Annual Report

of

YVU Financial Services Private Limited

FY 2022-23

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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
4,637 lakhs*
Assets Under Management

INR
638 lakhs*
Revenue

INR
33 lakhs*
PAT

14 branches*
Across 3 states

103 employees*
Full time

INR
8.15 EPS#
Earnings per share

19,675 clients*
Active Clients (including BC clients)*

M3C2
MFI Grading#

* as on 31st March 2023
# during FY 2022-23

Message from the Managing Director

Dear Stakeholders,

It is with a profound sense of accomplishment and gratitude that I present to you the annual report of YVU Financial Services Private Limited (YFS) for the financial year 2022-23. As a Non-Banking Financial Company – Microfinance Institution (NBFC-MFI) operating in the vibrant and diverse North Eastern States of India, including Manipur, Assam, and Tripura, we have continued to navigate the complex terrain of microfinance with agility and purpose.

This year, we proudly managed assets worth INR 4637 lakhs across 14 branches in the three states, generating a revenue of INR 638 lakhs. Our dedicated team of 103 full-time employees worked tirelessly to serve our 19,675 active clients, including Business Correspondent (BC) clients. This has culminated in a Profit After Tax (PAT) of INR 33 lakhs and an Earnings Per Share (EPS) of INR 8.15.

Reflecting on our journey, we have consistently focused on our mission to offer a well-diversified portfolio of financial products and services to the financially disadvantaged. Our approach has been validated by the prestigious 'The Inclusive Finance India Award 2020' in the category of Vijayalakshmi Das Award for Small & Emerging Microfinance Organisation, presented by ACCESS Development Services and HSBC India.

In 2023, our philosophy that "Sales go up and down, but Service lasts forever" guided every decision and action. We remained committed to our double bottom line approach, integrating technology and human touch in our services, and maintaining transparency in our dealings. Our emphasis has been on empowering not only women but also the entire community to make a significant societal impact.

As we continue to grow and adapt to the dynamic environment of the microfinance sector, we remain steadfast in our commitment to values-based leadership, economic equity, social justice, and environmental sustainability. We strive to be at the forefront of promoting responsible and innovative microfinance solutions in the North Eastern Region.

The future is indeed promising, and with our strategic focus, we are well-positioned to seize emerging opportunities. I extend my heartfelt gratitude to our stakeholders for their unwavering support, to our dedicated team for their relentless efforts, and most importantly, to our clients who trust us with their dreams.

Thank you for being a part of our journey towards building a stronger, more inclusive society.

Warm regards,

Bikendrajit Akoijam
Managing Director

Board of Directors

Mr. Ak. Tikendrajit Singh
Chairman

Mr. Ak. Tikendrajit Singh, who has been a member of the Board of Directors since 2008, is a venerable figure in YVU Financial, bringing over five decades of experience in the developmental sector and a dedicated focus of over 27 years in microfinance. His role as the Chief Organiser of the Youth Volunteers' Union (YVU), an organisation recognized with the "National Youth Award" in 1986-87, has been central to his leadership in driving significant social and economic changes. As a founding member of YVU, one of North East India's leading NGOs, Mr. Singh has played a crucial role in steering its direction and impact. His entrepreneurial vision was also a key factor in his becoming one of the primary promoters of YVU Financial Services Private Limited, under whose guidance YVU has launched and successfully managed numerous developmental and livelihood projects, making a profound impact on communities.

In addition to his organisational leadership, Mr. Singh has been instrumental in the establishment of a major milk processing plant in Manipur, a project that now holds the largest market share of pasteurised milk in the state. This achievement not only highlights his skill in identifying and nurturing economic opportunities but also demonstrates his commitment to sustainable community development. Mr. Singh's deep understanding of the developmental and microfinance sectors and his extensive experience are invaluable to YVU Financial, continually guiding the company to achieve new levels of success and make a meaningful social impact.

Mr. Bikendrajit Akoijam
Managing Director

Since joining the Board of Directors in 2010, Mr. Bikendrajit Akoijam has been a driving force behind YVU Financial's strategic direction and operational excellence. With over 13 years of dedicated experience in the microfinance sector, Mr. Akoijam combines deep industry knowledge with a strong academic background. He holds an MBA in Finance and Marketing and a Master of Professional Accounting from La Trobe University, Melbourne, where he was honoured with the Dean's Commendation Award for academic excellence.

Mr. Akoijam's expertise is further highlighted by his role as the General Secretary of the Microfinance Association of Manipur (MiFAM), where he plays a crucial part in shaping the microfinance landscape in the region. His career prior to YVU Financial includes significant roles at Pace Financial Services Limited and YVU Microfin, where he honed his skills and developed a comprehensive understanding of the microfinance industry. As Managing Director, his blend of academic prowess and practical experience makes him an invaluable asset to YVU Financial, guiding the company towards innovative solutions and sustainable growth in the dynamic world of microfinance.

