ANNUAL REPORT

YVU FINANCIAL SERVICES PVT LTD
FY 2021-22

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YVU Financial at a glance

YVU Financial Services Private Limited (YFS) is a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) operating in three North Eastern States of India. We are a private limited Company, headquartered in Thoubal, Manipur. It was presented '**The Inclusive Finance India Award 2020**' in the category **Vijayalakshmi Das Award for Small & Emerging Microfinance Organisation** by **ACCESS** Development Services and **HSBC** India. We offer a well-diversified portfolio of financial products and services to the financially disadvantaged through our operations across the three states.

Numbers that matter

INR 3,042 lakhs* Assets Under Management	INR 908 lakhs* Revenue	INR 85 lakhs* PAT
14 branches# Across 3 states	107 employees* Full time	INR 12.96 EPS# Earnings per share
19907 clients* Active Clients (including BC clients)*	M3C2 MFI Grading#	* as on 31st March 2022 # during FY 2021-22

Message from the Managing Director

In the beginning of the year, the world was experiencing the second wave of the COVID-19 pandemic. Despite avoiding the repeat of the life-threatening wave experienced a year earlier, the second wave was more harmful than when it hit India. The restrictions on mobility and lockdowns were intermittent as well as localized. There have been reports of acute shortages of hospital beds and high-flow oxygen in tier-II and tier-III towns as well. This led to chaos, uncertainty, and a dip in economic activity in the first quarter.

The microfinance industry in Assam, which had been one of the best in the country until the year 2019, was subject to local activism in 2020, leading to demands for loan waivers during the state elections in early 2021. In collaboration with the state MFI Committee, Reserve Bank of India, and all lenders, Microfinance Institutions Network (MFIN), the Assam Government was able to formulate an incentive package and relief scheme called the Assam Microfinance Incentive and Relief Scheme (AMFIRS). It is India's first ever microfinance package, and it includes incentives for regular borrowers and support for overdue and NPA customers as of March 2021. Upon full implementation of the scheme in 2021-2023, it is expected to restore normalcy to microfinance operations in the state.

Our philosophy at YFS is to do the right thing the right way. As a company, we have endured a string of challenges over the past decade, which we have embraced as learnings. Our learnings have prepared us to strategically target bigger goals. Our capabilities have also grown as a result. Now that the pandemic is largely over, we are ready to take action. As we strive to grow and do more, we will remain focused on what differentiates us. We will accomplish this through our knowledge of microfinance, the agility and dedication of our teams, our technology, and our prudent approach overall.

I thank all our people for believing in us. I am grateful to all our investors and lenders for backing us. It is inspiring to see all our clients show unflinching commitment and resilience.

Warm regards,

Bikendrajit Akoijam
Managing Director

Board of Directors

Mr. Ak. Tikendrajit Singh
Chairman

Member of the Board of Directors since 2008
He has over 52 years of experience in developmental sector and over 24 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 12 years in microfinance. He completed MBA in Finance and Marketing and Master of Professional Accounting from La Trobe University, Melbourne. He received 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. He is serving as a Professional/Independent Director on the Boards of RORS Finance Private Limited, Hindusthan Microfinance Private Limited, Magalir Micro Capital Private Limited and South India Finvest 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.

Dr. Ch. Ibohal Meitei
Independent Director

Member of the Board of Directors since 2016

He is a professor and 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.

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. Maibam 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
Mr. W. Prabin Singh	Chairman
Mr. M. Rajendra Singh	Member
Mr. Ak. Tikendrajit Singh	Member

