and mode of interest calculation compared to local money lenders and the timely help from YFS Pvt. Ltd in expanding her business.

Ms. Sabiya Khatoon
Variety shop, Silpukhuri, Assam

Her story with YFS Silpukhuri Branch-Ghy

Sabiya Khatoon is a resident of South Sarania Ghy-07 and she has been living with family for the last 20 years. She is running a Variety shop with husband very successfully and her sons and daughter are students. She started her business around 10 years ago. Initially they started their business from a small vegetable shop and wanted to expand her business but did not have sufficient money. She got information about the YVU Financial Services Pvt. Ltd. And she applied for JLG loan in 2016 as her 1st loan cycle in YFS and started with Rs. 12,000 in 1st term with which she started to expand her shop a little bit more. After completion of her loan tenure, she closed her 1st term loan and she applied for 2nd term for which she availed Rs. 20,000 in 26/10/2017, likewise in 3rd term she availed Rs. 30,000 in 12/09/2018 and now She is availing 4th loan term of Rs. 40,000 and she is very much satisfied. The loan amount was utilised in her business for the expansion for which she could earn enough money. She could also save some amount for their future. She says that their children can have a healthy breakfast, eat nutritious meals, afford private school and tuition fees. She is happily living together with their family. She thanks YFS for providing necessary financial assistance at the right time and mentions about our services and manner of the staff was also very satisfying.

She likes the easy loan process, reducing rate of interest, fortnightly mode of repayment and doorstep service facility provided by YVU Financial Services Pvt. Ltd.

Ms. Babita Das

Grocery shop, Kamalpur, Tripura

Babita Das (of Shivshanar Group), is a mother of one son and one daughter and is a resident of Marachara; Kamalpur Dhalai Tripura. She runs a Small shop along with her husband at her home. The incomes from them were not enough to meet the financial demand of their family. So, she decided to expand their shop to increase the volume of sales and income. At that time, she came to know about YVU Financial Services Pvt. Ltd. She approached YFS for an income generation loan and she got a 1st term loan of 15,000 and further applied for subsequent cycle loans to increase their business volumes. Now she got the 3rd term loan of Rs.40000.

After getting the loans she was able to expand her shop as a variety store and she upgraded her shop with enough inventory. Now she earns enough money to meet the financial needs of her family and at the same time she also saves some amount from her profit. She liked the fortnightly repayment, our services and she wants to keep a long term relationship with YFS.

She wishes that YFS can support many beneficiaries like me particularly in weaker economically backward section for a long time

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Ms. Athokpam Leima Devi
Weaver, Iram Siphai Awang Leikai, Manipur

The name of the client is Athokpam Leima Devi W/o Athokpam Naba Singh from Iramsiphai Awang Leikai for the member of Leima GROUP. She has been a member of YFS since 28/01/2017. Leima compares her old job with her current weaving job. She told us that she was working at home and getting money as per her work. When she was making a Phanek (a traditional women's cloth) by taking money from local money lenders, she got only 800 rupees for the 3-4 days labour she put in. Now with the help of YFS she is able to work with her own investment. She stated, “When I needed money, I could take a loan of 10000, 10000, and 19000, whatever I required. Initially she also used to work as a daily labourer and there was no security in the work and it was only for some money to support their family. Before getting the loans from YFS she sent her daughter to Govt School. Although she was good at weaving, she was not able to start weaving activity due to the initial fund requirement to buy yarn. Before the YFS loan she took some money from a local money lender at a very high rate of interest for running her loom. The money lender took weaving cloth and she can earn only wages. Her husband was a Mason. Her income was very important to her family. She had taken Rs. 19,000/- as 3rd term loan from YVU Financial Services Pvt. Ltd. Mayang Imphal Branch. After that loan she managed to start earning money and have cleared all dues of the local money lender. She runs her weaving business smoothly and profitably. Her income has also gradually increased. Her earnings are also very helpful to her family. She is now able to send her daughter to Private school. Leima says she likes working, and will work very hard to educate her children. She appreciated YFS for good service and low interest rate. She has also requested for a higher amount at the next loan term.

She wishes that YFS can support many beneficiaries like me particularly in weaker economically backward section for a long time

She thanked YVU Financial Services Private Limited for providing financial assistance of the required amount in time when she required the most and wished for having a long-term relationship.

VISITORS AND OTHER ACTIVITIES

YVU Financial Services Pvt Ltd received the prestigious Vijayalakshmi Das Award for Small & Emerging Microfinance organization under The Inclusive Finance India Award 2020. This was organized by ACCESS Development Services and HSBC India. The Inclusive Finance India Award was held in Le Meridian in New Delhi on Jan 21st, 2021. The award winner was felicitated by Shri Anurag Thakur, Hon'ble MoS Finance and Corporate Affairs, Govt of India. The award was received by Mr Bikendrajit Singh Akoijam, Managing Director of the company. A Felicitation program on winning the prestigious award was also organised on 21st February 2021 at YVU, Head Office to celebrate with all the staff, management and GB members of Youth Volunteers Union

YFS core staff also took part in various online training organised by NEDFi in association with experts from M2i relating to Microfinance operations, ethics in microfinance, Industry Code of Conduct, RBI guidelines and Financial analysis for senior management. Exercises like case studies, online tests and PowerPoint presentations were provided to improve staff's knowledge on the importance of Code of Conduct and RBI guidelines. The training was effective and as a result the company was able to maintain M3C2 in Comprehensive microfinance grading which is considered as a very good rating.

Mr. Sangram Paul and Mr. Govinda Biswas from the Auditor and credit risk team of Arohan visited our company's Regional Office and branches at Guwahati from 26th September 2020 to 1st Oct 2020. They visited RO and branches at Silpukhuri and Lalganesh. They conducted due diligence on YFS operations and checked KYC documents and audited loan utilisation by comparing the loan documents and System entry. They also visited group centres and interacted with members. They also interacted with Branch staff and Head office staff regarding the process & procedure of YVU Financial Services Private Limited.

Mr Chourajit Thongam , Assistant Manager NEDFi conducted loan utilisation check for NEDFi term loan on 25th February 2020. He checked the KYC documents and cross checked the KYC details by comparing the loan documents and System entry. He also checked the various documents maintained by Thoubal, Porompat and Singjamei Branch. Further he visited the group centre and interacted with the group members and enquired about the purpose for which loan was taken.

Mr Shrinibas Rao, General Manager, NABARD and Mr Khai Siamlal Guite, Deputy General Manager also visited the Head office and Singjamei Branch on 21st October 2020. They interacted with the HO staff and also met the Managing Director and COO for refinance loan appraisal under special liquidity facility for NBFC-MFi. They interacted with staff of Singjamei branch and checked loan documents, processes and system checks for knowing the operational process for credit appraisal.

Mr. Dipayan Chakraborty of Acuité Rating & Research (SMERA) conducted Comprehensive Grading of YVU Financial Services Private Limited in the month of October 2020. He carried out assessment checks on the dimensions of Capital Adequacy, Governance, Management Quality and Risk Management Systems. He checked the documents, process and various reports maintained by the Branch and also interacted with Branch Staff and assessed their awareness level of the policy of the company and guidelines of the regulatory body.

Assessment on Code of Conduct has been done on the indicators pertaining to Transparency, Client Protection, Governance, Recruitment, Client Education, Feedback & Grievance Redressal and Data Sharing.

Management Discussion and Analysis

State	No. of Dist.	Borrowers
Manipur	5	18,645
Assam	2	2,775
Tripura	2	1,153
Total	**9**	**22,573**

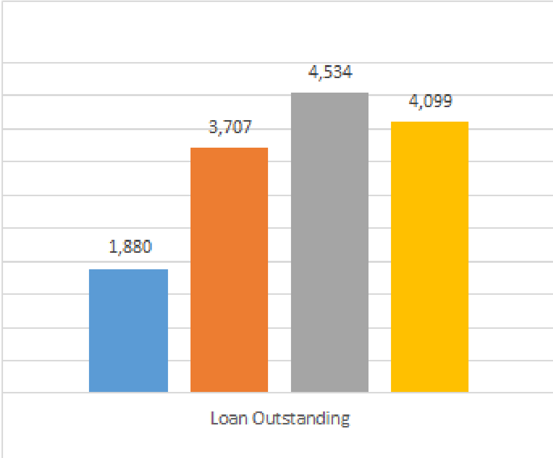
As on 31st March 2021, the company had 22,573 borrowers from three states – Manipur, Assam and Tripura. State-wise number of borrowers are shown in the table above

FY 2020-21 has been a very challenging year for YVU Financial. Because of the continued crisis across industries due to severe lockdown and pandemic crisis for most part of Q1 & Q2. Local shutdown issues during Q3, Microfinance crisis in Assam due to passing of Microfinance regulation Act of Assam for many months and re-emergence of COVID-19 pandemic in the later part of Q4. Despite all the challenges and issues faced by the company we were able to have a good overall performance. We were able to achieve multiple milestones – consistent Bank rating of BB+, consistent MFI grading and most importantly winning Best small & emerging Microfinance Organisation Award at the Inclusive Finance India Award 2020. We present the key highlights here.