Mr. V. Nagaraja
Independent Director

Mr. V. Nagaraja, who joined the Board of Directors of YVU Financial as an Independent Director in 2018, brings a wealth of experience and expertise from his distinguished career in the banking and financial services sector. He retired as the Chief General Manager of Punjab National Bank, one of India's premier banking institutions. His insights are further enriched by his tenure at Brickwork Ratings India Private Limited, Bangalore, where he served as Head of Ratings from April 2009 until January 2017.

Beyond his corporate roles, Mr. Nagaraja's influence extends to multiple financial organisations. He currently serves as a Professional/Independent Director on the boards of several esteemed institutions. His expertise is frequently sought in advisory capacities; notably, he was a member of the empowered Committee constituted by the Reserve Bank of India for overseeing Regional Rural Banks in Punjab, Haryana, and Himachal Pradesh. Additionally, his contributions to the Committee on Improvement in the Concurrent Audit system of Commercial Banks and the Committee of Procedures, Performance Audit, and Customer Service have been invaluable.

Mr. Nagaraja's extensive experience in banking, rating systems, and regulatory frameworks makes him an indispensable asset to YVU Financial, providing strategic guidance and governance oversight that are crucial for the company's growth and compliance.

Dr. Ch. Ibohal Meitei
Independent Director

Dr. Ch. Ibohal Meitei, who has been an esteemed member of the Board of Directors at YVU Financial since 2016, brings a rich blend of academic excellence and practical expertise to the table. He currently serves as a Professor at the Manipur Institute of Management Studies, Manipur University, and also holds the prestigious position of Director at the Centre for Entrepreneurship and Skill Development at the same university. His academic credentials are impressive, with an MBA and a PhD, complemented by a Faculty Development Program in Management from the Indian Institute of Management (IIM), Ahmedabad.

Dr. Ibohal's commitment to continuous learning and professional development is evident from his participation in various courses at some of India's premier institutions, including IIM Kolkata, IIM Bangalore, IIM Kozhikode, IIM Lucknow, and MDI Gurgaon, specialising in Strategic Management and Business Policy. His long-standing association with Manipur University since 1995 in various administrative roles showcases his deep involvement in the academic and administrative spheres. His extensive experience in academia, coupled with his expertise in strategic management, makes Dr. Ibohal a valuable asset to YVU Financial, contributing significantly to the strategic direction and governance of the company.

Mr. W. Prabin Singh
Nominee Director from NEDFi

Mr. W. Prabin Singh, who has been a valuable member of the Board of Directors of YVU Financial since 2013 as a Nominee Director from North Eastern Development Finance Corporation Ltd (NEDFi), brings a wealth of expertise and insight to the organisation. Currently serving as the Assistant General Manager in the Microfinance & Micro, Small & Medium Enterprises (MF & MSE) Department at NEDFi, he possesses extensive knowledge and experience in the field of microfinance, which is instrumental in guiding YVU Financial's strategic decisions.

His professional journey prior to NEDFi includes a significant tenure as Senior Project Executive at Rashtriya Gramin Vikas Nidhi (RGVN), a renowned development organisation, from October 2000 to June 2006. This role allowed him to gain a deep understanding of grassroots-level financial inclusion and development initiatives. In addition to his responsibilities at NEDFi, Mr. Singh also plays a crucial role in representing NEDFi on the boards of various Non-Banking Financial Company-Microfinance Institutions (NBFC-MFIs). His broad experience in microfinance and development finance, combined with his strategic insights, make him an integral part of the YVU Financial board, contributing significantly to the company's mission of financial inclusion and empowerment.

Dr. Maibam Rajendra
Independent Director

Dr. Maibam Rajendra, who joined the Board of Directors of YVU Financial as an Independent Director in 2016, brings a unique blend of public sector experience and community involvement to the table. His career in the public sector is marked by his tenure as a Joint Director of the Veterinary and Animal Husbandry Department, where he gained extensive experience in administrative and operational aspects of government service.

In addition to his professional achievements, Dr. Rajendra holds the esteemed position of Chairman of the All Manipur Government Employees Union. This role underscores his leadership abilities and his commitment to advocating for the rights and welfare of government employees. His active involvement in the community extends to his participation in various Non-Governmental Organisations (NGOs), reflecting his dedication to social service and community development.

Dr. Rajendra's diverse experience, ranging from public administration to community engagement, provides YVU Financial with invaluable insights, particularly in areas of organisational governance and social responsibility. His contributions are vital in aligning the company's objectives with broader social and community goals.