ALCO Committee

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

Risk Management Committee

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

Grievance Redressal Committee

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

Human Resource Committee

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

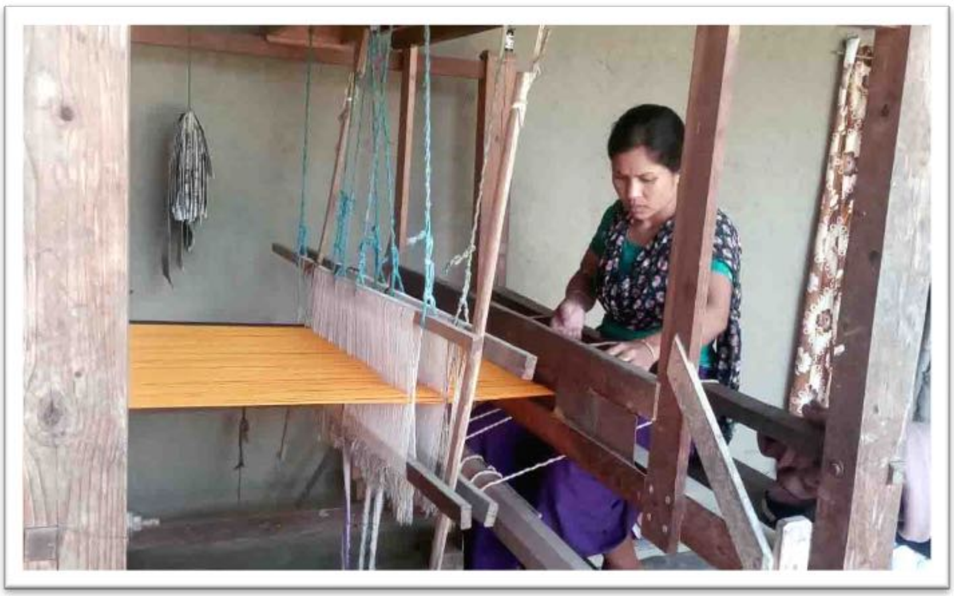
Banking & Debt Committee

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

Our Customers

Mrs. Sapam Ronibala Devi

Handloom weaver,
Customer since 2016

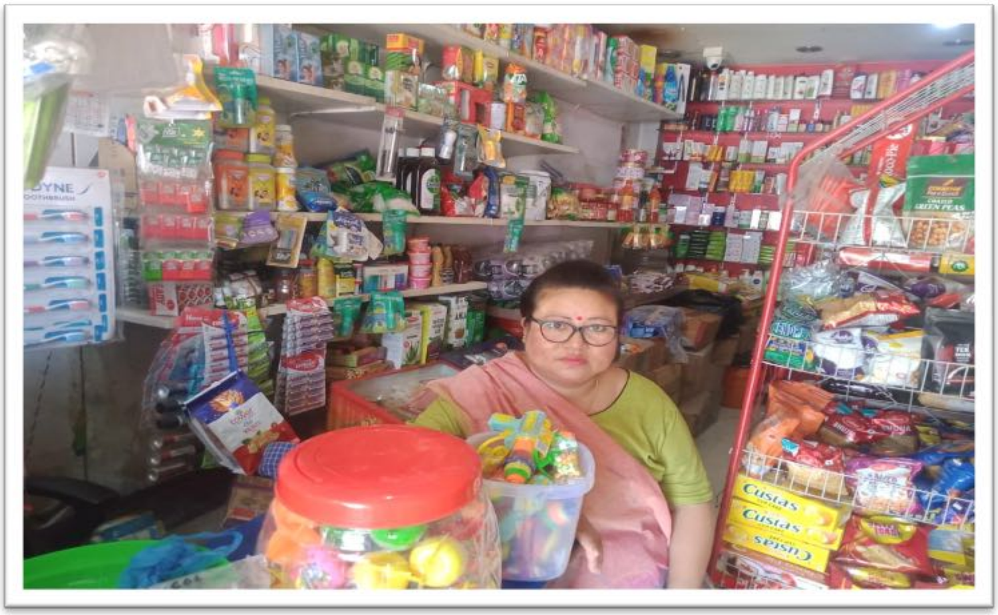


Ms. Sapam Ronibala Devi a group member of Samuroulakpa CIG from Samurou Awang Leikai is a mother of two children and has been a borrower of YFS since 8th October, 2016. In the past, she used others' weaving looms and borrowed some money from local money lenders at a high interest rate to purchase raw materials for her business. She requested Rs. 10,000 as the first term loan from the YVU Financial Services Pvt. Ltd., Mayang Imphal Branch. She used the loan amount along with some of her savings to buy a weaving loom. Her business is now running smoothly, and her income has gradually increased. Recently, she took Rs. 40,000 as 5th term loan and she is able to send her children at a private school and provides financial assistance to her family. The money she earns now covers her family's needs, and she also saves some money from her profits.

She thanked YFS for providing necessary financial assistance at the right time, and she mentioned our service and manner of the staff as being very satisfying. In her opinion, YVU Financial Services Pvt. provides easy loan processes, a lower interest rate, monthly repayment options, and doorstep service. Her wish is for YFS to support many beneficiaries, particularly those in economically backward sections, for a long time.

Mrs.Ningthoujam Rebika Devi

Variety Store,
Customer since 2021.



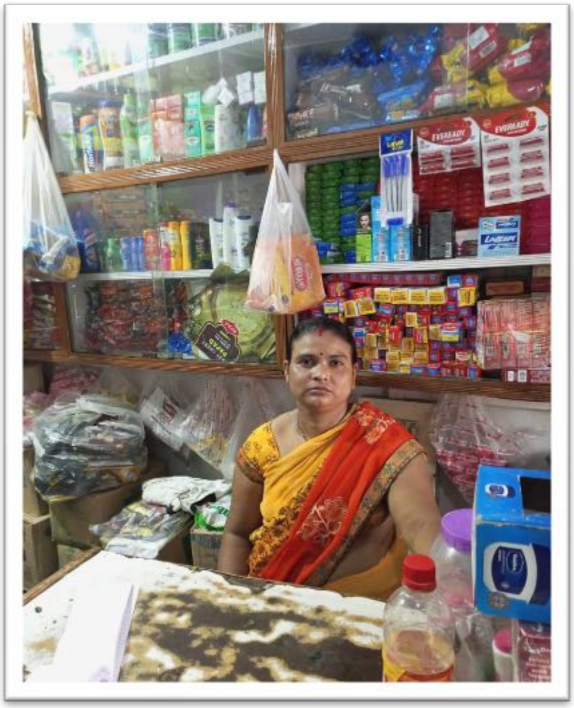
The owner of a variety store in Thoubal Kiyam Siphai, Mrs. Ningthoujam Rebika Devi, has been running the business with her husband for the past seven years. She has a son and a daughter. In the beginning, she started her business with her own savings and a small loan from a local money lender and local MFI with a high interest rate. They requested for Rs.50,000 from YVU Financial Services Pvt. Ltd. Wangjing Branch as 1st term loan. Having invested the loan amount at her business, she was able to expand their business to a greater extent smoothly. It is important to note that after taking the loan from YFS, their profit goes up as the amount of sales increases. A loan of Rs.100,000 has been approved for her as part of the 2nd term, and she is also interested in continuing her relationship with YFS.

Her business is financially stable now, and she plans to expand further and save money for her family. Aside from that, she is able to send both of her children to a good private school and enjoy a higher 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 appreciated YFS for its low interest rate and mode of interest calculation in comparison to local money lenders, as well as its timely assistance in expanding her business. The beneficiary hopes that YFS will be able to support many more beneficiaries like her, especially those from economically backward sections for a long time.

Mrs. Radha Devi

Grocery shopkeeper



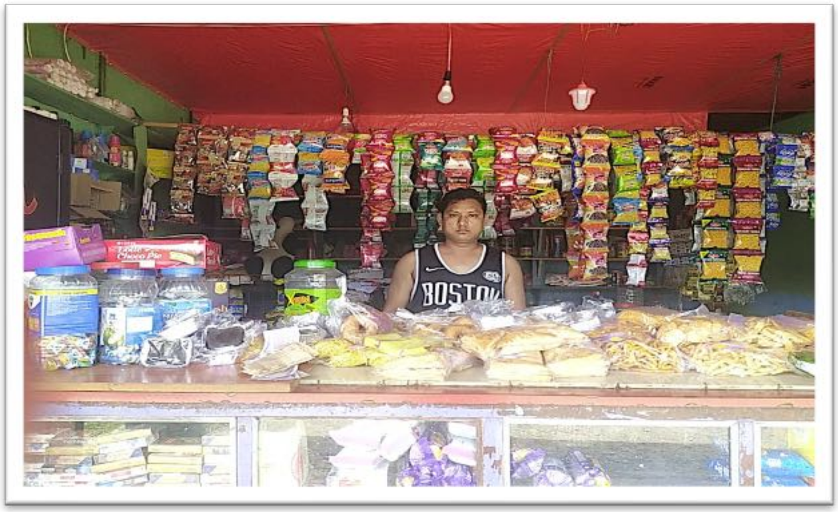
Mrs. Radha Devi from Fatashil , Guwahati (ASSAM) is one of the member of Muskan Group. She is a mother of two children, a boy and a daughter. She runs a small grocery shop with her husband. At the initial stage the condition of the shop was not good. So her family needed financial support to upgrade their business. At that time she came to know about YVU Financial Services Pvt. Ltd from her neighbours. She approached to YVU Financial Services Pvt Ltd and became one of the members of Muskan Group on October, 2017. She availed her 1st term loan of Rs. 15,000 from YVU Finance, Lalganesh Branch for the purpose to expand her shop.