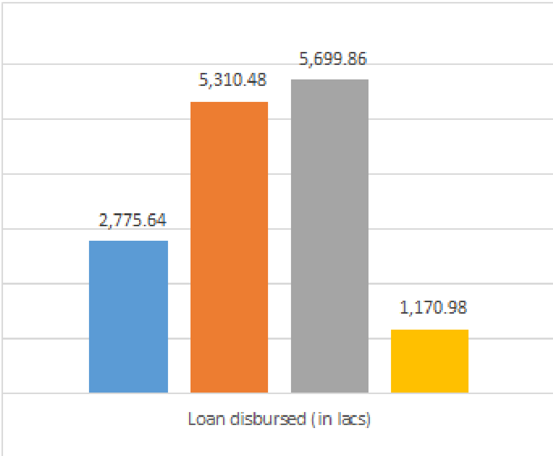
The Year at a Glance

Business Growth

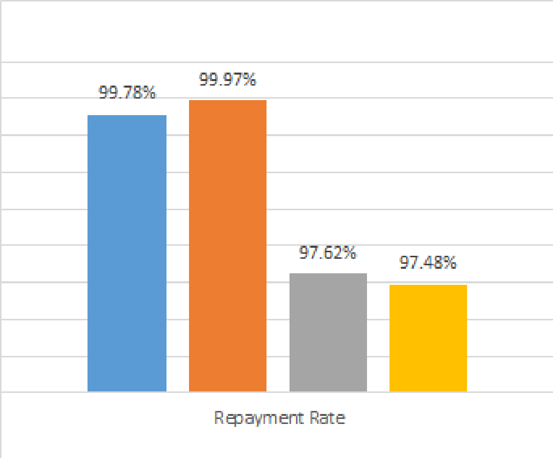
The company had projected to close FY 2020-21 with the same AUM as previous FY with a loan portfolio of INR 45 crores. However, due to the liquidity crunch and severe lockdown imposed during most of the Q1 & Q2 of FY, Assam Microfinance Crisis, and the re-emergence of COVID-19 pandemic during Q4 of FY 2020-21, our company had to revise its projection and had to focus only on recovery. Despite all those issues, we were able to disburse some loans and were able to maintain good collection efficiency during Q4 of FY 2020-21.

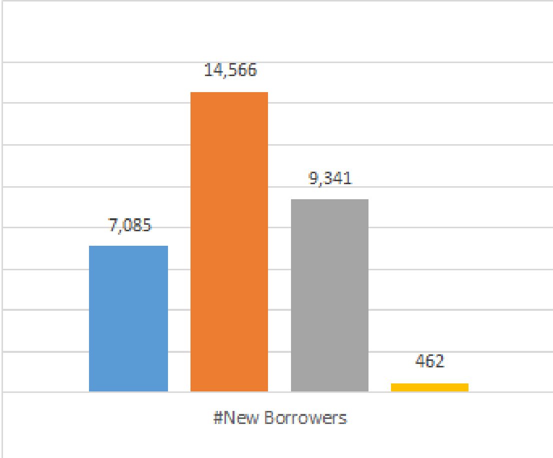


Total loan outstanding at the end of the reporting financial year decreases to INR 40.99 crores as compared to INR 45.34 crores at the end of FY 2019-20 due to decline in disbursement.



A total of INR 11.70 crores was disbursed during the reporting financial year as compared to INR 56.99 crores disbursed during the previous FY 2019-20 due to lack of enough funds for disbursement in the field.

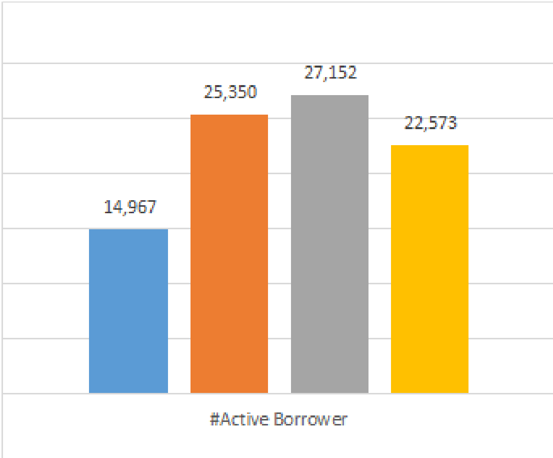


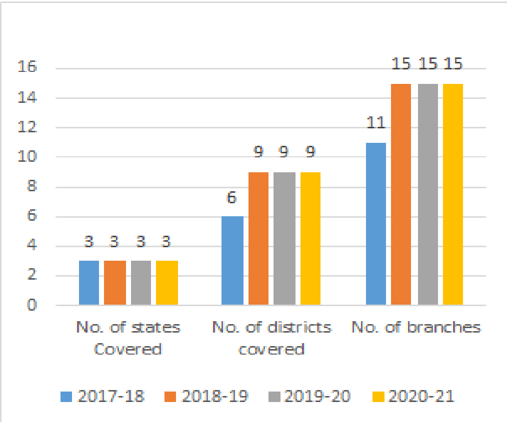


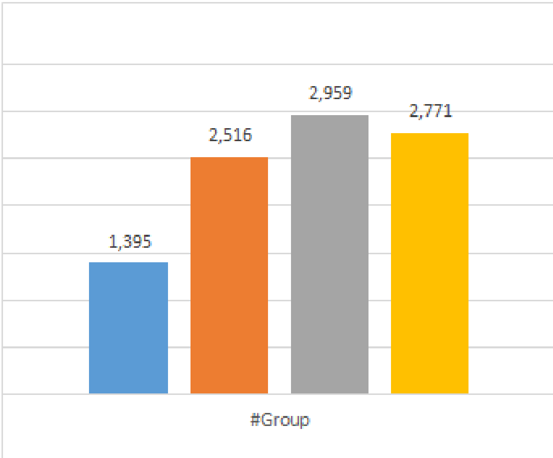
Decreased repayment rate due to COVID

BRANCH OUTREACH

The number of branches remained unchanged at 15. No new Branch was opened during the FY 2020-21 due to the severe impact of the ongoing pandemic crisis.



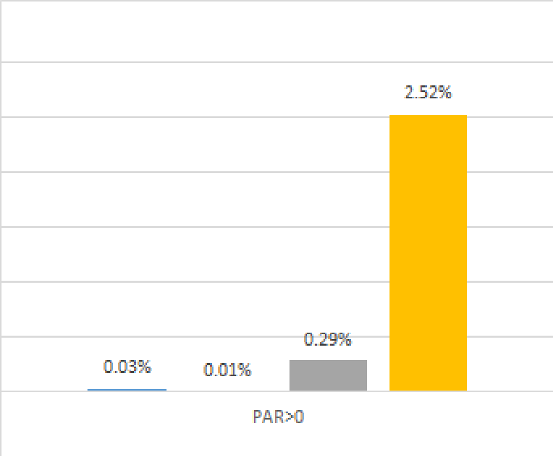




BORROWERS

In the number of active clients there was a decrease in the numbers when we compared quarter on quarter as well as with the last financial year figure. Since We were not able to provide enough subsequent loans after closure of loans, we saw a decline of 16.86 % when we compared to previous FY ending figures.

PORTFOLIO QUALITY



The portfolio quality of the company witnessed a sharp deterioration for the entire financial year however in spite of many challenges we were able to maintain as per Microfinance Industry standard. One of the major reasons for the deterioration in the portfolio quality was due to severe lockdown and loss of incomes of most of our clients. Moreover, decrease of the quality was due to multiple borrowings from local MFIs, Banks and Small Finance Bank. Due to the pandemic many of the clients' businesses were totally shut down and some clients fled to far locations after taking multiple loans. For Assam locations there was constant negative media reporting at TV news, print media and social media pertaining to Assam microfinance Bill and loan waiver propaganda circulated among Assam clients which also significantly contributed to the PAR level of the company.

A team has been formed at HO level to analyse the situation and act accordingly to increase portfolio quality.

COMPREHENSIVE MFI GRADING

SMERA assigned the company a Comprehensive MFI Grading of M3C2 in October 2020 which is considered as very good in terms of COCA rating.