Mrs. Ak. Bino Devi

Nominee Director from YVU Staff Mutual Benefit Trust

Mrs. Ak. Bino Devi, who has been serving as a Nominee Director from YVU Staff Mutual Benefit Trust on the Board of Directors of YVU Financial since 2019, brings a wealth of entrepreneurial experience and a strong commitment to social development. Her journey as a successful entrepreneur spans over three decades, showcasing her resilience, business acumen, and ability to adapt to changing market dynamics.

In addition to her entrepreneurial endeavours, Mrs. Devi is deeply involved in social development work, reflecting her dedication to making a positive impact in the community. Her role extends beyond business, focusing on initiatives that drive social change and development. Prior to her current role as a Nominee Director, she served on the Board of Directors of YVU Financial in her personal capacity since 2008, demonstrating her long-standing commitment and valuable contributions to the company.

Her extensive experience as an entrepreneur, coupled with her active involvement in social development, provides YVU Financial with a unique perspective, blending business insight with a deep understanding of community needs. Mrs. Devi's role is crucial in guiding the company towards sustainable growth while ensuring a strong focus on social responsibility and community engagement.

Board Committee

Audit Committee

Name	Designation
Mr. W. Prabin Singh	Chairman
Mr. M. Rajendra Singh	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

Human Resource Committee

Name	Designation
Dr. M. Rajendra Singh	Chairman
Dr. Ch. Ibohal 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

Grievance Redressal Committee

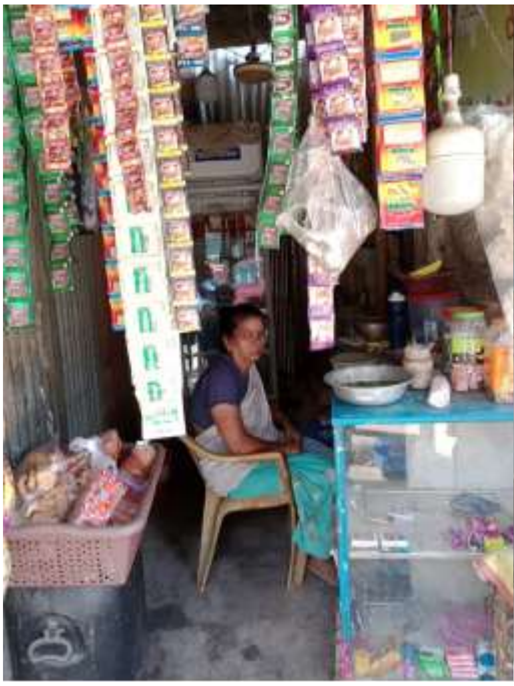
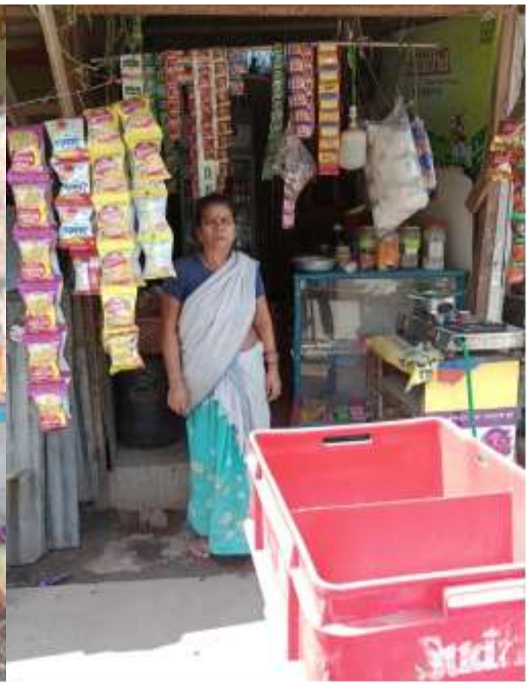
Name	Designation
Dr. M. Rajendra Singh	Chairman
Ms. Ak. Bino Devi	Member
Mr. W. Prabin Singh	Member

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

CASE STUDY: EMPOWERING ENTREPRENEURSHIP THROUGH YVU FINANCIAL SERVICES

Mrs. Anu Haloi's Empowering Journey with YVU Financial

In the bustling Birubari Bazar of Guwahati, Assam, Mrs. Anu Haloi, a member of the Ramkrishna Group, stands as a testament to resilience and entrepreneurial spirit. Alongside her husband, Mr. Pradip Haloi, she runs a small Variety Shop. The advent of the Covid-19 pandemic brought unforeseen challenges, casting a shadow of uncertainty over their business and necessitating a financial lifeline to rejuvenate and expand their venture.

During the pandemic's early and most daunting days, Mrs. Haloi discovered YVU Financial Services Pvt. Ltd through a neighbour. Realising the critical need for financial support, she approached YVU Financial Services and became a part of the Ramkrishna Group. This decision marked the beginning of a transformative journey for her and her family.

