

Nightingale Finvest Private Limited

Reg. Office- H.No-85, D.R. Pathak Bhawan, Natun Sarania, Chandmari,
Guwahati-781003

Corr. Office- Second Floor, Chakradhar Villa, R.G. Baruah Road, Opp. All
India Radio, Krishna Nagar Chandmari, Guwahati-781003, Assam.

Valid from: November 08, 2024

Valid to: November 07, 2025

Grading Type	Amount	Grading Assigned
MFI Grading	Not Applicable	MFI 2

IAR MFI Grading	Definition
MFI 1	Highest capacity of the MFI to manage its operations in a sustainable manner.
MFI 2	High capacity of the MFI to manage its operations in a sustainable manner.
MFI 3	Good capacity of the MFI to manage its operations in a sustainable manner.
MFI 4	Above Average capacity of the MFI to manage its operations in a sustainable manner.
MFI 5	Average capacity of the MFI to manage its operations in a sustainable manner.
MFI 6	Below Average capacity of the MFI to manage its operations in a sustainable manner.
MFI 7	Weak capacity of the MFI to manage its operations in a sustainable manner.
MFI 8	Poor capacity of the MFI to manage its operations in a sustainable manner.

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General Information

Name of the MFI	Nightingale Finvest Private Limited	
Registered Office/ Corporate Office	H.No-85, D.R. Pathak Bhawan, Natun Sarania, Chandmari, Guwahati-781003.	
Correspondence Address	Second Floor, Chakradhar Villa, R.G. Baruah Road, Opp. All India Radio, Krishna Nagar Chandmari, Guwahati-781003, Assam.	
Date of Incorporation	November 13, 1987	
Date of Commencement of Microfinance Business	March 01, 2011	
CIN	U65999AS1987PTC010830	
Group	NA	
Legal Status	Non-Banking Finance Company (NBFC-MFI)	
RBI Classification	Registered as a NBFC-MFI under RBI Act.	
Lending Model	Joint Lending Group (JLG) & Individual Loan	
Geographical Reach as on September 30, 2024	No. of States	4
	No. of Districts	24
	No. of Branches	52
	No. of Active Borrowers	53276
	No. of Total Employees	218
	No. of Credit Officers	136
Managing Director	Mr. Mantu Nath Sarma	
Statutory Auditor	Ankit Jallan & Co.	
Net worth (Rs. Crore)	Rs.20.74 crore as on March 31, 2024	

Brief Profile of the Organization

- Nightingale Finvest Private Limited (here in after referred to as “NFPL”) is an NBFC and RBI issued Certificate of Registration to it as NBFC MFI bearing COR No. B.08.00184. Prior to year 2011, microfinance activities were carried out in the name of Nightingale Charitable Society which was formed on 2nd October 1997 under Societies Registration Act 1860 at Guwahati. Eventually the management of the Nightingale Charitable Society had taken over the management of a Company (NBFC) namely Aninda Investments and Finance Private Ltd which was incorporated on 13.11.1987. Finally, the name of Aninda Investments and Finance Private Ltd has been changed as Nightingale Finvest Private Ltd on 07.12.2012. Micro credit is being provided only to poor and low-income group of the society to generate more income and raising living standard. The Company has been started by a very well experienced and knowledgeable professional with vast experience and complimentary skill set in financing of MSMEs and Microfinance.
- NFPL is a NBFC-MFI engaged in microfinance activities and mainly focus on providing financial and non-financial services to poor inhabitants in that region. The areas where NFPL operates are regions where some of the poorest people in India live and are largely unserved by formal and informal banking facilities. The regions were identified after conducting a market research survey.
- NFPL started its microfinance operations in the year 2011. It’s registered & corporate office was located at H.No-85, D.R. Pathak Bhawan, Natun Sarania, Chandmari, Guwahati-781003. Further the correspondence address was located at Second Floor, Chakradhar Villa, R.G. Baruah Road, Opp. All India Radio, Krishna Nagar Chandmari, Guwahati-781003, Assam
- Nightingale Finvest Private Limited works in JLG model only. The company will strengthen its Board and Senior Management by including more experienced professionals with experience in banking and financial services.
- Currently, the operations of the company are managed by Mr. Mantu Nath Sarma, (Managing Director) & Mr. Rukunuddin Ahmed– (Director) along with other four directors and a team of experienced personnel.
- NFPL is now working with 52 branches spread over 24 districts in four states, Assam, Meghalaya, Arunachal Pradesh and Mizoram, where they are providing services to more than 53276 clients.
- Beside direct lending, the company also entered into a partnership to work as a Business Correspondence (BC) with M/s Industrial Development Bank of India, M/s Avanti Finance Private Limited, M/s Reliance and M/s Northeastern Development Finance Corporation Limited

wherein NFPL manages the entire micro finance operation for designated areas on behalf of banks/FT's for a certain fee income.

- As on September 30, 2024, NFPL is managing a total outstanding loan portfolio of Rs.154.68 crore (it includes owned and managed portfolio).

Mission & Vision of Nightingale Finvest Private Limited

The **Mission Statement** of Nightingale Finvest Private Limited is “To economically empower the low-income segment, especially women by providing access to need based financial services in a cost-effective manner on a sustainable basis.”

The **Vision Statement** of Nightingale Finvest Private Limited is “We see Nightingale as the most trusted Microfinance brand in India, providing access to diverse financial services to one million families by 2025”

Promoters/Director's Details:

Name	Age	Designation In the board	Education Qualification	Brief Profile	Total Years of Experience	Experience in Micro finance
Mantu Nath Sarma	55 Years	Managing Director	M.com	Carrying out micro credit activities from the year 2004 in Nightingale Charitable Society in the capacity of Secretary General. Prior to association with the Society, he had worked in Chartered Accountant firm and acquired knowledge of accounts, audit and inspection of Companies. He is one of the members of Board of Directors of Nightingale Finvest Private Ltd and he is the Chief Executive Officer of the Company. The micro credit activities is being carried out by the Company from the year 2011. He had undergone 18 months training in micro finance imparted by Micro Save, Lucknow. He had also under gone training on micro finance activities as Hyderabad, IIBM, Lucknow. Imparted skill development training on different trades and activities from time to time to the clients of NCS and others sponsored by Govt. of India, Ministry of MSME and conducted by IIE, Guwahati. Having good knowledge on computer, MIS. Management of fund, planning and implementation.	19Years	19Years
Pratap Chakravarty	60 Years	Whole time Director	BA	Engaged in micro credit activities as Operation Manager in Nightingale Charitable Society from the year 2004. Prior to attached with NCS, he worked as Manager in reputed Hotel at Guwahati	19 Years	19 Years

