



Empowering Communities. Enabling Change.

SAMVEDNA MICROFINANCE PRIVATE LIMITED

ANNUAL REPORT 2024-25



TABLE OF CONTENTS

CORPORATE INFORMATION	1
MD and CEO's MESSAGE.....	2
COMPANY OVERVIEW.....	3
About Samvedna Microfinance.....	3
Mission	3
Vision	3
Core Values - SHINE.....	3
Areas of Focus	3
BUSINESS MODEL & STRATEGY	4
Business Model	4
1. Customer Segmentation.....	4
2. Service Delivery Model	4
3. Risk Management	5
Strategic Priorities.....	6
1. Technology Excellence	6
2. Human Capital Development	6
3. Geographic Expansion.....	8
BOARD OF DIRECTORS	11
LEADERSHIP TEAM	14
FINANCIAL HIGHLIGHTS	17
MANAGEMENT DISCUSSION & ANALYSIS.....	19
Industry Overview.....	19
CORPORATE GOVERNANCE	31
FINANCIAL STATEMENTS	34
NOTES TO FINANCIAL STATEMENTS	37
INDEPENDENT AUDITOR'S REPORT	42
FORWARD-LOOKING STATEMENTS	47
Risk Factors	47
ACKNOWLEDGMENTS.....	47

CORPORATE INFORMATION

Company Name: Samvedna Microfinance Private Limited

CIN: U64990UP2024PTC211415

Date of Incorporation: November 4, 2024

Registered Office: A-1, Sector 59, NOIDA, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301

Board of Directors:

- Mr. Praveen Agrawal – Independent Director (DIN: 08064084)
- Mr. Punit Jain - Independent Director (DIN: 07325636)
- Mr. Trilok Nath Shukla - Director (DIN: 00473897)
- Mr. Akhilesh Kumar Singh - Director (DIN: 06464266)

Auditors:

Nitesh Kumar & Associates

Chartered Accountants

FRN: 029547N

Place: Gurgaon



Training being organized at Regional Training Centre, Agra

MD and CEO's MESSAGE

Dear Stakeholders,

I am pleased to present the inaugural Annual Report of Samvedna Microfinance Private Limited for the financial year 2024-25, marking the beginning of our journey in the microfinance sector.

A Strong Foundation Since our incorporation in November 2024, we have focused on building a robust foundation for sustainable growth. Our name "Samvedna" reflects our core philosophy of empathy and understanding towards the financial needs of underserved communities. We believe that microfinance is not just about providing credit, but about building relationships and empowering individuals to achieve their aspirations.

Strategic Vision Our vision is to become a leading microfinance institution that bridges the gap between traditional banking and the financial needs of rural and semi-urban populations. We are committed to:

- Provide accessible and affordable financial services
- Leverage technology for efficient service delivery
- Build a customer-centric approach and
- Maintain the highest standards of corporate governance

Financial Performance While this has been our first year of operations, we have made significant progress in establishing our business infrastructure. We successfully raised Rs.16.31 crores through equity funding, demonstrating strong investor confidence in our business model. Our focus during this initial phase has been on team building, process standardization, strengthening governance and setting up strong foundation for regulatory compliance.

Looking Forward As we move into FY 2025-26, we are well-positioned to scale our operations and begin to expand outreach to target customer segments. Our priority is to invest in technology, human resources, and market expansion while maintaining our commitment to responsible lending practices.

I would like to extend my gratitude to our investors, team members, and all stakeholders for their trust and support as we embark on this exciting journey.

Warm regards,

Trilok Nath Shukla

MD & CEO



COMPANY OVERVIEW

About Samvedna Microfinance

Samvedna Microfinance Private Limited (SMPL) is a newly incorporated company focused on providing microfinance services to underserved populations in India. Incorporated in November 2024, the company aims to bridge the financial inclusion gap by offering accessible, affordable, and responsible financial services. The Company has received the Non - Banking Finance Company – MFI (NBFC-MFI) license on July 29, 2025 from RBI.

Mission

"Our mission is to provide accessible and responsible financial services to the underserved, fostering entrepreneurship, promoting financial literacy, and driving socio-economic growth."

Vision

"To be a leading catalyst for financial inclusion, empowering individuals and communities to achieve sustainable prosperity and a better quality of life."

Core Values - SHINE

1. **Strive for Excellence:** We are committed to continuous improvement and achieving the highest standards in everything we do. Excellence is our benchmark
2. **Honesty and Integrity:** We uphold the highest ethical standards in all our actions. Transparency, honesty, and integrity guide our decisions and behavior
3. **Innovation and Creativity:** We foster a culture of innovation, encouraging fresh ideas and creative solutions to meet challenges and drive growth
4. **Nurturing Relationship:** We value relationships and treat everyone with respect and empathy. Building strong and enduring partnerships is at the core of our business
5. **Empowerment and Accountability:** We built a culture of empowering people to take independent decisions under the purview of vision and mission of the company and own them.

Areas of Focus

1. **Microfinance Lending:** Small-ticket loans for income generation activities
2. **Micro Enterprise Loan:** Individual loans to existing business
3. **Financial Literacy:** Education and awareness programs for customers
4. **Technology Integration:** Digital platforms for efficient service delivery
5. **Rural and Semi-Urban Focus:** Targeting underserved geographical areas
6. **Loan to Petty Traders:** Small loans to street vendors in Urban and Semi Urban Locations

BUSINESS MODEL & STRATEGY

Business Model

SMPL operates on a relationship-based lending model that combines traditional microfinance principles with modern technology, we term this as “Phygital Model”. Our approach focuses on:

1. Customer Segmentation

- I. ***Self-employed individuals*** – SMPL encourage women in rural and semi-urban geography to be self-employed, by setting up an enterprise in their village or in nearby town or expanding their existing enterprise to the next level.
- II. ***Small business owners and entrepreneurs*** – Company will also target the street vendors and micro entrepreneur and provide them a working capital loan to manage their day to day working capital need.
- III. ***Women-focused lending programs*** – SMPL services will be focused on women to empower them financially and participate/lead the family financial decisions.
- IV. ***Agricultural and allied activities*** – Being a rural focused microfinance entity, SMPL will extend Agri and allied loan to its’s customers

2. Service Delivery Model

- I. ***Customer Connect*** - Credit Officers are point of contact between company and the clients. Apart from the credit officer, other supervisors i.e. Branch Manager, Area Manager and other field supervisors visit the customers frequently to conduct business monitoring and check the customer’s satisfaction on company’s product and services.
- II. ***Group lending methodology*** – Lending under group methodology will be a leading product of the company. Company believes that keeping basics of the group lending intact is key to make group lending successful. Therefore, company ensures total compliance on overall group lending process which includes, area survey, village survey, client assessment and selection, group formation, group training, group recognition test, center meeting, and loan utilization check etc.
Company has added layer of Area Managers at every three branches, whose prime responsibility is to ensure process compliance of group lending.
- III. ***Individual lending to established business*** – To give impetus to emerging micro businesses, SMPL will introduce business loan under individual lending model. Under this model, loans in the range of Rs.1,00,000/- to Rs.3,00,000/- will be given to micro entrepreneurs who have stable business set up for at least 3 year or the individual who have been associated with SMPL for at least 18 months under group lending model.
- IV. ***Digital onboarding and loan management systems*** – Since inception, SMPL is operating in paperless and cash less model. It has adopted technology, which enable complete paperless customers on boarding. Also, the customers are trained to use QR code-based payment gateway to make repayment digitally. SMPL ensures 100% digital repayment using QR code.

3. Risk Management

- I. **Credit Under Writing & Monitoring** – At every three branches, SMPL has introduced supervisory level of Area Managers, whose prime responsibility is loan underwriting and loan monitoring on regular basis. This has helped the company in building quality loan portfolio.
- II. **Regular customer interaction and monitoring** – While Area Managers do regular visits and field monitoring, other supervisors also spend most of their time doing field monitoring. In the virtual monitoring, Regional Manager and Zonal manager, monitors the live pictures of center meetings and other activities through which they ensure timeliness and attendance of the center meeting and smooth conduct of operations.
- III. **Diversified portfolio across geographies and sectors** – Loan portfolio will be diversified among the geographies and products. Currently the company is operating in western UP with JLG product, however, it will soon move to eastern UP and Bihar with JLG and Micro Enterprise Loan.
- IV. **Technology-enabled early warning systems**- As part of commitment to proactive risk management, SMPL will invest in technology-enabled early warning systems (EWS) to ensure robust credit oversight and timely intervention in potential risk areas. These systems will leverage real-time data analytics, and automated rule-based alerts to identify emerging stress in the loan portfolio. Key features include:
 - **DPD Tracking & Trend Analysis:** Continuous monitoring of Days Past Due (DPD) to flag accounts showing early signs of stress, such as missed payments or irregular repayment patterns. Based on triggers of the missed/irregular payment the system will prepare list of “Immediate attention client” and “Immediate attention centre.” This list will automatically be pushed to respective branch teams and their supervisors, several days before the centre meeting so as they can follow up with problematic clients and centres well in advance.
 - **Behavioural Scorecards:** A behavioural score card of each customer will be prepared based on the customer payment behaviour and their regular/irregular participation in the centre meetings. The system will suggest loan amount of next cycle based on behavioural score card.
 - **Portfolio Risk Dashboards:** A Centralized risk monitoring dashboard for management will be designed, which will show branch-level, product and ticket size -wise PAR trends and deviations from defined thresholds. Basis this dashboard management can take decision on product discontinuation, modification or aligning weight of the product portfolio.
 - **Alert Mechanisms:** Automated alerts to credit officer and their supervisors will be sent when thresholds are breached. This will enable timely field visits and problem solving.

The objective of this IT based monitoring is to detect potential delinquencies before they escalate, thus protecting asset quality while supporting customers through timely engagement and financial counselling.