With a first-term loan of Rs 25,000 from YVU Finance's Lalganesh Branch, Mrs. Haloi revitalised their modest Pan shop into a flourishing variety store. This strategic financial boost not only addressed the immediate financial needs of her family but also equipped them to thrive in a challenging economic landscape. The transformation of their business was a beacon of hope and success, providing not just sustenance but also enabling them to save for their children's future.

Mrs. Haloi's story is one of gratitude and achievement. She proudly shares how the variety shop, bolstered by YVU Financial Services' support, has consistently met its loan EMI obligations, reflecting the business's success and sustainability. Her heartfelt thanks to YVU Financial Services Pvt. Ltd underscore the critical role the institution played in turning around her family's fortunes.

Looking ahead, Mrs. Haloi eagerly anticipates availing her second-term loan upon completing the current one, a step towards further growth and prosperity. Her journey with YVU Financial Services is a vivid illustration of how strategic financial support can empower entrepreneurs to overcome obstacles, enhance their businesses, and secure a brighter future for their families. Mrs. Anu Haloi's experience with YVU Financial Services is not just a success story; it's a narrative of empowerment, resilience, and hope, highlighting the transformative impact of timely financial assistance.

Directors' Report

Dear members,

Your Directors present the 30th 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, 2023. 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 2022-23 with FY 2021-22. The Management Discussion and Analysis Report has been enclosed as Annexure - A to this Report.

Particulars	**FY 2022-23**	**FY 2021-22**	**Changes**
Operating Income	4,79,64,750	8,45,46,837	-43.27%
Other Income	1,58,51,300	62,66,532	152.95%
Total Income	**6,38,16,050**	**9,08,13,369**	-29.73%
Less: Operational Expenses			
Personnel Expenses	2,97,12,165	2,36,53,310	25.62%
Administrative Expenses	78,68,239	62,62,757	25.64%
Financial charges	2,68,01,992	3,70,69,313	-27.70%
Depreciation	2,91,275	3,57,518	-18.53%
Provision For Loans	-7,407,397	1,16,39,627	-163.64%
Total Operational Expenses	**5,72,66,274**	**7,89,82,525**	-27.50%
Profit before Prior Period & exceptional Items	**65,49,776**	**1,18,30,844**	-44.64%
Prior Period Expenses	0	0	
Profit/(loss) before tax	**65,49,776**	**1,18,30,844**	-44.64%
Less: Income tax	0	56,23,237	-100.00%
Less: Deferred tax	2,664,532	(2,645,651)	-200.71%
Less: Tax of Earlier Years	6,03,351	3,96,968	51.99%
Profit/(Loss) After Tax	**32,81,892**	**84,56,290**	-61.19%

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. As per the terms and conditions of the investment, the company paid an amount of ₹75 lakhs out of ₹1.50 crores of invested amount as a part redemption of 50% on 10th January, 2023 to SIDBI. Now, the company has the total closing balance under Tier II preference share of ₹1.75 crores only, ₹75 lakhs in the name of SIDBI and another ₹1 crore for NEDFi as on 31.03.2023. The Directors are pleased to recommend for approval of the members a dividend of 9% on 17,50,000 OCPS aggregating INR 1.75 crores on a pro-rata basis up to March 31, 2023. The said dividend, if approved by the shareholders, would involve a cash outflow of INR 20,96,507 (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 January 2023, 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 upgraded the Bank Loan Rating from ACUITE C/ ACUITE D to ACUITE BB. YVU Financial had over 80% of its total loan portfolio in Manipur during the financial year.

6. Capital Adequacy

The Capital Adequacy Ratio of the company was 47.35% as of March 31, 2023 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 2022-23.

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 2022-23, 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, 2023, 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

Microfinance Sector

The microfinance sector in India demonstrated remarkable resilience and growth during the financial year 2022-23, continuing its recovery trajectory in the aftermath of the Covid-19 pandemic. The sector's portfolio size expanded by 21%, reaching Rs 3.51 lakh crore, a testament to its robustness and the increasing demand for microfinance services. This growth was primarily driven by Non-Banking Financial Company-Microfinance Institutions (NBFC-MFIs), which constituted the largest segment, followed by banks, Small Finance Banks (SFBs), other NBFCs, and not-for-profit microfinance institutions.

The sector's performance was bolstered by supportive government policies and regulatory measures from the Reserve Bank of India (RBI), which aimed at enhancing liquidity and ensuring the stability of microfinance institutions. Additionally, the sector witnessed significant innovations in digital lending and fintech collaborations, which played a crucial role in enhancing customer outreach and service efficiency. Despite these positive trends, the sector faced challenges, including increased operational costs, lingering Covid-19 related risks, regulatory uncertainties, and intensifying competition from various financial entities. Nevertheless, the microfinance sector in India is poised to maintain its critical role in promoting financial inclusion and supporting the livelihoods of millions of low-income households and microenterprises, particularly in underserved and rural areas.