				for about six years and acquired the knowledge of management and administration. He is the President of Nightingale Charitable Society and had undergone 18 months training on micro finance activities imparted by MicroSave. He has a good knowledge of operation of micro credit. He is one of the member of Board of Directors of Nightingale Finvest Private Ltd and carrying out micro credit activities from the year 2011.		
Rukunuddin Ahmed	57 Years	Wholetime Director	Diploma in Engineering	Engaged in Nightingale Charitable Society in the capacity of Treasurer from the year 1998. Carrying out micro finance activities from the year 2004 as a Finance Manager. He is arranging Skill Development Programmes at different places of Assam on different activities and trades. He is having good knowledge on management of fund. Prior to attached with NCS, he was a reputed contractor and acquired knowledge of management of staff. He is one of the member of Board of Directors of NightingaleFinvest Private Ltd. and carrying out the micro finance activities from the year 2011.	19 Years	19 Years
Olee Bora	58 Years	Nominee Director(NEDFi)	MBA	She is working in North Eastern Development Finance Corporation Ltd., Guwahati in different capacities and presently she is holding the post of Deputy General Manager. Her total service period in NEDFi is around 20 years. She is having experience in micro finance activities as NEDFi is providing fund to different Societies/NGOs/Companies for income	9 Years	9 Years

				generating activities.		
Ajay Vyas	62 Years	Independent Director	BE(Civil), Executive MBA	<p>"Mr. Ajay Vyas is an Independent Director inducted in the Board of Nightingale Finvest Pvt.Ltd. He is a qualified Civil Engineer and completed Executive MBA. He is a Retd. Executive Director of UCO Bank who has a good banking knowledge with close association with the operation of microfinance industry. Personally oversaw the launching, leading, and managing of various business verticals. Focused uniquely on customer acquisition which resulted in exemplary growth in the Retail Portfolio while he was with UCO bank. In the 37 years of his career he has consistently delivered strong results and offered strong strategic directions to the business through innovation and organizational leadership for sustainable growth in an evolving market. Instrumental in introducing technology centric solutions and revamped the entire IT infrastructure within the Bank.</p> <p>Apart from bank, he was also a Director in the Board of various organizations viz. Central Warehouse Corporation, New Delhi, Central Ware House Corporation, New Delhi Centre For Entrepreneurship Development Madhya Pradesh, Bhopal, Central Madhya Pradesh Gramin Bank, Chindwara MP."</p>	37 Years	1 Years

Manish Agarwalla	42 Years	Independent Director	CA	<p>Shri Manish Agarwalla, is a Chartered Accountant. He has experience of more than twelve(12)years in practice as a partner of firm Manish Agarwalla & Co. He is closely associated with a few MFIs and has a good knowledge on the operation of microfinance. He is a Registered Valuer of IBBI (SFA), Registered Insolvency Professional, Diploma of Information System Audit of ICAI(DISA),He is associated with Member of Association of Independent Directors of India, New Delhi, Life time member of All /India Federation of Tax Practitioner(AIFTP),Life Time member of Tax Bar Association, Guwahati, Managing Committee member of Association of Insolvency Professional, New Delhi,Member of Association of Valuation Professional, Mumbai, Member of Bangalore Valuers Association,First Treasurer of Laghu Udyog Bharati(LUB),Purvotar & presently a Member in the Managing Committee of LUBB,NE Region,He has been co-Chairman of PHD Chamber of commerce& Industry, NE Region.</p>	2 Years	2 Years
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Senior Management Profile

Name	Designation	Qualifications	Total Experience
Upama Goswami	Assistant Manager Accounts	B.Com	<ul style="list-style-type: none"> Upama Goswami is Assistant Manager Accounts at Nightingale Responsible for accounting for HO and Branches. Controlling and maintain the books of the accounts, looking after the computer work.
Mrinmoy Das	Manager (MIS & IT)	B.A.,P.G.D.C.A.	<ul style="list-style-type: none"> He is a Postgraduate in Arts and Post Graduate Diploma in Computer Application (PGDCA) and Diploma in Computer Software Engineering (DCSE). He is associating with the organization in MIS/IT Department from last 11 years. He is monitoring all the work of MIS /IT Department. and looking after the funders loan document preparation. Prepare and submit EPF return, TDS return, GST Return, Professional Tax Return. and prepare various report.
Anamika Kakati	Asst. Manager ,Finance	B.A.	<ul style="list-style-type: none"> She holds a Bachelor in Arts degree and has an experience of 19 years and looking after the operation and prepare NEFT sheet for all branches and prepare the operational data .
Manoj Kalita	Assistant Manager Accounts	H.S.	<ul style="list-style-type: none"> He is looking after the Accounts entries of Head office and Branches and now he looking after the BC System with IDBI Bank and NEDFI
Sanjay Paul	Asst. Manager MIS	B.A.	<ul style="list-style-type: none"> Sanjay Paul is Assistant Manager (MIS) at Nightingale. Holds 15 years experience and presently managed the BC relationship with Avanti Finance Private Limited, Reliance Capital and Arohan . He was a senior Branch Manager
Farhad Karim	Data Entry Operator	B.E	<ul style="list-style-type: none"> Farhad Karim is a Data Entry Operator at Nightingale. Manages Insurance part to all clients and prepare the data and prepare the death claim document. He also presently managed the BC relationship with Avanti Finance Private Limited

TRANSPARENCY

Governance	<ul style="list-style-type: none"> Nightingale Finvest Private Limited (here in after referred to as “NFPL”) is an NBFC and RBI issued Certificate of Registration to it as NBFC MFI bearing COR No. B.08.00184. Prior to year 2011, microfinance activities were carried out in the name of Nightingale Charitable Society which was formed on 2nd October 1997 under Societies Registration Act 1860 at Guwahati. Eventually the management of the Nightingale Charitable Society had taken over the management of a Company (NBFC) namely Aninda Investments and Finance Private Ltd which was incorporated on 13.11.1987. Finally, the name of Aninda Investments and Finance Private Ltd has been changed as Nightingale Finvest Private Ltd on 07.12.2012. Micro credit is being provided only to poor and low-income group of the society to generate more income and raising living standard. The Company has been started by a very well experienced and knowledgeable professional with vast experience and complimentary skill set in financing of MSMEs and Microfinance. NFPL is a NBFC-MFI engaged in microfinance activities and mainly focus on providing financial and non-financial services to poor inhabitants in that region. The areas where NFPL operates are regions where some of the poorest people in India live and are largely unserved by formal and informal banking facilities. The regions were identified after conducting a market research survey. Nightingale Finvest Private Limited is governed by a board consisting of 6 (Six) members and a team of experienced personnel. The majority of the governing body members have adequate experience in their respective areas of specialization. Members meet on a quarterly basis. Nightingale Finvest Private Limited has formed various monitoring committees like HR, audit, grievance redressals committee etc. The monitoring committee meets on a quarterly basis to monitor the progress and discuss the financial and operational performance of the organization.
Transparency in lending process	<ul style="list-style-type: none"> Credit policies are well-established, documented and communicated. The lending policies (including interest rate, processing fees and other charges) are clearly communicated to the borrowers at group meetings through training programs & orientations. Borrowers are made to sign a loan agreement clearly stating the terms & conditions and the covenants, thereof. The majority of borrowers are aware about the credit policies. The set of rules and regulations in relation to the lending policies are also displayed at the branches of the company on boards. Following points are also communicated through written documents: Interest rate