After successful completion of her 1st loan term, she again applied another loan of Rs. 30,000 in July, 2019 for further expansion of her business. She upgraded their shop to variety shop with the financial support from YVU Finance and running her business successfully. “Thanks to the YFS loan that I invested in my shop, the financial situation of the family has improved and I am able to save for my kids' future” she said. She is also able to repay her EMI of the loan on time.
She thanked YVU Financial Services Private Limited for providing financial assistance at the right time and wishes to continue relationship with YVU by availing her 4th term loan after completion of the loan.

Mr. Laishram Dilip Singh

Variety store owner

Customer since 2021



Mr. Laishram Dilip Singh of Yairipok Bishnunaha is a father of one son. He is running a variety store for the last four years. For around two years, he ran a small shop with a high interest loan from local money lenders before expanding to variety store. His wife is a seasonal farm worker, so her income is also seasonal due to the long gap after harvesting season. Thus, his variety store is the main income source of the family. He wished to expand the business, but he was unable to do so because of the prolonged Covid 19 lock down. He decided to expand the business after Covid 19 lock down. At that time, he came to know about the YVU Financial Services Private Limited as some of his friends were also taking loans from YVU Financial Services Private Limited. He started taking loan YFS in March 2021 with amount of Rs 50,000 to invest in his business. After taking loan from YFS he expanded his Small shop into a variety store. After completion of his first loan, he got 2nd term loan of Rs 80,000. He is now not only able to earn enough to manage his household expenses but also save some amount besides providing quality education to his children. He thanks YVU Financial Services Private Limited for helping them with financial assistant at right time. He likes the monthly repayment mode, easy loan process and doorstep services provided by YVU Financial Services Private Limited.

Directors' Report

Dear members,

Your Directors present the 29th 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, 2022. The key performance parameters of the year are as under:

1. Financial Result

Below is a comparison of the company's financial performance during FY 2021-22 with FY 2020-21. The Management Discussion and Analysis Report has been enclosed as Annexure - A to this Report.

Particulars	**FY 2021-22 (Rs.)**	**FY 2020-21 (Rs.)**	**Changes**
Operating Income	8,45,46,837	10,37,07,099	-18.48%
Other Income	62,66,532	41,92,531	49.47%
Total Income	**9,08,13,369**	**10,78,99,630**	-15.84%
Less: Operational Expenses			
Personnel Expenses	2,36,53,310	2,32,02,464	1.94%
Administrative Expenses	62,62,757	63,16,769	-0.86%
Financial charges	3,70,69,313	5,36,54,246	-30.91%
Depreciation	3,57,518	5,32,916	-32.91%
Provision For Loans	1,16,39,627	86,73,646	34.20%
Total Operational Expenses	**7,89,82,526**	**9,23,80,041**	-14.50%
Profit before Prior Period & exceptional Items	**1,18,30,843**	**1,55,19,589**	-23.77%
Prior Period Expenses	0	0	
Profit/(loss) before tax	**1,18,30,843**	**1,55,19,589**	-23.77%
Less: Income tax	56,23,237	58,39,147	-3.70%
Less: Deferred tax	(2,645,651)	(1,893,191)	39.75%
Less: Tax of Earlier Years	3,96,968	87,909	351.57%
Profit/(Loss) After Tax	**84,56,289**	**1,14,85,724**	-26.38%

2. Dividend

The Company issued 15,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value Rs. 10 each, to Small Industrial Development Bank Of India (SIDBI) and 10,00,000, 9% Optionally Convertible Preference Shares ("OCPS") of face value Rs. 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 INR 2.50 crores on a pro-rata basis up to March 31, 2022. The said dividend, if approved by the shareholders, would involve a cash outflow of INR 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

During the year, entire profit has been transferred to Reserves. 20% Profit transferred to statutory reserve

4. Comprehensive MFI Grading

SMERA assigned the company a Comprehensive MFI Grading of M3C2 in December 2021, indicating 'above average capacity of the MFI to manage its operations in a sustainable manner and good performance on code of conduct dimensions'.

5. Bank Loan Rating

SMERA downgraded the Bank Loan Rating from ACUITE BB+ to ACUITE C/ ACUITE D. YVU Financial had over 80% of its total loan portfolio in Manipur during the financial year. During the second wave of the COVID, the government of Manipur imposed a strict lockdown of over 3 months. This resulted in the Company's loan recovery being significantly adversely affected, which led to the Company defaulting on its loan payments. As of 31st March 2022, however, all the overdue had been cleared and all loan accounts were in compliance.

6. Capital Adequacy

The Capital Adequacy Ratio of the company was 34.65% as of March 31, 2022 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. Internal Controls

The Company has a well-established and adequate internal financial control and risk management framework, with appropriate policies and procedures, to ensure the highest standards of integrity and transparency in its operations and a strong corporate governance structure, while maintaining excellence in services to all its stakeholders. Appropriate controls are in place to ensure: (a) the orderly and efficient conduct of business, including adherence to policies, (b) safeguarding of assets. (c) Prevention and detection of frauds / errors, (d) accuracy and completeness of the accounting records and (e) timely preparation of reliable financial information. An independent internal audit system is in place to conduct audit of all the branches, as well as the head office.

The Company has an Audit Committee, which regularly reviews and monitors systems, internal controls, risk management measures, accounting procedures, financial management and operations of the Company based on the observations made by the Internal Audit Head.

9. Disclosures under Sexual Harassment of women at workplace (Prevention, prohibition & Redressal) Act, 2013:

The Company has in place Anti-Sexual Harassment Policy named "Prevention of Sexual Harassment (POSH) Policy' in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committees (ICC) has been set up to redress complaints received regarding sexual harassment. Your Directors further state that during the year under review, there was no complaint received.

10. 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, 2022, 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, 2022 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.

11. 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.

12. Auditors

M/s D. Patway & Co., Chartered Accountants, (FRN: 324523E), having their office at 1st Floor, Master Enclave, Christian Basti, Udayachal Path, Guwahati, Assam - 781005 was appointed as the Statutory Auditors of the Company from the conclusion of 28th Annual General Meeting till the Conclusion of 33rd Annual General Meeting of the Company to be held in 2026.

13. Details of significant & material order passed by the regulators or courts or tribunal

There was no significant & material order passed by Regulators/Courts/Tribunal during the period under review.

14. Details regarding any proceedings pending under insolvency and Bankruptcy Code, 2016

No application was made and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year.

15. 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.

16. 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.

17. Transaction with related parties

All related party transactions that were entered into during the financial year ended March 31, 2022 were on an arm's length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

18. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings/ Outgo in terms of Section 134(3)(M) of the Companies act 2013 and Rule 8 of Companies (Accounts) Rules, 2015

a) **Energy Consumption:**

There are no matters to be reported under this head as the Company is not engaged in power-intensive activities and hence not applicable to this Company.

b) **Technology Absorption:**

There are no matters to be reported under this head as the Company is not entered into any technical collaboration agreements.

c) **Foreign Exchange Outflow/Inflow:**

The Company has no transactions in foreign currency during the Financial Year 2021-22.