Business Growth

During the financial year 2022-23, YVU Financial experienced significant strategic evolution, marked by a deliberate shift in its financial product mix and a focus on diversifying its offerings. This period saw a strategic reduction in our on-balance sheet loan portfolio, which decreased from INR 30.41 crores in the previous fiscal year to INR 20.89 crores. However, this contraction was strategically offset by a substantial growth in our off-balance sheet, or managed portfolio, which surged from INR 10.96 crores to INR 24.53 crores. This shift not only reflects our adaptive strategies in response to market dynamics but also underscores our commitment to sustainable growth.

The notable change in our portfolio composition can largely be attributed to our strategic partnerships, particularly with Avanti Finance and North Eastern Development Finance Corporation Ltd (NEDFi). These partnerships have been crucial in diversifying our portfolio and extending our outreach. As a result, our overall Assets Under Management (AUM) increased modestly from INR 41.38 crores in FY 21-22 to INR 45.42 crores in FY 22-23. This increase, achieved during a period of significant internal portfolio restructuring, indicates our ability to navigate the complexities of the microfinance sector. Moving forward, YVU Financial aims to continue refining its strategies to meet market demands and serve our customers effectively.

Assam Microfinance Crisis

The microfinance sector in Assam faced a challenging situation in FY 2022-23 due to the passage of the Microfinance Institutions Bill, 2020, by the state Assembly in December 2020 and the speculation of a possible waiver of microloans ahead of the state general election. These factors led to a sharp decline in the collection efficiency and an increase in the delinquency rates of the microfinance lenders operating in Assam. The borrowers were confused and reluctant to repay their loans, expecting some relief from the government.

To address this issue, the Assam Government signed a memorandum of understanding with 37 financial institutions providing micro credit in Assam on 25th August 2021. The scheme — the Assam Microfinance Incentive and Relief Scheme (AMFIRS), 2021— promised financial relief to borrowers in Assam hit hard by Covid-19. The scheme classified the borrowers into three categories based on their repayment status and offered different incentives and waivers to them. The scheme was a positive development for the microfinance sector in Assam, as it reduced the near-term loan losses for the lenders and improved the asset quality. The government made the payout under Category 1 and Category 2 borrowers, but the payout of Category 3 borrowers, which was supposed to happen by 31st March 2023, did not happen. It is expected that this payout will happen in the coming months.

Branch:

During the financial year the Paona Branch was merged into Singjamei Branch. The branch count as of 31st March 2023 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:

The fiscal year 2022-23 was a landmark period for YVU Financial's Business Correspondent (BC) Model, particularly in our partnership with Avanti Finance, which began in July 2021. This year, we observed a remarkable growth in our managed portfolio under this BC arrangement, escalating from INR 10.96 crores at the end of FY 2021-22 to INR 24.53 crores. This significant increase not only reflects the success of our partnership with Avanti Finance but also underscores the effectiveness and robustness of the BC model in extending financial services.

Further enhancing our BC operations, the year also marked the commencement of a new partnership with North Eastern Development Finance Corporation Ltd (NEDFi), enabling us to facilitate loans of up to INR 2 lakhs per borrower. Notably, our exposure limit with Avanti Finance was raised from an initial INR 10 crores to INR 30 crores in January 2023, and with NEDFi, it expanded from INR 2 crores to INR 10 crores in November 2022. These developments signify growing trust and collaboration with our partners. In total, we disbursed 6,243 loans amounting to INR 26.79 crores in FY 2022-23. This achievement not only highlights the success of our BC Model but also its vital role in the future expansion and outreach of YVU Financial.

Risk Management

Risk management is paramount in the operations of the Company, with risks embedded in lending activities and our specific operational environment. We are committed to assessing, monitoring, and managing risk through comprehensive policies and procedures that are continually refined and enhanced. These policies rest on three pillars - Business Risk Assessment, Operational Controls Assessment, and Policy Compliance Processes. Our proactive approach to risk management ensures the agility of our processes in the face of an evolving risk landscape, while our ongoing risk assessment identifies potential threats in a timely manner.

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

Political risk is a substantial concern in our industry. We mitigate this risk through responsible lending, fair pricing, and adherence to the Fair Practice Code and the Common Code of Conduct developed by Sa-Dhan. Our Board conducts a quarterly review of the Compliance Report for the Fair Practice Code.

Concentration Risk

Our company manages concentration risk by avoiding disproportionate emphasis on both microfinance loan portfolio and borrowings. More than 80% of our loan portfolio is concentrated in Manipur. While we strive to reduce geographical concentration, we also balance operational efficiency, monitoring ease, and operation cost factors.