	<ul style="list-style-type: none"> • Processing fees • Loan tenure and payment schedule
Audit Quality	<ul style="list-style-type: none"> • The auditor has given an unqualified report and satisfactory feedback.
Internal Controls	<p>Internal Audit</p> <ul style="list-style-type: none"> • NFPL's internal audit covers operations processes both in the field and back office. The audit of field operations includes pre-inspection checks of all the forms with respect to KYC details provided by the members, ratings (high mark check) done by the Credit Officer (CO) / Branch Manager (BM), random utilization check post disbursement, tele verification of pre and post-disbursement, cross checking of area surveys, credit initiation process such as group homogeneity, CGT, GRT, loan disbursement, etc. Daily/ weekly demand projection is generated by "BIJLI" that is shared with the accounts department and the operations team. Collection entries are updated in the software once the collection is done. The MIS monitors the daily collection reports and ensures that daily collection matches the entry in the projection report. The accounts team ensures that the amount deposited in the bank matches with that of the collection amount in the daily collection report. NFPL has also adopted MFIN code of conduct and implemented the same along with fair practices code issued by RBI for client protection. • Audit of branches are conducted on quarterly basis. • Once the audit is completed, the report is prepared in a predefined format and a copy of it is report is submitted directly to the Board of Director.
Policies	<ul style="list-style-type: none"> • Credit policies are clearly defined and documented (embedded in the operation manual) • Credit policies are strictly adhered to for formation of groups, field verification and credit appraisal. • Credit policy communication is done verbally through group meetings and training sessions to the group members. • HR policies are clearly defined and documented. • HR policies encompass recruitment and selection, induction and training, performance management and compensation management.
Transparency in utilization of funds	<ul style="list-style-type: none"> • Submits information/ book debt statements as per the requirement of the lender. • Report is submitted to banks and financial institutions on a quarterly basis as per the stipulation of the lender. • Reporting to lenders on collection and delinquency is also provided on regular basis.
Grievance redressals mechanism	<ul style="list-style-type: none"> • NFPL has a grievance redressals mechanism in place with a helpline number, email id printed in the loan card/passbook and there is one designated redressal officer.

	<ul style="list-style-type: none"> The helpline will remain opened during the office hours only in all working days from 9AM to 6 PM.
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OPERATIONAL SETUP

Management	<ul style="list-style-type: none"> The board is headed by Mr. Mantu Nath Sarma, Managing Director. He has more than 19 years of experience in the financial and Microfinance sector. Nightingale Finvest Private Limited has six governing body members with strong academic and managerial expertise in finance, microfinance, banking and social developmental services. The MFI has others five directors- Mr. Pratap Chakravarty (Whole Time Director), who holds more than 19 years of experience in the same sector and other four director i.e Mr. Rukunuddin Ahmed, Mr. Oleo Bora, Mr. Biswa Bandhu Mohanty and Mr. Manish Agarwalla; all of them have long experience in the micro-finance sector.
Organizational Structure	<ul style="list-style-type: none"> Nightingale Finvest Private Limited has a well-defined organization structure with a 4-tier reporting hierarchy whereby it has, Field/Credit officers (FO/CO), Branch Managers (BM), Regional Manager (RM), Chief Executive Officer (CEO), Various Departmental Heads, Managing Director (MD), and the Board Members. The company has been able to engage professionals in different departments, all having considerable experience in their area of expertise. It has created separate departments with clearly demarcated roles and responsibilities for handling different functions. The detail organization structure is presented in Annexures 2.
Level of decentralization of branches	<ul style="list-style-type: none"> At Branch Level the Branch Manager and Credit Officer should look after the Branch administration and decorum. The Branch Manager will visit and interact with staff to know their awareness level of the organization and product for recommendation and cross verification. After the recommendation, the loan committee will approve the loan amount then the loan will be transferred to the borrower account.
Second line of leadership	<ul style="list-style-type: none"> Senior members have strong and diversified experience in the fields of microfinance, banking, financial, audit, risk and social developmental activities. The majority of the senior members understand the issues involved in day-to-day functioning and are involved in the strategic decision making of the organization. Thus, at present Nightingale Finvest Private Limited has a reasonable second line of leadership. Brief profile of the senior management is provided above.
Human resources management	<ul style="list-style-type: none"> Recruitment is done through employee referrals, a company website, advertisement etc. followed by a series of interviews with senior management.

	<ul style="list-style-type: none"> • The HR team visits respective branches and arranges interview of local candidates. • Compulsory induction training is given to all new recruits on joining for about 1 days at respectively Branches, followed by on job training. • Training is given to fresh employees by the senior management members and an experienced trainer. Apart from this, periodic training programs are also conducted for staffs on a regular basis. The senior management members participate in external training programs, workshops and conferences. • The compensation structure of the employees contains the following components: <ul style="list-style-type: none"> • Fixed Pay: The fixed pay includes Basic and a fixed amount as allowance. • Other Expenses: The employees are provided with reimbursement of their travel expenses as per the organization's policy. • All the statutory employee benefits such as PF, gratuity, ESI, etc. are being provided to all the employees. • Performance appraisal is conducted once each year. • The recruitment process is centralized at Head Office (HO) and is mainly handled by the HR manager under the guidance of the senior management. • Total staff strength of 218 employees of which 136 are Field/Credit officers as on September 30, 2024. <table border="1" data-bbox="467 1176 1431 1489"> <thead> <tr> <th>Particulars</th><th>No. of employees</th></tr> </thead> <tbody> <tr> <td>Senior Management</td><td>5</td></tr> <tr> <td>Credit Officer (CO)</td><td>136</td></tr> <tr> <td>Branch Manager (BM)</td><td>41</td></tr> <tr> <td>Asst. Branch Manager (ABM)</td><td>15</td></tr> <tr> <td>Regional Manager (RM)</td><td>4</td></tr> <tr> <td>Divisional Manager (DM)</td><td>-</td></tr> <tr> <td>Others (HO staff) –</td><td>17</td></tr> <tr> <td>Total</td><td>218</td></tr> </tbody> </table> <ul style="list-style-type: none"> • There is a well-defined promotion policy for the employees. Promotion of the employees depends upon performance, skills and written exam. The exam for the same is conducted on a half yearly basis. • Encourages active participation in workshops and external training programs conducted by banks, financial institutions, etc. 	Particulars	No. of employees	Senior Management	5	Credit Officer (CO)	136	Branch Manager (BM)	41	Asst. Branch Manager (ABM)	15	Regional Manager (RM)	4	Divisional Manager (DM)	-	Others (HO staff) –	17	Total	218
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Operational methodology	<p>Nightingale Finvest Private Limited provides loans to individual members of groups for undertaking various income generating activities.</p> <p>JLG Lending</p> <ul style="list-style-type: none"> • A dedicated team along with people from operations selects potential areas based on demographic and socio-economic profile. • The CO visits the local areas & villages, interacts with potential customers regarding NFPL's retail lending activity and their financial requirements. 																		