19. Development and implementation of risk management policy

Risk is an integral part of the Company's business, and sound risk management is critical to the success of the organisation. As a financial intermediary, the Company is exposed to risks associated with lending and operating in an environment that is unique to the industry. In order to assess, monitor, and manage risk throughout the company, we have developed and implemented a comprehensive set of policies and procedures. The risk management process is continuously improved and adapted to the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event-driven basis. The Company has an elaborate process for risk management.

This rests on the three pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance Processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both the Management and the Risk Management Committee of the Board. Some of the risks relate to competitive intensity and the changing legal and regulatory environment. The Risk Management Committee of the Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

20. 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.

21. Auditors report

The Board has duly examined the Statutory Auditors' Report for the financial year 2021-22, which is self- explanatory. There are no qualifications, reservations or adverse remarks or disclaimer made by the auditor in their report for the year under review and requires no further comments thereon.

22. 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.

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.

A) Board of Directors

As on March 31, 2022, 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 one 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. The current composition of the Board of Directors is as below:

Sl. No.	Name of Director	Designation and Category
1	Mr. Akoijam Tikendrajit Singh (DIN - 2296640)	Non-Executive, Chairman
2	Ms. Akoijam Bino Devi (DIN - 2296648)	Nominee Director (YMBT)
3	Mr. W Prabin Singh (DIN - 3588391)	Nominee Director (NEDFi)
4	Dr. Ch. Ibohal Meitei (DIN - 7596336)	Non-Executive, Independent Director
5	Mr. Nagaraja V (DIN - 03305719)	Non-Executive, Independent Director
6	Mr. Maibam Rajendra Singh (DIN - 7294239)	Non-Executive, Independent Director
7	Mr. Bikendrajit Singh Akoijam (DIN- 2296632)	Managing Director

(i) Board meetings held

During the Financial Year 2021-22, the Board had met five times through Video Conferencing. As per the Companies (Meetings of Board and its Powers) Amendment Rules, 2021, there is no restriction on any matter to be dealt with in a board meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM). The meetings of our Board of Directors were held on June 03, 2021, September 30, 2021, January 7, 2022, March 1, 2022 and March 28, 2022.

The meetings of the Board and attendance of the Directors are as given below:

Sl. No.	Name of Directors	Date of meeting				
		04.06.2021	30.09.2021	07.01.2022	01.03.2022	28.03.2022
1	Ak Tikendrajit	Yes	Yes	Yes	Yes	Yes
2	Ak Bino Devi	Yes	Yes	Yes	Yes	Yes
3	W Prabin Singh	Yes	Yes	No	Yes	Yes

4	Ch. Ibohal Meitei	Yes	Yes	Yes	Yes	Yes
5	Nagaraja V	Yes	Yes	Yes	Yes	Yes
6	M. Rajendra	Yes	Yes	Yes	Yes	Yes
7	Bikendrajit Akoijam	Yes	Yes	Yes	Yes	Yes

B) Audit Committee

The Audit Committee currently consists of the following members:

i. Mr. W. Prabin Kumar Singh

ii. Mr. M. Rajendra Singh

iii. Mr. Ak. Tikendrajit Singh

All the recommendations of the Committee have been adopted by the Board. The meetings of the Audit Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		03.06.2021	30.09.2021	07.01.2022	25.03.2022
1	Ak Tikendrajit	Yes	Yes	Yes	Yes
2	W Prabin Singh	Yes	Yes	No	Yes
3	M. Rajendra Singh	Yes	Yes	Yes	Yes

C) Assets and Liabilities Committee

The Assets and Liabilities Committee currently consists of the following members:

i. Mr. W. Prabin Kumar Singh

ii. Mr. Bikendrajit Akoijam

iii. Mr. Ak. Tikendrajit Singh

All the recommendations of the Committee have been adopted by the Board. The meetings of the Assets and Liabilities Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		03.06.2021	30.09.2021	04.12.2021	25.03.2022
1	W. Prabin	Yes	Yes	Yes	Yes
2	Bikendrajit Ak	Yes	Yes	Yes	Yes
3	Ak. Tikendrajit	Yes	Yes	Yes	Yes

D) Risk Management Committee

The Risk Management Committee currently consists of the following members:

i. Mr. W. Prabin Kumar Singh

ii. Mr. Bikendrajit Akoijam

iii. Mr. Ak. Tikendrajit Singh

All the recommendations of the Committee have been adopted by the Board. The meetings of the Risk Management Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		03.06.2021	30.09.2021	04.12.2021	25.03.2022
1	W. Prabin	Yes	Yes	Yes	Yes
2	Bikendrajit Ak	Yes	Yes	Yes	Yes
3	Ak. Tikendrajit	Yes	Yes	Yes	Yes

E) Grievance Redressal Committee

The Grievance Redressal Committee currently consists of the following members:

i. Dr. M. Rajendra Singh

ii. Ms. Ak. Bino Devi

iii. Mr. W. Prabin Kumar Singh

All the recommendations of the Committee have been adopted by the Board. The meetings of the Grievance Redressal Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		03.06.2021	30.09.2021	04.12.2021	25.03.2022
1	M. Rajendra	Yes	Yes	Yes	Yes
2	Ak. Bino	Yes	Yes	Yes	Yes
3	W. Prabin	Yes	Yes	Yes	Yes

F) Human Resource Committee

The Human Resource Committee currently consists of the following members:

i. Dr. M. Rajendra Singh

ii. Mr. Ak. Tikendrajit Singh

iii. Dr. Ch. Ibohal Meitei

All the recommendations of the Committee have been adopted by the Board. The meetings of the Human Resource Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		03.06.2021	30.09.2021	04.12.2021	25.03.2022
1	M. Rajendra	Yes	Yes	Yes	Yes
2	Ak. Tikendrajit	Yes	Yes	Yes	Yes
3	Ch. Ibohal	Yes	Yes	Yes	Yes

G) Banking and Debt Committee

The Banking and Debt Committee currently consists of the following members:

i. Dr. M. Rajendra Singh

ii. Mr. Ak. Tikendrajit Singh

iii. Ms. Ak. Bino Devi

iv. Mr. Bikendrajit Akoijam

All the recommendations of the Committee have been adopted by the Board. The meetings of the Banking and Debt Committee and attendance of its members are as given below:

Sl. No.	Name of Directors	Date of meeting			
		09.08.2021	24.09.2021	26.10.2022	07.01.2022
1	M. Rajendra	Yes	Yes	Yes	Yes
2	Ak. Tikendrajit	Yes	Yes	Yes	Yes
3	Ak. Bino	Yes	Yes	Yes	Yes
4	Bikendrajit Ak.	Yes	Yes	Yes	Yes

23. Management Discussion and Analysis Report

The Management Discussion and Analysis Report has been enclosed as Annexure - A to this Report.