KEY PERFORMANCE INDICATORS

Particulars	3/31/2018 (A)	3/31/2019 (B)	3/31/2020 (C)	3/31/2021 (D)	Changes (C to D)
#Active Borrower	14,967	25,350	27,152	22,573	-16.86%
#Active Loans	14,967	25,350	27,152	22,573	-16.86%
#Centres/Group	1,395	2,516	2,959	2,771	-6.35%
#New Borrowers	7,085	14,566	9,341	462	-95.05%
#Total closure	11,981	15,574	19,460	7,947	-59.16%
#Borrowers with overdue	2	5	178	944	430.34%
Women clients (%)	96%	95%	98.15%	98.36%	0.21%
No. of states Covered	3	3	3	3	0.00%
No. of districts covered	6	9	9	9	0.00%
No. of branches	11	15	15	15	0.00%
Field Staff	46	62	67	62	-7.46%
Corporate Staff	28	59	66	57	-13.43%
Total Staff	74	121	133	119	-10.52%
#Loan Disbursed	17,142	25,307	21,107	3,408	-83.85%
Loan disbursed (in lacs)	2775.64	5,310.48	5,699.86	1,170.98	-79.46%
Loan Outstanding	1,880.01	3,706.65	4,534.37	4,098.93	-9.60%
Repayment Rate	99.78%	99.97%	97.62%	97.48%	-0.14%
Overdue amount (in lacs)	0.46	0.1	7.26	26.60	266.42%
PAR>0	0.03%	0.01%	0.29%	2.52%	768.97%
Loan O/S - Managed (in lacs)	0	0	0	0	0.00%
Loan O/S - Own Portfolio (in lacs)	1881.01	3,706.65	4,534.37	4,098.93	-9.60%
Loan O/S - Total Portfolio (in lacs)	1,881.01	3,706.65	4,534.37	4,098.93	-9.60%
Written off Amount (in lacs)	1.14	0.57	0.98	1.59	62.04%
Active Borrower/ Branch	1,361	1,811	1,810	1,505	-16.86%
Active Borrower/FE	325	409	405	364	-10.12%
Loan OS/ Branches (in lacs)	171	247.11	302.29	273.26	-9.60%
Avg. Outstanding/Borrower	12,568	14,622	16,700	18,159	8.73%
Avg. Loan Size (Disbursement)	16,192	20,862	26,758	34,360	28.41%

Discussion on Financial and Operational Performance

YVU Financial closed the year FY 2020-21 with satisfactory performance despite the challenges posed by the COVID-19 pandemic and the crisis faced during the financial year.

(₹ in lakhs)

Particulars	**31/03/2021**	**31/03/2020**	**Changes**
Capital	1071.58	976.34	9.75%
Net worth	793.94	717.35	10.68%
Borrowings	3,957.87	4,279.18	-7.51%
Microfinance loan portfolio	4,098.32	4,534.37	-9.62%
Qualifying Assets	95.12%	95.26%	-0.15%
Cash & Bank Balance	414.92	161.93	156.23%
FD (collateral security)	673.09	552.48	21.83%
CRAR	25.51%	21.19%	20.39%
Profit after Tax	114.86	107.86	6.49%
Debt Equity Ratio	3.9	4.4	-13.07%
Earnings per share	28.52%	26.78%	6.50%
Return on equity	28.52%	26.78%	6.50%
Book value per share	159.95	148.26	7.88%
Return on Assets	2.70%	2.65%	1.91%

Net Worth

In FY 2020-21, the net worth of the company increased by 10.68% from ₹ 7.18 crore to 7.94 crore. The company has achieved ₹1.15 crore PAT at the end of financial year 2020-21. This is also one of the significant achievements for the company during FY 2020-21.

Capital Raise

During the financial year, there was no fresh infusion of equity shares for the company.

CRAR

Like net worth of the company increased by 20.39%, CRAR has also increased from 21.19% in PY to 25.51% in FY 2020-21.

Debt Funds

The company was able to mobilize external funding of ₹2 Crore from banks (North East Small Finance Bank), ₹2 Crore from NABARD and ₹10 Crore from NEDFi against a total ₹30.50 Crore in the PY. The number of lenders increased from 9 to 10 in the FY 2020-21.

Short Term Investment

In FY 2020-21, the company invested idle funds to short term Fixed Deposits of ₹2.10 crore. During the year the company invested ₹13 crore to short term Fixed Deposit schemes.

FD (Collateral Security)

Fixed Deposits which are offered as collateral security for borrowings from banks and FIs increased by 21.83% i.e., from ₹5.52 cr. in PY to ₹6.73 cr. in FY 2020-21.

Cash & Bank Balance

Cash and bank balance increased by 156.23% comparison to previous financial year.

Operating Expense

OPEX of the company decreased to 9.11% in the FY 2020-21 from 9.16% in the previous year.

Revenue and Expenditure

Overall, the total revenue grew by 1.11% over the last FY to close at ₹10.79 crore. Our gross loan book decreased by 9.62% over PY to close at ₹40.98 crore despite lower disbursement during the FY 2020-21 in response to COVID-19 Pandemic and unfavourable market conditions in the wake of the Microfinance crisis in the state of Assam which led to liquidity crunch in the sector. Our operating costs excluding depreciation increased to ₹3.82 crore.

Profitability

Our post –tax profits stood at ₹1.15 crore, against ₹1.08 crore in PY. Basic earnings per share was ₹28.52, ROA was 2.70% while ROE stood at 28.52%. Operational Self Sufficiency ratio increased to 116.80% from 115.75% in the PY.

Internal Audit & Controls

YVU Financial has a well-established Internal Audit and Control Systems in place that monitors the company's adherence to policies, procedures and systems. The Audit Committee reviews the adequacy and effectiveness of the internal audit function, including the structure of the internal audit department, annual audit plan, staffing etc., and ensures an effective and independent review process.

The Internal Audit Department is an independent department and it is responsible for monitoring and evaluating the effectiveness of internal controls of the organization and provides independent and objective assurance to the Board. The IAD undertakes comprehensive audits covering all units of the company.

MIS & TECHNOLOGY

YVU Financial has made many improvements in technological initiatives in the last few years. BIJLI, a web-based software, was implemented across all the branches on 14th October 2014. It provides integrated solutions for MIS and accounting. Real time reports can be generated. Transactional SMS are integrated with our system, so that any transactional information is sent to our clients for better transparency with our clients.

We have implemented centralised processing of loan disbursement at HO and the loans are disbursed through bulk NEFT from HO. This has increased the convenience for both YFS and clients. Bulk NEFT has enabled the Company to disburse 100% of loans directly to the bank account of borrowers.

Also, Credit Score checking has been integrated with the system for better productivity and a more reliable loan sanctioning process.

In order to ensure seamless business continuity, YVU Financial has focused significantly on data security. Real time backup of the database in the cloud server is maintained in at least two mirror servers located at different locations as well as offline / offsite backup periodically. We provide power backup and reliable internet connectivity for uninterrupted working environments to all our offices. All the office orders are also digitized and stored in the cloud for better accessibility and data security. We are synchronizing all work flow in the cloud environment to track any ongoing work at real time and archived securely. Our offices are equipped with a biometric attendance system for better monitoring of our staff. And our offices are well connected

Registration As A Principal Entity/ Sender for SMS

YVU Financial has been registered as A Principal Entity/ Sender for SMS on Bharti Airtel Limited/Bharti Hexacom Limited. This Registration is subject to the terms and conditions as specified in "The Telecom Commercial Communications Customers Preference Regulations, 2018", terms and conditions of the Service Agreement, Code of Practice (CoP) formulated by TRAI (Telecom Regulatory Authority of India) and modified from time to time. This enables us to send bulk SMS to clients.

Introduction of Google Meet.

Google Meet is an enterprise-grade video conferencing tool made available to everyone. During Covid-19 pandemic crisis and lockdown period, we have been using this tool to communicate and conduct meetings with branches and regional offices on a regular basis. This gives us much benefit to continue our business during these pandemics with travel restriction and also helps in maintaining Covid-19 SOP.

HUMAN RESOURCE DEVELOPMENT

YFS is continuously motivating and capacitating its staff by giving opportunities to the staff to show their skills which were directed for fulfilment of individual, group, and company's goals. HR Manager not only focused on the aspects of hiring, evaluating, training, and compensating employees but also focus on any employment relationships in an organizational performance level.In order to enhance the knowledge for capacity building we have a schedule for conducting various training like skill upgradation training, orientation training, motivation training, regular training on changing rules and regulations, code of conduct, Fair Lending Practice Code, Grievance Redressal mechanism and regular updates on the guidelines issued by regulatory bodies.During the Financial Year 2020-21 a total 16 online and classroom training were conducted for capacity building of our staff. We have also participated in training sponsored by NEDFi and conducted online by M2i consulting.