- The company generally tries to form a group of 10 people (between the age of 18-58 years).
- After identification of target groups, Compulsory Group Training (CGT) of 2 days duration is arranged by CO in which intending loanee members are invited to participate. In this training programmed, participants are imparted a thorough idea about the loan procedures, interest rate, processing fees and other charges, repayment schedule, insurance benefits and other loan related information etc.
- Compulsory Group Training (commonly known as CGT) is a 3 level training programmed to make the clients aware of the products, rules and procedures . By the end of the 3-level training, clients must be well versed with all the terms of the product, rules and procedures related to their social and economic development, the loan application and repayment. Through CGT regular meetings have become a habit of the clients. Timeliness and disciplines are systematically taught to clients through CGT which needs to be maintained through the entire programmed.
- Intending loanee members shall apply for loan, which shall contain purpose of the loan, loan amount. The CO shall ensure that the loan applications have been properly filled in along with KYC documents and confirm the loan policy of the organization.
- Group Recognition Test (GRT) is kind of final test for the centre GRT can be carried out only by BM. They are to be carried out at the time and venue that is convenient for the prospective clients. The BM shall refer to the GRT Form which contains details of all activities. The GRT should be completed within day after completion of 2 days of CGT.

Rationale of the GRT

- ✓ To verify the customer profile (should fit into target segment)
- ✓ To determine whether the prospective clients meet the conditions of group formation, and that they know and trust each other well, by questioning them.
- ✓ To determine the prospective clients' knowledge and understanding of agreement with the objectives and important rules of the micro finance program, particularly the verbal contract, by testing them verbally (each member must pass before the Group can be passed).

The GRT can be used as a tool to get useful feedback from the prospective clients and their husbands about the attractiveness of the micro finance program and how it could be made more attractive.

- The BM ascertains if all the members know each other and whether are they aware of their family details, income levels and repayment capability in case a particular member avails a loan.
- Once the members answer the questions satisfactorily, and group solidarity is ascertained, the group is passed and BM informs them on

	<p>the tentative disbursement date & the EMI date. This is fixed based on the slot availability of the time and date of CO.</p> <ul style="list-style-type: none"> • The BM then briefs the group on the importance of Joint Liability in availing a loan and takes verbal confirmation from the client. • Very important: If the members do not pass the GRT the BM shall in a polite manner convey his decision of not approving the loan. Further the BM shall communicate to members as to when the GRT shall be held. • For every group there is a group leader selected by the group to manage the operations of the group.
Appraisal process	<p>Appraisal Process:</p> <ul style="list-style-type: none"> • Loan application is collected by CO, who then makes a visit to the prospective member's household and/or business place and examines the credit history, business prospects and other aspects. • CO verifies borrower's repayment capacity through household visit and visit to the business entity or activity. • During appraisal, the documents that are collected from the borrower are photo, id proof, and address proof. The documentation is adequate. • Borrower's repayment capacity is further corroborated by group members. • Then CO submits the loan application to BM along with KYC documents. Branch Manager conducts the appraisal and frames his comments on the loan application. After his consent, the proposal goes to the HO credit committee, which includes Chief Operating Officer (Operations) and the Finance & Accounts Departmental Heads for final approval based on the recommendation of the Branch Manager and the past repayment history of the groups. • The operations are centralized with Head Office (HO) having the final authority for loan sanction & disbursement. However, Branch Manager is responsible for loan collection and delinquency management. <p>Credit Risk:</p> <p>To avoid credit risk, NFPL has adopted the following procedures:</p> <ul style="list-style-type: none"> ▪ Stringent Know Your Customer (KYC) policy is manifested and maintained. ▪ The Audit Executive is responsible for the accuracy of all data entries, documentation, and audit compliance. ▪ Field investigations are done by Credit Officers and Branch Manager. ▪ The software automatically prepares enquiry format in the backend for each customer and sends to CIC (through partner's credentials) and obtains a credit bureau report (CBR). RBI guidelines on multiple lending and client over-indebtedness frame the base criteria for any loan approval. Stringent appraisal system to assess the genuine need of the customer. ▪ Centralized connect with each customer for ensuring righteous and timely credit. ▪ Effective loan end use verification and loan monitoring mechanism for

	<p>credit risk management.</p> <ul style="list-style-type: none"> ▪ Constant contact with customer by field functionaries and end use verification. ▪ Adoption of UID for all loan disbursed to make the Credit Bureaus Information more reliable and reduce the systemic risk significantly. ▪ Credit and HR policies are clearly defined and documented. ▪ Credit policies are largely adhered to formation of groups, field verification and credit appraisal. ▪ Regular checks in System for better monitoring.
Disbursement process	<ul style="list-style-type: none"> • Sanctioning and disbursements of loans are made to the borrowers from Head Office through Bank Accounts of the borrowers after proper verification by the Head Office officials. Once the disbursement is made, a message is delivered to the borrower regarding the same. • Loans are disbursed only for viable projects, such as- agriculture, animal husbandry, small transport, small cottage, small business, small trading, service and sanitation. • At the time of disbursement, loan agreements are executed from the borrowers. • All disbursements are made at the branch in the presence of CO and BM and one witness from the respective group/centre other than the centre leader. The witnesses cannot be borrowers. If the disbursement is cancelled in full or part, the same has to be informed to the Regional Manager, Finance and the Operations department immediately via email. Any cancellation of loan, at the time of disbursement has to be informed to Operations and Finance to avoid future reconciliation issues. • Borrowers sign their name on the Loan Disbursement Sheet acknowledging the receipt of the loan. • Loan books are provided to borrowers and the loan register is maintained at group level. • One copy of loan agreement is provided to the customer as per their request.
Loan collection process	<ul style="list-style-type: none"> • All of the loans of NFPL are under monthly instalment method. Every credit officer has a collection register where he notes the daily demand details from the software before going to field for collections. • The collection of loan is done by mode cash and bank transfer. • The collections are made at the group meetings where the credit officer signs the loan card while collecting the amount and separate receipt is issued. The loan card also has the amount to be collected on that particular date. • The credit officer also ensures the maintenance of group register where the attendance of all the group members for the meeting and the resolution passed during the meeting where noted. Resolutions passed