Strategic Priorities

1. Technology Excellence

At SMPL, we recognize that technology is not merely a support function but a key driver of scale, efficiency, and risk control in our microfinance operations. Our strategy places technology at the core of our business model, with the following focus areas:

- a) ***Implementation of most advance technology available in the market-*** We are committed to deploy state-of-the-art financial technologies (FinTech) that offer scalability, security, and integration across our operations. This includes:
 - Robust Loan Origination System (LOS) and Loan Management System (LMS) designed for high-volume micro-lending
 - Secure APIs for seamless integration with credit bureaus, payment gateways, audit software, and HRMS
 - Customised and change enabled LOS and LMS which can accommodate evolving business need
- b) ***Mobile applications for field employees*** – Meaningful and timely information to front line employees and their supervisors is key to beat the market competition, onboard good customer, and manage quality portfolio throughout. SMPL has kept this as high priority need and committed to provide an application for Credit Officers which guide them to take right decision at right time.
- c) ***Digital KYC and loan origination systems*** – As of now SMPL is using digital KYC and loan origination system in partnership with BC bank. The same practice will continue in SMPL own portfolio.
- d) ***100% Digital disbursement and collection*** – Company is committed to provide paperless and 100% digital financial services to its customers.
- e) ***Data analytics for credit decisions***- In a sector where traditional credit scoring methods often fall short due to the informal nature of customer incomes, data analytics will serve as a transformative tool for Samvedna Microfinance in enhancing credit quality and operational efficiency.

We are committed to building an integrated, analytics-driven credit framework that supports smarter, faster, and more accurate lending decisions.

2. Human Capital Development

At Samvedna Microfinance, we believe that people are our most critical asset, particularly in microfinance business, where our people engaged with underserved community which need to deal with utmost care. A motivated, well-trained, and values-driven workforce is central to delivering high-touch, community-centric, and responsible financial services at scale.

Our Human Capital Development strategy focuses on building a capable, empowered, and mission-aligned team, starting with frontline field employees and extending to future leaders.

a) ***Recruitment and training of field employees***

Given our focus on rural and semi-urban markets, field officers are the face of Samvedna and the backbone of our operations. Our approach includes:

- Hiring individuals from within the community or from the local market who have strong local knowledge and empathy for community needs.
- Structured on-boarding training programs covering microfinance principles, group lending concept and principle, code of conduct while dealing with the customers and customer service.
- Hands-on field training with mentors and supervisors while deployed in the field.
- Regular refreshers and upskilling training on digital infrastructure and tools, regulatory updates and company's policies.

We aim to build not just a workforce — but a mission-driven frontline team that connects deeply with our customers.

b) *Capacity building programs*

We are committed to continuous learning and skills enhancement across all levels. Key initiatives include:

- Functional training in microfinance concept and process, credit underwriting, centre meeting management, compliance, and technology tools
- Soft skills development, communication, conflict resolution, and customer relationship management
- Exposure to industry best practices through workshops, webinars, and peer learning

This ensures that our team is well-equipped to adopt evolving business needs and industry dynamics.

c) *Performance-based incentive systems*

To drive motivation and accountability, Samvedna will implement a transparent and performance-linked incentive framework, tailored to each role:

- **Field employees:** Incentives will be tied up with portfolio quality and customer retention, this will enable the company to ensure better customer service and portfolio management
- **Operations and support teams:**
 - KPIs linked to efficiency, compliance, and service delivery
 - Recognition programs for top performers at branch and regional levels. Incentive for this parameter will be non-monitory

This **reward** and **recognition** scheme will foster a meritocratic culture where high performance is encouraged, **regarded**, and **respected**.

d) *Leadership development initiatives*

As we scale, it is imperative to build a strong leadership pipeline from within. Our long-term leadership strategy includes:

- Identifying high-potential employees through performance reviews and assessments
- Structured development journey including cross-functional exposure, mentoring, and coaching
- Internal mobility and promotion opportunities across branches, regions, and functions
- Future readiness programs for mid-level managers to prepare for strategic roles

By investing in our people today, we are cultivating the leaders who will shape Samvedna's future.

3. Geographic Expansion

Samvedna Microfinance aims to scale its operations responsibly and sustainably by expanding its geographic footprint in a phased and data-driven manner. Our expansion strategy is centered on maximizing impact, minimizing risk, and ensuring proximity to the underserved communities we seek to empower.

a) *Phased expansion across Uttar Pradesh and Bihar*

Our initial focus is on establishing a strong and stable presence in the core markets of Uttar Pradesh and Bihar, which together represent one of the largest untapped microfinance opportunities in India, offering several lucrative business propositions, such as:

- High population density with significant low-income rural and semi-urban households
- Low financial penetration and high demand for livelihood credit
- Cultural and operational familiarity for Samvedna's team

We will follow a phased rollout model, prioritizing districts with strong demand, low credit penetration, and manageable credit risk. Our internal credit risk maps and district-level socioeconomic data guide the selection process. **Contiguity** in geographic expansion and **continuity** of team will be core theme of our expansion plan.

b) *Entry into neighboring states*

As we stabilise our base in UP and Bihar, we plan to gradually enter adjacent states such as Jharkhand, Madhya Pradesh, and Chhattisgarh. This strategy ensures:

- Operational scalability with manageable logistics
- Leverage of existing infrastructure, systems, and regional knowledge
- Risk diversification across geographies and economic profiles

Expansion into these markets will be undertaken post thorough feasibility and risk assessment.

c) *Focus on underserved districts*

True to our mission of financial inclusion, we prioritize districts that remain underserved by formal financial institutions, including:

- Areas with limited banking access
- Low presence of NBFC-MFIs or banks offering small-ticket loan
- Regions with high poverty level / marginalised population and informal lending prevalence

By targeting these areas, Samvedna aims to bridge the last-mile credit gap and offer affordable financial services to the most excluded.

d) *Strategic branch network development*

Rather than rapid branch proliferation, our approach emphasizes strategic branch placement based on:

- Population and borrower density
- Accessibility and connectivity
- Proximity to target villages
- Cost-efficiency and supervisory ease

Each branch is designed to act as a centre for business development, customer service and support, and community engagement, and will be fully equipped with trained employees, digital infrastructure, and compliance systems.

In short, our geographic expansion strategy is both ambitious and disciplined. It allows Samvedna to scale its impact across Northern India while maintaining strong operational controls, portfolio quality, and community trust.

4. Product Innovation

Samvedna Microfinance understands that the needs of low-income households are diverse and dynamic. A one-size-fits-all approach does not work in microfinance. To create meaningful impact and long-term relationships, our strategy emphasizes innovative, flexible, and inclusive financial products tailored to the unique needs of our target segments.

a) Customized loan products for different customer segments

Our goal is to provide loan products that suit the customer's need and capability to pay. We are designing loan products to cater:

- **Women entrepreneurs** engaged in dairy, tailoring, petty trade, Agri or agri allied activities.
- **Petty Traders** such as betel shop, corner stores, and variety of street vendor in urban location
- **Micro Entrepreneurs** Individuals who are in business and willing to expand its current business

Product variations may include differences in ticket size, tenure, and repayment structure, ensuring relevance and affordability.

b) Flexible repayment options

Understanding the irregular cash flows of low-income households, we aim to offer repayment options that are both practical and borrower-friendly, such as:

- Weekly, fortnightly, or monthly repayment schedules based on income cycles
- Repayment holidays during festivals, or emergencies
- Pre-payment without any additional charge to allow customer to effectively manage its borrowing cost by prepaying loan if they have excess cash flow

This flexibility increases repayment discipline and enhances customer satisfaction by reducing financial stress and cost.

c) Value-added services like insurance

Samvedna is committed to holistic financial well-being of its customers by providing essential value-added services along with credit. These include credit link insurance for the client and her gaurantor. This protects the customer from vulnerability arise from any mishap with the client or her gaurantor.

d) Financial literacy and counseling services

In line with our mission of responsible finance, we integrate financial literacy into our operations:

- Pre-loan group training on credit discipline, over-indebtedness, and product features
- Counselling support during repayment challenges or life events
- Centre workshop for the centre member to council them on their right and responsibility as borrower, careful use of credit and importance of credit discipline

These efforts empower customers to make informed decisions and foster long-term financial behaviour change.

5. Regulatory Compliance

At Samvedna Microfinance, regulatory compliance is not just a statutory obligation — it is a core business principle. We believe, trust and credibility are paramount to make any enterprise successful, we are committed to maintaining the highest standards of legal, ethical, and operational integrity. Our compliance framework is designed to safeguard customer interests, ensure transparency, and align with all applicable laws and guidelines issued from time to time.

a) Adherence to RBI guidelines

We operate in strict conformity with the Reserve Bank of India (RBI) regulations applicable to NBFC-MFIs, including:

- Loan size, pricing, and repayment norms
- Borrower indebtedness and eligibility limits
- Interest rate transparency requirements
- Customer grievance redressal mechanisms
- Credit bureau reporting obligations

Our policies and processes are regularly updated to reflect changes in regulatory frameworks, ensuring zero tolerance for non-compliance.

b) Fair practice code implementation

Though the company is doing business under the BC partnership, nevertheless to be future ready, Company has adopted and embedded the following Fair Practices Code (FPC) prescribed by RBI across the operations:

- Clear communication of loan terms in local language
- No coercive recovery practices
- Transparent disclosure of interest and fees
- Respect for borrower privacy and dignity
- Right to prepay loans without any additional fee
- Employees are trained to uphold these principles during loan origination, servicing, and recovery, making responsible finance a lived reality

c) Regular audits and compliance monitoring

To ensure robust oversight, we have instituted a multi-layered compliance monitoring framework:

- Supervision by field supervisor to ensure first level of control
- Internal Audits to check process adherence, documentation quality, and system accuracy
- Statutory and Regulatory Audits as per legal requirements

This ensures early identification of risks and prompt corrective action.

d) Transparent pricing and operations

We believe that pricing transparency is fundamental to customer trust. All our loan products will clearly display:

- Interest rates and method of calculation
- Processing fees and any other charges
- Total repayment obligations over the loan tenure
- Annualised percentage rate (APR)

Our digital systems and customer documentation are designed for full disclosure, enabling borrowers to make informed decisions.