Training conducted during the FY – 2020-21

Sl.	Date	Topics of the Training/Workshop	Resource Person/s	Participants
1	04th June 2020	Training on Field Operations and SOPs	Chief Operating Officer	All operation Staffs
2	04th July 2020	Credit appraisal amid Covid-19	Chief Operating Officer	All operation Staffs
3	14th August 2020	Client queries handling and feedback and Covid-19 insurance training	Chief Operating Officer and Asst. General Manager	All Operation Staffs

4	09^{th} September 2020	Field Operation related to moratorium	Chief Operating Officer and Asst. General Manager	All Operation Staffs
5	23rd to 25th September 2020	Refresher course on Microfinance	M2i Consulting	All Branch Manager
6	19^{th} Oct to 21st Oct 2020	Risk Management with specific focus on Covid 19 Crisis	M2i Consulting	All BM and RM
7	24th Oct 2020	Operational Efficiency	Chief Operating Officer , AGM	All Operation Staff
8	17^{th} Nov 2020	Onboarding Training for new staffs	AGM, RM	New Recruited Staffs
9	18^{th} Nov 2020	Training on HR policy	Chief Operating Officer	New Recruited Staffs
10	7th Dec to 11th Dec 2020	Induction training for 5 days for new core trainees	Chief Operating Officer, AGM,RM	New Core Trainees
11	14th Dec to 16th Dec 2020	Training on Ethical Microfinance	M2i Consulting	NominatedCore staffs and HO staffs
12	25th Dec 2020	New Disbursement and collection guidelines	Chief Operating Officer, AGM,RM	All Manipur Operations staffs
13	14th January 2021	Training on New Credit Policy and KYC Anomalies	Chief Operating Officer	All Manipur Based Staff
14	16th January 2021	Training on KYC policy, Restructuring guidelines, Insurance and Documentation	Chief Operating Officer	Assam and Tripura Based Staff
15	8th February to 10th February, 2021	Training on Financial Analysis	M2i Consulting (organised by NEDFi)	Chief Operating Officer and Finance Team
16	7th March, 2021	One day training on Insurance, documentation, credit policy,restructuring guidelines , Budgets and professional mail writing	Managing Director,Chief Operating Officer and Finance Manager	Manipur Based Branch core Staff and HO Staff

BOARD'S REPORT

To the members,

Your Directors are pleased to present the 28th Directors' Report of your Company together with the Audited Statement of Accounts and Auditors' Report of your Company for the financial year ended March 31, 2021. The key highlights of the year are as under:

1. FINANCIAL RESULT

Particulars	FY 2020-21	FY 2019-20	Changes
Operating Income	10,37,07,099	10,30,69,192	0.62%
Other Income	41,92,531	36,50,442	14.85%
Total Income	**10,78,99,630**	**10,67,19,634**	1.11%
Less: Operational Expenses			
Personnel Expenses	2,32,02,464	2,78,57,248	-16.71%
Administrative Expenses	63,16,769	78,30,711	-19.33%
Financial charges	5,36,54,246	5,49,20,354	-2.31%
Depreciation	5,32,916	5,66,720	-5.96%
Provision For Loans	86,73,646	9,25,706	836.98%
Covid19 Provision	0	96,712	-100.00%
Total Operational Expenses	**9,23,80,041**	**9,21,97,451**	0.20%
Profit before Prior Period & exceptional Items	**1,55,19,589**	**1,45,22,184**	6.87%
Prior Period Expenses	**0**	**0**	
Profit/(loss) before tax	**1,55,19,589**	**1,45,22,184**	6.87%
Less: Income tax	58,39,147	37,69,273	54.91%
Less: Deferred tax	-1,893,191	-64,118	2852.67%
Less: Tax of Earlier Years	87,909	31,003	183.55%
Profit/(Loss) After Tax	**1,14,85,725**	**1,07,86,026**	6.49%

2. DIVIDEND

The Company issued 15,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value ₹10 each, to Small Industrial Development Bank Of India (SIDBI) and 10,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value ₹10 each, to North Eastern Development Finance Corporation (NEDFI) on 17th February 2018 and 17th July 2019 respectively. The Directors are pleased to recommend for approval of the members a dividend of 9% on 25,00,000 OCPS aggregating ₹2.50 cr on a pro-rata basis up to March 31, 2021. The said dividend, if approved by the shareholders, would involve a cash outflow of ₹22,50,000 (Dividend distribution tax will be NIL as per new provision of Income Tax Act).

In order to conserve the resources of the company and to build up reserves, the Directors are not recommending any dividend against equity shares.

3. TRANSFER TO RESERVES

The Company transferred ₹22,97,145 to Statutory Reserves. Transfer of 20% of the Profit after Tax to the statutory reserves in accordance with the provisions of section 45 – IC Reserve Bank of India Act, 1934.

4. COMPREHENSIVE MFI GRADING

SMERA assigned the company a Comprehensive MFI Grading of M3C2 in October 2020.

5. BANK LOAN RATING

SMERA assigned the Company Bank Loan Rating of ACUITE BB+/ Outlook: Stable (Reaffirmed) in April, 2021.

6. CAPITAL ADEQUACY

The Capital Adequacy Ratio of the company was 25.51% as of March 31, 2021 as against the minimum capital adequacy requirements of 15% by RBI.

7. PUBLIC DEPOSITS

The Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under section 45-1A of the RBI Act, 1934 and reclassified as NBFC-MFI, effective from 22nd March, 2016. Your Directors hereby report that the Company has not accepted any public deposits during the year under review and it continues to be a non-deposit taking non banking financial company in conformity with the guidelines of the RBI. As such no amount of principal and interest was outstanding during the year.

8. CORPORATE GOVERNANCE

Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt best practices.

A corporate governance report is provided separately and forms part of this Report.

9. EXTRACT OF ANNUAL RETURN

In accordance with the section 134(3)(a) of the Companies Act, 2013 an extract of the annual return in the prescribed format is annexed as **Annexure B** to the Directors' report.

10. INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of the Company's business, including mandating adherence to the Company's policies & procedures, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

11. COVID-19 PANDEMIC

The COVID-19 pandemic is a global health crisis that continues to impact all our stakeholders - employees, clients, investors and communities we operate in. The actions taken by the Government of India to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. In response to this crisis, our primary objective has been to ensure safety of our employees, to deliver our client commitments, and put in place mechanisms to protect the financial wellbeing of the Company and protect its long-term prospects.

The pandemic had impacted the operations of the company. During the lockdown the loan recovery was hit as movement in the field for loan recovery was restricted. While microfinance services were recognised as essential services in other parts of the country, such recognition was not given in Manipur. However, the company was able to able to get back to pre-pandemic recovery level in 4 months.

During the year, we offered COVID-19 related insurance policy for our employees. We made arrangements to ensure the safety and wellbeing of our employees who go to the field for meeting with borrowers. In order to reduce In order to conserve the liquidity and optimise our cost, the company was constrained to cut salaries for a few months as the company did not receive funds during the pandemic. no retrenchment.

12. INTERNAL AUDIT

The Company has its own internal audit team as per the Internal Audit Policy. Each branch is audited at least once in 3 months.

13. NUMBER OF BOARD MEETINGS

During the Financial Year 2020-21, our Board had met four times only via Video Conferencing. As per the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 notified by the Ministry of Corporate Affairs on 30th December 2020, Companies can conduct board meetings through video conference and other audio visual means till June 30th, 2021 due to Covid-19 pandemic. The meetings of our Board of Directors were held on April 27, 2020, July 11, 2020, October 28, 2020 and January 18, 2021.

The details of the sub-committees' meetings held during the year have been disclosed in the corporate governance section of this report.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors of the Company confirms and state that:

(i) In the preparation of the annual accounts for the financial year ended March 31, 2021, the applicable accounting standards were followed along with proper explanations relating to material departures;

(ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit /loss of the Company for that period;

(iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company, and for preventing and detecting frauds and other irregularities;

(iv) The Directors had prepared the annual accounts on a going concern basis;

(v) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

(vi) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations of independence from each of its Independent Directors under section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independent director envisaged in section 149(6) of the Companies Act, 2013.

16. AUDITORS

At the 23rd AGM held on 23rd July, 2016, the Members approved appointment of M/s D. Patwary & Co., (FRN: 324523E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-eighth AGM.

Pursuant to the recommendations of the Audit Committee, the Board of Directors of the Company at its meeting held on 4th June 2021 recommended the appointment of M/s D. Patwary & Co., (FRN: 324523E) as Statutory Auditors of the Company for a period of five years starting from the conclusion of the 28th Annual General Meeting (AGM) until the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2026 subject to the approval of the shareholders of the Company at the ensuing AGM.

In this regard M/s D. Patwary & Co. have submitted their written consent that they are eligible and qualified to be appointed as the Statutory Auditors of the Company in terms of Section 139 of the Companies Act 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

17. SIGNIFICANT AND MATERIAL ORDERS

There are no order passed by the regulators or the courts or the tribunals impacting the going concern status and the Company’s operations in the future.

18. LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

The Company does not have any subsidiaries and hence has not made any layered investments of the kind specified under Section 186 (1) of the Companies Act 2013.

19. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Except as disclosed elsewhere in this report, there have been no material changes and commitments which have occurred between the end of the financial year of the Company and the date of this report which can affect the financial position of the Company.

20. TRANSACTION WITH RELATED PARTIES

During the FY20-21, there were Related Party Transactions as defined under Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 entered into by the Company were at arm’s length and in ordinary course of business. Omnibus approval for related party transactions (at arm’s length and in ordinary course of business) which were foreseen and repetitive in nature was obtained from the Board of Directors from time to time. The disclosures pertaining to transactions with Related Parties have been provided in the accompanying ANNEXURE A in the prescribed Form AOC -2.

21. CONSERVATION OF ENERGY

The particulars as required under the provisions of Section 134(3)(m) of the Companies Act, 2013 with respect to conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

22. TECHNOLOGY

YVU Financial has made many improvements in technological initiatives in the last few years. BIJLI, a web-based software, was implemented across all the branches on 14th October 2014. It provides integrated solutions for MIS and accounting. Real time reports can be generated. Transactional SMS are integrated with our system, so that any transactional information is sent to our clients for better transparency with our clients.

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Introduction of Google Meet.

Google Meet is an enterprise-grade video conferencing tool made available to everyone. During Covid-19 pandemic crisis and lockdown period, we have been using this tool to communicate and conduct meetings with branches and regional offices on a regular basis. This gives us much benefit to continue our business during these pandemic with travel restriction and also helps in maintaining Covid-19 SOP.

23. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Risk Management Committee of the company consists of well experienced Directors from diverse backgrounds who bring in the best risk practices to the organization. The Committee reviews the Risk Management Framework of the company and verifies adherence to various risk parameters and compliances. The Company's Risk Management strategy is based on clear understanding of various risks, disciplined risk assessment and continuous monitoring. The Risk Management

Committee reviews various risks which the organization is exposed to including Credit Risk, Interest Rate Risk, Liquidity Risk, Operational Risk and Regulatory Compliance issues. The Risk Committee approves and makes recommendations to the Board regarding all its risk-related responsibilities, including the review of major risk management and regulatory compliances.

24. THE FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the company did not deal with any foreign currency, the particulars relating to foreign exchange are not applicable

25. RBI REGULATION

The Company was re-classified as NBFC-MFI by RBI w.e.f. 22nd March, 2016 and has complied with the regulations stipulated by the apex bank.

26. AUDITORS REPORT

With regard to the remarks in the Auditor's Report, the relevant financial notes are self-explanatory.

27. ACKNOWLEDGMENT

Your Directors would like to express their sincere appreciation for the help, guidance and cooperation received from the regulators, RBI, financial institutions, banks, Sa-Dhan, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's staff at all levels.

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam	Akoijam Tikendrajit Singh
Managing Director	Chairman and non-executive Director
DIN: 02296632	DIN: 02296640

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. Corporate governance standards for Non-Banking Finance Companies are also prescribed by the Reserve Bank of India.

In pursuing our mission of providing a range of financial services to the economically active poor, to build a better life, YVU Financial has always been balancing the dual objectives of social and financial goals. Responsible financing, ethical values and transparency in all its dealings with customers, lenders, investors and employees have been the cornerstone of our operations.

BOARD OF DIRECTORS

As on March 31, 2021, the Board of Directors of the company consists of 7 Directors out of which 1 is an Executive Director (Managing Director), 1 Non-Executive Director, 2 Nominee Directors and 3 Independent Directors. The Board of Directors of the Company has 1 woman director, Ms. Akoijam Bino Devi. The Board of Directors of the company is constituted in compliance with the Reserve Bank of India Act, 1934 and Companies Act, 2013 and in accordance with good corporate governance practices.

Name of the Directors	Role on the Board
Mr. Akoijam Tikendrajit Singh	Chairman, Non-Executive Director
Mr. Bikendrajit Akoijam	Managing Director
Mrs. Akoijam Bino Devi	Nominee Director from YVU Staff Mutual Benefit Trust
Mr. Wahengbam Prabin Singh	Nominee Director from NEDFi
Mr. Ibohal Meitei Chingakham	Independent Director
Mr. Maibam Rajendra Singh	Independent Director
Mr. Nagaraja V	Independent Director

BOARD MEETINGS HELD

During the Financial Year 2020-21, our Board had met four times. All the four meetings were conducted through Video Conferencing. As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Third Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 notified by the Ministry of Corporate Affairs, Companies were allowed to conduct board meetings through video conference and other audio visual means till June 30th, 2021. The meetings of our Board of Directors were held on April 27, 2020, July 11, 2020, October 28, 2020 and January 18, 2021. As per need and urgency of the matter, some resolutions were also passed through circulation.

MEETINGS ATTENDED

The number of board meetings eligible to be attended and actually attended by members of the Board of Directors are as follows:

Name of Director	No. of meetings held during their tenure	No. of meetings attended
Mr. Akoijam Tikendrajit Singh	4	4
Mr. Bikendrajit Akoijam	4	4
Mrs. Akoijam Bino Devi	4	4
Mr. Wahengbam Prabin Singh	4	3
Mr. Ibohal Meitei Chingakham	4	4
Mr. Maibam Rajendra Singh	4	4
Mr. V. Nagaraja	4	4

BOARD COMMITTEES

The Board has constituted a set of Committees with specific terms of reference. The Committees operate as per the guidelines approved by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for approval in subsequent meetings.

AUDIT COMMITTEE

COMMITTEE COMPOSITION

1. Mr. W. Prabin Kumar Singh
2. Mr. M. Rajendra Singh
3. Mr. Ak. Tikendrajit Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To oversee the Financial Reporting Process and the disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. The recommendation for appointment, remuneration and terms of appointment of statutory auditors of the company;
3. To discuss with the Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. disclosure of any related party transactions;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audits;
6. Discussion with internal auditors any significant findings and follow-up thereon;
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

ALCO COMMITTEE

COMMITTEE COMPOSITION

1. Mr. W. Prabin Kumar Singh
2. Mr. Bikendrajit Akoijam
3. Mr. Ak. Tikendrajit Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To review market trends in terms of product innovations that influence the business practice of the company;
2. To review market rates that influence the business practice of the company;
3. To review limits on capital ratios;
4. To review all major capital projects / investments;
5. To review matching of maturity calendar between credit and debit products (liquidity mismatch);
6. To review matching of maturity calendar of interest contracts (interest rate mismatch);
7. To review matching of open foreign currency positions (currency mismatch);
8. To review the Treasury policy and strategy;
9. To review limits of investments in loans and overdrafts, government and other securities;
10. To review next year's Budget prior to the year end of the previous financial year;
11. Review of financial performance vis á vis budget;
12. Review the capital expenditure budget and review expenditure vis á vis the budget.

RISK MANAGEMENT COMMITTEE

COMMITTEE COMPOSITION

1. Mr. Bikendrajit Singh Akoijam
2. Mr. Ak. Tikendrajit Singh
3. Mr. W. Prabin Kumar Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. Analyse matters relating to the institution's risk control and management strategy and policy, and assessing and approving risk operations that could be significant;
2. approve the methods and models to identify, measure, monitor, control, report and reveal different risk types;
3. reporting regularly to the Board of Directors on risk exposure and the measures taken to manage it;
4. adjusting or authorizing overruns on exposure limits for the different risk types;
5. adopting, implementing and disseminating contingency plans in the event of acts of nature or force majeure to avoid breach of the set risk exposure limits.

GRIEVANCE REDRESSAL COMMITTEE

COMMITTEE COMPOSITION

1. Dr. M. Rajendra Singh
2. Ms. Ak. Bino Devi
3. Mr. W. Prabin Kumar Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To review the grievance redressal policy of the company and make recommendations to the Board.
2. To review and monitor the grievance redressal mechanism of the company and make recommendations to the Board.

HUMAN RESOURCE COMMITTEE

COMMITTEE COMPOSITION

1. Dr. M. Rajendra Singh
2. Mr. Ak. Tikendrajit Singh
3. Dr. Ch. Ibohal Meitei

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 18, 2020, November 24, 2020 and January 16, 2021.

TERMS OF REFERENCE

1. To review the organisational structure and make recommendations on the changes to the Board.
2. To identifying the need for human resource in the organisation
3. To review the job descriptions
4. To recruit the best people for the organisation - interviewing, screening and selecting
5. To review, monitor and make recommendations regarding the orientation process
6. To develop a time bound induction plan for the new recruits
7. To develop an annual calendar for staff capacity building- internal and external (depending on the area to be covered and expertise available internally)
8. To develop a plan and methodology to be followed for review process
9. To review the performance for the previous year against the responsibilities assigned
10. To review mid-year in consultation with the Chief Functionary the performance against that in the year
11. To conduct an assessment of the performance of the Chief Functionary, ideally once in two years.
12. To draw a plan and methodologies to be followed for the evaluation process.
13. To communicate the results of the evaluation to the Board for its review and then to the Chief Functionary.