	<p>also capture addition of new members to the group and minutes any other agenda points.</p> <ul style="list-style-type: none"> • Daily Repayments are collected at the pre-decided place and time by the CO and handed over to the BM.
Overdue management process	<ul style="list-style-type: none"> • Adequate risk management system for tracking over-dues and collection of delinquent loans is in place. • In the initial stages of over-due, CO does the follow up and if the overdue period is elongated then the BM steps in to make recovery. There is a well-defined process laid out for follow-up and collection of delinquent loans based on overdue bucket. In case of other cases, intervention of HO is done.
Management Information Systems	<ul style="list-style-type: none"> • The Company has the web based on-line software “BIJLI” to ensure smooth flow of operational data between Head Office and branches • This is used for maintaining MIS which will help the company better to manage the customer loan lifecycle. • It is very user-friendly software which enables proper tracking and maintaining of MIS and preparation of reports within a minute • The company has also implemented a technology enabled inbound and outbound service and also to redress their grievances. • In addition, the company has commenced digitization of all documents and records for easy storage and retrieval. • All the branches are being computerized. The loan documentation process is maintained as individual basis. • The types of reports is being generated like – Branch Summary, Demand vs Collection, PAR Report, Disbursement and Repayment Report, Outstanding Report, Route Plan, Insurance Report, Performance Report etc.
Cash management systems	<ul style="list-style-type: none"> • Nightingale Finvest Private Limited has reasonable cash management systems in place at all branches. • Nightingale Finvest Private Limited has opened separate bank accounts for each of the branches. • Branches deposits cash in the branch bank account on the same day or next day of collection. Cash vaults/Almirah is present at every branch for safe keeping of cash. • Funds that need to be transferred from HO to branches are done through RTGS. Salaries of the employees and reimbursement of expenses are paid in respective bank account. • The details of transactions for the day are updated in the MIS daily.
Insurance	<ul style="list-style-type: none"> • Nightingale Finvest Private Limited provides insurance services with The Oriental Insurance to its clients. The loan amount is covered in the case of client’s death.

SCALE OF OPERATIONS

Key Factors	As on September 30, 2024												
Client base (Number)	<ul style="list-style-type: none"> Nightingale Finvest Private Limited extends loans to JLG. The JLG groups associated with NFPL have all women members. Number of active JLG groups as on September 30, 2024 was 7610 with 53276 active borrowers. 												
Assets under management	<ul style="list-style-type: none"> Loan disbursed during FY24 was Rs. 131.28 crore and H1FY25 was Rs.48.78 crore. Total outstanding loan portfolio stood at Rs. 154.68 crore as on September 30, 2024. 												
Geographical diversification	<ul style="list-style-type: none"> Presence in 24 districts of 4 states with 52 branches as on September 30, 2024 												
Total income	<ul style="list-style-type: none"> Total income stood at Rs. 17.48 crore in FY24 												
Current year performance during H1FY25	<table> <tr> <th>Particulars</th><th>Rs in crore</th></tr> <tr> <td>Total Income</td><td>9.67</td></tr> <tr> <td>PAT</td><td>1.34</td></tr> <tr> <td>Tangible Net worth</td><td>23.08</td></tr> <tr> <td>Total loan portfolio outstanding (owned and managed)</td><td>154.68</td></tr> <tr> <td>Total debt</td><td>72.32</td></tr> </table>	Particulars	Rs in crore	Total Income	9.67	PAT	1.34	Tangible Net worth	23.08	Total loan portfolio outstanding (owned and managed)	154.68	Total debt	72.32
Particulars	Rs in crore												
Total Income	9.67												
PAT	1.34												
Tangible Net worth	23.08												
Total loan portfolio outstanding (owned and managed)	154.68												
Total debt	72.32												

SUSTAINABILITY
(Rs in crore)

Financial Performance	FY22	FY23	FY24
Interest on Loans	11.98	11.40	12.32
Processing Fee	0.49	0.52	0.63
Income from BC Services	0.27	0.89	2.89
Other Interest Income	1.12	1.19	1.45
Other Operating Income	0.03	0.04	0.19
Total income	13.90	14.04	17.48
Financial cost	7.11	7.28	8.54
Net interest income	5.99	5.31	5.24
Total operating expenses (incl. depreciation)	4.26	3.95	5.96
Total Provision / Write offs	0.00	0.00	0.00
PAT	1.87	1.94	2.09
Financial Position			
Net worth	17.34	18.90	20.74
Total Debt	65.92	57.27	76.33
Loan outstanding – own	50.16	55.13	65.03
Assets under management	62.69	88.58	137.88
Total Assets	85.08	78.43	99.04
Key ratios (%)			
Growth Ratios			
Total Assets	-2.04	-7.82	26.31
Tangible Net Worth	9.88	9.01	9.73
Total Capital Employed	-2.58	-8.49	27.36
Total Income	-8.49	1.02	24.52
PAT	790.52	3.61	7.54
Solvency Ratios			
Overall Gearing (times)	3.80	3.03	3.68
Interest coverage (times)–before provision & write offs	1.36	1.39	1.35
CAR %	31.73%	31.75%	29.43%
Profitability & Operating Efficiency Ratios (%)			
Interest income/Avg. Interest earning assets (A)	22.99	21.63	20.50
Interest / Avg. borrowed funds (B)	10.48	11.82	12.78
Interest spread (A-B)	12.50	9.81	7.72
Net Interest Margin (NIM)	11.50	10.08	8.71
ROCE	11.40	12.63	13.27
Interest / Avg. capital employed	8.41	9.11	9.83
Expenses / Avg. capital employed	5.03	4.94	6.87

Cost of capital	8.41	9.11	9.83
Net spread	3.00	3.52	3.44
Return on total assets (PAT / Avg. Total Assets)	2.18	2.37	2.35
Cost to Income ratio	62.68	58.36	66.66
Operational Self- Sufficiency	122.29	125.08	120.57
Operating expense/Total Operating Income	30.62	28.10	34.11
PAT (after deferred tax)/ Total Income	13.48	13.83	11.94
Operating Expense Ratio	8.47%	7.15%	9.17%
RONW	11.33	10.73	10.53
PAR > 30 days (%)	0.24%	1.11%	0.95%
PAR > 90 days (%)	0.46%	0.28%	0.25%