Operational and Fraud Risk

Providing collateral-free loans necessitates robust operational risk management. We mitigate this through measures including Loan Management System (LMS) validation stages and Credit Bureau report integration. Cashless loan recovery via UPI-enabled apps further reduces the risk associated with cash handling. To combat fraud, we implement regular loan passbook reconciliations, provide SMS updates to clients, and offer regular training sessions for our branch teams to enhance fraud detection capabilities.

Liquidity Risk

Our company has a well-defined policy to maintain liquidity, ensuring timely fulfilment of payment obligations. Cash flow projection statements and Assets and Liabilities Maturity reports are regularly reviewed at the management level and by the Board's Assets and Liabilities Committee. Idle funds are strategically invested in liquid mutual funds and short-term fixed deposits to maximise return and mitigate liquidity risk.

Information Security Risk:

Information Security is maintained through our comprehensive information security management system (ISMS), enhancing overall information security. Regular audits by third-party agencies ensure the privacy of client data and security of our LMS database.

Audit and Internal Controls

Our Internal Audit function serves as an independent, objective assurance and consulting entity designed to enhance our operations. Reporting to both the Audit Committee and the Managing Director, the team applies a disciplined, risk-based approach to evaluate and improve our governance, risk management, and control process. Regular risk-based internal audits and thematic audits are conducted across the branches and functional units. Reports are shared with senior management and the Audit Committee for review and subsequent action, ensuring the continued improvement of our operations.

In-house developed web applications

Our Company's IT team has diligently developed a suite of web applications to streamline operations and improve overall efficiency. These tools have facilitated significant advancements in our operational capabilities. The suite includes:

Client Insurance Settlement Application:
This application has revolutionised the way we process insurance claims related to the demise of a borrower or co-borrower. The entire process, from initiating a claim to submitting it to the insurer, is managed within the application. Users can monitor the status of various claims, elevating our efficiency and improving client experience.

Customer Grievance Redressal Application:
Customer service is a paramount concern for our Company. This application provides an effective mechanism for resolving customer grievances. Clients can easily submit their complaints via our web portal. The application handles every step from complaint capture to resolution, ensuring a smooth and responsive grievance redressal process.

Field Visit Tracking System:
The efficient operation of our Company relies on the ability to track field visits made by staff members, including Regional Managers visiting branches or Field Executives attending to loan recovery. This application captures the location (geotagging) and time of each visit, in addition to logging visit reports by Regional Managers or HO staff. These reports serve as vital references when sanctioning local conveyance reimbursement claims.

Stock Management Application:

Efficient stock management is vital for smooth business operations. This application manages the requests and approvals for office supplies such as stapler pins, A4 paper, cello tape, file covers, etc., ensuring we never run short of essential items and our operations remain uninterrupted.

Loan Recovery Application:

This innovative application enhances our efficiency and reduces stationery and printing costs. Field Executives can process loan recoveries via their mobile phones, logging into our web portal, facilitating timely recoveries and streamlined operations.

These in-house developed applications embody our Company's commitment to innovative digital solutions that augment our operational capabilities while ensuring a positive client experience.

Employee Development:

In response to the changing business landscape induced by the COVID-19 pandemic, YVU Financial has made significant strides in the digital transformation of our employee development initiatives. Through our shift to e-learning modules, our workforce has gained practical knowledge in customer-centric strategies, enhancing their ability to cultivate meaningful customer relationships. Employees were also comprehensively trained on critical RBI guidelines, including those relating to microfinance loans and moratoriums, thereby solidifying our adherence to regulatory frameworks and minimising potential errors in customer communication.

In addition, our commitment to employee growth extends beyond pandemic-related changes. We have introduced cross-functional training programs to nurture versatile skill sets among our teams, facilitating adaptability in diverse roles. Recognition programs have also been instituted to acknowledge and reward standout performances and dedication, fostering a sense of pride, belonging, and motivation within our workforce. Despite the challenges posed by the global health crisis, YVU Financial continues to uphold a strong commitment to investing in our people, our greatest asset, ensuring that they are equipped with the knowledge and skills necessary to excel in their roles and contribute to our collective success.