14. To oversee, review and approve (annually or as per the guidelines of the organisation) the salary structure for Chief Functionary, senior staff and employees of the organisation.
15. To review the organisation's human resource policy for consistency with the organisation's mission, vision, values, goals and needs and recommend amendments, additions or deletions as appropriate to the Board.
16. To review management's succession plan for the executives and senior management.
17. To develop and build second line leadership in the organisation

BANKING AND DEBT COMMITTEE

<u>COMMITTEE COMPOSITION</u>

1. Dr. M. Rajendra Singh
2. Mr. Ak. Tikendrajit Singh
3. Ms. Ak. Bino Devi
4. Mr. Bikendrajit Akoijam

<u>MEETINGS HELD</u>

During FY 2020-21, 2 meetings were held on October 12, 2020 and December 25, 2020.

<u>TERMS OF REFERENCE</u>

1. To authorise specific officers of the Company to operate bank accounts on behalf of the Company;
2. To negotiate and finalize various sanctions from Banks and Financial institutions and also review and approve the loan facilities (On-Balance Sheet and/or Off-Balance Sheet) within the limits specified in para 6.
3. Nominate and designate representatives to carry out the required documentation for all facilities approved by the Committee.
4. To create security in favour of lender/s by pledge, mortgage, charge or assigning and/or delivery on any terms, as security for money hereafter borrowed or credit hereafter obtained from the lender/s all or any of the assets of the Company including but not limited to book debts, bills receivable, accounts, mortgages, merchandise, and any other property held by or belonging to the Company with full authority to endorse, assign or guarantee the same in the name of the Company;
5. Review and make specific recommendations to the Board on the adoption of the Annual Budget.

ANNEXURE B
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2021
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	U65921MN1993PTC008270
ii	Registration Date	9th July,1993
iii	Name of the Company	YVU Financial Services Private Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/ Non Government Company
v	Address of the Registered office & contact details	Waiview Bhawan. Thoubal Wangmataba Thoubal - 795138, Manipur Email Id: yvufinancial@yvu.co.in Phone No: 3848-222224
vi	Whether listed company	No
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Monetary Intermediation	661	100

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1					
2	NIL				
3					

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31- March-2020]				No. of Shares held at the end of the year [As on 31- March-2021]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	NIL	35518	35518	8.82	NIL	35518	35518	8.82	NIL
b) Central Govt.or State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corporates	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bank/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other	NIL	297920	297920	73.97	NIL	297920	297920	73.97	NIL
SUB TOTAL:(A) (1)	**NIL**	**333438**	**333438**	**82.79**	**NIL**	**333438**	**333438**	**82.79**	**NIL**
(2) Foreign									
a) NRI- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Any other...	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (A) (2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**NIL**	**333438**	**333438**	**82.79**	**NIL**	**333438**	**333438**	**82.79**	**NIL**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31- March-2020]				No. of Shares held at the end of the year [As on 31- March-2021]				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks/FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C) Cenntral govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIS	NIL	50000	50000	12.42	NIL	50000	50000	12.42	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (B)(1):	**NIL**	**50000**	**50000**	**12.42**	**NIL**	**50000**	**50000**	**12.42**	**NIL**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	NIL	905	905	0.22	NIL	905	905	0.22	NIL
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	NIL	18391	18391	4.57	NIL	18391	18391	4.57	NIL
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
SUB TOTAL (B)(2):	**NIL**	**19296**	**19296**	**4.79**	**NIL**	**19296**	**19296**	**4.79**	**0.00**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**NIL**	**69296**	**69296**	**17.21**	**NIL**	**69296**	**69296**	**17.21**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
Grand Total (A+B+C)	**NIL**	**402734**	**402734**	**100.00**	**NIL**	**402734**	**402734**	**100.00**	**NIL**

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of Shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Tikendrajit Singh Akoijam	21000	5.21	NIL	21000	5.21	NIL	NIL
2	Bikendrajit Singh Akoijam	14518	3.60	NIL	14518	3.60	NIL	NIL
3	The Trustee YVU Staff Mutual Benefit Trust	141518	35.14	NIL	141518	35.14	NIL	NIL
4	The Trustee YVU Microfin	156402	38.84	NIL	156402	38.84	NIL	NIL
	Total	**333438**	**82.79**	**NIL**	**333438**	**82.79**	**NIL**	**NIL**

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.	For Each of the Promotors	Share holding at the beginning of the Year	Cumulative Share holding during the year
	At the beginning of the year	THERE IS NO CHANGE IN PROMOTERS SHAREHOLDING BETWEEN 01-04-2020 TO 31-03-2021	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		
	At the end of the year		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	**North Eastern Development Finance Corporation Limited**				
	At the beginning of the year	50000	12.42	50000	12.42
	At the end of the year			50000	12.42
2	**Bino Devi Akoijam**				
	At the beginning of the year	6600	1.92	6600	1.92
	At the end of the year			6600	1.64
3	**K. Ingobi Sharma**				
	At the beginning of the year	3400	0.99	3400	0.99
	At the end of the year			3400	0.84
4	**Bikeshwori Akoijam**				
	At the beginning of the year	2002	0.58	2002	0.58
	At the end of the year			2002	0.50
5	**Tikeshwori Akoijam**				
	At the beginning of the year	1889	0.55	1889	0.55
	At the end of the year			1889	0.47
6	**Ningombam Satyabati Devi**				
	At the beginning of the year	1500	0.44	1500	0.44
	At the end of the year			1500	0.37
7	**L. Nokul Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
8	**Waikhom Ibohal Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
9	**Ak. Ibochouba (Mobi) Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
10	**H. Iboyaima Singh**				
	At the beginning of the year	905	0.26	905	0.26
	At the end of the year			905	0.22

(v) **Shareholding of Directors & KMP**

Sl. No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	**Bikendrajit Singh Akoijam**				
	At the beginning of the year	14518	3.60	14518	3.60
	At the end of the year			14518	3.60
2	**Tikendrajit Singh Akoijam**				
	At the beginning of the year	21000	5.21	21000	5.21
	At the end of the year			21000	5.21
3	**Bino Devi Akoijam**				
	At the beginning of the year	6600	1.92	6600	1.92
	At the end of the year			6600	1.64
4	**Wahengbam Singh Prabin**				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00
5	**Maibam Rajendra Sing**				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00
6	**Ibohal Meitei Chingakham**				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00
7	**Nagaraja Venkataramaniya**				
	At the beginning of the year	0	0.00	0	0.00
	At the end of the year			0	0.00

V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
Indebtness at the beginning of the financial year				
i) Principal Amount	427,918,170.00	-	-	**427,918,170.00**
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	1,791,276.00	-	-	1,791,276.00
Total (i+ii+iii)	**429,709,446.00**	-	-	**429,709,446.00**
Change in Indebtedness during the financial year				
Additions		-	-	-
Reduction	32,822,640.00	-	-	32,822,640.00
Net Change	**(32,822,640.00)**	**-**	-	**(32,822,640.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	395,787,086.00	-	-	395,787,086.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,099,720.00	-	-	1,099,720.00
Total (i+ii+iii)	**396,886,806.00**	-	-	**396,886,806.00**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount
		Bikendrajit Singh Akoijam			
1	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,950,292.00	NIL	NIL	1,950,292.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	**1,950,292.00**	**NIL**	**NIL**	**1,950,292.00**
	Ceiling as per the Act				

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors						Total Amount
1	Independent Directors				Maibam Rajendra Sing	Ibohal Meitei Chingakham	Nagaraja Venkataramaniya	
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
2	Other Non Executive Directors	**Tikendrajit Singh Akoijam**	**Bino Devi Akoijam**	**Wahengbam Singh Prabin**				
	(a) Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(b) Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(c) Others, please specify.	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total Managerial Remuneration							
	Overall Cieling as per the Act.							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	**Gross Salary**	**CFO**	**CEO**	**Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	as % of profit	NIL	NIL	NIL	NIL
	others (specify)	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

Report on Corporate Governance

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company recognises its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. Corporate governance standards for Non-Banking Finance Companies are also prescribed by the Reserve Bank of India.

In pursuing our mission of providing a range of financial services to the economically active poor, to build a better life, YVU Financial has always been balancing the dual objectives of social and financial goals. Responsible financing, ethical values and transparency in all its dealings with customers, lenders, investors and employees have been the cornerstone of our operations.