BOARD OF DIRECTORS

Samvedna believe, good governance is important to run a company efficiently, as board play critical role in overseeing organizational efficiency and risk. Since beginning Samvedna has brought in Independent Directors with diverse and deep sectoral expertise to guide the Samvedna management team to laydown strong foundation to build a great company. Samvedna's board of directors include –

Puranam Hayagreeva Ravikumar – Independent Director

Mr. Puranam Hayagreeva Ravikumar is a distinguished banking veteran whose career spans more than 53 years across India's financial landscape. With foundational roles in institutions such as ICICI Bank, and Vastu Housing Finance, his journey reflects both pioneering spirit and principled leadership.

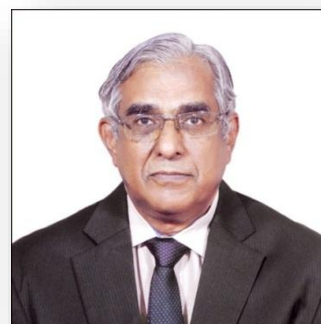
Starting with 32 impactful years in banking—22 of which were at Bank of India, including an overseas posting in Paris—Mr. Ravikumar was a founding member of ICICI Bank, played a vital role in building its Treasury and Corporate Banking divisions. His contributions during the bank's formative years remain integral to its trajectory as a financial powerhouse.

Following this, he served as MD & CEO of NCDEX, India's national commodity exchange, and later led Invent ARC, expanding India's asset reconstruction capabilities. In his entrepreneurial stride, he co-founded Vastu Housing Finance and guided it as Chairperson during its formative years of growth and inclusion.

A respected statesman in microfinance and inclusive banking, he has chaired institutions like Bharat Financial Inclusion Ltd., Utkarsh Small Finance Bank, and served on the Boards of Federal Bank, IFFCO Kisan Finance, and several others—bringing strategic clarity, governance depth, and stakeholder trust to every seat he occupies.

His thought leadership extends internationally, with his appointment to the global Board of the Chartered Institute for Securities & Investment, UK, marking him as the first non-European to hold that honor. Today, as Chairman of ICICI Prudential Trust Ltd., and a guiding presence on multiple Boards including Aditya Birla Capital Ltd., Mr. Ravikumar continues to shape India's financial evolution with unwavering commitment.

A commerce graduate and certified associate of both the Indian and London Institutes of Bankers, he is also an Honorary Fellow of CISI, London—an emblem of his legacy as a bridge between institutions, generations, and geographies.



Ramni Nirula – Independent Director

Ms. Ramni Nirula retired as Senior General Manager of ICICI Bank Limited. She has more than 4 decades of experience in the financial services sector, beginning her career with the erstwhile ICICI Limited in the project appraisal division. Since then, she has held various leadership positions in areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. She was part of the top management team instrumental in transforming ICICI Bank from a term lending institution into a technology led diversified financial services group with a strong presence in India's retail financial services market.



She was also part of the top-level task force, which successfully planned and implemented ICICI Bank's entry in the Rural Banking, Microfinance & Agriculture Business group, identified by the Bank as a key thrust area. Ms. Nirula also held key position as Managing Director & CEO of ICICI Securities Limited, the Investment Banking arm of ICICI Bank Limited. She also headed the Corporate Banking Group for ICICI Bank. In addition, she was also responsible for setting up the Government Banking / Corporate Agri Group, based out of New Delhi within the bank.

She helped to set up / take forward I-Banks' CSR initiative through the ICICI Foundation set up with a focus on delivery of primary health, primary education, and access to finance.

She has been a member of the Board of many ICICI group and associate companies i.e. ICICI Securities Limited, ICICI Direct and 3i Infotech. Additionally, she has been a member of Board of leading companies in India.

She has also been on the Board of non-corporates like a leading residential school for girls namely Welham Girls School, Dehradun, a Micro Finance Institution in India and Advisory Council Member of ICICI Knowledge Park Trust. In addition to the Corporate Boards, Ms. Nirula is presently on the India Advisory Board of a Boston based global PE fund set for advising on investment opportunities in India and supporting investee companies in their biz growth.

Ms. Nirula holds a Bachelor's Degree in Economic and a Master's degree in Business Administration from Delhi University. Currently she holds directorship in HEG Limited, Usha Martin Limited, Kirloskar Brothers Limited.

Praveen Kumar Agrawal – Independent Director

Mr. Praveen Kumar Agrawal is an Independent Director of Samvedna. He has about 35 years of experience in Banking and Non-Banking Financial Company. He serves Small Industries Development Bank of India (SIDBI) for about 28 Years. His last association with SIDBI was as Chief General Manager (CGM). After his Voluntary Retirement (VRS) he joined Easy Home Finance (A Housing Finance Company based in Mumbai) as a Chief Executive Officer and Whole Time Director.

He has wealth of experience in Management Information System (MIS), Treasury Management, Resource Planning and Mobilization, Project Financing, Housing Finance and Project Management.

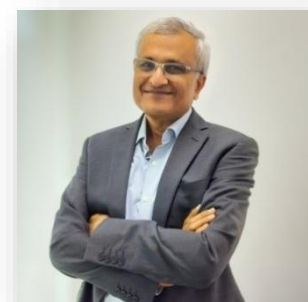
Mr. Agrawal is Master in Statistics from Allahabad University, Prayagraj, Uttar Pradesh



Punit Jain – Independent Director

Mr. Punit Jain is an Independent Director of Samvedna. He has about 40 years of experience in IT, particularly in Banking, Financial Service and Insurance Industry (BFSI). He served as Senior Executive in renowned companies such as Xerox, Newgen Software Technology, Datamatics Global Services, Nelito system. He was associated with Nelito as a CEO. He has wealth of experience in IT and Marketing.

Mr. Jain is B. Tech. in Electrical Engineering from IIT Bombay and MBA in Marketing and Finance from IIM Bangalore.



Trilok Nath Shukla – Managing Director

27 Years back Trilok has begun his career in Microfinance and today he turned out as Seasoned Microfinance and Banking Professional. He started with CASHPOR Micro Credit, a renowned microfinance company in North India, as a founding member and promoter of the Company. He spearheads various vertical such as HR, Internal Audit, Business and Control functions in lead roles. After 12 years of Serving CASHPOR he joined Utkarsh Microfinance Ltd as founding member and whole time director. Later Utkarsh Microfinance has converted to Utkarsh Small Finance Bank where he was one of the promoters. His last association with Utkarsh Small Finance Bank was Head Micro Banking. As Business Head-Micro Banking, he was responsible for entire Micro Banking Business of Bank spread over 13 states overseeing 666 branches, 11,000+ employees and business of over Rs.11,000 Cr.

Trilok is instrumental in Microfinance loans, Individual Loan/MEL Consumer Durable Loans financing, Cross-sale Products Financing, Policy & Process Management, Crisis Management, Business growth, Manpower Management, Credit and Risk Management, Internal Audit, Training and Development. Trilok is B.Sc. in Mathematics and MA in Sociology from Purvanchal University, UP. He also holds Advance Diploma in Rural Technology Development and Management from Institute of Engineering and Rural Technology, Prayagraj Uttar Pradesh. During his professional career he has earned various certification from premier National and International Institutes, few of them are - MDP for Management professionals and program on Business Perspective for HR Managers at IIM Ahmedabad, Microfinance Training organized by Boulder University at Turino Italy. He also has exposure to renowned National and International Microfinance Institutions such Grameen, ASA, BRAC etc.



Akhilesh Kumar Singh – (Director & Chief Financial Officer)

Akhilesh has over 27 years of progressive experience, divided in practice (17+ years) and consultancy (10 years) in global Microfinance Industry. He has started his career with CASHPOR Micro Credit and spearhead various verticals such as operations, planning and financial performance management, and insurance. Then he moved to *MicroSave* consulting and led the microfinance practice in South Asia, South East Asia, and African countries. He supported Financial Institutions in strategy, financial projection, budgeting, financial performance management, accounting system, and process set up, risk management and product and process innovation and optimisation in different capacities while working with *MicroSave*. He has advised to over 50 small to large microfinance companies and banks in these geographies. His last association was with Sonata Finance Pvt. Ltd. as a Chief Financial Officer, where he served for over 7 years.

Akhilesh is Graduate in Mathematics (Hons) with statistics and Economics as complementary subjects. After his Graduation he has completed “Advance Diploma in Rural Technology Development and Management” from Institute of Engineering and Rural Technology”, Prayagraj, UP. During his professional career he has earned certifications in professional courses from National and International Premier Institute. Few of them are – Machine Learning for Finance, Algorithmic Portfolio Management, Corporate Finance and Risk Management, Wealth Management and Portfolio Investing from Indian Institute of Technology Roorkee in 2023.



LEADERSHIP TEAM

Arvind Narayan Tripathi – Zonal Manager

With over 17 years of distinguished leadership experience in microfinance and banking operations, Mr. Arvind Narayan Tripathi has held senior management positions at renowned institutions including CASHPOR Micro Credit, Utkarsh Small Finance Bank, and Satya MicroCapital Ltd.

Throughout his career, he has successfully led critical functions such as credit appraisal, client acquisition, team leadership, and portfolio oversight. His business leadership in North Bihar has been especially impactful—managing over 2 lakh borrowers, a portfolio surpassing Rs. 500 crores, and a workforce of more than 500 professionals.