24. Acknowledgment

Your Directors wish to place on record their appreciation and acknowledge with gratitude the continued support and cooperation extended by the investors, clients, business associates and bankers and look forward to their continued support. Your Directors also place on record their appreciation for the services rendered by the employees at all levels.

For and on behalf of the Board of Directors

Sd/-
Bikendrajit Singh Akoijam
Managing Director
DIN: 02296632

Sd/-
Akoijam Tikendrajit Singh
Chairman and non-executive Director
DIN: 02296640

Annexure A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Business Growth:

During the Financial Year the second wave of Covid-19 Pandemic broke out which stood like an obstacle in our progressive calendar. This pandemic urged us to stay away from adding new clients and new portfolio generation. During Q2 we started the addition of new clients slowly which in return built a new enthusiasm in our team. We rediscovered our way towards the progressive way by pushing back the impact of the pandemic for the service of the underprivileged. Despite all these challenges we could maintain overall assets under management at 41.38 crores, which is a slight increase of 1%.

COVID-19 and its impact

In order to contain the spread of coronavirus, the Government of Manipur unlike any other state started imposing movement restrictions in Manipur starting with night curfew, evening curfew and half day curfew in April 2021. However, full-day curfew started on 8 May 2021 in five districts of Manipur, which accounted for 100% of our loan portfolio in the state. During the curfew, no relaxation was given to NBFC-MFIs. The Test Positivity Rate in Manipur was also much higher than the national average. Movement in the field was not possible. As a result, loan recovery was adversely affected. Later in August 2021, there was some relaxation of the curfew.

In terms of the Company's microfinance operations in Assam and Tripura, the adverse effects were relatively less than in the first wave.

Assam Microfinance Crisis

The collection efficiency dipped drastically in Assam after the state Assembly had passed the Microfinance Institutions Bill, 2020, in December and talks of a possible waiver of microloans ahead of the state general election. There had been delays in repayments from the borrowers, and because of the confusion over the type of the proposed relief package people were holding back payments.

On 25th August 2021, the Assam Government signed a memorandum of understanding with 37 financial institutions which were providing micro credit in Assam. The scheme — the Assam Microfinance Incentive and Relief Scheme (AMFIRS), 2021— promises financial relief to borrowers in Assam hit hard by Covid-19. Assam's microfinance relief scheme is a "positive development" from an asset quality perspective and the relief provided is expected to reduce near-term loan losses for lenders, who were affected by the Covid-19 pandemic.

Branch:

During the financial year the Paona Branch was merged into Singjamei Branch. The branch counts as of 31st March 2022 was 14.

Customer Segment:

Our primary target customers are the economically backward members of society, particularly women of the weaker sections of society with a view to creating jobs and empowering them.

Managed Loan Portfolio:

For the first time in the history of the Company, YVU Financial became a Business Correspondence (BC) partner of Avanti Finance Private Limited in July 2021 to perform the services of sourcing and collection of loans in Manipur. At the end of March 2022, the outstanding amount of the managed portfolio was Rs. 10.96 crores and the number of clients was 3,831.

Risk Management

Business risks are inherent to the Company's operations, and sound risk management is essential to its success. As a financial intermediary, the Company is exposed to risks that are particular to its lending and the environment within which it operates. The Company has identified and implemented comprehensive policies and procedures to assess, monitor and manage risk throughout the Company. The risk management process is continuously improved and adapted to the changing risk scenario and the agility of the risk management process is monitored and reviewed for its appropriateness in the changing risk landscape. The process of continuous evaluation of risks includes taking stock of the risk landscape on an event- driven basis. The Company has an elaborate process for risk management. This rests on the three pillars of Business Risk Assessment, Operational Controls Assessment and Policy Compliance Processes. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed with both the Management and the Risk Management Committee of the Board. Some of the risks relate to competitive intensity and the changing legal and regulatory environment. The Risk Management Committee of the

Board reviews the risk management policies in relation to various risks and regulatory compliance issues.

Following are identified as key risks for the company in relation to its mitigation plans:

- Political Risk
- Concentration Risk
- Operational and Fraud Risk
- Liquidity Risk
- Information Security Risk

Political Risk

The Company recognises political risk as one of the major risks facing the industry and believes that political risk can be mitigated through responsible lending and fair pricing. In addition to adhering to the Fair Practice Code, the Company also adheres to the Common Code of Conduct developed by Sa-Dhan. The Compliance Report for the Fair Practice Code is reviewed quarterly by the Board.

Concentration Risk

The Company aims to avoid unbalanced concentration in both its loan portfolio and borrowings. Over 80% of the Company's loan portfolio is concentrated in the state of Manipur. Being a small company, the Company must also consider other factors such as operational efficiency, ease of monitoring, cost of operation etc. when deciding to reduce its geographical concentration of its loan portfolio.

Operational and Fraud Risk

Since the Company's core business is to provide collateral-free loans, it requires enhanced operational risk management practices. To mitigate the operational risk, various measures have been adopted. It is being attempted to minimise the likelihood of human error by implementing validations at various stages of using the Loan Management System (LMS). Credit Bureau (CB) report checking is integrated into the LMS. Without any manual intervention, the LMS, after generating the CB report, will automatically accept or reject the loan application. The Company has also embarked upon its journey of cashless loan recovery in order to mitigate risks related to cash misappropriation and robbery. Using UPI-enabled apps, borrowers can now repay their loans by scanning the QR codes shared with them. While cashless loan recovery is relatively few in number, the company aims to have more cashless loan recovery than cash recovery.

To mitigate fraud risk, loan passbooks are reconciled on regular basis by the Branch Core Team comprising of Branch Manager and System Assistant. The client is informed via text messages (SMS) of the total amount collected, the principal amount, the interest amount, and the outstanding amount of the loan. Regular training sessions are provided to enhance the capacity of the Branch Core Team as well as to detect fraudulent activity conducted by FE.

Liquidity Risk

The Company places significant importance on liquidity management. There is a policy in place at the company to maintain a certain level of liquidity at all times in order to make certain that payment obligations are met in a timely manner. Statements of Cash flow projection and Assets and Liabilities Maturity are reviewed on regular basis at Management level and by Assets and Liabilities Committee of the Board. In order to maximise return and at the same time to mitigate the liquidity risk, idle funds are invested to liquid mutual funds and short term fixed deposits.

Information Security Risk:

An information security management system (ISMS) is an integrated collection of methods, rules, and regulations within a company for the purpose of enhancing the overall security of information. Information security management systems are primarily designed to identify information security risks related to the processing of information and to manage those risks efficiently. Information System Audit is conducted on regular basis by third parties. A number of measures are taken to protect the privacy of clients and the security of the LMS database.