Earnings profile

- Nightingale Finvest Private Limited witnessed a continuous growth in its total income during the past three fiscals. However, due to year-on-year high loan disbursed; the company has reported net profit of Rs.2.09 crore on total operating income of Rs.17.48 crore during FY2024.
- The profitability of the company has witnessed a marginal deterioration over the last year, but the company has posted a PAT margin of 11.94% (13.83% in FY23) and ROTA of 2.35% (2.37% in FY23) respectively in FY24.
- Total AUM of the company has increased by ~36% to Rs. 137.88 crore as on 31st March 2024 as compared to Rs. 88.58 crore in the previous year. Owned portfolio of the MFI has increased to Rs. 65.03 crore as on 31st March 2024 as compared to Rs. 55.13 crore in the previous year. Further, managed portfolio of the MFI has significant increased to Rs. 72.85 crore as on 31st March 2024 as compared to Rs. 33.45 crore as on 31st March, 2023.
- NFPL capital adequacy ratio (CRAR) has marginally decreased to 29.43 per cent on March 31, 2024 as compared to 31.75 per cent as on March 31, 2023. CRAR is more comfortable than the RBI stipulated CRAR for NBFC-MFI of 15 per cent.
- The operational self-sufficiency (OSS) of the company marginally declined to 120.57% in FY2024 as compared to 125.08% in the previous year.
- The company had a gearing at 3.03x as on March 31, 2023, which has further increased to 3.68x as on March 31, 2024 on account of increase in borrowing from FIs to increase the lending operation, which resulted in, the capital structure continued to remain moderate impacting financial flexibility.
- PAR> 30 days has marginally improved from 1.11% as on March 31, 2023 to 0.95% as on March 31, 2024. Further, PAR> 90 days was improved from 0.28% as on March 31, 2023 to 0.25% as on March 31, 2024.

Asset Quality (NPA Profile):
(Rs. Cr.)

Particulars	FY22	FY23	FY24	30-09-2024
Gross NPAs	0.39	0.40	0.38	0.38
Net NPAs	0.08	0.09	0.07	0.07
Gross NPA/ Gross Advances (%)	0.78%	0.73%	0.58%	0.52%
Net NPA / Net Advances (%)	0.16%	0.16%	0.11%	0.10%
Net NPA / Net worth (%)	0.46%	0.48%	0.33%	0.32%

Asset quality remained stable with marginal improvement in GNPA and NNPA in FY24.

Operational Sustainability

Operational Sustainability	
Second line of leadership	<ul style="list-style-type: none"> Majority of the senior members understand the issues involved in day-to-day functioning. Involved in strategic decisions as they have developed a good understanding of the microfinance sector. Senior members are experienced in fields like microfinance, banking, financial, and social developmental activities.
Competition	<ul style="list-style-type: none"> NFPL is operating in the 4 states i.e Assam, Meghalaya, Arunachal Pradesh and Mizoram and the state has high penetration of MFIs given the limited reach of the formal banking system. However, the company is mostly targeting areas which still have limited competition. As on September 30, 2024, NFPL portfolio is concentrated in the state of Assam accounting ~87 percent and ~13 percent in other 3 states. To mitigate any potential risk arising out of geographical concentration, NFPL has been diversifying its presence across states.
Industry Outlook	<p style="text-align: center;"><u>Industry Risk Analysis</u></p> <ul style="list-style-type: none"> Credit risk is the most common risk for MFI. The risk is of greater significance for MFIs as it must deal with many clients with limited literacy. Further, MFI provides unsecured loans, i.e., loans without any collateral. Transaction risk is related to the individual borrower with which the MFI is transacting. A borrower may not be trustworthy and capable of repaying loans which will result in loss of loan. All loss of loan related to the delinquency of individual clients which can be because the client's migration, wilful defaulting, business failure, etc. Portfolio risk is related to factors, which can result in a loss in a particular class or segment of the portfolio. For example, an MFI may lose a portfolio with a particular community, locality, or a particular trade due to some external reasons. These reasons could be political, communal, failure of an industry /trade, etc. Delinquencies can also happen as an aftermath of a natural disaster such as floods, drought, earthquakes, or epidemic. <p style="text-align: center;"><u>Industry Outlook:</u></p>

	<ul style="list-style-type: none"> The outbreak of COVID-19 had significantly impacted the operations of Micro Finance Institutions (MFIs). The MFI sector which has registered the CAGR growth of over 35% in last five years, amidst this pandemic crisis, faces serious challenges on collections, asset quality and cash flow management. Due to the moratorium, the collection level has been severely impacted in turn affecting cash flow and ALM. The industry started to gain momentum in Q2-FY2021 with the ease of nationwide lockdown. Broadly, the disbursement was back to pre-covid level as on December, 2020. Disbursements have partly picked up since many players are resorting to lending to existing borrowers so as to help them repay and tide over the stress. In the context of the re-emergence of asset quality stress in the second wave of COVID 19, RBI's measures to provide better funding access to the sector came in a timely manner. RBI has announced in its latest relief package on May 5, 2021, that SFBs can tap a Rs 10,000 Cr special long term repo operations (SLTRO) funding programme which can provide funds at the repo rate of 4.0% for a tenor upto 3 years. The sector started showing improvements right from the Q1 of FY 2023 as Y-O-Y growth was almost close to the pre-pandemic level and overall, on-time repayment rate surpassed than 95% backed by the revival of demand and improvement in overall business environment. Total AUM of the sector stood at Rs. 3,51,521 crores as on Q4 of FY2023. The sector continued its upward trend further in FY2024, while total AUM of the sector had grown to Rs. 3,93,165 crores as of Q3-FY2024 registering a growth of ~12% over the Q4-FY2023. Asset quality indicators in all time brackets had improved in FY 2024 over the previous year. Overall PAR>30 days and PAR>90 days of the sector had improved to 2.24% and 1.04% respectively as on Q3-FY2024.
Loan Products	Nightingale Finvest Private Limited offers two loan products as on March 31, 2024. Details on the loan product are provided in the Annexure 3 . The company provides loans to the JLG members based on their requirements.
Access to funds and ability to raise funds	Nightingale Finvest Private Limited has access to funds from bank and financial institution, on the back of its satisfactory operational and repayment track record.
Vision	In coming years, Nightingale Finvest Private Limited plans to expand its branch network in and around the above-mentioned states.
Efforts to increase outreach and coverage	<p>Nightingale Finvest Private Limited is expecting significant increase in its income from micro financing activities with proposed scaling up of its operations in other districts of the existing states.</p> <p>Microfinance business was in a subdued state since last few years as the financial institutions have reduced lending to microfinance sector due to occurrence of some chit fund activities and covid impact on the rural economy.</p>

ANNEXURES

Annexure 1: Projected Financials

(Rs. crore)

Particulars	31-Mar-25	31-Mar-26	31-Mar-27
	Projection	Projection	Projection
Income			
Interest income from loan	19.45	27.39	42.07
Processing Fee	1.02	1.52	2.28
Other income	1.25	1.87	2.81
Other Finance Income	5.52	8.28	12.42
Total revenue	27.24	39.08	59.59
Expenses			
Depreciation and amortization expenses	0.11	0.15	0.19
Provision for Doubtful Debt	0.29	0.49	0.70
Other operating cost	5.11	6.98	9.07
Provision for Taxes	0.00	0.00	0.00
Other expenses	3.01	3.91	5.09
Total expenses	8.52	11.53	15.05
Interest	12.91	18.37	27.56
Profit before tax	5.79	9.17	16.98
Tax	1.74	2.75	4.31
Deferred tax credit	0.00	0.00	0.00
Profit for the year	4.05	6.42	12.67