Mr. Tripathi excels in designing business strategies, implementing service standards, spearheading outreach initiatives, ensuring regulatory compliance, and fostering high-performing teams. His results-driven approach ensures sustained customer satisfaction and organizational profitability.

A proven catalyst for growth, he has consistently delivered outcomes in high-volume, high-impact regions by establishing robust risk management and structured loan evaluation mechanisms. His leadership has been pivotal in enhancing compliance protocols and propelling business expansion.



Jyoti Kumar Faujdar – (Regional Manager)

Jyoti Kumar has extensive experience in microfinance operations, he has served at middle management in various microfinance companies, where he has overseen area surveys, branch setup, business growth, staff management, training, and recruitment. Previously, he held managerial roles at Satya Capital, Arohan Financial Services Ltd., and Satin Credit Care Network Limited, progressing from Training CSO to Territory Manager. His expertise includes branch establishment, team leadership, and field monitoring.

He holds an MBA in Finance from Himalayan Garhwal University (2019) and a Bachelor of Arts from Jaipur University (2015).



Vinit Kumar Pandey – (Manager Training)

Vinit Kumar Pandey is a seasoned microfinance professional with extensive leadership experience in portfolio management, business growth, and financial risk management. His strong analytical mindset and ability to navigate competitive landscapes make him an asset in the industry.



He has over 18 years of experience in the microfinance industry, specializing in sales, collections, credit, audit, and portfolio management. Held senior leadership positions across multiple microfinance institutions, managing large teams and portfolios. Expertise in risk analysis, competitive strategy, and expansion into new markets. Proven ability to drive business growth, maintain low NPAs, and ensure strong repayment rates.

He worked as Deputy Business Head at Prayatna Microfinance Limited, State Head at Satin Finserv LTD., Capital Trust LTD., and L&T Financial Services, Senior Managerial roles at Mitrata Finance, and Utkarsh Microfinance. He has started his career at CASHPOR Micro Credit and then SKS Microfinance.

Akhilanand Tripathi – Chief Manager Corporate Centre

Akhilanand has 14 years of experience in finance and banking sector with expertise in credit analysis, micro-banking, and financial product development. He holds a Bachelor's degree in Commerce from Harishchandra P.G College, Varanasi, and has also pursued specialized training in Accounting and Finance. His career spans over a decade, with significant roles in Paisalo Digital Limited as Manager Credit (BIU) and Utkarsh Small Finance Bank Limited as Assistant Manager II, where he specialized in data analysis, MIS reporting, compliance, and portfolio management.



He has successfully led key business projects, including the implementation of the Business Correspondence Model of Indus-Ind Bank, the launch of JLG cashless loan disbursement, and testing of banking software solutions. His achievements include being recognized as the Employee of the Year for eight consecutive years (2016 to 2023). His skills extend to operational training, product research, and business requirement analysis, making him an asset in financial operations and strategy.

Dr. Varuni Yadav - Manager-HR & Corporate Communication

A seasoned professional having 13+ years of experience in academia, HR strategy, employee training, compliance, and communication management. Adapt at developing and implementing HR policies, fostering a positive corporate culture, and leading organization-wide communication strategies to enhance brand presence and employee engagement.



Varuni had been spearheading HR initiatives aligned with business objectives, managed internal and external communication to strengthen brand identity, designed impactful training programs for employee growth in her previous assignments. She has been instrumental in driving culture-building initiatives to enhance productivity and handling sensitive communications effectively during organizational challenges. She ensures regulatory adherence, including POSH compliance etc.



Meeting at Regional Office, Varanasi



FINANCIAL HIGHLIGHTS

(In Rs. Lakhs)

Particulars	FY 2024-25	Previous Year
Revenue		
Revenue from Operations	8.37	-
Other Income	14.10	-
Total Revenue	22.47	-
Profitability		
Total Expenses	65.58	-
Profit Before Tax	(43.11)	-
Profit After Tax	(43.12)	-
Balance Sheet		
Total Assets	1,598.68	-
Share Capital	823.20	-
Cash & Bank Balance	1,568.10	-
Net Worth	1,587.8	-

Key Information

- a) **Incorporation Date:** November 4, 2024
- b) **Paid-up Capital:** Rs.823.2 lakhs
- c) **Share Premium** Rs.523.2 lakhs
- d) **Share application** Rs.284.5 lakhs
- e) **Cash Position:** Rs.1568.1 lakhs
- f) **Employee Strength:** 36 it is growing month on month
- g) **Operational Status:** Budding MFIs with larger vision
- h) **No. of Branches** -7
- i) **Total Clients** – 1642
- j) **Total loan disbursed** -Rs.6.56 cr.
- k) **Loan outstanding** - Rs.6.36 cr.

Financial Analysis

1. Capital Adequacy

- a) Strong capital base with Rs.823.2 lakhs of paid-up capital and Rs.523.2 lakhs of share premium, additional Rs.284.5 lakhs in share application money
- b) Company is well-capitalized for planned business expansion up to FY 25-26

- c) Company has planned to increase the capital base up to Rs.3,000 lakhs by FY25-26 which will be enough to fuel the company growth in the year to come

2. Liquidity Position

- a) Excellent liquidity with Rs.1568.1 lakhs in cash and bank balances
- b) Sufficient funds for operational requirements and business growth

3. Investment in Infrastructure

- a) Rs.2.86 lakhs invested in property, plant, and equipment
- b) Computers peripherals and office setup expenditure
- c) Foundation for future operations

4. Operational Metrics

- a) Limited operational revenue as company just started the BC business
- b) Employee benefit expenses of Rs.33.63 lakhs reflecting company engagement in team building
- c) Operating expenses of Rs.31.79 lakhs for business setup



MANAGEMENT DISCUSSION & ANALYSIS

Industry Overview

The Indian microfinance industry has shown remarkable resilience and growth over the past decade. With over 10 crore borrowers and a loan portfolio exceeding Rs.3.75 lakh crores, the sector plays a crucial role in financial inclusion. Key industry trends include:

- a) **Digital transformation and technology adoption** – Industry is adopting latest available technology to improve business efficiency, increase internal control and staff support. This has helped to optimize the business output with reduced risk and effort.
- b) **Regulatory focus on customer protection**- RBI's endeavor to bring price transparency in the market while keeping market led pricing, will help the customers to choose the lender of their preference. Also reporting of interest charged by MFI will enable RBI to peg the product price at reasonable label.
- c) **Geographic expansion to newer markets**

Top Five Populous States of India

S.No.	States	Estimated Population 2025 (in cr.)	Estimated Household 2025 (in cr.)	Active Microfinance Clients (in cr.) March-25	% of Active clients to Total Household
1.	Uttar Pradesh	24.1	4.82	0.91	19%
2.	Bihar	13.1	2.62	1.26	48%
3.	Maharashtra	12.8	2.56	0.64	25%
4.	West Bengal	10.0	2.0	0.79	39%
5.	Madhya Pradesh	8.9	1.78	0.47	26%

Source - Report of the Technical Group on Population Projections (2024–25), based on Census 2011 and updated growth trends (Ministry of Health and Family Welfare), MFIN Micrometer-2025 and SAMVEDNA analysis. Assumption – Average member per household is 5.

Top Ten States by Active Microfinance Clients

S.No.	States	Active Clients (in cr.)	Share of Total Active Clients
1	Bihar	1.26	15.1%
2	Tamil Nadu	1.03	12.3%
3	Uttar Pradesh	0.91	11.0%
4	West Bengal	0.79	9.6%
5	Karnataka	0.77	9.3%
6	Maharashtra	0.64	7.8%
7	Madhya Pradesh	0.47	5.7%
8	Odisha	0.45	5.4%
9	Rajasthan	0.33	3.9%
10	Kerala	0.25	3.0%

Based on data given in two tables above, Uttar Pradesh stand out as most promising state for microfinance. The state is least penetrated as only 19% of the household are catered under microfinance businesses. The second promising states is Madhya Pradesh which follow the Uttar Pradesh in terms of microfinance business penetration. Bihar state is relatively high penetrated however, given the poverty ranking there are still enough white space for starting microfinance.

Samvedna, geographical strategy is based on finding white spaces in Uttar Pradesh, Bihar, and Madhya Pradesh to open its branches for microfinance business.

- d) ***Over indebtedness and Portfolio quality-*** “There is always bad lender, not bad borrowers” – this is a famous saying in lending business. There is growing perception that microfinance industry is in troublesome phase, and its failure is attributed to the business model.

We at Samevdna have firm believe, the problem is not of the business model but it is of poor execution of basic principle of microfinance business model and unrealistic aspiration of the microfinance lenders. In past, many of the lenders reported multifold growth with putting enough system and process in place, the most important is insufficient investment on resource training.

Samvedna team is aware of the execution pitfalls and committed to avoid it in their growth journey.

Opportunities

- a) ***Large Addressable Market:*** India’s rural and semi-urban regions continue to have significant unmet demand for affordable financial services, particularly among low-income households and women entrepreneurs. A large proportion of the population remains either unbanked or underbanked, relying on informal and high-cost sources of credit.

Rising awareness of microfinance and group lending models is creating latent demand for well-structured and affordable loans. The microfinance industry in India has shown double-digit growth in loan portfolios over the past decade, with rural states like Uttar Pradesh and Bihar offering immense potential due to their population density and economic activity mix.

For Samvedna, this represents a long runway for expansion in both depth (more customers per area) and breadth (new geographies).

- b) ***Digital Transformation:*** Technology transformation has changed the way of microfinance service delivery and management. Mobile applications, digital KYC, and artificial intelligence (AI) based loan management systems are making it possible to serve customers faster, even in remote areas.