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 31.03.2023

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-2022]				No. of Shares held at the end of the year [As on 31- March-2023]				% 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-2022]				No. of Shares held at the end of the year [As on 31- March-2023]				% 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	THERE IS NO CHANGE IN PROMOTERS SHAREHOLDING BETWEEN 01-04-2021 TO 31-03-2022	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):		
	At the end of the year		

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	**North Eastern Development Finance Corporation Limited**				
	At the beginning of the year	50000	12.42	50000	12.42
	At the end of the year			50000	12.42
2	**Bino Devi Akoijam**				
	At the beginning of the year	6600	1.92	6600	1.92
	At the end of the year			6600	1.64
3	**K. Ingobi Sharma**				
	At the beginning of the year	3400	0.99	3400	0.99
	At the end of the year			3400	0.84
4	**Bikeshwori Akoijam**				
	At the beginning of the year	2002	0.58	2002	0.58
	At the end of the year			2002	0.50
5	**Tikeshwori Akoijam**				
	At the beginning of the year	1889	0.55	1889	0.55
	At the end of the year			1889	0.47
6	**Ningombam Satyabati Devi**				
	At the beginning of the year	1500	0.44	1500	0.44
	At the end of the year			1500	0.37

7	**L. Nokul Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
8	**Waikhom Ibohal Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
9	**Ak. Ibochouba (Mobi) Singh**				
	At the beginning of the year	1000	0.29	1000	0.29
	At the end of the year			1000	0.25
10	**H. Iboyaima Singh**				
	At the beginning of the year	905	0.26	905	0.26
	At the end of the year			905	0.22

(v) Shareholding of Directors & KMP

Sl No	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	**Bikendrajit Singh Akoijam**				
	At the beginning of the year	14518	3.60	14518	3.60
	At the end of the year			14518	3.60
2	**Tikendrajit Singh Akoijam**				
	At the beginning of the year	21000	5.21	21000	5.21
	At the end of the year			21000	5.21
3	**Bino Devi Akoijam**				
	At the beginning of the year	6600	1.92	6600	1.92
	At the end of the year			6600	1.92
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**				

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	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	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**
Change in Indebtedness during the financial year				
Additions	10,00,00,000	0	0	10,00,00,000
Reduction	16,95,78,213	0	0	16,95,78,213
Net Change	(6,95,78,213)	**0**	**0**	(6,95,78,213))

Indebtedness at the end of the financial year				
i) Principal Amount	15,79,61,464	0	0	15,79,61,464
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	2,30,432	0	0	2,30,432
Total (i+ii+iii)	**15,81,91,896**	**0**	**0**	**15,81,91,896**

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.	25,48,248	NIL	NIL	25,48,248
	(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)	25,48,248	**NIL**	**NIL**	25,48,248
	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
e-mail : dpcoghy@gmail.com

Independent Auditor's Report

To the Members of YVU Financial Services Pvt. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **YVU Financial Services Pvt. Ltd.** ('the Company'), which comprise the Balance Sheet as at 31 March 2023, 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 2023 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.

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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.

D. PATWARI & CO.
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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

GUWAHATI
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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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(g) with respect to the other matters to be included in the Auditor's Report in accordance with 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)

D PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Deepak Patwary
Partner, Membership No.060467
UDIN: 23060467BGUNWQ7130

Place: Guwahati
Date: 14/08/2023

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 2023, 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, 2023.

(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, 2023 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, the company have not defaulted in repayment of loans or other borrowings or in payment of interest thereon to lender

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.

(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.

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

(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

Deepak Patwary
Partner
Membership No.060467
UDIN: 23060467BGUNWQ7130

Place:Guwahati
Date: 14-08-2023

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, 2023 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.

GUWAHATI

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, 2023, 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

Deepak Patwary
Partner
Membership No.060467
UDIN: 23060467BGUNWQ7130
Place: Guwahati
Date: 14/08/2023

Audited Financial Statement

FY 2022-23

YVU FINANCIAL SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT	NOTE	₹ In Hundred 31ST MARCH 2023	₹ In Hundred 31ST MARCH 2022
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	577,734.00	652,734.00
Reserves & Surplus	4	491,232.69	480,913.77
		1,068,966.69	1,133,647.77
NON-CURRENT LIABILITIES			
Long term borrowings	5	748,132.22	783,332.08
Long term provisions	6	84,902.60	57,095.55
Deferred tax liability (Net)		-	-
		833,034.82	840,427.63
CURRENT LIABILITIES			
Short term borrowings	5A	831,482.42	1,492,064.69
Trade payables	7	90,784.42	51,922.34
Other current liabilities	8	20,881.13	23,459.48
Short term provisions	6	57,116.33	241,904.23
		1,000,264.30	1,809,350.74
TOTAL		2,902,265.80	3,783,426.14
ASSETS			
NON-CURRENT ASSETS			
Property Plant and equipment & Intangible assets	9		
-Tangible assets		8,759.52	9,593.11
-Intangible assets		-	-
Deferred tax assets (Net)		27,368.92	54,014.24
Other non current assets	10	1,245,419.62	1,361,396.01
		1,281,548.06	1,425,003.37
CURRENT ASSETS			
Cash and cash equivalents	11	311,901.26	220,472.28
Trade Receivable	12	23,860.32	7,687.89
Short term loans and advances	13	1,209,810.06	2,032,191.00
Other current assets	14	75,146.10	98,071.60
		1,620,717.74	2,358,422.77
TOTAL		2,902,265.80	3,783,426.14
Significant Accounting Policies and Notes	1 to 30	(0.00)	