Balance Sheet

(Rs. crore)

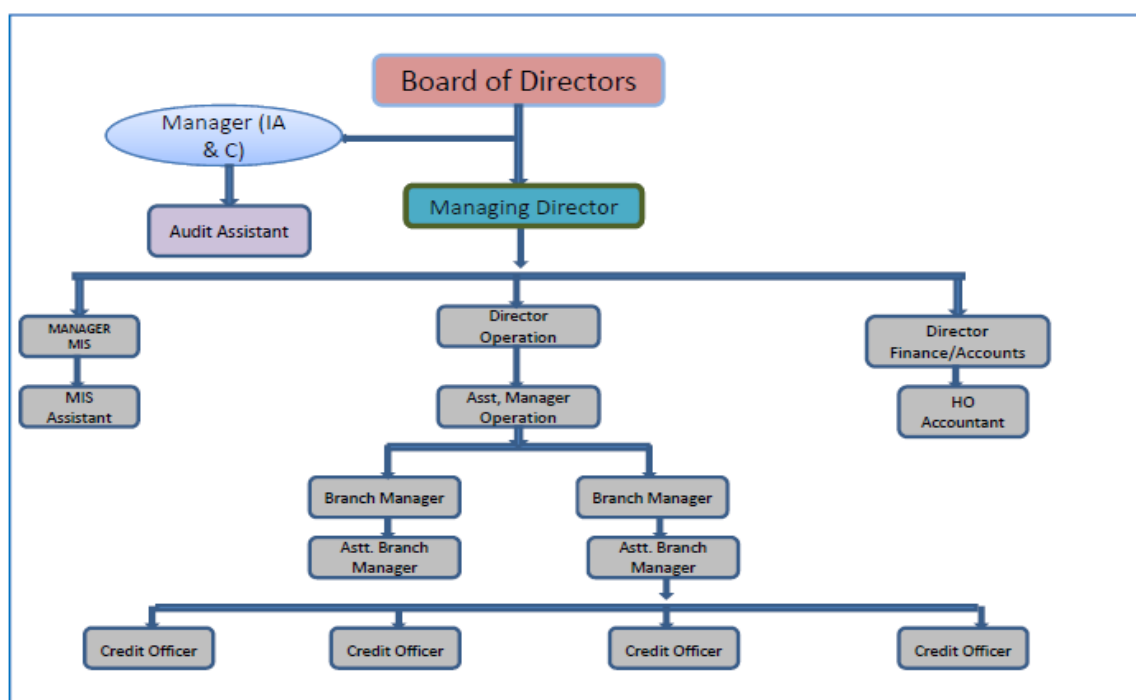
Particulars	31-Mar-25	31-Mar-26	31-Mar-27
	Projected	Projected	Projected
Equity and liabilities			
Shareholders' funds			
Equity Share Capital	8.63	13.63	18.63
Preference Share Capital	5.00	7.00	8.00
Reserves and surplus	16.92	23.34	36.01
	30.55	43.97	62.64
Non-current liabilities			
Long-term borrowings	47.36	72.04	109.06
Long-term provisions	0.00	0.00	0.00
Other non-current liabilities	0.00	0.00	0.00
	47.36	72.04	109.06
Current Liabilities			
Short-term borrowings	61.82	87.04	124.33
Short-term provisions	0.06	0.09	0.13
Other-Current Liabilities	5.38	7.56	10.64
	67.26	94.69	135.10
TOTAL LIABILITIES	145.16	210.69	306.81
Assets			

Non-current assets			
Fixed Assets	0.50	0.68	0.95
Loan Portfolio (Own)	34.14	51.20	76.81
Other non-current assets	0.00	0.00	0.00
	34.64	51.88	77.76
Current assets			
Cash and bank balances	7.54	9.05	10.86
Loan Portfolio (own)	63.40	95.09	142.64
Fixed Deposit	32.01	44.81	62.74
Investment	0.04	0.04	0.06
Other current assets	7.55	9.81	12.76
	110.54	158.80	229.06
TOTAL ASSETS	145.16	210.69	306.81

ANNEXURE 2: Organisational Structure

- Nightingale Finvest Private Limited has a well-defined organisation structure, with clear departmental demarcation. All major departments are controlled from head office.

Organisational Structure



ANNEXURE 3: Loan Products

Product Name	JLG	Individual
Client	Women	Women
Age Limit (yrs)	18 to 60 Years	18 to 60 Years
Loan Tenure	12/18/24 Months	12/18/24 Months
Loan Size (Rs.)	10,000 to 1,00,000	20,000 to 1,00,000
Repayment	Monthly	Monthly
Interest Rate	24.00%	24.00%
Processing Fees	1% Loan Amount	1% Loan Amount
Insurance	Insurance Premium i.e. @ 6.00 per thousand for Both Borrowers and Co-borrowers	Insurance Premium i.e. @ 6.00 per thousand for Both Borrowers and Co-borrowers

Annexure 4: Asset Profile

(Rs. Crore)

Particulars	March 31, 2022		March 31, 2023		March 31, 2024	
	Amount	%	Amount	%	Amount	%
Loan portfolio Actual	50.16	58.96%	55.19	70.37%	65.03	65.65%
Investments	0.04	0.05%	0.04	0.05%	0.04	0.04%
Fixed Assets	0.10	0.12%	0.09	0.11%	0.15	0.15%
Deferred Tax Assets	0.10	0.12%	0.09	0.11%	0.09	0.09%
Other non-current assets	0.00	0.00%	0.00	0.00%	0.00	0.00%
Cash & Bank Balances	30.63	36.00%	19.10	24.35%	28.79	29.07%
Other current assets	4.05	4.76%	3.92	5.00%	4.95	5.00%
Total Assets	85.08	100.00 %	78.43	100.00 %	99.05	100.00 %

Annexure 5: Diversified resource profile

(Rs. Crore)

	FY22	FY23	FY24	30-9-2024
Net worth	13.74	15.30	20.74	21.85
Term Loans banks and financial institutions	65.92	57.27	76.37	75.25
Bank borrowing (CC)	0.12	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00
NCD	0.00	0.00	0.00	0.00
Preference share capital	3.50	3.50	3.50	3.50

The company's resources mainly comprise term loans from banks and other financial institutions, apart from the net worth and preference share capital. These are long-term loans and carry floating interest rates with pre-defined maturities.