Digital payment channels (UPI, Aadhaar Pay, BBPS) are reducing dependence on cash, improving transparency, and lowering operational costs. Data analytics is enabling better credit risk assessment, fraud detection, and targeted product design.

Samvedna's digital-first approach positions it to scale efficiently while maintaining strong portfolio quality.

- c) **Regulatory Support:** The regulatory environment is favorable and supportive to microfinance as it is driver of financial inclusion. The Reserve Bank of India's harmonized regulations for microfinance have created a level playing field, simplifying borrower eligibility norms, and allowing pricing flexibility for MFIs based on their cost structure.

Government-backed initiatives like Jan Dhan Yojana, Aadhaar, and PM- Svanidhi have expanded financial infrastructure and customer readiness for formal credit. Financial literacy and inclusion are central themes in policy, aligning directly with Samvedna's mission. This ensures stability, clarity, and a conducive operating framework for our growth.

- d) **Investor Interest:** The microfinance sector continues to attract strong interest from both domestic and international investors, owing to resilience of the sector as it has bounced back from many crisis. Sector has proven social impact and ESG alignment and show portfolio growth even in challenging macroeconomic conditions.

Equity investors, impact funds, and debt providers view microfinance as both a profitable and purpose-driven sector, this will give Samvedna with ample funding avenues for expansion.

- e) **Economic Growth:** India's macroeconomic outlook remains positive, with rising incomes, increased rural consumption, and improved infrastructure creating fertile ground for microfinance. Growth in agriculture, allied industries, and rural entrepreneurship is driving credit needs. Improved connectivity, electrification, and digital penetration are expanding market accessibility.

As households move from survival to growth, demand will shift from basic consumption loans to productive asset creation and micro-enterprise funding — an area where Samvedna is ideally placed to serve.

Challenges

While the microfinance sector offers significant growth opportunities, it also presents a set of operational and strategic challenges that require careful management, agility, and foresight. At Samvedna Microfinance, we recognize these challenges as part of our operating reality and address them through proactive strategies and robust risk controls.

- a) **Competition:** The microfinance industry in India is highly competitive, in some pockets over leveraged, with several large NBFC-MFIs, small finance banks, NBFCs and other non-regulated entities operating in our target markets. Established players have strong coverage, deep penetration, and lower cost of funds. Aggressive market expansion by competitors can lead to overlapping customer bases and the risk of borrower over-indebtedness.

Strictly following MFIN guardrail, differentiation through processes adherence, customer service, product innovation, and digital efficiency will be key to maintaining market share.

- b) **Regulatory Changes:** The regulatory environment for microfinance is dynamic, with frequent updates from the Reserve Bank of India (RBI) and state-level authorities. Changes in loan pricing norms, eligibility criteria, or lending caps can directly impact business models. New compliance requirements necessitate quick policy updates, system changes, and resource training.

Samvedna's strategy includes maintaining a regulatory watch function and building the flexibility to adjust products and processes swiftly.

- c) **Credit Risk:** Microfinance borrowers are often more vulnerable to economic shocks, such as:

- Crop failures, natural disasters, or health crises
- Seasonal unemployment and cash flow disruptions
- Regional socio-political disturbances

These factors can lead to higher delinquency rates if not managed proactively. Samvedna is investing in technology-enabled early warning systems, strong field monitoring, and risk diversification to safeguard asset quality.

- d) **Operational Costs:** Serving rural and semi-urban customers involves significant on-ground operations:

- Recruiting and training of field employee
- Travel and logistics to remote villages
- Group meetings, financial literacy sessions, and compliance documentation

While technology will reduce costs over time, maintaining high-touch customer engagement—a hallmark of microfinance—remains cost-intensive in the short term.

- e) **Technology Investment:** To compete effectively and scale sustainably, substantial investment in technology is essential:

- Digital loan origination and disbursement platforms
- Mobile applications for field employees and customer self-service
- Data analytics, credit scoring, and risk management systems
- Cybersecurity and data protection measures

Such investments require upfront capital and skilled manpower, which can put pressure on early-stage financials but are crucial for long-term competitiveness. Samvedna will have technology first approach, adoption of latest and cost-effective technology available in the market will always be on its priority.

Business Strategy & Outlook

Short-term Strategy (FY 2025-26)

- a) **Obtain necessary regulatory approvals and licenses** - Samvedna already got license to act as an NBFC-MFI as of July 29th, 2025 to be full-fledged regulated entity. In side

by side, we will ensure all operational policies, credit processes, and compliance frameworks align with RBI guidelines are in place. Informing district administration and local police will also be our strategic priority to run smooth business in our area of operations. Maintain proactive communication with regulators to ensure readiness for regulatory compliance will also be in our priority list.

- **Complete technology platform implementation-** Adopting suitable technology will be part of our short-term strategy. Following is the key objective to achieve to put right technology in place - Roll out a fully integrated Loan Management System (LMS) with modules for loan origination, KYC, disbursement, collections, and reporting.
 - Deploy mobile applications for field employees to enable real-time customer on-boarding, loan servicing, and portfolio monitoring.
 - Integrate with digital payment channels for 100% cashless transactions.
 - Establish data security protocols in line with industry best practices.
- b) **Recruit and train field employees** – Being a human intensive industry, microfinance sector required lot of time and effort to build mission aligned team. In strategy towards people, we at Samvedna decided to have “built over buy” strategy. This mean Samvedna will hire new candidate from the local job market and trained them to a level where they imbibe Samvedna vision and mission and learn the business by heart. Another objective of this strategy is to provide employment to unemployed youth in rural job market which is another impact area for rural economy. Following are the key priority areas to build such team -
- Hire fresher locally connected Credit Officers, and a bit experienced Branch Managers, Area Managers and Regional Manager. Initially we need few experienced supervisors who can act as good mentor for the newly recruited Credit Officers.
 - Implement a structured induction and training program covering microfinance methodology, customer engagement, compliance, and digital tools.
 - Assign mentorship roles to early hires to build a strong internal culture from inception.
 - Ensure continuous capacity building through refresher courses and field simulations.
- c) **Grow operations under the BC partnership** – The company will build the off-book portfolio with following objective -
- Leverage Business Correspondent (BC) partnerships with established NBFC and Small Finance Bank to build operational scale without immediate balance sheet exposure.
 - Use the BC phase to refine credit assessment models, collection processes, and field operations.
 - Maintain a hybrid approach initially, combining BC operations and on-book lending to ensure diversification of liquidity source for business growth.
- d) **Increase capital base to scale up the operations** – The company will keep following in mind while raising capital in initial phase -
- Raise additional equity capital from existing investors and potential institutional investors to fund branch expansion and technology investments.

- Position Samvedna as an impact-driven, technology-enabled MFI to attract impact funds and ESG-focused investors.
 - Maintain a healthy capital adequacy ratio in preparation for debt fund mobilization.
- e) ***Establish relationship and partnership with Banks and NBFC*** – To run an efficient business, leveraging equity fund is an important ingredient of a successful funding strategy. On this front Samvedna will take following steps in a short run -
- Build strategic relationships with commercial banks, small finance banks, and larger NBFCs for term loans, NCDs, co-lending and securitization deals.
 - Develop a credible track record through disciplined repayment and portfolio quality management.
 - Explore blended finance models combining concessional and commercial debt for cost efficiency.
 - Strengthen credit rating and due diligence readiness to ensure smooth access to debt markets.

FY 2025–26 will be a year of capacity building, technology deployment, and operational stabilization. By focusing on regulatory compliance, strong human capital, a scalable technology backbone, and diversified funding, Samvedna will be ready to enter a high-growth phase from FY 2026–27 onward.

Medium-term Strategy (FY 2026-28)

The medium-term phase will focus on scaling Samvedna Microfinance from a stable operational base into a competitive, profitable, and well-recognized player in the microfinance industry. By FY 2026–28, we aim to strengthen our geographic reach, product depth, and market credibility while maintaining disciplined governance and portfolio quality.

- a) ***Scale operations across Uttar Pradesh*** – Second phase of Samvedna strategy will be growth strategy in which following steps will be taken -
- Leverage insights from the first year of operations to rapidly expand branch and field networks across high-potential and less penetrated districts of Uttar Pradesh and Bihar.
 - Target both densely populated rural areas and fast-growing semi-urban clusters to diversify the customer base.
 - Standardize branch rollout procedures to ensure operational consistency and cost efficiency.
 - Optimize coverage to reduce operational overlaps and improve loan officer productivity.
- b) ***Expand product portfolio***
- Introduce new financial products beyond group loans, such as:
 - ✓ Individual enterprise loans for established micro-entrepreneurs
 - ✓ Asset purchase loans for income-generating equipment
 - ✓ Education, sanitation, green energy, and emergency loans tailored to household needs

- ✓ Loan for petty traders for urban street vendors
- Bundle value-added services like customer education, financial literacy and products that supports health related issue of the customers.
- Use customer feedback and data analytics to design segment-specific offerings that improve customer retention and lifetime value.
- c) ***Achieve operational profitability*** – In this phase of our growth strategy company will also work on long term sustainability of the company. It will work on creating corpus to absorb any unforeseen business shocks. Following action will be taken to achieve this objective.
 - Drive cost-to-income ratio reduction through economies of scale and process efficiencies.
 - Maintain portfolio quality benchmarks (PAR90 < 3%) to minimize provisioning expenses.
 - Optimize employee productivity and branch-level profitability.
 - Achieve break-even and transition into sustainable profit generation, and ploughing back profit to business growth.
- d) ***Build brand recognition and market presence*** – Samvedna seeks to be recognized as a process-driven brand. In medium term, aims to establish Samvedna as most trusted brand in Microfinance Industry. To achieve this objective following are the medium-term priorities -
 - Position Samvedna as a trusted and socially impactful MFI in rural and semi-urban markets.
 - Invest in community engagement programs, borrower success stories, and CSR activities to build goodwill.
 - Enhance visibility through local marketing and presence in national and international industry forums.
 - Strengthen digital presence to connect with a wider audience and improve employee recruitment and access to capital.
- e) ***Explore strategic partnerships*** – In this phase the company will aggressively look for the meaningful partnership which will help Samvedna's social and financial mission, few thoughtful partnerships may be as under -
 - Collaborate with banks, fintech, insurance providers, and rural value chain players to enhance product bouquet.
 - Pursue co-lending and portfolio buyout opportunities to expand lending capacity without over-leveraging.
 - Partner with government agencies and RBI for financial literacy and social forestry, reinforcing Samvedna's social mission.
 - Engage with impact investors for funding linked to measurable social outcomes.