BOARD OF DIRECTORS

As on March 31, 2021, the Board of Directors of the company consists of 7 Directors out of which 1 is an Executive Director (Managing Director), 1 Non-Executive Director, 2 Nominee Directors and 3 Independent Directors. The Board of Directors of the Company has 1 woman director, Ms. Akoijam Bino Devi. The Board of Directors of the company is constituted in compliance with the Reserve Bank of India Act, 1934 and Companies Act, 2013 and in accordance with good corporate governance practices.

Name of the Directors	Role on the Board
Mr. Akoijam Tikendrajit Singh	Chairman, Non-Executive Director
Mr. Bikendrajit Akoijam	Managing Director
Mrs. Akoijam Bino Devi	Nominee Director from YVU Staff Mutual Benefit Trust
Mr. Wahengbam Prabin Singh	Nominee Director from NEDFi
Mr. Ibohal Meitei Chingakham	Independent Director
Mr. Maibam Rajendra Singh	Independent Director
Mr. Nagaraja V	Independent Director

BOARD MEETINGS HELD

During the Financial Year 2020-21, our Board had met four times. All the four meetings were conducted through Video Conferencing. As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Third Amendment Rules, 2020, Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 notified by the Ministry of Corporate Affairs, Companies were allowed to conduct board meetings through video conference and other audio visual means till June 30th, 2021. The meetings of our Board of Directors were held on April 27, 2020, July 11, 2020, October 28, 2020 and January 18, 2021. As per need and urgency of the matter, some resolutions were also passed through circulation.

MEETINGS ATTENDED

The number of board meetings eligible to be attended and actually attended by members of the Board of Directors are as follows:

Name of Director	No. of meetings held during their tenure	No. of meetings attended
Mr. Akoijam Tikendrajit Singh	4	4
Mr. Bikendrajit Akoijam	4	4
Mrs. Akoijam Bino Devi	4	4
Mr. Wahengbam Prabin Singh	4	3
Mr. Ibohal Meitei Chingakham	4	4
Mr. Maibam Rajendra Singh	4	4
Mr. V. Nagaraja	4	4

BOARD COMMITTEES

The Board has constituted a set of Committees with specific terms of reference. The Committees operate as per the guidelines approved by the Board. The minutes of the meetings of all Committees of the Board are placed before the Board for approval in subsequent meetings.

AUDIT COMMITTEE

COMMITTEE COMPOSITION

1. Mr. W. Prabin Kumar Singh
2. Mr. M. Rajendra Singh
3. Mr. Ak. Tikendrajit Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To oversee the Financial Reporting Process and the disclosure of financial information, to ensure that the financial statements are correct, sufficient and credible;
2. The recommendation for appointment, remuneration and terms of appointment of statutory auditors of the company;
3. To discuss with the Statutory Auditors, before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    a. matters required to be included in the director's responsibility statement to be included in the board's report;
    b. changes, if any, in accounting policies and practices and reasons for the same;
    c. major accounting entries involving estimates based on the exercise of judgment by management;
    d. significant adjustments made in the financial statements arising out of audit findings;
    e. disclosure of any related party transactions;
5. Reviewing the adequacy of internal audit function, approving internal audit plans and efficacy of the functions including the structure of the internal audit department, staffing, reporting structure, coverage and frequency of internal audits;
6. Discussion with internal auditors any significant findings and follow-up thereon;
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

ALCO COMMITTEE

COMMITTEE COMPOSITION

1. Mr. W. Prabin Kumar Singh
2. Mr. Bikendrajit Akoijam
3. Mr. Ak. Tikendrajit Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To review market trends in terms of product innovations that influence the business practice of the company;
2. To review market rates that influence the business practice of the company;
3. To review limits on capital ratios;
4. To review all major capital projects / investments;
5. To review matching of maturity calendar between credit and debit products (liquidity mismatch);
6. To review matching of maturity calendar of interest contracts (interest rate mismatch);
7. To review matching of open foreign currency positions (currency mismatch);
8. To review the Treasury policy and strategy;
9. To review limits of investments in loans and overdrafts, government and other securities;
10. To review next year's Budget prior to the year end of the previous financial year;
11. Review of financial performance vis á vis budget;
12. Review the capital expenditure budget and review expenditure vis á vis the budget.

RISK MANAGEMENT COMMITTEE

COMMITTEE COMPOSITION

1. Mr. Bikendrajit Singh Akoijam
2. Mr. Ak. Tikendrajit Singh
3. Mr. W. Prabin Kumar Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. Analyse matters relating to the institution's risk control and management strategy and policy, and assessing and approving risk operations that could be significant;
2. approve the methods and models to identify, measure, monitor, control, report and reveal different risk types;
3. reporting regularly to the Board of Directors on risk exposure and the measures taken to manage it;
4. adjusting or authorizing overruns on exposure limits for the different risk types;
5. adopting, implementing and disseminating contingency plans in the event of acts of nature or force majeure to avoid breach of the set risk exposure limits.

GRIEVANCE REDRESSAL COMMITTEE

COMMITTEE COMPOSITION

1. Dr. M. Rajendra Singh
2. Ms. Ak. Bino Devi
3. Mr. W. Prabin Kumar Singh

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 31, 2020, November 24, 2020 and January 18, 2021.

TERMS OF REFERENCE

1. To review the grievance redressal policy of the company and make recommendations to the Board.
2. To review and monitor the grievance redressal mechanism of the company and make recommendations to the Board.

HUMAN RESOURCE COMMITTEE

COMMITTEE COMPOSITION

1. Dr. M. Rajendra Singh
2. Mr. Ak. Tikendrajit Singh
3. Dr. Ch. Ibohal Meitei

MEETINGS HELD

During FY 2020-21, 3 meetings were held on August 18, 2020, November 24, 2020 and January 16, 2021.

TERMS OF REFERENCE

1. To review the organisational structure and make recommendations on the changes to the Board.
2. To identifying the need for human resource in the organisation
3. To review the job descriptions
4. To recruit the best people for the organisation - interviewing, screening and selecting
5. To review, monitor and make recommendations regarding the orientation process
6. To develop a time bound induction plan for the new recruits
7. To develop an annual calendar for staff capacity building- internal and external (depending on the area to be covered and expertise available internally)
8. To develop a plan and methodology to be followed for review process
9. To review the performance for the previous year against the responsibilities assigned
10. To review mid-year in consultation with the Chief Functionary the performance against that in the year
11. To conduct an assessment of the performance of the Chief Functionary, ideally once in two years.
12. To draw a plan and methodologies to be followed for the evaluation process.
13. To communicate the results of the evaluation to the Board for its review and then to the Chief Functionary.
14. To oversee, review and approve (annually or as per the guidelines of the organisation) the salary structure for Chief Functionary, senior staff and employees of the organisation.
15. To review the organisation's human resource policy for consistency with the organisation's mission, vision, values, goals and needs and recommend amendments, additions or deletions as appropriate to the Board.
16. To review management's succession plan for the executives and senior management.
17. To develop and build second line leadership in the organisation

BANKING AND DEBT COMMITTEE

COMMITTEE COMPOSITION

1. Dr. M. Rajendra Singh
2. Mr. Ak. Tikendrajit Singh
3. Ms. Ak. Bino Devi
4. Mr. Bikendrajit Akoijam

MEETINGS HELD

During FY 2020-21, 2 meetings were held on October 12, 2020 and December 25, 2020.

TERMS OF REFERENCE

1. To authorise specific officers of the Company to operate bank accounts on behalf of the Company;
2. To negotiate and finalize various sanctions from Banks and Financial institutions and also review and approve the loan facilities (On-Balance Sheet and/or Off-Balance Sheet) within the limits specified in para 6.
3. Nominate and designate representatives to carry out the required documentation for all facilities approved by the Committee.
4. To create security in favour of lender/s by pledge, mortgage, charge or assigning and/or delivery on any terms, as security for money hereafter borrowed or credit hereafter obtained from the lender/s all or any of the assets of the Company including but not limited to book debts, bills receivable, accounts, mortgages, merchandise, and any other property held by or belonging to the Company with full authority to endorse, assign or guarantee the same in the name of the Company;
5. Review and make specific recommendations to the Board on the adoption of the Annual Budget.

Independent Auditor's Report

&

Audited Financial Statements

For FY 2020-21

D.PATWARY & CO.

Chartered Accountants

1ST FLOOR, MASTER ENCLAVE,CHRISTIAN BASTI,UDAYACHAL PATH, BEHIND PETROL PUMP,GUWAHATI ASSAM 781005
Ph. 9435148296
e-mail : dpcoghy@gmail.com

Independent Auditor's Report

To the Members of YVU Financial Services Pvt. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **YVU Financial Services Pvt. Ltd.** ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Accounting Standards and other Accounting Principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and its profit and its cash flows for the year ended on that date.