Audit and Internal Controls

Internal audit in YVU Financial is an independent, objective assurance and consulting activity which has been designed to add value and improve our organisation operations. It helps organisation accomplish its objectives by bringing a systematic, disciplined and risk-based approach to evaluate and contribute to the improvement of the organisation's governance, risk management and control process.

Head of Internal audit reports functionally to the Audit Committee board and administratively to the Managing Director. To be effective, the internal audit department have qualified, skilled and experienced staff who work in accordance with the code of ethics. Regular Risk based internal audits and thematic audits are conducted across the branches. Quarterly audits are conducted across the functional units in the respective region.

Findings are captured in the field through laptop and reports are circulated through email. The summary of the reports is shared with the senior management for their review and further course of action. Quarterly reports are presented to the Audit Committee with the recommendations and management action plan.

Information Technology

At YVU Financial, IT is a critical driver of growth and an enabler of business success and innovation. Our IT solutions focus on improving productivity and on honing our competitive advantage with the ultimate goal of providing unparalleled customer experience. The Company had planned to introduce mobile-based apps for enrollment and collections. However, the implementation has been delayed due to the pandemic. A seamless and error-free loan disbursement is ensured by the LMS, which generates a file that is uploaded to the web portals of IDFC First Bank and Indian Overseas Bank in order to facilitate the remittance process. The benefits of these improvements have been a significant reduction in TAT and an increase in sales.

Employee Communication:

To prepare the organisation for the COVID-19 pandemic which engulfed the world and mitigate the risk of increased uncertainty and anxiety among employees, our Management team discussed the situation with staff immediately. The Regional Managers communicated with the branches and employees on a daily basis to ensure re-instilling confidence among employees, assessing their challenges and providing valuable guidance in order to keep the customers engaged during these challenging times. During the restrictive lockdown, virtual meetings were organised via Google Meet to reinforce employee trust.

Employee Development:

The crisis compelled MFIs to adopt technology and digitise most of their business activities. Women from rural areas make up the majority of our customers, and a number of them are not well educated. Through this crisis, we took on the responsibility of educating employees and customers regarding revised policies, changes in our collections methods, and new technology and processes. To achieve this, employee training on customer handling was required.

New e-learning modules were developed quickly to enable "feet on the ground" and provide attendees with hands-on experiences in "customer centricity", enabling employees to interact with customers and resolve issues amicably. To ensure there is no error in communication with customers, employees were trained on RBI guidelines, moratoriums, Resolution Framework. Through this program, employees were able to acquire advanced skills, up-skill, and remain relevant within YVU Financial. It was an excellent tool for employee engagement, enhancing employee productivity.

For and on behalf of the Board of Directors

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

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2022

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	NIL				

IV. SHAREHOLDING PATTERN (Equity Share capital Breakup as % to total Equity)

Category of Shareholders	No. of Shares held at the end of the year [As on 31- March-2021]				No. of Shares held at the end of the year [As on 31- March-2022]				% 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 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	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 end of the year [As on 31- March-2021]				No. of Shares held at the end of the year [As on 31- March-2022]				% 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) Central 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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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**	**NIL**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**NIL**	**69296**	**69296**	**17.21**	**NIL**	**69296**	**69296**	**17.21**	**NIL**
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	NIL	402734	402734	100	NIL

(ii) SHAREHOLDING 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 Promoters	Shareholding at the beginning of the Year	Cumulative Shareholding during the year
	At the beginning of the year		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the		

	reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	THERE IS NO CHANGE IN PROMOTERS SHAREHOLDING BETWEEN 01-04-2021 TO 31-03-2022
	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	
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

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 end of the year			6600	1.92
4	Wahengbam Singh Prabin				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
5	Maibam Rajendra Singh				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
6	Ibohal Meitei Chingakham				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
7	Nagaraja Venkataramaniya				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	39,57,87,086	0	0	39,57,87,086

ii) Interest due but not paid		0	0	
iii) Interest accrued but not due	10,99,720	0	0	10,99,720
Total (i+ii+iii)	**39,68,86,806**	**0**	**0**	**39,68,86,806**
Change in Indebtedness during the financial year				
Additions				
Reduction	16,86,54,435	0	0	16,86,54,435
Net Change	**(16,86,54,435)**	**0**	**0**	**(16,86,54,435)**
Indebtedness at the end of the financial year				
i) Principal Amount	22,75,39,677	0	0	22,75,39,677
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	6,92,694	0	0	6,92,694
Total (i+ii+iii)	**22,82,32,371**	**0**	**0**	**22,82,32,371**

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.	23,37,774	NIL	NIL	23,37,774
	(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)	**23,37,774**	**NIL**	**NIL**	**23,37,774**
	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 Singh	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 Ceiling 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 OFFENSES

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

Independent Auditor's Report

D.PATWARY & CO.
Chartered Accountants

1ST FLOOR. MASTER ENCLAVE,CHRISTIAN BASTI,UDAYACHAL PATH, BEHIND PETROL PUMP,GUWAHATI ASSAM 781005
Ph. 9435148296
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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 2022, 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 2022 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 there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements 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.

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

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.

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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 our 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 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 internal control.

• 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 the 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

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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 so 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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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(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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014,as amended, 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.
iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement
v. Company has not declared or paid any Dividend during the year on Equity Shares. Dividend declared & paid on the Preference Shares during the year is in compliance with the provisions of the Companies Act 2013

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

AMIT PATWARI
Partner, Membership No.061971
UDIN: 22061971AMDMSA7433

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Place: Guwahati
Date: 25/06/2022

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 2022, we report that:

To the best of our information and according to the explanations provided to us by the company and the books of account and records examined by us in the normal course of business, we state that:

(i)

(a) A) The Company has maintained proper records of Property, Plant and Equipment.

B)The Company does not have any intangible asset. Accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable.

(b) The Company has a regular program of physical verification to cover the items of Property, Plant and Equipment in a phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain fixed assets were physical verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such verification.

(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. Accordingly, reporting under clause 3(c) of the Order is not applicable.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under, as at 31st March, 2022.

(ii)

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

b) During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Our checking of quarterly returns or statements filed by the Company (with such banks/financial institutions) with that of the books of accounts of the Company didn't reveal any reportable discrepancies

(iii) In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, LLP. Consequently, the provisions of iii (a), (b), (c), (d), (e) and (f) of the order are not applicable to the company.

(iv) During the year, the Company has not granted any loans or made any investments, or provided any guarantee or security to parties covered under section 185 and 186 of the Act. Accordingly, clause 3(iv) of the said Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

(vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Act in respect of any activities of the Company. Therefore, the provision of Clause 3(vi)

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of the said Order is not applicable to the Company.