The medium-term focus will be on **profitable scaling, product diversification, and brand building** while fostering long-term customer relationships. By the end of FY 2028, Samvedna

aims to be a **recognized, profitable, and socially impactful MFI** with a robust operational footprint in Uttar Pradesh, Bihar, and strong readiness for inter-state expansion.

Long-term Vision (FY 2028 onwards)

By FY 2028 and beyond, Samvedna Microfinance aims to transition from being a regional microfinance player to a leading national financial services institution. Our vision balances social impact with sustainable profitability, leveraging technology, diversified offerings, and geographic reach to maximize value for customers, investors, and communities.

- a) ***Multi-state presence*** – In the medium to long term, Samvedna will have its multi-state presence, positioning itself as a national MFI. The following steps will be taken to make this vision a reality:
 - Expand beyond Uttar Pradesh and Bihar into key underserved states such as Jharkhand, Chhattisgarh, and Madhya Pradesh.
 - Establish Zones in strategic locations to enable cost-effective service delivery across multiple states.
 - Develop a standardized branch setup and operational guidelines to ensure seamless replication of the model across geographies.
 - Maintain strong local community engagement to ensure high customer trust and portfolio quality.
- b) ***Diversified financial services offering*** – Once JLG loan process stabilizes, the company will also venture into other products, based on the emerged need of the customers. Company has vision to move beyond JLG loans to become a comprehensive financial services provider for low and middle-income households. We will offer a full suite of products that includes Microenterprise and SME loans, affordable housing loan, gold loans and secured lending options, credit linked insurance, integrate financial literacy and advisory services to improve customer decision-making and economic resilience. To do this, the Company will venture into partnerships with fin-tech, financial institutions, and insurance companies.
- c) ***Technology leadership in the sector*** – Samvedna will match up with latest available technology in the market. It will ensure that the customer journey is digitized throughout. Samvedna team has visualized following technology intervention in medium to long term -
 - Process automation and use of AI to generate data intelligence for field and senior management team includes:
 - AI-driven credit scoring models for precise risk assessment
 - Predictive analytics for delinquency prevention and portfolio optimization
 - End-to-end digital loan journeys for speed and transparency
 - Automation of Internal Audit process and risk analysis using AI
 - AI enabled HR process for assessing employee performance and behaviour
 - Build proprietary data intelligence capabilities to generate customer insights that drive product innovation and operational efficiency.
 - Ensure cybersecurity excellence to protect customer data and maintain trust.

- d) ***Strong financial performance and market position*** – We want to see Samvedna as a unique service provider by having differentiated delivery approach. We believe, to generate a quality business, basic science of microfinance must be followed in both letter and spirit. If it is done then it will help in -
- Achieving a large and high-quality loan book with sustained growth and low delinquency ratios.
 - Maintain strong capital adequacy and a balanced mix of equity and debt funding.
 - Establish Samvedna as a benchmark for governance, compliance, and social impact.
- e) ***Build Institutional capability*** -
- Build operational, financial, and governance standards to become efficient, cost effective, highly compliant, and well managed entity.
 - Develop a robust IT infrastructure and strengthen risk management systems in preparation of scaling up the business.
 - Enhance brand credibility to provide liquidity for early investors.
 - Maintain a track record of transparency, profitability, and impact to attract institutional investors.

Samvedna's long-term vision is to evolve into a multi-state, diversified, technology-led financial services institution, delivering both impact and shareholder value and recognized as a leader in both scale and social impact in India's financial inclusion landscape.

Risk Management

1. Credit Risk Management

In microfinance, credit risk is the single largest determinant of long-term sustainability and profitability. At Samvedna Microfinance, we adopt a proactive, data-driven, and field-intensive approach to identify, measure, and mitigate credit risk at every stage of the lending and monitoring process. Our framework is designed to balance financial growth with portfolio quality while safeguarding customer relationships.

- a) ***Robust credit assessment processes*** – Good portfolio quality is high priority area for Samvedna, therefore entire business processes are focused and quality checked and controlled at each level, this includes -
- Use a multi-layered screening process that includes KYC verification, credit bureau checks, and in-person household assessments.
 - Deploy field-based credit officers trained to assess repayment capacity, cash flow patterns, and borrower intent.
 - Leverage data analytics and credit scoring models to strengthen decision-making, especially in first-time borrower segments.
 - Implement a dual-approval system for higher-value loans to ensure oversight and reduce subjectivity.
- b) ***Diversified portfolio strategy*** – Portfolio diversification is one of the important credit risk mitigation strategies. Samvedna will use the following strategy to diversify its portfolio risk -

- Avoid concentration risk by spreading exposure across geographies, customer segments, and loan products.
 - Maintain a healthy balance between group loans and individual loans, reducing dependence on any single segment.
 - Use sectoral exposure limits to avoid overexposure to high-risk activities or seasonal industries.
 - Expand into multiple states and districts over time to mitigate region-specific risks such as flood, heat, political disturbance, or local disruptions.
- c) ***Regular monitoring and early warning systems-*** Microfinance is a human intensive business, and lot of people involve in the business process. To establish a good control environment within the company, putting right monitoring system in place is important. Samvedna will put in place strong monitoring system by -
- Implementing real-time portfolio monitoring dashboards for branch managers, operation supervisors, and risk teams.
 - Use technology-enabled early warning systems to detect repayment delays, sudden borrower distress, or cluster-level defaults.
 - Conduct periodic field visits, center meetings, and portfolio audits to verify borrower engagement and loan utilization.
 - Train field employees to recognize early distress signals such as missed meetings, sudden migration, or reduced group participation.

2. Operational Risk Management

Operational risks arose from internal processes, people, systems, and external events that can disrupt business activities. For a microfinance institution like Samvedna, managing operational risk is critical to maintain service quality, regulatory compliance, and customer trust. Our approach integrates robust controls, technology safeguards, and contingency planning to ensure business resilience.

a) Strong internal controls and audit systems

Samvedna adopt three layered internal control system – first layer applied at business origination such as customer selection, customers training and loan underwriting, in the second layer close monitoring by the field supervisors such as Area Manager, Divisional Manager, Regional Manager and Zonal Manager. In third layer control is ensured by the internal audit team. The given structure along with following system and process ensures the quality control system within Samvedna -

- Maintain documented policies and SOPs for every core function, including loan origination, disbursement, collections, and reporting.
- Conduct regular internal audits covering business process – Client selection, CGT, GRT, Loan utilisation check, Loan repayment etc., customer files, and loan documentation procedures.
- Implement maker-checker controls to reduce the risk of errors or fraud.
- Use audit findings to drive corrective actions, process improvements, and employee training and development.

- Regular risk assessment to track and resolve operational vulnerabilities.

b) Technology risk management

To manage the technology risk, company will ensure following -

- Protected digital platforms from cyber threats, data breaches, and system outages.
- Deploy multi-layer security protocols, including encryption, multi-factor authentication, and role-based access control.
- Maintain regular data backups and secure cloud storage for business continuity.
- Conduct vulnerability assessments and penetration testing to identify and fix system weaknesses.
- Ensure vendor and third-party IT providers meet stringent security standards.

c) Business continuity planning

Company is in the process of developing a robust business continuity plan (BCP) and Disaster Recovery Plan (DRP) to ensure minimal disruption during crises. The BCP will ensure identification of critical functions and backup resources (employees, systems, and facilities) availability. Having contingency arrangements for events like natural disasters, political unrest, or pandemics will be part of BCP.

BCP will also include periodic simulation exercises to test readiness and response times and building operational flexibility, including the ability to work from alternate locations or shift to digital channels during disruptions.

d) Compliance monitoring

Company is committed to adhere to all the statutory compliance without fail, to do that it maintains a compliance calendar to track all RBI, MCA, tax, and other statutory requirements. Company will also appoint a compliance officer to oversee adherence to regulatory guidelines and company policies.

Management presents quarterly compliance status to the Board of Directors which captures compliance due date against which date of compliance is marked.

Samvedna's operational risk management framework is preventive, proactive, and adaptive. By combining strong internal controls, secure technology systems, tested continuity plans, and rigorous compliance oversight, we aim to minimize operational disruptions and protect both our customers and stakeholders.

Board of Directors

Mr. Praveen Kumar Agrawal

Independent Director

DIN: 08064084

Mr. Praveen Kumar Agrawal has banking and Non-Banking Finance Company experience in India. Given his immense experience he will be able to provide strategic direction to the

company in areas of investor and funder management, setting good governance and board proceedings.

Mr. Punit Jain

Independent Director

DIN: 07325636

Mr. Punit Jain has wide and deep experience in IT Industry. He will be a good guide in setting up robust, most effective, and updated IT infrastructure in the company. Mr. Jain will guide the board and management on the technology matters.

Mr. Trilok Nath Shukla

Director

DIN: 00473897

Mr. Trilok Nath Shukla brings extensive experience in the financial services sector. His leadership and strategic vision have been instrumental in establishing the foundation of Samvedna Microfinance. He is responsible for overall strategic direction, business development, and stakeholder management.