Basis For Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs)specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these retirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes out opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our t opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internalcontrol.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. under section 143(3)(i) of the companies Act, 2013, we are also responsible for expressing our opinion on whether ihe company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion proper books of account as required by law have been kept by the Company s6 far as it appears from our examination of those books;

(c) The Balance Sheet, the statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) the Company did not have any pending litigations to impact its financial position

(ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses and

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No.324523E)

AMIT PATWARI
Partner, Membership No.061971
UDIN: 21061971AAAAHA6737

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Place: Guwahati
Date: 04/06/2021

Annexure-A to the Independent Auditors' Report of even date on the Financial Statements of YVU Financial Services Pvt. Ltd.

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of one year. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties held in the name of the Company.

(ii) The Company is a Non- Banking Financial company (NBFC), primarily giving microfinance loans. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.

(iii) (a)The Company has not granted any loans to the person covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Consequently, the provisions of iii (b) and iii (c) of the order are not applicable to the company.

(iv) In our opinion and according to the inform on and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees state Insurance, income tax, GST, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, where applicable.

According to the information and **explanations** given to us, no undisputed amounts payable in respect of provident fund, Employees state Insurance, income tax, GST, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b)According to the information and explanations given to us, no dues of income-tax, sales tax, service tax, value added tax or GST were in dispute.

(viii) The Company have not defaulted in repayment of dues to financial institution, bank and debenture holder.

(ix) Term loans during the year were applied for the purpose for which those were taken.

(x) According to the information and explanations given to us, no material fraud by the' Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transitions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given examination of the records of the Company, the Company to us and based on our has not entered Into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 as Non-Banking Financial Company. The status was changed to Non-Banking Financial Company-Micro Finance Institutions (NBFC-MFI) with effect from23.03.2016.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No. 324523E)

AMIT PATWARI
Partner
Membership No. 061971
UDIN: 21061971AAAHA6737

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Place: Guwahati
Date:04/06/2021

Annexure-B to the Independent Auditors' Report of even date on the Financial Statements of YVU Financial Services Pvt Ltd.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of YVU Financial Services Pvt. Ltd. ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by lCAl and deemed to be prescribed under section 143(10) of the Complies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such Controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of' internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, D PATWARY & CO
Chartered Accountants
(Firm's Registration No. 324523E)

AMIT PATWARI
Partner
Membership No. 061971
UDIN: 21061971AAAHA6737
Place: Guwahati
Date:04/06/2021

YVU FINANCIAL SERVICES PRIVATE LIMITED			
BALANCE SHEET AS AT	**NOTE**	**₹**	**₹**
		31ST MARCH 2021	**31ST MARCH 2020**
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	6,52,73,400	6,52,73,400
Reserves & Surplus	4	4,18,85,088	3,23,60,869
		10,71,58,488	9,76,34,269
NON-CURRENT LIABILITIES			
Long term borrowings	5	11,25,41,264	19,06,81,968
Long term provisions	6	19,25,256	3,60,657
Deferred tax liability (Net)		-	-
		11,44,66,520	19,10,42,625
CURRENT LIABILITIES			
Short term borrowings	5A	-	-
Trade payables	7	1,09,83,188	49,41,683
Other current liabilities	8	28,52,63,572	24,02,22,506
Short term provisions	6	1,72,66,817	83,93,875
		31,35,13,577	25,35,58,065
TOTAL		**53,51,38,585**	**54,22,34,959**
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	9		
-Tangible assets		8,82,598	12,00,681
-Intangible assets		9,034	36,778
Deferred tax assets		27,55,773	8,62,582
Other non current assets	10	20,25,07,969	19,06,83,985
		20,61,55,375	19,27,84,026
CURRENT ASSETS			
Cash and cash equivalents	11	5,27,86,424	1,81,93,228
Short term loans and advances	12	26,38,17,549	31,81,32,826
Other current assets	13	1,23,79,237	1,31,24,880
		32,89,83,210	34,94,50,933
TOTAL		**53,51,38,585**	**54,22,34,959**
Significant Accounting Policies and Notes	1 & 2		
The accompanying notes are forming an integral part of these Financial Statements			
For D. Patwary & Co.	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Firm Registration No. 324523E			

Amit Patwari	**Bikendrajit Singh Akoijam**	**Akoijam Tikendrajit Singh**
(Partner)	**Managing Director**	**Director**
	DIN:02296632	DIN:02296640
M. No.061971		
Date : 04/06/2021		
Place: Guwahati		

YVU FINANCIAL SERVICES PRIVATE LIMITED			
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED	**NOTE**	**₹**	**₹**
		31ST MARCH 2021	**31ST MARCH 2020**
Revenue from operations	14	10,37,07,099	10,30,69,192
Other income	15	41,92,531	36,50,442
Total Revenue		**10,78,99,630**	**10,67,19,634**
EXPENSES			
Employee benefits expenses	16	2,32,02,464	2,78,57,248
Depreciation		5,32,916	5,66,720
Financial cost	17	5,36,54,246	5,49,20,354
Other expenses	18	63,16,769	78,30,711
Provisions and write-offs	19	86,73,646	9,25,706
Provision for COVID-19		-	96,712
Total Expenses		**9,23,80,041**	**9,21,97,451**
Profit before prior period & exceptional items		**1,55,19,589**	**1,45,22,184**
Prior period expenses		-	-
		1,55,19,589	**1,45,22,184**
Tax Expenses:			
(1) Current tax		58,39,147	37,69,273
(2) Deferred tax (assets)/liabilities		-1,893,191	-64,118
(3) Tax of earlier years		87,909	31,003
Total Tax Expenses		**40,33,864**	**37,36,158**
Profit After Tax for the Year		**1,14,85,725**	**1,07,86,026**
Earning Per Equity Share			
(1) Basic		28.52	26.78
(2) Diluted		17.60	17.30
Significant Accounting Policies and Notes	1 & 2		
The accompanying notes are forming an integral part of these Financial Statements			

For D. Patwary & Co.	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Firm Registration No. 324523E			
Amit Patwari	**Bikendrajit Singh Akoijam**		**Akoijam Tikendrajit Singh**
(Partner)	**Managing Director**		**Director**
M. No.061971		DIN:02296632	DIN:02296640
Date : 04/06/2021			
Place: Guwahati			

YVU FINANCIAL SERVICES PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 312021		
	2020-21	**2019-20**
Particulars	**RUPEES (₹)**	**RUPEES (₹)**
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	**1,55,19,589**	**1,45,22,184**
Adjustments for :		
Loan loss provisions	85,14,773	8,27,720
Depreciation	5,32,916	5,66,720
Provision for gratuity	2,07,067	3,54,173
Provision for COVID-19	-	96,712
Operating Profit Before Working Capital Changes	**2,47,74,346**	**1,63,67,509**
(Increase)/Decrease in Micro finance loans	5,52,63,904	-147,786,582
(Increase)/Decrease in Other current assets	3,62,989	-8,566,059
(Increase)/Decrease in Non current assets	-11,823,984	4,94,76,937
Increase/(Decrease) in Current liabilities	-968,553	8,24,293
Increase/(Decrease) in Trade payables	60,41,505	12,49,832
Payment of Advance tax	-4,423,156	-4,073,546
Gratuity paid	-354,173	-159,824
Net Cash Provided By/(Used In) Operating Activities (A)	**6,88,72,877**	**-92,667,440**
Cash Flow From Investing Activities		
Purchases of Fixed assets	1,87,090	2,23,160
Net Cash Provided By/(Used In) Investing Activities (B)	**1,87,090**	**2,23,160**
Cash Flow From Financing Activities :		
Increase in Borrowings	-32,131,084	6,45,30,498

Proceeds from Issuance of Share capital	-	1,00,00,000
Share premium	-	-
Dividend	-1,961,506	-1,627,543
Net Cash Provided By/(Used In) Financing Activities (C)	**-34,092,590**	**7,29,02,955**
Net Increase In Cash And Cash Equivalents (A+B+C)	**3,45,93,197**	**-19,987,645**
Cash And Cash Equivalents At The Beginning of The Year	**1,81,93,228**	**3,81,80,873**
Cash And Cash Equivalents At The End of The Year	**5,27,86,424**	**1,81,93,228**
Cash And Cash Equivalents Comprises of :		
1. Cash In hand	13,15,073	30,97,834
2. Balances with scheduled banks	5,14,71,351	1,50,95,393
	5,27,86,424	**1,81,93,228**
As per our report of even date annexed herewith		
For D. Patwary & Co.	**For and on behalf of the Board of Directors**	
Chartered Accountants		
Firm Registration No. 324523E		
Amit Patwari	**Bikendrajit Singh Akoijam**	**Akoijam Tikendrajit Singh**
(Partner)	**Managing Director**	**Director**
M. No.061971	DIN:02296632	DIN:02296640
Date : 04/06/2021		
Place: Guwahati		