(vii)
(a) According to the information and explanations given to us and on the basis of our examination the records, the Company is generally regular in depositing undisputed applicable statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income tax and any other statutory dues to the appropriate authorities and there are no undisputed dues outstanding as on March 31, 2022 for a period of more than six months from the date they become payable

(b)According to the information and explanations given to us there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.

(viii) As informed by the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961(43 of 1961).

(ix)
a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there has been certain delays in repayment of loans or other borrowings or in payment of interest thereon to lender as tabulated below:

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No of days delay or unpaid	Remarks, if any
As per Annexure-I attached					

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is not a declared willful defaulter by any bank or financial institution or other lender

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, term loans were applied for the purpose for which the loans were obtained and no diversion has come to our notice

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, funds raised on short-term basis has not been utilized for long term purposes

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies

(x)
a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments).

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi)
a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

b)No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
c) No whistle-blower complaints have been received by the Company during the year.

(xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

(xiv)
a) In our opinion the Company has an in-house internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit report for the year under audit, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors during the year and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company

(xvi)
a) The Company is registered under section 45-IA of the Reserve Bank of India Act 1934 as Non-Banking Financial Company

b) Company is into Non-Banking Financial activities with a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934
c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India

(xvii)
In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of Statutory Auditors of the Company during the year.

(xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts upto the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet will get discharged by the company as and when they fall due.

(xx) The Company is not required to spend amount in pursuance of the Corporate Social Responsibility as stipulated under Section 135 of the Companies Act, 2013. Accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable.

(xxi) The Company is not required to prepare Consolidated Financial Statements. Accordingly, clause 3(xxi) of the Order is not applicable.

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

D. PATWARY & CO
GUWAHATI
CHARTERED ACCOUNTANTS

AMIT PATWARI
Partner
Membership No.061971
UDIN: 22061971AMDMSA7433

Place:Guwahati
Date: 25-06-2022

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, 2022 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 ICAI and deemed to be prescribed under section 143(10) of the Companies 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. Our audit 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.

D. PATWARY & CO. * GUWAHATI * CHARTERED ACCOUNTANTS

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, 2022, 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)

D. PATWARY & CO. * GUWAHATI * CHARTERED ACCOUNTANTS

AMIT PATWARI
Partner
Membership No.061971
UDIN: 22061971AMDMSA7433
Place: Guwahati
Date:25/06/2022

YVU Financial Services Private Limited
FY 2021-2022

Annexure-I: Table showing delays in repayment of loans or other borrowings or in the payment of interest thereon to lenders during FY 2021-22:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 1 First Tranche	Arohan Financial Services Limited	711,842	Principal	61	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	720,911	Principal	62	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	730,095	Principal	42	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	739,396	Principal	30	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	748,816	Principal	32	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	38,154	Interest	2	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	777,550	Principal & Interest	11	There is no overdue as on 31st March 2022
Term Loan 1 First Tranche	Arohan Financial Services Limited	777,550	Principal & Interest	2	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 1 Second Tranche	Arohan Financial Services Limited	725,914	Principal	90	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	735,162	Principal	62	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	744,528	Principal	60	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	754,013	Principal	60	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	763,619	Principal	58	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	773,347	Principal	53	There is no overdue as on 31st March 2022
Term Loan 1 Second Tranche	Arohan Financial Services Limited	783,199	Principal	23	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 1	Arohan Financial Services Limited	1,575,700	Principal & Interest	1	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 2	InCred Financial Services Limited	1,250,050	Principal & Interest	2	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,140,963	Principal	61	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,158,783	Principal	62	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,170,750	Principal	63	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,185,913	Principal	61	There is no overdue as on 31st March 2022

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Term Loan 2	InCred Financial Services Limited	79,106	Interest	2	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,202,847	Principal	31	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	2,563,101	Principal	30	There is no overdue as on 31st March 2022
Term Loan 2	InCred Financial Services Limited	1,250,050	Principal & Interest	9	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Refinance Loan 3	Micro Units Development & Refinance	112,252	Interest	31	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	61	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	62	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	31	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	29	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	31	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,207,000	Principal	30	There is no overdue as on 31st March 2022
Refinance Loan 3	Micro Units Development & Refinance	1,246,570	Principal & Interest	1	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 1	IDFC First Bank Limited	881,353	Principal & Interest	1	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	773,024	Principal	2	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	773,024	Principal	29	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	773,024	Principal	38	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	773,024	Principal	30	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	773,024	Principal	29	There is no overdue as on 31st March 2022
Term Loan 1	IDFC First Bank Limited	812,416	Principal & Interest	8	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 2	IDFC First Bank Limited	1,675,361	Principal & Interest	1	There is no overdue as on 31st March 2022
Term Loan 2	IDFC First Bank Limited	1,395,624	Principal	59	There is no overdue as on 31st March 2022
Term Loan 2	IDFC First Bank Limited	1,395,624	Principal	62	There is no overdue as on 31st March 2022
Term Loan 2	IDFC First Bank Limited	1,395,624	Principal	61	There is no overdue as on 31st March 2022
Term Loan 2	IDFC First Bank Limited	1,395,624	Principal	59	There is no overdue as on 31st March 2022
Term Loan 2	IDFC First Bank Limited	1,395,624	Principal	39	There is no overdue as on 31st March 2022

GUWAHATI
CHARTERED ACCOUNTANTS

Term Loan 2	IDFC First Bank Limited	1,601,533	Principal & Interest	8	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 3	IDFC First Bank Limited	2,693,528	Principal & Interest	1	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,433,148	Principal	59	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,433,148	Principal	62	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,433,148	Principal	61	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,433,148	Principal	59	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,433,148	Principal	39	There is no overdue as on 31st March 2022
Term Loan 3	IDFC First Bank Limited	2,587,757	Principal & Interest	8	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	62	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	61	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	60	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	60	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	61	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	55	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	31	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	26	There is no overdue as on 31st March 2022
Term Loan 6	North Eastern Development Finance C	3,636,363	Principal	24	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	80	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	61	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	60	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	47	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	16	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	23	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	31	There is no overdue as on 31st March 2022

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	26	There is no overdue as on 31st March 2022
Term Loan 7	North Eastern Development Finance C	4,545,455	Principal	24	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	82	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	58	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	30	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	32	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	29	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	17	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	31	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	28	There is no overdue as on 31st March 2022
Term Loan 8	North Eastern Development Finance C	4,444,445	Principal	26	There is no overdue as on 31st March 2022

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date	Whether principal or interest	No. of days delay or unpaid	Remarks if any
Term Loan 7	North East Small Finance Bank	178,356	Interest	2	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	135,761	Interest	2	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	135,748	Interest	1	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	2,500,000	Principal	23	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	111,419	Principal	1	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	96,347	Principal	3	There is no overdue as on 31st March 2022
Term Loan 7	North East Small Finance Bank	62,434	Principal	2	There is no overdue as on 31st March 2022