Key Responsibilities:

- a) Operations management
- b) Risk management and credit policies
- c) Human resources and team building
- d) Market expansion and partnerships

Mr. Akhilesh Kumar Singh

Director

DIN: 06464266

Mr. Akhilesh Kumar Singh has significant expertise in operations, finance, technology, and risk management. He oversees the Financial and Regulatory aspects of the business and is responsible for accounting and financial management, building the company's technology infrastructure and risk management systems.

Key Responsibilities:

- a) Strategic planning and business development
- b) Investor relations and fund raising
- c) Regulatory compliance and governance
- d) Technology and Process optimization

Board Committees

Given the early stage of operations, the Board is working towards establishing committees to strengthen governance and comply with statutory direction. Planned committees include:

1. Audit Committee
2. Risk Management Committee
3. Nomination and Remuneration Committee

CORPORATE GOVERNANCE

Governance Philosophy

Samvedna Microfinance is committed to maintain the highest standards of corporate governance. Our governance framework is built on the principles of transparency, accountability, fairness, and responsibility. We believe that strong governance is essential for sustainable business growth and stakeholder value creation.

Key Governance Principles

Board Effectiveness: Independent and experienced board members

Transparency: Regular and comprehensive disclosure of information

Accountability: Clear roles and responsibilities

Risk Management: Robust risk management framework

Compliance: Adherence to all regulatory requirements

Governance Structure

Samvedna Microfinance is committed to maintain the highest standards of governance, ensuring transparency, accountability, and ethical conduct in all its operations. Our governance framework is designed to balance strategic oversight, operational efficiency, and independent assurance, with clear roles and responsibilities across the Board of Directors, Management Team, and External Auditors.

1. Board of Directors

The Board serves as the apex governing body, providing strategic guidance, and ensuring long-term sustainability.

- **Oversight of Strategy and Performance:** The Board sets the company's strategic direction, reviews annual business plans, and monitors execution against agreed targets.
- **Risk Management and Compliance:** It ensures that robust systems are in place to identify, assess, and mitigate risks, while maintaining full compliance with regulatory requirements.
- **Stakeholder Interests Protection:** The Board safeguards the interests of shareholders, employees, customers, and lenders by promoting fair, transparent, and responsible decision-making.
- **Corporate Policies Approval:** All major policies — including credit, audit, HR, compliance, and governance policies — are reviewed and approved by the Board to ensure alignment with the company's vision and regulatory standards.

2. Management Team

The Management Team, led by the Managing Director and senior executives, is responsible for execution and operational leadership.

- **Implementation of Board Decisions:** Ensures timely and effective execution of strategies, policies, and directives issued by the Board.

- **Day-to-Day Operations Management:** Oversees loan origination, disbursement, collections, branch network, technology systems, and customer services.
- **Performance Monitoring and Reporting:** Tracks operational and financial performance through defined KPIs and reports regularly to the Board.
- **Compliance Execution:** Embeds regulatory and internal compliance requirements into daily operations, ensuring adherence to laws and policies at all levels.

3. External Auditors

External auditors act as independent reviewers, ensuring credibility and objectivity in reporting and governance.

- **Independent Audit of Financial Statements:** Provide assurance on the accuracy, fairness, and reliability of the company's financial reporting.
 - **Internal Control Assessment:** Evaluate the adequacy and effectiveness of internal financial and operational controls.
 - **Compliance Verification:** Review adherence to all applicable regulations, statutory filings, and internal compliance policies.
- Risk Management Review:** Highlight potential vulnerabilities and recommend improvements to strengthen governance and risk oversight.

The governance structure at Samvedna is built on the principles of checks and balances. The Board sets the direction, the Management Team drives execution, and External Auditors provide independent assurance. Together, this structure creates a strong foundation for sustainable growth, stakeholder confidence, and regulatory compliance.

Compliance Framework

At Samvedna Microfinance, compliance is treated as a core pillar of governance rather than a routine obligation. We follow a structured compliance framework to ensure full adherence to applicable laws, safeguard the company from regulatory risks, and build trust with stakeholders.

1. Regulatory Compliance

a) Companies Act, 2013 compliance

- Ensure timely filing of statutory returns and annual reports with the Registrar of Companies (ROC).
- Maintain statutory registers, minutes of board and shareholder meetings, and disclosures in accordance with the Act.
- Follow due process for share issuance, capital increases, and corporate restructuring, ensuring transparency in shareholder communication.
- Adhere to corporate governance standards prescribed under the Act, including director responsibilities, related-party transactions, and board composition norms.

b) Income Tax and GST regulations

- Ensure accurate computation and timely payment of corporate income tax, TDS, and advance tax liabilities.
- Maintain full compliance with GST registration, input tax credit claims, and monthly/annual returns.

- Conduct tax audits and reconciliations to minimize the risk of disputes or penalties.
- Monitor changes in direct and indirect tax regulations, adapting financial and operational practices accordingly.
- Ensure proper documentation and reporting for investor equity inflows and other tax-sensitive transactions.

c) Labour law compliance

- Adhere to labour laws and regulations including Payment of Wages Act, Minimum Wages Act, Provident Fund (PF), Employees' State Insurance (ESI), and Gratuity provisions.
- Ensure fair employment practices covering recruitment, equal opportunity, workplace safety, and prevention of discrimination or harassment.
- Maintain accurate employee records and ensure timely remittances of statutory contributions (PF, ESI, Professional Tax, etc.).
- Conduct periodic compliance audits of HR and payroll processes to ensure consistency with statutory requirements.
- Provide ongoing training for HR and branch managers to ensure awareness of evolving labour laws.



FINANCIAL STATEMENTS**BALANCE SHEET AS AT 31ST MARCH, 2025***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note No.	As At 31st March, 2025	As At 31st March, 2024
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	823.20	-
(b) Reserves and Surplus	3	(43.12)	-
(c) Money Received Against Share Warrants		-	-
(d) Share Premium		523.20	-
(2) Share Application Money Pending Allotment	4	284.50	-
(3) Non-Current Liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax Liabilities (Net)	7A	0.01	-
(c) Other Long-Term Liabilities		-	-
(d) Long-Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	5	2.73	-
(c) Other Current Liabilities	6	8.16	-
(d) Short-term provisions		-	-
Total		1,598.68	-
II. ASSETS			
(1) Non-Current Assets			
(a) (i) Property, Plant and Equipment	7	2.86	-
(ii) Tangible Assets		-	-
(iii) Capital Work-in-progress		-	-
(iv) Intangible Assets Under Development		-	-
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long-term Loans and Advances		-	-
(e) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade Receivables	8	4.57	-

(d) Cash and Bank Balances	9	1,568.10	-
(e) Short Term Loans and Advances	10	1.34	-
(f) Other Current Assets	11	21.80	-
Total		1,598.68	-

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note No.	As At 31st March, 2025	As At 31st March, 2024
INCOME			
Revenue From Operations	12	8.37	-
Other Income	13	14.10	-
Total Revenue		22.47	-
EXPENDITURE			
Employee Benefits Expense	14	33.63	-
Depreciation & Amortization Expenses	7	0.15	-
Operating & General Expenses	15	31.79	-
Total Expenses		65.58	-
PROFIT BEFORE TAX		(43.11)	-
Tax Expense			
Current Tax		-	-
Tax Related to Earlier Year		-	-
Deferred Tax		0.01	-
PROFIT/(LOSS) FOR THE PERIOD		(43.12)	-
Earning Per Equity Share			
(1) Basic		(0.52)	-
(2) Diluted		(0.52)	-

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note	Amount (Rs.) 2025	Amount (Rs.) 2024
Cash Flow from Operating Activities			
Profit before tax		(43.11)	-
Adjustment for:			
Depreciation & Amortization expense		0.15	-
Operating Profit Before Working Capital Change		(42.96)	-

Changes in working capital			
Increase/Decrease in Inventories		-	-
Decrease in Short term Loans & Advances		(1.34)	-
Increase/Decrease in Trade & Other receivables		(4.57)	-
Increase/Decrease in Other Current Liabilities		8.16	-
Increase/Decrease in Trade Payables & Other		2.73	-
Increase/Decrease in Other Current Assets		(21.80)	-
Cash generated from Operation		(16.83)	-
Increase/Decrease in Provision		-	-
Current Tax Liabilities		-	-
Net Cash from Operating Activity	(A)	(59.78)	-
Investing activity			
Purchase of Fixed Assets		(3.01)	-
Net Cash from Investing Activity	(B)	(3.01)	-
Financing Activities			
Proceed from issuance of Shares Capitals		823.20	-
Share Premium		523.20	-
Share Application Money		284.50	-
Net Cash from Financing Activity	(C)	1,630.90	-
Net (Increase /(Decrease) in(A, B & C) in Cash & Cash			
Equivalents		1,568.10	-
Opening Cash & Cash Equivalents		-	-
Closing Cash & Cash Equivalents		1,568.10	-

NOTES TO FINANCIAL STATEMENTS

1.SHARE CAPITAL

Particulars	No. Of Shares	As At 31st March, 2025 Value (Rs.)	No. Of Shares	As At 31st March, 2024 Value (Rs.)
AUTHORIZED CAPITAL				
1,00,00,000 (Previous year Nil) Equity Shares of Rs.10/- each	1,00,00,000	10,00,00,000	-	-
	1,00,00,000	10,00,00,000	-	-
ISSUED & SUBSCRIBED CAPITAL				
82,32,000 (Previous year Nil) Equity Shares of Rs.10/- each	82,32,000	8,23,20,000	-	-
	82,32,000	8,23,20,000	-	-
FULLY PAID-UP CAPITAL				
82,32,000 (Previous year Nil) Equity Shares of Rs.10/- each	82,32,000	8,23,20,000	-	-
Total	82,32,000	8,23,20,000	-	-

2. RESERVES AND SURPLUS

Particulars	As At 31st March, 2025	As At 31st March, 2024
Profit & Loss Account		
Opening Balance	-	-
Profit/(loss) during the year	(43.12)	-
Closing Balance	(43.12)	-

3. SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

Particulars	As At 31st March, 2025	As At 31st March, 2024
Money pending for allotment – Individuals	284.50	-
Total	284.50	-

SIGNIFICANT ACCOUNTING POLICIES

(a) Background

SAMVEDNA MICROFINANCE PRIVATE LIMITED ('the Company') was incorporated on 04th November, 2024 as a private limited company under the provisions of the Companies Act,

2013. The CIN of the Company is U64990UP2024PTC211415. The registered office of the Company is situated at A-1, Sector 59, Noida, Gautam Buddha Nagar, Uttar Pradesh 201301 India.