Annexure 6: Portfolio Details

6.1 State-wise portfolio concentration

(Rs. crore)

State	FY22		FY23		FY24		30-9-2024	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Assam	57.78	92.20%	78.94	89.13%	118.76	86.13%	134.88	87.20%
Meghalaya	0.88	1.40%	1.84	2.08%	1.72	1.25%	1.66	1.07%
Arunachal Pradesh	2.64	4.21%	2.85	3.22%	4.06	2.94%	5.07	3.28%

Mizoram	1.37	2.19%	4.94	5.58%	13.34	9.68%	13.07	8.45%
Total	62.67	100.00%	88.57	100.00%	137.88	100.00%	154.68	100.00%

6.2 Purpose wise loan outstanding

(Rs crore)

Purpose of loan	31-03-2022		31-03-2023		31-03-2024		30-09-2024	
	No of loans	Outstanding	No of loans	Outstanding	No of loans	Outstanding	No of loans	Outstanding
Agri and agri-allied activities	5288	8.93	5471	12.79	7853	25.81	8324	34.64
Small business, trading, manufacturing, etc.	27911	48.33	28967	68.42	33859	94.12	38637	101.61
Service activities	3857	5.41	3793	7.36	5958	17.95	6315	18.43
Total	37056	62.67	38231	88.57	47670	137.88	53276	154.68

6.3 Loan cycle wise loan outstanding

(Rs. crore)

Particulars	FY22	FY23	FY24	30-9-2024
	Amount	Amount	Amount	Amount
1st Cycle	29.57	36.59	41.11	43.58
2nd Cycle	22.14	34.77	45.36	48.08
3rd Cycle	6.53	10.25	25.02	26.05
4th Cycle	4.44	6.97	26.39	36.97
Total:	62.67	88.58	137.88	154.68

6.4 Loan amount wise loan outstanding

(Rs. Crore)

Amount	FY22	FY23	FY24	30-9-2024
	Amount	Amount	Amount	Amount
0-10000	0.11	0.35	0.00	
10001-20000	2.35	3.25	5.11	5.67
20001-30000	19.45	21.98	27.24	30.24
30001-40000	21.16	22.36	28.80	33.60
40001-50000	13.65	23.54	21.75	24.14
50001-60000	3.65	3.28	18.55	20.59
60001-70000	1.25	6.56	15.73	17.46
70001-80000	1.05	1.50	5.36	5.95
80001-90000		0.81	3.57	3.96
90001-100000		0.56	0.14	0.16
100000 above		4.39	11.63	12.91
Total	62.67	88.58	137.88	154.68

6.5 Asset Liability Maturity Profile as on March 31, 2024

(Rs. In Crore)

As on March 31, 2024	31-03.2024	Up to one Month	Over one Month to 2 Months	Over 2 Months upto 3 Months	Over 3 Months upto 6 Months	Over 6 Months to 1 Year	Over 1 Year to 3 Years	Over 3 Years to 5 Years	Over 5 Years	Total
Assets:										
Loans & Advances	65.02	4.23	4.16	4.02	10.5	19.36	22.75			65.02
Fixed Asset/Intangible assets										-
Cash & Bank Balances	6.63	6.63	0	0	0	0	0			6.63
Cash collateral	22.86	0.7	0	0.5	4.4	8.03	9.23			22.86
Other Assets	4.77			0.5	0.7	1.2	2.37			4.77
Total	99.28	11.56	4.16	5.02	15.60	28.59	34.35	-	-	99.28
Liabilities:										-
Borrowings from Banks/FIs	76.36	3.87	3.81	3.74	10.2	18.89	35.85			76.36
Current Liabilities	1.98				0.7	1.28				1.98
Deferred Tax Liability										-
Long Term Provisions										-
Total Equity	20.94					20.94				20.94
Total	99.28	3.87	3.81	3.74	10.90	41.11	35.85	-	-	99.28

6.6 Maturity profile of portfolio

(Rs. crore)

As on March 31	FY22			FY23			FY24		
	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%	No. of loans	Value of Portfolio	%
1-30 DAYS	548	1.03	2.06%	525	0.38	0.69%	482	0.28	0.43%
31-60 DAYS	186	0.14	0.28%	311	0.21	0.38%	305	0.25	0.38%
61-90 DAYS	31	0.05	0.11%	177	0.10	0.19%	192	0.22	0.34%
91-120 DAYS	78	0.04	0.08%	129	0.08	0.14%	132	0.12	0.18%
121-180 DAYS	29	0.03	0.05%	288	0.19	0.34%	205	0.14	0.22%
181-365 DAYS	83	0.11	0.23%	26	0.03	0.05%	32	0.04	0.06%
MORE THAN 365 DAYS	188	0.21	0.42%	80	0.11	0.21%	101	0.09	0.14%
ONTIME	27854	48.55	96.78%	24695	54.03	98.00%	23715	63.89	98.25%
Total portfolio	28997	50.16	100.0%	26231	55.13	100.00%	25164	65.03	100.00%

6.7 Bifurcation of AUM:

(Rs. crore)

Period ended	31-Mar-22	31-Mar-23	31-Mar-24	30-Sept-24
Managed portfolio (BC etc.)	12.53	33.45	72.85	81.03
Own loan portfolio	50.16	55.13	65.03	73.65
AUM (Rs.cr.)	62.69	88.58	137.88	154.68

Appendix

Infomerics Analytics & Research MFI Grading

Grading Framework

Infomerics Analytics & Research MFI Grading is a one-time assessment of a Micro Finance Institution (MFI's) operational and financial capability to undertake and sustain the targeted level of operations. IAR evaluates an MFI under a four point framework:

- i. Transparency
- ii. Operational setup,
- iii. Scale of operations and
- iv. Sustainability

The various aspects covered under each parameter are given below:

<p><u>I. TRANSPARENCY</u></p> <ul style="list-style-type: none"> • Governance • Transparency in lending process • Audit quality • Policies • Internal controls • Transparency in the usage of funds <p><u>II. OPERATIONAL SETUP</u></p> <ul style="list-style-type: none"> • Promoter/owner background • Management assessment • Organizational Structure • Management information system • Underwriting/appraisal and sanctions • Quality of collection and monitoring • Risk management systems • Credit Discipline of borrowers 	<p><u>III. SCALE OF OPERATIONS</u></p> <ul style="list-style-type: none"> • Geographical spread of operations • Outreach • Variety of loan Products <p><u>IV. SUSTAINABILITY</u></p> <p><i>a) Financial Sustainability</i></p> <ul style="list-style-type: none"> • Resource Profile • Cost Structure • Interest rate policies • Capital Adequacy • Asset quality • Earnings • Liquidity and Asset Liability Management <p><i>b) Operational Sustainability</i></p> <ul style="list-style-type: none"> • Succession planning • Competition • Resource arrangements • Vision • Efforts to increase outreach and coverage
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