Audited Financial Statement FY 2021-22

YVU FINANCIAL SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT	NOTE	₹ In Hundred 31ST MARCH 2022	₹ In Hundred 31ST MARCH 2021
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	652,734.00	652,734.00
Reserves & Surplus	4	480,913.77	418,850.88
		1,133,647.77	**1,071,584.88**
NON-CURRENT LIABILITIES			
Long term borrowings	5	783,332.08	1,125,412.64
Long term provisions	6	57,095.55	19,252.56
Deferred tax liability (Net)		-	-
		840,427.63	**1,144,665.20**
CURRENT LIABILITIES			
Short term borrowings	5A	1,492,064.69	2,832,458.22
Trade payables	7	51,922.34	109,831.88
Other current liabilities	8	23,459.48	20,177.50
Short term provisions	6	241,904.23	172,668.17
		1,809,350.74	3,135,135.77
TOTAL		**3,783,426.14**	**5,351,385.85**
ASSETS			
NON-CURRENT ASSETS			
Property Plant and equipment & Intangible assets	9		
-Tangible assets		9,593:11	8,825.98
-Intangible assets		-	90.34
Deferred tax assets (Net)		54,014.24	27,557.73
Other non current assets	10	1,361,396.01	2,025,079.69
		1,425,003.37	2,061,553.75
CURRENT ASSETS			
Cash and cash equivalents	11	220,472.28	527,864.24
Trade Receivable	12	7,687.89	-
Short term loans and advances	13	2,032,191.00	2,636,470.88
Other current assets	14	98,071.60	125,496.98
		2,358,422.77	3,289,832.10
TOTAL		**3,783,426.14**	**5,351,385.85**
Significant Accounting Policies and Notes	1 to 30		

The accompanying notes are forming an integral part of these Financial Statements

For D. Patwary & Co.
Chartered Accountants
Firm Registration No. 324523E

Amit Patwari
(Partner)

M. No.061971

Date : 25/06/2022
Place: Thoubal

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directo

Bikendrajit Singh Akoijam
Managing Director
DIN:02296632
Managing Director
YVU Financial Services Pvt. Ltd.
Thoubal

Tikendrajit Singh
Director
DIN:02296640
Director
YVU Financial Services Pvt. Ltd.
Thoubal

YVU FINANCIAL SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED	NOTE	₹ In Hundred 31ST MARCH 2022	₹ In Hundred 31ST MARCH 2021
Revenue from operations	15	845,468.37	1,037,070.99
Other income	16	62,665.32	41,925.31
Total Revenue		908,133.69	1,078,996.30
EXPENSES			
Employee benefits expenses	17	236,533.10	232,024.64
Depreciation		3,575.18	5,329.16
Financial cost	18	370,693.13	536,542.46
Other expenses	19	62,627.57	63,167.69
Provisions and write-offs	20	116,396.27	86,736.46
Total Expenses		789,825.25	923,800.41
Profit before prior period & exceptional items		118,308.43	155,195.89
Prior period expenses		-	-
		118,308.43	155,195.89
Tax Expenses:			
(1) Current tax		56,232.37	58,391.47
(2) Deferred tax (assets)/liabilities		(26,456.51)	(18,931.91)
(3) Tax of earlier years		3,969.68	879.09
Total Tax Expenses		33,745.54	40,337.65
Profit After Tax for the Year		84,562.89	114,858.24
Earning Per Equity Share			
(1) Basic		21.00	23.82
(2) Diluted		12.96	14.70
Significant Accounting Policies and Notes	1 to 19		

The accompanying notes are forming an integral part of these Financial Statements

For D. Patwary & Co.
Chartered Accountants
Firm Registration No. 324523E

Amit Patwari
(Partner)
M. No.061971

Date : 25/06/2022
Place: Guwahati

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam
Managing Director
DIN:02296632
Managing Director
YVU Financial Services Pvt. Ltd.
Thoubal

Koijam Tikendrajit Sing
Director
DIN:02296640
Director
YVU Financial Services Pvt. Ltd.
Thoubal

YVU FINANCIAL SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 312022

Particulars	2021-22 ₹ In Hundred	2020-21 ₹ In Hundred
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	**118,308.43**	**155,195.89**
Adjustments for :		
Loan loss provisions	109,455.07	85,147.73
Depreciation	3,575.18	5,329.16
Provision for gratuity	-	2,070.67
Operating Profit Before Working Capital Changes	**231,338.68**	**247,743.46**
(Increase)/Decrease in Micro finance loans	566,372.60	552,639.04
(Increase)/Decrease in Trade Payable	(7,687.89)	
(Increase)/Decrease in Other current assets	32,731.23	3,629.89
(Increase)/Decrease in Non current assets	663,683.68	(118,239.84)
Increase/(Decrease) in Current liabilities	3,281.98	(9,685.53)
Increase/(Decrease) in Trade payables	(57,909.54)	60,415.05
Payment of Advance tax	(29,759.70)	(44,231.56)
Gratuity paid	(216.93)	(3,541.73)
	-	-
Net Cash Provided By/(Used In) Operating Activities (A)	**1,401,834.11**	**688,728.77**
Cash Flow From Investing Activities		
Purchases of Fixed assets	4,251.97	1,870.90
Net Cash Provided By/(Used In) Investing Activities (B)	**4,251.97**	**1,870.90**
Cash Flow From Financing Activities :		
Increase in Borrowings	(1,682,474.09)	(321,310.84)
Proceeds from Issuance of Share capital	-	
Share premium	-	-
Dividend	(22,500.00)	(19,615.06)
Net Cash Provided By/(Used In) Financing Activities (C)	**(1,704,974.09)**	**(340,925.90)**
Net Increase In Cash And Cash Equivalents (A+B+C)	**(307,391.96)**	**345,931.97**
Cash And Cash Equivalents At The Beginning of The Year	**527,864.24**	**181,932.28**
Cash And Cash Equivalents At The End of The Year	**220,472.28**	**527,864.24**
Cash And Cash Equivalents Comprises of :		
1. Cash In hand	19,447.87	13,150.73
2. Balances with scheduled banks	201,024.41	514,713.51
	220,472.28	**527,864.24**
	0.00	0.00

As per our report of even date annexed herewith

For D. Patwary & Co.
Chartered Accountants
Firm Registration No. 324523E

Amit Patwari
(Partner)
M. No.061971

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Date : 25/06/2022
Place: Guwahati

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam
Managing Director
DIN:02296632
Managing Director
YVU Financial Services Pvt. Ltd.
Thoubal

Akoijam Tikendrajit Singh
Director
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