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

For D. Patwary & Co.
Chartered Accountants
Firm Registration No. 324532E

Deepak Patwary
(Partner)

M. No.060467

Date : 14/08/2023
Place: Thoubal

D. PATWARY & CO. * GUWAHATI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam
Managing Director
DIN:02296632

m Tikendrajit Singh
Director
DIN:02296640

YVU FINANCIAL SERVICES PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED	NOTE	₹ In Hundred 31ST MARCH 2023	₹ In Hundred 31ST MARCH 2022
Revenue from operations	15	479,647.50	845,468.37
Other Income	16	158,513.00	62,665.32
Total Revenue		638,160.50	908,133.69
EXPENSES			
Employee benefits expenses	17	297,121.65	236,533.10
Depreciation		2,912.75	3,575.18
Financial cost	18	268,019.92	370,693.13
Other expenses	19	78,682.39	62,627.57
Provisions and write-offs	20	(74,073.97)	116,396.27
Total Expenses		572,662.74	789,825.25
Profit before prior period & exceptional items		65,497.76	118,308.43
Prior period expenses		-	-
		65,497.76	118,308.43
Tax Expenses:			
(1) Current tax		-	56,232.37
(2) Deferred tax (assets)/liabilities		26,645.32	(26,456.51)
(3) Tax of earlier years		6,033.51	3,969.68
Total Tax Expenses		32,678.83	33,745.54
Profit After Tax for the Year		32,818.92	84,562.89
Earning Per Equity Share			
(1) Basic		8.15	21.00
(2) Diluted		5.16	12.96

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

Deepak Patwary
(Partner)
M. No.060467

D. PATWARY & CO.
GUWAHATI
CHARTERED ACCOUNTANTS

Date : 14/08/2023
Place: Guwahati

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam
Managing Director
DIN:02296632

Akoijam Tikendrajit Singh
Director
DIN:02296640

YVU FINANCIAL SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31/03/2023

Particulars	2022-23 ₹ In Hundred	2021-22 ₹ In Hundred
Cash Flow From Operating Activities :		
Profit Before Tax and extraordinary items	65,497.76	118,308.43
Adjustments for :		
Loan loss provisions	(100,460.54)	109,455.07
Depreciation	2,912.75	3,575.18
Provision for gratuity	-	-
Operating Profit Before Working Capital Changes	(32,050.03)	231,338.68
(Increase)/Decrease in Micro finance loans	840,974.67	566,372.60
(Increase)/Decrease in Trade Payable	(16,172.43)	(7,687.89)
(Increase)/Decrease in Other current assets	22,868.52	32,731.23
(Increase)/Decrease in Non current assets	115,976.39	(663,683.68)
Increase/(Decrease) in Current liabilities	(2,578.35)	3,281.98
Increase/(Decrease) in Trade payables	38,862.08	(57,909.54)
Payment of Advance tax	(80,802.64)	(29,759.70)
Gratuity paid	(287.94)	(216.93)
	-	-
Net Cash Provided By/(Used In) Operating Activities (A)	886,790.27	1,401,834.11
Cash Flow From Investing Activities		
Purchases of Fixed assets	2,079.16	4,251.97
Net Cash Provided By/(Used In) Investing Activities (B)	2,079.16	4,251.97
Cash Flow From Financing Activities :		
Increase in Borrowings	(695,782.13)	(1,682,474.09)
Proceeds from Issuance of Share capital	(75,000.00)	-
Share premium	-	-
Dividend	(22,500.00)	(22,500.00)
Net Cash Provided By/(Used In) Financing Activities (C)	(793,282.13)	(1,704,974.09)
Net Increase In Cash And Cash Equivalents (A+B+C)	91,428.98	(307,391.96)
Cash And Cash Equivalents At The Beginning of The Year	220,472.28	527,864.24
Cash And Cash Equivalents At The End of The Year	311,901.26	220,472.28
Cash And Cash Equivalents Comprises of :		
1. Cash In hand	29,776.33	19,447.87
2. Balances with scheduled banks	282,124.93	201,024.41
	311,901.26	220,472.28
	0.00	0.00

As per our report of even date annexed herewith

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

D. PATWARY & CO. GUWAHATI CHARTERED ACCOUNTANTS

Deepak Patwary
(Partner)
M. No.060467

Date : 14/08/2023
Place: Guwahati

For and on behalf of the Board of Directors

Bikendrajit Singh Akoijam	**Akoijam Tikendrajit Singh**
Managing Director	**Director**
DIN:02296632	DIN:02296640