The company is engaged in the business as a business correspondent / intermediary / partner and to adopt various business models for service delivery based on end-client requirements. It specialises in micro financing through self-help group and joint liability group, after financial services such as loans, other third-party products to underserved sections of society. The focus is primarily on economically weaker sections, small entrepreneurs, and low-income individuals who lack access to traditional banking under non-banking financial services

(b) Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with generally accepted accounting principles in India ('Indian GAAP') under the historical cost convention on an accrual basis in compliance with all material aspect of the Accounting Standard ('AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of Companies (Accounts) Rules, 2014 as amended from time to time and the provisions of the Companies Act, 2013 to the extent applicable. The accounting policies have been consistently applied by the Company, and are consistent with those used in the previous year, unless otherwise mentioned in the notes. Based on the nature of products/services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities, as per the guidance set out in the Schedule III to the Companies Act, 2013.

(c) Presentation and Disclosure of Financial Statements

The financial statements have been prepared on the basis of Schedule III of the Companies Act, 2013, as applicable on the Company, for preparation and presentation of financial statements.

(d) Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities during the reporting period of financial statements. Examples of estimates include useful life of fixed assets, retirement benefits, and provision for doubtful receivables and loans and advances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in the period in which such revisions are made.

(e) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any cost, attributable to bringing the asset to its working condition for its intended use. Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the

cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization.

(f) Depreciation and Amortization

a. Depreciation on fixed assets is provided on economic useful life of the Assets in the manner specified in the Schedule I of the Companies Act, 2013.

b. Depreciation on Fixed Assets are provided at the following rates based on estimated useful life as per the Act.

c. Depreciation on the fixed assets added / disposed off/ discarded during the year has been provided on pro-rata basis with reference to the date of addition/ disposition/ discardation.

(g) Impairment of Fixed Assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceed its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year, in which an asset is identified as impaired. When there is indication that an impairment loss recognized for an assets earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

(h) Borrowing Costs

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such asset is ready for its intended use. All other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Foreign currency monetary items are reported using closing rate of exchange at the end of the year. The resulting exchange gain/loss is reflected in the Statement of Profit and Loss. Other non-monetary items, like fixed assets, investments in equity shares, are carried in terms of historical cost using the exchange rate at the date of transaction. Any Premium/discount arising at the inception of a forward exchange contract is recognized as income/expenses over the contracts, except where the contract is designated as a cash flow hedge. Any Profit/Loss on cancellation/renewal of forward exchange contract is recognized as income/expense for the year.

(j) Investments

Investments that are readily disposable and are intended to be held for a period of less than a year are considered as 'Current', and other investments are termed as 'Non-Current' or 'Long-Term'. Current Investments are stated at the lower of cost or fair value, determined by category of investment. Non-Current Investments are stated at cost after deducting provision, if any, made for decline, other than temporary in the value.

(k) Government Grants

Government Grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Statement of Profit and Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other capital grants are credited to capital reserve.

(l) Revenue Recognition

Revenue is recognized when significant risks and rewards of the goods and services have been transferred to the buyer and when it is probable that the economic benefits flows to the Company and revenue can be reliably measured. Dividend from investments is recognized in the Statement of Profit and Loss, when the right to receive payment is established. Interest income is recognized on a time proportion basis taking into account the amount outstanding and applicable interest rate.

(m) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized in respect of liabilities which can be measured only by using a substantial degree of estimates when: a) the company has a present obligation as a result of a past event; b) a probable outflow of resources embodying economic benefits will be required to settle the obligation; and c) the amount of the obligation can be reliably estimated. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received. Contingent liability is disclosed in the case of: a) a present obligation arising from a past event, when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; b) a possible obligation, that arises out of past events and the existence of which will be confirmed only by one or more uncertain future events unless the probability of outflow of resources is remote. Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

(n) Cash & Cash Equivalents

Cash and period Cash of Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original per the company act 2013, than the three Cash months and short term highly liquid investments with an original maturity of three months or less. However, flow statement is prepared and included in Financial Statements, subject to certain exemption specified in the Act.

(o) Inventory

The cost of inventories should comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their location and condition. Inventories are valued at cost or net realizable value, whichever is lower.

(p) Earnings Per Share

1. Basic earnings of equity per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average for events of bonus shares issue, outstanding a share split during the period. The weighted average numbers of equity shares outstanding during the period are adjusted and share warrants conversion.

Diluted of shares earnings outstanding per share during is the calculated period by adjusting net profit or loss for the period attributable to equity shareholders and the weighted number for the effect of all dilutive potential equity shares.

2. In the opinion of the Board of Directors and to the best of their knowledge and belief, the aggregate value of current assets and loan & advances in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.

3. The management majority of the Company's business is conducted within the geographical boundaries of India. In view of the above, in the opinion of the similar risks and based on the organizational and internal reporting structure, the company's business activities as described above are subject to environment and returns. Further, since the business activities undertaken by the company are within India, in the opinion of the management, the business to operate from single geographical segment. Consequently, the company's business activities primarily represent a single geographical segment.

4. As per information available with the company, the trade payables do not include any amount due to Micro, Small and Medium Enterprises registered under "The Micro, Small and Medium Enterprises Development Act 2006" as at 31.03.2025 (previous year nil).

5. There is no contingent liability as on 31st March, 2025 (previous year nil).

6. AS 18: Related Party Disclosures

In accordance with the accounting standard on Related Party Disclosures (AS 18), the disclosures regarding related parties and the transactions, certified by the management are as follows:

(a) Nature of related parties and description of relationship:

Key Managerial Personnel:

1. Mr. Trilok Nath Shukla
2. Mr. Akhilesh Singh

(b) Summary of significant related parties transactions carried out in ordinary course of business are as under:

(Rs. In Lakhs)

Particulars	Detail of Transactions	01.04.2024 to 31.03.2025
Trilok Nath Shukla (Director)	Salary	10.13
Akhilesh Kumar Singh (Director)	Salary	2.86
Anang Shandilya (Shareholder)	Professional Fee	3.06
Puneet Kumar Jain (Director)	Director Sitting Fees	0.30
Praveen Kumar Agarwal (Director)	Director Sitting Fees	0.30
Synegiss Events & Marketing Pvt. Ltd (Shareholder)	Tour & Travel Expense	0.25

(i) Related Party relationship is as identified by the company and relied upon by the auditors.

(ii) No amount has been provided as doubtful debts as advance/written off or written back in the year in respect of debts due from or to above related

7. Payment to the Auditors (Rs. In Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
	Amount (₹)	Amount (₹)
As an Auditor	0.50	
For other matters	0.25	-
	0.75	-

INDEPENDENT AUDITOR'S REPORT

To the Members of **SAMVEDNA MICROFINANCE PRIVATE LIMITED**

Opinion

We have audited the financial statements of **SAMVEDNA MICROFINANCE PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2025, and the statement of Profit and Loss and cash flows for the period 01st April 2024 to 31st March 2025, and notes to the financial statements, including 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the company as at March 31, 2025
- b) In the case of the Profit and Loss Account, of the profit for the period 01st April 2024 to 31st March 2025 and
- c) In the case of cash flow statement, for the cash flows for the period 01st April 2024 to 31st March 2025
- d) And the changes in equity for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Accounting Standards (AS) 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
	Nil	Nil

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 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 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 the 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 (AS) 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 of 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.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 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 books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) 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 31st March, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide Notification No. G.S.R. 583(E) dated 13th June, 2017 issued by the Ministry of Corporate Affairs, Government of India;
 - g) Since the Company is a private limited company hence the provisions relating to limits on payment of remuneration to its directors as laid down under Section 197 read with Schedule V to the Act is not applicable.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would 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.

- 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 it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities ("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, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and
(c) Based on such 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 mis-statement.
- v. No dividend has been declared or paid during the year by the company.
- vi. Based on our examination, the company has used an accounting software for maintaining of its books of account which does not have the feature of recording audit trail (edit log) facility in terms of the Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014.

Place: Gurgaon
Date: 28.04.2025

For Nitesh Kumar and Associates
Chartered Accountants
FRN: 0029547N
Nitesh Kumar
(Proprietor)
Membership No. 538556
UDIN:25538556BMMJPD1735



FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements that involve risks and uncertainties. When used in this document, the words "believe," "expect," "anticipate," "estimate," "intend," "will," "should," and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our expectations.

Risk Factors:

- a) Regulatory changes in the microfinance sector
- b) Economic conditions affecting target customers
- c) Competition from established players
- d) Technology implementation challenges
- e) Credit risk and asset quality concerns

ACKNOWLEDGMENTS

The Board of Directors acknowledges the support and cooperation of all stakeholders including:

- a) Investors for their confidence and financial support
- b) Regulatory authorities for their guidance
- c) Team members for their dedication and commitment
- d) Auditors and advisors for their professional services
- e) Banking partners for their support





Contact Information:
Registered Office:
A-1, Sector 59, NOIDA
Gautam Buddha Nagar
Uttar Pradesh, India - 201301
Email: trilok@samvednamfi.com
Phone: +91-9889752222